

power with heart

We wish to be a source of power for our customers and communities by serving them with sincerity and passion.

Kansai Electric Power Group Report

2019

CSR & Financial Report



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Editorial Policies

This report presents information on the CSR initiatives and financial performance of the Kansai Electric Power Group, thus conveying a comprehensive image of our business operations to our stakeholders. It features content of interest primarily to stakeholders and of particular importance to us. Our CSR initiatives, which are based on our six CSR Action Principles, are each introduced in separate sections of this report for ease of understanding.

Reference guidelines, etc.

GRI/the 2016 GRI Sustainability Reporting Standards, the GRI Sustainability Reporting Guidelines (G4) (Disclosure items by industry)
Ministry of the Environment / Environmental Report Guidelines (2018 Edition)
ISO 26000
IIRC / International Integrated Reporting Framework
Ministry of Economy, Trade and Industry / Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation
Ministry of Economy, Trade and Industry / Guide for SDGs Business Management

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Scope of Report

Period covered: April 1, 2018 to March 31, 2019
(We will also report on important information that may fall outside of that time frame.)
Companies covered: The Kansai Electric Power Co., Inc., and Kansai Electric Power Group companies. "The Company" refers to the Kansai Electric Power Co., Inc.; the names of the various group companies are clearly stated in the relevant text.

Caution Concerning Forward-Looking Statements

Information contained in this report regarding future projections related to the Group's plans, strategies, and anticipated performance is based on information currently available, and involves potential risks and uncertainties. For this reason, the actual performance and business environment may differ from what is projected in this report due to changes in various factors, including changes in the economic situation, market trends, and revisions to relevant laws and regulations.

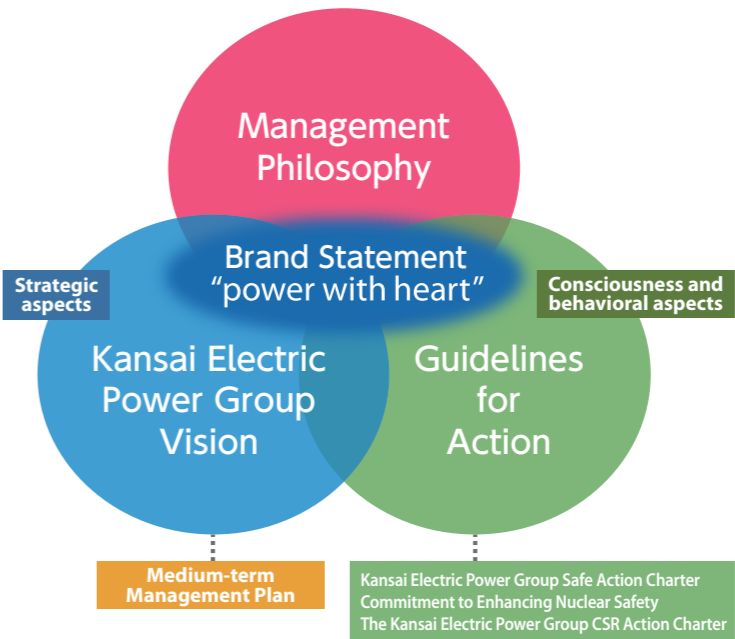
Outside Evaluations

In addition to managing with CSR and ESG in mind, the appropriate information disclosure and other responses to the expectations of society of our corporate group have been positively evaluated around the world. As of July 2019, our stock has received the following designations.

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

Member of SNAM Sustainability Index
2019

The Kansai Electric Power Group Has a Solid Sense of Values



Management Philosophy

By giving top priority to safety and fulfilling social responsibilities as the axis of business management and upholding our mission of "continuing to serve our customers and communities," we at the Kansai Electric Power Group will realize a bright, affluent future and keep close relationship with our customers and communities into the future.

Kansai Electric Power Group Vision

What we aim to be in the future
We will provide a wide range of safe, comfortable and convenient services from a viewpoint of our customers and business partners, and gain their trust to be selected as the best partner in everyday life and business so we keep growing at home and abroad while fulfilling our resolve to play expected role as Japan's leading company in the energy sector.

Our policies
We will work to do the following based on our Guidelines for Action.

- Delivering services from the customer's perspective
- Being selected as the best partner and continuing to grow
- Fulfilling expected role as Japan's leading company

Guidelines for Action

Based on the concept of valuing people, the Kansai Electric Power Group will contribute to sustainable development of communities through fair business activities. Each one of our directors and employees will demonstrate a "sense of mission" and "spirit of challenge" which have been cultivated so far and give our best in our duties as a good member of society and also fulfill the following fundamental responsibilities.

- Fundamental Responsibilities**
- Give top priority to ensuring safety.
 - Surely implement CSR.
 - Keep changing to accomplish our abiding mission.

power with heart

We wish to be a source of power for our customers and communities by serving them with sincerity and passion.

We will meet your expectations with sincerity and passion.

We wish to express our deep gratitude to all of you for the exceptional consideration.

In fiscal 2018, as the ferocity of competition increased in our primary business of comprehensive energy supply, our corporate group reduced the electricity rate for another year. As a result of this reduction and other factors, our electricity sales volume increased for the first time in eight years, and we also surpassed the major benchmark of 1 million "Kanden Gas" subscribers.

Moreover, we achieved most of the financial targets set in our Medium-term Management Plan (2016-2018) as a result of actively advancing efforts in international, information and telecommunications, and real estate business fields.

This is truly thanks to the support we have received from all of you, and we once again would like to express our gratitude.

We recently formulated a new Medium-term Management Plan (2019-2021) for our corporate group. In the execution of this plan, we will continue to focus on our key guidelines of "safety as our top priority" and "fulfilling corporate social responsibilities" as we continue to steadily fulfill our duty to provide a safe and stable power supply. In particular, serious natural disasters occurred one after another in fiscal 2018, and we caused inconvenience and trouble to numerous stakeholders. Taking this responsibility sincerely, we will strive to establish the foundations for a rock-solid safe and stable power supply by putting into practice various measures that we have investigated extensively.

In addition to providing electricity and gas, by expanding our group products and services and delivering a wide range of "safe, comfortable and convenient" energy services, we want to be trusted and chosen by customers so that we can come out on top of fierce competition.

Furthermore, peering into the future, we predict that the global energy market will face a new "3D+D" trend of "Decarbonization," "Decentralization" and "Digitalization" as well as "*Denka* (electrification)." By responding to these changes and maximizing the comprehensive strengths of our group to create new value, we aim to maintain our position solid as a Japan's leading company in the energy sector.

Specifically, we will continue to respond to the issue of climate change and otherwise lead in the reduction of environmental impacts with nuclear power generation and renewable energy sources as our "two wheels." In addition, we will work to create new businesses and services in business fields outside the energy sector. As a driving force for such efforts, we will realize digital transformation, which transforms enterprise through the application of digital technologies, in the entire company. We will continue to fulfill roles in solving various problems of our customers and society as a major player of a "shared infrastructure supporting the realization of a sustainable society in the future."

We will keep advancing diligently as a corporate group that can provide new value to our customers and society, taking to heart the motto of this plan, "Going a step ahead, looking to the future. FORWARD!!!"

We ask all of you to continue to provide your unchanging support and encouragement in the future.



Makoto Yagi
Chairman and Director

Shigeki Iwane
President and Director

We seek to establish a solid position as a Japan's leading company in the energy sector.

By expanding our reach from existing electricity and gas businesses to encompass new energy businesses with utilizing the technological expertise and other assets we have cultivated, and by accelerating efforts toward overall optimization as a comprehensive energy business, we seek to establish a solid position as a leading company in the energy sector in Japan.

Comprehensive energy business



Electricity supply

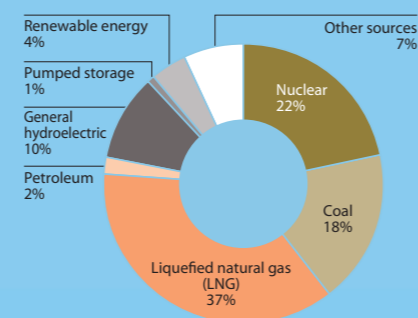
Through the flexible and steady procurement of fuel and power generation using a well-balanced combination of diverse power supplies, we are stably delivering electricity to customers and providing, for example, services that are helpful in their lives.



Gas supply

In addition to serving our factory and commercial facility customers, we have been selling city gas to households, shops and other customers since April 2017.

Composition of power sources
(supply and demand record by source)



Capacity of power-generating facilities
(breakdown by power source)
(as of the end of May 2019)

Thermal power	16,966 MW	(11 facilities)
Hydroelectric power	8,230 MW	(152 facilities)
Nuclear power	6,578 MW	(3 facilities)
Renewable energy	11 MW	(3 facilities)

While assuring stable power supply, we will keep creating new services and advancing together with local communities.

In addition to continuing to guarantee neutral and fair transmission and distribution businesses and provide customers with safe and stable power at low cost, offering appealing power system utilization services that can be used securely as the foundation, we will create new services for a future in order to pursue the growth, and advance together with local communities.

Transmission & Distribution business



In order to assure stable supply from a neutral and fair stance, we are maintaining the balance of supply and demand in the Kansai area, constructing and maintaining transmission and distribution facilities.

Main electric power systems of the Kansai Electric Power Company

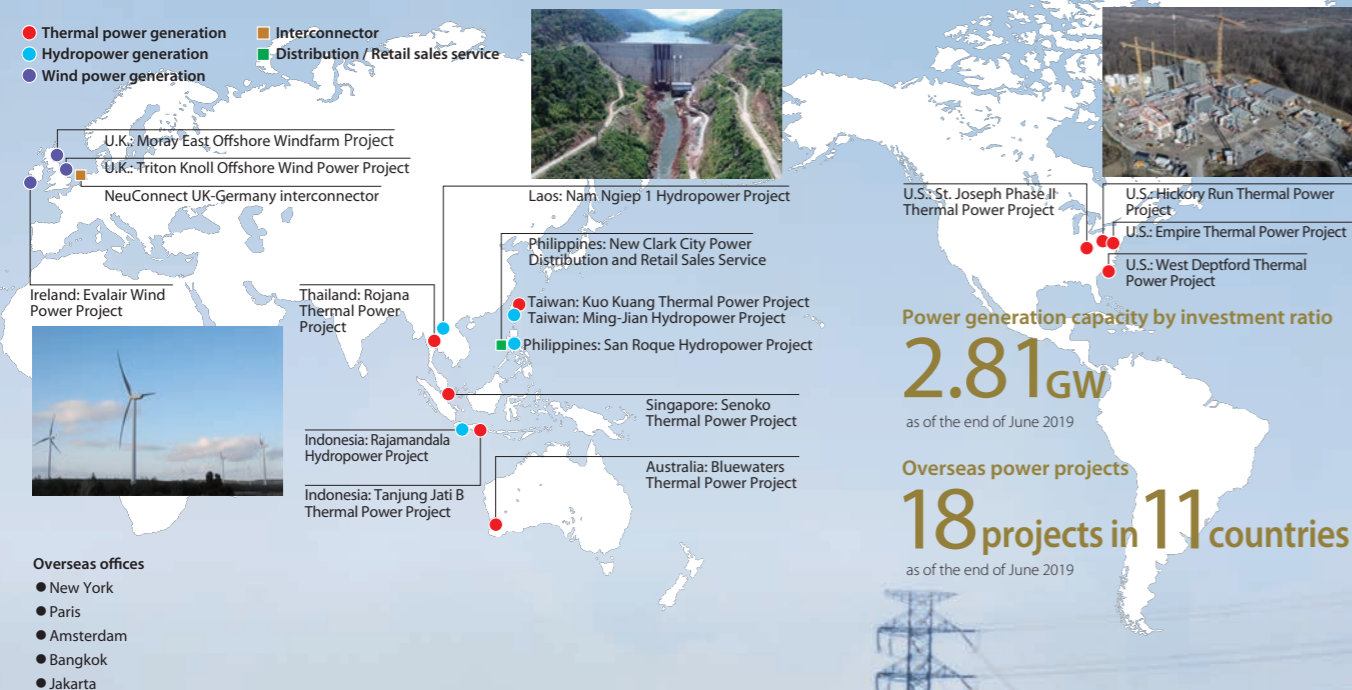


We will create highly-added value globally in developing and operating power business in the regions where our projects are implemented and firmly rooted like trees.

Utility business models are now in a perpetual transformation due to global megatrends such as SDGs, ESG and decarbonization. By getting a quick and accurate grasp of such changes in the energy business, we are committed to expanding into new fields of business and exploring new business opportunities.

Overseas power business and international contribution

We have participated in power generation and transmission projects across 11 countries worldwide including Asia, Europe and the U.S. by utilizing the experience and expertise cultivated in our international business for more than 20 years. In developing countries, we have been undertaking international cooperation and contribution activities through consulting and workshops with regard to their power infrastructure improvement and development. Utilizing our overseas bases established in Europe, the U.S. and Asia, we are also exploring to create new business opportunities.



Indonesia: Rajamandala Hydropower Project

We will pursue further growth through businesses in information and telecommunications (IT) and life/business solution fields.

We will seek to become an IT business that is chosen by customers throughout the country by strengthening our customer base and creating added-value services.

With our life/business solutions business, we will contribute to reinforcing trust in our Group and increasing group earnings by providing a variety of services that are useful in life and business. In the real estate business, we aim to become a comprehensive real estate business group that can respond to every kind of real estate need, using a well-balanced combination of rental, condominium and fee businesses.

Information & Telecommunications business



Arranging an extensive menu of options properly that respond to customer needs, we are providing comprehensive IT services for households and business firms utilizing AI, IoT and other digital technologies.



Number of eo Optical Fiber FTTH contracts

About **1.64 million**

As of the end of March 2019

Number of mineo cell phone service contracts

About **1.1 million**

As of the end of March 2019

Life/Business solution business



We provide services related to real estate that is familiar to customers as residences, places of business and daily life, including the development of condominiums and other buildings that consider energy conservation.



Number of "Cielia" brand residences supplied

1,758 units

Total of condominium units and detached houses with residential land development completed since starting to supply Cielia brand residences (fiscal 2016) until fiscal 2018

Participation in overseas projects

7 projects

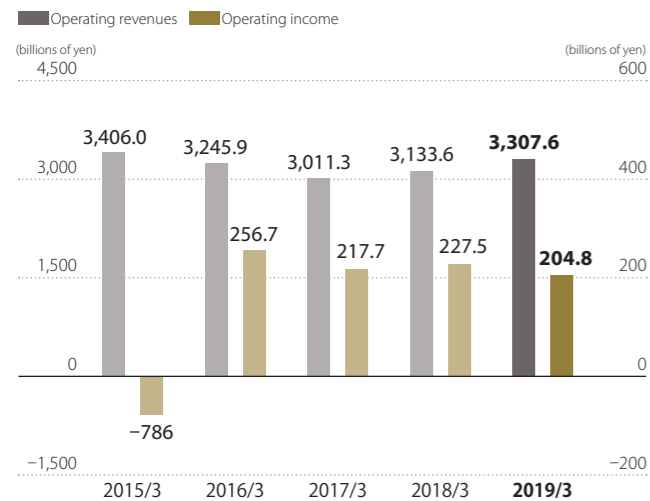
Number of projects invested in since the first overseas real estate business (fiscal 2017) until fiscal 2018



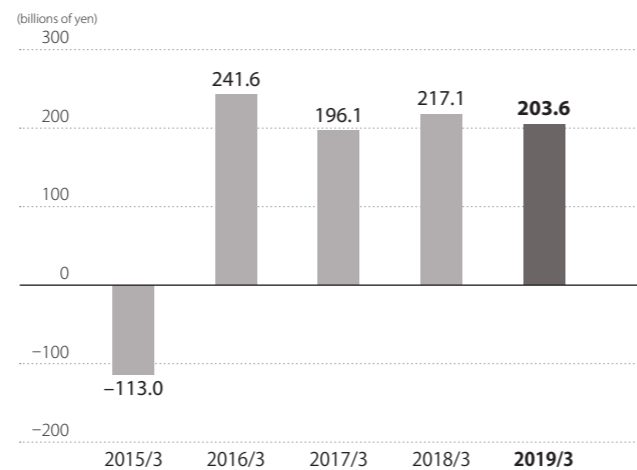
We provide services that support the security, comfort and convenience of our customers in a variety of situations in daily and business life, such as home security, health care and temporary employee placement.

Financial

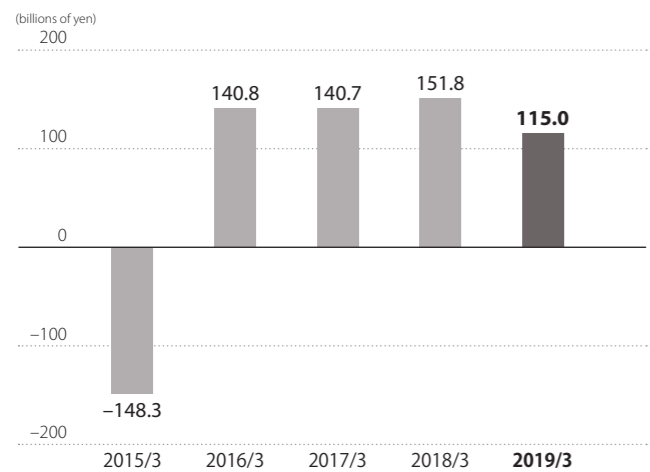
Operating revenues / Operating income



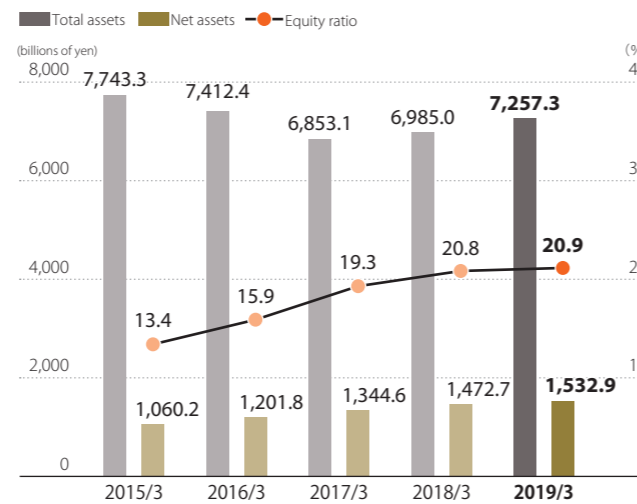
Ordinary income



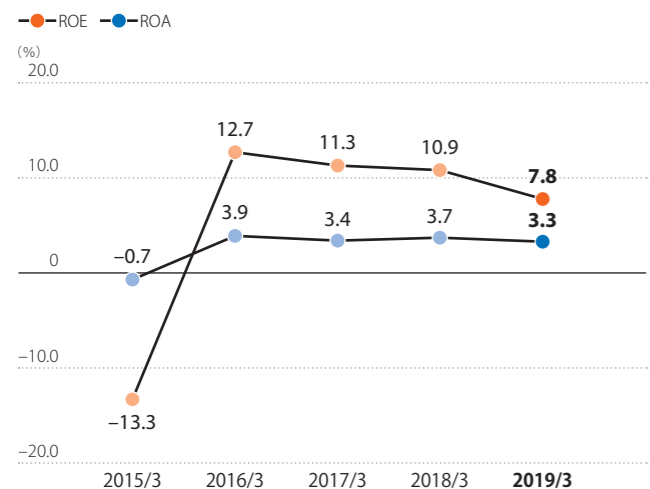
Net income attributable to shareholders of the parent for this fiscal year



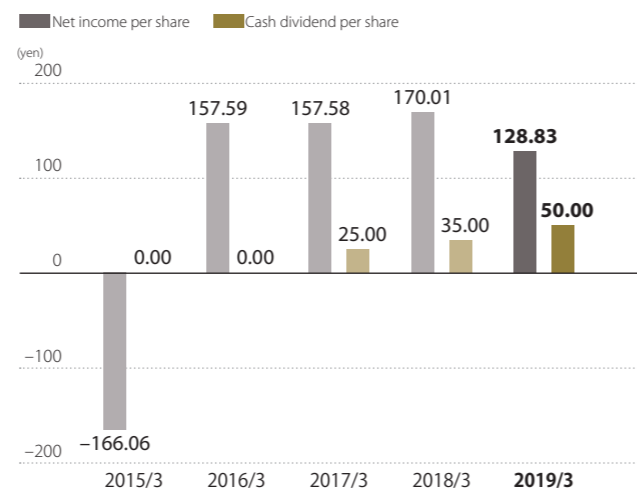
Total assets, Net assets, Equity ratio



ROE, ROA

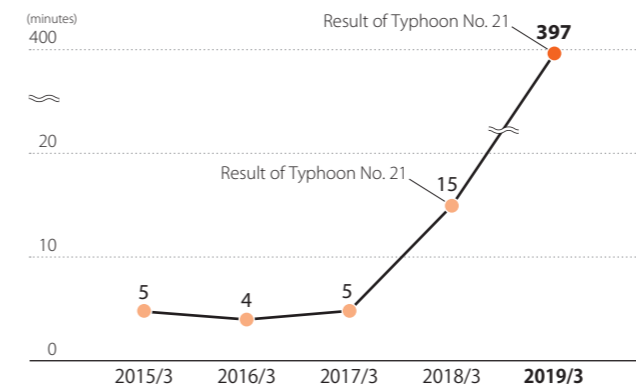


Net income per share / Cash dividend per share



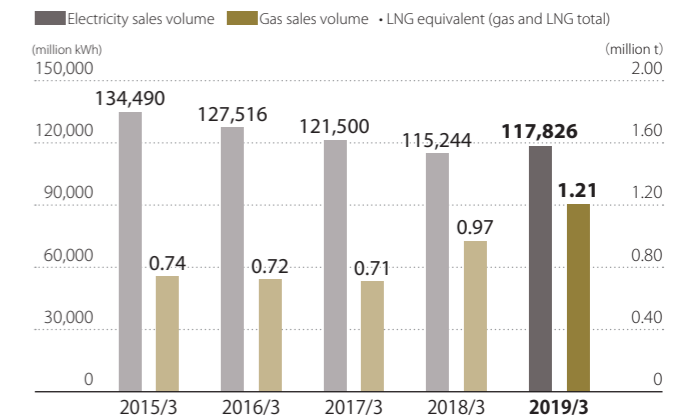
Nonfinancial

Annual duration of power outage per household



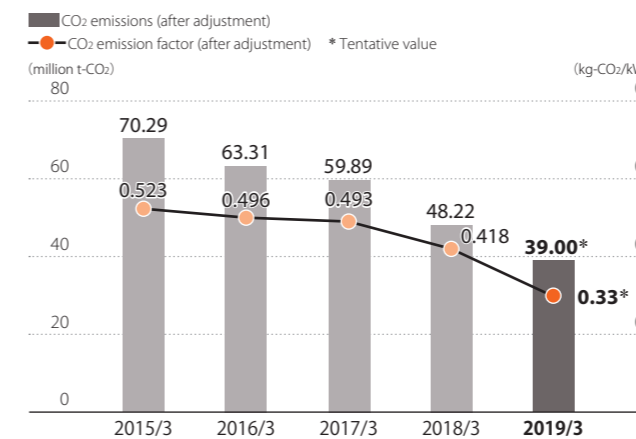
We are working diligently to run power grids reliably, arrange facilities optimally and prevent the recurrence of accidents. As a result of these efforts, with the exception of major natural disasters, we are maintaining one of the world's highest power quality levels in the transmission and distribution business.

Electricity sales volume / Gas sales volume



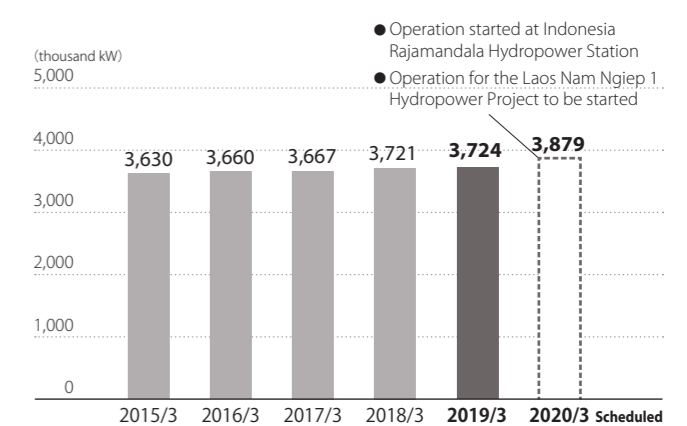
In order to have customers choose our company, we are providing products and services as a comprehensive energy business that supplies not only electricity but also gas.

CO₂ emissions / CO₂ emission factor



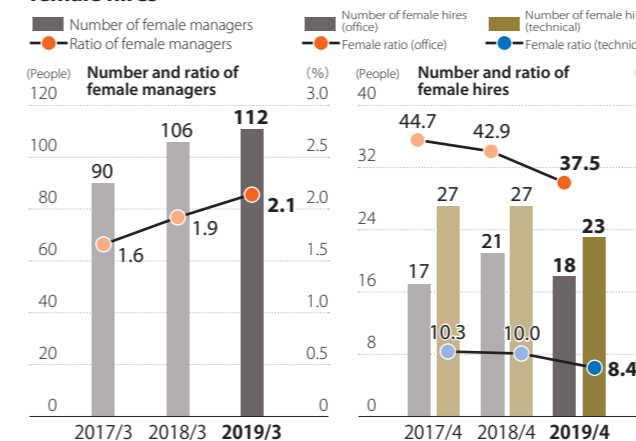
We are working to reduce the carbon impacts of electricity that we provide to customers, starting with efforts for the operation of nuclear power plants with safety as the first priority. Our efforts also include the development and popularization of renewable energies as well as the maintenance and improvement of the thermal efficiency of thermal power plants.

Accumulated capacity of renewable energy source facilities



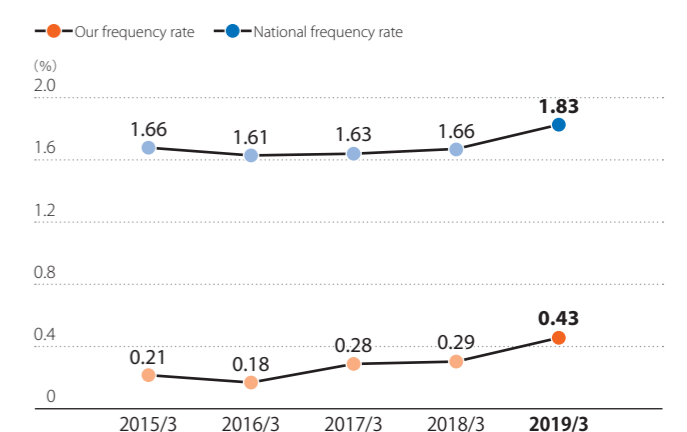
With the set target of 6 million kW capacity of renewable energy source facilities in Japan and overseas by the 2030s, we will work to newly develop more than 2 million kW as a leading "low carbon" company.

Number of female managers and Number of female hires



To further promote the active participation of female employees, we have set female employment target ratios for management staff as well as those for office and technical staff, and we are working to achieve them.

Accident frequency rate



When accidents occur, we formulate recurrence prevention measures based on the results of investigations and analyses. By rolling these out consistently throughout the company, we are striving to achieve "zero accidents."



Shigeki Iwane

President and Director

We will provide new value that only the Kansai Electric Power Group can.



Looking back, how do you evaluate fiscal 2018 performance?



We steadily pressed forward with efforts for the three pillars of our Medium-term Management Plan and were able to deliver results.

We steadily pressed forward with efforts for “the enhancement of competitiveness in the comprehensive energy business,” “the establishment of new pillars for growth” and “the strengthening of group management foundations,” which are the three pillars of our Medium-term Management Plan (2016-2018). Consequently, I believe we were able to produce steady financial results in fiscal 2018, as our consolidated ordinary profits were 203.6 billion yen, achieving financial target of 200 billion yen in the Medium-term Management Plan. We also increased annual dividends to shareholders by 50 yen per share.

Enhancement of competitiveness in the comprehensive energy business

For our first pillar, the “enhancement of competitiveness in the comprehensive energy business,” we achieved great results even as competition becomes more severe since the full liberalization of the retail market for electricity and gas.

In fiscal 2018, Ohi Power Station Units 3 and 4 resumed their full-scale operation, and we implemented electricity rate reductions again, as in fiscal 2017. Due to this and other factors, our electricity sales volume increased for the first time in eight years since fiscal 2010. “Nattoku Packs,” which combine electricity and gas, have been recognized for their economic and other benefits by numerous customers and shifted to extremely good sales results. In addition, we broke one million subscribers to “Kanden Gas” by the end of the fiscal year.

Furthermore, for nuclear power generation, we became the first company which determined operation policies for all

			(billions of yen)		
			FY 2017	FY 2018	Increase/Decrease
Comprehensive energy / Power transmission and distribution	Electric power	Direct sales operating revenue	2,596.1	2,668.3	+72.1
		Ordinary income	150.4	137.1	-13.3
	Gas/other energy	Direct sales operating revenue	141.2	210.8	+69.5
		Ordinary income	7.1	2.7	-4.3
	Total	Direct sales operating revenue	2,737.3	2,879.1	+141.7
		Ordinary income	157.5	139.9	-17.6
Information and telecommunications	Direct sales operating revenue	203.1	217.7	+14.5	
	Ordinary income	25.1	33.4	+8.2	
Real estate / Life	Direct sales operating revenue	111.7	123.9	+12.2	
	Ordinary income	14.5	21.0	+6.4	
Other	Direct sales operating revenue	81.3	86.8	+5.4	
	Ordinary income	28.8	31.3	+2.4	

• The values in this table are, as a rule, simple totals from the results of each company before intra-company elimination in consolidated balance sheets, for example. (amounts equivalent to equity factored in for affiliated companies accounted for by the equity-method)

• Ordinary income means income before provision for (reversal of) reserve for fluctuations in water level, special items and income taxes.

of 11 units in fiscal 2017, and we focused on the continuation of safe and stable operation of the nuclear power plants that currently run. At the same time, we have steadily advanced construction work to improve safety with the aim of resumption of subsequent plants as well as we have proceeded steps for decommissioning.

Establishment of new pillars for growth

For our second pillar, the “establishment of new pillars for growth,” I truly feel that we were able to make steady efforts for the maintenance and expansion of our business foundations as well as make strategic preparations for further growth.

In our international business, we are advancing proactive efforts in building the foundations to capture profits in the future, such as expanding our renewable energy business in Europe, including participation of offshore windfarm projects.

In our information and telecommunications business, we sought to maintain and expand our customer base for FTTH, MVNO and other businesses. In addition, we undertook organizational restructuring, merging infrastructure related to IT, our corporate-oriented system development operation and other services, in order to swiftly provide solution services with integrated IT.

In our real estate business, along with strong condominium sales, which we sell under the “Cielia” brand, we were able to achieve favorable growth through the expansion of business in the Japan’s capital region as well as abroad.

Strengthening of group management foundations

For our third pillar, the “strengthening of group management foundations,” amid the occurrence of multiple severe natural disasters, we focused on the abilities of our group and advanced efforts to fulfill our mission to provide safe and stable power supply.

When typhoon 21 hit, extensive and long-lasting power outages occurred, and we caused inconvenience and trouble to numerous stakeholders. Taking this responsibility sincerely, we have established a verification committee with me as the leader, and we have arranged reform measures for various issues and have begun to implement them.

In terms of personnel, we have advanced the establishment of foundations in which each individual

employee can utilize his/her own abilities to the maximum extent, by working vigorously on “human capital innovation,” “workstyle innovation and health and productivity management,” and “diversity promotion.”



What ideas did you put into the new Medium-term Management Plan?



We will create new value, contribute to a sustainable society and realize further growth.

In the Medium-term Management Plan (2019-2021) that we newly established, considering the severe business environment around us and future changes in this environment, we have set these three years as a period for “Going a step ahead, looking to the future.” In this plan, we focused the orientation of our efforts to provide new value as only our corporate group can and continue to serve our customers and society.

Specifically, with focus on our criteria of “safety as our top priority” and “fulfilling corporate social responsibilities,” we will continue to endeavor diligently to build the foundations for a rock-solid safe and stable power supply so that we can respond suitably to natural disasters, which are becoming worse.

In addition to providing electricity and gas, by expanding our products and services and being trusted and chosen by customers, we will overcome the fierce competition.

Furthermore, acknowledging the new 3D+D trend of “Decarbonization,” “Decentralization” and “Digitalization” plus “Denka (electrification)” in the global energy market, we will lead in the reduction of environmental impacts through the utilization of low-carbon power supplies by making nuclear power generation and renewable energy sources our “two wheels.” We will also realize a digital transformation for the entire company and make our position solid as a leading company in the energy sector in Japan.

Moreover, maximizing the comprehensive strengths of our group, we will work to create new businesses and services in fields other than the energy sector, and we will fulfill roles in solving various problems of our customers and society as a

major player of the “shared infrastructure supporting the realization of a sustainable society in the future.”

By steadily advancing these efforts, we aim to achieve our new financial targets for the next three years, including an average of more than 200 billion yen in consolidated ordinary profits, an equity ratio of more than 20% and an average ROA of 3.0% or above, as well as consolidated ordinary profits of 300 billion yen or more in fiscal 2028.

We set suitable distribution of the fruits of our business as the foundation of our shareholder returns policy, and we stably provide dividends after assuring the financial health of our company.

Q

Tell us about specific business strategies for the achievement of the Medium-term Management Plan.

A

We will advance efforts for “going a step ahead, looking to the future,” to establish competitive advantages.

In order to provide new value as only our corporate group can and continue to serve our customers and society, we will keep steadily advancing efforts in the business fields of comprehensive energy supply/transmission and distribution, information and telecommunications (IT), and life/business solutions.

In our comprehensive energy business, we will focus our power on increasing revenues and improving customer convenience by, for example, strengthening sales strategies for electricity and gas and utilizing even more low carbon power supplies. In our transmission and distribution business, we will keep assuring neutrality and fairness while expecting perfection in providing safe and stable power supplies. We will also continue advancing efforts to develop facilities for next generation networks and to create new services.

Moreover, while we will ascertain changes in the global energy business quickly and accurately and spread roots in regions where we are participating in projects, we will create highly-added value to seek to expand our businesses further.

In our IT business, we consider the popularization of 5G, the decline in the working population, the progress of digital technologies and other developments to offer growth in business opportunities. By strengthening our customer base and creating added-value services, we strive to be an IT business that is chosen by our customers around the country.

In our life/business solution business, we will work to increase group earnings by providing services that are useful in both private life and business. In particular, in our real estate business, we will mix a good balance of rental housing, condominium and fee businesses to become a comprehensive real estate business group that can respond to every kind of real estate need.

Q

What about responding to climate change?

A

We will continue fulfilling our duties as an energy business and responding to this problem proactively.

I believe that for our corporate group responding proactively to the problem of climate change is an undeniable duty as an energy business with deep connections to the environment.

For this reason, we utilize nuclear power generation and renewable energy sources as our “two wheels,” and we will focus all our abilities to reduce environmental impacts as a leading “low-carbon” company.

For nuclear power generation, in addition to striving for voluntary safety improvement, we will continue the safe and stable operation of plants that are running. Moreover, for plants that began operation 40 or more years ago, we are steadily advancing construction for measures to increase safety while gaining the understanding of the people in the communities where the plants are located and of the general public. Furthermore, in preparation for future replacement, we will make efforts to investigate technologies for the next generation of reactor pressure vessels, which have remarkable improvements in safety.

For renewable energies, we will advance development to achieve the target we set for facility capacity of 6 million kW by the 2030s, an increase of 2 million kW of new development in Japan and abroad.

Through these efforts, we will continue to be the provider of the most CO₂-free power generation in Japan as we set out to cut CO₂ emissions from our domestic power generation business in half by fiscal 2030 compared to fiscal 2013.

In order to appropriately evaluate business risks and opportunities related to climate, our company signed in May 2019 the TCFD* Recommendations which offer a framework for voluntary information disclosure, in agreement with their intent. We have worked to disclose appropriate information in this report based on the TCFD Recommendations, and we will endeavor to further disclose information in the future.

* Task force on Climate-related Financial Disclosures

Q

Are there any efforts related to sustainability other than concerning climate change?

A

We contribute to the sustainable development of society by solving global issues presented in SDGs* and others.

* Sustainable Development Goals

With the realization of group growth as a given, we believe it important that our group contributes to the sustainable development of society by conducting business practices that consider not only the environment as related to climate change, but also society and corporate governance.

Regarding society, we will continue to fulfill our duty to

provide a safe and stable power supply, which is the unchanging mission of our company. As we strengthen coordination with related agencies to respond more accurately even when large-scale natural disasters occur, we will work to build the foundations for a rock-solid safe and stable power supply.

Moreover, we will promote diversity and human capital innovations to strengthen our foundations for the creation of new value. In particular, regarding diversity, we will seek to at least triple both the ratio of female managers and the number of women in top management by the end of fiscal 2030 compared to fiscal 2018.

Furthermore, we will exercise the comprehensive strengths of our group to the maximum extent and endeavor to create new businesses and services by further accelerating innovation in order to solve the problems of society, which include a low birthrate and an aging population as well as population decline.

For corporate governance that supports all these business activities, in order to build solid business foundations, we will constantly promote dialogs with our stakeholders, strengthen the function of our Board of Directors further, and ensure strict enforcement of compliance.

Q

Finally, could you offer a message to the stakeholders?

A

All of our group companies will join forces to steadily go forward the pathway to future growth.

As we begin the new Reiwa Era, in order to realize the corporate group that we seek to become, making the most of the comprehensive strengths of our group, we will aggressively take on the challenges of creating new value and steadily forge a path for future growth.

“We wish to be a source of power for our customers and communities by serving them with sincerity and passion.” With this idea expressed in our “power with heart” brand statement, we will continue to unceasingly advance as a unified group toward the realization of a bright and affluent future. We sincerely ask all of you to continue to give us your understanding and support in the future.

Shigeki Iwane
President and Director




Review the Medium-term Management Plan

We focused the abilities of our group and endeavored to fulfill the safe and stable supply of power in order to accomplish the goals of our Kansai Electric Power Group Medium-term Management Plan (2016-2018), the execution plan that we established in April 2016, toward the realization of our ideal form, “what we aim to be in the future,” **→P2** described in the Kansai Electric Power Group Vision established in March 2016. We also achieved steady results even in an environment in which competition had become fierce due to such factors as full liberalization of the retail market for electricity and gas.

2016-2018

Regeneration and pursuit of fresh growth

FY 2018	Ordinary income	Capital to asset ratio	ROA*
Targets	200 billion yen or more	approx. 20 %	approx. 3.5 %
Results	203.6 billion yen	20.9 %	3.3 %

* Business profit (Ordinary profit + Interest expense) ÷ Total assets (Average of beginning and end of term)

Main Results



Takahama Power Station Units 3 and 4 have resumed operation



Operators connecting Takahama Power Station Unit 4 to the transmission network

Resumption of nuclear power plant operation and reduction of electricity rates

We resumed the operation of Takahama Power Station Units 3 and 4 in 2017 and Ohi Power Station Units 3 and 4 in 2018. Following resumption of operations of these units, we reduced electricity rates twice, once in August 2017 and once in July 2018. With safety as our top priority, we will continue to apply all our abilities to earn customer trust and have them choose our company.

(2016–2018) of the Kansai Electric Power Group

関電ガス なっとくパック



“Kanden Gas” sales expansion

We have expanded gas sales under the “Kanden Gas” brand since the full liberalization of the retail market for gas began in April 2017.

As a result of offering “Nattoku Packs” that combine our electric and gas services, we have received subscriptions from about 1.01 million customers.

Number of gas subscriptions (as of the end of March 2019)

About **1.01** million

Proactive promotion of alliance

In 2018, our corporate group agreed to promote strategic cooperation in the real estate business with the Tokyo Gas Group.

In addition, with Kyocera Corporation, we established a new company, Kyocera Kanden Energy, LLC, in 2019, and announced our entry into a new energy services business that utilizes solar power generation systems.

We will actively promote cooperation with a variety of businesses and organizations, utilizing mutual strengths with the goals of further increasing business value and solving problems that are shared by our businesses.



Kyocera Kanden Energy, LLC

Redevelopment project for Toranomon 2-Chome
(Cooperative Project No. 2 with the Tokyo Gas Group)



Main Results



K4 Ventures

International business expansion

We participated in two large offshore windfarm projects in the United Kingdom in fiscal 2018. We also announced our participation in the proposals for hydropower generation in Myanmar and thermal power generation in the United States.

The Rajamandala Hydropower Project in Indonesia began commercial operation in May 2019. In addition, the Nam Ngiep 1 Hydropower Project in Laos is scheduled to begin commercial operation within the year.



The Rajamandala Hydropower Project received permission to begin commercial operation

Overseas power projects
(as of the end of June 2019)

18 projects in **11** countries

Power generation capacity by investment ratio
(as of the end of June 2019)

2.81GW



Nam Ngiep 1 Hydropower Project (Re-regulation Power Station)

Group business growth

We have made active efforts to increase sales of “Cielia” condominiums in the Kansai and capital regions, and have provided 1,758 residences with this brand as of the end of March 2019.

Moreover, seeking to further strengthen the earning capabilities of our real estate business, we are expanding our business overseas and have participated in seven projects as of the end of March 2019 in both developed countries, particularly the United States, and developing countries, particularly in Southeast Asia.

Number of “Cielia” brand residences supplied
(Fiscal 2016–2018 results)

1,758 units

Participation in overseas real estate projects
(Fiscal 2017–2018 results)

7 projects



Cielia Senri Chuo Tower (completed in February 2019)

The mineo cell phone service provided by group company OPTAGE Inc. exceeded 1.1 million contracts.

Number of mineo cell phone service contracts
(as of fiscal 2018 year-end)

About **1.1** million

mineo

Cooperation with outside organizations and structural enhancements to promote innovation

Conceptualizing through new business generation programs in-house and forming tie-ups with various types of businesses, we are undertaking the development of new never-before-seen products and services, including the “iino” mobility service project of next-generation vehicles that run automatically at low speed.

Furthermore, in November 2018, we changed the

corporate name of Kansai Power Venture Management Corporation to K4 Ventures GK. Acting as a bridge between our corporate group and venture businesses that have free ways of thinking and strong intentions, the company supports the growth of venture businesses as a partner and promotes cooperative work with each group company including us.



Building structures and advancing efforts to realize digital transformation (DX)

Our company has built structures to accelerate work innovations that utilize digital technologies and the creation of new businesses, including the establishment of a DX Strategy Committee with our president as the chair and the foundation of K4 Digital Co., Inc. jointly with Accenture Japan Ltd. In addition, we are beginning to promote a variety of other efforts, such as maintenance and inspection of facilities using drones and remote monitoring services for power plants using AI and IoT technologies.

With these efforts having been highly evaluated, we were selected as a Competitive IT Strategy Company by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange for the two consecutive years, making us the first in the electricity and gas industry to achieve this record.



K4 Digital



2019
攻めのIT経営銘柄
Competitive IT Strategy Company

Promoting “workstyle” innovation and health and productivity management as well as building personnel development systems

Having received high evaluations of our “management that values people” philosophy and our efforts for the health of our employees, we have been recognized as one of the Certified Health & Productivity Management Outstanding Organizations (White 500) for three consecutive years since 2017.

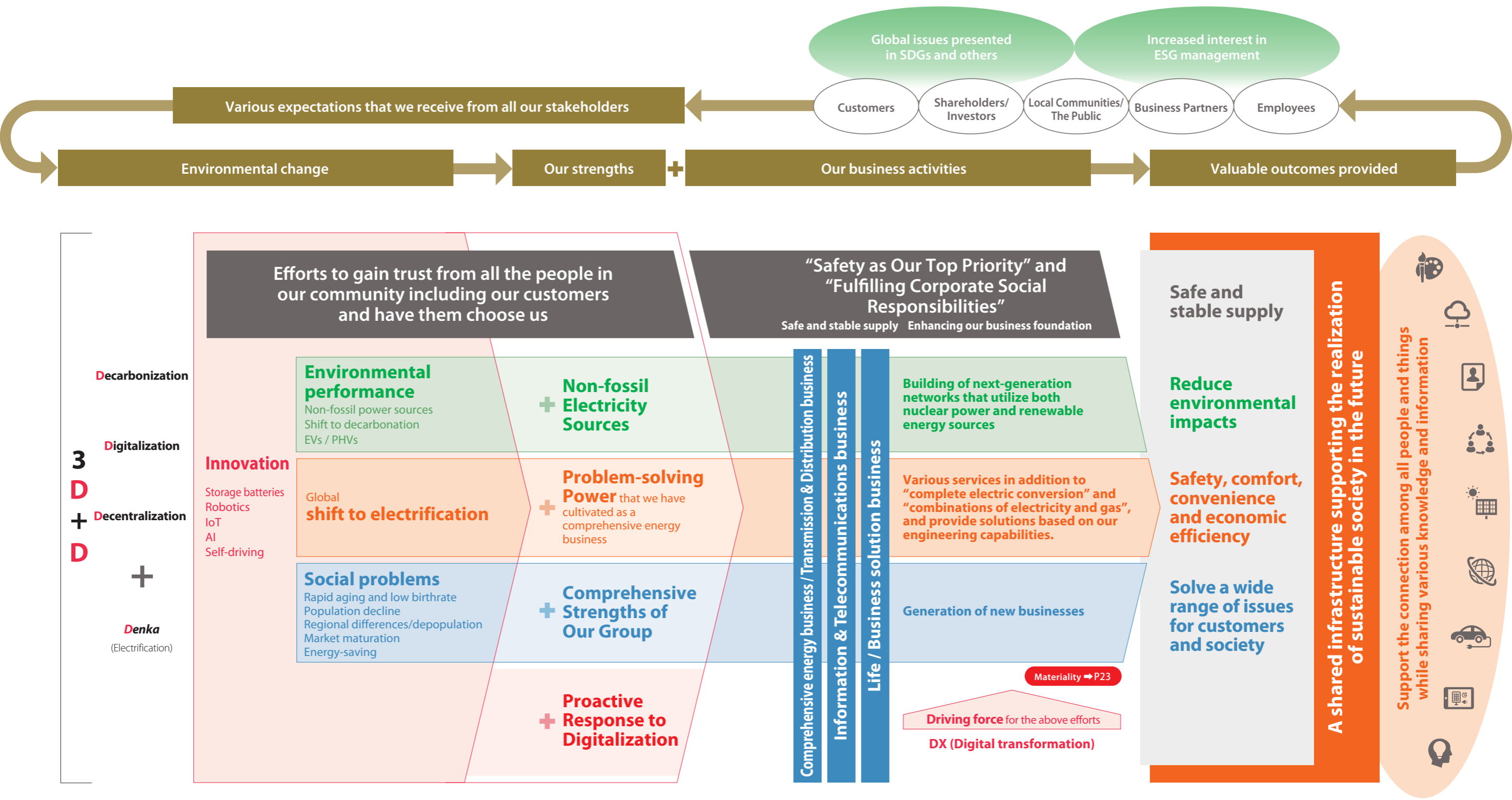
In July 2018, we opened the Kansai Electric Power Group Academy with our president acting as its academy president, and we have been focusing efforts on developing independent personnel that are suited to the new energy age.



2019
健康経営優良法人
Health and productivity
ホワイト500

Value Creation Process

We would like to make trust in the Kansai Electric Power Group unshakable by responding sincerely to the various expectations that we receive from all our stakeholders about our group business activities.
Based on accurately understanding global social issues and environmental changes, by utilizing the strengths that we have cultivated and delivering new value, our corporate group will serve continuously our customers and communities as a major player of a “shared infrastructure supporting the realization of a sustainable society in the future.”



Communication with Stakeholders

The business activities of our corporate group are supported by our stakeholders.

We are advancing efforts to deepen communication in order to determine our main stakeholders and respond to their expectations.

	Aspirations	Main efforts	Valuable outcomes provided	Contents of main dialogs (public hearing and public relations activities)	
Customers	We are building a loyalty in relationship with customers by offering them services that meet their requirements accurately in order to become “the best partner in daily life and in business” especially when it comes to energy consumption.	<ul style="list-style-type: none"> Maintenance and passing down of specific skills that support safe and stable power supply Systematic facility maintenance and repair Development and improvement of services that reflect customer opinions Implementation of a survey to check customer satisfaction 	<ul style="list-style-type: none"> Safe and stable electric power supply Energy optimization consulting service for customers Wide range of products related to electricity, gas and telecommunications Comprehensive real estate services Services related to safe, comfortable and convenient lifestyles 	<ul style="list-style-type: none"> Collecting customer opinions through call centers and so on Updating “Danbo-no-Koe,” a database of customer opinions “Hapi e-Miruden,” leaflets Holding of various events 	<ul style="list-style-type: none"> Press releases and conferences Mass media and web usage Tours of power plants and other facilities, etc.
Shareholders/ Investors	We will continuously maximize our corporate value through efforts adopted in our Medium-term Management Plan, in addition to disclosing information promptly and fairly and responding to expectations for shareholder returns. For growth expectations from a long-term perspective, these efforts include appropriate resource allocation according to changes in the business environment and investment performance as well as proactive disclosure of ESG data.	<ul style="list-style-type: none"> Disclosure of businesses result trends, financial conditions and ESG information Increase in business value Assurance of financial health 	<ul style="list-style-type: none"> Revenue assurance Shareholder returns, etc. 	<ul style="list-style-type: none"> General Shareholders’ Meeting Company briefings Investor visits IR meetings KANDEN REPORT for shareholders 	<ul style="list-style-type: none"> Fact Book Corporate information/IR information web pages Use of the web Tours of power plants and other facilities, etc.
Local Communities/ The Public	While the issues and needs of communities diversify, as a business with close ties to communities and daily life, we work to resolve social issues and seek to realize a sustainable society through our business activities and efforts that contribute to society.	<ul style="list-style-type: none"> Activities that contribute to local communities Smart community development Enterprise local support activities Overseas power consulting and international contributions 	<ul style="list-style-type: none"> Invigoration and development of local communities in Japan and abroad Increased energy use efficiency for entire regions Reduced environmental impacts, etc. 	<ul style="list-style-type: none"> Communication with local governments Communication with customers in the vicinity of power plants Updating “Danbo-no-Koe,” a database of customer opinions Interaction through environmental efforts and other daily activities 	<ul style="list-style-type: none"> Press releases and conferences Mass media and web usage Off-site classes and tours of power plants and other facilities Participation in disaster response trainings with local governments Participation in environmental events, etc.
Business Partners	Along with implementing procurement efforts based on corporate social responsibility, we will deepen communication with our suppliers, who are important partners, to build relationships of trust. In doing so, we will undertake sustainable procurement practices while endeavoring to contribute to society and create value.	<ul style="list-style-type: none"> Socially-responsible purchasing activities based on fundamental purchasing policies Efforts for communication with suppliers 	<ul style="list-style-type: none"> Development through coexistence and mutual prosperity Improvement of technical abilities through group study, etc. 	<ul style="list-style-type: none"> Training workshops and safety patrols Information sharing at meetings of presidents of affiliated companies, etc. CSR procurement policy explanations and promotion activities Communication with subcontractors, etc. 	<ul style="list-style-type: none"> Use of the web Official announcement of main procurement plan, etc.
Employees	We will work to make workplace environments where every individual employee can work with enthusiasm and maximize their abilities. We give top priority to employee safety and health, and we will promote “human capital” innovations, workstyle innovations and health and productivity management in a unified manner while also promoting diversity.	<ul style="list-style-type: none"> Implementation of human rights awareness trainings Promotion of “workstyle” innovation / health and productivity management Promotion of diversity Measures to foster “human capital” innovation Cultivation of an organizational culture that gives top priority to safety 	<ul style="list-style-type: none"> Increased motivation and satisfaction Support for self-development Safe and comfortable workplace environments Physical and mental health maintenance promotion, etc. 	<ul style="list-style-type: none"> Dialogues with the president Executive visits Labor-management consultations Company-wide employee questionnaire on CSR Compliance Hotline Use of the web 	<ul style="list-style-type: none"> In-house web portal and TV utilization The Kansai Denryoku Shimbun in-house newsletter Distribution of messages from the president, etc. Email magazines, etc.

Materiality for the Kansai Electric Power Group (Important issues)

In addition to achieving the sustainable growth of our corporate group, we seek to contribute to the sustainable development of society through the pursuit of SDGs and the resolution of other global issues. Along with establishing our new Medium-term Management Plan (2019-2021), we have revised our materiality (important issues).

Identified materiality and related SDGs

Strengthening profitability by providing new value	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Strengthening personnel development and hiring	8 DECENT WORK AND ECONOMIC GROWTH
Strengthening resilient business foundations with safety as the top priority	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES	Deepening two-way communication with stakeholders	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Promoting efforts toward decarbonization	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION	Strict enforcement of compliance	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Earning trust and contributing to community invigoration in our business areas	11 SUSTAINABLE CITIES AND COMMUNITIES	Innovating business and strengthening security measures through utilization of digital technologies	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY INNOVATION AND INFRASTRUCTURE
Promoting diversity and building workplace environments that are safe and comfortable for work	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH	Managing risk appropriately in the supply chain from a CSR perspective	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Materiality identification process

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



Important policies, risks and opportunities in our Medium-term Management Plan

Important policies	Risks	Opportunities
"Safety as our top priority" and "fulfilling social responsibilities" <ul style="list-style-type: none"> Safe and stable supply Strengthen management foundations 	<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 Damage to corporate value due to safety issues or serious compliance violations including the supply chain. Interruption of stable power supply due to insufficient measures against cyber attacks Intensification of personnel hiring competition due to shrinking labor force 	<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 Trust earned from customers and society by strengthening resilient business foundations and resulting business opportunities
As a leading "low carbon" company, work to reduce environmental impacts including responses to climate change issues.	<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
Provide "safe, comfortable, convenient" and economical energy services utilizing the solution abilities that we have cultivated.	<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 	<ul style="list-style-type: none"> Increased interest in energy due to advancements in energy conservation Changes in electricity usage patterns due to technological innovations Revenue growth opportunities arising from establishing new markets Expanded business opportunities by the liberalization of electricity and gas markets (advancement into areas outside Kansai) Enhancement of sales channels with expanded alliances
Create new businesses and services that make the most of the comprehensive strengths of our Group to help solve a wide range of issues of customers and communities.	<ul style="list-style-type: none"> 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"> Expansion of domestic infrastructure business resulting from 5G popularization Business opportunities resulting from domestic social issues, including medicine, caregiving and the aging of society Expansion of renewable energy investment opportunities in Japan and abroad Business opportunities resulting from increased overseas energy demand Business opportunities resulting from the diversification of needs, including decentralization
Realize digital transformations for the creation of new values.	<ul style="list-style-type: none"> 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"> Improved productivity and creation of new value through the utilization of digital technologies

Materiality and related SDGs		Main efforts and objectives	Boundary (extent included in total)	GRI disclosure item
Strengthening profitability by providing new value	8	Revenue assurance	Ordinary profits "200 billion yen on average over 3 years"	201-1 G4-DMA (former EU)
	9	Efforts to apply customer opinions	Equity ratio "20% or more"	
	12	Quality improvements made for customers	ROA "3.0% or more on average over 3 years"	
		Expansion of value-added services	Implementation of continuous efforts	
Strengthening resilient business foundations with safety as the top priority		Power supply quality	Annual power outage time per household "Maintain the highest standard in the world"	Kansai Electric Power Co., Inc.
	7		Renewal of transmission towers and concrete pillars (aging measures)	
	9	Preparation for and handling of accidents and disasters	Number of command and management staff participants in company-wide comprehensive disaster response training "More than 800"	
	11		Active participation in disaster response training sponsored by external disaster response agencies	
Promoting efforts toward decarbonization		Assure public security at power facilities	Number of participants in education and lectures and number of trainings (preparation for nuclear power disasters)	Kansai Electric Power Co., Inc.
			Number of injured ordinary citizens "None"	
	7	Advancement of efforts to control CO ₂ emissions	Be the top producer of CO ₂ -free energy in Japan	
	12		Cut in half CO ₂ emissions that accompany power generation business in Japan by fiscal 2030 (compared to in fiscal 2013)	
Earning trust and contributing to community invigoration in our business areas	13	Further development and utilization of renewable energy sources	About 0.37 kg-CO ₂ /kWh for the entire electric power business by fiscal 2030	Kansai Electric Power Group
		Maintain and improve thermal efficiency of thermal power plants	Achieve renewable energy facility capacity of "6 million kW by fiscal 2030" and a capacity of "2 million kW or more new development in Japan and abroad"	
		Reduce transmission and distribution loss	"Achieve benchmark indicators*" (A: 1.00, B: 44.3%) * Indicators based on the benchmark system of the Law Concerning the Rational Use of Energy	
		Continuation of safe and stable operation of nuclear power plants	Transmission and distribution loss rate "Reduce from current level"	
Promoting diversity and building workplace environments that are safe and comfortable for work	5	Employee safety and hygiene	Accident frequency rate "0"	Kansai Electric Power Co., Inc.
	8	Promotion of diversity	Ratio of female managers and number of women in top management "Triple the fiscal 2018 numbers by the end of fiscal 2030"	
		Creation of workplaces where working is easy	Female employment ratios "40% or more for office staff and 10% or more for technical staff"	
		Rate of paid leave utilization "90% or more"		
Strengthening personnel development and hiring	8	Development of employee skills and abilities	Number of group training participants	Kansai Electric Power Co., Inc.
		Strengthening of personnel hiring	Number of new employees (achievement rate for plan)	
Deepening two-way communication with stakeholders	12	Information release for and discussions with shareholders and investors (including ESG)	Promotion of communication with stakeholders	Kansai Electric Power Co., Inc.
		Appropriate information releases at appropriate times		
Strict enforcement of compliance	16	Strict enforcement of compliance	Major environmental compliance violations "0"	Kansai Electric Power Group
		Promotion of Compliance Hotline utilization	Major social compliance violations "0"	
Innovating business and strengthening security measures through utilization of digital technologies	8	Cultivation of DX human resources	Number of consultations with Compliance Hotline and number of major compliance violations among these	Kansai Electric Power Group
	9	Information security management	Promote development of DX human resources through specialist trainings, etc.	
Managing risk appropriately in the supply chain from a CSR perspective	8		Promote development of DX human resources through specialist trainings, etc.	Kansai Electric Power Co., Inc.
	12	Implementation of fundamental purchasing policies and promotion of their adoption by suppliers	Major information security incidents "0"	
	16		Implement CSR questionnaire in fiscal 2019-2021 for about top 200 business partners whose transaction amounts are among the highest with us.	Kansai Electric Power Co., Inc.
			Implement CSR questionnaire in fiscal 2019-2021 for about top 200 business partners whose transaction amounts are among the highest with us.	

Kansai Electric Power Group Medium-term Management Plan (2019–2021)

Our corporate group established a new Medium-term Management Plan in March this year. Moving toward the accomplishment of the targets in this new plan, we will keep advancing efforts in the business fields of comprehensive energy, transmission and distribution, information and telecommunications (IT), and life/business solutions.

FORWARD!!!

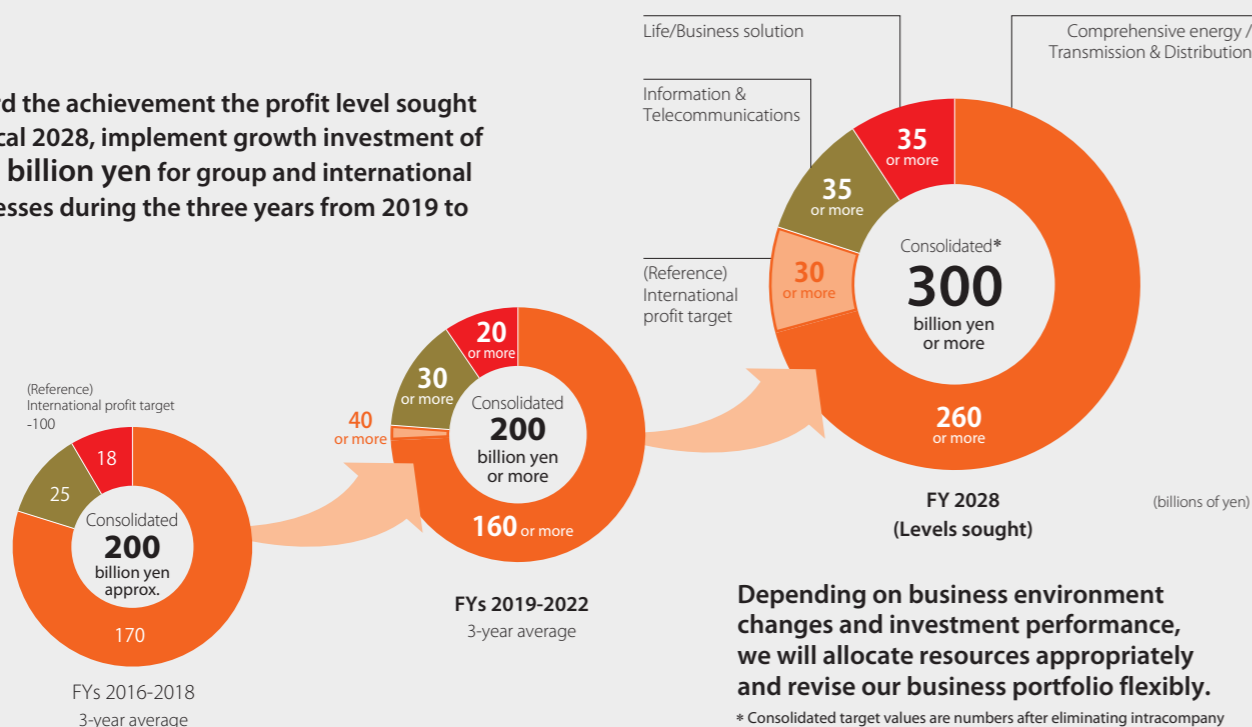
2019-2021
Going a step ahead, looking to the future

Financial goals

	Ordinary income	Capital to asset ratio	ROA
FYs 2019-2022	3-year average 200 billion yen or more	20 % or more	3-year average 3.0 % or more
FY 2028	300 billion yen or more	30 % or more	4.0 % or more

Future business portfolio image (ordinary profit levels)

Toward the achievement the profit level sought for fiscal 2028, implement growth investment of **550 billion yen** for group and international businesses during the three years from 2019 to 2021.



Efforts toward achieving our ideal

Comprehensive energy / Transmission & Distribution business

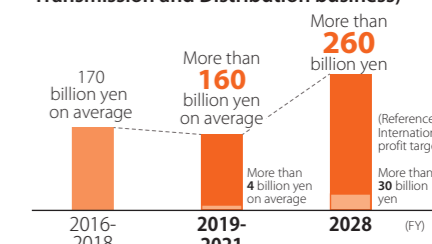
Comprehensive energy business

We will accelerate our efforts toward the optimization of our comprehensive energy business as a whole and seek to establish our solid position as a Japan's leading company in the energy sector.

Main efforts

- Promote cost restructuring that utilizes digital technologies to the maximum extent
- Strive to reduce carbon in power supplies (nuclear power and renewable energy sources).
- Strengthen sales strategies that contribute to increasing profits in consideration of factors including the competitive environment

Ordinary Income (Comprehensive energy*, Transmission and Distribution business)



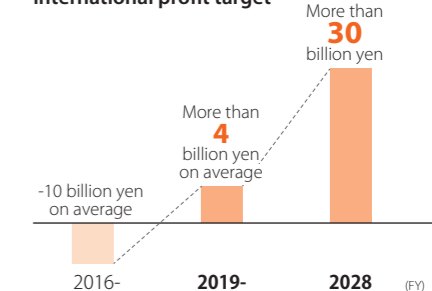
Overseas power business

We will create highly-added value and develop business globally, grasping changes in the energy business in the world quickly and accurately and spreading roots in regions where we participate in projects.

Main efforts

- Increase profitability by building stable profit sources in regulated businesses and participating in their planning at the initial development stages, etc.
- Grow profits by steadily advancing projects under construction.
- Increase asset value by acquiring and utilizing digital technologies and other new technologies
- Plan and participate in the renewable energy projects that take in the global breadth of ESG and the SDGs.
- Further develop "global personnel" and strive to strengthen cooperation throughout the group.

International profit target



Transmission & Distribution business

In addition to continuing to guarantee neutral and fair transmission and distribution businesses and to provide customers with safe and stable power at low cost, we will keep creating new services and advancing together with local communities.

Main efforts

- Strengthen management foundation in order to continuously provide "safe", "stable" and "affordable" electricity.
- Increase business opportunities looking ahead at medium- and long-term environmental changes and growth opportunities.

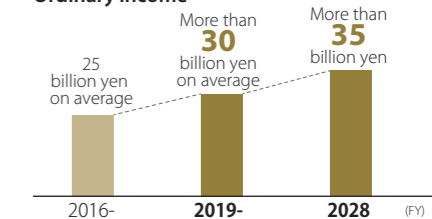
Information & Telecommunications business

By strengthening our customer base and creating added-value services, we will seek to be an IT business that is chosen by customers throughout the country.

Main efforts

- Create new solutions that address digitalization needs.
- Maintain and expand customer base for "eo Optical Fiber" and "mineo" services.
- Expand business fields using alliances, etc. and create new business.

Ordinary income



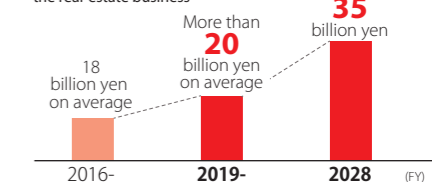
Life / Business solution business

By providing services that are useful in life and business, we will contribute to reinforcing trust in our corporate group and increasing group earnings. In the real estate field, using a well-balanced combination of rental, condominium and fee businesses, we aim to become a comprehensive real estate business group that can respond to every kind of real estate need.

Main efforts

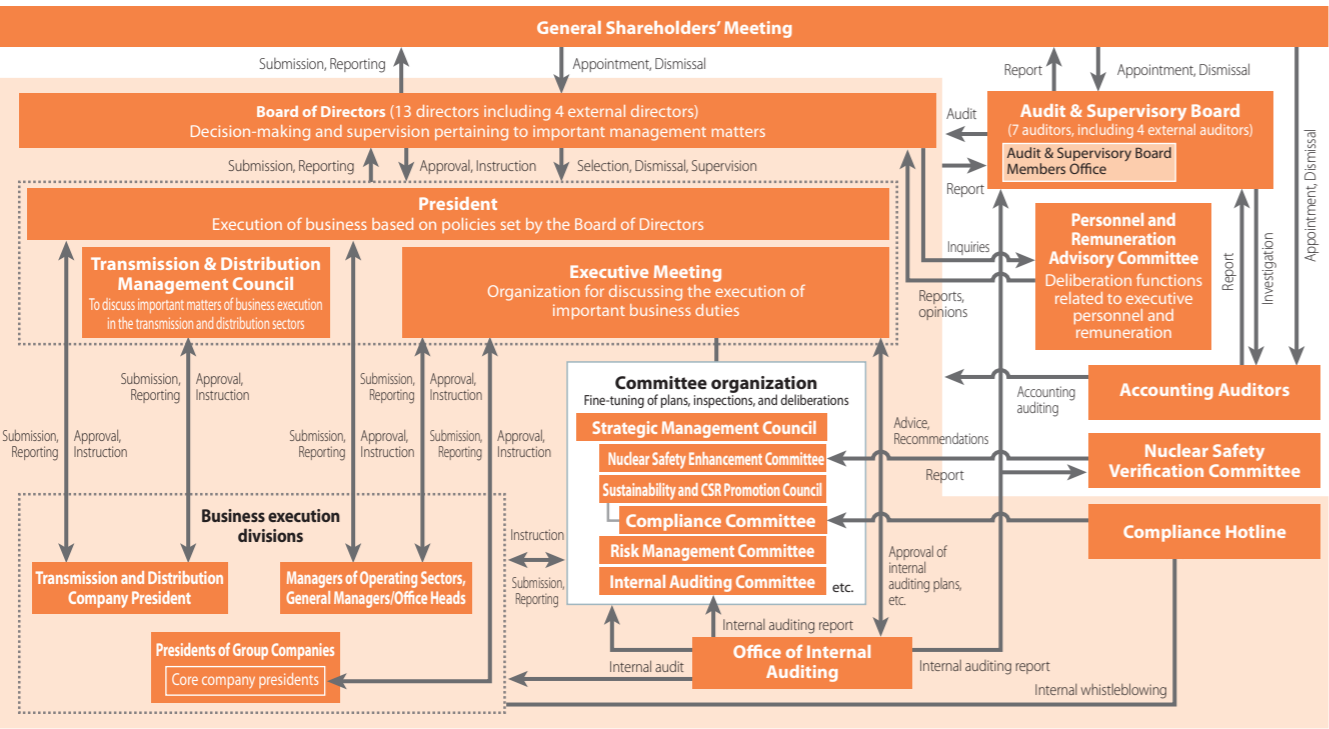
- Expand and strengthen health care services that utilize digital technologies.
- Strengthen our brand in the real estate field and expand asset management business.

Ordinary income Including extraordinary gains/losses in the real-estate business



Realizing the sustainable increase of business value

To ensure the continuous improvement of its corporate value while maintaining the transparency and soundness of its business management, the Kansai Electric Power Group views its commitment to improving corporate governance as a key management initiative. We are always striving to make effective improvements in this area.



Basic view

In our company, the Executive Meeting and various committees are placed under the Board of Directors, which has been charged with management responsibility by the General Shareholders' Meeting. As they execute their duties appropriately, the Board of Directors and others supervise the execution of duties by Directors. Moreover, auditors continuously and efficiently audit the execution of duties by directors to make certain that they are legal, reasonable and appropriate. Furthermore, in addition to strengthening the auditing functions of the Board of Directors and the Audit & Supervisory Board further, we have placed four outside directors and four external auditors who are sure to be independent on each of these boards in order to provide advice related to the execution of duties by directors.

Deliberation and decision-making on essential matters, and appropriate business execution

The Board of Directors is convened regularly once a month, complemented by additional meetings held when deemed necessary, where matters of essential importance to Group management are deliberated and decided. In addition, all directors are supervised through regularly issued reports on the execution status of the duties incumbent upon them and other aspects of their performance.

In fiscal 2018, the Board of Directors met 12 times, and the attendance of the individual directors was as follows.

(FY 2018)

Position	Name	Meetings attended
Chairman and Director	Makoto Yagi	12
President and Director	Shigeki Iwane	12
Director	Hideki Toyomatsu	12
Director	Yoshihiro Doi	12
Director	Takashi Morimoto	12
Director	Tomio Inoue	12
Director	Toyokazu Misono*	10
Director	Yasushi Sugimoto	12
Director	Tomihiko Oishi	12
Director	Yasuji Shimamoto	12
Director	Koji Inada*	10
Outside Director	Noriyuki Inoue	11
Outside Director	Takamune Okihara	12
Outside Director	Tetsuya Kobayashi	12
Audit & Supervisory Board Member	Yasuhiro Yashima	12
Audit & Supervisory Board Member	Yasunari Tamura	12
Audit & Supervisory Board Member	Yukishige Higuchi	12
Outside Audit & Supervisory Board Member	Takaharu Dohi	11
Outside Audit & Supervisory Board Member	Hisako Makimura	11
Outside Audit & Supervisory Board Member	Tsutomu Toichi	12
Outside Audit & Supervisory Board Member	Fumio Otsubo	12

* Toyokazu Misono and Koji Inada were appointed as directors on June 27, 2018. They were therefore eligible to attend only 10 meetings of the Board of Directors during this fiscal year.

To enable the assurance of greater objectivity and transparency in the nomination of candidates for executive positions and in the remuneration of directors, these issues are deliberated by the Personnel and Remuneration Advisory Committee. This is chaired by Makoto Yagi, Chairman of the Board of Directors, and comprised of six members, a majority of whom are independent outside directors.

In addition, the system of executive officers was introduced to separate the executive and supervisory functions of management and to boost the speed and efficiency of business execution.

To ensure prompt and appropriate decision-making regarding the execution of important business, Executive Meetings are held once a week in principle. These meetings comprised of 22 members, including executive directors and executive officers, with President and Director Shigeki Iwane as the chairperson, are undertaking efficient and effective corporate management.

For the execution of work in the transmission/distribution sector, which requires the assurance of neutrality and fairness, we have established a Transmission & Distribution Management Council comprised of 11 executives, excluding those in retail and power generation divisions, and chaired by President and Director Shigeki Iwane.

Efforts to raise the effectiveness of the Board of Directors

In order to strengthen the auditing functions of the Board of Directors as well as to reflect diverse opinions related to deliberating and making decisions on important management issues, four outside directors with assured independence have been appointed. These outside directors receive explanations in advance about items on agendas and are actively expressing their opinions during Board of Directors meetings and on other occasions.

Moreover, the Board of Directors receives not only regular reports, but also, as necessary, request reports about important issues related to management and otherwise seeks to make the contents of deliberations thorough.

Furthermore, utilizing a third-party agency once a year, questionnaires related to the effectiveness of the Board of Directors are given to all directors and auditors. Based on collecting and analyzing the results of these questionnaires, the effectiveness of the Board of Directors is evaluated, and, as appropriate, the Board implements corporate governance reforms, including the operation of the Board itself.

Ensuring audit independence, transparency, and soundness

Kansai Electric Power uses an Audit & Supervisory Board system working in tandem with the Board of Directors to continuously and effectively ensure that directors are performing their duties in a way that is lawful, appropriate, and reasonable. At present, three of the seven Audit & Supervisory Board members are full-time auditors, and the four in the majority are external auditors (including one female auditor) with no vested interests in the Company, and who therefore serve as independent officers. Moreover, members with sufficient expertise related to finance, accounting and law are being employed. A full-time Audit & Supervisory Board Members Office (with 12 members) has

been established to support the duties of the Audit & Supervisory Board members and extend auditing functions. To ensure the Office's independence, it functions directly under the jurisdiction of the Audit & Supervisory Board members and does not perform any other duties relating to the business execution functions of the Group.

The auditors attend the Board of Directors' meetings, where they express their opinions and listen to explanations by the directors pertaining to matters of importance to Company management. They examine the status of the corporate governance system and audit to ensure that the directors are performing their duties appropriately and reasonably. Full-time Auditors attend not only the Board of Directors meetings, but also other important meetings such as Executive Meetings, and examine the status of the business and assets of the Company's main operating locations as part of their auditing. They report regularly to the outside auditors at meetings of the Audit & Supervisory Board. The auditors also meet regularly with the representative directors to exchange opinions.

In fiscal 2018, the Audit & Supervisor Board met 15 times, and the attendance of the individual auditors was as follows.

Position	Name	Meetings attended
Audit & Supervisory Board Member	Yasuhiro Yashima	15
Audit & Supervisory Board Member	Yasunari Tamura	15
Audit & Supervisory Board Member	Yukishige Higuchi	15
Outside Audit & Supervisory Board Member	Takaharu Dohi	14
Outside Audit & Supervisory Board Member	Hisako Makimura	14
Outside Audit & Supervisory Board Member	Tsutomu Toichi	15
Outside Audit & Supervisory Board Member	Fumio Otsubo	15

Policies related to determining remuneration and other rewards for directors and auditors

With the goal of increasing objectivity and transparency in regard to the remuneration of directors and other matters, we have established the Personnel and Remuneration Advisory Committee, which has a majority of independent outside directors. After deliberations by this committee, the remuneration of directors is decided by the Board of Directors.

In order to make the remuneration of directors a factor that contributes to the continuous improvement of business results and business value, basic remuneration takes into account required work responsibilities according to the position and other factors for each director. In addition, performance-linked incentive is provided as a short-term incentive and stock-based incentive is provided as a medium- and long-term incentive. The ratio of performance-linked incentive is set at about 10% of total remuneration.

Outside directors receive only basic remuneration. Considering that auditors are in positions that examine the execution of work responsibilities by directors, to increase their independence, the remuneration of auditors consists only of monthly basic remuneration, the amount of which is determined in negotiation with the auditors.

Members of the Personnel and Remuneration Advisory Committee

Member (chairperson)	Chairman and Director	Makoto Yagi
Member	President and Director	Shigeki Iwane
Member	Outside Director	Noriyuki Inoue
Member	Outside Director	Takamune Okihara
Member	Outside Director	Tetsuya Kobayashi
Member	Outside Director	Hisako Makimura

Appropriate and seamless execution of duties by each committee

To ensure the appropriate and seamless execution of policies and action plans related to important affairs that affect the entire business, we have established committees centered around three functions: fine-tuning of plans, inspections, and deliberations. We convene meetings of these committees periodically and as needed, as they support the decision-making of the managing directors and the business activities of respective divisions.

Risk management

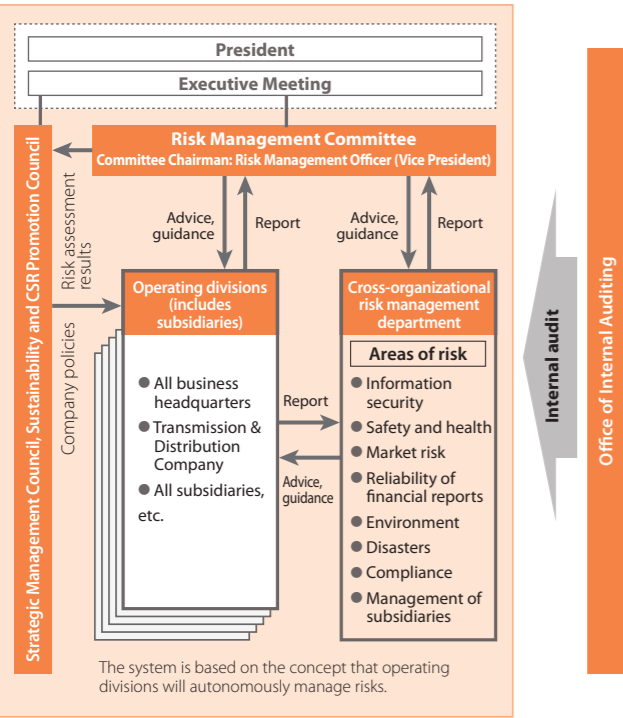
Our fundamental approach to risk management

In accordance with the Kansai Electric Power Group Risk Management Rules established in April 2006, risks that have the potential to affect the achievement of organizational goals are to be recognized and identified. Then, an assessment is to be made, followed by implementing necessary measures to deal with the risks. The impact of risk on the Group is to be managed at an appropriate level through this series of processes.

Risk Management System

The risks associated with business activities are to be managed autonomously by each operating division including subsidiaries. Risk management for risks considered to have cross-organizational importance is enhanced by the supervision of departments with specialized expertise on such risks that provide advice and guidance to the various operating divisions.

Risk Management System

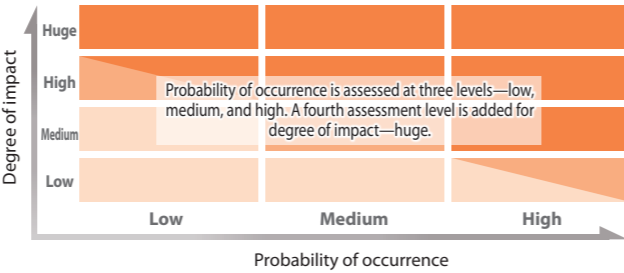


Furthermore, we have established a Risk Management Committee comprised of 15 members with Director and Executive Vice President Koji Inada as the chairperson in order to comprehensively manage risks for our entire corporate group from a company-wide perspective. We are advancing efforts to manage risks at an appropriate level under a system that makes the chairperson of this committee our Risk Management Officer.

The Risk Management Committee identifies key risks that could greatly affect the business activities of our corporate group from the perspectives of establishing business foundations to fulfill our duty to provide a safe and stable power supply and of responding appropriately to changes in the business environment. The Committee also ascertains and evaluates how these risks are being managed from a company-wide perspective to give operating divisions, as necessary, instructions for improvement based on the evaluation results. The gravities of risks are also evaluated in consideration of their degrees of impact and their possibilities of occurrence. By placing them on a map, we obtain an overview of the state of risk management and manage them accordingly. The risk evaluation results are also presented to our Strategic Management Council and our Sustainability and CSR Promotion Council so that necessary risk measures are reflected in plans and policies for the entire group with the aim of realizing sustainable growth into the future.

The Committee periodically reports its risk management findings to the Executive Meeting and the Board of Directors. If necessary, it improves the structure and system of risk management.

Risk Map



Growth investment management

We evaluate the appropriateness of growth investments for our group and international businesses. Moreover, we build and operate a coordinated management process that includes post-investment monitoring as well as investigation and execution of disinvestment and replanning. Furthermore, as an organization under the Strategic Management Council, we have established a Growth Investment Committee that is comprised of 14 executive officers from business promotion and corporate divisions with Director and Executive Vice President Takashi Morimoto as its chief investigator, to deliberate and investigate issues based on expert knowledge. In these ways, we support appropriate decision-making for individual projects and take timely measures when risks manifest to manage investment risks suitably. We regularly report these states of growth investment management to the Executive Meeting, and we reform frameworks and methods for evaluation and management as necessary.

Investment appropriateness evaluations

When implementing investments, along with conformity to company-wide policies for investment goals and objectives, with the assurance of profitability as a prerequisite, we are evaluating the appropriateness of each project based on sufficiently examining risks and sustainability.

Monitoring

After making investments, we regularly conduct monitoring of individual projects to confirm their states of achieving investment objectives and profitability. We demand the implementation of necessary countermeasures when profitability decreases or other issues arise.

Investigations on disinvestment and replanning

For projects that have greatly worsened profitability or that have decreased retention value, based on comprehensive consideration of risks and other conditions, we promptly investigate and deliberate disinvestment and replanning, for example, as we strive to appropriately deal with risks.

Nuclear safety

We have clearly documented our nuclear safety ideals that are to be carried on by future generations of employees in our Commitment to Enhancing Nuclear Safety. Based on this, we are working diligently to increase safety.

Nuclear Safety Enhancement Committee

In order to enhance the safety of the nuclear power, we set up the Nuclear Safety Enhancement Committee comprised of 18 members, including Director and Executive Vice President Toyokazu Misono as the chairperson and executives and directors from every division in the company. We are comprehensively advancing measures to prevent recurrence of an accident like the one at Mihama Nuclear Power Station Unit 3, and we are fostering a safety culture through these measures, reforms and other actions. Furthermore, after the accident at Tokyo Electric Power's Fukushima Daiichi Nuclear Power Station, we are checking and deliberating from a wide range of perspectives to promote voluntary and continuous efforts for safety in nuclear power generation. We report the results of these activities to the president.

Nuclear Safety Verification Committee

We have established the Nuclear Safety Verification Committee comprised of eight members and led by lawyer Kazuhiro Watanabe. The members of this committee are experts in their fields, which include law, nuclear power, quality control and safety. In addition to investigating the effectiveness of our measures to prevent the recurrence of an accident like the one at Mihama Nuclear Power Station Unit 3, they also provide opinions and advice from independent perspectives about our activities to foster a safety culture of nuclear power, as well as about our voluntary and continuous efforts for safety in nuclear power generation in consideration of the accident at Tokyo Electric Power Company Fukushima Daiichi Nuclear Power Station. Through continuous improvements based on the Committee's opinions and advices, we will make our best endeavors to ensure retaining safety.

Assurance of internal auditing suitability

We have established the Internal Auditing Committee comprised of eight members, including outside experts, with Director and Executive Vice President Yoshihiro Doi as the chairperson, in order to widely share and deliberate various management issues related to safety and quality, take in views and information from outside the company, and assure the suitability of internal auditing for the entire group from fair and expert perspectives.

Furthermore, we established the Office of Internal Auditing as an organization responsible for internal auditing. This office regularly audits the arrangement and operation of systems for the assurance of business propriety. Plans for internal auditing and their results are submitted and reported to the Executive Meeting after deliberation by the Internal Auditing Committee. Results are also reported to the Board of Directors. In addition, we are endeavoring to ensure business propriety by, for example, each workplace conducting necessary improvement activities based on the results of audits.

As the vital overseers of corporate governance, the Office of Internal Auditing, Audit & Supervisory Board Members, and accounting auditors consult with one another, at their discretion, in the performance of their auditing duties. They also maintain close ties to facilitate the exchanging of views regarding auditing plans, audit results, and other issues. In addition, our Office of Internal Auditing brings up matters related to its medium- and long-term action policies to the Internal Auditing Committee and receives the opinions of external experts as the Office will make auditing tasks more sophisticated and efficient.

Management of subsidiaries

We try to instill in our subsidiaries the basic approaches to management and action standards that are embodied in, for example, our Management Philosophy, our Guidelines for Action, the Kansai Electric Power Group Vision and the Kansai Electric Power Group CSR Action Charter. In addition, we ensure the propriety of our corporate group's business activities at our subsidiaries by supporting them and providing advice on the arrangement of their autonomous management structures based on our internal regulations related to subsidiary management.

Moreover, along with advancing management efforts for the entire group, we also strive to prevent, or at least minimize, any losses to the corporate value of the Group as a whole by participating in important decision-making and periodically checking on the states of management at subsidiaries. In addition, our executive meeting deliberates execution policies and plans for important business, particularly for the core companies responsible for the businesses that are pillars for the future growth of the Group.

Directors



Chairman and Director

Makoto Yagi*

Apr. 1972: Entered The Kansai Electric Power Co., Inc.
June 2005: Director, Deputy Division Manager of Power System Division
June 2006: Managing Director of the Company
June 2009: Executive Vice President & Director of the Company
June 2010: President & Director of the Company
June 2016: Chairman & Director of the Company (to present)



President and Director

Shigeki Iwane*

Apr. 1976: Entered The Kansai Electric Power Co., Inc.
June 2007: Executive Officer, General Manager of Office of Corporate Planning
June 2010: Managing Director of the Company
Apr. 2012: Executive Vice President & Director of the Company
June 2013: Director, Executive Vice President of the Company
June 2016: President & Director of the Company (to present)



Director, Executive Vice President

Transmission and Distribution Company President
In charge of Compliance on Wheeling Service Guidelines under the Electricity Business Act & operations in general

Yoshihiro Doi*

Apr. 1979: Entered The Kansai Electric Power Co., Inc.
June 2006: Executive Officer, Wakayama Branch Manager
June 2007: Executive Officer, Deputy Division Manager of Power System Division
June 2009: Managing Director of the Company
June 2013: Director, Managing Executive Officer of the Company
June 2016: Director, Executive Vice President of the Company (to present)



Director, Executive Vice President

In charge of Office of Human Resources and Safety Management, Office of Plant Siting & operations in general

Takashi Morimoto*

Apr. 1979: Entered The Kansai Electric Power Co., Inc.
June 2007: Executive Officer, Osaka South Branch Manager
June 2009: Executive Officer, Deputy General Manager of Customer Relations and Services Division
Nov. 2011: Executive Officer, General Manager of Office of Corporate Planning
Apr. 2012: Executive Officer, Deputy General Manager of General Planning Headquarters
June 2014: Executive Officer, Chief of General Planning Headquarters Executive Office, Deputy General Manager of General Planning Headquarters
June 2015: Managing Executive Officer, Acting General Manager of General Planning Headquarters (Planning and Administration Department), Chief of General Planning Headquarters Executive Office
June 2016: Director, Executive Vice President of the Company (to present)



Director, Executive Vice President

General Manager of Sales and Marketing Division

Toyokazu Misono*

Apr. 1981: Entered The Kansai Electric Power Co., Inc.
June 2011: Executive Officer, Deputy General Manager of Customer Relations and Services Division
June 2015: Managing Executive Officer, Acting General Manager of Customer Relations and Services Division
June 2018: Director, Executive Vice President of the Company (to present)



Director, Executive Vice President

In charge of Office of Corporate Planning, Office of Energy and Environmental Planning, Interim Storage Promotion and Office of IT Strategy

Koji Inada*

Apr. 1984: Entered The Kansai Electric Power Co., Inc.
June 2013: Executive Officer, Deputy General Manager of General Planning Headquarters
June 2015: Executive Officer, Acting Chief of General Planning Headquarters Executive Office, Deputy General Manager of General Planning Headquarters
June 2016: Managing Executive Officer, in charge of Office of Corporate Planning, in charge of Office of IT Strategy
June 2018: Director, Managing Executive Officer of the Company
June 2019: Director, Executive Vice President of the Company (to present)



Director, Executive Vice President

Division Manager of Nuclear Power Division

Ikuko Morinaka*

Apr. 1979: Entered The Kansai Electric Power Co., Inc.
June 2010: Deputy Division Manager of Nuclear Power Division
June 2013: Managing Executive Officer, Acting Division Manager of Nuclear Power Division, in charge of Office of Nuclear Fuel Cycle (Nuclear Fuel Contracts)
June 2019: Director, Executive Vice President of the Company (to present)



Director, Managing Executive Officer

Division Manager of Thermal Power Division

Yasuji Shimamoto

Apr. 1983: Entered The Kansai Electric Power Co., Inc.
June 2014: Executive Officer, Deputy Division Manager of Nuclear Power Division, Deputy Division Manager of Thermal Power Division
June 2016: Managing Executive Officer, Division Manager of Thermal Power Division
June 2017: Director, Managing Executive Officer of the Company (to present)



Director, Managing Executive Officer

Division Manager of Renewable Energy Division, General Manager of Community Energy Division

Takao Matsumura

Apr. 1981: Entered The Kansai Electric Power Co., Inc.
June 2009: Executive Officer, Osaka South Branch Manager
Apr. 2012: Executive Officer, Deputy General Manager of General Planning Headquarters
May 2015: Executive Officer of the Company
Senior Managing Director, Kansai Economic Federation
May 2017: Managing Executive Officer, Acting General Manager of Customer Relations and Services Division
June 2018: Managing Executive Officer, General Manager of Community Energy Division, in charge of Office of Renewable Energy Business Strategy
June 2019: Director, Managing Executive Officer of the Company (to present)



Outside Director

Noriyuki Inoue

June 1994: Member of the Board & President, DAIKIN INDUSTRIES, LTD.
May 1995: Chairman of the Board & President, DAIKIN INDUSTRIES, LTD.
June 1996: Member of the Board & President, DAIKIN INDUSTRIES, LTD.
June 2002: Chairman of the Board & CEO, DAIKIN INDUSTRIES, LTD.
June 2003: Outside Director of the Company (to present)
June 2014: Chairman of the Board and Chief Global Group Officer, DAIKIN INDUSTRIES, LTD. (to present)

Appointment reason: He was appointed as an outside director so that his rich experience and knowledge as a business manager could be applied to the management of our company.



Outside Director

Takamune Okihara

Apr. 2008: Deputy Chairman, The Bank of Tokyo-Mitsubishi UFJ, Ltd.
June 2010: Chairman, Mitsubishi UFJ Financial Group, Inc. (resigned in June 2014)
May 2014: Senior Adviser, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (to present)
June 2014: Outside Director of the Company (to present)
Apr. 2018: Senior Advisor, MUFG Bank, Ltd. (Changed bank name) (to present)

Appointment reason: He was appointed as an outside director so that his rich experience and knowledge as a financial institution manager could be applied to the management of our company.



Outside Director

Tetsuya Kobayashi

June 2007: President, Kintetsu Corporation
Apr. 2015: Chairman and Director, Kintetsu Group Holdings Co., Ltd. (to present)
June 2015: Outside Director of the Company (to present)

Appointment reason: He was appointed as an outside director so that his rich experience and knowledge as a business manager could be applied to the management of our company.



Outside Director

Hisako Makimura

Apr. 1993: Professor, Nara Bunka Women's College
Apr. 1996: Professor, Nara University of Commerce
Apr. 1998: Professor and Chief Librarian, Nara University of Commerce
Apr. 2000: Professor, Kyoto Women's University
Apr. 2004: Professor, Kyoto Women's University and Professor, Graduate School of the University
June 2011: Outside Audit & Supervisory Board Member of the Company
Apr. 2013: Visiting Researcher of Institute for Religion and Culture, Kyoto Women's University (to present)
Apr. 2013: President, Osaka City Gender Equality Promotion Foundation (to present)
June 2019: Outside Director of the Company (to present)

Appointment reason: She was appointed as an outside director so that her rich experience and knowledge as an academic could be applied to the management of our company.

Auditors



Audit & Supervisory Board Member

Yasuhiro Yashima

Apr. 1977: Entered The Kansai Electric Power Co., Inc.
June 2008: Executive Officer, General Manager of Office of Fossil Fuel
June 2009: Executive Officer, General Manager of Office of Community Relations and Corporate Communications
June 2011: Managing Director of the Company
June 2013: Director, Managing Executive Officer of the Company
June 2016: Director, Executive Vice President of the Company
June 2017: Audit & Supervisory Board Member of the Company (to present)



Audit & Supervisory Board Member

Yasushi Sugimoto

Apr. 1978: Entered The Kansai Electric Power Co., Inc.
June 2007: Executive Officer, Tokyo Branch Manager
June 2010: Executive Officer, General Manager of Office of Accounting and Finance
June 2014: Director, Managing Executive Officer of the Company
June 2019: Audit & Supervisory Board Member of the Company (to present)



Audit & Supervisory Board Member

Yukishige Higuchi

Apr. 1981: Entered The Kansai Electric Power Co., Inc.
June 2010: Executive Officer, Deputy Division Manager of Nuclear Power Division, Deputy Division Manager of Thermal Power Division
June 2013: Executive Officer, Deputy Division Manager of Thermal Power Division
June 2016: Audit & Supervisory Board Member of the Company (to present)



Outside Audit & Supervisory Board Member

Tsutomu Toichi

June 2001: Managing Director, Chief Executive Economist of The Institute of Energy Economics, Japan
June 2006: Senior Managing Director and CKO, Chief Executive Economist of The Institute of Energy Economics, Japan
June 2011: Board Member, Adviser of The Institute of Energy Economics, Japan
Apr. 2012: Board Member, Adviser of The Institute of Energy Economics, Japan
June 2013: Senior Adviser for Research of The Institute of Energy Economics, Japan
June 2015: Outside Audit & Supervisory Board Member of the Company (to present)
June 2017: Councilor, The Institute of Energy Economics, Japan (to present)

Appointment reason: He was appointed as an outside auditor so that his rich experience and knowledge as a researcher could be applied to the auditing of our company.



Outside Audit & Supervisory Board Member

Fumio Ohtsubo

June 2006: President, Matsushita Electric Industrial Co., Ltd.
Oct. 2008: President, Panasonic Corporation (changed its name from Matsushita Electric Industrial Co., Ltd.)
June 2012: Chairman of the Board, Panasonic Corporation
July 2013: Special Advisor, Panasonic Corporation (to present)
June 2017: Outside Audit & Supervisory Board Member of the Company (to present)

Appointment reason: He was appointed as an outside auditor so that his rich experience and knowledge as a business manager could be applied to the auditing of our company.



Outside Audit & Supervisory Board Member

Shigeo Sasaki

May 2006: Superintending Prosecutor, Osaka High Public Prosecutors Office (retired in July 2007)
Aug. 2007: Registered as attorney-at-law (to present)
June 2019: Outside Audit & Supervisory Board Member of the Company (to present)

Appointment reason: He was appointed as an outside auditor so that his rich experience and knowledge as a lawyer could be applied to the auditing of our company.



Outside Audit & Supervisory Board Member

Atsuko Kaga

Apr. 1987: Director, Plus1 Co., Ltd. (retired in March 1989)
Apr. 2002: Assistant Professor, Graduate School of Engineering, Osaka University
Apr. 2007: Associate Professor, Graduate School of Engineering, Osaka University
Apr. 2009: Professor, Graduate School of Engineering, Osaka University (to present)

June 2019: Outside Audit & Supervisory Board Member of the Company (to present)

Appointment reason: She was appointed as an outside auditor so that her rich experience and knowledge as an academic could be applied to the auditing of our company.

Message from the Chairman of the Board of Directors



Makoto Yagi
Chairman and Director

We will contribute to the sustainable development of society, strengthening corporate governance with diverse perspectives and approaches.

Recently, the conditions surrounding corporate management have been changing greatly. Above all, contributing to resolving global issues as exemplified by the sustainable development goals (SDGs), is strongly demanded. In our Board of Directors meetings, we include such perspectives as we deliberate and make decisions about important management issues. In particular, regarding the problem of climate change, we recognize that the role we should fulfill as an energy business is extremely large and that conducting thorough discussions is even more important than before in order to accelerate efforts to reduce environmental impacts.

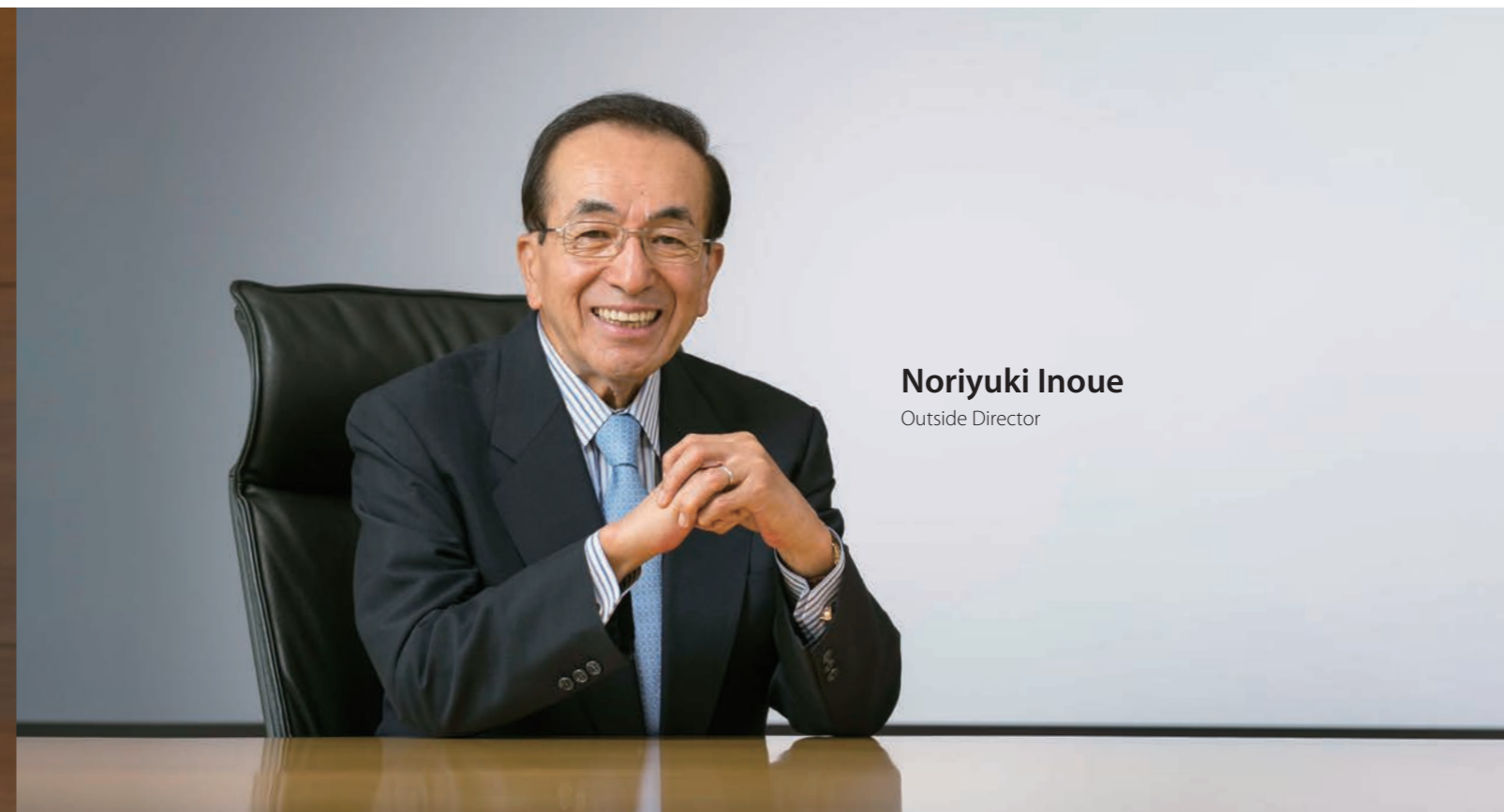
From the viewpoint of strengthening our auditing and advising functions for the entire company operations, we have selected multiple outside directors and external auditors with assured independence, and we have continued to raise the effectiveness of our Board of Directors.

Moreover, in order to evaluate that effectiveness, we conduct a questionnaire once a year of every director and auditor. We have the results collected and analyzed by a third-party organization to improve the operation of our Board of Directors.

In addition, from this fiscal year, we have increased the ratio of outside directors as well as determined to appoint female directors to reflect diverse senses of value and ways of thinking even more for our business operations.

We will continue to place the thorough implementation of corporate governance as an important business activity. Not only we seek the realization of our corporate group growth, but we also contribute to the sustainable development of society. I sincerely ask our stakeholders to give us unchanging support and cooperation.

Message from an Outside Director



Noriyuki Inoue
Outside Director

I will encourage challenges for the sustainable growth of the Kansai Electric Power Group, utilizing enterprise management experience and knowledge.

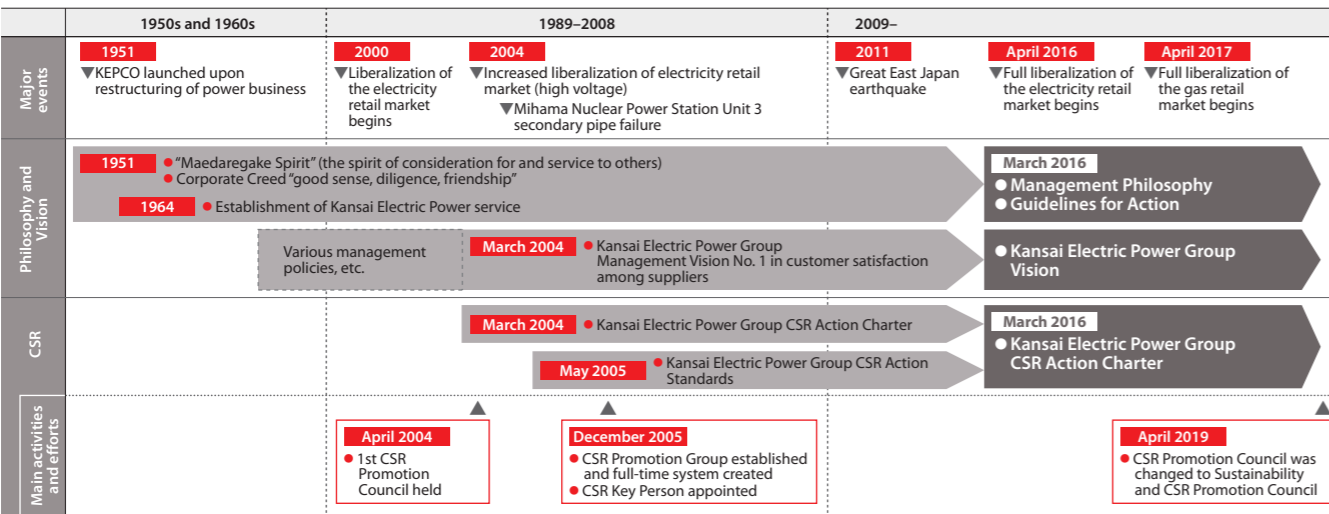
Since the 2011 Great East Japan Earthquake, the business environment around the power industry and our company has been changing at a dizzying pace. Our corporate group has directly confronted numerous issues, including supplying power stably and improving balance of income and expenditure as well as responding to the intensification of competition due to the liberalization of the retail power market. I believe that our group has been responding steadily to these issues. In particular, I view that in actively advancing not only domestic power businesses but also international and group businesses in order to establish new pillars for growth, I was able to contribute to building the current operation foundations as an outside director, utilizing my experiences that have gained in the corporate management.

Our corporate group will be challenged to respond to various environmental changes related to the sustainability of

society that include the decarbonization trend, the diversification of energy needs, the advancements of AI, IoT and other digital technologies, and the surfacing of social issues such as population decline and the aging of society. For these issues, the newly-established Kansai Electric Power Group Medium-term Management Plan (2019-2021) states that we will not be limited to just the energy field, but also face trends in every field related to social issues, environmental performance and technological innovations to provide new value only the Kansai Electric Power Group can. Even more than before, I believe that developing businesses broadly in new fields with looking outside the country is the key to improve corporate value. Deliberating with broader perspectives and making decisions quickly and suitably will become crucial for the Board of Directors, as an outside director, I would like to contribute to achieving the goals of the new Medium-term Management Plan.

Management with corporate social responsibility as the measure

To help the Group continue to fulfill its unchanging mission of “serving customers and communities,” Kansai Electric Power positions CSR, a firmly held value of the entire Group, as a core conviction, reflecting how the Group has in the past and will continue in the future to approach management from a solid foundation of CSR.



The Kansai Electric Power Group CSR Action Charter

Basic view

The Kansai Electric Power Group’s business activities draw support from customers, regional communities, shareholders, investors, business partners, employees and many other segments of society.

This trust the Group gains from all these communities is the very bedrock of the Group’s operations, without which it would be unable to maintain sustainable growth and fulfill its mission.

At the Kansai Electric Power Group, we would like to fulfill our responsibilities as a member of society, including maintaining compliance and transparency. In addition, by responding sincerely to the expectations of members of society for our group business activities, we would like to contribute to the sustainable development of society and the realization of a bright and affluent future as well as keep the trust that we receive unshakable.

Thus, the Kansai Electric Power Group develops all of its

business activities and fulfills its CSR obligations as an enterprise based on its six CSR Action Principles. (For the original text of the principles, see page 40.)

Carrying CSR Conduct Cards

The Group Management Philosophy and CSR Action Principles have been inscribed on portable Conduct Cards. We distribute these to all employees who write their personal conduct vows on the back and use them to confirm their conduct and goals in their own work.



Fundamental purchasing policies of the Kansai Electric Power—purchasing activities based in corporate social responsibility (revised April 2018)

With safety as the highest priority and the ideal of cost reduction and stable procurement at the same time, our purchasing divisions are procuring materials and services that are outstanding in terms of safety, quality and price at appropriate times. We follow our Action Standards for Procurement Activities, which is comprised of seven items, including quality maintenance, consideration of the environment and human rights, and thorough compliance. Doing so, we undertake purchasing activities based in corporate social responsibility and endeavor to contribute to society and create value.

Since these purchasing activities are supported by our suppliers, who are valuable partners, we are using contract

negotiations, supplier visits and other opportunities to work to explain our fundamental purchasing policies and deepen their understanding of our efforts.

In fiscal 2018, we conducted questionnaire surveys targeting key business partners and confirmed the status of their CSR efforts. We will continue working on CSR activities in the future.

Action Standards for Procurement Activities

1. Safety as the highest priority
2. Promotion of cost reduction efforts
3. Maintenance and improvement of stable procurement, quality, and technical capabilities of materials and services
4. Establishment of fiduciary partnership
5. Contribution to society and consideration of the environment
6. Transparent, open business activities
7. Strict enforcement of compliance

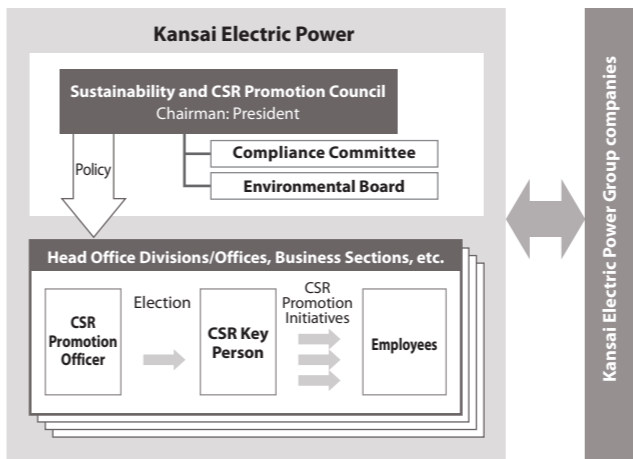
Preparation of systems to fulfill CSR reliably

Sustainability and CSR Promotion Council at the heart of the CSR promotion system

The Kansai Electric Power has been pursuing CSR to achieve long-term sustainable growth and development as a corporate group that serves its customers and communities and also to contribute to sustainable development of society by solving global social issues. To further deepen such efforts, in April 2019, we have changed our CSR Promotion Council to the Sustainability and CSR Promotion Council. The new council establishes comprehensive measures that guide the entire group in promoting CSR, as well as comprehensive measures for the Group to contribute to the sustainable development of society and also carries out specific activities. Issues of a specialized nature are sent to committees such as the Compliance Committee and the Environmental Board for deliberation. The policies formulated by the Sustainability and CSR Promotion Council are communicated to each operating division and business location, which then develop their own activities accordingly.

CSR promotion initiatives are led by the person in charge in each division and location acting as the CSR Promotion Officer, who assigns a CSR Key Person at each workplace. Each group company also develops its own CSR promotion activities independently, while staying in communication with the Kansai Electric Power.

CSR promotion system

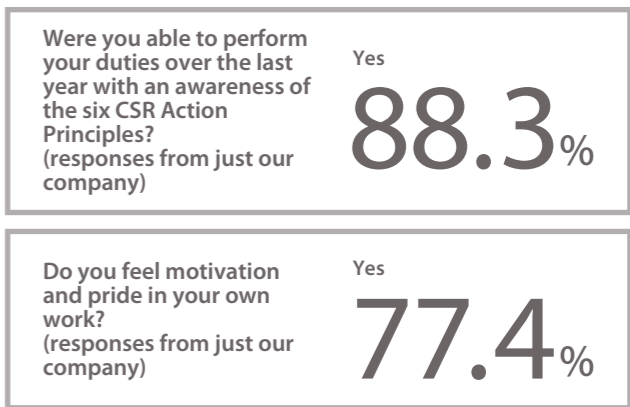


CSR promotion initiatives for employees

We continuously carry out efforts to educate employees about putting CSR into practice and improving workplace cultures. We are implementing promotion initiatives to reinforce the awareness that carrying out one’s duties conscientiously on a daily basis (putting CSR into practice) builds the trust of customers and the communities. “Improving the workplace culture” is an initiative that further enhances the awareness of every employee and the workplace culture. “Putting CSR into practice (carrying out one’s duties conscientiously on a daily basis)” means that we strive to meet the expectations of our stakeholders in line with the six CSR Action Principles. Based on this approach,

promotion initiatives for all employees are taken independently, led by the CSR Key Person elected to promote CSR at each workplace. Also, a company-wide employee questionnaire on CSR is conducted annually for analyzing and assessing CSR activities for employees and for providing feedback to each workplace.

Results of questionnaire for employees on CSR (conducted in November 2018)



Communication between executives and frontline workplaces

The Company creates various opportunities for the president and other executives to visit frontline workplaces. Through such dialogues, the president and other executives are able to directly communicate their views about safety and the importance of safety, and to promote and promulgate an understanding of CSR. Through an exchange of views, the president and other executives also gain an immediate understanding of issues and problems being faced by each workplace, which is later reflected in management policy.



Dialogues with the president at the Shogawa Office

Addressing climate change

Working toward a decarbonized society, we seek to build a sustainable business foundation and contribute to the sustainable development of society by analyzing risks and opportunities related to climate change that affect our businesses and reflecting them appropriately in our Management Plan and fundamental policy.

We set targets related to ESG and are making efforts toward achieving them not only for sustainable growth in our company through the safe and steady supply of energy that considers the global environment, but also for the contribution for sustainable development of society by solving global social issues. By applying the TCFD* Recommendations from the perspective of analyzing long-term risks and opportunities, we will link our efforts with relevant responses to climate-related issues.

* TCFD is an abbreviation for Task Force on Climate-related Financial Disclosures. This task force was established by the Financial Stability Board, which is an international agency that has central banks, financial regulatory authorities and other organizations from major countries as members. In total, 792 organizations around the world, including financial institutions, businesses and governments, declared their support for the TCFD Recommendations as of June 28, 2019.

Governance

⇒P27-30

- Recognizing that climate change is a serious issue for business operation, our Sustainability and CSR Promotion Council and our Risk Management Committee evaluate and manage issues related to climate change, which include materiality, management indicators, risks and opportunities.
- The results of evaluations and management by the above committees are reported to our Board of Directors regularly and reflected in the plans and policies of our entire group.

Risk management

⇒P29-30

- We place climate change as a serious risk that can greatly affect the business activities of our corporate group. Based on understanding and evaluating the management status of various risks that originate from climate change, we are making efforts to manage these risks at suitable levels by investigating and implementing necessary countermeasures.
- In order to increase the effectiveness of these efforts, we are undertaking the management of these risks in an integrated and unified manner with the evaluation and management of other serious risks as part of the risk management system of our entire company.

Indicators and objectives

Cut in half CO₂ emissions that accompany power generation business in Japan by fiscal 2030 (compared to in FY 2013).

Achieve a renewable energy facility capacity of 6 million kW by 2030s (2 million kW or more new development in Japan and abroad).

Be the top producer of CO₂-free energy in Japan

Support for the TCFD Recommendations

On May 27, 2019, our company declared our support for the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Recognizing the size of the impacts that our business activities have on the global environment, we declared our support for the TCFD Recommendations to “analyze and disclose business risks and opportunities originating in climate change over the medium and long terms in order to reduce risks of financial market destabilization.”

In the future, in addition to analyzing risks and opportunities to our businesses from climate change, by promoting information disclosure, we will solidify relationships of trust with stakeholders, and we will contribute to the sustainable development of society while seeking to build sustainable business foundations.



Strengthening of human capital foundations

In addition to the workstyle innovation, health and productivity management, along with diversity promotion, we will promote, as “human capital” innovations, “strengthening personnel development measures” through the Kansai Electric Power Group Academy and “providing fields where people can flourish” to realize their ideal form in the future.

Strengthening personnel development measures

- OJT
- Group training
- Personal growth support

Human capital innovations

Providing fields where people can flourish

- Personnel deployment
- In-house application system, etc.

Strengthening personnel development measures (the Kansai Electric Power Group Academy)

We established the Kansai Electric Power Group Academy in 2018 and systematized our corporate training and education systems in order to actualize our company belief that “developing human resources is the most important thing for coming out on top in a severe competitive environment” along with our corporate group philosophy of “management that values people.”

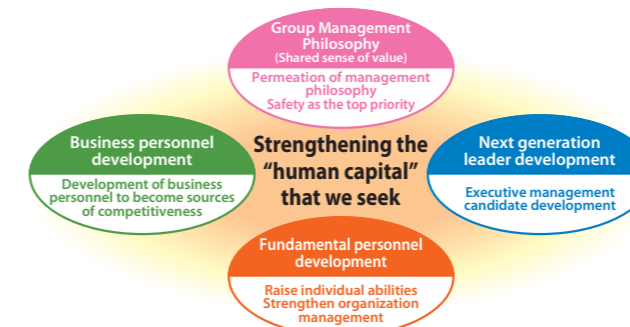
The “human capital” that we seek

We have formulated “human capital” as the characteristics desirable in employees in order to achieve sustainable growth for the corporate group.



Personnel development system

We set four educational departments with our company president as the president of the Academy. The heads and deputy heads of each department, who are executives and managers appointed from related divisions, will be actively pushing the growth of our employees.



Personnel development policies

Toward the achievement of our Medium-term Management Plan, we will advance personnel development policies to develop all employees into autonomous people who have specialties (strength and expertise) and strong wills that allow them to think, act and forge new paths independently. In particular, in fiscal 2019, we strengthened personnel development that promote initiatives to increase productivity and create added value utilizing digital technologies as well as personnel development measures that support the further growth of our group companies.

Note: See page 71 for details about our training and personnel development systems.

Providing active fields

Adoption of an in-house application system (e-challenge system)

Supporting the independent career development of all individuals, we have implemented an in-house application system that allows employees to take on the challenges of diverse careers and fields. Based on high levels of motivation, they can exercise their abilities to their maximum extents even more than before.

Career challenges	Discover and develop new personnel with the strong motivation to take on challenges in a variety of careers (global business and new business creation, for example)
Dual work challenges	In addition to their original work, participants take on another type of work (specific project work, etc.) during some of their working hours

DX personnel development

— Strengthening expertise that will be a source of competitiveness

For the realization of digital transformation (DX), we are developing DX personnel as key people in their departments to advance efforts to increase productivity and generate added value utilizing digital technologies. Specifically, we are implementing on-the-job training (OJT) as well as “data analysis basic training” and “visualization tool utilization training” at K4 Digital Company and or at each department.

Next generation leader development

— Executive management candidate development

We are adopting outside training programs in order to develop early and systematically the next generation of leaders who will drive innovation. We are crossing conventional work divisions and incorporating interactions with different types of work as well as implementing curriculums that always link to business strategies.



Round table discussion with the President



Contributing to the fulfillment of Sustainable Development Goals through overseas projects

In our international business activities, not only providing stable power supplies, we are also actively making efforts in consideration of local environments and communities. Through our overseas businesses, we will contribute to the resolution of problems faced by global society.

Since 1998, when we participated in the San Roque Hydropower Project in the Philippines, which was the first time that a Japanese power company participated in a power generation project overseas, we have advanced numerous power projects, including power generation projects as well as transmission and distribution projects, in countries throughout the world.

Consideration of communities and the environment at the Nam Ngiep 1 Hydropower Project in Laos

The Nam Ngiep 1 Hydropower Project in Laos was our first overseas project in which our company was the biggest shareholder. We began investigations for this independent development project by our company in 2004 and plan to start commercial operation in 2019.

In developing this project, we have been considering the

environment, including preservation of a 3,700km² watershed. We have also been holding repeated dialogs with local residents who must move due to the construction of the dam and considering community environments that can provide them with even more abundant life following their unique local cultures.

Consideration for communities



Preparing living environments for relocated residents

Through extensive conversations with relocated residents, we prepared living environments, infrastructure and farmland that suit the particular customs and unique demands of small ethnic groups.

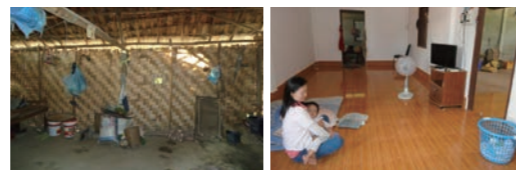
Medical and educational support

We have built a hospital at the relocation site and conduct medical house calls, physical examinations and nutrition promotion activities.

Moreover, not only we have established schools and kindergartens and deployed teachers, we have also set up a scholarship system so that local people in poverty can receive educations as well. In addition, we provide job trainings such as automobile maintenance and dressmaking.

Livelihood improvement programs

In order to restore and improve the lifestyle levels of residents after relocation, we are formulating and implementing support programs for fields that include agriculture, livestock, fishing and non-wood forest products. We are also conducting trainings for women to strengthen their abilities and build their economic independence.



Home interior changes before (left) and after (right) relocation



Elementary school class changes before (left) and after (right) relocation

Consideration for the environment



Reducing environmental impacts from construction

We built a purification facility within the project site for wastewater from construction work use to purify toxins from the water before returning wastewater back to the river. We spread seeds and placed turf on the topsoil slopes that were excavated during construction and sought to restore their vegetation.

We are also undertaking efforts to protect the biological environment, and to implement biodiversity offsets and biomass clearance.



Revegetation of excavated topsoil slope before (left) and after (right) restoration

Comments from relocated residents

At the time of relocation, a local village head told us, "I checked your initiatives to improve soil and change to other kinds, and thought that I could go along with peace of mind with this Japanese company that has reliable technologies and sincerity I can trust." Moreover, other residents said the followings. "Not only is the house pretty and stronger, there are also a school and the hospital nearby." "Safety increased for residents. I am satisfied with the new relocation village." "Infrastructure was put into

place, so long-term storage of food supplies and food safety have been assured." "With the establishment of a health center, regular health checkups are now available, so the constant health concerns we had before relocation were eliminated." These are among numerous other expressions of favorable evaluations of the new relocation village. We will keep contributing to the advancement of local communities through our overseas projects in the future.

Conducting all business activities based on our CSR Action Principles

CSR Action Principles

1

Safe and Stable Delivery of Products and Services As Chosen by Customers

→P41

The Kansai Electric Power Group will endeavor to develop and improve the products and services as chosen by customers and as a business operator responsible for lifelines that are indispensable to society. We will take every conceivable measure, day by day, to deliver our product and services safely and stably.



2

Proactive Approach with a View to Creating Ever Better Environment

→P52

As a provider of energy services that are closely connected with the environment, the Kansai Electric Power Group fully recognizes the scale of impact its business activities have on the global environment and therefore will strive to alleviate the environmental burden and environmental risks accompanying our business activities. Furthermore, we will aspire for creating ever better environment and contribute proactively to the development of a sustainable society through provision of products and services having lesser environmental impact.



3

Proactive Contributions to Development of Local Communities

→P64

As a business operator closely linked with its local communities and lives of their inhabitants, the Kansai Electric Power Group fully recognizes that its own development is not conceivable without the development of the local communities associated with its business activities and therefore we will proactively contribute to the development of our local communities through initiatives to revitalize these communities and the local economy. Also with regard to our overseas business activities, we will strive to contribute to the development of the respective local communities with due consideration to local culture and practices.



4

Respect for Human Rights and Development of Favorable Work Environment by Taking Advantage of Diversity

→P67

The Kansai Electric Power Group recognizes the "human rights" as a common and universal value of the global society, supports the international standards relating to the human rights and respects the human rights in all of its business activities. Accordingly, we will strive to secure safe and comfortable work environment for all the people associated with our business activities and take advantage of diversity (each individual's diversity) to the maximum extent.



5

Highly Transparent and Open Business Activities

→P72

In order to properly reflect social opinions in its business activities, to ensure fairness in the management of its business operations and to faithfully carry out its accountability to society through timely transmission and disclosure of information, the Kansai Electric Power Group will promote increased communication with all members of society and conduct business activities that are transparent and open.



6

Strict Enforcement of Compliance

→P74

In all aspects of its business activities, the Kansai Electric Power Group will comply with all laws and regulations, internal rules and business ethics and will ensure strict enforcement of compliance as the basis of our management. The Group as a whole will build the structure that should ensure these actual practices and will strive to maintain and improve its structure.



Safe and Stable Delivery of Products and Services As Chosen by Customers

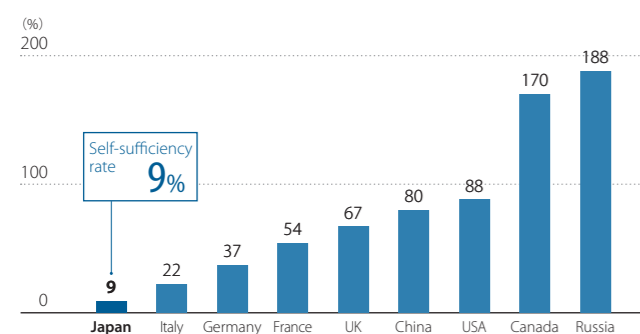
The Kansai Electric Power Group will endeavor to develop and improve the products and services as chosen by customers and as a business operator responsible for lifelines that are indispensable to society. We will take every conceivable measure, day by day, to deliver our product and services safely and stably.

Ensuring diverse power sources for stable supply

Energy risks faced by Japan

Japan's energy self-sufficiency rate is around 9%, including nuclear power generation, which is a very low value compared to major countries in the world. For most of its fossil fuel needs, Japan must rely on imports. Since energy sources on the earth are not inexhaustible, stably securing energy sources is a top-priority issue for Japan. For continued stable supply of energy in the future, it is vital to combine various power generation methods in a well-balanced manner, while not relying on only a single power generation method.

Energy self-sufficiency rates of major countries (for 2016, except FY 2017 for Japan)

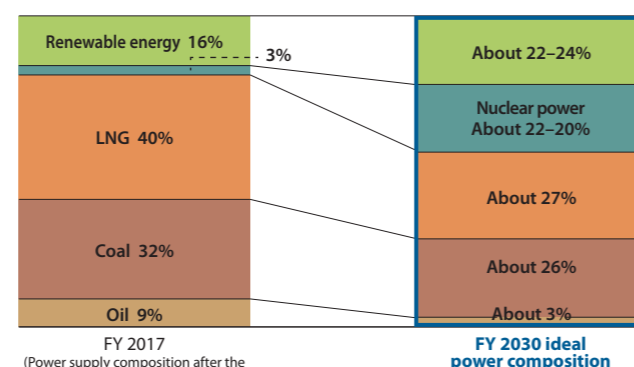


Source: Federation of Electric Power Companies of Japan, "Consensus document on nuclear power"

Energy mix

In July 2015, the government established a long-term energy supply and demand outlook (energy mix) that expresses how energy supply and demand should be in Japan for fiscal 2030. Furthermore, the 5th Strategic Energy Plan formulated in July 2018 unveiled the government's intention to further step up efforts to ensure the realization of this energy mix. As for the power supply composition, nuclear power is specified to have a fixed ratio of 20–22%, and 22–24% is indicated for renewable energy.

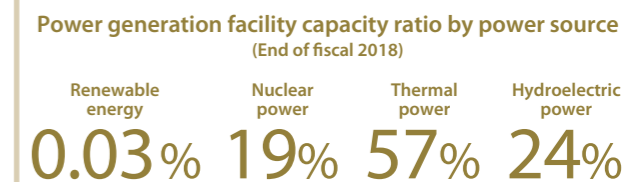
FY 2030 energy mix



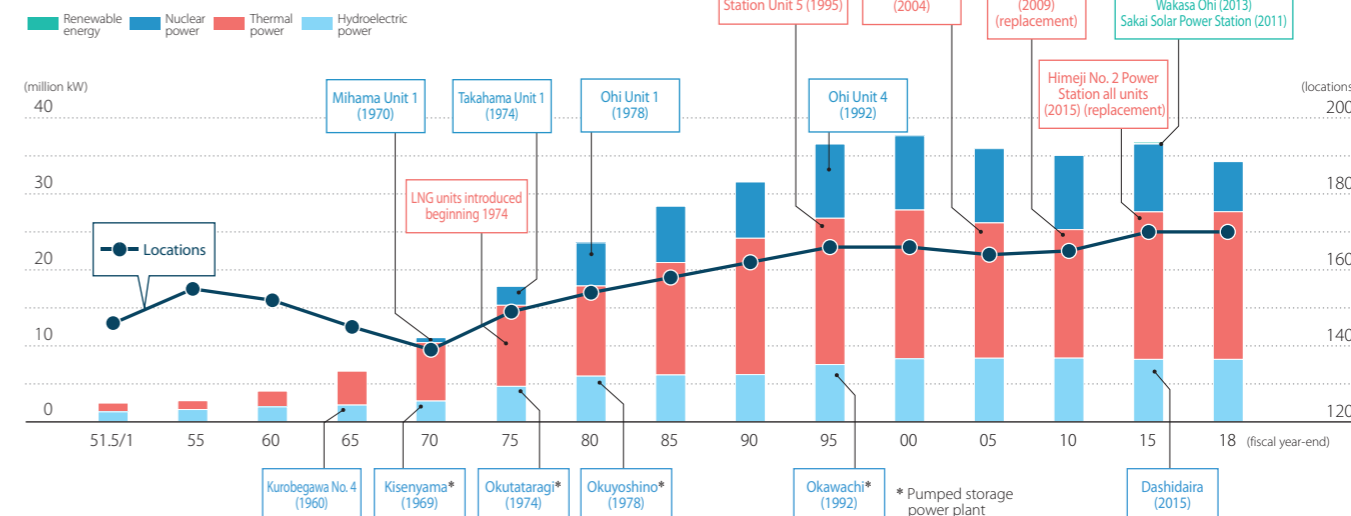
Reference: The Agency for Natural Resources and Energy, the Ministry of Economy, Trade and Industry "Energy of Japan 2018"

Facilities configuration based on S+3E

To fulfill our mission of delivering high-quality and economical electricity to our customers, we seek to realize "S+3E" by making the assurance of Safety (S) our top priority and simultaneously achieving Energy security, Economy and Environmental conservation (3E). Particularly, as a leading "low-carbon" company, we will accelerate our efforts focused on both nuclear power and renewable energy.



Changes in power source composition

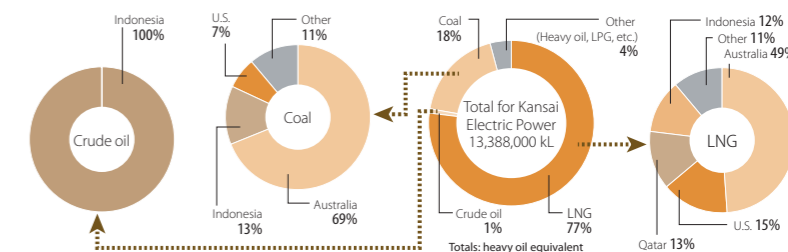


Flexible and stable fuel procurement

Approach for stable fuel procurement

Fossil fuel faces a variety of problems, such as concentration in certain regions and political instability in the producing countries.

In order to procure fossil fuels stably, economically and flexibly, our company is involved in every stage from fuel production to receiving. We also work to diversify procurement sources and pricing formula.



Enhanced spot trading for agile LNG procurement and sales

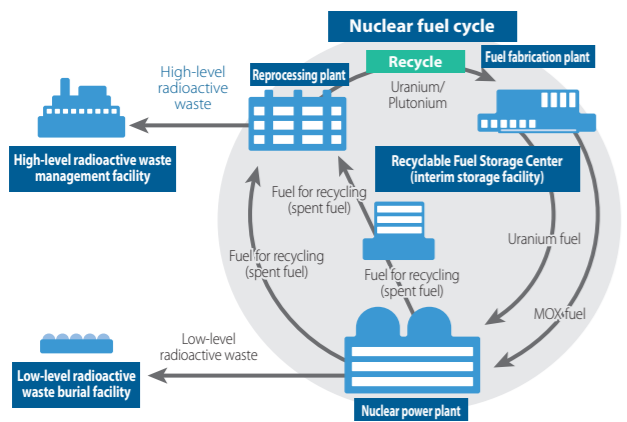
In April 2017, we established KE Fuel Trading Singapore Pte. Ltd. as a new company with the purpose of strengthening LNG procurement and sales in Singapore. To reinforce the structure capable of flexibly reacting to fluctuation of demand and other factors, we have expanded our information gathering network in Singapore, which is an LNG trading hub in the Pacific region. We acquire spot and other LNG trading-related information with a high level of freshness and accuracy to realize agile LNG procurement and sales. We have been steadily accumulating achievements.



Securing stable energy through the nuclear fuel cycle

Nuclear fuel cycle

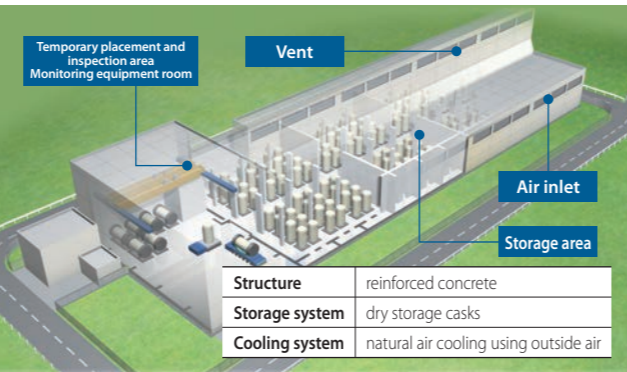
Uranium, a fuel for nuclear power generation, is produced in politically stable nations, which enables a stable supply. It can also be a “semi-domestic energy resource” mainly because a small amount of uranium is required for long-term power generation and spent fuel can be reprocessed and used again as fuel. Promotion of the “nuclear fuel cycle,” a cycle of re-using uranium and plutonium out of fuels used at nuclear power plants, is a practical way to effectively use energy sources and secure stable energy for Japan, a resource-poor country.



Reference: “Graphical Flip-chart of Nuclear and Energy Related Topics 2015,” Federation of Electric Power Companies of Japan, other sources

Recyclable Fuel Storage Center

Spent fuels are stored in a spent fuel pool inside power stations for a certain period of time and then transported to a reprocessing plant. In case the pool is filled to capacity, the power station cannot be operated. For this reason, spent fuels have to be taken out in a planned manner. Installation of a recyclable fuel storage center (interim storage facility), in which spent fuels are temporarily stored, enables the stable operation of power plants into the future. Our company prepared a “Plan to promote measures for spent fuel” in 2015, and we are working as a unified company on efforts toward obtaining sites and promoting understanding about the necessity and safety of it widely among the public in power consuming areas.



Initiatives prioritizing safety at nuclear power plants

Enhancing nuclear power safety and reliability

Kansai Electric Power is carrying out a variety of measures to minimize risk and ensure sufficient safety at its nuclear power plants.

Ensuring nuclear power plant safety

Nuclear power plants are designed to include multiple safety systems to prevent a malfunction or human error from resulting in an accident, premised on the fact that machines break down and human beings make mistakes. In the unlikely event of a malfunction occurring, multiple safety functions come into action: detection of abnormalities at an early stage; automatic shutdown of the nuclear reactor; cooling of the fuel with cooling water; and containment of radioactive materials. In addition, based on a defense-in-depth policy, and naturally in compliance with the new regulatory requirements issued by the Japanese government in the wake of the accident at TEPCO’s Fukushima Daiichi Nuclear Power Station

in March 2011, Kansai Electric Power is taking safety measures to cope with a “severe accident” and other measures that go beyond the existing regulatory framework. We conduct inspections of and carefully monitor all facilities, carry out training as before, and run regular drills to practice responding to severe accidents. In these ways we strive to further enhance the safety and reliability of nuclear power generation.

Strict radiation control

To monitor the effects of radioactive substances on the surrounding environment, multiple monitoring stations and monitoring posts are located around each plant. Atmospheric radiation levels are monitored around the clock, and the data can be accessed on our website and elsewhere. In addition, Kansai Electric Power regularly samples soil, river water, seawater, agricultural products, and marine products in the vicinity of its nuclear power plants, and tests the levels of radioactive substances contained to monitor impact on the environment.

Striving for business operations that further prioritize safety

To prevent the lessons of the Mihama Nuclear Power Station Unit 3 accident from fading away

On August 9, 2004, an accident involving the rupture of secondary system piping occurred at Mihama Nuclear Power Station Unit 3. Based on the President’s Declaration “Ensuring safety is my mission, and the mission of the Company,” we have strictly implemented recurrence-prevention measures, with a firm determination that we shall never cause such accidents. Moreover, making every August 9th our “Safety Vow Day,” every employee observes a moment of silence and reviews their CSR Conduct Cards on which they have written their own safe conduct oaths. Through these and other efforts, we are working to cultivate a safety culture in order to implement business management with safety as the top priority and prevent the lessons of the Mihama Nuclear Power Station Unit 3 accident from fading.



The president and others renew vows of safety and observe a moment of silence before a stone memorial



Safety Vow Memorial made of stone erected on-site at the Mihama Nuclear Power Station

Fostering an unshakable group-wide safety culture

Based on the lessons from the Mihama Nuclear Power Station Unit 3 accident, we are continuing safety efforts that put preserving the safety of every person involved in the business activities of our company first. We share a strong belief that “we will not allow misfortune to occur to the colleagues who work with us or their families.” This includes our partners and the staff of subcontractors. We are striving to cultivate a culture that prioritizes the assurance of safety and to practice safe conduct.

Safety first is set as a management criterion in our Management Philosophy. In addition, we aim to make “our beliefs about safety” and our Safe Action Declaration in the Kansai Electric Power Group Safe Action Charter* further

permeate the Group. We also convey the details of these principles to our subcontractors and deepen information sharing and communication. By doing these and other things, we are working to cultivate a group-wide safety culture that never wavers.

* For details, refer to page 82.



Undertaking a safety activity in unity with a subcontractor

Promoting efforts to further increase safety

In response to the accident at the Tokyo Electric Power Fukushima Daiichi Nuclear Power Station, we established our Commitment to Enhancing Nuclear Safety, which clearly states our ideals about nuclear power safety, as a company proclamation that is one of our most important company rules.

Based on this philosophy, we are working to further enhance voluntary sustained efforts to increase the safety of nuclear power generation.

Commitment to Enhancing Nuclear Safety

Preface	Every one of us shall remember the lessons learned from the Fukushima-Daiichi nuclear accident and ceaselessly strive to enhance nuclear safety to protect the people not only in the plant-hosting communities but also the whole country, and to preserve the environment.
Characteristics of nuclear power generation and risk awareness	Nuclear power generation has superior characteristics in terms of energy security, prevention of global warming and economic efficiency, and is an essential power source for the future. On the other hand, nuclear power generation has risks of radiation exposure and environmental contamination. Every one of us shall always bear in mind that once a severe accident happens due to lack of proper management, it could cause enormous damage to the people and the environment.
Continuous removal/reduction of risk	To enhance nuclear safety, we shall fully understand the characteristics and risks of nuclear power generation and continually remove or reduce such risks while identifying and evaluating them, never believing at any moment that we have reached the goal of ensuring safety. These efforts shall be conducted at each level of the Defense-in-Depth.
Development of safety culture	Safety culture is the basis for continuously removing or reducing risks. Since the accident of Mihama Unit No. 3, we have been reviewing and improving our safety culture, and we shall develop such safety culture. To this end, we shall always be ready to question anything, learn from others and listen to the voices of society and discuss issues uninhibitedly while respecting diverse opinions with further efforts.
Commitment to enhancing nuclear safety	Enhancing nuclear safety is the overriding priority in the company. It is also important to promote two-way communications with the people in the plant-hosting communities and the whole country, and to share common perceptions on nuclear safety. Under the President’s leadership, every one of us shall work together to tirelessly enhance nuclear safety.

Safe and stable operation of power plants

Takahama Nuclear Power Station Units 3 and 4 and Ohi Nuclear Power Station Units 3 and 4 continue safe and stable operation

We resumed operation at Ohi Nuclear Power Station Unit 3 in March 2018 and Unit 4 in May of the same year. To continue with safe and stable operation into the future, we will keep expending all possible means to operate and maintain these units, together with Takahama Nuclear Power Station Units 3 and 4, which resumed operation in 2017, with a sense of pressure and top priority given to safety.

Preparing for operation beyond 40 years

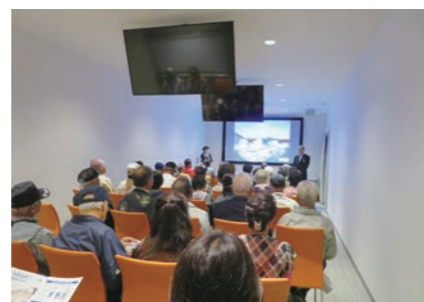
Promoting safety improvement measures toward the restarting of operations at Takahama Nuclear Power Station Units 1 and 2 and Mihama Nuclear Power Station Units 3, as well as activities to gain understanding of operations beyond 40 years

Our company has always maintained the durability of our nuclear power plant facilities by continuously implementing maintenance and management, including regular inspections and planned equipment replacements. At the time of our application for an operation period extension for 40 years from the starting month of operation, in accordance with the law, for Takahama Power Station Units 1 and 2 and Mihama Power Station Unit 3, special inspections were carried out for reactor vessels and other equipment. In addition, technical evaluations of degradation from age were carried out, confirming that the durability of important facilities for safety could be assured even for an operation period of 60 years. After these examinations, we received operation period extension approvals from the Nuclear Regulation Authority for both power stations. As we now prepare for operations beyond 40 years, we are steadily advancing large-scale safety measure construction projects.

We are undertaking face-to-face communication, including power plant tours and explanations in various locations to deepen public understanding about the operation of our plants beyond 40 years. We will continue to promote active communication with people in the communities including those who live near our facilities.



Takahama Nuclear Power Station Units 1 and 2 containment vessel upper shield installation work



Undertaking face-to-face efforts (explanation meeting)

Reliable decommissioning processes

Decommissioning status of Mihama Nuclear Power Station Units 1 and 2 and Ohi Nuclear Power Station Units 1 and 2

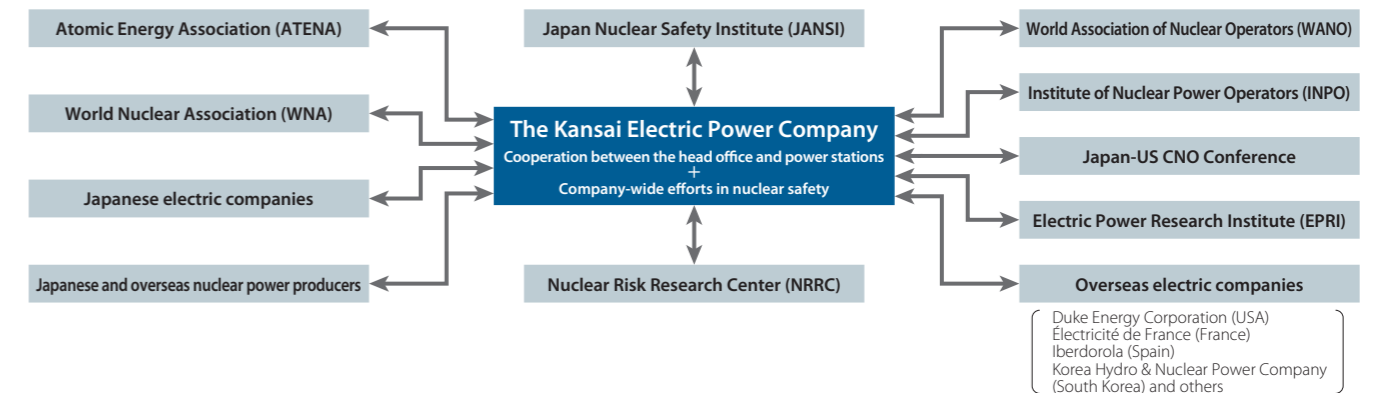
We are advancing the decommissioning plans for Mihama Nuclear Power Station Units 1 and 2, which will cover about 30 years in total. Specifically, the plans will be moved forward in four main stages: preparation work for dismantling, disassembly of the reactor's auxiliary buildings, dismantling of the reactor vessel and other equipment and the lastly, disassembly of the structures. Currently we are advancing the process of the first stage. For Ohi Nuclear Power Station Units 1 and 2, we applied for decommissioning in November 2018 and received the Nuclear Regulation Authority's examinations. Going forward, we will move ahead with the decommissioning of these units along with Mihama Nuclear Power Station Units 1 and 2, for which we have already received approval for decommissioning, with top priority given to safety.

Voluntary efforts to enhance nuclear safety

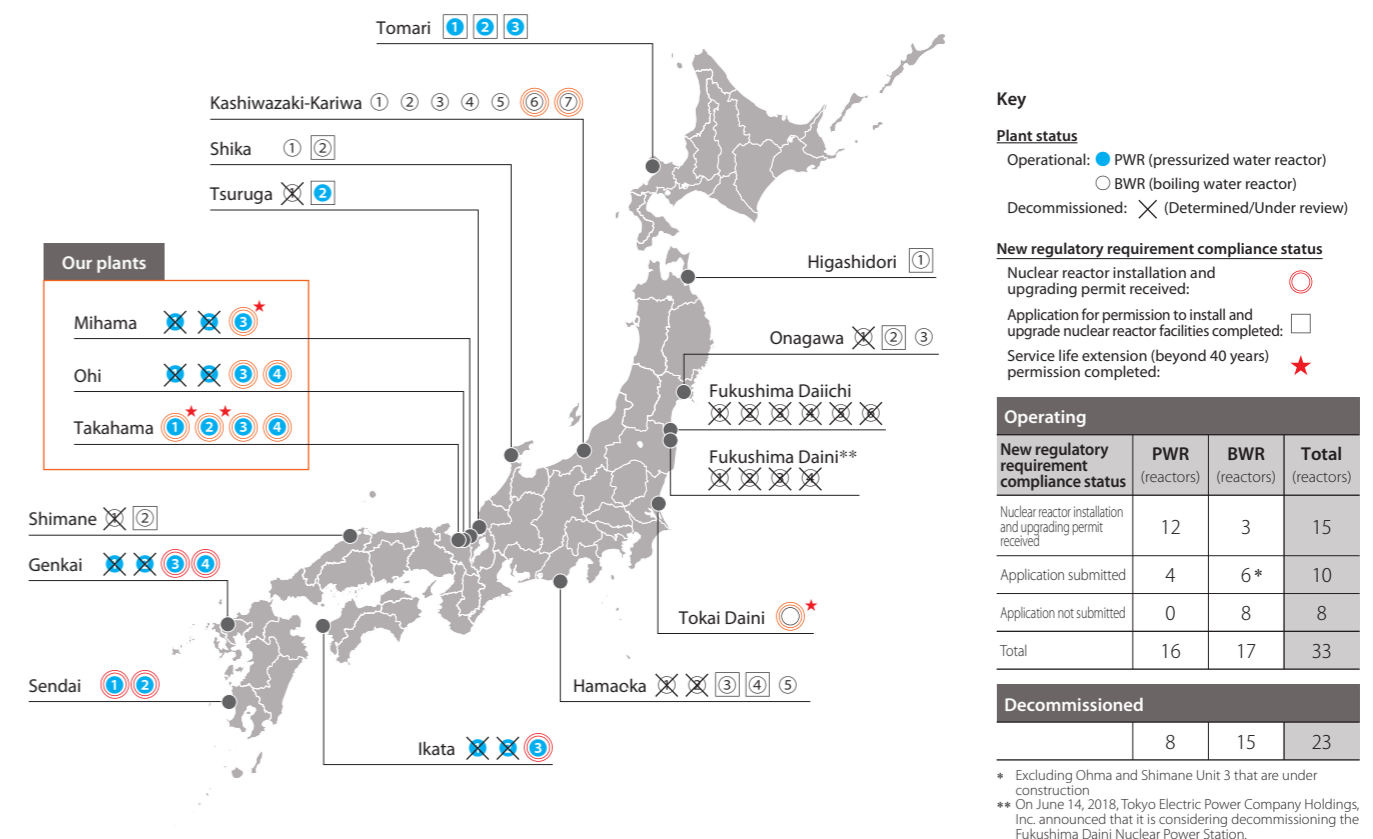
Further strengthening of ongoing voluntary efforts to enhance nuclear safety

Apart from regulatory frameworks, we are advancing our voluntary and sustained efforts for improving the safety of nuclear power generation as a unified company. Our efforts are organized as a road map and are publicly reported semiannually. Safety enhancement is also promoted as necessary through cooperation with organizations, such as the Japan Nuclear Safety Institute (JANSI), which provides support through evaluation of safety enhancement efforts and suggestions, the Nuclear Risk Research Center (NRRC), which supports safety enhancement efforts from the perspective of probabilistic risk assessment, and the Atomic Energy Association (ATENA), which identifies issues that the entire nuclear power industry should address. With overseas electric companies, we exchange information at top management meetings and at the working level. Furthermore, we proactively incorporate overseas case examples and knowledge through the World Association of Nuclear Operators (WANO) and other organizations.

Safety enhancement efforts in cooperation with Japanese and overseas organizations



Status of nuclear power plants and new regulatory requirements throughout Japan (as of May 24, 2019)



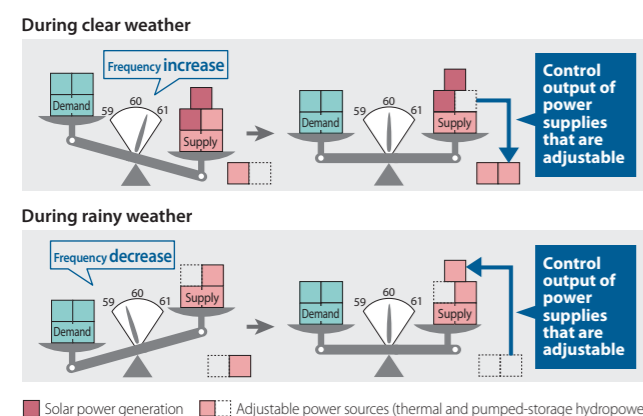
1 Safe and Stable Delivery of Products and Services As Chosen by Customers

Maintaining power supplies with the invariable safety and stability after the full liberalization of the retail electricity sales

Maintaining electric power quality by adjusting supply and demand balances

We are working for the stable supply of power by adjusting the amount of power generated in response to fluctuations in the amount of power used in the Kansai area.

In recent years, the incorporation of power generation from renewable energy sources has been progressing in Japan. The amounts generated from solar and wind power vary greatly due to weather changes. For this reason, we are working to maintain the balance of power supply and demand as well as voltages and frequencies by precisely adjusting the amounts of power generated by thermal power and pumped-storage hydropower plants by using technology that forecasts solar power output. In addition to that, we are actively contributing to the incorporation of power generation from renewable energy sources.



Training the personnel who support safe and stable supply functions

Systematic drills are carried out on a continuous basis to train individuals and provide necessary specialized skills. Additionally, to properly preserve and pass on these techniques and technical skills throughout the Group we have a system in place that certifies as specialist technicians those individuals who have advanced technical capabilities and who demonstrate leadership. We have also introduced a system for ascertaining the technical capabilities of individuals, along with various other measures.

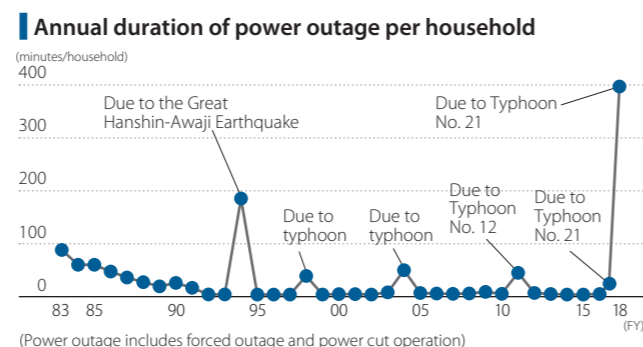
To provide high-quality electric power

Kansai Electric Power works to operate power systems that provide a reliable link between power plants and consumers and optimize the configuration of facilities. We are also making thorough efforts to prevent failure recurrence. As a result of our efforts, we are maintaining one of the world's

highest power quality levels in the transmission and distribution business.

Nevertheless, on September 4, 2018, the powerful Typhoon No. 21 ripped through the area in which we operate, causing breakages totaling more than 1,300 utility poles and a power outage affecting roughly 2.2 million households in total. We apologize to our customers for the inconvenience and trouble caused by the extensive and long-term power outage.

Reflecting on this situation, we will step up our efforts to develop and introduce new technologies and new construction methods for the purpose of preventing failures and for swift recovery in the event that an accident does occur. Along with that, systematic renovation is in progress for aging facilities.



Preventing electrical accidents

If something approaches, touches or damages one of our electrical facilities, including transmission and distribution equipment, injury due to electric shock, wide-area power outages and other serious impacts on society could occur.

In order to prevent such electrical accidents, we provide information about things that construction companies should be aware of during construction and that customers should keep in mind during daily life, for example, on our website and through various public relations activities.

Introduction of a new system for renovation work for aging facilities

Upon renewal of aging facilities that were constructed during the period of rapid economic growth, we have proactively introduced a new system to build facilities that enable us to respond more swiftly than ever in case a defect occurs within the facilities by remote checking or other means. In February 2019, Gakken Kizu Power Station was established by incorporating all these new systems. We will



continue proactively introducing these new technologies and take all possible measures to ensure the safe and stable supply of power.

Well prepared for G20 Osaka Summit

The G20 Summit was held in Osaka on June 28 and 29, 2019 for the first time in Japan.

Toward the success of the summit, as a member of the Kansai economic circles and as an energy company, we made all-out group efforts to build and implement a system for ensuring the security of facilities so nothing could happen to the stable supply of electricity.

More specifically, we cooperated with the summit by ensuring a stable supply of electricity to the conference sites and important facilities through patrol focused on power supply facilities, monitoring of electrical systems and operation systems, reinforced security and so on under a cooperative headquarters system headed by our president.

Preparing for a natural disaster

Preparing for a major disaster

Based on our mission of providing stable electric power, Kansai Electric Power promotes disaster mitigation initiatives that will strengthen facilities to withstand disaster. We have also put in place a disaster control system to enable rapid recovery from various kinds of natural disasters. Particularly, in the event of the Nankai Trough Earthquake, a megathrust earthquake which is feared to hit in the future, we will follow the basic plan for mitigating disaster announced by the Japanese government and take carefully planned disaster response and recovery measures.

Strengthening the disaster response system

We are enhancing our response systems to prepare for rapid initial response to the occurrence of disasters. This includes the designation of individuals who arrive at the workplace early and night watches by supervisors, along with the implementation of special training for the individuals who are to be in charge of initial response several times a year.

We are also seeking to improve employee skills in responding to disasters and increasing their awareness about disaster preparation. We implement annual company-wide comprehensive disaster response training under the leadership of our president as the chief of the Emergency Headquarters. We do these things not only to prepare for the occurrence of



the Nankai Trough Earthquake but also through considering cases with various severe conditions such as the occurrence of a nuclear power disaster at the same time or occasions when the balance of power supply and demand is tight.

Implementation of the Typhoon No. 21 Response Verification Committeey

Reflecting on the extensive and long-term power outage caused by Typhoon No. 21 that hit in September 2018, we established the Typhoon No. 21 Response Verification Committee headed by our president to ensure an even more solid response to future large-scale disasters. Under this structure and from the viewpoints of early restoration from power outages, customer service and cooperation with local governments, we verified our responses in general, extracted challenges and then considered measures in a broad range and summarized the results in a report.

Our key measures include utilization of drones for efficient understanding of equipment damage, enhancement of information distribution by developing a power outage information application and strengthening of the reception function of call centers. We will also enhance our information and contact system with local governments for improved cooperation in case of emergency.

Using a combination of such measures, we will fulfill our important mission of supporting the life of citizens through early restoration from power outages, delivery of fine-tuned, timely information about the power outages and the restoration outlook.

We will continue making strenuous efforts in building a truly robust business foundation that enables the safe and stable supply of electricity amid unexpected disasters.

Strengthening collaborative ties with concerned external organizations

Even in times without disasters, we are working to build relationships with governments, police and fire departments and other concerned external organizations as well as other electric power companies in order to enable smooth mutual cooperation during times of emergency and restore power as quickly as possible.

Specifically, we proactively participate in disaster response training held by local governments, designated public corporations and the like. With Japan Ground Self-Defense Force and Japan Maritime Self-Defense Force, we have signed agreements for mutual cooperation in disaster preparedness and prevention.



Signed agreements on mutual cooperation with Japan Maritime Self-Defense Force Maizuru Regional Headquarters in August 2018

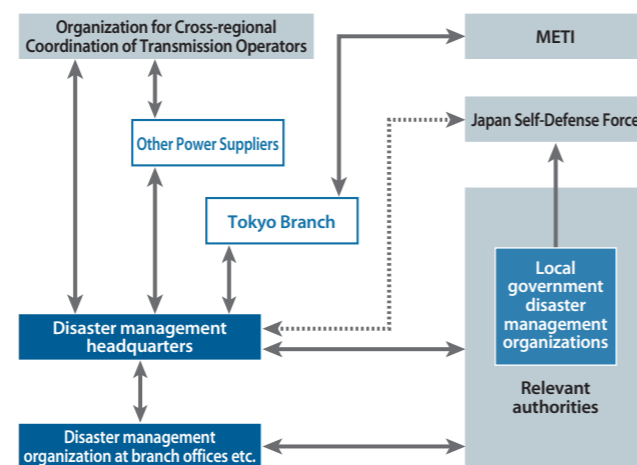
1 Safe and Stable Delivery of Products and Services As Chosen by Customers

Disaster response after company spin-off

Even after the unbundling of the transmission and distribution sector required by law that is scheduled in April 2020, in the event of a large-scale disaster such as the Nankai Trough Earthquake, the Kansai Electric Power Co., Inc. and Kansai Electric Power Transmission and Distribution Co., Inc. will be united to respond to the disaster and continue to fulfill our responsibility of providing a stable electricity supply.



Emergency system for communicating with relevant authorities



Dispatching a restoration support team to other electric companies

In July 2018, upon the request of the Chugoku Electric Power Co., Inc., we dispatched a support team to restore electricity amid the disastrous heavy rain in western Japan.

More specifically, we sent equipment such as high voltage power generators and aerial work platforms as well as personnel for restoration work and logistics to the city of Mihara, Hiroshima. Over seven days, we cooperated in restoration work for the Chugoku Electric Power to our full extent.

We will continuously and proactively cooperate in responding to natural disasters that occur in other areas to fulfill our responsibility of providing a stable electricity supply.



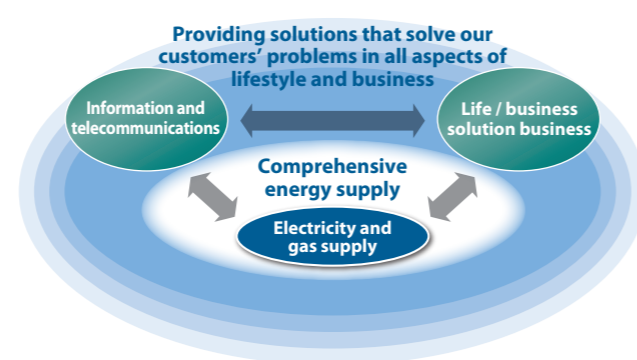
Providing services as a consolidated group

Aiming to be “the best partner in daily life and in business”

Our corporate group has been meeting the various demands of our customers and society by offering total solutions that combine our services, including comprehensive energy supply which is mainly offering electricity, as well as telecommunications, daily life and businesses.

For our Group to continuously be selected by customers, we will continue expanding various services in addition to our existing “total electric conversion” and provision of electricity and gas as a combination. From the standpoint of our customers, we will offer a wide variety of “safe, comfortable, convenient” as well as economical energy services. With our engineering strength that the Group has so far cultivated as our core, we are committed to provide solutions that solve our customers’ problems in all aspects of lifestyle and business, through which we will play a role that exceeds our customers’ expectations.

Business areas for strong growth



Services for residential customers

In addition to “total electric conversion” that realizes a comfortable and convenient lifestyle, since February 2018, we have started to offer “Nattoku Packs” that combine our electric and gas services to encourage more and more customers to choose our energies. We are also offering a variety of services that support daily life, including our

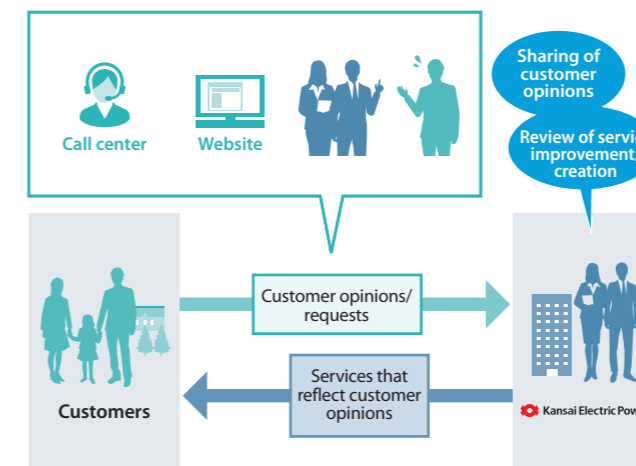
“Kaketsuke Electricity Service,” which dispatches support personnel to customers having trouble with electricity, and “Hapi e-Kurashi Support,” a set of daily life troubleshooting and preferential services, and “Hapi e-Point,” which can be collected by using our electricity and gas. As a comprehensive energy company, we will keep making efforts to lead customers to choose our Group for both our prices and services.

Number of improved cases based on customer feedback

225

Service improvement and service creation to reflect the opinions of customers

We work to create and improve services in response to requests received from customers through our call centers, website, etc. so we can meet our customers’ needs.



Customer satisfaction survey

We conduct “Customer Satisfaction Surveys” asking our customers to assess how understandable our telephone operators’ explanations regarding inquiries such as “The lights in the house went out suddenly.” We receive high evaluations from a lot of customers.

We will keep working to make our customers more satisfied by utilizing the evaluation results for improvements in services and businesses.

Of customers who asked for advice over the phone,

90.2%

replied that they were satisfied.

Create new services and value that meet customer needs

K-Opticom Corporation has consolidated the information system development function owned by Kanden System Solutions Co., Inc., and changed its corporate name to OPTAGE Inc.

This business integration enables the provision of enhanced one-stop solutions combining information and communication. We will continue meeting the needs of our customers by providing new services and value, including digitalization and IoT, as well as existing services, such as FTTH services—“eo Optical Fiber Internet,” “eo Optical Fiber Telephone” and “eo Optical Fiber Television” —which utilize our own optical fiber network that has high speed and reliability, and “mineo” cell phone services.



OPTAGE Inc. service brands

Lifestyle services with the confidence of our customers as the foundation

With quality is our top priority, we deliver lifestyle-related services to residential customers. These services provide peace of mind, comfort and convenience and are deeply connected to their lives. In this way, our individual companies seek to make our corporate group the one that our customers trust and choose as the “best partner for their lifestyles.” As for caregiving services, in particular, considering the arrival of a society in which the average age is extremely high, in July 2018 we started demonstration experiments of IoT technology-based lifestyle support services for the elderly at home. Specifically, we have been carrying out necessary studies to create an application that enables the provision of even higher quality care and more accurate and more detailed safety confirmations by reading data to grasp the details of changes in life rhythm, vital signs, sleep states, etc. of the elderly at home.

We will keep offering high quality services in real estate, nursing care, home security, health management support and other businesses that our Group operates. At the same time,



1 Safe and Stable Delivery of Products and Services As Chosen by Customers

employing the comprehensive abilities of our Group, we will combine the above businesses to satisfy our customers' diversified needs, thereby supporting the realization of peace of mind, comfort and convenience in customer lifestyles even more than before.

Services for corporate customers

Kansai Electric Power promotes a variety of services, providing optimal energy systems and management methods designed to meet individual customer needs and help reduce energy consumption, costs, and CO₂ emissions.

Examples of adopting utility services

Kintetsu Real Estate Co., Ltd. adopted the utility services of Kanden Energy Solution Co., Inc. (Kenes) for the Abeno Harukas super-high rise multifunction building, which stands 300 m above ground and had its grand opening in March 2014.

Expert energy technicians from Kenes are stationed at the building around-the-clock, managing facilities with different energy quality demands, including a department store, offices, a hotel and a museum. Moreover, we are continuously realizing energy, cost and CO₂ reductions by monitoring energy use conditions in real time and utilizing the collected data in operation and maintenance. In this way, we have been told that customers are able to focus their business resources, including essential personnel, on their primary businesses by entrusting work related to energy management to Kenes.

Examples of services for corporate customers

Examples of services for corporate customers	
Electricity Usage Notification Service (Kansai Electric Power Company)	In addition to making it possible to see electricity use conditions on a website, we also distribute information and email newsletters that help customers solve problems.
Utility Service (Kanden Energy Solution Co., Inc.)	This service enables customers to outsource facility management and even makes initial financing unnecessary for them by providing comprehensive services from fund-raising and design to installation and maintenance administration for utility facilities related to energy, including power receiving equipment, air-conditioning and heating equipment and boilers.
Assistive vehicle leasing service (The Kanden L & A Co., Ltd.)	We provide total support for assistive vehicles, including leasing, sales, repair and upgrading.
Business place security (KANDEN Security of Society, Inc.)	This service preserves customer safety 24 hours a day 365 days a year by rapidly detecting abnormalities, including intruders and fires, and rushing staff to the site.
Comprehensive building management (Kanden Facilities Co., Ltd.)	These services provide facility environments that are safe and secure and contribute to increasing property values through, for example, the daily maintenance management and cleaning of buildings and facilities, security, environmental hygiene and energy management.

The group companies that provide the services are indicated inside parentheses.



Inspecting the utility facilities of the Abeno Harukas building

Future plans

Recently sentiment has been rising to strongly expect enterprises to make contributions toward the realization of a sustainable society.

Even under a severely competitive environment after the full liberalization of retail electricity and gas sales, our Group will keep challenging to meet such expectations and earn the trust of customers and communities.

Especially about safe and stable electricity supply, which forms the backbone of the Group' business, we will proceed with steps for the continuation of safe and stable operations and resumption of subsequent plants. In addition, after the spin-off of our transmission/distribution company, we will steadily work to ensure stable supply from a neutral and equitable standpoint, prepare for large-scale disasters in cooperation with organizations concerned and foster a safety culture in our Group-wide efforts.

As provided in the Medium-term Management Plan (2019-2021), we will deliver a broad range of "safe, comfortable, convenient" and economical energy services. Along with that, employing the comprehensive strengths of our Group, we will create new businesses and services. As a leading company in the Japanese energy sector and also a major player of "a shared infrastructure supporting the realization of a sustainable society in the future," we will continue to be at the service of our customers and communities.



Toru Tanaka
General Manager of Office of Corporate Planning
The Kansai Electric Power Company

CSR Action Principles 2

Proactive Approach with a View to Creating Ever Better Environment

As a provider of energy services that are closely connected with the environment, the Kansai Electric Power Group fully recognizes the scale of impact its business activities have on the global environment and therefore will strive to alleviate the environmental burden and environmental risks accompanying our business activities. Furthermore, we will aspire for creating ever better environment and contribute proactively to the development of a sustainable society through provision of products and services having lesser environmental impact.

Kansai Electric Power Group Environmental Action Policy

Based on our Kansai Electric Power Group CSR Action Charter, as an energy business that has a deep connection to the environment, we are formulating the Kansai Electric Power Group Environmental Action Policy as the environmental management policy to be pursued by our group over the medium- and long-terms. We are realizing this policy through deliberations by our Environmental Board chaired by our

Executive Officer in charge of environmental affairs.

As issues that should be considered in the conduct of our business activities, the Kansai Electric Power Group Environmental Action Policy expresses four main focuses that should be followed in our efforts, including "initiatives contributing to the realization of a low-carbon society."

Initiatives contributing to the realization of a low-carbon society

- Lowering electric power's carbon intensity
- Technological developments for constructing the Smart Grid
- Contributing to energy conservation, cost reductions and CO₂ emissions reductions for customers and society
- Overseas activities
- Technical development efforts
- Value chain efforts
- Efforts to reduce greenhouse gases other than CO₂

Initiatives contributing to the realization of a recycling-oriented society

- Promotion of proactive 3R efforts aimed at zero emissions
- Promoting safe, reliable, and complete disposal of PCB wastes
- Promoting green procurement

Promotion of environmental protection in local communities

- Measures to prevent air and water pollution, etc.
- Efforts to strictly manage and reduce toxic chemicals
- Considering the preservation of biodiversity

Promoting environmental management and environmental communication

- Continuous improvement using environmental management systems based on ISO 14001 systems and strict adherence to laws and regulations
- Active advancement of environmental awareness raising activities with local communities and customers and disclosure of environmental information

2 Proactive Approach with a View to Creating Ever Better Environment

Promoting environmental management

Building environmental management systems that incorporate the approaches of ISO14001

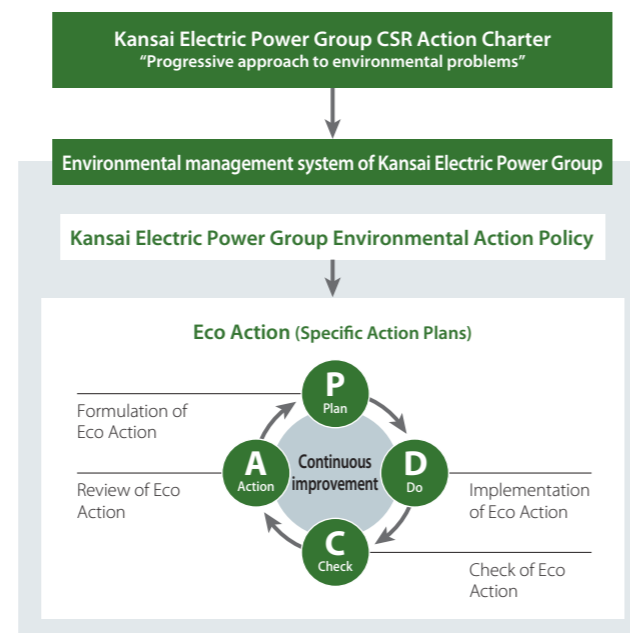
Based on our Environmental Management Directive in which fundamental items are established in accordance with an ISO 14001 system, we present the Kansai Electric Power Group Environmental Action Policy to our entire group, formulate Eco Actions as specific action plans and improve them continuously by implementing check and review measures. In these ways we are making efforts to minimize environmental impacts and risks under the leadership of our president who is the Chief Environmental Management Officer of our company.

At our company, led by our president, head of each division is designated as the officer in charge of environmental management for the entire division and promoting environmental management independently. The Office of Corporate Planning and the Office of Energy and Environmental Planning utilize their expert knowledge in the environmental field and support the independent environmental management of each division and group company, communicating about environmental management as appropriate, confirming the status of their efforts and providing advice and guidance.

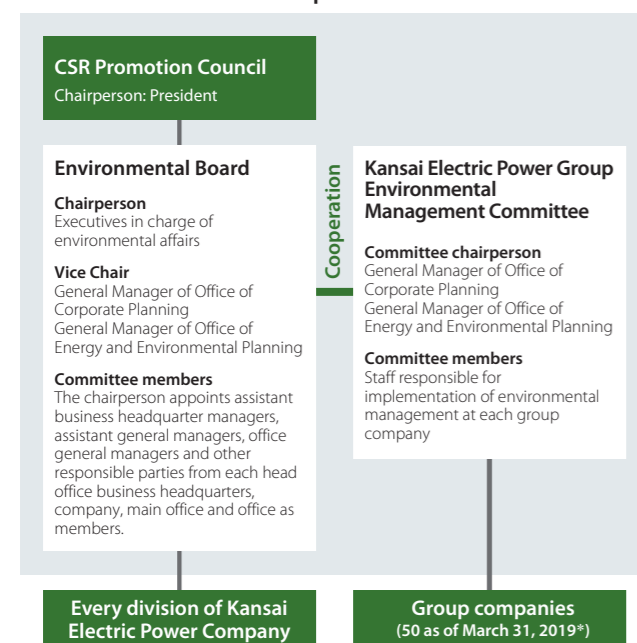
As a deliberative body, our Environmental Board, chaired by our Executive Officer in charge of environmental affairs, is held once a year and conducts checks and reviews of the Kansai Electric Power Group Environmental Action Policy and the Eco Action of the entire company as well as deliberates plans for the next year. Important issues are reported to the Sustainability and CSR Promotion Council, chaired by the president, which undertakes the formulation of policies that

contribute to the advancement of CSR throughout the entire group and the sustainable development of society. Moreover, as a deliberative body for group companies, once or twice a year we hold a Kansai Electric Power Group Environmental Management Committee meeting for department heads from each company to discuss group company Eco Actions and risk management. This Committee coordinates with the Environmental Board as necessary.

Environmental management system of our corporate group (PDCA cycle)



Environmental management promotion system of the Kansai Electric Power Group



* The 50 companies, which are selected from 79 consolidated subsidiaries and 4 equity method affiliates, exclude those that have low environmental impacts.

Environmental education (practical knowledge and awareness raising)

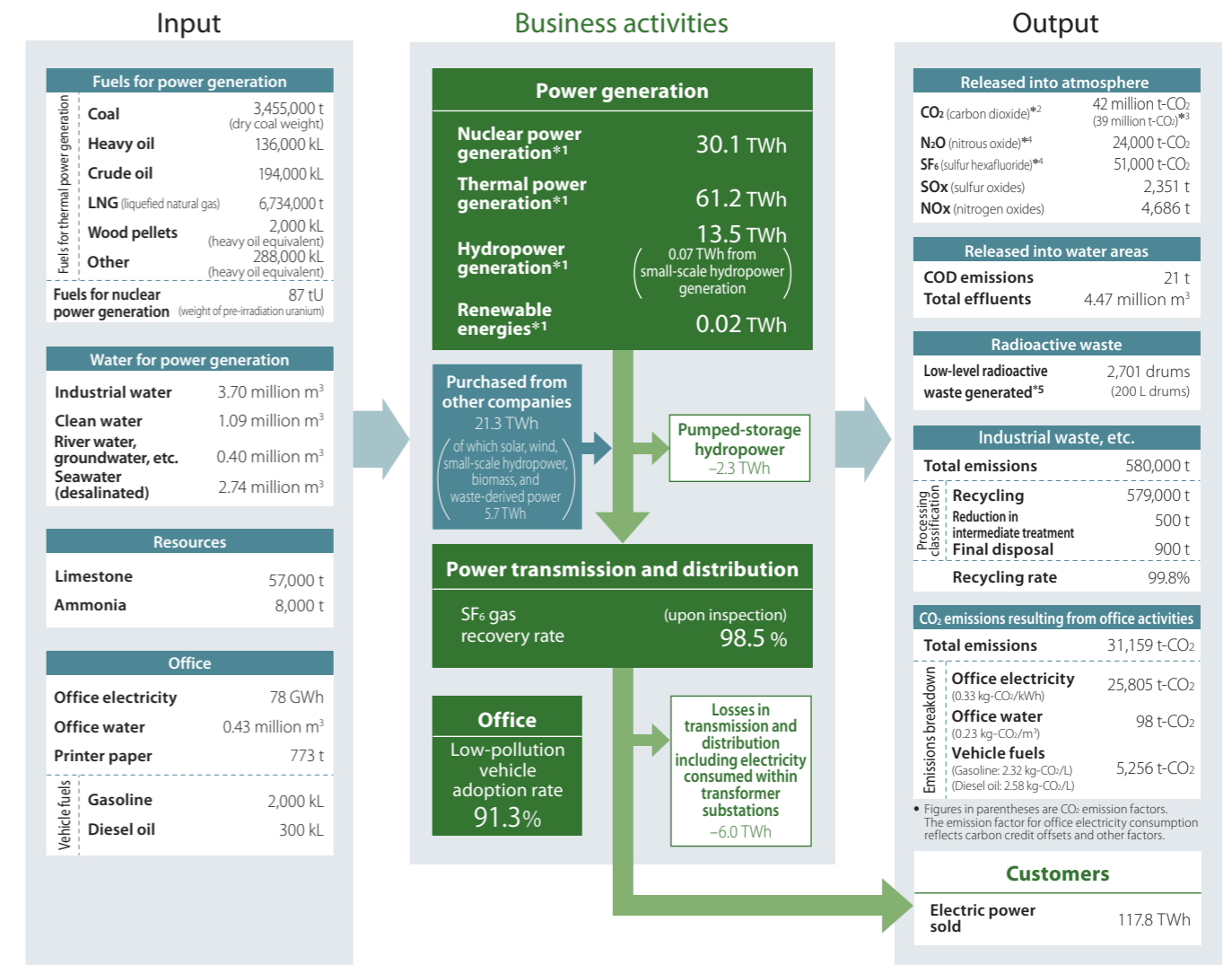
We conduct education for our employees in order to develop human resources that understand the Kansai Electric Power Group Environmental Action Policy and are able to implement it.

Specifically, we are conducting specialized education to provide practical knowledge as well as general education for all employees to raise awareness by conferring knowledge related to efforts for the environment by society and our corporate group.

Strict adherence to laws, regulations and other rules

We are striving to adhere strictly to environmental laws, regulations and environmental protection agreements. In fiscal 2018, there were no press releases about violations related to these environmental laws, regulations and agreements.

Status overview of our business activities and environmental load (FY 2018)



Note 1: This table contains non-consolidated figures for Kansai Electric Power Co., Inc. only.

Note 2: Totals may not sum due to rounding.

Note 3: Thermal power generation figures do not include biomass power generation.

*1 Includes amounts of power for inside power plants

*2 Includes CO₂ originating from electricity purchased from other companies

*3 Emissions taking carbon credits into account

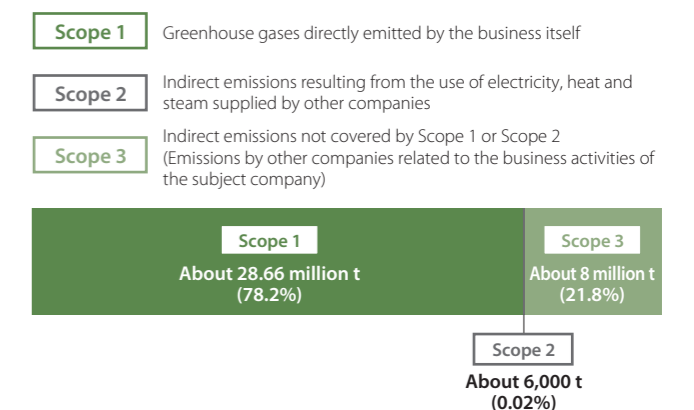
*4 CO₂ conversion

*5 Net generation (generated amount - reduced amount)

Greenhouse gas emissions in our corporate supply chain

We calculate the amount of greenhouse gases emitted in our entire supply chain in accordance with the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver. 2.3) issued by the Ministry of the Environment and the Ministry of Economy, Trade and Industry.

As an energy business, considering that about 80% of our total emissions falls under Scope 1, we are steadily making efforts toward the realization of a low-carbon society including lowering the carbon intensity of electricity.



Eco Action

Based on the Kansai Electric Power Group Environmental Action Policy and management plan guidelines, we have established Eco Action measures as specific action plans for environmental management.

Among the Eco Actions we conduct along with business activities, considering impacts on the environment and the expectations of society and stakeholders, we select especially important items as company-wide Eco Actions and subject them to management review by the Environmental Board.

Moreover, we have set four actions undertaken in offices, including the reduction of office electricity and water use, as “office energy and resource conservation activities” that are shared throughout the Group.

Company-wide Eco Action items

Main environmental initiatives arising from our business activities	Initiatives contributing to the realization of a low-carbon society	
	Advancing efforts to control CO ₂ emissions	P56-60
	Continuing safe and stable operation of nuclear power plants	
	Developing and utilizing renewable energy sources further	
	Maintaining and improving the thermal efficiency of thermal power plants (lower heating value base)	
	Reducing transmission and distribution loss	
	Promoting use of innovative forms of energy among customers and communities	
	Controlling SF ₆ emissions (calendar year basis) (gas recovery rate upon inspection/removal of equipment)	
	Initiatives contributing to the realization of a recycling-oriented society	
	Maintaining industrial waste recycling rate	P61
	Processing PCB waste properly	
Promotion of environmental protection in local communities		
	Maintaining sulfur oxide (SO _x) and nitrogen oxide (NO _x) emission factors	P62

Office energy and resource conservation activities (Group-wide items)	Item	Reducing office electricity consumption	Reducing office water consumption	Improving fuel efficiency of company vehicles	Reducing copy paper consumption
	Targets	Reduce by 1% or more from previous year	Reduce as much as possible	Improve as much as possible	Reduce as much as possible
	Record of results				
	Main company	<div> <div>(GWh)</div> <div>80</div> <div>77</div> <div>78</div> <div>2016</div> <div>2017</div> <div>2018 (FY)</div> </div>	<div> <div>(1,000 m³)</div> <div>456</div> <div>452</div> <div>426</div> <div>2016</div> <div>2017</div> <div>2018 (FY)</div> </div>	<div> <div>(km/L)</div> <div>11.0</div> <div>11.31</div> <div>11.43</div> <div>2016</div> <div>2017</div> <div>2018 (FY)</div> </div>	<div> <div>(t)</div> <div>961</div> <div>809</div> <div>773</div> <div>2016</div> <div>2017</div> <div>2018 (FY)</div> </div>
	Group companies*	<div> <div>(GWh)</div> <div>61</div> <div>64</div> <div>66</div> <div>2016</div> <div>2017</div> <div>2018 (FY)</div> </div>	<div> <div>(1,000 m³)</div> <div>249</div> <div>256</div> <div>249</div> <div>2016</div> <div>2017</div> <div>2018 (FY)</div> </div>	<div> <div>(km/L)</div> <div>9.26</div> <div>9.39</div> <div>9.43</div> <div>2016</div> <div>2017</div> <div>2018 (FY)</div> </div>	<div> <div>(t)</div> <div>903</div> <div>872</div> <div>819</div> <div>2016</div> <div>2017</div> <div>2018 (FY)</div> </div>

* Calculated for 42 companies for each FY 2016–2018.

In our fiscal 2019 Eco Actions, responding to the increasing need to reduce carbon, we set targets related to the advancement of efforts to control CO₂ emissions for individual companies and changed targets related to maintaining and improving the thermal efficiency of thermal power plants. We also added efforts to actively advance the development of renewable energy sources in Japan and abroad as well as to reduce transmission and distribution loss. In addition, we revised our targets related to maintaining ratios of sulfur oxide (SOx) and nitrogen oxide (NOx) emissions to power generated.

Initiatives contributing to the realization of a low-carbon society

Policy and concept

Social background

In the Paris Agreement that established a framework for climate change countermeasures, every country is expected to submit and revise greenhouse gas reduction targets every five years.

In response, the Japanese government set a target to “reduce greenhouse gas emissions 26% by fiscal 2030 compared to fiscal 2013.” This target is integrated with the 2030 energy mix established by the government. Accordingly, electric companies that have most of the sales share in Japan, including our company, established the Electric Power Council for a Low Carbon Society (ELCS). The Council indicated in its Low Carbon Society Action Plan that it seeks to achieve an emission factor of about 0.37 kg-CO₂/kWh (energy used) by fiscal 2030 based on that energy mix.

Targets and efforts to achieve them

As a member of the ELCS, our company will continue contributing to efforts to achieve its goals. Moreover, in the recent Kansai Electric Power Group Medium-term Management Plan (2019-2021), we declared our intention to make efforts to reduce environmental load, including tackling climate change as a leading company of “decarbonization.” Among these efforts, with a base of strength in nuclear power generation, we will seek to achieve 6 million kW of renewable installed capacity by the 2030s. We are making these our “two wheels” of non-fossil fuel energy supplies. Through these

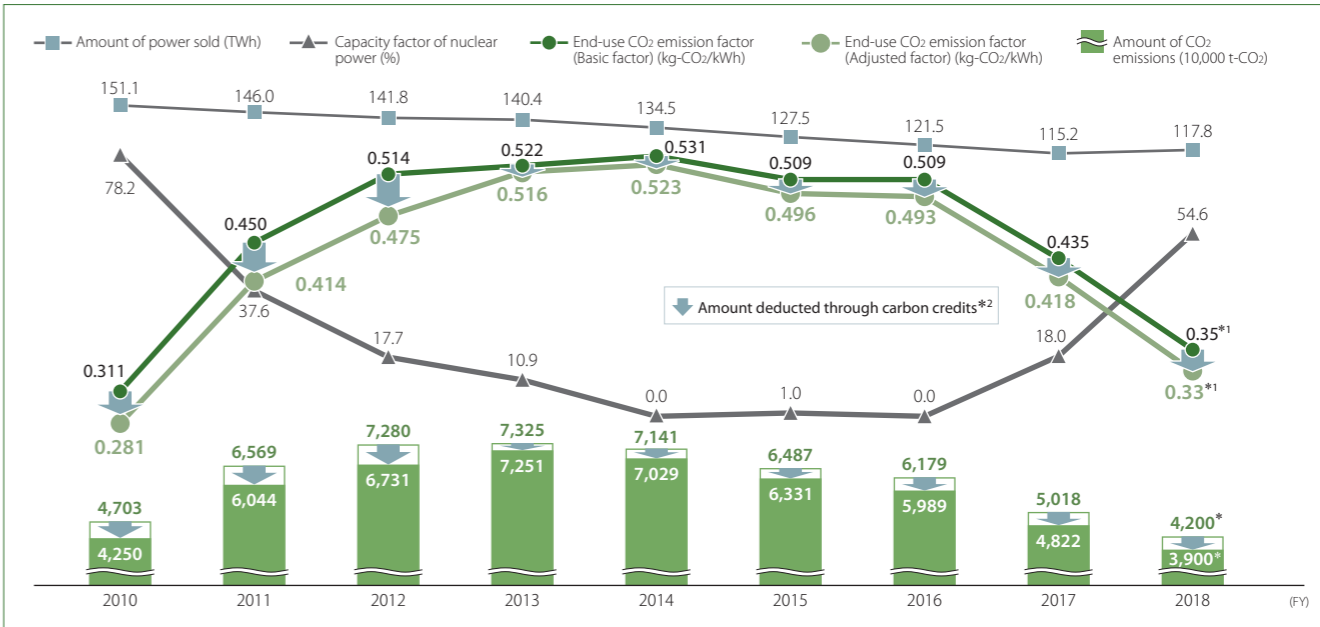
efforts, we will keep the top spot for the amount of CO₂-free power generation in Japan, and halve CO₂ emissions associated with power generation in Japan in fiscal 2030 compared to fiscal 2013.

Specifically, we will pursue “low carbon strengths,” including the utilization of nuclear power generation with the most emphasis on safety and through the further development, incorporation and utilization of renewable energies as well as by improvement of the efficiency of thermal power plants and other efforts. Moreover, we will increase the electrification ratio in society and advance the efficient use of electricity. In addition to the advancement of these efforts in both supply and demand, we will build a next generation network that is prepared to incorporate large amounts of renewable energy as a means of connecting them.

CO₂ emission factor results

Compared to the previous fiscal year, the CO₂ emission factor has been greatly improved, and the CO₂ emission factor for fiscal 2018 is expected to be about 0.33 kg-CO₂/kWh*¹ (adjusted factor). As a leading company of “decarbonization,” from fiscal 2017 through fiscal 2018, we resumed operation of Takahama Units 3 and 4 and Ohi Units 3 and 4, which had been confirmed to be safe. We have continued to endeavor for their safe and stable operation. These efforts contributed to greatly improving our CO₂ emission factor.

Changes in CO₂ emission factor, etc.



*¹ This value is provisional. Based on the Act on Promotion of Global Warming Countermeasures and subsidiary documents, the actual value of the CO₂ emission factor will be officially announced by the national government.

*² These were calculated based on the Act on Promotion of Global Warming Countermeasures and subsidiary documents. Adjusted factors include adjustments for environmental value that accompany the feed-in tariff for renewable energy.

2 Proactive Approach with a View to Creating Ever Better Environment

Eco Action (Initiatives contributing to the realization of a low-carbon society)

Item	FY 2018		FY 2019
	Targets	Results	Targets
Advancing efforts to control CO2 emissions	• About 0.37 kg-CO2/kWh*1 for the entire electric power business by FY 2030	• Electric Power Council for a Low Carbon Society (FY 2017): 0.496 kg-CO2/kWh*1 (Our company (FY 2018)) (0.33 kg-CO2/kWh*1.*2)	• Keep the top spot for the amount of CO2-free power generation in Japan • Halve CO2 emissions associated with power generation in Japan in FY 2030 (compared to FY 2013) • About 0.37 kg-CO2/kWh for the entire electric power business by FY 2030
Continuing safe and stable operation of nuclear power plants	• Advance efforts to operate nuclear power plants that make safety the top priority	• We continued the safe and stable operation of plants that had resumed operating. • We implemented safety improvement measures that conform to new regulatory requirements and voluntary efforts for various other safety measures.	Continued
Developing and utilizing renewable energy sources further	• Development and promotion of renewable energy, 500,000 kW (2030)	• Renewable energy development: 3 locations, 3,890 kW*3 (Cumulative total: 111,824 kW) • Renewable energy purchased: 5.72 billion kWh	• Achieve 6 million kW of installed capacity by 2030s (more than 2 million kW will be newly developed in Japan and abroad)
Contributing to the realization of low carbon societies through overseas power generation businesses	• Increase low carbon power supplies through overseas power generation businesses	• Promotion of hydroelectric power construction: 2*4 Participation in renewable energy investment projects: 2*5 Developing country support efforts under GSEP*6 framework: 1*7	
Maintaining and improving the thermal efficiency of thermal power plants (lower heating value base)	• Maintain and improve thermal efficiency	• Thermal efficiency 49.0%	• Benchmark indicators*8 (A: 1.00, B: 44.3%)
Reducing transmission and distribution loss	• Reduce from current level	• 5.05%	Continued
Promoting use of innovative forms of energy among customers and communities	• Contribute to making energy use by customers and society more sophisticated	• We worked to expand use of devices and services that contribute to more sophisticated utilization of energy by customers and society. Smart meters deployed: 1.26 million/year (Cumulative total: 10.58 million), progress rate: about 81%	Continued
Limiting SF6 emissions (calendar year basis) (gas recovery rate upon inspection/removal of equipment)	• 97% (upon inspection) • 99% (upon removal)	• 98.5% (upon inspection) • 99.3% (upon removal)	Continued

*1 Amount of CO2 emissions per unit of electricity use (sales)

*2 This value is provisional. Based on the Act on Promotion of Global Warming Countermeasures and other factors, the actual value of the CO2 emission factor will be officially announced by the country.

*3 Ako Nishihama Solar Power Station (1,990 kW, began operation in June)
Keihanna Solar Power Station (1,000 kW, began operation in September)
Nagatono Hydropower Plant (900 kW, began operation in June)

*4 Rajamandala Hydroelectric Power Project in Indonesia (47 MW), Nam Ngiep 1 Hydropower Project in Laos (290 MW)

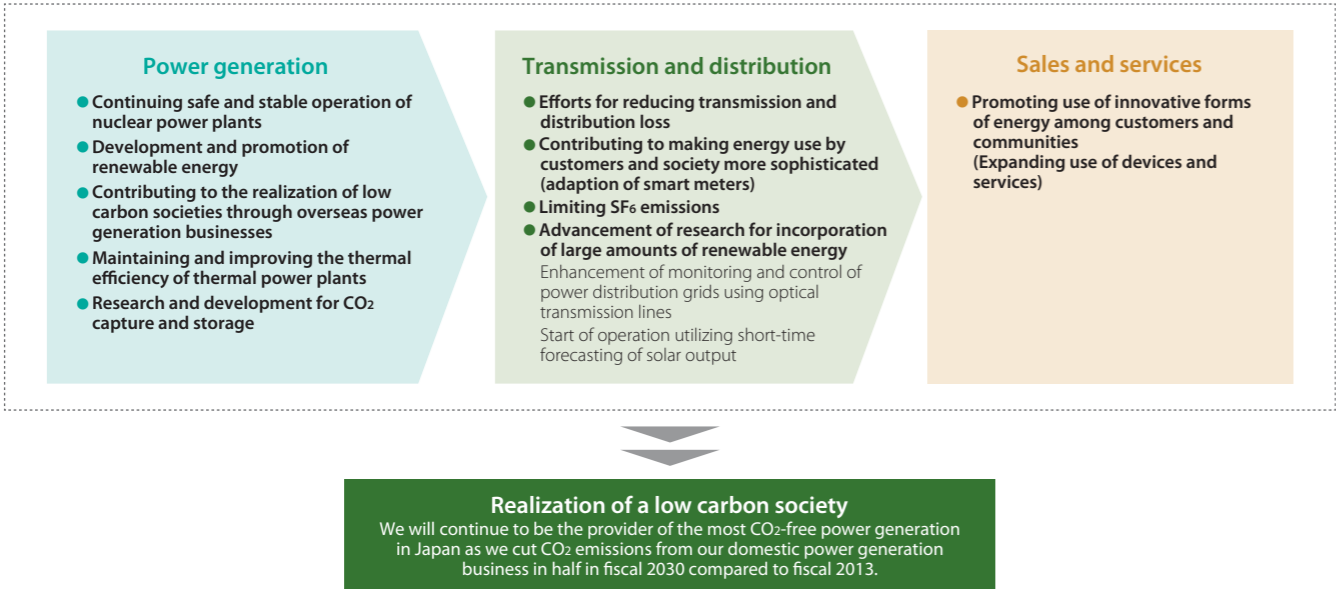
*5 Triton Knoll Offshore Wind Power (857 MW), Moray East Offshore Windfarm (950 MW)

*6 Global Sustainable Electricity Partnership

*7 Hydroelectric power workshop in Nepal

*8 Indicators based on the benchmark system of the Law Concerning the Rational Use of Energy

Advancement of efforts in the value chain for the realization of a low carbon society



Lowering electric power’s carbon intensity

We are working to reduce the carbon impacts of electricity that we provide to customers, starting with efforts for the operation of nuclear power plants with safety as the first priority. Our efforts also include the development and popularization of renewable energies as well as the maintenance and improvement of the thermal efficiency of thermal power plants.

Nuclear power generation prioritizing safety

Since nuclear power generation emits no CO2, it is an important source of energy that prevents global warming. With understanding of residents of local communities, we continue the safe and stable operation of plants that have resumed operation and restart plants as soon as the safety is

confirmed by appropriately responding to examinations of the Nuclear Regulation Authority. We will also keep independently and continuously promoting safety measures that exceed regulatory requirements.

Development and promotion of renewable energy

As a leading “low-carbon” company, with the goal of having 6 million kW of facility capacity for renewable energy sources in Japan and abroad by the 2030s, our corporate group is working for the development of at least 2 million kW in new capacity.

In Japan, we have been working to increase the output of existing hydroelectric power plants and to develop power generation using renewable energy sources, including land-based wind, solar and biomass. As of March 31, 2019, we announced the start of operation for about 3.45 million kW of generation capacity. We will contribute to the carbon reduction of power in Japan by advancing the steady commercialization of projects that are under development as we utilize the FIT system. We will also contribute to regional development and continuously operate power sources that we have developed and acquired as we focus on independence from FIT and unceasingly endeavor to reduce power generation costs.

Moreover, utilizing the expertise we have gained through our business activities, we will advance renewable energy businesses overseas, including hydroelectric and wind power generation in locations around the world.

Through these efforts, we will actively contribute to the resolution of global issues related to SDGs, ESG and decarbonization.

Renewable energy capacity of facilities that have begun operation (completed construction) in Japan and abroad

3,724 MW

(as of the end of fiscal 2018)

Status of domestic development in fiscal 2018

Our entire group is united in accelerating efforts to incorporate renewable energy sources. In 2018, Kanden Energy Solution Co., Inc., which is a group company, began operating Ako Nishihama Solar Power Station*1 and Keihanna No. 2 Solar Power Plant*2.



Ako Nishihama Solar Power Station

In March 2018, we decided to have our company participate in a biomass power generation project*3 in the town of Kanda in Miyako, Fukuoka Prefecture with our company providing 100% of the financing. We held a groundbreaking ceremony in March 2019 and have since been advancing construction work, seeking to start commercial operation in October 2021.

In March 2019, we also decided to invest and participate in a biomass power generation project*4 in Iwaki City, Fukushima Prefecture with ABLE Co., Ltd., a local company and others. Seeking to start operation in April 2022, we will continue steadily advancing efforts.

*1 Operation started June 1, 2018. Rated output is 1,990 kW.

*2 Operation started September 1, 2018. Rated output is 1,000 kW.

*3 Rated output is about 75,000 kW.

*4 Rated output is 112,000 kW. The core business is ABLE Energy LLC. (Investment shares are 50% our company, 45% ABLE Co., Ltd. and 5% Kyudenko Corporation.)

Participation in wind power projects in Europe

In August 2018, our company acquired a stake of an offshore wind power project in the United Kingdom including construction and operation. This is the first case of Japanese electric power utilities entering into overseas offshore wind power project. Furthermore, in November, we participated in another wind power project off the coast of Scotland. The windfarm will be one of the biggest around the globe equipped with 100 large scale wind turbines. Combined with the windfarm in Ireland we joined in 2017, we have participated in three wind power projects in total.



Wind Power Project Locations (Kansai Electric's participation)

Rendering of offshore wind power plant at completion

2 Proactive Approach with a View to Creating Ever Better Environment

Maintaining and improving the thermal efficiency of thermal power plants and further increasing natural gas use

We continuously undertake measures related to facilities and operation, working to reduce the amount of fuel used and suppress CO₂ emissions by maintaining and improving thermal efficiency.

Our Himeji No. 2 Power Station, one of our largest natural gas-fired thermal power plants, employs a combined-cycle power generation* with advanced 1,600°C class gas turbines. We are working to suppress CO₂ emissions by increasing thermal efficiency to about 60%, which is the highest global standard, and reducing the amount of fuel used.

Moreover, at Units 1 and 3 of the Aioi Power Station, in addition to the heavy oil and crude oil we had been using, we began using natural gas, which is less expensive and better for the environment, in 2016.

* Combined cycle power generation: Power is generated by using both gas turbines and steam turbines capturing exhaust heat from the gas turbine with high thermal efficiency.

Research and development for CO₂ capture and storage

Technologies related to CO₂ capture and storage (CCS) are one promising option for great reduction of CO₂ emissions that result from the use of fossil fuels, and expectations are high for related innovations.

Our company and Mitsubishi Heavy Industries, Ltd. (at the time*) jointly developed an original energy-conserving CO₂ capture process that uses an amine scrubbing solvent in 1994. This process has already been commercialized and holds the top share in the world for capturing CO₂ from combustion flue gas. In 2018, we advanced research and development to further improve the reliability and economy of this technology. For example, we announced Advanced KM CDR Process™, which is an improved CO₂ capture process that uses new KS-21™ solvent and can lower operation costs.

Furthermore, our company invests and participate in Japan CCS Co., Ltd. Other efforts we are undertaking include collaborating in a large-scale CCS demonstration project that is being led and advanced by the national government.

* Mitsubishi Heavy Industries Engineering, Ltd. at present

Promoting use of innovative forms of energy among customers and communities

Through efforts to increase the rate of electrification in the society as a whole and to have electricity used efficiently, we contribute to energy conservation, lower costs and reduced CO₂ while also seeking the realization of a low-carbon society.

Encouraging efficient energy use

With the goals of realizing energy conservation, cost cutting and CO₂ reduction for our customers and society, we are offering high-efficiency systems that utilize renewable energy sources and heat pump technologies, as well as proposing effective operation procedures, for example. In addition, we are providing total support for energy management to customers and other members of society and undertaking activities that serve these purposes, including the services that allow customers to see energy use.

To our residential customers, we are proposing “total electric conversion” to realize lifestyles that are comfortable, convenient and use energy more skillfully through the adoption of electric appliances, particularly EcoCute energy-efficient hot water supplies.

Moreover, the Hapi e-Miruden Service, which is an Internet notification service for electricity and gas rates and use amounts, allows users to check data, including how much they have used for up to 25 previous months, and compare their energy use with other customers in similar residential situations. In addition, on web pages, we are providing a variety of information related to energy conservation and CO₂ reduction, including energy conservation methods for every kind of household appliance.

We are also providing total support for the energy management of our business customers. For example, we offer proposals for energy systems that are optimized to their various needs, including making energy use more efficient, and explain how to operate these systems. In addition, we work with other

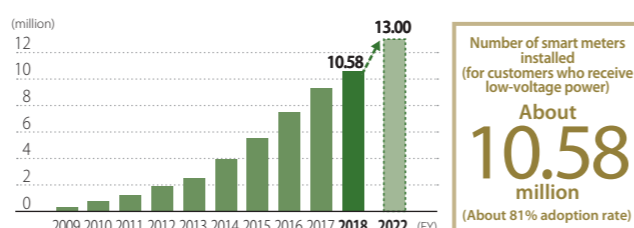
group companies to provide a range of services such as energy conservation diagnoses and energy management support appropriate to the customer's facility usage patterns. We remain committed to helping our customers minimize their energy consumption, achieve cost savings, and reduce their CO₂ emissions.

Adoption of smart meters

In addition to making amounts of electricity use visible to customers, installing smart meters contributes to the energy conservation of society as a whole, allows flexible handling of various rate options, and enables formation of facilities efficiently according to the conditions of electricity use, among other benefits.

We have completed installation of smart meters for customers that receive high-voltage and extra-high-voltage electricity, and we plan to install them for every customer that receives low-voltage power by fiscal 2022.

Number of smart meters installed (for customers who receive low-voltage power)



Meeting the challenges of large-scale renewable energy use

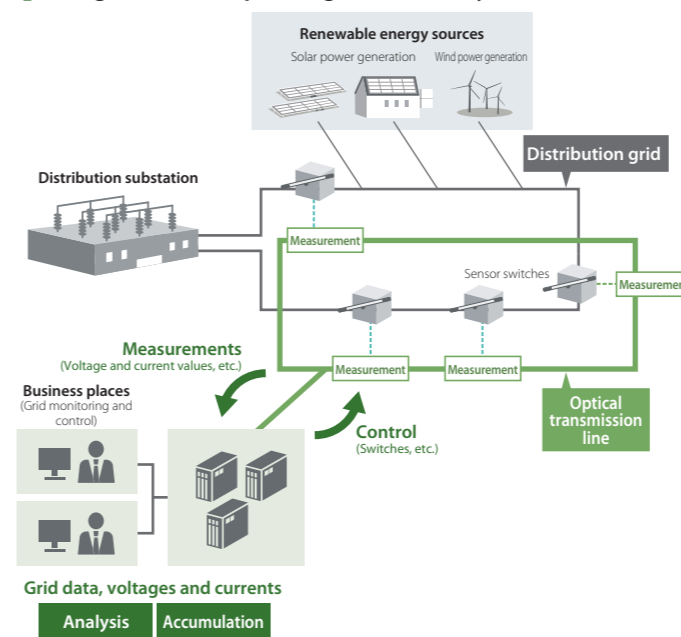
Since the concentrated incorporation of large amounts of renewable energy sources causes concern about impacts on the stability of the power grid, we are promoting research into countermeasure technologies for grid equipment, including the development of supply and demand control technologies with impact evaluation systems, more advanced voltage control and storage batteries.

Enhancement of monitoring and control of power distribution grids using optical transmission lines

We are advancing the development of an optical transmission system in our automated power distribution system that monitors and controls the distribution grid. This will enable us to rapidly gather measurement data from sensor switches and other equipment and to accurately grasp the status of the distribution grid, including voltage fluctuations and reverse current flows, in real-time.

Through optical transmission lines, voltages, current waveforms and measurement data with cycles as short as one second can be collected, contributing to the advancement of monitoring and control. Moreover, by accumulating and

Next-generation dispatching and control system



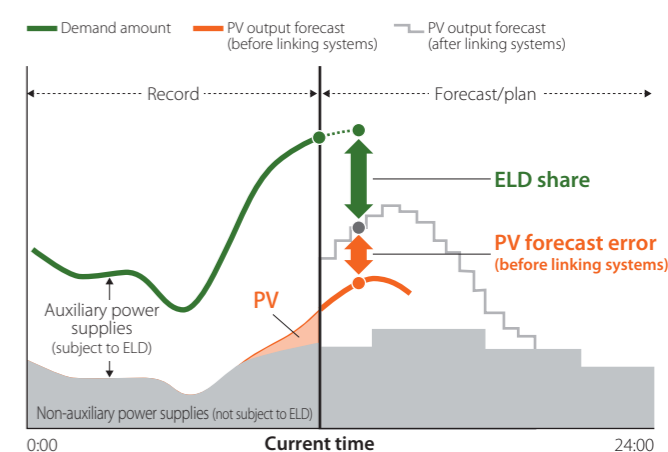
analyzing the collected data, we seek to increase the precision of load identification in the distribution grid and advance efforts toward optimizing facilities and improving usage rates.

Starting operation utilizing short-time forecasting of solar output

We jointly developed the Apollon solar power short-time forecasting system, which utilizes weather satellite data, with the Meteorological Engineering Center, Inc. In March 2016, we installed a short-time forecasting system for photovoltaic power generation (hereafter, PV) output in our Power Supply Command Center. In this system, since data is refreshed at regular periods and the latest forecasting results are reflected smoothly, PV output forecasts can be obtained with high precision for up to 3 1/2 hours in advance, which contrasts with conventional systems (previous day forecasting). In November 2018, we linked this system with a supply and demand control system, and we also utilize it with the economic load distribution (ELD*) of power generators.

* ELD is a system that prioritizes operation of power generators that have lower generation costs.

Linking a short-time forecasting system for PV output with ELD function



ELD concept

To make fuel costs for the auxiliary power supplies the most inexpensive, each power generator is given an output command value. The ELD share for the auxiliary power supplies is the demand forecast minus the non-auxiliary power supply planned value and the PV output forecast. For this reason, increasing the precision of predictions and planned values can be expected to increase economy.

Efforts to reduce greenhouse gases other than CO₂

We are working to control SF₆ gas emissions, as one of efforts to reduce greenhouse gases other than CO₂.

Controlling SF₆ gas emissions

Gas circuit breakers (GCB) are filled with sulfur hexafluoride (SF₆) gas because of its high insulation performance and other features. This SF₆ gas is a greenhouse gas that the Act on Promotion of Global Warming Countermeasures makes reduction of obligatory.

To control the emission of SF₆ gas into the atmosphere when inspecting the insides of GCB and when removing equipment, we use recovery devices to recover almost all the SF₆ gas beforehand.

Initiatives contributing to the realization of a recycling-oriented society

Policy and concept

We are working actively to reduce emissions and recover resources. For industrial waste generated from our business activities, we are undertaking proactive 3R (reduce, reuse, recycle) efforts with the goal of achieving zero emissions. For ordinary garbage such as copy paper and other office waste, we are also conducting 3R efforts with sorting as the foundation in each business place.

Moreover, as we strictly abide by the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes and other related laws, depending on the characteristics of the polychlorinated biphenyl (PCB) waste in our possession, we are promoting the safe and secured processing of the entire quantity and advancing green procurement.

Eco Action (Initiatives contributing to the realization of a recycling-oriented society)

Item	FY 2018		FY 2019
	Targets	Results	Targets
Maintaining industrial waste recycling rate	• 99.5%	• 99.8%	Continue
Proper processing of PCB wastes	• Proceed with certainty to achieve processing before the legal deadline	• Amount of high-concentration PCB processed (Cumulative total): 5,241 *	Continue

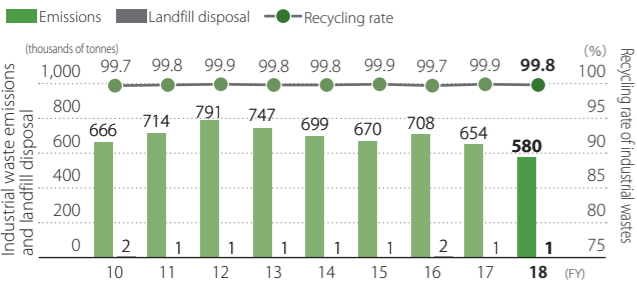
* Number of high-voltage transformers, condensers and other electrical equipment that were subcontracted to the Japan Environmental Storage & Safety Corporation (JESCO).

Efforts to achieve zero emissions

The principal types of industrial waste generated by Kansai Electric Power include coal ash from coal-fired thermal power plants and concrete pole fragments remaining from power grid construction. In order to achieve zero emissions, we set a target for our company of “a 99.5% or higher recycling rate” for industrial waste, and we are advancing efforts that include

recycling all coal ash as raw material for cement and paving material for roads, for example. We achieved a 99.8% recycling rate in fiscal 2018, which marks the ninth consecutive year that we have reached our target. We are also working to reduce and recycle general waste, such as printer paper, produced by our offices.

Changes in emissions and recycling rates for industrial wastes



Note: Industrial waste recycling rate (%) = (industrial waste emissions – landfill disposal amount) / industrial waste emissions × 100

Polychlorinated biphenyl (PCB) waste processing

Kansai Electric Power uses a range of methods for dealing with the disposal of electrical equipment containing minute amounts of PCBs. We established the Recycling Center for Utility Pole Transformers to render insulating oil and transformer cases harmless and suitable for recycling. At the end of July 2015, we completed processing of stored insulating oil and transformer cases. For other equipment, we

are promoting effective processing using technologies from our group companies. In keeping with government plans, we have commissioned Japan Environmental Storage & Safety Corporation (JESCO) to process waste containing high concentrations of PCB.

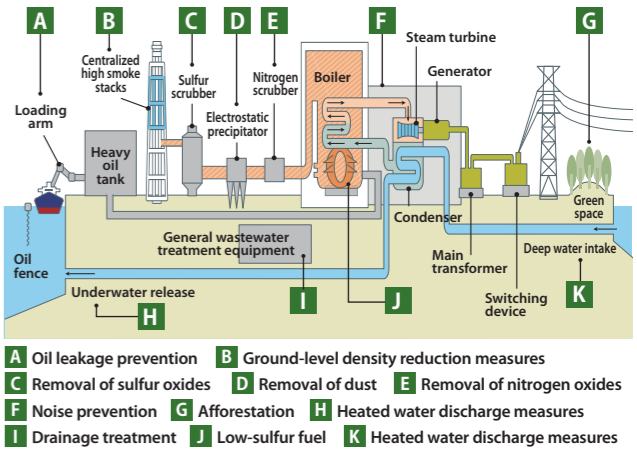
Promotion of environmental protection in local communities

Policy and concept

Steadily implementing local environmental protection measures, including preventing air and water pollution, dealing with asbestos issues and preserving biodiversity, we are also strictly managing chemical substances.

At our power plants, for instance, we undertake measures based on laws, local regulations, environmental protection agreements and other rules to reduce air pollution, water pollution, noise, vibrations, and other problems. In addition, we monitor and measure the air and ocean around our power plants and carefully evaluate the environmental effects of our operations on the regional environment to ensure that no problems occur.

Environmental measures adopted at thermal power stations



Eco Action (Promotion of environmental protection in local communities)

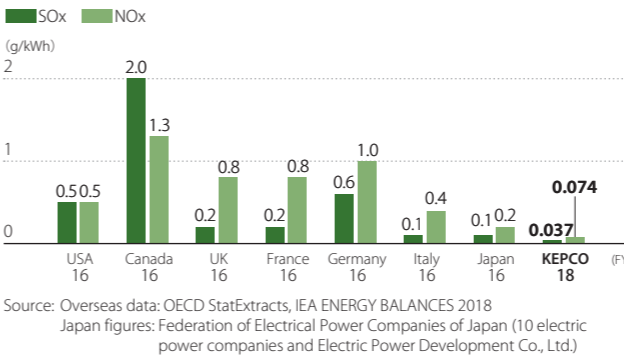
Item	FY 2018		FY 2019
	Targets	Results	Targets
Maintaining sulfur oxide (SOx) and nitrogen oxide (NOx) emission factors	SOx	• Overall: 0.022 g/kWh • Thermal: 0.037 g/kWh	• Emission factors: maintain the lowest levels in the world • Emissions: strictly adhere to agreed values at each power plant
	NOx	• Overall: 0.043 g/kWh • Thermal: 0.074 g/kWh	

Air pollution prevention measures (SOx, NOx, soot)

Kansai Electric Power has implemented measures aimed at reducing the volume of SOx (sulfur oxides) emitted by our thermal power plants by using low-sulfur fuels, installing sulfur scrubbers, and other measures. To address the issue of NOx (nitrogen oxides), we are taking steps to lower emission

levels, such as improving combustion methods and installing nitrogen scrubbers. As a result, our SOx and NOx emissions per unit of electric power generated are significantly lower than those of the major countries of Europe and North America, remaining among the lowest in the world. In addition, we have installed high-performance electrostatic precipitators that dramatically cut soot emissions.

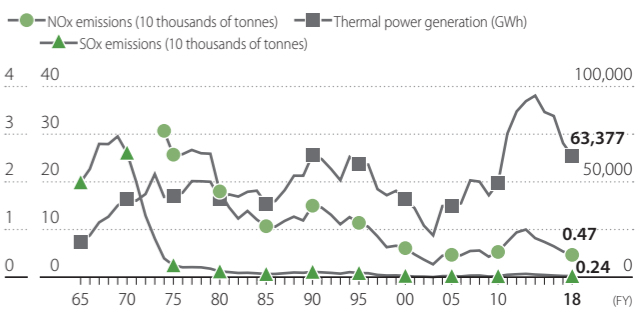
SOx and NOx emission factors for thermal power generation of major countries and Kansai Electric Power



Handling chemicals

We regularly monitor the status of buildings and equipment that contain asbestos and systematically advance the removal of asbestos and replacement with non-asbestos products. In these ways, we are managing asbestos suitably as we strictly abide by related laws, regulations and other rules.

Thermal power generation and SOx and NOx emissions



Moreover, in addition to abiding by the PRTR (Pollutant Release and Transfer Register) System, we are working actively to manage toxic chemicals strictly and to reduce them based on our “Guidelines for Managing Chemicals Subject to PRTR.”

2 Proactive Approach with a View to Creating Ever Better Environment



Stork building nest on utility pole

Conservation of biodiversity

"Business activities that consider preservation of biodiversity" are stipulated in the Kansai Electric Power Group Environmental Action Policy. Based on this, we are endeavoring to preserve biodiversity by identifying and analyzing impacts on the environment in the execution of our business activities and considering plants, animals and ecosystems through environmental assessments at times of power plant construction. For this purpose, we are also undertaking environmental preservation measures suited to the characteristics of communities, including the creation of natural forests through ecological revegetation. In addition, we are actively undertaking efforts to raise environmental awareness through activities such as environmental education utilizing tree-planting activities and coordinating and interacting with local communities.

Execution of environmental assessments

When constructing power plants and other facilities, in accordance with the relevant laws of Japan and other countries, we survey, forecast and evaluate the impacts caused to the environment by our businesses. We publish these results, and undertake appropriate consideration to protect and create environments as we confirm the thoughts of residents and others.

Natural forest creation

In order to make forests that are similar to nature at power plants in short amounts of time, we are trying to create environments that protect the original biodiversity of the region by selecting cultivated tree saplings that are suited to the region, and planting different species densely in close proximity.

Moreover, in order to maintain natural forests, as we look to the guidance of experts, we are undertaking continuous efforts to preserve biodiversity, including measures to further diversify species and eliminate invasive species.

Protecting oriental white storks

In Toyooka City, Hyogo Prefecture, released oriental white storks, which are designated a Special Natural Treasure in Japan, sometimes make their nests on utility poles and steel towers. Not only are there concerns about accidents, but there are also fears that storks could be electrocuted. For these reasons, we patrol carefully, removing nests as quickly as possible and conducting measures to discourage them from coming near utility poles in cooperation with the University of Hyogo and the Hyogo Park of the Oriental White Stork. In these ways, we are both protecting the storks and maintaining the safety and stability of the power supply.

Promoting environmental communication

We are advancing the disclosure of environmental loads and other data related to our business activities on the Internet and elsewhere. In addition, we are actively working on efforts for activities to raise environmental awareness so that we can



Local preschoolers planting sweet potatoes

think and act for the environment together with people in local communities and our customers.

Furthermore, considering that the trend to make ESG investments has been growing recently, we seek to promote understanding about our corporate environmental efforts, including addressing climate-related issues, through communication with shareholders and institutional investors. We are also reflecting their ideas in our corporate efforts and in improvements to information disclosure.

Future plans

As demands grow for environmental efforts, including for the Paris Agreement, which is the international framework for greenhouse gas reduction from 2020, and for the 2030 sustainable development goals (SDGs), we recognize that addressing climate-related issues over the medium and long terms is an important management issue for our company, which develops energy businesses.

Based on this recognition, we set "Cut in half CO₂ emissions that accompany power generation business in Japan by fiscal 2030 (compared to in fiscal 2013)" as a target in our new Medium-term Management Plan. Specifically, we will pursue "low carbon strengths" starting with the utilization of nuclear power generation that puts safety our top priority, and through the further development, incorporation and utilization of renewable energy sources, as well as by increasing the efficiency of thermal power plants and other efforts. Moreover, we will continue to lead carbon reduction in the energy field by increasing the rate of electrification in the society as a whole, by building smart grids including virtual power plants (VPP), and with efforts to expand low-carbon power generation through overseas power generation projects. Furthermore, considering the TCFD Recommendations, we will continue advancing analysis and information disclosure related to climate change risks.

We will keep working steadily to reduce environmental impacts and risks and practice thorough compliance related to the environment.



Hiroshi Ogawa

General Manager of Office of Energy and Environmental Planning
The Kansai Electric Power Company

CSR Action Principles

3

Proactive Contributions to Development of Local Communities

As a business operator closely linked with its local communities and lives of their inhabitants, the Kansai Electric Power Group fully recognizes that its own development is not conceivable without the development of the local communities associated with its business activities and therefore we will proactively contribute to the development of our local communities through initiatives to revitalize these communities and the local economy. Also with regard to our overseas business activities, we will strive to contribute to the development of the respective local communities with due consideration to local culture and practices.

Maintaining an ongoing community dialogue

Transmitting information with a positive attitude to local communities and maintaining open lines of communication

We established our Community Energy Division in June 2015 with a commitment "to create the future together through dialog." We are striving to meet the varied requests of the residents of our local communities with a positive attitude by maintaining close communication with all.

Proactive information exchange through participation in various types of meetings and other efforts

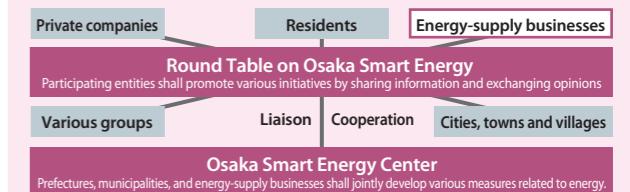
We have been participating in governmental assemblies such as the Meeting of Members of the Union of Kansai Governments and other organizations. In addition to explaining topics such as the state of power supply and demand, electricity rates, and nuclear power operation, we also receive a variety of opinions and otherwise exchange information.

Furthermore, we are actively working for the resolution of various energy issues in local communities based on the opinions and other ideas we receive.



Opinion exchange with government office

Examples of meetings and assemblies attended



Participation in the Round Table on Osaka Smart Energy (Fiscal 2018)

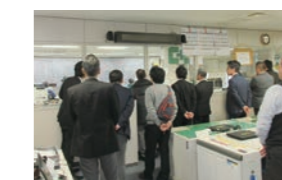
4 times

Participation examples (fiscal 2018)

- Regular report about power supply and demand to the Union of Kansai Governments..... **11 times**
- Nara Prefecture Energy Vision Promotion Council..... **Attended 3 times**
- Sakai City Hydrogen Energy Society Promotion Conference..... **Attended 3 times**
- H2Osaka Vision Promotion Conference..... **Attended 2 times**
- Senri Chuo District Revitalization Council..... **Attended 1 time**

Ordinary communication with government offices

We undertake mutual communication with government offices on a daily basis. When we are asked questions, we hold study groups, for example, to answer them conscientiously.



Energy study session (facility tour)

Efforts to promote understanding by local governments (Fiscal 2018)

4,600 times

3 Proactive Contributions to Development of Local Communities

Undertaking “community building efforts” together with customers and society

Efforts for regional stimulation

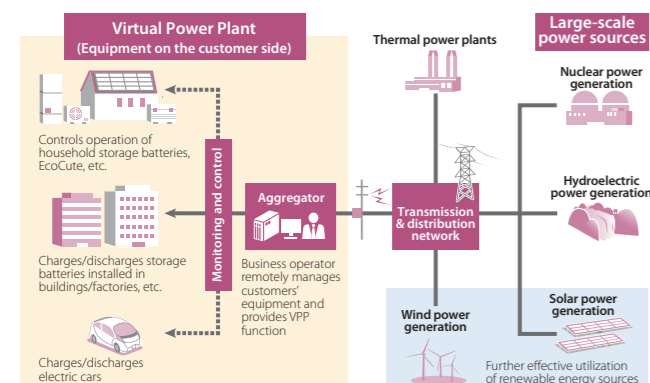
As the energy needs of customers and society at large have become increasingly diverse, Kansai Electric Power has been carefully monitoring trends to determine exact requirements. We seek to support regional revival and invigorate local economies with the goal of working with them as a valued partner to create the new future we envision.

Contributing to the emergence of Smart Communities

We are advancing initiatives in various locations for the realization of smart communities that optimize energy supply and demand for entire regions by maximizing the use of local resources and characteristics, including renewable energy sources, unused energy, and hydrogen as well as using ICT to connect residences, offices, factories and other locations. Along with the Kansai region, including Osaka Prefecture's Teppo-cho in Sakai City and Expo Commemorative Park in Suita City, we are expanding the range of these activities further, including Yokohama City in Kanagawa Prefecture.

Furthermore, we have been advancing demonstration projects toward the construction of Virtual Power Plants (VPP)*, which are recently gathering attention as a power supply-demand adjustment method, to incorporate new

Virtual power plant structure demonstration project overview



technology. Commercialization of this technology is expected to encourage further effective use of renewable energies and facilitate energy supply-demand optimization in whole regions.

* An IoT-based technology that remotely controls resources scattered in multiple regions (storage batteries, EV, etc.) in an integrated manner, so as to make them function like a single power plant

Community development activities in urban areas of Osaka

Our company is contributing to community development in central Osaka and other locations with both hard and soft measures. One such effort is in Nakanoshima, Osaka where our Head Office is located.

As the Secretariat of the Round Table on the Future of Nakanoshima, which seeks to further develop and invigorate Nakanoshima, we are working toward the realization of the “Nakanoshima urban renewal concept” together with land-owning businesses in the district and others. We are also contributing to the development of an environmentally-conscious community. One such effort is the introduction of a regional cooling/heating system that utilizes river water. Additionally, we cooperated in the illumination event: “Osaka - Festival of Lights” to make the Nakanoshima area more attractive.

Moreover, as a home-grown company, in cooperation with local governments and citizens as well as economic organizations, we will be contributing to the development of Yumeshima where the World Expo 2025 Osaka, Kansai is to be held.

Enterprise investment support activities

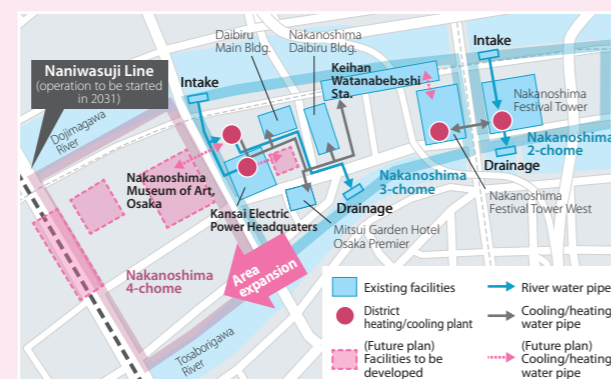
Seeking the sustained development of communities, we are cooperating with local governments and related locations and undertaking enterprise investment support activities in the Kansai region. For businesses from elsewhere in Japan that are looking for new places to locate, we introduce the industrial locations and local government incentive systems in the Kansai region through “Community Information,” which is a magazine with information about the community. Another way that we are working to advance the Kansai region is by visiting businesses to make relevant proposals.

Examples of community development activities in urban areas of Osaka

District heating and cooling system using river water in the Nakanoshima area

In the Nakanoshima 2-chome and 3-chome areas, a regional energy management system has been introduced that uses district heating and a cooling system with river water. This district heating and cooling is expanding in line with the development of the surrounding areas. It will also be introduced to the Nakanoshima Museum of Art, Osaka, which is scheduled to open in 4-chome in 2021. This energy business has been selected as a “Sustainable Architecture Initiative Project (CO₂-saving initiative),” which is promoted by the Ministry of Land, Infrastructure and Transport and Tourism, through joint application by Osaka City, Kenes, and our company.

In future developments in the Nakanoshima area, our Group will continue proactively working on CO₂-saving and contributing to community development through environmental-conscious town planning.



Contributing to the local community

As a business that is deeply rooted in local communities and is one member of these communities, our company actively undertakes activities that contribute to them, paying careful attention to the needs of their residents including our customers.

Inspection of electrical equipment at cultural properties

We are cooperating with fire departments and other organizations to inspect the electrical facilities of temples, shrines and cultural properties as well as educational facilities. We check for any electrical leakage or wiring abnormalities and we inform customers about safe ways to use electricity with their equipment.



Inspecting electric wiring of floats at Gion Festival, Kyoto

Helping local residents beautify their surroundings

In addition to the activities with local residents, we are performing cleaning activities around our business facilities and in tourist destinations during “The Kansai Electric Power Group Environmental Month,” “Customer Appreciation Month” and “Community Appreciation Month” and other occasions. Moreover, we have engaged in beautification activities such as removing illegal advertisements and erasing graffiti.



Cleaning activities in Osaka City

Support for traditional cultural preservation and regional events

To contribute to regional development and vitalization, we are working to support traditional culture and regional events rooted in local communities in a variety of ways.



Participated in Kasuga Wakamiya On-matsuri Festival

Kanden Collabo Art exhibit of art by handicapped persons

Since 2001, Kansai Electric Power has been holding this art exhibit that provides an opportunity for individuals with disabilities to display their works. Visitors can appreciate the art and sense the potential of the artists. Works selected for exhibiting can also be seen on our website.



Exhibition of selected works

Support for employees engaged in social contribution activities

To support employees engaged in community activities or volunteer programs, we established a volunteer time-off program, among other initiatives. We published a Social Contribution website on our company web portal that provides information on the activities of volunteers and various workplaces.

System

Volunteer time-off program

This system allows employees, who participate in activities that contribute to society and meet fixed conditions, to take 50% or 100% of the time devoted to such activities as specially recognized time off, up to an annual limit.

All days spent for activities related to bone marrow donations are recognized as special leave.

Volunteer time-off program
Participation:
63
161.5 days

Operation of an in-house Social Contribution website

On our Social Contribution website, every employee can view in a single location volunteer information and examples of activities that contribute to society at other business places. They are also utilizing it as reference information for the activities at every business place.

Future plans

As a community-based business operator and a good partner of local residents, the Kansai Electric Power Group has moved forward with initiatives that lead to revitalization and development of communities, with the “idea” of Think Together, Create a Future Together. Ahead of the company split-up into separate power generation and power transmission companies in 2020, the Group itself and the surrounding environment are going through major changes. Nevertheless, our “idea” about the communities will never change. We will continue carefully listening to the voices of local residents and maintaining trust relationships through communication.

Moreover, we will contribute to the further development and revitalization of the communities through Yumeshima urban development and other large-scale projects, the realization of the smart community concept as well as social contribution activities. In this way, we will better satisfy people's expectations more precisely as a member of local community.



Shigeki Okada
Deputy General Manager of
Community Energy Division
The Kansai Electric Power
Company

Respect for Human Rights and Development of Favorable Work Environment by Taking Advantage of Diversity

The Kansai Electric Power Group recognizes the “human rights” as a common and universal value of the global society, supports the international standards relating to the human rights and respects the human rights in all of its business activities. Accordingly, we will strive to secure safe and comfortable work environment for all the people associated with our business activities and take advantage of diversity (each individual’s diversity) to the maximum extent.



Respect for human rights

Policies

Based on our recognition that the viewpoint of respect for human rights is essential to every business activity, we assign maximum value to international human rights norms and promote human rights initiatives in supply chain, while complying with laws and regulations in each country and region in which we operate our business activities.

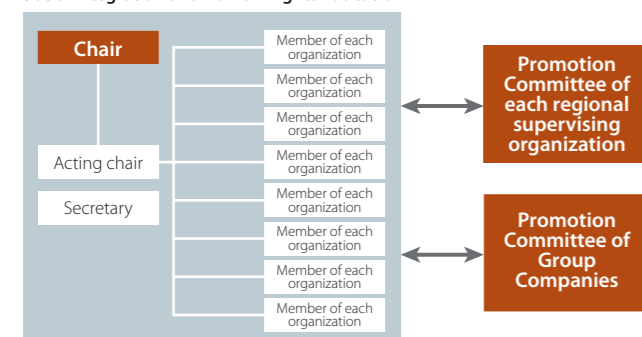
For realization of “a society grounded in human rights,” we continuously raise awareness and offer training initiatives related to social integration and human rights to deepen every employee’s proper understanding and recognition of various human rights issues, including buraku discrimination, harassment and discrimination based on disabilities.



Promotion Committee for Social Integration and Human Rights Education

Promotion system

Kansai Electric Power Promotion Committee for Social Integration and Human Rights Education



Specific efforts

Efforts to raise human rights awareness

As an effort to raise awareness related to respect for human rights, we have been continuously holding integration and human rights trainings for management and for all employees. In fiscal 2018, a total of 20,602 people throughout the company participated.



Human rights lectures

Characteristic training and attendance

Training details	Target person	Attendance
Human rights lecture (Prevention of sexual harassment)	Executives, upper management, promotion members, officers and others	181
Trainings related to corporate social responsibility and human rights (International human rights standards, buraku discrimination, LGBT issues, harassment)	Employees	2,353
Training to promote understanding of disabled people so that they are considered rationally	Employees	237
Harassment counselor training	Persons in charge of hotlines	22

Initiatives linking our Group, municipalities and other entities

Our Group holds semiannual Human Rights Information Exchange Meetings for Group Companies. In addition, we actively participate in the efforts of the Osaka City Council on Human Rights Promotion for Corporations and other liaison group organizations, including those of the national and local governments.

Diversity promotion

Efforts to promote diversity

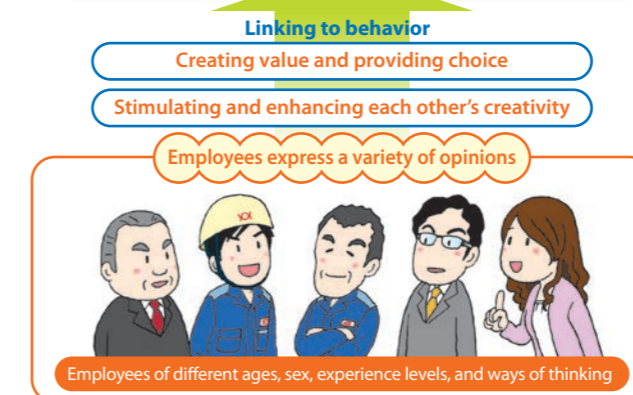
Kansai Electric Power’s diversity goals

We established an exclusive organization in 2011 intended for all employees with the goal of raising awareness and promoting behavioral changes in order to promote the advantages of individual differences as one of our strengths. We are promoting initiatives such as workplace training and the periodic release of information intended to forge the power of the individual as an organizational strength. In addition, we established the Kansai Electric Power Group Diversity Promotion Policy in December 2015, and we are making efforts with the promotion of diversity as one of our management strategy.

Kansai Electric Power Group Diversity Promotion Policy

1. By respecting the “differences” of each individual and making diverse senses of value and ways of thinking into sources of strength for the organization, we will realize a competitive corporate group that creates new value.
2. We seek to realize workstyles and to cultivate workplace environments that enable everyone to exercise their abilities to their maximum extents, regardless of their personal attributes, including gender and age, or experienced life events.

Improvements Achieved by the Organization



Promoting employment of persons with disabilities

We are actively promoting the employment of workers with disabilities through our special affiliate company Kanden L-Heart (established in 1993). As a result, our ratio of workers with disabilities was 2.51% as of June 2019, remaining above the legally required ratio (2.2%). We are opening up a diverse range of jobs for people with disabilities such as office work assistant while bolstering support for those with mental disabilities.



Office assistants working

Promotion of employment of elderly persons

In accordance with the objectives of the Act on Stabilization of Employment of Elderly Persons, we introduced a system for re-employing retired employees in 1996. Currently, more than half our employees who have reached retirement age are participating by applying their extensive expertise and skills.

Initiatives to encourage the further success of female employees

In addition to encouraging continuous contributions to the organization by developing abilities and growing independently through work, we are striving to make environments where people can continue to work enthusiastically even when their lifestyles change. Our company supports and has signed the Women’s Empowerment Principles, which were created by UN Women and the United Nations Global Compact. We received the “Kurumin” certification in accordance with the Act on Advancement of Measures to Support Raising Next-Generation Children and the highest “Eruboshi” certification (third level) in accordance with the Act on Promotion of Women’s Participation and Advancement in the Workplace. In addition, we were recognized as a “Leading company for female activity in Osaka City.” Moreover, in the selection of “Nadeshiko Brands” instituted jointly by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange, we were selected as a “Semi-Nadeshiko Brand.”

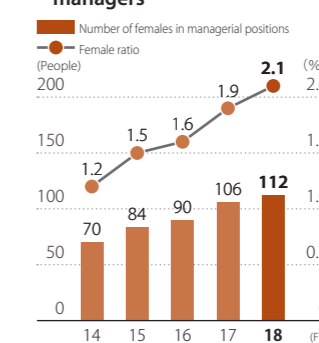


“Semi-Nadeshiko” of the Nadeshiko Brand

Targets for promotion of female employees

Appointments to managerial positions	By the end of FY 2030, the ratio and number of females in managerial positions shall be more than three times that of FY 2018.
Recruitment	Achieve ratios of 40% or more for women employed in office jobs and 10% or more for women employed in technical jobs.

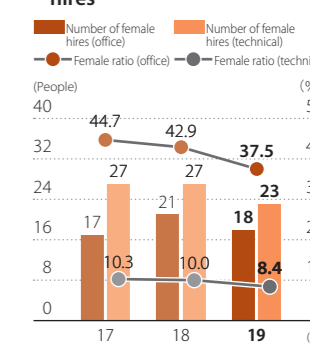
Number and ratio* of female managers



(Figures from fiscal year ends)

* Excludes medical staff and transportation staff
* Managerial positions refer to those equivalent to chief clerk and higher.

Number and ratio of female hires



(Based on fixed term employment for each fiscal year)

Promoting the participation of male employees in child-raising and housework

In addition to raising awareness among male employees themselves, we are endeavoring to create workplace environments that make it easy for men to also participate in child-raising and housework.

Moreover, we are now providing up to seven days of paid leave from the start of childrearing leave, and promoting the taking of childrearing leave by men.



Rate of childrearing leave utilization among men* 144.2%

*Men who took childrearing leave in fiscal 2018/men who had babies born in fiscal 2018

4 Respect for Human Rights and Development of Favorable Work Environment by Taking Advantage of Diversity

Promotion of workstyle innovation, health and productivity management

Setting the goal that each one of our employees aims to become a “master of making good use of time” and a “master of keeping good health,” our company is oriented to workstyle that place weight on value creation and enhance flexibility of time and place of work, as well as “ways of resting” so that employees can enjoy self-improvement. In addition to that, we are encouraging employees to practice good health behaviors for five categories: weight, exercise, smoking, sleep and drinking.

Regarding “productivity” and the “maintenance of mental and physical health,” we have set specific numerical targets and are working to achieve them. Specifically, we are seeking changes in the awareness of each individual employee about these ideas and their establishment in our corporate culture. We are also striving for thorough compliance related to working hours management, including the elimination of long working hours and unpaid overtime, and further promotion of work-life balance and diversity.

Efforts for workstyle innovation

Operating Workstyle Innovation, Health and Productivity Management Committee

In January 2017, we established a Workstyle Innovation, Health and Productivity Management Committee with our president as the chairman. In this committee, leaders of each division, including management executives, discuss corporate-wide targets and efforts related to issues such as overtime work and days off, implementing the PDCA cycle for this area of concern.

Health and Productivity Management Declaration established

Under the leadership of our president, we established this Health and Productivity Management Declaration with the goal of expressing our determination to focus even more power on efforts for health and productivity management. To accelerate these efforts, we have set a goal for improving our health index to the level equivalent to leading companies in health and productivity management. We will continue to actively support promoting the physical and mental health of our employees and improving lifestyle quality for every one of them and their families.

Health and Productivity Management Declaration

The Kansai Electric Power Company, in order to fulfill our mission, “continuing to serve our customers and communities,” will promote the maintenance and enhancement of our employees’ physical and mental health as well as the improvement of the quality of their lives by making employees’ health one of the pillars on our corporate management.

We will also implement working practices which place an emphasis more on value creation than the amount of work time, boost productivity, eliminate longer working hours, promote workplace diversity, and realize dynamic innovation through human-capacity reform to further improve effectiveness of our health management.

Based on our belief that we value people, we will continue to promote the advancement of employees’ health and contribute to “the realization of a bright and affluent future.”

January 29, 2018 President and Director Shigeki Iwane

Developing comfortable workplaces

On the premise that working hours are managed appropriately, a flexible work system is being put in place to clearly separate working efficiently (“on”) and having a good rest (“off”); to this end, we are expanding flextime, enhancing a work system that allows more flexible times and places to work through introduction of telecommuting and encouraging employees to take leave in a planned and meaningful manner.

Major work system revisions in recent years

2015.4	Introduction of anniversary leave	Granted special leave on anniversaries of employees or their families.
2016.4	Expansion of the flextime system	Expanded the system to all business locations, in general.
2016.4	Introduction of telecommuting	Granted for childrearing, nursing care and medical treatment.
2016.4	Introduction of partially paid childrearing leave	7 days of paid leave for the purpose of encouraging male employees to take childrearing leave.
2018.10	Introduction of leave for spouse’s overseas assignment	Introduced leave of absence program for employees who will accompany their spouse’s overseas assignment
2018.10	Expansion of special leave for spouse’s childbirth	Allowed special leave, from the beginning of pregnancy, that had been only given after a spouse’s childbirth.
2019.4	Introduction of rest between shifts	Encouraged employees to secure, basically, at least 11 hours of rest.
2019.4	Introduction of the super flextime work system	Abolished core time at head office and some of business locations.
2019.6	Introduction of satellite office work	Made available working at the nearest business location, etc. Also expanded requirements for telecommuting.

Certified as a Health & Productivity Management Outstanding Organization 2019 (White 500)

Having been recognized for our philosophy of “Management that values people” and health measures for employees, our company has been certified as a Health & Productivity Management Outstanding Organization (White 500) for the third consecutive year since 2017.



Major efforts in Health and Productivity Management

To improve and raise awareness of health management and enhance self-care skills, we provide lectures on exercise and meals, introduced a health behavior support application and AJTA (beanbag toss) Game, a company-wide sport event.

Additionally, we provide training for managers to develop an environment which makes it easier for superiors to support their subordinates. This support structure has also been enhanced by providing improved consultation with occupational health doctors and nurses as well as outside counselors.

Sustaining stable labor-management relations

We have concluded a union shop agreement with the Kansai Electric Power Labor Union, and have set “company productivity increases accompanied by improved labor conditions” as a shared labor-management goal. Based on strong relationships of trust that we have constructed over our many years of history, we are building good labor-management relations. To keep up these relations, we continue to strive for mutual understanding by holding management panel discussions between labor and management as we operate business.

Major opportunities for labor-management communication

Management panel discussions	Labor and management promote communication in the corporate management plan, etc. (held annually)
Management Council	Labor and management discuss important matters, such as reorganization (as needed)

Efforts to eliminate industrial accidents

PDCA of safety activities

To ensure safety for everyone related with our company and achieve our unchanged goal, or “zero accidents,” we are working to maintain safe working environments and prevent accidents from occurring and reoccurring through activities that mobilize the capacities of our organization with the full participation of employees. Concretely, as steps to prevent recurrence of accidents we had in the past, we analyze and evaluate the details of accidents that occur each year, have discussions among relevant internal departments including the management, and prioritize items to address on a company-wide basis.

We will seek continuous improvement by running the PDCA cycle of safety activities in each fiscal year. We will also

Prioritized items in safety activities for fiscal 2019

- ① “Make safe thinking before action” based on danger prediction into a habit
- ② Advance safety efforts that protect not only ourselves but also colleagues with a focus on communication
- ③ Practice safe driving behaviors and disseminate considerate driving as a unified effort of the workplace

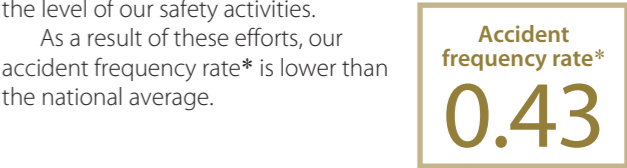
share prioritized items to address with our group companies, thereby further enhancing the effectiveness of safety activities.

Specific safety efforts

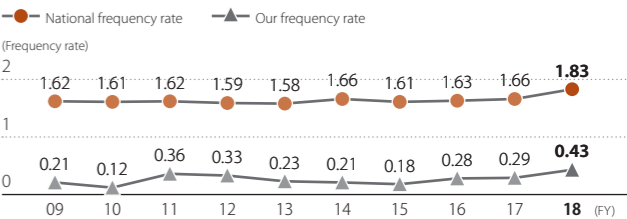
Efforts in safety education and acquisition of knowledge from outside the company

To raise the safety awareness of our employees and protect the colleagues of subcontractors and others, we provide education for each one of them to practice autonomous safety activities. Opportunities for them, including our group companies, to learn new things are also provided through lectures and training on safety by external experts to increase the level of our safety activities.

As a result of these efforts, our accident frequency rate* is lower than the national average.



Trend in accident frequency rate



* This accident frequency rate represents the number of casualties from work accidents resulting in at least one day of absence from work per million hours of work.

“Bilateral” communication that ensures the safety of colleagues

Our employees visit construction/maintenance sites periodically to deepen mutual understanding and promote safety activities through dialogues with subcontractors, etc. We are proactive in facilitating such “bilateral” communication to improve our operating environment and raise safety awareness, thereby reducing the risk of accidents.



Thoroughly managing safe driving

For employees who drive cars, we have instituted our own Vehicle Operator Certification System, aiming for a safe driving level that is one step higher. After receiving education related to safe driving and practical training, they are given the vehicle operator certificate. We work to implement thorough and safe driving management by providing them with education and training periodically.

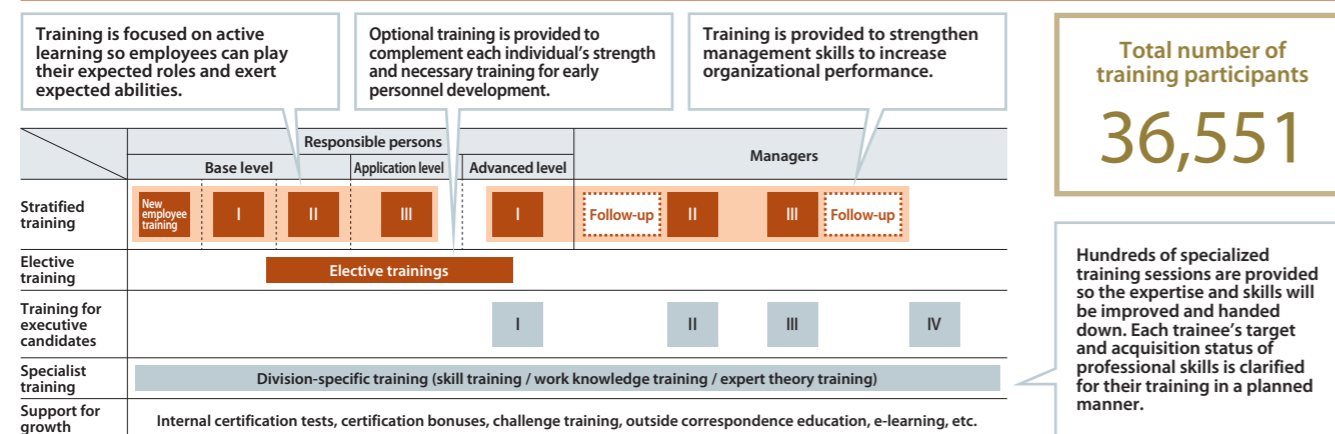


4 Respect for Human Rights and Development of Favorable Work Environment by Taking Advantage of Diversity

Development measures for “human capital” innovation

As part of the personnel development measures through the Kansai Electric Power Group Academy **→P38**, we support ability improvements and career formation of our employees by providing stratified training and specialized training to enhance their expertise of business. Moreover, the personnel appraisal system and the in-house open system **→P38** have been introduced so our employees will have more willingness to grow and feel even more motivated and rewarded.

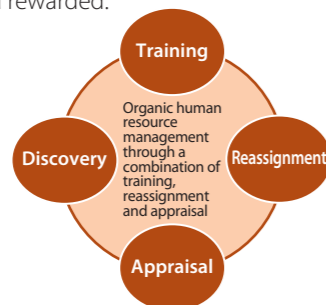
Our training and development systems



Personnel appraisal system

We have put in place a mechanism to carefully assess each employee's “abilities” and “level of contribution” to our company's performance and reflect those in their salaries, etc., so our employees will have more willingness to grow and feel even more motivated and rewarded.

Furthermore, we grasp (discover) each individual employee's abilities and qualities through a series of processes that comprise of training, reassignment and appraisal, so that all the employees can perform at their full potential in various fields.



Support for self-growth

A variety of systems have been developed as an opportunity to motivate each employee to develop their abilities and make autonomous challenges.

Major support systems

Internal certification test program	A program to check employees' learning level of knowledge and skills, make them feel more clearly that they have grown, and provide a springboard for further self-improvement
Certification bonus system	A system to provide money gifts to employees who passed the company-designated national exams for the encouragement of acquiring qualifications highly related to their work * Increased amounts of gift money are provided to those who acquired the company-designated important qualifications early
Challenge trainings	Application-based training to support employees who voluntarily strive to have a broader viewpoint in a wide range of fields, which is difficult in routine work
Outside correspondence education	Periodic encouragement of correspondence courses and e-learning designed to develop job performance skills and raise employees' cultural level

Future plans

The Kansai Electric Power Group has made efforts to build a good work environment in which human rights and diversity are respected. In fiscal 2018, with top priority given to ensuring safety and health of our employees, we continued with the enhancement of human resources to cope with the intensifying competitive environment and promotion of empowerment of female employees to take advantage of diversity. Additionally, aiming to become a leading company in “Workstyle” Innovation and Health and Productivity Management, we mounted efforts to materialize a “virtuous cycle in workstyle” based on the “Health and Productivity Management Declaration.” In fiscal 2019, we will remain committed to create a workplace that makes each employee feel more motivated and rewarded.

More specifically, we will continue to enhance personnel development through the Kansai Electric Power Group Academy and improve an environment in which everyone can exhibit his/her ability to the fullest. On top of that, we will accelerate additional initiatives, with the goal for each one of the employees to become a “master of making good use of time” and “master of keeping good health.”



Nobuyuki Miyamoto
General Manager of Office of Human Resources and Safety Management
The Kansai Electric Power Company

CSR Action Principles

5

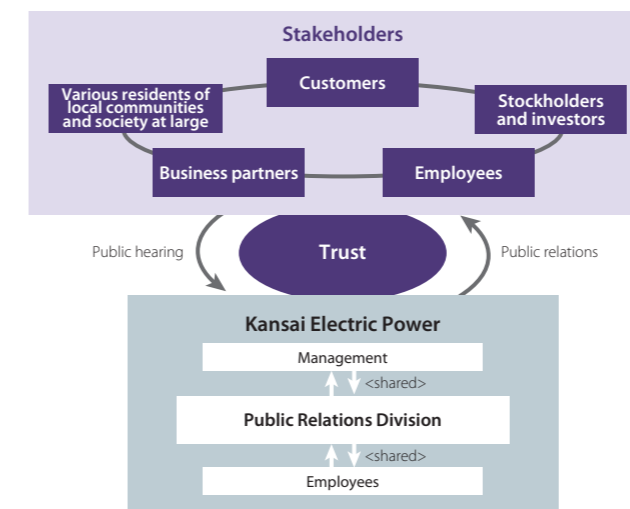
Highly Transparent and Open Business Activities

In order to properly reflect social opinions in its business activities, to ensure fairness in the management of its business operations and to faithfully carry out its accountability to society through timely transmission and disclosure of information, the Kansai Electric Power Group will promote increased communication with all members of society and conduct business activities that are transparent and open.

Enhancing communication with stakeholders

Reflecting community opinions in our business activities

Through public relations and public hearing activities, we deliver information to our stakeholders in a timely and appropriate manner to promote their understanding of our businesses. Their opinions and requests are shared with management and employees and reflected in our business activities so we can keep their trust. We will seek their understanding of our businesses, including nuclear power generation, and conduct highly transparent and open business activities with the thought represented by our brand statement, “power with heart.”



Information for shareholders and investors

We strive to provide information to investors and shareholders in a prompt, impartial manner. We provide data through a variety of means to domestic and international institutional investors, individual investors, public organizations, and a wide range of other interested parties. Our efforts to promote interactive communication include regular company briefings presented by the president, as well as regular meetings between executive officers, including the president, and domestic and overseas investors. Our management thus makes an active effort to engage in discussion with the investment community and incorporate feedback from the capital markets into our business operations.

Furthermore, we provide an overview of our businesses, management objectives, financial data and other information in a timely and appropriate manner using our corporate website and other means.

Working with the media

Information reported by television and newspapers has a significant impact on stakeholder perceptions of and attitudes toward our Company. We hold regular press conferences with our president and make other efforts to provide information actively to the media. At the same time, we respond rapidly and accurately to media inquiries to promote understanding of our business operations.

5 Highly Transparent and Open Business Activities

Sharing information through mass media

We utilize various forms of mass media to convey information about nuclear power generation, our efforts associated with our brand statement, “power with heart,” and the business activities of our corporate group to customers and other members of society in a timely and appropriate manner.

We are taking advantage of the strengths of each type of media when providing information. For example, television commercials can convey information in an easy-to-understand manner with video and music while newspaper advertisements enable readers to view relatively large amounts of information. We will continue working to build understanding of our company businesses.



Information released on our website

The Internet environment changes day by day. To further increase accuracy in matching information that our customers need and that which we want to deliver, we make use of digital and other technologies.

Through our website, we offer various kinds of enhanced contents based on our attitude and thoughts toward safety. Social media is also utilized in conveying such information.

Particularly, we are prepared to swiftly deliver information

in case of a typhoon, earthquake or other disasters, taking advantage of the characteristics of websites and social media, respectively. We will continue to use the Internet and try to communicate with even more people in the future.

The Kansai Electric Power Official SNS

- Facebook
- Twitter
- Instagram
- YouTube

Efforts to promote understanding about energy

We are actively working to help our stakeholders deepen their understanding about energy by, for example, conducting power plant tours and “on-site” classes as well as through the production of public relations tools.

We have been utilizing virtual reality in our power plant tours to enable participants to visually experience the insides of reactor pressure vessel buildings and other places.

In addition, we are actively conducting “on-site” classes in which our employees visit elementary and junior high schools as lecturers to convey the importance of energy to the children who will be responsible for the future.

Through various opportunities, we will continue striving to use diverse methods for unfolding efforts to promote understanding about energy among our stakeholders.

Disclosing information on our nuclear power stations

We utilize television commercials, newspaper advertising, our website, PR magazines, and other means to disseminate information concerning our initiatives to enhance safety and reliability at our nuclear power plants.

In the *Echizen Wakasa no Fureai* local community magazine, we provide information related to nuclear power and the region to citizens of Fukui Prefecture.

We remain committed to proactively releasing information through a variety of means to restore public trust in nuclear power generation.



Echizen Wakasa no Fureai

Internal communication

Our employees put “power with heart” into practice and inter-company and inter-group communication is vitalized by sharing important matters in business management, such as nuclear power generation, information about our businesses and initiatives related to “power with heart.”



Masaaki Ikeda
General Manager of Office of
Corporate Communications
The Kansai Electric Power
Company

Future plans

To elicit an understanding of our businesses, including the comprehensive energy business and nuclear power generation, we disclose and deliver information in a timely and appropriate manner through mass media, our website and all other media, as well as through face-to-face communication undertaken by each one of our employees.

Ahead of the spin-off of the transmission and distribution sector scheduled in April 2020, the environment surrounding us is likely to change even more drastically. Amid such circumstances, we will continue sincerely delivering our efforts to fulfill our unchanged mission of safe and stable supply of energy and enhanced safety at nuclear power stations along with efforts that we will newly challenge.

With our wish to “be a source of power for our customers and communities by serving them with sincerity and passion” as represented by our brand statement “power with heart,” we will listen carefully to their opinions and requests and continue with highly transparent and open business activities, thereby becoming a corporate group that continues being chosen.



CSR Action Principles

6

Strict Enforcement of Compliance

In all aspects of its business activities, the Kansai Electric Power Group will comply with all laws and regulations, internal rules and business ethics and will ensure strict enforcement of compliance as the basis of our management. The Group as a whole will build the structure that should ensure these actual practices and will strive to maintain and improve its structure.

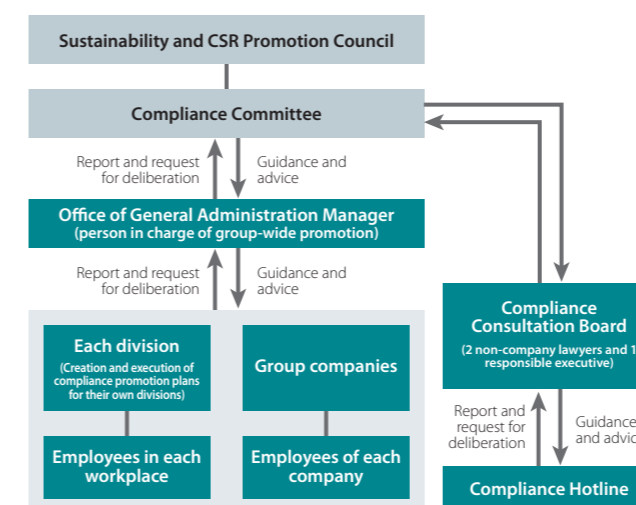
Promoting compliance activities with the entire group

Promoting compliance activities

In our corporate group, the Office of General Administration (legal), acting as our compliance headquarters, oversees compliance promotion for the entire group with guidance from the Compliance Committee, which is chaired by our company president.

All divisions in our company and all of our group companies are promoting self-driven compliance, with their individual “compliance promotion plans” established by themselves according to the characteristics of their own businesses and work duties, utilizing the PDCA cycles under the leadership of their division heads, company presidents and others.

Kansai Electric Power Group Compliance System



Efforts to promote compliance

For fiscal 2019, we have set “promoting compliance responding to risk posed by the expansion of the business domain and changes in the business environment” and “self-driven compliance by thinking and acting for ourselves regardless of previous examples” as the fundamental policies in promoting compliance. Additionally, the following four items have been selected as major themes in promoting compliance that the entire group should recognize and tackle: “Strict compliance with competition rules,” “Improvement in risk sensitivity corresponding to changes in business,” “Prevention of inappropriate events that occurred by following previous examples” and “Being thorough about acting with basic decency.”

Keeping in mind these fundamental policies and major themes, as a group-wide efforts, we will keep expressing our attitude toward thoroughness in compliance by messages from our top management, as well as conducting lectures related to the major themes, continuous information distribution via e-mail magazines and others. Through such efforts, we will cultivate the awareness of all group employees continuously.

Results of questionnaire given to all employees on CSR (executed November 2018)

Are you acting with awareness of compliance on a daily basis? (responses from just our company)

“Yes.”
95.8%

6 Strict Enforcement of Compliance

Promoting self-driven compliance according to the characteristics of each division and group company

Promoting compliance in each company division and group company

By having each division and group company actively facilitate the functioning of PDCA cycles and promote compliance, we seek to have the idea that “compliance is a foundation of business” permeate and become established throughout the entire group.

Specifically, each division has created their own “compliance promotion plans” and is striving to implement, evaluate and improve their promotion efforts. When doing so, they are considering the company’s fundamental policies and major themes, the business and work characteristics of their divisions, and compliance risks that could occur in the future along with changes in the business environment, unacceptable incidents that occurred in the past both inside and outside the company, and other factors.

Furthermore, considering our fundamental policies and major themes, each of our group companies is independently promoting compliance based on the characteristics and sizes of their businesses, as well as other real conditions.

Supporting the efforts of each division and group company

In addition to leading the promotion efforts of the group as a whole, our compliance headquarters is supporting the efforts of each division and group company. For example, through the Compliance Manual, the headquarters specifically explains 18 types of compliance guidelines formulated in accordance with laws, in-house rules, corporate ethics and other factors which all executives and employees of our corporate group must comply with or exercise caution about.

In addition, with a focus on content related to major themes, the manual enhances educational discussion materials to contribute to the activities of every division and group company and also provides training related to compliance.



Lectures based on collaborative relationships by professionals

Global compliance efforts

The Kansai Electric Power Group will expand its business globally in Asia, North America, Europe and many other regions.

Against this background, the Group considers it necessary to further ensure compliance by observing local ordinances and rules and meet social demands overseas as well. One of our compliance guidelines clearly stipulates “Compliance with international rules, and ordinances etc. in the partners’ countries.” It keeps executives and employees of the Group informed that tightened bribery control is the global trend and that understanding and abundance of caution are required for risks posed by bribery when operating business globally. Specifically, we will keep our minds on achieving thorough compliance as we continue striving to expand our businesses overseas. For example, we are clarifying matters to be observed strictly and prohibited acts, including exchanges of gifts and business entertainment conducted with improper intentions, by establishing in-house rules related to preventing the bribery of foreign official servants and others. We are also undertaking training, awareness-raising and other efforts with the theme of preventing foreign corruption in our divisions and group companies that conduct business overseas and other international transactions.

Compliance Hotline

The Compliance Hotline established by our company receives consultations when people have doubts related to compliance about their workplaces or work tasks, including various types of legal violations and improper work conduct at its workplace. This hotline is available not only to employees of our group companies but also to our contractors. This system enables us to collect a wider range of risk information. We are working to create an improved environment offering a more approachable service that can accept anonymous consultations and that allocates female consultants, for example. In addition, the Hotline provides compliance consultations to handle problems after investigating the facts, if necessary.

No serious violations have been confirmed from consultations with the Compliance Hotline.

Number of cases handled by the Compliance Hotline

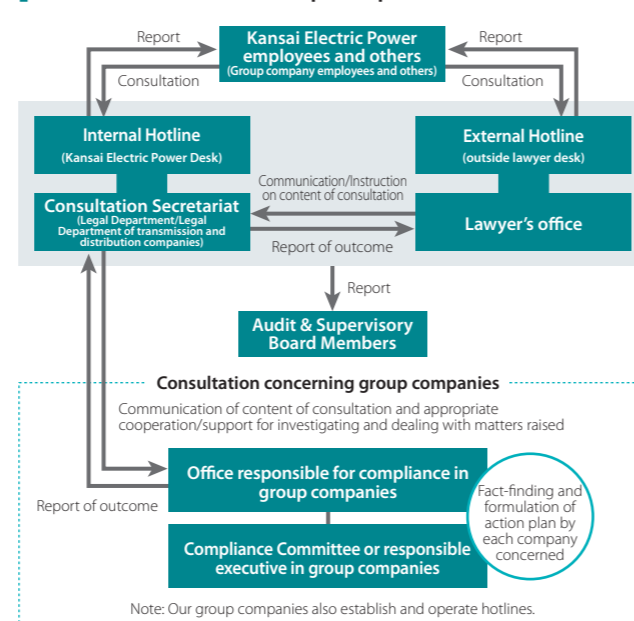
Fiscal 2017

67

Fiscal 2018

73

Kansai Electric Power Group Compliance Hotline



Information security initiatives

Policies

We believe that one duty of our company is to steadily advance information security efforts to ensure the safe and stable supply of power and to protect the customer information that we possess. While further strengthening countermeasures against cyber attacks, which have been growing as a threat to important infrastructures that support the society, we will continue promoting information security management based on relevant laws, regulations and guidelines for cyber security management along with in-house rules and others.

Information security promotion system for the entire group

In our corporate information security promotion system, we have a Chief Information Security Officer (CISO) [director in charge of the IT division] and deploy Information Security Managers to promote specific efforts in each workplace. Additionally, while each engineering division is also working voluntarily to improve security measures, the CISO presents a security level to be attained and provides them with technical assistance.

In addition, our group companies are undertaking independent efforts based on the information security guidelines for the entire group. With this and other guidance and support from our company, we are raising the security level of the entire group.

Initiatives for protecting personal information

We are strictly following internal rules related to personal information protection that we prepared based on the Personal Information Protection Law and various other laws and guidelines. Following the scatter of documents for disposal that occurred during transportation in May 2018, we will review the management of documents for disposal and conduct strict information management to prevent the occurrence of similar accidents.

Efforts for cyber security measures

With the concept of defense in depth, we are mounting efforts for early detection and minimization of damages while undertaking a variety of security measures. More specifically, we are continuing with efforts to prepare for the occurrence of cyber attacks, including the introduction and strengthening of monitoring and the operation of new technological countermeasures, development of an emergency response system and training and practice with targeted threat emails for employees. Especially in fiscal 2018, assuming that we are under a hypothetical large-scale cyber attack, we implemented company-wide training led by the president, extracted issues to address and are working to improve security measures.

Given the ever-evolving cyber attack techniques, we are gathering information about cyber attacks that occur outside our company and the latest security information through, for example, the activities of the Japan Electricity Information Sharing and Analysis Center (JE-ISAC), which is an organization that undertakes the sharing and analysis of cyber attack information among electric power businesses. Moreover, countermeasures are reviewed as needed.

Participation rate of information security training
(conducted February–March 2019)

95.9%
(17,404 participants)



Company-wide training to respond to cyber attacks

Future plans

The Kansai Electric Power Group’s Medium-term Management Plan (2019-2021) has “maintain safety as the top priority” and “fulfill corporate social responsibilities” as a main axis of corporate management, which is a principle that leads to being trusted and chosen by customers and communities. One of the key efforts is “promoting self-driven compliance.” Each one of us in the Group must be keenly aware of being the one who “earns trust” and keep acting in such a way to earn trust. Each division and group company will plan, implement and evaluate themselves in light of risks to be careful about, etc. thereby promoting self-driven compliance. We will also increase the effectiveness of promoting activities in each division and group company through assistance, such as by sharing compliance-related information and exchange of opinions, to ensure thoroughgoing compliance in the entire group.



Koichi Nagata

General Manager of Office of General Administration
The Kansai Electric Power Company

Financial and Corporate Information

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**The Kansai Electric Power Company,
Incorporated and Its Subsidiaries**

Consolidated Financial Statements for the
Year Ended March 31, 2019, and
Independent Auditor’s Report

ASSETS

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
PROPERTY:			
Utility plant and equipment	¥ 14,647,136	¥ 14,741,988	\$ 13,194,295
Other plant and equipment (Note 7)	2,054,938	2,020,597	18,511,292
Construction in progress (Note 7)	579,917	457,442	5,224,008
Contributions in aid of construction	(491,138)	(485,895)	(4,424,268)
Accumulated depreciation and amortization	(12,208,608)	(12,301,087)	(109,977,554)
Plant and equipment - net (Note 4)	4,582,245	4,433,045	41,277,773
Nuclear fuel, net of amortization (Note 2.d)	506,278	494,124	4,560,661
Property - net	5,088,524	4,927,169	45,838,434
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Notes 5, 7 and 16)	232,242	232,870	2,092,087
Investments in and advances to unconsolidated subsidiaries and associated companies (Note 7)	456,672	431,764	4,113,793
Special account related to nuclear power decommissioning (Notes 2.n)	73,025	78,332	657,825
Special account related to reprocessing of spent nuclear fuel (Note 2.j)	56,134	25,168	505,675
Deferred tax assets (Note 12)	372,906	402,874	3,359,211
Other assets (Note 7)	147,170	153,891	1,325,742
Total investments and other assets	1,338,151	1,324,902	12,054,335
CURRENT ASSETS:			
Cash and cash equivalents (Notes 7 and 16)	158,978	144,176	1,432,106
Receivables (Notes 7 and 16)	342,145	297,999	3,082,113
Allowance for doubtful accounts	(2,531)	(2,859)	(22,806)
Inventories (Notes 6 and 7)	163,937	129,127	1,476,780
Other current assets (Notes 5, 7 and 16)	168,157	164,571	1,514,799
Total current assets	830,687	733,015	7,482,994
TOTAL	¥ 7,257,363	¥ 6,985,088	\$ 65,375,765

See notes to consolidated financial statements.

LIABILITIES AND EQUITY

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
LONG-TERM LIABILITIES:			
Long-term debt, less current maturities (Notes 7 and 16)	¥ 2,939,093	¥ 2,783,359	\$ 26,475,933
Liability for retirement benefits (Note 8)	369,472	367,875	3,328,284
Asset retirement obligations (Notes 2.k and 9)	501,354	444,302	4,516,297
Deferred tax liabilities (Note 12)	1,831	1,346	16,498
Other long-term liabilities	250,350	255,191	2,255,209
Total long-term liabilities	4,062,102	3,852,076	36,592,223
CURRENT LIABILITIES:			
Current maturities of long-term debt (Notes 7 and 16)	516,483	636,331	4,652,587
Short-term borrowings (Notes 10 and 16)	416,096	300,226	3,748,281
Notes and accounts payable (Notes 7 and 16)	195,659	183,525	1,762,539
Accrued income taxes (Note 16)	13,361	14,471	120,362
Reserve for disaster restoration costs	2,104		18,953
Accrued expenses and other current liabilities	490,219	496,710	4,415,993
Total current liabilities	1,633,925	1,631,266	14,718,719
RESERVE FOR FLUCTUATIONS IN WATER LEVEL	28,389	28,948	255,737
COMMITMENTS AND CONTINGENCIES (Notes 14 and 19)			
EQUITY (Note 11):			
Common stock - authorized, 1,784,059,697 shares; issued, 938,733,028 shares in 2019 and 2018	489,320	489,320	4,407,897
Capital surplus	66,656	66,725	600,453
Retained earnings	979,669	904,806	8,825,058
Treasury stock - at cost: 45,561,730 shares in 2019 and 45,372,355 shares in 2018	(96,806)	(96,504)	(872,056)
Accumulated other comprehensive income:			
Unrealized gain on available-for-sale securities	82,937	91,135	747,117
Deferred loss on derivatives under hedge accounting	(9,514)	(3,369)	(85,707)
Foreign currency translation adjustments	9,015	11,016	81,215
Defined retirement benefit plans	(7,034)	(9,041)	(63,366)
Total	1,514,244	1,454,087	13,640,611
Noncontrolling interests	18,702	18,709	168,472
Total equity	1,532,946	1,472,797	13,809,084
TOTAL	¥ 7,257,363	¥ 6,985,088	\$ 65,375,765

See notes to consolidated financial statements.

The Kansai Electric Power Company, Incorporated and Its Subsidiaries
Year Ended March 31, 2019

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
OPERATING REVENUES:			
Electric	¥ 2,668,312	¥ 2,596,114	\$ 24,036,682
Other	639,349	537,518	5,759,383
Total operating revenues	3,307,661	3,133,632	29,796,066
OPERATING EXPENSES (Notes 13):			
Electric	2,536,281	2,430,106	22,847,322
Other	566,526	475,975	5,103,384
Total operating expenses	3,102,807	2,906,081	27,950,707
OPERATING INCOME	204,853	227,551	1,845,359
OTHER (INCOME) EXPENSES:			
Interest and dividend income	(13,631)	(10,927)	(122,795)
Interest expense	30,430	37,219	274,126
Gain on sales of property, plant, and equipment (Note 3)	(17,941)	(1,201)	(161,624)
Equity in earnings of associated companies	(11,671)	(11,704)	(105,143)
Other - net	14,031	(2,939)	126,402
Total other expenses	1,217	10,447	10,965
EXTRAORDINARY EXPENSES:			
Loss on disaster (Note 2.u)	12,828		115,560
Investment loss on subsidiaries and associated companies (Note 2.u)	18,093		162,993
Total extraordinary expenses	30,922		278,554
INCOME BEFORE PROVISION FOR RESERVE FOR FLUCTUATIONS IN WATER LEVEL AND INCOME TAXES	172,713	217,104	1,555,839
PROVISION FOR (REVERSAL OF) RESERVE FOR FLUCTUATIONS IN WATER LEVEL	(558)	1,495	(5,032)
INCOME BEFORE INCOME TAXES	173,272	215,608	1,560,872
INCOME TAXES (Note 12):			
Current	27,210	24,387	245,115
Deferred	30,319	38,699	273,128
Total income taxes	57,530	63,087	518,243
NET INCOME	115,742	152,520	1,042,628
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	664	639	5,987
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	¥ 115,077	¥ 151,880	\$ 1,036,641
	Yen		U.S. Dollars
	2019	2018	2019
PER SHARE OF COMMON STOCK (Notes 2.s and 20):			
Basic net income	¥ 128.83	¥ 170.01	\$ 1.16
Cash dividends applicable to the year	50.00	35.00	0.45

See notes to consolidated financial statements.

The Kansai Electric Power Company, Incorporated and Its Subsidiaries
Year Ended March 31, 2019

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
NET INCOME	¥ 115,742	¥ 152,520	\$ 1,042,628
OTHER COMPREHENSIVE INCOME (Note 18):			
Unrealized (loss) gain on available-for-sale securities	(6,535)	7,566	(58,868)
Deferred (loss) gain on derivatives under hedge accounting	(6,150)	583	(55,403)
Foreign currency translation adjustments	(2,757)	(1,519)	(24,841)
Defined retirement benefit plans	2,148	6,091	19,358
Share of other comprehensive income in associates	(1,479)	3,171	(13,323)
Total other comprehensive income	(14,773)	15,892	(133,078)
COMPREHENSIVE INCOME	¥ 100,969	¥ 168,413	\$ 909,549
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent	¥ 100,741	¥ 167,254	\$ 907,500
Noncontrolling interests	227	1,158	2,049

See notes to consolidated financial statements.

The Kansai Electric Power Company, Incorporated and Its Subsidiaries
Year Ended March 31, 2019

	Millions of Yen											
	Number of Shares of Common Stock Outstanding	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income				Total	Noncontrolling Interests	Total Equity
						Unrealized Gain on Available-for- Sale Securities	Deferred Loss on Derivatives under Hedge Accounting	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans			
BALANCE, APRIL 1, 2017	938,733,028	¥ 489,320	¥ 66,726	¥ 788,674	¥ (96,424)	¥ 81,037	¥ (3,894)	¥ 13,433	¥ (16,209)	¥ 1,322,663	¥ 22,032	¥ 1,344,696
Cash dividends, ¥40 per share				(35,747)						(35,747)		(35,747)
Net income attributable to owners of the parent				151,880						151,880		151,880
Purchase of treasury stock					(83)					(83)		(83)
Disposal of treasury stock			(1)		3					2		2
Transfer to capital surplus from retained earnings			1	(1)								
Capital increase of consolidated subsidiaries			(1)							(1)		(1)
Net change in the year						10,097	525	(2,417)	7,168	15,373	(3,322)	12,050
BALANCE, MARCH 31, 2018	938,733,028	489,320	66,725	904,806	(96,504)	91,135	(3,369)	11,016	(9,041)	1,454,087	18,709	1,472,797
Cash dividends, ¥50 per share				(40,213)						(40,213)		(40,213)
Net income attributable to owners of the parent				115,077						115,077		115,077
Purchase of treasury stock					(304)					(304)		(304)
Disposal of treasury stock					2					1		1
Transfer to capital surplus from retained earnings												
Capital increase of consolidated subsidiaries												
Purchase of stock of consolidated subsidiaries			(69)							(69)		(69)
Net change in the year						(8,197)	(6,144)	(2,000)	2,007	(14,335)	(7)	(14,343)
BALANCE, MARCH 31, 2019	938,733,028	¥ 489,320	¥ 66,656	¥ 979,669	¥ (96,806)	¥ 82,937	¥ (9,514)	¥ 9,015	¥ (7,034)	¥ 1,514,244	¥ 18,702	¥ 1,532,946

	Thousands of U.S. Dollars (Note 1)										
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income				Total	Noncontrolling Interests	Total Equity
					Unrealized Gain on Available-for- Sale Securities	Deferred Loss on Derivatives under Hedge Accounting	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans			
BALANCE, MARCH 31, 2018	\$ 4,407,897	\$ 601,072	\$ 8,150,674	\$ (869,333)	\$ 820,966	\$ (30,353)	\$ 99,236	\$ (81,450)	\$ 13,098,711	\$ 168,541	\$ 13,267,253
Cash dividends, \$0.45 per share			(362,251)						(362,251)		(362,251)
Net income attributable to owners of the parent			1,036,641						1,036,641		1,036,641
Purchase of treasury stock				(2,745)					(2,745)		(2,745)
Disposal of treasury stock		(5)		22					17		17
Transfer to capital surplus from retained earnings		5	(5)								
Capital increase of consolidated subsidiaries		3							3		3
Purchase of stock of consolidated subsidiaries		(623)							(623)		(623)
Net change in the year					(73,848)	(55,354)	(18,021)	18,084	(129,141)	(69)	(129,210)
BALANCE, MARCH 31, 2019	\$ 4,407,897	\$ 600,453	\$ 8,825,058	\$ (872,056)	\$ 747,117	\$ (85,707)	\$ 81,215	\$ (63,366)	\$ 13,640,611	\$ 168,472	\$ 13,809,084

See notes to consolidated financial statements.

The Kansai Electric Power Company, Incorporated and Its Subsidiaries
Year Ended March 31, 2019

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
OPERATING ACTIVITIES:			
Income before income taxes	¥ 173,272	¥ 215,608	\$ 1,560,872
Adjustments for:			
Income taxes - paid	(27,185)	(15,210)	(244,894)
Depreciation and amortization	331,984	340,287	2,990,578
Decommissioning cost of nuclear power units	16,050	13,275	144,584
Depreciation of special account related to nuclear power decommissioning	5,307	1,845	47,812
Amortization of nuclear fuel	22,966	11,795	206,889
Loss on disposal of property, plant, and equipment	9,394	10,325	84,624
Loss on disaster	12,828		115,560
Investment loss on subsidiaries and associated companies	18,093		162,993
Changes in assets and liabilities:			
Increase in receivables	(41,446)	(36,245)	(373,361)
Decrease in interest and dividends receivable	4,650	4,773	41,893
Decrease in inventories (Note 3)	(34,777)	(6,316)	(313,280)
(Decrease) increase in notes and accounts payable	(1,123)	3,202	(10,118)
Decrease in interest payable	(1,159)	(1,236)	(10,448)
Increase in liability for retirement benefits	4,570	15,941	41,168
Payments for loss on disaster	(10,724)		(96,606)
(Decrease) increase in reserve for fluctuations in water level	(558)	1,495	(5,032)
Other - net	(32,426)	63,724	(292,101)
Total adjustments	276,443	407,658	2,490,260
Net cash provided by operating activities	449,716	623,266	4,051,133
INVESTING ACTIVITIES:			
Purchases of property, plant, and equipment	(475,437)	(398,028)	(4,282,838)
Payments for investments and advances	(88,572)	(58,829)	(797,875)
Proceeds from sales of investments or collections of advances	25,247	14,355	227,433
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(11,734)	(20,492)	(105,707)
Payments for transfer of business	(22,055)		(198,679)
Other - net	34,706	15,757	312,642
Net cash used in investing activities	(537,846)	(447,237)	(4,845,025)
FINANCING ACTIVITIES:			
Proceeds from issuance of bonds	309,081	249,465	2,784,267
Proceeds from long-term debt (exclusive of bonds)	374,212	326,092	3,370,983
Proceeds from short-term loans	271,346	273,282	2,444,340
Proceeds from issuance of commercial papers	625,000	404,000	5,630,123
Redemption of bonds	(290,675)	(331,100)	(2,618,457)
Repayments of long-term debt (exclusive of bonds)	(360,138)	(390,337)	(3,244,200)
Repayments of short-term loans	(268,284)	(282,667)	(2,416,759)
Repayments of commercial papers	(509,000)	(364,000)	(4,585,172)
Dividends paid	(40,098)	(35,674)	(361,213)
Other - net	(8,371)	(11,337)	(75,409)
Net cash provided by (used in) financing activities	103,073	(162,277)	928,502
NET CASH PROVIDED BY OPERATING, INVESTING, AND FINANCING ACTIVITIES	14,942	13,751	134,609
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(141)	(394)	(1,276)
NET INCREASE IN CASH AND CASH EQUIVALENTS	14,801	13,356	133,332
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	144,176	130,820	1,298,773
CASH AND CASH EQUIVALENTS, END OF YEAR	¥ 158,978	¥ 144,176	\$ 1,432,106

See notes to consolidated financial statements.

1. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act, the Electricity Utilities Industry Act and the related accounting regulations and in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

Japanese yen figures less than a million yen are rounded down to the nearest million yen, except for per-share data.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which The Kansai Electric Power Company, Incorporated (the “Company”) is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥111.01 to \$1, the approximate rate of exchange as of March 31, 2019. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

U.S. dollar figures less than a thousand dollars are rounded down to the nearest thousand dollars, except for per-share data.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a. Principles of Consolidation and Accounting for Investments in Associated Companies**

- The consolidated financial statements as of March 31, 2019, include the accounts of the Company and 77 (69 in 2018) subsidiaries (collectively, the “Companies”). Had the unconsolidated subsidiary been included in the accounts, the effect on the accompanying consolidated financial statements would not be material.

Under the control and influence concepts, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Company has the ability to exercise significant influence are accounted for by the equity method.

Investments in four in 2019 and 2018 associated companies are accounted for by the equity method. Investments in the remaining associated companies are stated at cost. Had the equity method been applied to the investments in these companies and unconsolidated subsidiary, the effect on the accompanying consolidated financial statements would not be material.

The excess of the cost of acquisition over the fair value of the net assets of the acquired subsidiary or associated company and business at the date of acquisition is amortized over a period of 5 to 20 years.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit

included in assets resulting from transactions within the Companies is also eliminated.

b. Subsidiaries’ Fiscal Year End - The fiscal year end of eight subsidiaries is December 31. The Company consolidates such subsidiaries’ financial statements using their financial results for the year ended December 31. The effects of any significant transactions during the period between the subsidiaries’ fiscal year end and the Company’s fiscal year end are reflected in the consolidated financial statements.

c. Business Combination - Business combinations are accounted for using the purchase method. Acquisition-related costs, such as advisory fees or professional fees, are accounted for as expenses in the periods in which the costs are incurred. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, an acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, which shall not exceed one year from the acquisition, the acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and that would have affected the measurement of the amounts recognized as of that date. Such adjustments shall be recognized as if the accounting for the business combination had been completed at the acquisition date. The acquirer recognizes any bargain purchase gain in profit or loss immediately on the acquisition date after reassessing and confirming that all of the assets acquired and all of the liabilities assumed have been identified after a review of the procedures used in the purchase price allocation. A parent’s ownership interest in a subsidiary might change if the parent purchases or sells ownership interests in its subsidiary. The carrying amount of noncontrolling interest is adjusted to reflect the change in the parent’s ownership interest in its subsidiary while the parent retains its controlling interest in its subsidiary. Any difference between the fair value of the consideration received or paid and the amount by which the noncontrolling interest is adjusted is accounted for as capital surplus as long as the parent retains control over its subsidiary.

d. Property, Depreciation, and Amortization - Property is stated at cost. Contributions in aid of construction, which include certain amounts assessed to and collected from customers, are deducted from the costs of the related assets in accordance with the regulations.

Depreciation is principally computed by the declining-balance method based on the estimated useful lives of the assets.

Amortization of nuclear fuel is computed based on the quantity of heat produced for the generation of electricity. Accumulated amortization of nuclear fuel as of March 31, 2019 and 2018, was ¥73,548 million (\$662,543 thousand) and ¥68,959 million, respectively.

e. Impairment of Fixed Assets - The Companies review their fixed assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

f. Investment Securities - The Companies’ securities are classified and accounted for as follows: (1) held-to-maturity debt securities, for which management has the positive intent and ability to hold to maturity, are reported at amortized cost; (2) available-for-sale securities whose fair value is not readily determinable are reported at cost; and (3) available-for-sale securities whose fair value is readily determinable are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported as a separate component of equity.

The cost of securities sold is determined by the moving-average method.

g. Cash Equivalents - Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value.

Cash equivalents include time deposits, certificates of deposit, commercial paper, and bond funds, all of which mature or become due within three months of the date of acquisition.

h. Inventories - Inventories, mainly fuel, are stated at the lower of cost, determined by the average method or net selling value.

i. Retirement and Pension Plan - The Company and certain of its consolidated subsidiaries have defined contribution pension plans, unfunded defined benefit pension plans, and unfunded lump-sum severance payment plans.

The Companies account for the liability for retirement benefits based on the projected benefit obligations and plan assets at the consolidated balance sheet date.

Prior service cost is amortized by the straight-line method over a period of principally three years. Actuarial gains or losses are recognized by the straight-line method over a period of principally three years.

Actuarial gains and losses and past service costs that are yet to be recognized in profit or loss are recognized within equity (accumulated other comprehensive income), after adjusting for tax effects and are recognized in profit or loss over three years no longer than the expected average remaining service period of the employees. The discount rate is determined using a single weighted-average discount rate reflecting the estimated timing and amount of benefit payment.

j. Cost of Reprocessing of Irradiated Nuclear Fuel - The Company records the amount of contribution set forth in Paragraph 1 of Article 4 of the “Act for Partial Revision of the Irradiated Nuclear Fuel Reprocessing Fund Act” (Act No. 40, 2016; the “Revised Act”) (except for the amount of contribution set forth in No. 1 of Paragraph 4 of Article 2 of the Revised Act as the contribution to manufacturing process which is related to reprocessing of irradiated nuclear fuel) as electric operating expenses according to the volume of irradiated nuclear fuel, which is generated from operation of the nuclear power plants, in accordance with Paragraph 2 of said Article 4.

The Company records the amount of contribution to manufacturing processes related to reprocessing of irradiated nuclear fuel as special account related to reprocessing of spent nuclear fuel.

With regard to the unrecognized amount of ¥82,953 million (\$747,257 thousand) at the time of enforcement of the Revised Act out of ¥312,810 million (\$2,817,857 thousand) (the difference which resulted from the change in the accounting standard relating to reserve for reprocessing of irradiated nuclear fuel in 2005) set forth in Article 2 of Supplementary Provisions of Ministry Order Relating to the Partial Revision of the Ordinance on Accounting at Electricity Utilities (Ordinance of the Ministry of Economy, Trade and Industry No. 92, in 2005), the Company has paid and will pay such amount in installments in each fiscal year up to 2019 in accordance with Paragraph 1 of Article 6 of Supplementary Provisions of the Revised Act, and the Company has recorded and will record the amount paid in each fiscal year as expenses in accordance with Article 4 of Supplementary Provisions of Ministry Order Relating to the Partial Revision of the Ordinance on Accounting at Electricity Utilities (Ordinance of the Ministry of Economy, Trade and Industry No. 94, in 2016). The unrecognized amount of difference which occurred in connection with the change in the accounting standard was ¥20,738 million (\$186,814 thousand) as of March 31, 2019.

k. Asset Retirement Obligations - An asset retirement obligation is recorded for a legal obligation imposed either by law or contract that results from the acquisition, construction, development, and normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset. The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense in the appropriate manner. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of

undiscounted cash flows are reflected as an adjustment to the carrying amount of the liability and the capitalized amount of the related asset retirement cost.

The Company mainly recognizes an asset retirement obligation with regard to the costs for decommissioning of nuclear power units, which are regulated under the Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material, and Reactors. The amount of this asset retirement obligation is based on the total estimation amount of decommissioning of nuclear power units. The estimated useful life is equal to the expected safe storage period and the expected operating period of a specific nuclear power unit, and a discount rate of 2.3% is used. In addition, in accordance with Accounting Standards Board of Japan (“ASBJ”) Guidance No. 21 and the Ministerial Ordinance Concerning Reserve for Decommissioning of Nuclear Power Units, the asset retirement cost is subsequently allocated to expenses based on the straight-line method throughout the expected safe storage period and the expected operating period.

On April 1, 2018, the “Ministry Order Relating to Reserves for Decommissioning of Nuclear Power Plants” (Ordinance Ministry of International Trade and Industry No. 30, 1989; “Ordinance of Decommissioning”) was revised, following the enforcement of the “Ordinance to Partially Revise the Ordinance on Reserves for Scrapping Nuclear Power Plants” (Ordinance of the Ministry of Economy, Trade and Industry No. 17, 2018; “Revised Ordinance”).

For the assets equal to asset retirement obligations related to the decommissioning of a specific nuclear power unit, among the nuclear power production facilities, costs are accounted for in accordance with the Ordinance of Decommissioning. Although the amortization period was defined as throughout the expected safe storage period and the expected operating period in the past, the Revised Ordinance defines the amortization period as the period from the month in which a specific nuclear power unit was utilized for power production for the first time after its completion (the “Starting Month of Utilization”), to the month in which a period of 40 years elapses (or the month in which the final day of an extension falls, if the operation period was extended based on the Paragraph 2 of Article 43-3-32; “the Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material, and Reactors [Law No. 166, 1957]”).

Also, the amortization period for decommissioning nuclear reactors associated with a specific nuclear power unit has been revised to the period from the Starting Month of Utilization to the month in which day the total cost estimation in accordance with the provisions of Paragraph 1, Article 5 of the Ordinance of Decommissioning was approved. However, if an application for extending the reserve funding period based on Paragraph 3, Article 5 of the Ordinance of Decommissioning was filed, the period ends in the month in which a period of 10 years elapses from the month in which the day of decommissioning falls (or, if the reactor was decommissioned by the day before the enforcement of the Revised Ordinance, in the month 10 years from the month of decommissioning (or 50 years from the Starting Month of Utilization, if the day of decommissioning was

past the 40 years mark from the Starting Month of Utilization)).

Accordingly, operating income, income before provision for reserve for fluctuations in water level, and income taxes and income before income taxes decreased by ¥2,229 million (\$20,079 thousand).

Furthermore, although the expected usage period, used for the calculation of the asset retirement obligations related to the decommissioning of a specific nuclear power unit, was defined as throughout the expected safe storage period and the expected operating period in the past was changed to the expected operating period.

Accordingly, asset retirement obligation and assets equal to asset retirement obligations increased by ¥45,512 million (\$409,988 thousand).

- l. Reserve for Fluctuations in Water Level** - A reserve for fluctuations in water level is provided for costs expected to be incurred from insufficient water levels in accordance with the Electricity Utilities Industry Act and the Ordinance on Accounting at Electricity Utilities.

m. Leases

As lessee - Finance lease transactions are capitalized to recognizing lease assets and lease obligations in the balance sheet.

In March 2007, the ASBJ issued ASBJ Statement No. 13, “Accounting Standard for Lease Transactions,” which revised the previous accounting standard for lease transactions issued. Under the previous accounting standard, finance leases that were deemed to transfer ownership of the leased property to the lessee were capitalized. However, other finance leases were permitted to be accounted for as operating lease transactions if certain “as if capitalized” information was disclosed in the notes to the lessee’s consolidated financial statements. The revised accounting standard permits leases that existed at the transition date and that do not transfer ownership of the leased property to the lessee to continue to be accounted for as operating lease transactions with certain “as if capitalized” information disclosed in the notes to the lessee’s consolidated financial statements.

The Companies applied the revised accounting standard effective April 1, 2008. In addition, the Companies continue to account for leases that existed at the transition date and that do not transfer ownership of the leased property to the lessee as operating lease transactions. However, the Companies do not disclose “as if capitalized” information because there is an immaterial effect on the consolidated financial statements.

All other leases are accounted for as operating leases.

As lessor - Finance leases that are deemed to transfer ownership of the leased property to the lessee are recognized as lease receivables, and finance leases that are not deemed to transfer ownership of the leased property to the lessee are recognized as investments in leases.

All other leases are accounted for as operating leases.

- n. Special Account Related to Nuclear Power Decommissioning** - The special account related to nuclear power decommissioning

shall be amortized in relation to the collection of the regulated power fees after the date of approval of the Ministry of Economy, Trade and Industry pursuant to Article 7 of Supplementary Provisions of Ministry Order Relating to the Partial Revision of the Ordinance on Accounting at Electricity Utilities (Ordinance of the Ministry of Economy, Trade and Industry No. 50, 2016).

- o. Income Taxes** - The provision for income taxes is computed based on the pretax income included in the consolidated statement of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted income tax rates to the temporary differences.

The Companies file a tax return under the consolidated corporate tax system, which allows companies to base tax payments on the combined profits or losses of the parent company and its wholly owned domestic subsidiaries.

On February 16, 2018, the ASBJ issued ASBJ Statement No. 28, “Partial Amendments to Accounting Standard for Tax Effect Accounting,” which requires deferred tax assets and deferred tax liabilities to be classified as investments and other assets and long-term liabilities, respectively. Deferred tax assets were previously classified as current assets and investments and other assets, and deferred tax liabilities were previously classified as current liabilities and long-term liabilities under the previous accounting standard. The revised accounting standard is effective for annual periods beginning on or after April 1, 2018. The Company retrospectively applied the revised accounting standard effective April 1, 2018, and deferred tax assets of ¥68,272 million, which were previously classified as current assets, as of March 31, 2018, have been reclassified as investments and other assets, in the accompanying consolidated balance sheet.

- p. Foreign Currency Transactions** - All receivables and payables denominated in foreign currencies are translated into Japanese yen at the current exchange rates as of the balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated statement of income to the extent that they are not hedged by the forward exchange contracts.

- q. Foreign Currency Financial Statements** - The balance sheet accounts of the consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rate as of the balance sheet date, except for equity, which is translated at the historical rate. Revenue and expense accounts of consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rate as of the balance sheet date. Differences arising from such translation are shown as “Foreign currency translation adjustments” under accumulated other comprehensive income in a separate component of equity.

- r. Derivatives and Hedging Activities** - The Companies principally use foreign exchange forward contracts, currency swaps, interest rate swaps, and commodity swaps in the normal course of business to manage their exposures to fluctuations in foreign exchange, interest rates, fuel prices, and so on. The Companies do not enter into derivatives for trading or speculative purposes. Derivative financial instruments are classified and accounted for as follows: (1) all derivatives are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the consolidated statement of income and (2) for derivatives used for hedging purposes, if such derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on those derivatives are deferred until maturity of the hedged transactions.

Assets and liabilities denominated in foreign currencies for which foreign exchange forward contracts and currency swaps are used to hedge the foreign currency fluctuations are translated at the contracted rate if the forward contracts and currency swaps qualify for hedge accounting.

The interest rate swaps that qualify for hedge accounting and meet specific matching criteria are not remeasured at fair value, but the differential paid or received under the swap agreements is recognized and included in interest expense or income.

- s. Per-Share Information** - Basic net income per share is computed by dividing net income attributable to common shareholders by the weighted-average number of common shares outstanding for the period, retroactively adjusted for stock splits.

Cash dividends per share presented in the accompanying consolidated statement of income are dividends applicable to the respective fiscal years, including dividends to be paid after the end of the year.

- t. Accounting Changes and Error Corrections** - Under ASBJ Statement No. 24, “Accounting Standard for Accounting Changes and Error Corrections,” and ASBJ Guidance No. 24, “Guidance on Accounting Standard for Accounting Changes and Error Corrections,” accounting treatments are required as follows: (1) Changes in Accounting Policies – When a new accounting policy is applied following revision of an accounting standard, the new policy is applied retrospectively, unless the revised accounting standard includes specific transitional provisions, in which case the entity shall comply with the specific transitional provisions; (2) Changes in Presentation – When the presentation of financial statements is changed, prior-period financial statements are reclassified in accordance with the new presentation; (3) Changes in Accounting Estimates – A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods; and (4) Corrections of Prior-Period Errors – When an

error in prior-period financial statements is discovered, those statements are restated.

u. Details of Extraordinary Losses

Loss on disaster - The Company accounts for loss on disaster; loss on disposal of property, plant, and equipment, which is equal to the book value of destroyed assets, and extraordinary loss, which represents restoration costs for equipment damaged by typhoon No. 21, that occurred in 2018.

The amounts included in loss on disposal of property, plant, and equipment for the year ended March 31, 2019, were ¥17 million (\$153 thousand) for provision for reserve for disaster restoration costs and ¥3 million (\$34 thousand) for losses on disposal of property, plant, and equipment.

The amounts included in extraordinary loss for the year ended March 31, 2019, were ¥2,086 million (\$18,800 thousand) for provision for reserve for disaster restoration costs and ¥10,720 million (\$96,572 thousand) for restoration costs.

Investment loss on subsidiaries and associated companies

- The Company accounts for investment loss at overseas power businesses as investment loss on subsidiaries and associated companies.

v. Stock-Based Incentive System for Directors and Executive Officers

- The Company introduced a new stock-based incentive system (the “System”) for the Company’s directors (excluding outside directors and nonresidents of Japan) and executive officers (excluding nonresidents of Japan, hereinafter referred to as “Directors & Officers” collectively) through the 94th General Meeting of Shareholders held on June 27, 2018, with an aim to improve business performance of the group and to enhance the motivation of Directors & Officers to contribute to enhancing corporate value of the Company over the medium to long term.

1. Outline of transaction

The Company adopts a mechanism called Board Incentive Plan (BIP) Trust (the “Trust”). The System is a stock-based incentive system, under which the Company’s shares are acquired through the Trust using money, equivalent to the amount of remuneration for Directors & Officers contributed by the Company, granting/providing of the Company’s shares and cash equivalents in amounts obtained by converting a part of the shares into cash, offering them to eligible Directors & Officers based on the positions of the respective Directors & Officers.

Furthermore, the System is accounted for as “Practical Solution on Transaction of Granting Treasury Stock to Employees through the Trust Using Money” (ASBJ Practical Issues Task Force No. 30, March 26, 2015).

2. The Company’s shares that remain in the Trust

The Company’s shares that remain in the Trust are recorded in equity as treasury stock at the book value of the Trust (excluding any amount equivalent to expenses attributable thereto).

The book value and number of shares of such treasury stock at the end of the current consolidated fiscal year is ¥234

million (\$2,111 thousand) and 147,800 shares.

w. New Accounting Pronouncement - On March 30, 2018, the ASBJ issued ASBJ Statement No. 29, “Accounting Standard for Revenue Recognition,” and ASBJ Guidance No. 30, “Implementation Guidance on Accounting Standard for Revenue Recognition.” The core principle of the standard and guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity should recognize revenue in accordance with that core principle by applying the following steps:

Step 1: Identify the contracts with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when the entity satisfies a performance obligation

The accounting standard and guidance are effective for annual periods beginning on or after April 1, 2021. Earlier application is permitted for annual periods beginning on or after April 1, 2018.

The Company expects to apply the accounting standard and guidance for annual periods beginning on or after April 1, 2021, and is in the process of measuring the effects of applying the accounting standard and guidance in future applicable periods.

3. CHANGES IN PRESENTATION

“Gain on sales of property, plant, and equipment” was included in “Other – net” within other (income) expenses of the consolidated statement of income for the year ended March 31, 2018. Since the amount increased significantly, such amount is disclosed separately in other (income) expenses of the consolidated statement of income for the year ended March 31, 2019. The amount included in “Other – net” for the year ended March 31, 2018 was ¥1,201 million.

“Decrease in inventories” was included in “Other – net” within operating activities of the consolidated statement of cash flows for the year ended March 31, 2018. Since the amount increased significantly, such amount is disclosed separately within operating activities of the consolidated statement of cash flows for the year ended March 31, 2019. And, “Increase (decrease) in consumption taxes payable” was disclosed separately in operating activities of the consolidated statement of cash flows for the year ended March 31, 2018. Since the amount decreased significantly, such amount is included in “Other – net” within operating activities of the consolidated statement of cash flows for the year ended March 31, 2019. The amount of “Increase (decrease) in consumption taxes payable” included in “Other – net” for the year ended March 31, 2018, was ¥60,782 million.

4. PLANT AND EQUIPMENT

Plant and equipment, at carrying value, as of March 31, 2019 and 2018, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2019	2018	2019
Hydroelectric power production facilities	¥ 287,637	¥ 294,175	\$ 2,591,097
Thermal power production facilities	374,364	414,312	3,372,346
Nuclear power production facilities	390,501	344,032	3,517,715
Transmission facilities	790,303	819,294	7,119,205
Transformation facilities	407,612	416,948	3,671,854
Distribution facilities	803,893	811,479	7,241,634
General facilities	100,211	100,412	902,725
Other utility facilities	20,567	21,624	185,276
Other plant and equipment	827,236	753,323	7,451,908
Construction in progress	579,917	457,442	5,224,008
Total	¥ 4,582,245	¥ 4,433,045	\$ 41,277,773

The book value of specified assets for nuclear power is included in nuclear power production facilities, which amounted to

¥32,381 million (\$291,701 thousand) and ¥38,671 million as of March 31, 2019 and 2018, respectively.

5. INVESTMENT SECURITIES

The information for available-for-sale securities, whose fair values are readily determinable, and held-to-maturity securities

as of March 31, 2019 and 2018, is as follows:

March 31, 2019	Millions of Yen			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available for sale:				
Equity securities	¥ 68,004	¥ 99,317	¥ (701)	¥ 166,620
Debt securities	199	16		216
Held-to-maturity debt securities	1,921	57		1,978

March 31, 2018	Millions of Yen			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available for sale:				
Equity securities	¥ 68,156	¥ 108,245	¥ (138)	¥ 176,263
Debt securities	399	22		422
Held-to-maturity debt securities	2,147	55	(2)	2,200

March 31, 2019	Thousands of U.S. Dollars			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available for sale:				
Equity securities	\$ 612,599	\$ 894,669	\$ (6,315)	\$ 1,500,953
Debt securities	1,800	149		1,950
Held-to-maturity debt securities	17,309	513		17,823

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Year Ended March 31, 2019

6. INVENTORIES

Inventories as of March 31, 2019 and 2018, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2019	2018	2019
Merchandise and finished products	¥ 3,614	¥ 4,377	\$ 32,558
Work in process	6,136	7,837	55,281
Raw materials and supplies	84,521	73,199	761,388
Real estate for sale	69,664	43,712	627,552
Total	¥ 163,937	¥ 129,127	\$ 1,476,780

7. LONG-TERM DEBT

Long-term debt as of March 31, 2019 and 2018, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2018	2017	2018
Secured bonds:			
0.14% to 2.925%, due serially through 2038:			
The Company	¥ 1,259,300	¥ 1,239,797	\$ 11,344,023
Subsidiaries	200	200	1,801
(Nonrecourse debt included above)	100	100	900
Unsecured bonds	282		2,544
Secured loans principally from the Development Bank of Japan:			
0.36% to 3.15% maturing serially through 2028:			
The Company	329,595	320,386	2,969,059
Subsidiaries	15,129	3,897	136,291
(Nonrecourse debt included above)	7,384	900	66,516
Unsecured loans from banks, insurance companies, and other sources:			
0.07% to 3.59% (0.07% to 3.8% in 2018) maturing serially through 2039	1,832,868	1,843,732	16,510,841
Obligations under finance leases	18,201	11,677	163,959
Total	3,455,577	3,419,691	31,128,521
Less current maturities	516,483	636,331	4,652,587
Long-term debt, less current maturities	¥ 2,939,093	¥ 2,783,359	\$ 26,475,933

Annual maturities of long-term debt as of March 31, 2019, were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2020	¥ 516,483	\$ 4,652,587
2021	529,609	4,770,829
2022	581,666	5,239,770
2023	437,638	3,942,331
2024	381,581	3,437,360
2025 and thereafter	1,008,597	9,085,641
Total	¥ 3,455,577	\$ 31,128,521

All of the Company's assets are pledged as collateral for the secured bonds and secured loans from the Development Bank of Japan.

The carrying amounts of subsidiaries' assets pledged as

collateral for notes and accounts payable of ¥1,912 million (\$17,226 thousand) and the above secured loans as of March 31, 2019, were as follows:

	Millions of Yen	Thousands of U.S. Dollars
	2019	2019
Other plant and equipment	¥ 21,394	\$ 192,730
Construction in progress	5,094	45,890
Other assets	414	3,730
Cash and cash equivalents	2,595	23,380
Other current assets	91	826

Furthermore, the carrying amounts of assets of investees of certain consolidated subsidiaries that are pledged as collateral for long-

term debt from financial institutions were as follows:

	Millions of Yen	Thousands of U.S. Dollars
	2019	2019
Other plant and equipment	¥ 37,789	\$ 340,412
Construction in progress	340	3,067
Investment securities	5,183	46,695
Investments in and advances to unconsolidated subsidiaries and associated companies	64,893	584,573
Other assets	14,780	133,145
Cash and cash equivalents	699	6,302
Receivables	2,774	24,991
Inventories	205	1,853
Other current assets	655	5,906

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8. RETIREMENT AND PENSION PLAN

The Company and certain consolidated subsidiaries have severance payment plans for employees.

Under most circumstances, employees terminating their employment with the Companies, either voluntarily or upon reaching the mandatory retirement age, are entitled to retirement benefits based on the rate of pay at the time of termination, years of service, and certain other factors. Such retirement benefits are

made in the form of a lump-sum severance payment from the Company or from certain consolidated subsidiaries and annuity payments from a trustee.

In addition, certain consolidated subsidiaries participate in a contributory multiemployer pension plan covering substantially all of their employees.

1. The changes in defined benefit obligation for the years ended March 31, 2019 and 2018, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2019	2018	2019
Balance at beginning of year (as restated)	¥ 369,514	¥ 362,009	\$ 3,328,655
Current service cost	13,298	13,760	119,795
Interest cost	3,483	3,474	31,377
Actuarial gains	1,787	5,435	16,105
Benefits paid	(16,731)	(14,240)	(150,719)
Others	(294)	(924)	(2,654)
Balance at end of year	¥ 371,057	¥ 369,514	\$ 3,342,559

2. The changes in plan assets for the years ended March 31, 2019 and 2018, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2019	2018	2019
Balance at beginning of year	¥ 1,638	¥ 1,646	\$ 14,762
Expected return on plan assets	40	41	369
Actuarial losses	(81)	(78)	(730)
Contributions from the employer	137	136	1,234
Benefits paid	(151)	(107)	(1,360)
Balance at end of year	¥ 1,584	¥ 1,638	\$ 14,274

3. A reconciliation between the liability recorded in the consolidated balance sheet and the balances of defined benefit obligation and

plan assets as of March 31, 2019 and 2018, was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2019	2018	2019
Funded defined benefit obligation	¥ 2,659	¥ 2,651	\$ 23,955
Plan assets	(1,584)	(1,638)	(14,274)
Total	1,074	1,012	9,680
Unfunded defined benefit obligation	369,398	366,862	3,318,604
Net liability arising from defined benefit obligation	¥ 369,472	¥ 367,875	\$ 3,328,284

	Millions of Yen		Thousands of U.S. Dollars
	2019	2018	2019
Liability for retirement benefits	¥ 369,472	¥ 367,875	\$ 3,328,284
Net liability arising from defined benefit obligation	¥ 369,472	¥ 367,875	\$ 3,328,284

4. The components of net periodic retirement benefit costs for the years ended March 31, 2019 and 2018, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2019	2018	2019
Service cost	¥ 13,298	¥ 13,760	\$ 119,795
Interest cost	3,483	3,474	31,377
Expected return on plan assets	(40)	(41)	(369)
Recognized actuarial losses	4,885	13,972	44,007
Amortization of prior service cost	(18)	(16)	(163)
Others	154	180	1,393
Net periodic retirement benefit costs	¥ 21,762	¥ 31,330	\$ 196,040

5. Amounts recognized in other comprehensive income (before income tax effect) in respect of defined retirement benefit plans as of March 31, 2019 and 2018, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2019	2018	2019
Prior service cost	¥ (18)	¥ (16)	\$ (163)
Actuarial losses	3,016	8,458	27,171
Total	¥ 2,998	¥ 8,441	\$ 27,007

6. Amounts recognized in accumulated other comprehensive income (before income tax effect) in respect of defined retirement benefit plans as of March 31, 2019 and 2018, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2019	2018	2019
Unrecognized prior service cost	¥ (99)	¥ (117)	\$ (896)
Unrecognized actuarial losses	6,999	10,015	63,051
Total	¥ 6,899	¥ 9,897	\$ 62,154

7. Plan assets
(1) Components of plan assets
Plan assets at March 31, 2019 and 2018, consisted of the following:

	2019	2018
Debt investments	44%	44%
General account of life insurance	39	38
Equity investments	8	10
Others	9	8
Total	100%	100%

(2) Method of determining the expected rate of return on plan assets
The expected rate of return on plan assets is determined considering the long-term rates of return which are expected

currently and in the future from the various components of plan assets.

8. Assumptions used for the years ended March 31, 2019 and 2018, are set forth as follows:

	2019	2018
Discount rate	1.00%	1.02%
Expected rate of return on plan assets	2.50%	2.50%

9. Defined contribution
The required contribution amount of the Company and certain consolidated subsidiaries was ¥6,867 million (\$61,866 thousand)

and ¥6,846 million for the years ended March 31, 2019 and 2018, respectively.

9. ASSET RETIREMENT OBLIGATIONS

The changes in asset retirement obligations for the years ended March 31, 2019 and 2018, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2019	2018	2019
Balance at beginning of year	¥ 444,302	¥ 436,483	\$ 4,002,363
Additional provisions	72,674	11,448	654,668
Reduction	(15,622)	(3,629)	(140,734)
Balance at end of year	¥ 501,354	¥ 444,302	\$ 4,516,297

10. SHORT-TERM BORROWINGS

Short-term borrowings at March 31, 2019 and 2018, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2019	2018	2019
Short-term loans from banks and other sources with weighted-average interest rate of 0.3824% and 0.3035% at March 31, 2019 and 2018, respectively	¥ 416,096	¥ 300,226	\$ 3,748,281

Commercial paper included in short-term borrowings in the above table was ¥270,000 million (\$2,432,213 thousand) and ¥154,000 million as of March 31, 2019 and 2018, respectively.

Weighted-average interest rate of commercial paper is not included in the calculation of the weighted-average interest rate described in the above table.

11. EQUITY

Japanese companies are subject to the Companies Act of Japan (the “Companies Act”). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

(a) Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders’ meeting. Additionally, for companies that meet certain criteria including (1) having a Board of Directors, (2) having independent auditors, (3) having an Audit and Supervisory Board, and (4) the term of service of the directors being prescribed as one year rather than the normal two-year term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends-in-kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. However, the Company has not prescribed so in its articles of incorporation.

The Companies Act permits companies to distribute dividends in-kind (noncash assets) to shareholders subject to a certain limitation and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

(b) Increases/decreases and transfer of common stock, reserve, and surplus

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus), depending on the equity account that was charged upon the payment of such dividends, until the aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus, and retained earnings can be transferred among the accounts within equity under certain conditions upon resolution of the shareholders.

(c) Treasury stock and treasury stock acquisition rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders, which is determined by a specific formula.

Under the Companies Act, stock acquisition rights are presented as a separate component of equity.

The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

12. INCOME TAXES

The Companies are subject to taxes based on income, such as corporate income tax and inhabitant tax, which, in the aggregate, resulted in normal statutory tax rates of approximately 28.0% and 28.2% for the years ended March 31, 2019 and 2018, respectively.

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities as of March 31, 2019 and 2018, are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2019	2018	2019
Deferred tax assets:			
Liability for retirement benefits	¥ 104,653	¥ 104,216	\$ 942,740
Net operating tax loss carryforwards	103,047	123,052	928,272
Depreciation and amortization	92,809	92,373	836,050
Asset retirement obligations	58,756	45,183	529,291
Intercompany profit elimination	24,631	23,684	221,888
Other	168,907	169,260	1,521,553
Less valuation allowance (net operating tax loss carryforwards)	(29,826)		(268,681)
Less valuation allowance	(75,724)		(682,137)
Total valuation allowance	(105,550)	(93,328)	(950,819)
Total deferred tax assets	447,256	464,443	4,028,977
Deferred tax liabilities:			
Unrealized gain on available-for-sale securities	22,659	28,960	204,121
Special account related to nuclear power decommissioning	20,414	21,898	183,901
Asset equal to asset retirement obligations	13,226	1,035	119,150
Other	19,880	11,021	179,089
Total deferred tax liabilities	76,182	62,916	686,263
Net deferred tax assets	¥ 371,074	¥ 401,527	\$ 3,342,713

(Note) “Asset equal to asset retirement obligations” was included in “Other” in the deferred tax liabilities section as of March 31, 2018. Since the amount is material, such amount is disclosed separately as of March 31, 2019. The amount included in “Other” as of March 31, 2018, was ¥1,035 million.

“Reserve for special depreciation” was disclosed separately as of March 31, 2018. Since the amount is immaterial, such amount is included in “Other” in the deferred tax liabilities section as of March 31, 2019. The corresponding amount included in “Other” as of March 31, 2018, was ¥2,814 million.

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The expiration of net operating tax loss carryforwards, the related valuation allowances and the resulting net deferred tax assets as of March 31, 2019, was as follows:

March 31, 2019	Millions of Yen						Total
	One Year or Less	After One Year through Two Years	After Two Years through Three Years	After Three Years through Four Years	After Four Years through Five Years	After Five Years	
Net operating tax loss							
carryforwards (a)	¥ 365	¥ 1,717	¥ 57,112	¥ 6,080	¥ 25,567	¥ 12,203	¥ 103,047
Less valuation allowance	(365)	(1,717)	(186)	(109)	(25,486)	(1,961)	(29,826)
Deferred tax assets			56,926	5,971	80	10,242	(b) 73,221

March 31, 2019	Thousands of U.S. Dollars						Total
	One Year or Less	After One Year through Two Years	After Two Years through Three Years	After Three Years through Four Years	After Four Years through Five Years	After Five Years	
Net operating tax loss	\$ 3,290	\$ 15,469	\$ 514,484				
carryforwards (a)	(3,290)	(15,469)	(1,678)	\$ 54,776	\$ 230,316	\$ 109,934	\$ 928,272
Less valuation allowance			512,805	(985)	(229,587)	(17,670)	(268,681)
Deferred tax assets				53,791	729	92,264	(b) 659,590

- (a) The Company calculates the amount of “Net operating tax loss carryforwards” by multiplying the normal effective statutory tax rate.
- (b) The Company considers deferred tax assets as of March 31, 2019, as recoverable based on past and current consolidated taxable income and prospects of future consolidated taxable income.

A reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statement of income for the year ended March 31, 2019, is as follows:

	2019	2018
Normal effective statutory tax rate	28.0%	
Less valuation allowance	4.7	
Other – net	0.5	
Actual effective tax rate	33.2%	

(Note) The Company does not disclose a reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statement of income for the year ended March 31, 2018, because the reconciliation was 5% or less.

13. RESEARCH AND DEVELOPMENT COSTS

Research and development costs charged to income were ¥12,000 million (\$108,099 thousand) and ¥11,318 million for the years ended March 31, 2019 and 2018, respectively.

14. RELATED-PARTY DISCLOSURES

Related-party transactions of the Companies with an associated companies for the years ended March 31, 2019 and 2018, were as follows:

(1) 2019

Category	Name	Address	Capital Stock or Stake Millions of Yen	Description of Business
Associated company	Japan Nuclear Fuel Limited	Rokkasho-mura, Kamikita-gun, Aomori prefecture	¥400,000	Uranium enrichment, reprocessing of irradiated nuclear fuel, temporary storage of nuclear fuel materials and wastes, and disposal of low-level radioactive wastes
Voting Right	Relationship with Related Party		Detail of Transactions	Transaction Amount Millions of Yen Thousands of U.S. Dollars
16.6%	Contract on uranium enrichment and disposal of low-level radioactive wastes A director concurrently serves as the Company's director and was transferred from the Company.		Co-guarantees or guarantees of loans and bonds	¥ 164,582 \$ 1,482,592

(2) 2018

Category	Name	Address	Capital Stock or Stake Millions of Yen	Description of Business
Associated company	Japan Nuclear Fuel Limited	Rokkasho-mura, Kamikita-gun, Aomori prefecture	¥400,000	Uranium enrichment, reprocessing of irradiated nuclear fuel, temporary storage of nuclear fuel materials and wastes, and disposal of low-level radioactive wastes
Voting Right	Relationship with Related Party		Detail of Transactions	Transaction Amount Millions of Yen
16.6%	Contract on uranium enrichment and disposal of low-level radioactive wastes A director concurrently serves as the Company's director and was transferred from the Company.		Co-guarantees or guarantees of loans and bonds	¥ 174,387

15. LEASES

Because of insignificant amounts of investment in leases, the Company has omitted notation in the notes to consolidated financial statements.

16. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(1) Policy for Financial Instruments

The Companies use long-term debt, including bonds and loans, to fund capital expenditures and debt repayments for operating electric power and other businesses if funds on hand are insufficient. Short-term borrowings, mainly commercial paper, are used to fund the ongoing operations. Investment of funds is managed through short-term deposits.

The Companies raise debt capital, mainly denominated in Japanese yen, with fixed interest rates. The redemption periods are decided considering the financial environment and other factors.

Investment securities are held in equity investments principally in relation to the business of electric power.

Derivatives are not used for speculative purposes, but to manage exposure to financial risks, as described in (2) below.

(2) Nature and Extent of Risks Arising from Financial Instruments

Although accounts receivable are exposed to customer credit risk, electricity charges, the major part of accounts receivable, are generally collected within 30 days after reading meters. Investment securities, mainly equity securities, held for operation of the electric power business are exposed to the risk of market price fluctuations.

Payment terms of accounts are generally less than one year. Imports of fuels are payable in foreign currencies and are exposed to the market risk of fluctuation in foreign currency exchange rates. Long-term loans with variable interest rates are exposed to market risks from changes in interest rates.

Bonds, loans, and commercial paper are exposed to liquidity risk.

Derivatives mainly include forward foreign currency contracts, currency swaps, interest rate swaps, and commodity swaps, which are used to manage exposure to market risks from changes in foreign currency exchange rates of payables, changes in interest rates of long-term loans, and changes in fuel prices. Please see Note 17 for more details about derivatives.

(3) Risk Management for Financial Instruments

Market risk management

Investment securities are managed by reviewing their necessity in the business of electric power, and by monitoring market values and financial positions of issuers on a regular basis.

Foreign exchange risk of foreign currency trade payables is hedged principally by forward foreign currency contracts.

Interest rate swaps are used to manage exposure to market risks from changes in interest rates of long-term loans with variable interest rates.

Liquidity risk management

The Companies manage liquidity risk by ensuring ready liquidity at the required level, along with financial planning, prepared and updated in a timely manner by the Accounting Department of the Company and each subsidiary.

(4) Fair Values of Financial Instruments

Fair values of financial instruments are based on quoted prices in active markets. If a quoted price is not available, other rational valuation techniques are used instead. Please see Note 17 for details of the fair value of derivatives.

(a) Fair value of financial instruments

March 31, 2019	Millions of Yen		
	Carrying Amount	Fair Value	Unrealized Gain
Investment securities	¥ 168,758	¥ 168,815	¥ 57
Cash and cash equivalents	158,978	158,977	
Receivables	342,145	342,145	
Total	¥ 669,882	¥ 669,939	¥ 57
Long-term debt	¥ 3,437,376	¥ 3,483,328	¥ 45,952
Short-term borrowings	416,096	416,096	
Notes and accounts payable	195,659	195,659	
Accrued income taxes	13,361	13,361	
Total	¥ 4,062,493	¥ 4,108,445	¥ 45,952
Derivatives	¥ (10,641)	¥ (10,641)	

Some investment securities are included in other current assets in the consolidated balance sheet.
Long-term debt includes current maturities of long-term debt

in the consolidated balance sheet.
Derivatives are stated at the net amount.

March 31, 2018	Millions of Yen		
	Carrying Amount	Fair Value	Unrealized Gain
Investment securities	¥ 178,833	¥ 178,885	¥ 52
Cash and cash equivalents	144,176	144,176	
Receivables	297,999	297,999	
Total	¥ 621,009	¥ 621,062	¥ 52
Long-term debt	¥ 3,408,013	¥ 3,470,984	¥ 62,970
Short-term borrowings	300,226	300,226	
Notes and accounts payable	183,525	183,525	
Accrued income taxes	14,471	14,471	
Total	¥ 3,906,237	¥ 3,969,208	¥ 62,970
Derivatives	¥ (6,464)	¥ (6,464)	

March 31, 2019	Thousands of U.S. Dollars		
	Carrying Amount	Fair Value	Unrealized Gain
Investment securities	\$ 1,520,213	\$ 1,520,727	\$ 513
Cash and cash equivalents	1,432,106	1,432,103	
Receivables	3,082,113	3,082,113	
Total	\$ 6,034,433	\$ 6,034,944	\$ 513
Long-term debt	\$ 30,964,561	\$ 31,378,507	\$ 413,945
Short-term borrowings	3,748,281	3,748,281	
Notes and accounts payable	1,762,539	1,762,539	
Accrued income taxes	120,362	120,362	
Total	\$ 36,595,745	\$ 37,009,691	\$ 413,945
Derivatives	\$ (95,857)	\$ (95,857)	

Investment securities

The fair values of investment securities are measured at the quoted market price on the stock exchange for the equity instruments or at the quoted price obtained from the financial institution. Information related to the fair value of investment securities by classification is included in Note 5.

Cash and cash equivalents and receivables

The carrying values of cash and cash equivalents and receivables approximate fair value because of their short maturities.

Long-term debt

The fair values of loans are determined by discounting the cash flows related to the debt at the Companies' assumed corporate borrowing rate.

The fair values of corporate bonds approximate market value.

Short-term borrowings, notes and accounts payable, and accrued income taxes

The carrying values of short-term borrowings, notes and accounts payable, and accrued income taxes approximate fair value because of their short maturities.

Derivatives

Fair value information for derivatives is included in Note 17.

(b) Financial instruments whose fair value cannot be reliably determined were as follows:

	Carrying Amount		
	Millions of Yen		Thousands of U.S. Dollars
	2019	2018	2019
Investments in equity instruments that do not have a quoted market price in an active market	¥ 36,912	¥ 34,628	\$ 332,514
Invested instruments and other	25,410	18,178	228,900

(c) Maturity analysis for financial assets and securities with contractual maturities was as follows:

March 31, 2019	Millions of Yen			
	Due in One Year or Less	Due after One Year through Five Years	Due after Five Years through Ten Years	Due after Ten Years
Investment securities:				
Held-to-maturity securities	¥ 190	¥ 915	¥ 310	¥ 500
Available-for-sale securities with contractual maturities		100	100	
Cash and cash equivalents	158,977			
Receivables	311,137	1,368	12	1

March 31, 2019	Thousands of U.S. Dollars			
	Due in One Year or Less	Due after One Year through Five Years	Due after Five Years through Ten Years	Due after Ten Years
Investment securities:				
Held-to-maturity securities	\$ 1,711	\$ 8,242	\$ 2,792	\$ 4,504
Available-for-sale securities with contractual maturities		900	900	
Cash and cash equivalents	1,432,103			
Receivables	2,802,790	12,323	110	14

Please see Note 7 for annual maturities of long-term debt.

17. DERIVATIVES

The Companies principally use foreign exchange forward contracts, currency swaps, interest rate swaps, and commodity swaps in the normal course of business to manage their exposures to fluctuations in foreign exchange, interest rates, fuel prices, and so on. The Companies do not enter into derivatives for trading or speculative purposes. Accordingly, market risk in these derivatives is basically offset by opposite movements in the value of hedged assets or liabilities.

The counterparties to these derivatives are limited to major international financial institutions with high credit ratings. The Companies, therefore, do not anticipate any losses arising from credit risk.

Derivative transactions entered into by the Companies have been made in accordance with internal policies which regulate the authorization and credit limit amount.

Derivative Transactions to Which Hedge Accounting Is Not Applied

March 31, 2019	Millions of Yen			
	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Loss
Currency swaps (U.S. dollar payment, Japanese yen receipt)	¥ 10,237	¥ 5,134	¥ (1,468)	¥ (1,468)
March 31, 2018	Thousands of U.S. Dollars			
	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Loss
Currency swaps (U.S. dollar payment, Japanese yen receipt)	¥ 15,340	¥ 10,237	¥ (1,368)	¥ (1,368)
March 31, 2019	Thousands of U.S. Dollars			
	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Loss
Currency swaps (U.S. dollar payment, Japanese yen receipt)	\$ 92,222	\$ 46,256	\$ (13,232)	\$ (13,232)

Derivative Transactions to Which Hedge Accounting is Applied

March 31, 2019	Hedged Item	Millions of Yen		
		Contract Amount	Contract Amount Due after One Year	Fair Value
Principle treatment:				
Buying U.S. dollars	Fuel purchasing fund	¥ 219,075	¥ 219,075	¥ (6,272)
Foreign exchange forward contracts:				
Buying U.S. dollars	Fuel purchasing fund	1,282	562	28
Principle treatment:				
Interest rate swaps (fixed price payment, floating price receipt)	Long-term debt	56,376	55,660	(2,213)
Special hedging treatment:				
Interest rate swaps (fixed price payment, floating price receipt)	Long-term debt	343,579	281,167	(*)
Commodity swaps (fixed price payment, floating price receipt)	Fuel	19,141		(715)
March 31, 2018	Hedged Item	Millions of Yen		
		Contract Amount	Contract Amount Due after One Year	Fair Value
Principle treatment:				
Buying U.S. dollars	Fuel purchasing fund	¥ 70,140	¥ 70,140	¥ (2,165)
Foreign exchange forward contracts:				
Buying U.S. dollars	Fuel purchasing fund	1,684	1,208	(84)
Principle treatment:				
Interest rate swaps (fixed price payment, floating price receipt)	Long-term debt	16,621	15,906	(292)
Special hedging treatment:				
Interest rate swaps (fixed price payment, floating price receipt)	Long-term debt	413,799	341,079	(*)
Commodity swaps (fixed price payment, floating price receipt)	Fuel	39,013	19,080	(2,554)
March 31, 2019	Hedged Item	Thousands of U.S. Dollars		
		Contract Amount	Contract Amount Due after One Year	Fair Value
Principle treatment:				
Buying U.S. dollars	Fuel purchasing fund	\$ 1,973,474	\$ 1,973,474	\$ (56,504)
Foreign exchange forward contracts:				
Buying U.S. dollars	Fuel purchasing fund	11,552	5,065	260
Principle treatment:				
Interest rate swaps (fixed price payment, floating price receipt)	Long-term debt	507,848	501,401	(19,939)
Special hedging treatment:				
Interest rate swaps (fixed price payment, floating price receipt)	Long-term debt	3,095,033	2,532,815	(*)
Commodity swaps (fixed price payment, floating price receipt)	Fuel	172,426		(6,442)

(*) The fair values of interest rate swaps are included in that of the hedged item because the interest rate swaps qualify for hedge accounting and meet specific matching criteria.

The fair values of derivative transactions are measured at the quoted price obtained from the financial institution.

18. COMPREHENSIVE INCOME

The components of other comprehensive income for the years ended March 31, 2019 and 2018, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2019	2018	2019
Unrealized gain (loss) on available-for-sale securities:			
(Losses) gains arising during the year	¥ (8,985)	¥ 10,667	\$ (80,945)
Reclassification adjustments to loss	(116)		(1,050)
Amount before income tax effect	(9,102)	10,667	(81,996)
Income tax effect	2,567	(3,100)	23,127
Total	¥ (6,535)	¥ 7,566	\$ (58,868)

Deferred (loss) gain on derivatives under hedge accounting:

Loss arising during the year	¥ (2,885)	¥ (4,959)	\$ (25,991)
Reclassification adjustments to loss	(2)	(1)	(18)
Adjustments to acquisition costs of assets	(1,027)	5,785	(9,256)
Amount before income tax effect	(3,914)	825	(35,266)
Income tax effect	(2,235)	(242)	(20,136)
Total	¥ (6,150)	¥ 583	\$ (55,403)

Foreign currency translation adjustments:

Adjustments arising during the year	¥ (2,757)	¥ (1,519)	\$ (24,841)
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Defined retirement benefit plans:

Adjustments arising during the year	¥ (1,868)	¥ (5,513)	\$ (16,835)
Reclassification adjustments to profit	4,867	13,955	43,843
Amount before income tax effect	2,998	8,441	27,007
Income tax effect	(849)	(2,350)	(7,649)
Total	¥ 2,148	¥ 6,091	\$ 19,358

Share of other comprehensive income in associates:

(Losses) gains arising during the year	¥ (1,744)	¥ 2,740	\$ (15,714)
Reclassification adjustments to profit	265	431	2,391
Total	¥ (1,479)	¥ 3,171	\$ (13,323)

Total other comprehensive income	¥ (14,773)	¥ 15,892	\$ (133,078)
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19. COMMITMENTS AND CONTINGENCIES

At March 31, 2019, the Companies had firm purchase commitments, principally related to utility plant expansion, of approximately ¥496,278 million (\$4,470,575 thousand). Additionally, the Companies

had a number of fuel purchase commitments, most of which specify quantities and terms. Purchase prices are principally contingent upon fluctuations of market prices.

At March 31, 2019, the Companies had the following contingent liabilities:

	Millions of Yen	Thousands of U.S. Dollars
	2019	2019
Co-guarantees or guarantees of loans and bonds of other companies:		
Japan Nuclear Fuel Limited (Note 14)	¥ 164,582	\$ 1,482,592
Other	93,034	838,070
Total	¥ 257,616	\$ 2,320,663
A guarantee about power supply for PT Bhumi Jati Power	¥ 7,250	\$ 65,310
Fuel purchase commitment with ABLE Energy Limited Liability Company	3,360	30,270

20. NET INCOME PER SHARE

Diluted net income per share (“EPS”) for the years ended March 31, 2019 and 2018, is not disclosed because the Companies do not issue dilutive securities.

	Millions of Yen	Thousands of Shares	Yen	U.S. Dollars
	Net Income Attributable to Owners of the Parent	Weighted-Average Shares		EPS
For the year ended March 31, 2019				
Basic EPS:				
Net income attributable to common shareholders	¥ 115,077	893,240	¥ 128.83	\$ 1.16
For the year ended March 31, 2018				
Basic EPS:				
Net income attributable to common shareholders	¥ 151,880	893,385	¥ 170.01	

As noted in Note 2.v, the Company applied the BIP Trust mechanism. In calculating the number of weighted-average

shares above, the number of shares that are held by the Trust (98,533 shares in 2019) is reflected.

21. SUBSEQUENT EVENTS

On April 25, 2019, by resolution of the Board of Directors, the Company decided that on April 1, 2020, the Company will transfer its general power transmission and distribution business through company split to Kansai Transmission and Distribution, Inc. (the “succeeding company”), and on the same date, the Company executed an absorption-type split agreement with the succeeding company (this company split is hereinafter referred to as the “Split”).

The effect of the Split is subject to the approval of the related proposals at the 95th general shareholders meeting planned to be convened on June 21, 2019, as well as issue by the competent authorities of the permits and approvals necessary for the performance of business.

(1) Background and Purpose of the Split

In regard to Japan’s energy policy, from the standpoint of stable supply of energy and reduction of energy costs, electric power systems reform aiming to “secure a stable supply of electric power,” “suppress electricity rates to the maximum extent possible” and to “expand choices for consumers and business opportunities” have proceeded. In April 2020, as the third step of such reform, the revised Electricity Business Act will come into force, in which a company engaged in the general electricity transmission and distribution business is prohibited, in principal, to simultaneously also engage in the electricity generation business or the retail electricity business, in order to further secure neutrality of the electricity transmission division and to realize a more competitive market environment. As a result, spin off of the general electricity transmission and distribution business will be required (“Legal Separation”).

In order to accommodate the requirement of the revised Electricity Business Act, on April 1, 2019, the Company established the succeeding company (100%-owned subsidiary of the Company) as a business operator to undertake the general electricity transmission and distribution business and any business incidental thereto, and on the same date, executed an absorption-type split agreement with the succeeding company to transfer, on April 1, 2020, such business to the succeeding company through such absorption-type split.

In regard to the electricity generation business and the retail electricity business, the Company will work in a consolidated way as the operating holding company even after Legal Separation, to allow the best use of management resources according to the then-current environment, and aim to maximize the value of the Companies by providing a variety of energy solutions to the Company’s customers and society, and to encourage them select the Company from among others.

The Company will not only appropriately respond to Legal Separation, but will also realize sustainable growth for the Companies (including Kansai Transmission and Distribution, Inc.) by continuing to achieve safe and stable supply, overcome changes in the business environment and proceed with reform.

(2) Outline of the Split

(a) Schedule of the Split

Board of Directors to approve the agreement on absorption-type split (the Company):	April 25, 2019
Resolution of directors to approve the agreement on absorption-type split (the succeeding company):	April 25, 2019
Execution of the agreement on absorption-type split:	April 25, 2019
General stockholders meeting to approve the agreement on absorption-type split:	June 21, 2019
Extraordinary stockholders meeting to approve the agreement on absorption-type split (the succeeding company):	June 21, 2019
Absorption-type split to come into effect:	April 1, 2020

(b) Type of split

This is an absorption-type split where the Company is the splitting company and Kansai Transmission and Distribution, Inc., a subsidiary wholly owned by the Company, is the succeeding company.

(c) Particulars of allotment due to the Split

For the Company split, the succeeding company shall make a new issue of 40,900,000 common shares and allot all of them to the Company.

(d) Arrangement of the Company’s share options and corporate bonds with share options

The Company has not issued share options and corporate bonds with share options.

(e) Capital increased or decreased due to the Split

There will be no change in capital due to the Split.

(f) Rights and obligations succeeded to by the succeeding company

Kansai Transmission and Distribution, Inc. shall succeed the rights and obligations held with respect to the general electricity transmission and distribution business and any business incidental thereto on the effective day in accordance with the provisions of the absorption-type company split agreement with the Company on April 25, 2019.

With respect to the assumption of obligations by the succeeding company through the Split, the succeeding company will assume, and in doing so, release the Company from, such obligations.

The succeeding company will not assume obligations, etc., associated with existing public bonds of the Company.

(g) Perspective of performance of obligation

It is expected that the Company and the succeeding company will still have assets in excess of liabilities after the Split, and presently the Company do not envision the occurrence of any events that would cause an impediment to the performance of obligations arising after the Split, and for these reasons, the Company judges that there will be no problems with respect to the prospects for the Company and the succeeding company to perform its obligations after the Split.

(3) Outline of Business Unit to Be Split

(a) Description of business unit to be split

General electricity transmission and distribution business and any business incidental thereto

(b) Operating results of business unit to be split [Fiscal year ended March 31, 2019]

Businesses of Divisions Subject to the Split	Sales of Businesses Subject to the Split (a)	Unconsolidated Sales of the Company (b)	Ratio (a/b)
General electricity transmission and distribution business and any business incidental thereto	¥ 192,841 million (\$ 1,737,152 thousand)	¥ 2,797,191 million (\$ 25,197,650 thousand)	6.9%

(Note) External sales are stated.

(c) Items and amounts of assets and liabilities to be split [As of March 31, 2019]

Assets		Liabilities	
Item	Book Value	Item	Book Value
Property	¥2,330,228 million (\$20,991,159 thousand)	Long-term liabilities and reserves	¥187,866 million (\$1,692,341 thousand)
Current assets	¥38,413 million (\$346,034 thousand)	Current liabilities	¥133,425 million (\$1,201,920 thousand)
Total	¥2,368,641 million (\$21,337,193 thousand)	Total	¥321,292 million (\$2,894,262 thousand)

(Note) The amounts of assets and liabilities to be divided shown above are the estimates pursuant to the current status as of March 31, 2019. The amounts that will actually be transferred will reflect any increases or decreases made to the above amounts up to the day immediately preceding the effective date of the Split.

(4) State of Affairs of the Company after the Split [As of April 1, 2020 (Schedule)]

	Splitting Company
(1) Company name	The Kansai Electric Power Company, Incorporated
(2) Location	3-6-16 Nakanoshima, Kita-Ku, Osaka City
(3) Title and name of authorized representative	Shigeki Iwane, President and Director
(4) Description of business	Electricity business, etc.
(5) Capital	¥489,320 million (\$4,407,897 thousand)
(6) Fiscal year end	March 31

(5) State of Affairs of the Succeeding Company after the Split [As of April 1, 2020 (Schedule)]

	Succeeding Company
(1) Company name	Kansai Transmission and Distribution, Incorporated
(2) Location	3-6-16 Nakanoshima, Kita-Ku, Osaka City
(3) Title and name of authorized representative	Yoshihiro Doi, President and Director
(4) Description of business	General electricity transmission and distribution business, etc
(5) Capital	¥40,000 million (\$360,327 thousand)
(6) Fiscal year end	March 31

22. SEGMENT INFORMATION

Under ASBJ Statement No. 17, “Accounting Standard for Segment Information Disclosures,” and ASBJ Guidance No. 20, “Guidance on Accounting Standard for Segment Information Disclosures,” an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

1. Description of reportable segments

The Companies’ reportable segments are those for which separate financial information is available and regular evaluation by the Company’s management is performed in order to decide how resources are allocated among the Companies.

The Companies’ operating segments consist of Electric Power, Gas/Other Energies, IT/Communications, and real estate/life, in accordance with the “Kansai Electric Power Group Medium-Term Management Plan (2016-2018),” and Electric Power, Gas/Other Energies, and IT/Communications are disclosed as reportable segments under ASBJ Statement No. 17.

The aggregate of the Electric Power and Gas/Other Energies segments is presented as the Comprehensive Energy/Power Transmission and Distribution Business.

2. Methods of measurement for the amounts of sales, profit, assets, and other items for each reportable segment

The accounting policies of each reportable segment are consistent with those disclosed in Note 2, “Summary of Significant Accounting Policies.”

Information about sales, profit, assets, and other items is as follows:

Millions of Yen									
2019									
Reportable Segment									
Comprehensive Energy / Power Transmission and Distribution Business									
	Electric Power	Gas / Other Energies	Subtotal	IT/Communications	Total	Other	Total	Reconciliations	Consolidated
Sales:									
Sales to external customers	¥ 2,668,312	¥ 210,819	¥ 2,879,132	¥ 217,757	¥ 3,096,889	¥ 210,771	¥ 3,307,661		¥ 3,307,661
Intersegment sales or transfers	20,558	73,266	93,824	49,689	143,514	233,924	377,439	¥ (377,439)	
Total	¥ 2,688,870	¥ 284,086	¥ 2,972,956	¥ 267,447	¥ 3,240,404	¥ 444,696	¥ 3,685,100	¥ (377,439)	¥ 3,307,661
Segment profit	¥ 140,577	¥ (4,486)	¥ 136,091	¥ 32,535	¥ 168,626	¥ 38,661	¥ 207,287	¥ (2,434)	¥ 204,853
Segment assets	5,859,348	588,546	6,447,895	339,255	6,787,150	1,198,965	7,986,116	(728,752)	7,257,363
Other:									
Depreciation	244,486	24,971	269,457	55,484	324,942	12,745	337,687	(5,703)	331,984
Increase in property and intangible assets	366,340	24,589	390,929	39,023	429,952	63,791	493,743	(8,443)	485,299

Millions of Yen									
2018									
Reportable Segment									
Comprehensive Energy / Power Transmission and Distribution Business									
	Electric Power	Gas / Other Energies	Subtotal	IT/Communications	Total	Other	Total	Reconciliations	Consolidated
Sales:									
Sales to external customers	¥ 2,596,114	¥ 141,240	¥ 2,737,354	¥ 203,167	¥ 2,940,522	¥ 193,110	¥ 3,133,632		¥ 3,133,632
Intersegment sales or transfers	16,864	32,918	49,782	40,242	90,025	230,122	320,148	¥ (320,148)	
Total	¥ 2,612,979	¥ 174,158	¥ 2,787,137	¥ 243,410	¥ 3,030,548	¥ 423,232	¥ 3,453,781	¥ (320,148)	¥ 3,133,632
Segment profit	¥ 170,335	¥ 941	¥ 171,276	¥ 26,269	¥ 197,545	¥ 30,431	¥ 227,977	¥ (425)	¥ 227,551
Segment assets	5,493,197	523,395	6,016,592	343,927	6,360,520	1,246,340	7,606,860	(621,772)	6,985,088
Other:									
Depreciation	250,752	25,309	276,061	58,015	334,077	12,067	346,145	(5,857)	340,287
Increase in property and intangible assets	294,503	25,443	319,947	41,091	361,039	50,886	411,926	(4,914)	407,012

Thousands of U.S. Dollars									
2019									
Reportable Segment									
Comprehensive Energy / Power Transmission and Distribution Business									
	Electric Power	Gas / Other Energies	Subtotal	IT/Communications	Total	Other	Total	Reconciliations	Consolidated
Sales:									
Sales to external customers	\$ 24,036,682	\$ 1,899,107	\$ 25,935,790	\$ 1,961,602	\$ 27,897,393	\$ 1,898,673	\$ 29,796,066		\$ 29,796,066
Intersegment sales or transfers	185,194	659,997	845,192	447,616	1,292,808	2,107,238	3,400,047	\$ (3,400,047)	
Total	\$ 24,221,877	\$ 2,559,105	\$ 26,780,982	\$ 2,409,219	\$ 29,190,202	\$ 4,005,911	\$ 33,196,113	\$ (3,400,047)	\$ 29,796,066
Segment profit	\$ 1,266,349	\$ (40,414)	\$ 1,225,934	\$ 293,086	\$ 1,519,020	\$ 348,269	\$ 1,867,290	\$ (21,931)	\$ 1,845,359
Segment assets	52,782,171	5,301,741	58,083,912	3,056,082	61,139,994	10,800,515	71,940,510	(6,564,744)	65,375,765
Other:									
Depreciation	2,202,381	2,224,946	2,427,327	499,819	2,927,146	114,812	3,041,959	(51,380)	2,990,578
Increase in property and intangible assets	3,300,064	221,502	3,521,567	351,528	3,873,095	574,643	4,447,739	(76,062)	4,371,676

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of The Kansai Electric Power Company, Incorporated:

We have audited the accompanying consolidated balance sheet of The Kansai Electric Power Company, Incorporated and its consolidated subsidiaries as of March 31, 2019, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Kansai Electric Power Company, Incorporated and its subsidiaries as of March 31, 2019, and the consolidated results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1 to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

The Kansai Electric Power Company, Incorporated

Unaudited Non-Consolidated Financial Statements
for the Year Ended March 31, 2019

Deloitte Touche Tohmatsu LLC

June 20, 2019

Member of
Deloitte Touche Tohmatsu Limited

The Kansai Electric Power Company, Incorporated
March 31, 2019

ASSETS

	Millions of Yen		Thousands of U.S. Dollars
	2019	2018	2019
PROPERTY:			
Plant and equipment	¥ 15,205,528	¥ 15,099,786	\$ 136,974,407
Construction in progress	569,123	429,513	5,126,779
Contributions in aid of construction	(470,032)	(466,191)	(4,234,149)
Accumulated depreciation and amortization	(11,452,350)	(11,302,268)	(103,165,037)
Plant and equipment - net	3,852,269	3,760,839	34,702,000
Nuclear fuel, net of amortization	506,278	494,124	4,560,661
Property - net	4,358,548	4,254,963	39,262,661
INVESTMENTS AND OTHER ASSETS:			
Investment securities	118,636	128,887	1,068,700
Investments in and advances to subsidiaries and associated companies	870,778	521,350	7,844,145
Long-term loans receivable	282	279	2,545
Special account related to nuclear power decommissioning	73,025	78,332	657,825
Special account related to reprocessing of spent nuclear fuel	56,134	25,168	505,675
Deferred tax assets	310,478	341,107	2,796,847
Other assets	105,377	116,654	949,257
Total investments and other assets	1,534,712	1,151,663	13,824,997
CURRENT ASSETS:			
Cash and cash equivalents	125,522	100,353	1,130,726
Accounts receivable	258,947	224,809	2,332,651
Allowance for doubtful accounts	(1,981)	(2,480)	(17,848)
Inventories	68,544	62,283	617,462
Other current assets	60,277	94,404	542,990
Total current assets	511,310	539,488	4,605,983
TOTAL	¥ 6,404,571	¥ 5,946,115	\$ 57,693,642

U.S. dollar amounts have been translated from yen, for convenience, at the rate of ¥111.01 = U.S. \$1, the approximate rate of exchange at March 31, 2019.

LIABILITIES AND EQUITY

	Millions of Yen		Thousands of U.S. Dollars
	2019	2018	2019
LONG-TERM LIABILITIES:			
Long-term debt, less current maturities	¥ 2,730,103	¥ 2,528,613	\$ 24,593,307
Liability for retirement benefits	334,360	331,158	3,011,982
Accrued contributions for reprocessing of irradiated nuclear fuel	10,900	21,800	98,190
Asset retirement obligations	493,275	435,420	4,443,527
Other long-term liabilities	258,862	213,400	2,331,887
Total long-term liabilities	3,827,502	3,530,393	34,478,894
CURRENT LIABILITIES:			
Current maturities of long-term debt	466,496	574,113	4,202,295
Short-term borrowings	130,000	130,000	1,171,065
Commercial paper	270,000	154,000	2,432,213
Accounts payable	115,230	115,577	1,038,019
Payable to subsidiaries and associated companies	208,848	82,143	1,881,348
Reserve for disaster restoration costs	1,301	-	11,722
Accrued expenses and other current liabilities	381,704	396,966	3,438,470
Total current liabilities	1,573,581	1,452,831	14,175,135
RESERVE FOR FLUCTUATIONS IN WATER LEVEL	28,389	28,948	255,737
EQUITY:			
Common stock-authorized, 1,784,059,697 shares; issued, 938,733,028 shares in 2019 and 2018	489,320	489,320	4,407,897
Capital surplus:			
Additional paid-in capital	67,031	67,031	603,830
Retained earnings:			
Legal reserve	40,729	36,708	366,902
Unappropriated	424,740	381,540	3,826,142
Unrealized gain on available-for-sale securities	50,476	57,569	454,702
Deferred loss on derivatives under hedge accounting	(510)	(1,840)	(4,601)
Treasury stock - at cost 45,275,986 shares in 2019, and 45,086,611 shares in 2018	(96,689)	(96,387)	(870,998)
Total equity	975,097	933,942	8,783,874
TOTAL	¥ 6,404,571	¥ 5,946,115	\$ 57,693,642

U.S. dollar amounts have been translated from yen, for convenience, at the rate of ¥111.01 = U.S. \$1, the approximate rate of exchange at March 31, 2019.

The Kansai Electric Power Company, Incorporated
Year Ended March 31, 2019

	Millions of Yen		Thousands of U.S. Dollars
	2019	2018	2019
OPERATING REVENUES:			
Electricity operating revenues:			
Residential	¥ 899,541	¥ 995,959	\$ 8,103,248
Commercial and industrial	1,312,728	1,240,661	11,825,318
Other	476,600	376,358	4,293,310
Sub-total	2,688,870	2,612,979	24,221,877
Incidental operating revenues	108,320	70,966	975,773
Total	2,797,191	2,683,945	25,197,650
OPERATING EXPENSES:			
Electricity operating expenses:			
Personnel expenses	216,540	217,222	1,950,638
Fuel costs	538,227	520,117	4,848,462
Cost of purchased power	516,874	466,719	4,656,111
Maintenance costs	177,078	184,106	1,595,155
Depreciation	244,444	250,710	2,202,005
Taxes	140,031	140,381	1,261,428
Other	715,095	663,386	6,441,725
Sub-total	2,548,293	2,442,644	22,955,527
Incidental operating expenses	114,909	75,879	1,035,131
Total	2,663,203	2,518,523	23,990,659
OPERATING INCOME	133,988	165,421	1,206,991
OTHER (INCOME) EXPENSES:			
Interest and dividends income	(16,697)	(13,139)	(150,416)
Interest expense	26,568	33,380	239,337
Other - net	(6,396)	(326)	(57,622)
Total	3,474	19,914	31,298
EXTRAORDINARY EXPENSES			
Loss on disaster	10,280	-	92,613
Total extraordinary expenses	10,280	-	92,613
INCOME BEFORE PROVISION FOR RESERVE FOR FLUCTUATIONS IN WATER LEVEL AND INCOME TAXES			
	120,232	145,506	1,083,079
PROVISION FOR (REVERSAL OF) RESERVE FOR FLUCTUATIONS IN WATER LEVEL			
	(558)	1,495	(5,032)
INCOME BEFORE INCOME TAXES	120,232	144,010	1,088,112
INCOME TAXES			
Current	487	2,993	4,393
Deferred	32,868	37,980	296,084
Total	87,435	40,974	300,477
NET INCOME	¥ 87,435	¥ 103,036	\$ 787,634

U.S. dollar amounts have been translated from yen, for convenience, at the rate of ¥111.01 = U.S. \$1, the approximate rate of exchange at March 31, 2019.

The Kansai Electric Power Company, Incorporated
Year Ended March 31, 2019

	Millions of Yen									
	Number of Shares of Common Stock Outstanding	Common Stock	Capital Surplus		Retained Earnings		Treasury Stock	Unrealized Gain on Available-for-Sale Securities	Deferred Loss on Derivatives under Hedge Accounting	Total Equity
			Additional Paid-in Capital	Other Capital Surplus	Legal Reserve	Unappropriated				
BALANCE, APRIL 1, 2017	938,733,028	¥ 489,320	¥ 67,031		¥ 33,133	¥ 317,826	¥ (96,307)	¥ 51,392	¥ (3,912)	¥ 858,486
										(35,747)
Net Income					3,574	(39,322)				103,036
Purchase of treasury stock						103,036	(83)			(83)
Disposal of treasury stock				(1)			3			(1)
Transfer to capital surplus										
from retained earnings				1		(1)				3
Net change in the year								6,176	2,071	
BALANCE, MARCH 31, 2018	938,733,028	¥ 489,320	¥ 67,031		¥ 36,708	¥ 381,540	¥ (96,387)	¥ 57,569	¥ (1,840)	¥ 933,942
Cash dividends					4,021	(44,234)				(40,213)
Net Income						87,435				87,435
Purchase of treasury stock							(304)			(304)
Disposal of treasury stock							2			1
Transfer to capital surplus										
from retained earnings										
Net change in the year								(7,092)	1,329	(5,763)
BALANCE, MARCH 31, 2019	938,733,028	¥ 489,320	¥ 67,031		¥ 40,729	¥ 424,740	¥ (96,689)	¥ 50,476	¥ (510)	¥ 975,097

	Thousands of U.S. Dollars								
	Common Stock	Capital Surplus		Retained Earnings		Treasury Stock	Unrealized Gain on Available-for-Sale Securities	Deferred Loss on Derivatives under Hedge Accounting	Total Equity
		Additional Paid-in Capital	Other Capital Surplus	Legal Reserve	Unappropriated				
BALANCE, MARCH 31, 2018	\$ 4,407,897	\$ 603,830		\$ 330,677	\$ 3,436,990	\$ (868,275)	\$ 518,595	\$ (16,578)	\$ 8,413,137
Cash dividends				36,225	(398,477)				(362,251)
Net Income					787,634				787,634
Purchase of treasury stock						(2,745)			(2,745)
Disposal of treasury stock			(5)			22			17
Transfer to capital surplus									
from retained earnings			5		(5)				
Net change in the year							(63,893)	11,976	(51,917)
BALANCE, MARCH 31, 2019	\$ 4,407,897	\$ 603,830		\$ 366,902	\$ 3,826,142	\$ (870,998)	\$ 454,702	\$ (4,601)	\$ 8,783,874

U.S. dollar amounts have been translated from yen, for convenience, at the rate of ¥111.01 = U.S. \$1, the approximate rate of exchange at March 31, 2019.

The Kansai Electric Power Company, Incorporated and Its Subsidiaries
March 31, 2019

	Non-Consolidated Basis					Consolidated Basis				
	2015	2016	2017	2018	2019	2015	2016	2017	2018	2019
Operating Revenues (Millions of Yen)	3,032,435	2,868,293	2,614,440	2,683,945	2,797,191	3,406,030	3,245,906	3,011,337	3,133,632	3,307,661
Operating Income (Millions of Yen)	(130,805)	208,566	164,524	165,421	133,988	(78,600)	256,702	217,747	227,551	204,853
Ordinary Income (Millions of Yen)	(159,626)	200,142	143,720	145,506	130,513	(113,052)	241,651	196,125	217,104	203,636
Net Income (Millions of Yen)	(176,721)	118,540	103,064	103,036	87,435	(148,375)	140,800	140,789	151,880	115,077
Total Ordinary Revenues (Millions of Yen)	3,074,712	2,913,347	2,653,410	2,704,940	2,823,795					
Residential	1,129,114	1,063,806	999,811	995,959	899,541					
Commercial and Industrial	1,655,047	1,530,231	1,296,832	1,240,661	1,312,728					
Total	2,784,161	2,594,038	2,296,643	2,236,621	2,212,270					
Other	290,550	319,309	356,766	468,318	611,525					
Total Ordinary Expenses (Millions of Yen)	3,234,338	2,713,205	2,509,690	2,559,433	2,693,282					
Personnel Expenses	195,986	196,724	204,685	217,222	216,540					
Fuel Costs	1,186,593	710,326	523,544	520,117	538,227					
Backend Expenses of Nuclear Power	42,994	37,669	32,203	59,959	89,863					
Maintenance Costs	184,611	185,351	189,583	184,106	177,078					
Taxes Other Than Income Taxes	148,470	148,032	148,428	144,796	144,460					
Depreciation	298,148	281,790	277,485	250,710	244,444					
Cost of Purchased Power	571,107	493,577	461,657	466,719	516,874					
Interest Expense	50,624	46,790	42,956	33,380	26,568					
Other	555,800	612,940	629,144	682,420	739,221					
Interest Expense (Millions of Yen)	50,624	46,790	42,956	33,380	26,568	55,373	51,322	48,391	37,219	30,430
Return on Equity (ROE) (%)	(24.5)	17.2	12.9	11.5	9.2	(13.3)	12.7	11.3	10.9	7.8
Return on Assets (ROA) (%)	(1.6)	3.7	3.0	3.0	2.5	(0.7)	3.9	3.4	3.7	3.3
Net Income per Share (Yen)	(197.72)	132.63	115.32	115.30	97.85	(166.06)	157.59	157.58	170.01	128.83
Cash Dividends per Share (Yen)	0.00	0.00	25.00	35.00	50.00					
Capital Investments (Millions of Yen)	300,069	254,183	232,458	295,449	369,361	420,667	369,302	344,098	407,012	485,299
Total Assets (Millions of Yen)	6,768,934	6,433,093	5,834,912	5,946,115	6,404,571	7,743,378	7,412,472	6,853,182	6,985,088	7,257,363
Net Assets (Millions of Yen)	638,876	742,044	858,486	933,942	975,097	1,060,219	1,201,831	1,344,696	1,472,797	1,532,946
Equity Ratio (%)	9.4	11.5	14.7	15.7	15.2	13.4	15.9	19.3	20.8	20.9
Interest-bearing Debt (Millions of Yen)	3,875,278	3,496,559	3,401,081	3,359,960	3,582,164	4,315,256	3,938,279	3,821,550	3,708,240	3,853,472
Net Assets per Share (Yen)	714.81	830.28	960.60	1,045.09	1,091.38	1,159.53	1,319.33	1,480.46	1,627.66	1,695.36
Free Cash Flows (Millions of Yen)						59,004	204,255	139,919	176,028	(88,130)
Operating Cash Flows (Millions of Yen)						447,666	595,154	485,669	623,266	449,716
Operating Revenues from Group Businesses (external sales) (Billions of Yen)						466.9	450.5	455.1	537.5	639.3
Ordinary Income from Group Businesses (Billions of Yen) ----						65.1	69.5	61.0	75.7	88.6
Number of Employees	20,628	19,914	19,533	19,243	18,884	33,539	33,089	32,666	32,527	32,597

	Non-Consolidated Basis				
	2015	2016	2017	2018	2019
Electricity Sales Volume (Million kWh)					
Residential	45,858	44,053	43,689	41,767	37,671
Commercial and Industrial	88,633	83,463	77,811	73,477	80,155
Total	134,490	127,516	121,500	115,244	117,826
Electricity Generation Capacity (MW)					
Nuclear	9,768	8,928	8,928	6,578	6,578
Thermal	19,441	19,408	19,408	19,430	19,441
Hydropower	8,222	8,225	8,226	8,226	8,228
Renewable Energies	11	11	11	11	11
Total	37,442	36,573	36,573	34,245	34,259
Power Sources (%)					
Nuclear	0	1	0	10	22
Thermal	86	82	84	70	56
Hydropower	10	12	11	12	11
Renewable Energies	2	3	4	4	4
Other	2	2	1	4	7
Total	100	100	100	100	100
CO ₂ Emission (kg-CO ₂ /kWh)	0.523	0.496	0.493	0.418	0.33
Nuclear Capacity Factor (%)	0.0	1.0	0.0	18.0*	54.6
Thermal Efficiency of Thermal Power Plants (Lower heating value) (%)	46.5	46.6	47.6	48.3	49.0
System Peak Demand in Kansai Area (MW)	27,543	27,048	26,569	26,376	28,650
FTTH services (Thousand Lines)	1,528	1,590	1,625	1,630	1,642
Gas Sales Volumes (LNG conversion [gas and LNG total]) (Thousand Tonnes)	740	720	710	970	1,210

* Calculated based on the output before Notification of Change of Electrical Facilities (determination of the date of decommissioning of Ohi Power Station Units 1 & 2).

E
Environment

Policies

Environmental Action Policy Established

Policy pertaining to the initiatives for contributing to the realization of a low-carbon society Established

Policy pertaining to the initiatives for contributing to the realization of a recycling-oriented society Established

Policy pertaining to the promotion of environmental protection in local communities Established

Policy of Biodiversity Established

https://www.kepcoco.jp/sustainability/kankyoku/policy/index.html

In this Group Report (Pages 52, 56-60)

In this Group Report (Pages 52, 61)

In this Group Report (Pages 52, 62-63)

Included in the Kansai Electric Power Group Environmental Action Policy
https://www.kepcoco.jp/sustainability/kankyoku/policy/index.html

	2017/3	2018/3	2019/3
CO ₂ emission factor (after adjustment)	0.493 kg-CO ₂ /kWh	0.418 kg-CO ₂ /kWh	0.33 kg-CO ₂ /kWh
CO ₂ emissions (after adjustment)	59.89 million t-CO ₂	48.22 million t-CO ₂	39.00 million t-CO ₂
Direct greenhouse gas emissions (Scope1)	39.49 million t-CO ₂	32.81 million t-CO ₂	28.66 million t-CO ₂
Indirect greenhouse gas emissions (Scope 2)	10 thousand t-CO ₂	10 thousand t-CO ₂	6 thousand t-CO ₂
Other indirect greenhouse gas emissions (Scope 3)	14 thousand t-CO ₂	8,610 thousand t-CO ₂	8,000 thousand t-CO ₂
* FY 2016 figures are the sum of Categories 4 and 5, FY 2017-2018 figures represent the sum of Categories 1-7.			
Power generation facility capacity ratio by power source			
Nuclear	24%	19%	19%
Thermal	53%	57%	57%
Hydropower	22%	24%	24%
Renewable energies	0.03%	0.03%	0.03%
Renewable energy facility capacity (cumulative) [consolidated]			
	3,668 thousand kW	3,722 thousand kW	3,724 thousand kW
Nuclear power generation	-0.4 TWh	12.9 TWh	30.1 TWh
Hydropower generation	13.4 TWh	13.8 TWh	13.5 TWh
Renewable energies	0.1 TWh	0.07 TWh	0.02 TWh
Thermal power thermal efficacy	47.6%	48.3%	49.0%
Transmission and distribution loss rate	5.47%	4.35%	5.05%
Number of “Hapi e-Miruden” subscribers	2,031,000	3,988,000	4,830,000
Number and rate of smart meters installed	About 7.50 million (About 58%)	About 9.32 million (About 71%)	About 10.58 million (About 81%)
Limiting SF ₆ emissions (calendar year basis) (gas recovery rate upon inspection/removal of equipment)			
	99.3% (upon inspection) 99.6% (upon removal)	99.6% (upon inspection) 99.3% (upon removal)	98.5% (upon inspection) 99.3% (upon removal)
Industrial waste recycling rate	99.7%	99.9%	99.8%
Amount of industrial waste and other emissions	707.9 thousand t	653.6 thousand t	580.0 thousand t
Amount of industrial waste landfill	1.8 thousand t	0.9 thousand t	0.9 thousand t
Amount of high-concentration PCB processed (cumulative)	4,834 units	5,073 units	5,241 units
SOx emissions (by volume of power from thermal power generation)			
Overall	0.037 g/kWh	0.028 g/kWh	0.022 g/kWh
Thermal	0.043 g/kWh	0.039 g/kWh	0.037 g/kWh
NOx emissions (by volume of power from thermal power generation)			
Overall	0.067 g/kWh	0.055 g/kWh	0.043 g/kWh
Thermal	0.077 g/kWh	0.077 g/kWh	0.074 g/kWh

S Social	Policies		
	Policy pertaining to the respect for human rights	Established	Included in the Kansai Electric Power Group CSR Action Charter https://www.kepcoco.jp/sustainability/csr/mind/charter/index.html
	Policy pertaining to Occupational Health and Safety	Established	Included in the Kansai Electric Power Group CSR Action Charter https://www.kepcoco.jp/sustainability/csr/mind/charter/index.html
			Included in the Health and Productivity Management Declaration https://www.kepcoco.jp/sustainability/csr/working_style/working_01.html
	Diversity Promotion Policy	Established	Kansai Electric Power Group Diversity Promotion Policy https://www.kepcoco.jp/sustainability/csr/diversity/policy.html
			Action Plan based on the Act on Promotion of Women’s Participation and Advancement in the Workplace and the Act on Advancement of Measures to Support Raising Next-Generation Children https://www.kepcoco.jp/sustainability/csr/diversity/action_plan_woman.html

S Social		2017/3	2018/3	2019/3
	Power outage time	5 min	15 min	397 min (due to typhoon No. 21)
	Specialist technicians with specialized skills	216	211	188
	Number of participants in corporatewide comprehensive emergency response drills	885	847	907
	Number of participants in training and practice programs for nuclear power disasters	About 5,700	About 5,900	About 5,900
	Number of reform cases based on customer feedback (cumulative)	90	101	225
	Customer satisfaction (telephone consultation)	—	—	90.20%
	Efforts to promote understanding by local governments	About 5,100 times	About 6,200 times	About 4,600 times
	Volunteer time-off program	71 (166.5 days)	57 (184.5 days)	63 (161.5 days)
	Number of social contribution activities (including “on-site” classes)	1,224	1,369	864
	Amount of donations made	327 million yen	361 million yen	430 million yen
	Amount of social contribution activities	39 million yen	40 million yen	48 million yen
	Number and ratio of female managers	90 / 1.6%	106 / 1.9%	112 / 2.1%
	Rate of childrearing leave utilization among men	2.0%	190.0%	142.2%
	Ratio of workers with disabilities	2.41%	2.44%	2.51%
	Number of group training participants (all group trainings)	38,103	40,893	36,551
	Number of certified vehicle operators	About 11,000	About 10,300	About 9,700
	Accident frequency rate	0.28	0.29	0.43
	Employee satisfaction (internal questionnaire)	75.6%	77.4%	77.4%
	Number of injured ordinary citizens	8	7	5
Ratio of childrearing leave taken	100%	100%	100%	
Ratio of paid leave taken	88.1%	96.1%	97.0%	
Number of employees (non-consolidated)	19,533	19,243	18,884	
Number of employees (consolidated)	32,514	32,527	32,597	
Average age	42.7	43.0	43.2	
Average length of service	22.0 years	22.3 years	22.4 years	
	2017/4	2018/4	2019/4	
Number and ratio of female hires for office positions	17 / 44.7%	21 / 42.9%	18 / 37.5%	
Number and ratio of female hires for technical positions	27 / 10.3%	27 / 10.0%	23 / 8.4%	
Number of new hires	299	320	322	
	2017/6	2018/6	2019/6	
Total number of community development activity plans realized	4	5	7	

G
Governance

Policies		
Ethical Code	Established	Included in the Kansai Electric Power Group CSR Action Charter https://www.kepcoco.jp/sustainability/csr/mind/charter/index.html
Privacy Policy	Established	https://www.kepcoco.jp/siteinfo/privacy/
Information Security Guidelines	Established	—
Cyber Security Guidelines	Established	—
Anti-Corruption Guidelines	Established	Included in Compliance Guidelines https://www.kepcoco.jp/sustainability/csr/principle/pdf/compliance_guidelines.pdf
Anti-Bribery Guidelines	Established	Included in Compliance Guidelines https://www.kepcoco.jp/sustainability/csr/principle/pdf/compliance_guidelines.pdf
Whistleblower Protection Policy	Established	—
Basic Policy of Procurement	Established	https://www.kepcoco.jp/sustainability/csr/mind/proc/index.html
Code of Conduct and Procurement Policy for Suppliers	Established	https://www.kepcoco.jp/sustainability/csr/mind/proc/client.html

	2016	2017	2018
Awareness of compliance (internal questionnaire)	95.1%	95.3%	95.8%
Number of cases handled by the Compliance Hotline	74	67	73
Number of information security training participants	17,883	18,846	17,404
Number of directors [of which, outside directors]	16 [3]	14 [3]	14 [3]
Number of auditors [of which, outside auditors]	6 [3]	7 [4]	7 [4]
Ratio of outside directors	27.3%	33.3%	33.3%
Ratio of female directors	4.5%	4.8%	4.8%
Number of boards of directors' meetings held [average attendance ratio]	13 [96.9%]	15 [96.5%]	12 [98.8%]

Company outlineAs of March 31, 2019

Company name:	The Kansai Electric Power Company, Incorporated	Number of common shares issued:	938,730 thousand
Head office:	3-6-16 Nakanoshima, Kita-ku, Osaka 530-8270, Japan	Number of shareholders:	279,489
Date of establishment:	May 1, 1951	Stock exchange listings: (Common stock)	Tokyo Stock Exchange
Paid-in capital:	¥489.3 billion	Transfer Agent:	Mitsubishi UFJ Trust and Banking Corporation
Operating revenues:	¥3,307.6 billion (consolidated), ¥2,797.1 billion (non-consolidated)		6-3, Fushimimachi 3-chome, Chuo-ku, Osaka 541-8502, Japan
Total assets:	¥7,257.3 billion (consolidated), ¥6,404.5 billion (non-consolidated)		
Number of employees:	32,597 (consolidated), 18,884 (non-consolidated)		
Electricity sales:	117.8 billion kWh		
Main business:	Electric power, heat supply, telecommunications, gas supply		

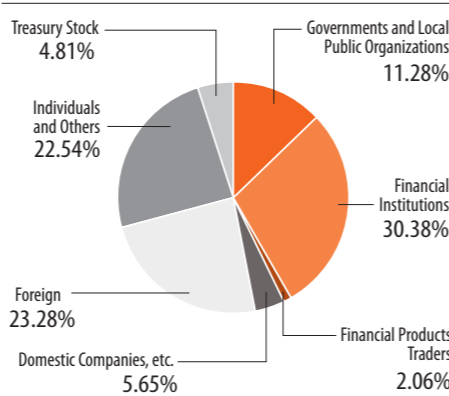
Number of employees: This includes working employees and excludes employees on loan and employees on leave of absence.

Major shareholders

As of March 31, 2019	Number of Shares Held (thousands)	Percentage of Shares Held (%)
Osaka City	68,287	7.64
The Master Trust Bank of Japan, Ltd. (Trust Account)	44,831	5.02
Japan Trustee Services Bank, Ltd. (Trust Account)	37,189	4.16
Nippon Life Insurance Company	32,611	3.65
Kobe City	27,351	3.06
Kansai Electric Power Employee Stockholder Program	18,599	2.08
Mizuho Bank, Ltd.	17,378	1.94
Japan Trustee Services Bank, Ltd. (Trust Account 5)	16,010	1.79
Osaka Metro Co., Ltd.	15,461	1.73
JP MORGAN CHASE BANK 385151 (Standing proxy: Mizuho Bank, Ltd.)	11,289	1.26

Note: Our company treasury stock is excluded from the above table.

Distribution of sharesAs of March 31, 2019



Group Companies (Consolidated subsidiaries and affiliates accounted for by the equity method)

(As of May 31, 2019)

●Consolidated subsidiaries79 companies

Comprehensive energy / Transmission and distribution business

Kansai Transmission and Distribution, Inc.
Kanden Energy Solution Co., Inc.
SAKAI LNG Corp.
Kanden Engineering Corp.
ECHIZEN ENELINE CO., INC.
NIHON NETWORK SUPPORT CO., LTD.
Kanden Plant Corp.
Kanden E House Co., Ltd.
The Kurobe Gorge Railway Co., Ltd.
Aioi Bioenergy Corporation
Institute of Nuclear Safety System, Inc.
NEWJEC INC.
Next Power Company
Kanden Power-Tech, Corp.
Nuclear Engineering, Ltd.
THE GENERAL ENVIRONMENTAL TECHNOS CO., LTD.
The Kanden Services Co., Inc.
Osaka Bioenergy Co., Ltd.
KANDEN GAS SUPPORT CO., INC.
Fukui City Gas Co., Ltd.
KE Fuel International Co., Ltd
Biopower Kanda LLC
LNG EBISU Shipping Corporation
LNG FUKUROKUJU Shipping Corporation
LNG JUROJIN Shipping Corporation
LNG SAKURA Shipping Corporation
Kansai Electric Power Holdings Australia Pty Ltd
Kansai Electric Power Australia Pty Ltd
Kansai Sojitz Enrichment Investing S.A.S.
KE Fuel Trading Singapore Pte Ltd.
Kansai Energy Solutions (Thailand) Co., Ltd.
KPIC Netherlands B.V.
KPIC USA, LLC

Eight other companies

Information and telecommunications (IT)

OPTAGE Inc.
Kanden Systems Inc.
K4 Digital Co., Ltd.

Five other companies

Life / Business solution business

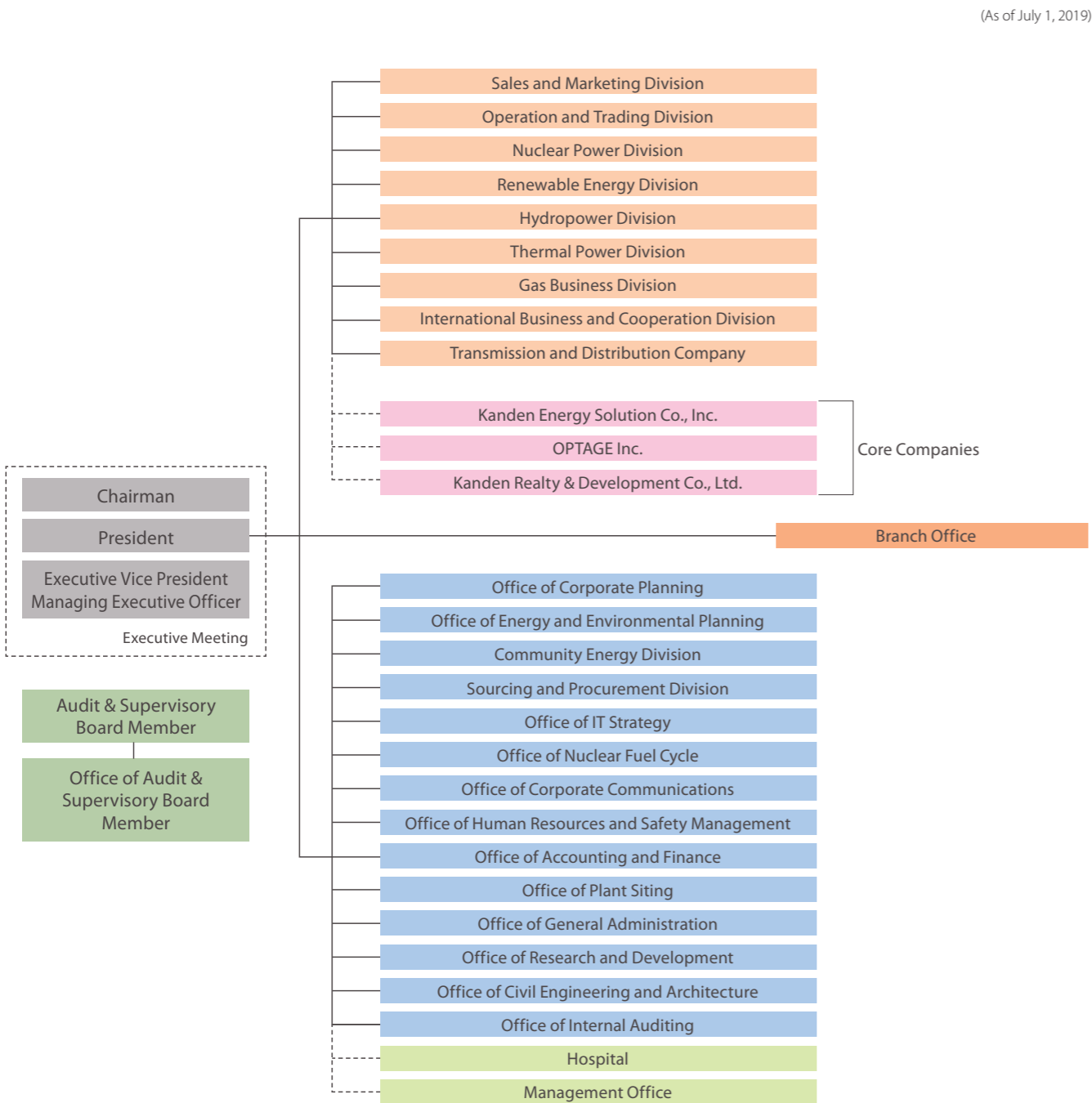
Kanden Joy Life Co., Ltd.
Kanden Realty & Development Co., Ltd.
Clearpass Co., Ltd.
KANDEN Security of Society, Inc.
KANSAI Medical Net Co., Inc.
Kanden L-Heart Co., Inc.
Kanden Facilities Co., Ltd.
Kanden Life Support Co., Ltd.
Kansai Electron Beam Co., Ltd.
Kanden CS Forum Inc.
Kanden Office Work Co., Inc.
The Kanden L & A Co., Ltd.
KANDEN AMENIX Corp.
K4 Ventures GK

Sixteen other companies

●Affiliates accounted for by the equity methodFour companies

Comprehensive energy / Transmission and distribution business

JAPAN NUCLEAR FUEL LIMITED
KINDEN CORPORATION
ENEGATE Co., Ltd.
San Roque Power Corporation



At the Kansai Electric Power Group,
we are striving to build an unwavering safety culture by
realizing our Management Philosophy goal of making safety
our top priority.

Kansai Electric Power Group Safe Action Charter

Our beliefs about safety

Individual commitments (goals)

By making the assurance of safety our top priority in all our activities, we will protect the safety of every person involved in them.

Safety consciousness promise

Based on the strong belief held by every individual that “we will not allow misfortune to occur to the colleagues who work with us or their families,” we will foster a positive and open atmosphere where people can talk about anything by conducting daily communication that is rooted in consideration. We will also cultivate a culture that prioritizes the assurance of safety by implementing continuous reform.

Safety action promise

In order to not only protect our own safety but also that of our colleagues, we will act immediately if we sense danger. Through the practice of this kind of independent safety action, we will seek to eliminate accidents.

Safe Action Declaration

I vow to do the following myself in order to both
maintain my own safety and to preserve the happiness
of my friends and family.

Always think about what I can do for safety

We will expand the extent of what we individually can do for safety by improving our own technical abilities and sensitivity to danger. In addition, we will always think about what we can do ourselves and make suggestions proactively.

Follow rules and procedures

We will carefully confirm and without arbitrary changes faithfully follow rules related to safety, which have been established based on past lessons, as well as preparations and procedures determined from the planning stage in response to anticipated dangers.

Act without hesitation to protect colleagues from danger

When we notice a situation that could lead to danger for a colleague, instead of overlooking it, we will caution them or otherwise act without hesitation to prevent the danger.

Respond to unplanned situations by stopping and consulting

When confronted with a situation that is different from what was planned or expected beforehand, we will immediately stop without hesitation and consult with others. We will not arbitrarily judge the safety of something and push on or make changes.

Communicate actively

The idea that “we will not allow misfortune to occur to the colleagues who work with us or their families” is not a hollow phrase. We will take this to heart deeply and communicate proactively as individuals.