

power with heart

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

INTEGRATED REPORT 2022

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Editorial Policies

This report has been edited with reference to various guidelines such as the International Integrated Reporting Council (IIRC) framework, with the aim of helping our stakeholders understand the Group's business activities and medium- to long-term value creation stories.

In March 2021, the Group newly formulated the Kansai Electric Power Group Management Philosophy Purpose & Values, and based on this management philosophy, developed the Kansai Electric Power Group Medium-term Management Plan (2021-2025) as a five-year action plan to make a leap forward to become a corporate group that provides various social infrastructure services. In addition, as a "leading company in achieving zero-carbon energy," we have set up the Zero Carbon Vision 2050 in order to more voluntarily and proactively respond to global warming issues and have formulated the Zero Carbon Roadmap that lays out a path toward realization.

This report sets out our specific efforts based on the above philosophy, plan, and vision, and contains the Group's financial and nonfinancial information systematically as an effort to enhance the disclosure content, so we can convey our story of value creation in order to achieve sustainable growth in a more easily understandable manner.

We hope that this report will help build good relationships between the Group and its stakeholders.

Reference guidelines, etc.

GRI: 2016 GRI Sustainability Reporting Standards; 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; Guide for SDGs Business Management

Featured Contents of Integrated Report 2022

P15

[Special Feature 1]
Kansai Electric Power Group
The Origin of Our Strengths

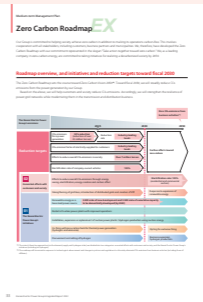


For more than 70 years, our Group has contributed to the development of Japanese society primarily in the electric power business and has created numerous new businesses throughout each era.

This article introduces the source of the "strengths" of the Group, which always takes on challenges as a utility company playing a role in the lifeline of each generation.

P33

Zero Carbon Roadmap

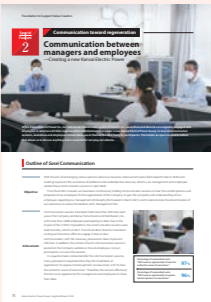


The Group is striving to achieve zero carbon for all of society toward the realization of the Zero Carbon Vision 2050.

Here we present the newly formulated Zero Carbon Roadmap, with the phrase "Take action together toward zero carbon" expressing our desire to join hands with everyone in pressing ahead toward zero carbon for society as a whole, as well as for ourselves.

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[Special Feature 2]
Communication between managers and employees
—Creating a new Kansai Electric Power



At Kansai Electric Power Co., Inc. and Kansai Transmission and Distribution, Inc., managers and employees regularly engage in communication to create a new Kansai Electric Power Group.

Managers and employees hold dialogue on free themes decided by participants, fostering an open corporate culture that allows discussion of any topic, which is essential to carry out reforms.

Place of Publication

Sustainability and Quality Promotion Group, Office of Corporate Planning, The Kansai Electric Power Co., Inc.
3-6-16 Nakanoshima, Kita-ku, Osaka 530-8270, Japan

Report Publication Date

Published October 2022
2023: To be published in autumn of 2023

Scope of Report

Period covered: April 1, 2021 to March 31, 2022
(We will also report on important information that may fall outside of that time frame.)

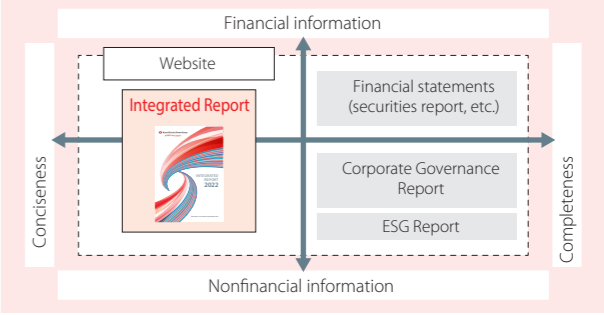
Companies covered: The Kansai Electric Power Co., Inc., and Kansai Electric Power Group companies.

"The Company" refers to the Kansai Electric Power Co., Inc.; the names of the various group companies are clearly stated in the relevant text. Unless otherwise specified, initiatives taken by the Kansai Electric Power Co., Inc. and Kansai Transmission and Distribution, Inc. are provided.

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.

Positioning of this report



Kansai Electric Power Group

Purpose & Values

In March 2021, we formulated the Kansai Electric Power Group Purpose & Values as our new management philosophy. Under this philosophy, the Group's ultimate overarching concept, the Group has announced that it will carry out business activities that promote the Values of Fairness, Integrity, Inclusion, and Innovation to achieve its Purpose of Serving and Shaping the Vital Platform for a Sustainable Society for the benefit of its customers and society.

存在意義 Purpose

「あたりまえ」を守り、創る

Serving and Shaping the Vital Platform
for a Sustainable Society

大切にする価値観 Values

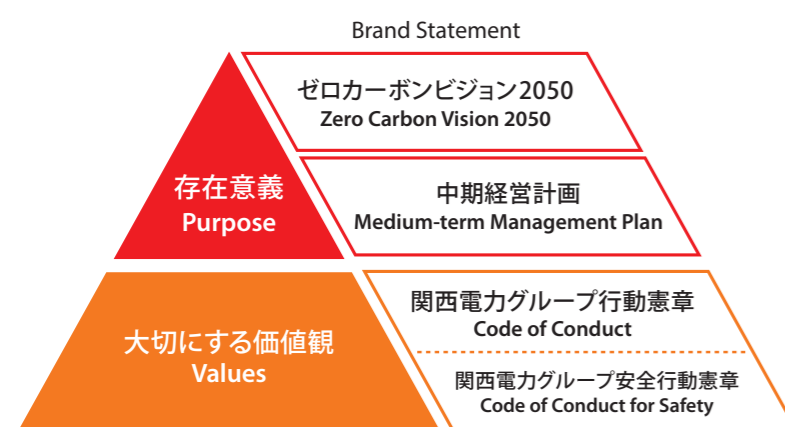
公正 × **誠実** × **共感** × **挑戦**
Fairness × Integrity × Inclusion × Innovation

私たちは、安全を守り抜くことを前提に、
「公正」「誠実」「共感」「挑戦」を大切に行動します

With dedication to safety and security, we will act upon the values of Fairness, Integrity, Inclusion and Innovation

Philosophy system

We have positioned our Zero Carbon Vision 2050 and Medium-term Management Plan as the concrete embodiment of our Purpose, and the Kansai Electric Power Group Code of Conduct and Kansai Electric Power Group Code of Conduct for Safety as an enactment of the Values we hold dear. Our Brand Statement forms a concise summary to publicize the Group's corporate stance internally and to the public.



Brand Statement

power with heart

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

Activities to implement the management philosophy

We have established an activity plan to spread awareness of the new management philosophy among all employees and to incorporate it into practice of daily tasks. Based on this plan, we are working on activities that include opinion exchanges between management and employees, varied types of training, workplace-specific discussions, distribution of e-mail newsletters, and support activities for group companies.

One aspect of the activities is the Conduct Cards, which list the Management Philosophy, Compliance Checklist, and Safe Action Declaration, that we distribute to all employees to carry. The backs of the cards display each employee's personal conduct vows, and employees use these cards to check their conduct and goals in their own work.

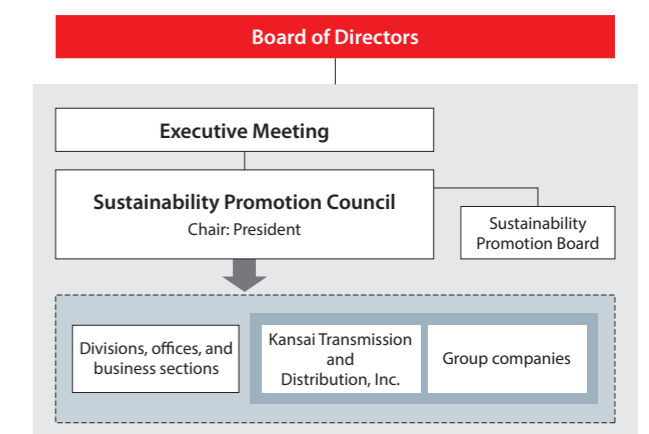
Sustainability promotion system

As a corporate group that aims to be of benefit to our customers and communities, we promote sustainability-focused initiatives to achieve growth and development for ourselves, but also to resolve global societal issues and so contribute to making society more sustainable. To further advance these initiatives, we have established the Sustainability Promotion Council, which is chaired by the President. In addition to formulating a series of comprehensive measures for the entire Group, the Sustainability Promotion Council establishes extensive initiatives that allow the Group to contribute to the

sustainable development of society and deploys a range of concrete activities.

Issues of a specialized nature are sent to committees such as the Sustainability Promotion Board for deliberation. The policies formulated by the Sustainability Promotion Council are communicated to each operating division and business location, which then develop their own activities accordingly.

Each group company also develops its own sustainability promotion activities independently, while staying in communication with the Kansai Electric Power Company.



Message from the President



We will further deepen the interlinked concepts of “serving” and “shaping” from our Purposes & Values.

Nozomu Mori
Director, Representative Executive Officer, President

Introduction

In order to continue serving our customers and society, since its establishment in 1951, the Kansai Electric Power Group has developed a range of businesses with a focus on energy, including information & telecommunications and life/business solutions that support everyday life, economical, and industrial activities.

During the course of our long history, we have faced numerous challenges, for instance the two oil crises, the Great Hanshin-Awaji Earthquake, and the deregulation of the electricity market. Now we are once more dealing with numerous issues, at a time when the future is hard to predict and the circumstances in which we find ourselves are extremely difficult.

While we are striving to recover the trust of our customers and society that was lost due to the cash/gift receiving incident, the business environment surrounding the

Group—which includes soaring global resource prices and the trend toward decarbonization—is changing greatly and with unprecedented speed.

Under these circumstances, I was appointed as President of the Kansai Electric Power Company in June 2022. I believe it is my mission to overcome the difficulties that we face and to realize sustainable growth for the Group as we head into the future.

As a result of working on various reforms over the past two years, including those relating to governance, we have steadily brought about a communicative, open-minded corporate culture. We will continue to boost the effectiveness of our respective initiatives, in order to further develop and solidify the foundations for the regeneration of the Kansai Electric Power Group that all of us have built up together over time.

It is imperative that we also respond to changes in the

business environment. As problems relating to energy and resources become more serious globally—for example, as a result of an increasingly tense international situation that includes the conflict in Ukraine—we will make absolutely sure that we are consistent in providing a stable supply of fuel and in maintaining fuel facilities, so as to fulfill our duty of supplying safe and stable energy. Furthermore, as well as taking the lead

in the realization of a decarbonized society, we are also determined to be innovative in creating new value and services.

The management environment in which the Group finds itself is very harsh, but by putting all our efforts into confronting such difficulties, we will strive to realize sustainable growth and to steadily clear the way for making an even greater leap forward.

Our Purposes & Values: Serving and Shaping the Vital Platform for a Sustainable Society

Taking into account such factors as the cash/gift receiving incident uncovered in 2019, we formulated business improvement plans for preventing their recurrence. Since then, while implementing all the items outlined in those plans, the Group has been committed to working on reforms in governance and thoroughness in compliance.

In 2020, we shifted to being a company with a nominating committee, etc., and we made a clear distinction between the execution of management and its supervision. Among other things, eight of the Board of Directors’ thirteen members are now outside directors, and in all processes concerned with decision-making in management, we have created a governance system in which transparency and objectivity are ensured.

We have also established a Compliance Committee, the majority of whose members are outside experts, and with the committee’s guidance and advice, as well as seeking to expand our whistleblowing systems and undertaking training across the Group, we are endeavoring to propagate and ensure compliance awareness.

Moreover, management that includes outside directors had more than 100 discussions with employees during the year, and through this buildup of communication, an open corporate culture in which we can talk about anything is spreading steadily throughout the Group, which I believe is essential for reform.

In March 2021 we renewed our management philosophy, something which we saw as crucial for providing an even stronger boost to our series of reforms. For this renewal, based on the opinions and recommendations of employees—including those from group companies—and with the inclusion of outside directors and Compliance Committee members, the finalized concept was created after more than six months of discussions.

The new management philosophy comprises two parts: our Purpose and our Values. The former details our Purpose of Serving and Shaping the Vital Platform for a Sustainable Society for the benefit of our customers and society, so as to continue to match customers’ and society’s current expectations and to create those of the future. In the latter, the Values that we hold dear are Fairness, Integrity, Inclusion, and Innovation. We have positioned this management philosophy as an overarching concept for the Group, and as a result of efforts to promote its understanding, it is steadily permeating all Group employees.

Together with advancing the initiatives outlined in our business improvement plans, and through all Group employees taking this philosophy to heart as they develop their business activities, we will gain the trust of our customers and society, and do everything in our power for the regeneration of a new corporate group and the realization of a sustainable society.

Leaping into the future: Kanden Transformation (KX)

In February 2021 we established the Kansai Electric Power Group Zero Carbon Vision 2050, with a view to achieving a sustainable society and in order to accelerate our decarbonization initiatives even more. In addition, in March of the same year we formulated the Kansai Electric Power Group Medium-term Management Plan (2021–2025), a five-year action plan, to overcome fierce competition and achieve our sustainable growth.

Under the Medium-term Management Plan, we are promoting three key initiatives—seeking to achieve zero-carbon emissions, transforming into a service provider, and

building a robust corporate constitution—with establishing appropriate governance and furthering compliance as the basic premise of our business operations.

These key initiatives will help us to continue delivering new value not only in our core business fields of energy, transmission & distribution, information & telecommunications, and life/business solutions, but also in wide-ranging fields around or between these business domains. Our aim is to provide a platform that offers various forms of infrastructure and services, and to contribute to the realization of a more sustainable society.

Message from the President

Seeking to achieve zero-carbon emissions: Energy Transformation (EX)

The first of these key initiatives is seeking to achieve zero-carbon emissions. In our Zero Carbon Vision 2050, the Group has pledged to reduce the CO₂ emissions that accompany its activities to zero by the year 2050, and we are undertaking various initiatives in the dual aspects of energy supply and demand.

The realization of a decarbonized society is a challenge for the new era and necessitates a major shift that includes individual lifestyles and societal systems. The road to a decarbonized society will be long and at this point in time, because of the many uncertainties that accompany it, the Group is verifying and pursuing the various choices that are

now plausible, and we will nurture these with the utmost care. We will quickly shift toward implementation for those electricity supply and demand initiatives that are feasible, and in terms of the future technologies that we wish to develop, we will carefully ascertain their potential as we work assiduously on their research, development, and demonstration.

Through these initiatives, we plan on retaining our position at the top spot for the amount of zero-carbon power generation in Japan. At the same time, we will steadily work to reduce our CO₂ emissions to half of what they were in fiscal 2013 by the final fiscal year of the Medium-term Management Plan, 2025.

Transforming into a service provider: Value Transformation (VX)

The second key initiative is transforming into a service provider. We will work thoroughly to put ourselves in our customers' shoes and face their needs and issues. We aim to transform ourselves into a corporate group that can continuously provide new value to our customers.

This new value will not be limited to electricity and gas sales, however. We plan to create new value by staying close to our ever more diverse customers and by offering a wealth of different solutions. These include providing services that combine electricity with such things as electrification devices, storage batteries, and

e-mobility, and proposing an extensive menu of decarbonization options to give total support to customers as they move to zero-carbon operations. Furthermore, in areas besides energy, and in addition to information & telecommunications and life/business solutions including real estate, we have tackled a variety of projects, such as land-based shrimp farming, travel services, and support for child-rearing. Going forward, we will also seek business opportunities in such diverse sectors as agriculture and food production, and our intention is to discover new breakthroughs that will be the engine for driving new growth in the Group.

Building a robust corporate constitution: Business Transformation (BX)

The third initiative is building a robust corporate constitution. We find ourselves in a harsh business environment, so in order to establish a sound corporate structure, among other measures, we must promote cost restructuring and accelerate innovation and digitalization throughout all of our business activities. In particular, we predict constrained earnings until fiscal 2023, and will fully draw on our internal and external expertise—for example with our digital transformation (DX) activities—and act decisively on radical cost restructuring.

As part of this plan, we will aim for:

- Minimum annual average for ordinary profit of 100 billion yen for the three fiscal years 2021–2023, and 250 billion yen for fiscal 2025
- Free cash flows of 200 billion yen or more in the final fiscal year of the plan, and for the five-year total to be in the black

In the first year of the plan, fiscal 2021, even in a tough business environment, we capitalized on the Group's strengths, forged ahead with initiatives, and achieved a consolidated

ordinary profit of 135.9 billion yen.

In fiscal 2022, taking on board increased uncertainty in the energy market—for example, the rising price of resources—we predict very restricted earnings. To deal with this situation, our focal points are even more fundamental cost restructuring and the prioritizing of safety in nuclear power generation, which is less likely to be affected by fossil fuel prices. By maximizing our utilization of these focal points, we will continue to invest all our efforts in our three key initiatives.

I believe that all Group employees working in partnership and making steady, step-by-step progress on our journey will be one of the most decisive factors in enabling us to overcome this difficult situation. Through that cumulative progress, whatever it takes, we are resolved to accomplish a complete revolution for the Group—what we call Kanden Transformation (KX)—and in fiscal 2025, the final year of the Medium-term Management Plan, to see the Group on a trajectory of stable growth and ready to take on even greater challenges.

Zero Carbon Vision 2050 and Zero Carbon Roadmap

Zero Carbon Vision 2050 clarifies what we aspire to become in seeking to achieve zero-carbon emissions, which is also one of the three key initiatives in our Medium-term Management Plan.

In the Vision, along with reducing the total CO₂ emissions that accompany power generation and other business activities to zero by 2050, we have declared our intention to gather the Group's resources and work toward decarbonization for our customers and society.

In March 2022, we formulated the Zero Carbon Roadmap to clearly define the path toward realizing this vision. By advancing the initiatives outlined in the roadmap, we aim to halve CO₂ emissions associated with power generation in fiscal 2025 compared to fiscal 2013 (a reduction of more than 25 million tonnes), and to maintain our status as front runners in reduction rates as we look toward 2030.

With regards to energy supply, we will endeavor to maintain the safe and stable operation of nuclear power generation, which is an important non-fossil fuel energy source. For renewable energy, too, we will work on the new development of generation on a scale of 5 GW in Japan by 2040, with a focus on offshore wind farms. Thermal power energy, which has excellent adjusting capacity, is indispensable for the large-scale introduction of renewable energy. We will therefore advance its investigation and demonstration for zero-carbon power generation through hydrogen and ammonia co-firing.

A next-generation electric power network is also vital for enabling stable electricity supplies and zero-carbon power

sources to coexist. We will do our utmost to create a revolutionary network that utilizes cutting-edge technologies such as DX, and fuses centralized and decentralized systems.

Hydrogen is expected to be a new-generation energy source. While utilizing it ourselves as a zero-carbon fuel, we will take initiatives for building a strong supply chain that encompasses everything from overseas procurement to domestic production, transport, and sale to customers, and we are aiming for a 30% share by 2050 of the amount being handled nationwide in Japan.

In addition, the Group will contribute to reducing the CO₂ emissions of our customers and society. Not just for households but in a wide range of fields such as business, industry, and transport, we will work together with our customers and society to cut more than 7 million tonnes of CO₂ emissions by 2030. We will work on making recommendations to our customers for energy conservation, electrification, and the use of renewable energy and storage batteries, as well as CO₂-free menus for switching (offsetting) to zero-carbon electricity.

For these initiatives, we must be bold, work tenaciously, and even more than that, create epoch-making innovations. Along with concentrating and demonstrating the Group's strengths, we will accelerate our initiatives for contributing to a zero-carbon society while seeking to collaborate with all our stakeholders, including customers, business partners, and local government.

Conclusion

Our Purposes & Values of Serving and Shaping the Vital Platform for a Sustainable Society are none other than what the Kansai Electric Power Group aspires to do. We believe that investing all our efforts into realizing this aspiration is key if we are to remain a corporate group that our customers and society deem necessary.

In recent years, the environment surrounding the energy industry has become even more uncertain due to the trend toward decarbonization, the rapid progress of digitalization, and the increasingly tense international situation. Particularly in these circumstances, while ensuring that we simultaneously advance the interlinked concepts of "serving" and "shaping" from our Purposes & Values of Serving and Shaping the Vital Platform for a Sustainable Society, above all, it is important that we continue to deepen and develop both those concepts at a higher level.

This is something we cannot accomplish without the capabilities of all 30,000 employees of the Kansai Electric Power Group. In order to demonstrate and to combine the strengths of each one of them to the maximum degree possible, I am committed to creating a corporate group that enables everyone to work energetically and to cooperate in their activities.

With such powerful capability, we will continue to work on creating value that can respond to the expectations of our customers and society, not just in our energy, real estate, and telecommunications businesses but in a diverse range of business sectors. I myself am resolved to stand at the forefront of all these challenges, and to aim for the Group to make an even greater leap forward.

I ask for your continued and invaluable understanding and support for us to take on these new challenges.

The Business of Kansai Electric Power in Figures

Energy business

Sales

Operating revenues:
• FY 2021 results

¥ **2,092.8** billion

Retail electricity sales volume:
• FY 2021 results

100.7 billion kWh

Gas sales volume:
• FY 2021 results
• LNG equivalent (gas and LNG total)

1.56 million tonnes

Power generation

Power sources:
• FY 2021 results (Value at transmission end)
• Generated by our company

94.1 billion kWh

Capacity of power-generating facilities:
• As of March 31, 2022

29.403 GW

Number of power plants:
• As of March 31, 2022

167 power plants

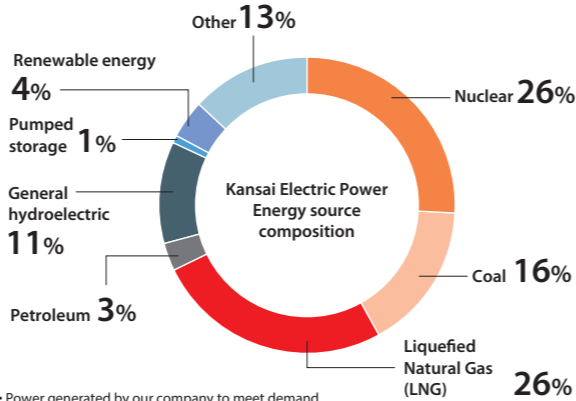
Capacity of power-generating facilities (breakdown by power source)
• As of March 31, 2022

Thermal power	14.566 GW	(10 power plants)
Hydroelectric power	8.248 GW	(151 power plants)
Nuclear power	6.578 GW	(3 power plants)
Renewable energy	0.011 GW	(3 power plants)

• Our company's power-generating facilities only
• Figures may not add up due to rounding off.

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

• FY 2021 results



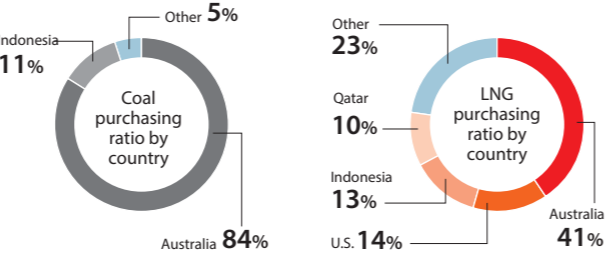
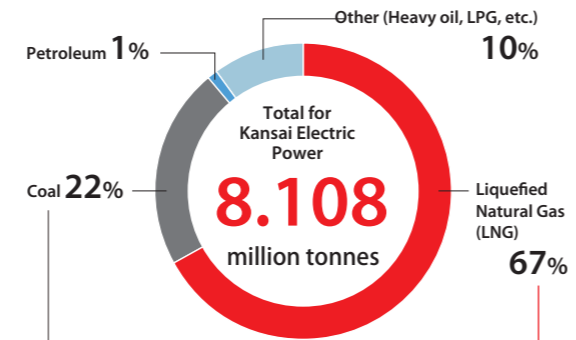
• Power generated by our company to meet demand
• Includes power received from other companies.
• Figures may not add up due to rounding off.

Fuel procurement

Number of procurement source countries:
• FY 2021 results

16 countries

Purchasing record of fuel for thermal power generation
• FY 2021 results



Totals: LNG equivalent
• The subtotals and totals might not match due to rounding off.

Overseas energy business

Overseas power generation:
• As of June 30, 2022

22 projects in **11** countries

Capacity of overseas power-generating facilities (Our company's investment ratio):
• As of June 30, 2022

2.878 GW

Breakdown:
Thermal power: 1.788 GW
Renewable energy: 1.090 GW

Transmission and distribution business

(Kansai Transmission and Distribution, Inc. has been undertaking power transmission and distribution since April 1, 2020.)

Transmission and distribution

Length of transmission lines (route length):
• As of March 31, 2022

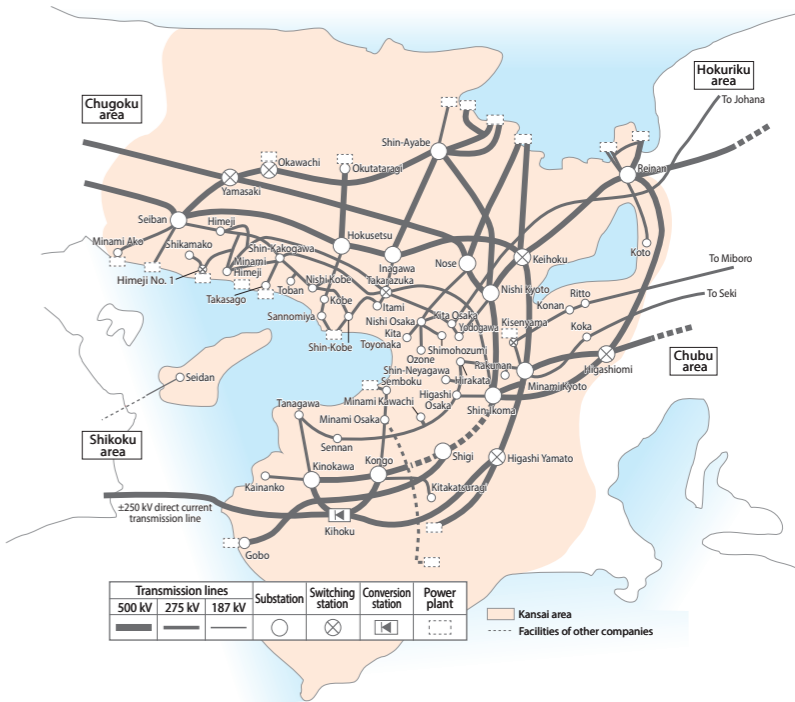
18,873 km

Length of distribution lines (route length):
• As of March 31, 2022

133,063 km

Number of substations:
• As of March 31, 2022 • Includes conversion stations

957



Group businesses

Number of group companies:
• As of June 30, 2022
• Consolidated subsidiaries and affiliates accounted for by the equity method

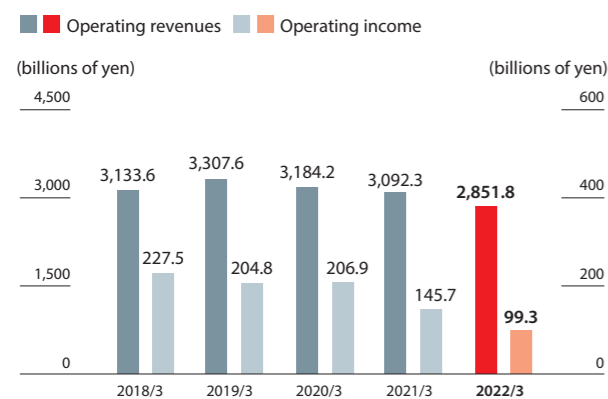
100

External sales in group businesses:
• FY 2021 results

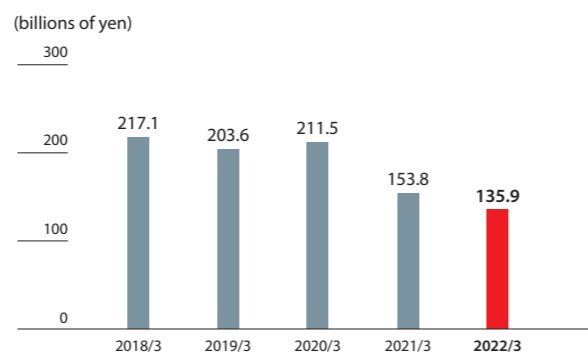
¥ **592.9** billion

Financial and Nonfinancial Highlights

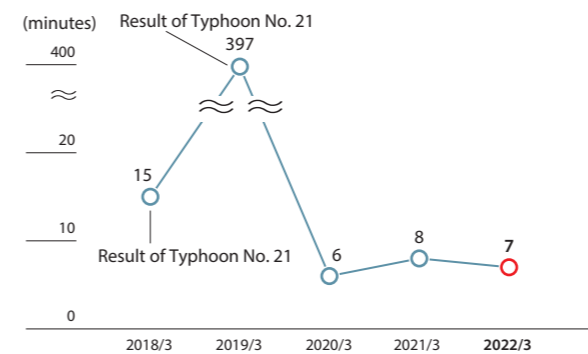
Operating revenues / Operating income



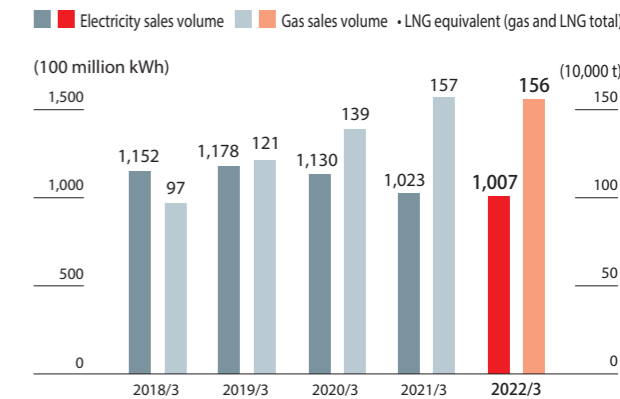
Ordinary income



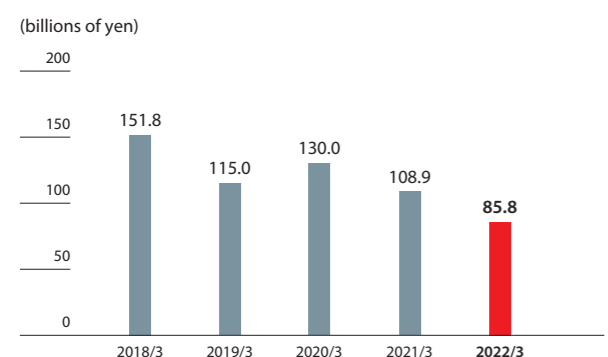
Annual duration of power outage per household



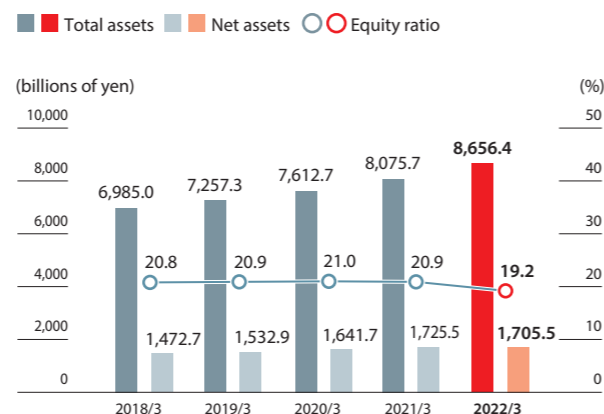
Electricity sales volume / Gas sales volume



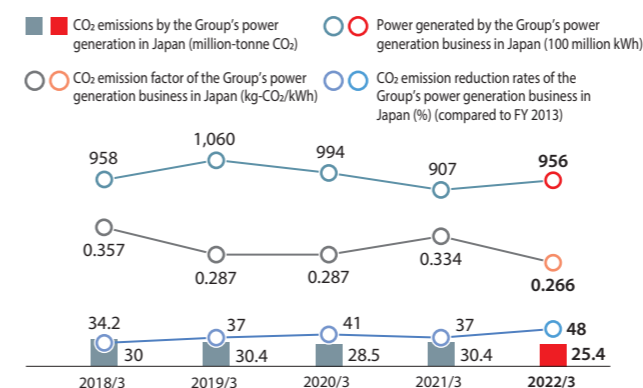
Net income attributable to shareholders of the parent



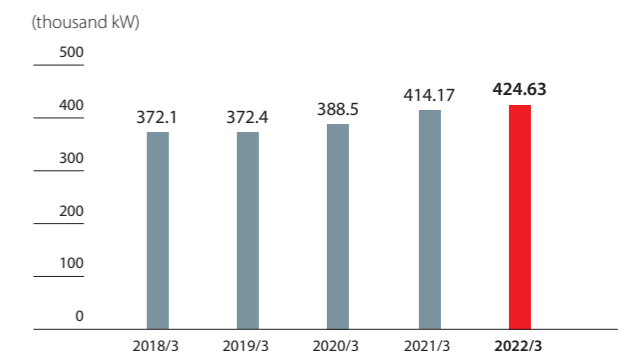
Total assets, Net assets, Equity ratio



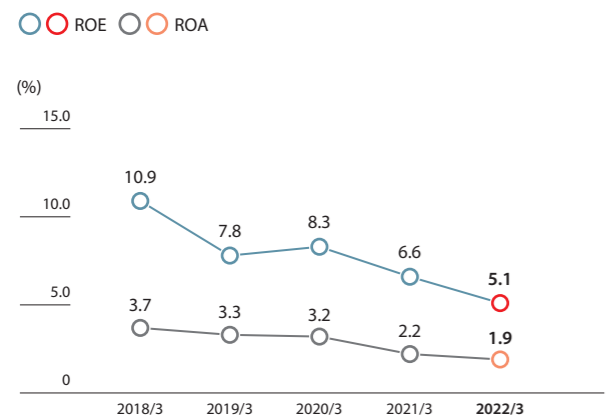
Group's CO₂ emissions and CO₂ emission factors associated with power generation in Japan



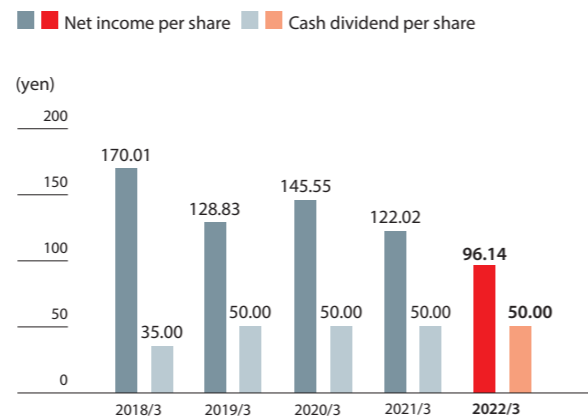
Accumulated capacity of renewable energy source facilities (completed) projects that have started operation



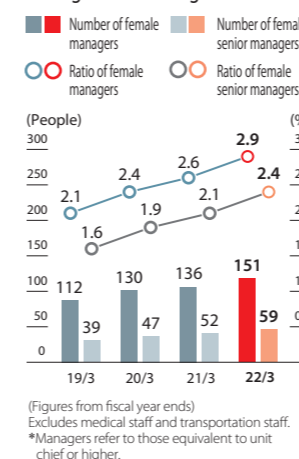
ROE, ROA



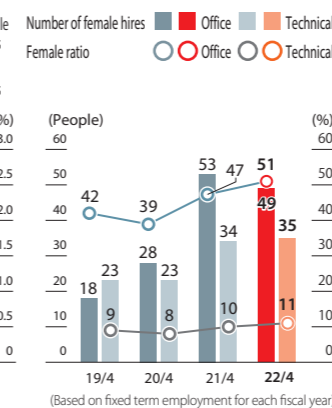
Net income per share / Cash dividend per share



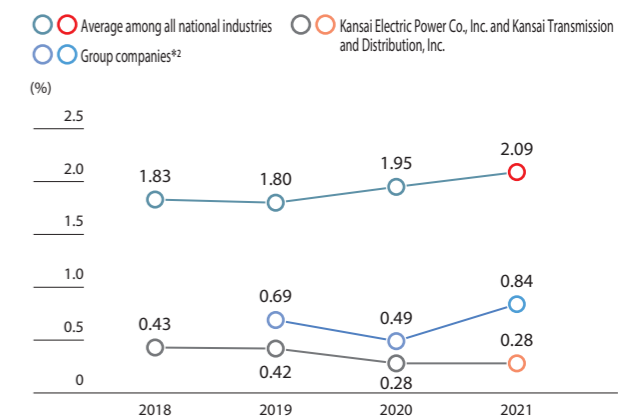
Number and ratio of female senior managers and managers*



Number and ratio of female hires



Accident frequency rate*1 trend



*1 The number of casualties with at least one day of absence from work due to occupational accidents per million total working hours, which indicates the frequency of accidents.
*2 Average values of our three representative group companies undertaking major construction projects have been adopted.


History of Value Creation

In 1951, the restructuring of electric power in Japan resulted in the Kansai Electric Power Company emerging as one of the private companies that integrated both the generation and distribution of electricity. At the time the country was still recovering from the war, and thus the Company as an enterprise launched while facing several challenges, including the tight supply and demand of electricity and an uneven operating balance, as well as an unstable situation regarding the relationship between labor and management. However, by marking milestones such as the construction of the Kurobegawa No. 4 Power Station and the introduction of nuclear power stations, the Company was robust enough to come through and endure difficult challenges such as the two oil crises and the Great Hanshin-Awaji Earthquake to still be here today.


Since 2000, the liberalization of the electrical power sector has led to increased competition, and the environment in which the Company does business has seen radical changes. In order to continue to serve our customers and communities, we have evolved into a corporate group that has branched out beyond the energy sector to provide a wide range of social infrastructure and services that support both industrial activities and people's lives.

Changes in society	1954	1973/1979	1985	1990	1995	2011	2016	2020
	Rapid economic growth and dramatic increase in the demand for electrical power	Oil crisis	Liberalization of telecommunications	Bursting of the bubble economy	The Great Hanshin-Awaji Earthquake	The Great East Japan Earthquake	Full liberalization of electricity retail markets	Legal separation of power transmission and distribution business


Changes to Kansai Electric Power



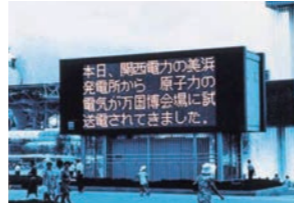
1951: The Kansai Electric Power Company established
The Company was established following the restructuring of the electrical power business.




1957: Kanden Sangyo (currently Kanden Realty & Development Co., Ltd.) established
Kanden Sangyo was established to develop business mainly related to the management of real estate.




1963: Kurobegawa No. 4 Power Station (known as Kuroyon) completed
Completion of a challenging construction project that spanned seven years. The Company began to contribute to the growth of the Japanese economy through the provision of electrical power.




1970: Mihama Nuclear Power Station Unit 1 commenced operations
Became the first Japanese power company to start operating the nuclear power station.




1984: Awarded the Deming Prize as the first in the power industry
Recognized that the Company has successfully improved its performance through the application of quality control.




1995: Recovery efforts following the Great Hanshin-Awaji Earthquake
Approx. 2.6 million homes lost power. Every single employee at the Company worked together toward the rapid restoration of the power supply to these homes.




1998: Joined the San Roque Project
The Company became the first Japanese power company to participate in an overseas power generation business, collaborating on-site with the construction work.




1998: An in-house Entrepreneurship Challenge System created
Based on entries to the first round of the System, the first venture enterprise was established in 2000: Kanden-EL-Farm, Inc.




2000: Entered the gas supply business
Launch of a gas business including sales of Liquefied Natural Gas (LNG)




2001: Launch of eo Optical Net
Started providing internet services utilizing a proprietary fiber-optic network.




2011: Mega Solar Sakai Power Station commenced commercial operations
Became the first Japanese company to operate the large-scale solar power station.




2012: Kanden Energy Solution Co., Inc. expanded its business to the Tokyo Metropolitan district
Established a Tokyo Office and began supplying the district with electric power service in 2014.




2014: Construction at Nam Ngiep begun
Construction started at what the Company called the Second Kuroyon Dam Project for Laos – the Nam Ngiep Hydropower Project



2014: Launch of the mineo mobile phone service
A new mobile service that enables low-cost usage of LTE/mobile phone functionality/handsets

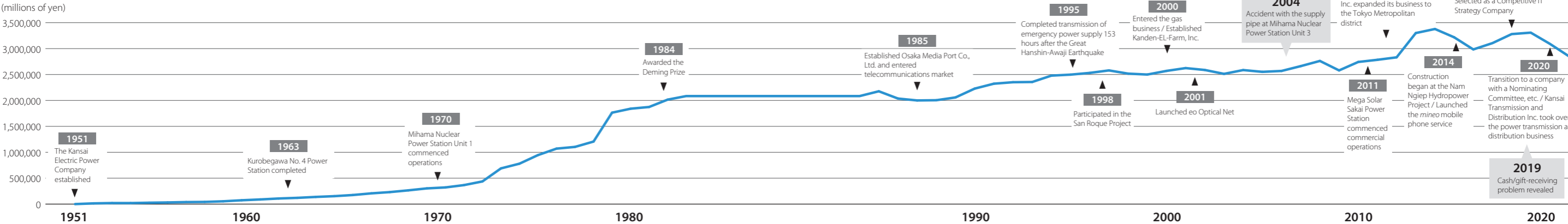


2018: K4 Digital Co., Ltd. established
K4 Digital was established to leverage digital technologies capable of creating new businesses and changing the business.



2021: Zero Carbon Vision 2050 formulated
Declared the Group's intent to achieve zero CO₂ emissions in power generation and other business activities by 2050.

Operating revenues



The Origin of Our Strengths

In every era, serving and shaping the platform vital to a sustainable society, now and in future years for our customers and society—driven by this sense of mission, we will overcome whatever difficulties we may face.

For more than 70 years, the Kansai Electric Power Group has contributed to the development of Japanese society, mainly through its electric power business. During that time, we have also created numerous new businesses. This article introduces the origin of the strengths of the Group, which keeps taking on challenges as a lifeline provider in every era.

Our desire at
the time of our
foundation

Dedicated to achieving stable power supply and demand in Japan with the “Maedaregake Spirit”

Seventy-one years ago, back in 1951, amid the surging demand for electric power that accompanied Japan's economic growth, the Kansai Electric Power Co., Inc. was founded along with nine other electric power companies nationwide. At the time of its establishment, the Company was faced with difficult issues such as supply shortages and unstable labor-management relations. In order to solve these difficulties and establish an independent system for management responsibility, Shiro Otagaki, the Company's first president, proposed the “Maedaregake Spirit,” a management stance that means “giving top priority to customers.” With this *Maedaregake Spirit*, the Group endeavored to stabilize supply and demand in electric power.

Since then, that founding spirit has been reorganized into our management philosophy and corporate creed, and handed down in an unbroken line to the present day. We will always give top priority to customers, no matter how the times may change; this is the origin of our strengths and our drive to solve the various challenges that we face today.



Leaflet notifying Kansai Electric Power's start of operation

Strength

1

Zero-carbon power sources

Our relentless passion for the power source development that supported Japan's postwar recovery. And now, the challenge of power sources that contribute to reducing CO₂

In the initial years, our predecessors put their heart and soul into the development of power sources. The construction of the Kurobegawa No. 4 Power Station (Kuroyon) was symbolic of this commitment. Construction started in 1956 and took about seven years to complete. With the slogan “Let's reach out to Kuroyon,” the entire company supported what was truly a difficult task, in which the efforts of a total of 10 million people were invested, and thus the power station was completed. The output of 335,000 kW produced at Kuroyon met power demand during Japan's period of high economic growth.



Nuclear power generation, the first challenge for Japan's electric power industry. And zero-carbon power source, our new mission

In nuclear power generation, our Group has been a forerunner in Japan's electric power industry. Basic research began in 1954 with the establishment of the Nuclear Power Group at the Technical Research Institute, and since 1957, when the Nuclear Power Department was established in-house at the Kansai Electric Power Company, we have been pursuing the possibility of nuclear power generation with safety as a top priority.

In 1970, in time for the Osaka Expo of the same year, we became the first electric power company in Japan to begin commercial operation, successfully delivering nuclear power-generated electricity to the Expo site.

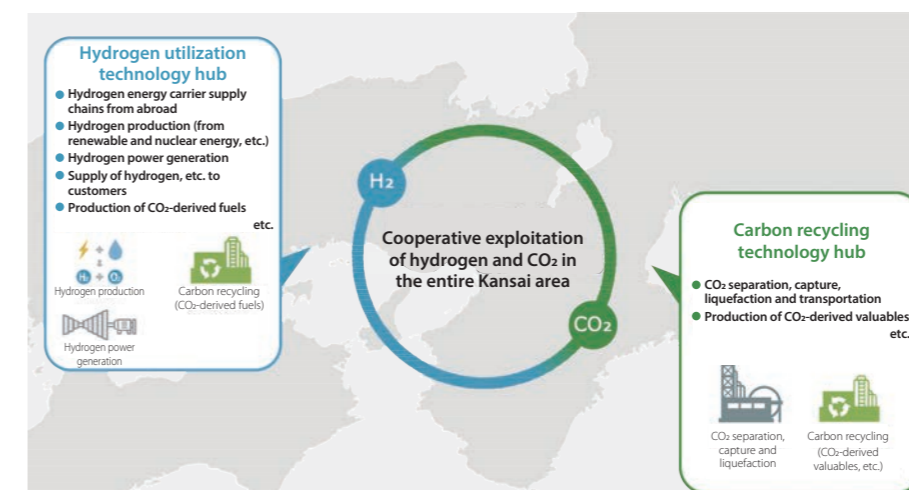
Currently, while continuing with safe and stable operations at our power stations that have fulfilled new regulatory requirements and restarted, aiming for even safer nuclear power generation, we are focusing our efforts on voluntary safety improvements beyond the regulatory framework, surpassing 40 years of operation at our nuclear plants, and emergency response drills assuming the possibility of a Nankai Trough Mega Earthquake. Utilizing renewable energy and placing a premium on ensuring S (Safety), the Company, which has always led the way in power source development, will spearhead initiatives to realize a zero-carbon society in Japan, with nuclear power generation positioned as an important baseload power source, thereby simultaneously achieving the 3Es (Energy security, Economy, and Environmental conservation).



Leveraging the strengths cultivated over 70 years to be a leading company in zero-carbon energy

In an effort to create a sustainable society, the Kansai Electric Power Group, as a leading company in zero-carbon energy, is committed to carbon neutrality throughout the entirety of its business activities including power generation by 2050 in order to combat global warming, while striving to increase energy independence to secure energy supply, with priority given to safety. In addition, the Group will mobilize its resources to support decarbonization not only in the economic activities of our customers, but also across society as a whole.

Decarbonization is a universal challenge that must be achieved to overcome climate change and pave the way for sustainable development. Capitalizing the pioneering spirit that our Group has demonstrated to date, we will take the lead in efforts to realize a zero-carbon society.



Strength
2

Problem-solving power

Continuing to leverage our vast experience and expertise in energy infrastructure and technology development to make valuable contributions to the energy sector worldwide

The Group has been working to promote electrification and provide new value through diverse solutions.

While meeting diversifying customer needs, including new lifestyles, decarbonization, and resilience improvement, we will propose optimal solutions to our customers, such as support for reducing energy costs and environmental impact, and support for planning, constructing, and operating power plants through a combination of AI, IoT, and our technological capabilities.



Contributing to the development of overseas electric power infrastructure projects

From the time of its founding, our Company's motto has been to give top priority to the customers we serve. This core value has always been a cornerstone of our business operations within Japan and now extends overseas as we continue to expand our global business development portfolio. In 1998, the Group capitalized on its long-accumulated technological and commercial experience in the domestic Japanese market and undertook its first overseas electric power project.

This project was the San Roque Hydroelectric Project in the Philippines, and we became the first Japanese utility to participate in an overseas electric power project. Through our role in the construction management and operation and maintenance of the project, we demonstrated engineering and commercial expertise that could create value across national borders.

The Group has successfully completed the construction of the Nam Ngiep 1 Hydroelectric Power Plant in Laos located on the Nam Ngiep River, a tributary of the Mekong River, the longest river in Southeast Asia. It was the first project that the Group played a leading role in developing an overseas project. The scale of this project led it to be called the "second Kuroyon," and after a tough 13-year journey to completion, the plant is now in commercial operation.

Going forward, we plan to continue expanding into new business areas and cultivating global opportunities by harnessing all the experience and knowledge gained over the past 20 years of involvement in overseas business development. In doing so, we are confident in our ability to quickly and accurately identify market trends in the ever-evolving energy sector in order to provide infrastructure that responds to diverse energy needs worldwide.



Strength
3

Comprehensive strengths of our Group

Creating businesses that contribute to industry and people's daily lives by leveraging the collective strengths of our group companies

Inspired by our mission to support the infrastructure for people's daily lives, which has been cultivated since the construction of Kuroyon, the Kansai Electric Power Group has exhibited the comprehensive strength of its group companies by providing lifestyle-related and information and telecommunication solution services, while maintaining strength in its core energy business.

Comprehensive information and telecommunications business with strength in telecommunications infrastructure

In 1986, following the liberalization of the telecommunications industry, the Group entered the telecommunications business, which was a brand-new business field.

Among others, OPTAGE Inc., which started as an optical fiber leasing company, has developed its business focused on personal communication services and utilizing an optical fiber network that extends throughout the Kansai area. It has also responded to diversified and sophisticated customer needs. For DX, which is expected to further accelerate from now on, OPTAGE will continue to take on the challenge of creating a future for its customers by utilizing 5G, AI, and other cutting-edge technologies.

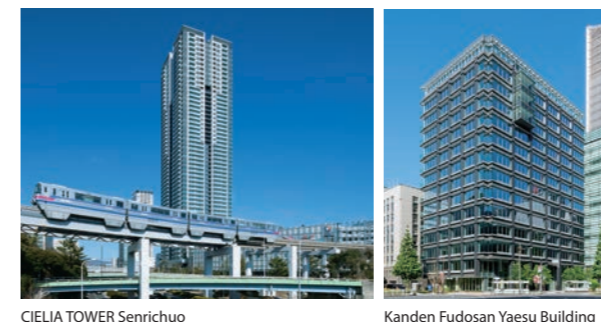


Expanding earnings through comprehensive real estate business

During its history of more than 65 years, Kanden Realty & Development Co., Ltd. has been engaged in the acquisition, development, and leasing of a diverse range of income-producing real estate, such as office buildings, retail facilities, hotels and logistics facilities, and residential condominiums and houses under the CIELIA brand, with a focus on comfortable living spaces. It has expanded its business area from Kansai to core cities including the Tokyo

metropolitan area, and is also actively participating in overseas projects in the United States, Australia, ASEAN, and elsewhere.

By gathering the Group's collective strengths and supplying all-electric properties, we will continue to take on the challenge of creating new value, so as to contribute to the realization of a decarbonized society and a sustainable future.

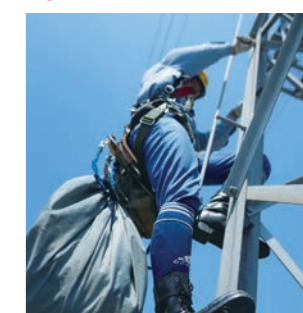


World-class power transmission and distribution business

Based on the strength of world-class technology in power transmission and distribution that was established in pursuit of our mission of safe

and stable power supply, since April 1, 2020 our power transmission and distribution business has been operated by Kansai Transmission and Distribution, Inc. Its operations include managing power grids, and planning and constructing transmission, transformation, and distribution facilities to deliver the electricity produced at our power plants to customers. Committed to being neutral and fair, we are delivering safe, stable, and low-cost electricity to all customers and providing reliable and secure power grid services that contribute to the development of local communities.

Kansai Transmission and Distribution



Strength
4

Responding to digitalization

Utilizing digital technology cultivated in the electric power business.

Demonstrating the same spirit of challenge in DX as we did with Kuroyon

Along with the DX Strategy Committee, which is headed by the President and was set up in 2018, our respective business divisions are driving DX. As a result, the Company became the first in the electric power industry to be selected by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange as a Competitive IT Strategy Company, in recognition of our strategic use of IT to enhance corporate value and competitiveness. The entire company is now working together to promote DX initiatives.

One of the Group's DX initiatives is the establishment of K4 Digital Co., Ltd., a joint venture with Accenture Japan Ltd. This organization provides technical and personnel development support for digital reform in each division, and uses digital technology with the aim of realizing a historic transformation similar to Kuroyon.

A strength of the Group is our combination of operational know-how and accumulated data related to electric power facilities. By combining this with Accenture's abundant knowledge of the latest digital technologies, we aim to transform our business operations by improving and sophisticating facility-related business and contributing to a society where energy is used efficiently, as well as aiming to create new businesses.

K4 Digital

Examples of DX application by the Kansai Electric Power Group

More efficient power plant operation
(using robots and image/acoustic analysis)

New blockchain-based power transactions

Analysis of corrosion on the surfaces of
transmission towers
(using drones and image analysis)



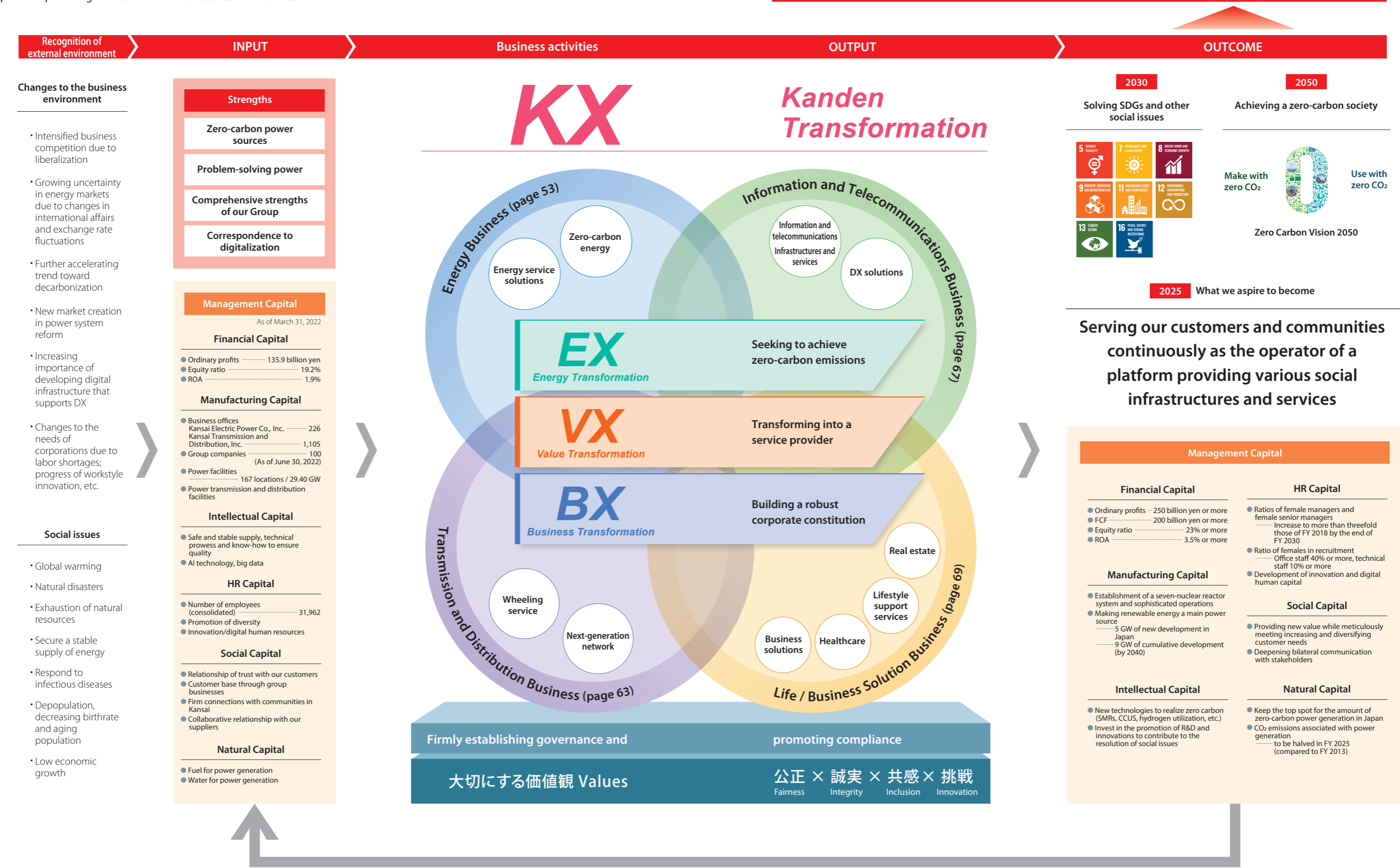
Value Creation Process for the Kansai Electric Power Group

Based on accurately understanding global social issues and environmental changes, by utilizing the strengths that we have cultivated and delivering new value, our Group will continuously serve our customers and communities as the operator of a platform providing various social infrastructures and services.

存在意義 Purpose

「あたりまえ」を守り、創る

Serving and Shaping the Vital Platform for a Sustainable Society







Materiality for the Kansai Electric Power Group

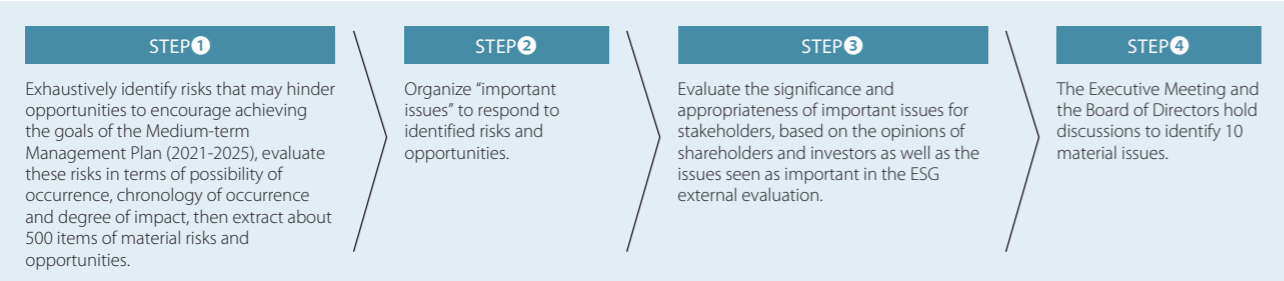
(Important issues)

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

SDGs associated with the identified materiality

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

Materiality identification process



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

Risks and opportunities of materiality (important issues)

Materiality	Risks	Opportunities
Increase profitability by providing new value	<ul style="list-style-type: none">Reduced energy demand due to declining populationIntensification of domestic retail power salesReduced competitiveness of existing business models due to market entry by businesses from other industriesIntensification of customer acquisition competition in the FTTH and mobile marketplacesIntensification of competition to acquire the excellent real estate properties in JapanCountry and market risks related to overseas business expansion	<ul style="list-style-type: none">Expanded business opportunities by the liberalization of electricity and gas markets (advancement into areas outside Kansai)Increased interest in energy due to advancements in energy conservationChanges in electricity usage patterns due to technological innovationsEnhancement of sales channels with expanded alliancesExpansion of domestic infrastructure business resulting from 5G popularizationBusiness opportunities resulting from domestic social issues, including medicine, caregiving and the aging of societyBusiness opportunities resulting from the diversification of needs, including decentralization
Promote zero-carbon efforts	<ul style="list-style-type: none">Substantial revision of regulations and policies affecting existing businesses as a result of strengthening countermeasures for climate change issues	<ul style="list-style-type: none">New revenue growth opportunities resulting from strengthening trends for ESG investment and decarbonizationExpansion of renewable energy investment opportunities in Japan and abroadRevenue growth opportunities arising from establishing new marketsIncreased interest in energy due to advancements in energy conservation
Strengthen resilient business infrastructure on the condition of ensuring safety	<ul style="list-style-type: none">Continued aging of power supply facilitiesFacility troubles caused by natural disasters, including abnormal weather phenomena caused by climate change, typhoons, torrential rains, earthquakes and tsunamisUnplanned stoppages of large-scale power sources, including nuclear powerInterruption of stable power supply due to insufficient measures against cyber attacks and infectious diseasesTight supply-demand situation due to severe weather (intense heat and cold)	<ul style="list-style-type: none">Trust earned from customers and society by strengthening resilient business foundations and resulting business opportunities
Achieve business innovation and enhance information security utilizing digital technologies	<ul style="list-style-type: none">Interruption of stable power supply due to insufficient measures against cyber attacksIntensification of customer acquisition competition in the FTTH and mobile marketplacesLost business opportunities due to slow business model reform and technological innovation as well as stagnation in expert personnel development	<ul style="list-style-type: none">Changes in electricity usage patterns due to technological innovationsExpansion of domestic infrastructure business resulting from 5G popularizationImproved productivity and creation of new value through the utilization of digital technologies
Earn trust in our business areas and contribute to regional revitalization	<ul style="list-style-type: none">Intensification of domestic retail power salesCountry and market risks related to overseas business expansionErosion of trust resulting from lack of communication with local communities	<ul style="list-style-type: none">Business opportunities resulting from the diversification of needs, including decentralizationBusiness opportunities resulting from increased overseas energy demandExpanded business opportunities by the liberalization of electricity and gas markets (advancement into areas outside Kansai)
Promote diversity and build a safe and comfortable working environment	<ul style="list-style-type: none">Intensification of personnel hiring competition due to shrinking labor forceLost business opportunities due to slow business model reform and technological innovation as well as stagnation in expert personnel development	<ul style="list-style-type: none">Creation of new value through the utilization of diverse personnelIncreased productivity as a result of promoting workstyle innovation
Appropriate risk management in supply chain	<ul style="list-style-type: none">Damage to corporate value due to safety issues or serious compliance violations including the supply chain	—
Step up efforts to develop and secure human resources	<ul style="list-style-type: none">Intensification of personnel hiring competition due to shrinking labor forceLost business opportunities due to slow business model reform and technological innovation as well as stagnation in expert personnel development	<ul style="list-style-type: none">Creation of new value through the utilization of diverse personnelIncreased productivity as a result of promoting workstyle innovation
Deepen bilateral communication with stakeholders	<ul style="list-style-type: none">Risk of failure in gaining the understanding of stakeholders due to insufficient information disclosure resulting from an unsatisfactory response to social demands such as ESG, etc.	<ul style="list-style-type: none">Gain understanding of our business through timely and adequate information dissemination and communication with stakeholders
Firmly establish governance and observe strict compliance	<ul style="list-style-type: none">Damage to corporate value due to safety issues or serious compliance violations including the supply chain	—

Objectives and results of materiality (important issues)

FY 2021 main efforts and objectives		FY 2021 results
• Revenue assurance	Ordinary profits — “More than 100 billion yen on average over 3 years (FY 2021-2023)”, “More than 250 billion yen (FY 2025)” Equity ratio — “More than 20% (FY 2021-2023)”, “More than 23% (FY 2025)” ROA — “More than 1.5% on average over 3 years (FY 2021-2023)”, “More than 3.5% (FY 2025)” FCF — “Less than -50 billion yen on average over 3 years (FY 2021-2023)”, “More than 200 billion yen (FY 2025)” Register a surplus across total income booked between FY 2021 and FY 2025	• Ordinary profits “135.9 billion yen” • Equity ratio “19.2%” • ROA “1.9%” • FCF “-122.3 billion yen”
• Advancement of efforts to control CO ₂ emissions	Keep the top spot for the amount of zero-carbon power generation in Japan. Halve CO ₂ emissions associated with power generation in Japan in FY 2025 (compared to FY 2013)	• Retain the top spot for the amount of zero-carbon power generation in Japan (based on surveys and comparison of the Survey of Electric Power Statistics). • Reduction of about 40% compared to FY 2013 (FY 2021 result: Approx. 30.4 million t-CO ₂).
• Further development and utilization of renewable energy sources	Achieve renewable energy installed capacity of “6 GW by 2030s” and a capacity of “2 GW or more new development in Japan and abroad”	• Achieved renewable energy installed capacity of “approx. 4.24 GW” and a capacity of “0.70 GW for new development”
• Maintain and improve thermal efficiency of thermal power plants	Achieve benchmark indicators* (A: 1.00, B: 44.3%) *Indicators based on the benchmark system of the Law Concerning the Rational Use of Energy	• Achieved benchmark indicators (A: 1.00, B: 44.3%)
• Reduce transmission and distribution loss	Maintain and lower transmission and distribution loss rate	• Transmission and distribution loss rate “5.34%”
• Continuation of safe and stable operation of nuclear power plants	Continue with safe and stable operation based on the operation plan (Zero unplanned stoppages)	• Safe and stable plant operation (Zero unplanned stoppages)
• Maintaining power supply quality	Annual average outage time per household “Maintaining the highest standard in the world” “Appropriate implementation” of renewal of transmission towers and concrete pillars (aging measures)	• Annual average outage time per household “7 minutes” Renewal of transmission towers and concrete pillars in a planned manner (aging measures)
• Preparation for and handling of accidents and disasters	Number of participants in comprehensive emergency response drills “800 or more” Active participation in disaster response training sponsored by external disaster response agencies Number of participants in education and lectures and number of trainings (preparation for nuclear power disasters)	• Number of participants in comprehensive emergency response drills “1,141” • Participation in disaster response training sponsored by external disaster response agencies “33 sessions” (number of training sessions held), Number of participants in education and lectures (preparation for nuclear power disasters) “Approx. 5,000”, Number of training sessions “Approx. 10,700 sessions”
• Assure public security at power facilities	Number of injured ordinary citizens “0”	• Number of injured ordinary citizens “8”
• DX-based efforts to address management issues • Cultivation of DX human resources	• Promotion of new value creation • Promote development of DX human resources through specialist trainings, etc.	• Number of new value sources created through DX “24” • Number of DX training participants “301”
• Information security management	Major information security incidents “0”	• Major information security incidents “0”
• Activities that serve communities	Sustainable community development plans realized	• Number of sustainable community plans realized “15”
• Efforts to apply customer opinions	Implementation of continuous efforts	• Number of reform cases based on customer feedback “60”
• Quality improvements made for customers	Customer satisfaction rate “90.0% or more”	• Customer satisfaction rate “92.1%”
• Employee health and safety	Accident frequency rate “0”	• Accident frequency rate “0.28”
• Promotion of diversity	Ratio of female managers in FY 2030 “Increase to more than threefold that of FY 2018 (to 6.3%)” Ratio of female senior managers in FY 2030 “Increase to more than threefold that of FY 2018 (to 4.8%)” Female employment ratios “40% or more for office jobs and 10% or more for technical jobs” Accelerate employment of persons with disabilities	• Ratio of female managers “2.9%”, Ratio of female senior managers “2.4%” • Female employment ratios “51% for office jobs and 11% for technical jobs” • Employment rate of persons with disabilities “2.6%”
• Creation of workplaces where working is easy	Rate of paid leave utilization “90% or more” Cut total working hours “by 5% versus FY 2015, or 190 hours/year, which is equivalent to overtime hours per person” Achieve male employee childrearing leave utilization rate of “90% or more” Enhance employee turnover prevention measures	• Rate of paid leave utilization “96.4%” • Overtime hours per employee “241 hours/year” • Rate of male employee childrearing leave utilization “117%” • Turnover rate “0.63%”
• Implementation of Basic Procurement Policy and promotion of their adoption by suppliers	Questionnaire implementation rate regarding procurement activities of new suppliers (Sourcing and Procurement Division contracts) “100%” Implement questionnaire in FY 2019–2021 for the approximate top 200 business partners whose transaction amounts are among the highest with us	• Questionnaire implementation rate regarding procurement activities of new suppliers (Sourcing and Procurement Division contracts) “99%” • Number of questionnaires conducted on procurement activities for suppliers: 167 companies
• Development of employee skills and abilities	Promotion of human resource development to endure in the highly competitive environment	• Number of group training participants “31,442” • Time spent on training per employee “40.2 hours” • Total training cost “1,462 million yen” • Training cost per employee “83,000 yen”
• Strengthening of personnel hiring	Steady achievement of recruitment plan • Number of (planned) new hires: “450 (New hires: 415, Mid-career recruits: 35)” • Increase of mid-career recruitment	• Number of new hires “468 (New hires: 426, Mid-career recruits: 42)” • Mid-career recruiting plan “35 individuals” for FY 2022, “70” for FY 2023
• Information release for and discussions with shareholders and investors (including ESG) • Appropriate information releases at appropriate times	Promotion of communication with stakeholders Improvement of ESG external evaluation	• “Timely and adequate information dissemination through various types of media to shareholders (investors), and dialogue with them” • “Enrichment of disclosure content considering opinions of shareholders (investors)” • “Continuously being selected as a component of DJSI Asia Pacific”
• Strict enforcement of compliance	Major social compliance violations “0” Major environmental compliance violations “0”	• Major social compliance violations “6” • Major environmental compliance violations “4”
• Promotion of Compliance Hotline utilization	Number of consultations with Compliance Hotline and number of major compliance violations among these	• Number of consultations with Compliance Hotline “83” and number of major compliance violations among these “1”
• Maintaining and strengthening governance system	Steady annual implementation of effectiveness evaluation of the Board of Directors, etc. and continuous improvement based on the evaluation results Checking the status of maintenance and operation of internal control systems	• “Building a new business management system, including transition to a company with a nominating committee, etc.” • “Implementation of questionnaires on the effectiveness of the Board of Directors, etc. by third-party organizations and utilization of evaluation results for further improvement” • Appropriately implemented. See pages 82-89 of this Report for details.

Medium-term Management Plan

Kansai Electric Power Group Medium-term Management Plan (2021–2025)

KX *Kanden Transformation*

EX

Energy Transformation

VX

Value Transformation

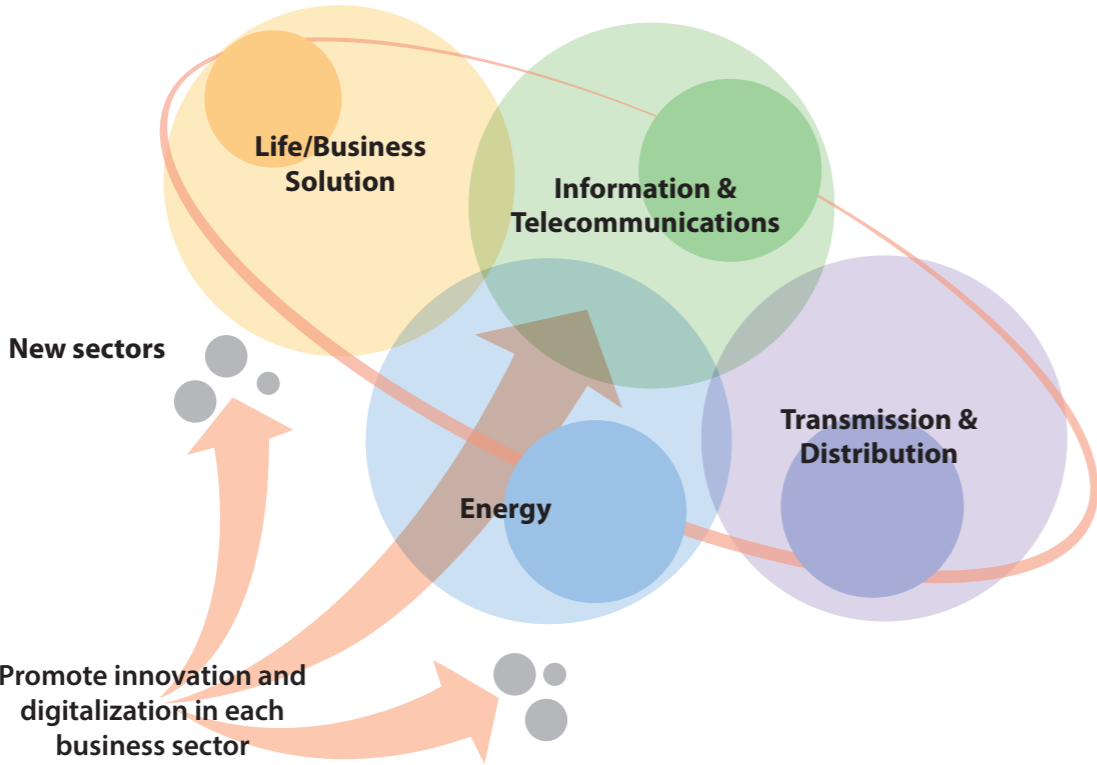
BX

Business Transformation

1 | What We Aspire to Become

With Energy, Transmission & Distribution, Information & Telecommunications, and Life/Business Solution positioned as our core businesses, we will keep creating new value in areas around these sectors as well as where they overlap.

As the operator of a platform providing both social infrastructure and services, we aim to continuously serve our customers and communities, while contributing to attaining a sustainable society.



2 | Key Initiatives

■ Basic premise of our business operations

Firmly establishing governance and promoting compliance

We will do our utmost to restore trust, in light of our reflection on the receipt of cash/gifts and other issues.

■ Key initiatives

KX: *Kanden Transformation*

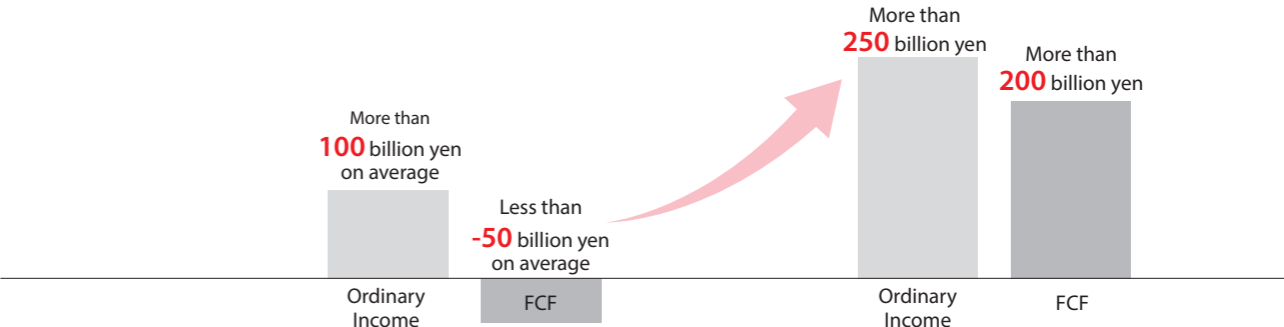
1	Seeking to achieve zero-carbon emissions <i>EX: Energy Transformation</i>	With the accelerating global trend of decarbonization, to meet expectations for contributing to the attainment of a sustainable society, we will promote efforts toward the realization of the Kansai Electric Power Group's Zero Carbon Vision 2050.
2	Transforming into a service provider <i>VX: Value Transformation</i>	Beyond our conventional large-scale asset-centered business, we will deal with needs and issues based on the customer's viewpoint, thereby being reborn as a corporate group that continuously provides new value to its customers.
3	Building a robust corporate constitution <i>BX: Business Transformation</i>	We will speed up cost structure reform, innovation, digitalization and workstyle innovation.

3 | Financial Goals

Over three fiscal years from 2021 to 2023, we will complete business structural reforms while anticipating a decline in profits. We will make investment in growth opportunities as well as construction work to ensure nuclear safety for the future. In fiscal 2025, we will put our business on a growth track and take another leap forward.

	FY 2021-2023	FY 2025
Ordinary Income	More than 100 billion yen averaged over three years	More than 250 billion yen
FCF	Less than -50 billion yen averaged over three years	More than 200 billion yen
	Register a surplus across total income booked between FY 2021 and FY 2025	
Equity Ratio	More than 20%	More than 23%
ROA*	More than 1.5% averaged over three years	More than 3.5%

*ROA [Return on total assets] = Operating income [Ordinary income + Interest expense] / Total assets [Beginning and ending balance average]



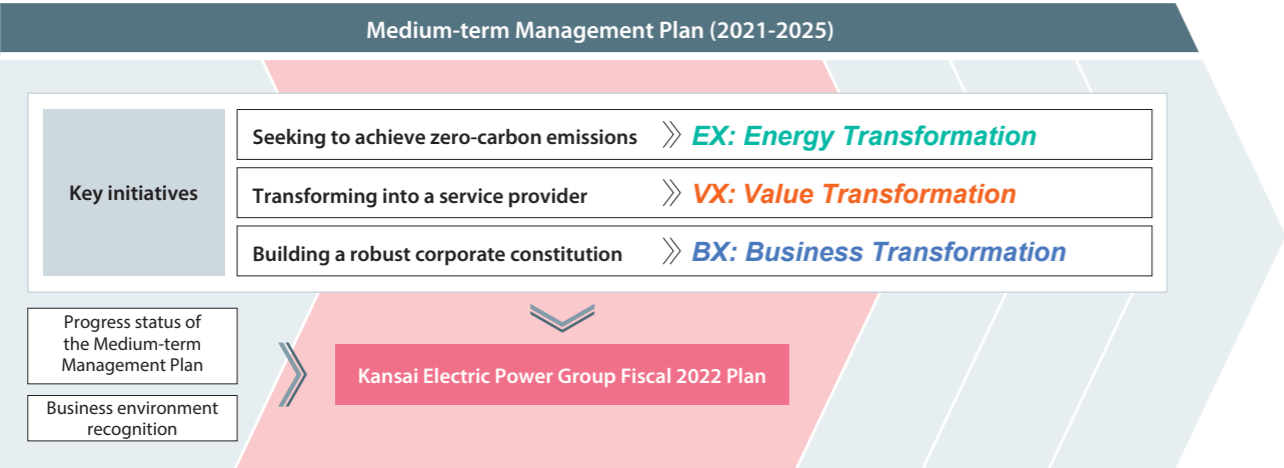
[Reference] ROE (Return on equity = Net income / Shareholders' equity [Beginning and ending balance average]) when the above goals are achieved: about 4% for FY 2021-2023, about 10% for FY 2025

Medium-term Management Plan

Fiscal 2022 Plan

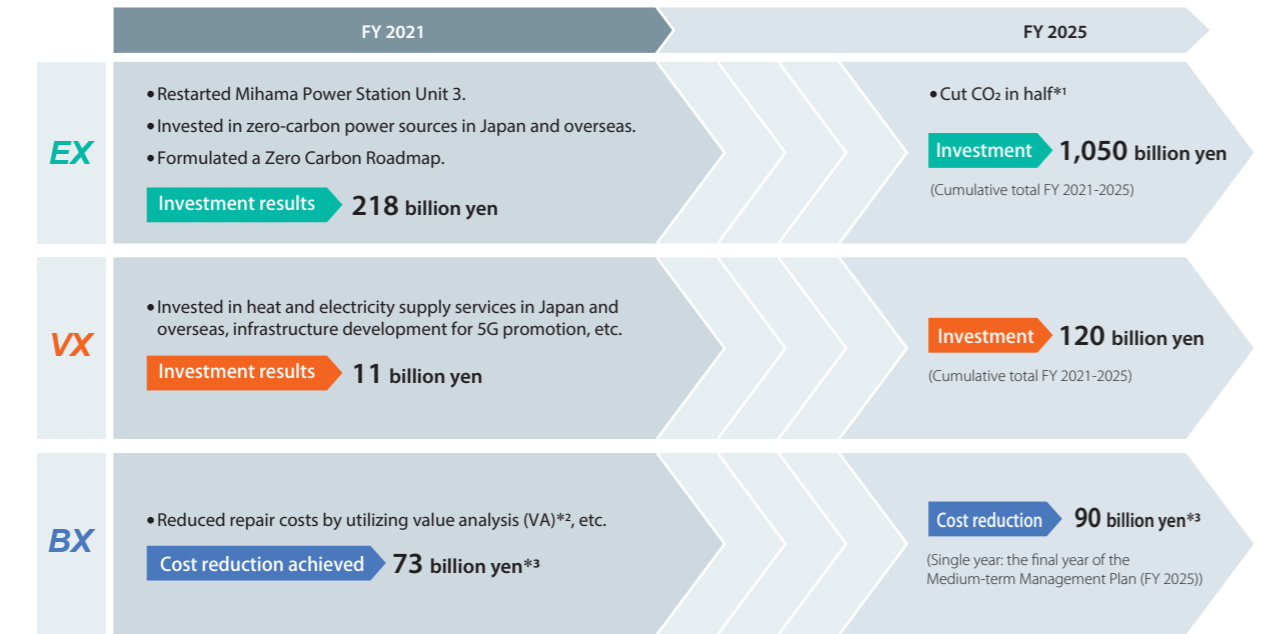
In April 2022, the Group formulated the Kansai Electric Power Group Fiscal 2022 Plan based on the progress status of the Kansai Electric Power Group Medium-term Management Plan (2021-2025) and business environment recognition.

Positioning of the Kansai Electric Power Group Fiscal 2022 Plan



Progress status of the Medium-term Management Plan

In fiscal 2021, we made steady efforts in line with the three key initiatives. By achieving the goals of the Medium-term Management Plan, we will put our Group on a growth track to make the next leap forward.



*1: CO₂ emissions from power generation (compared to FY 2013)
*2: Capital investments, etc., were closely examined from every perspective of the value chain in collaboration with operating divisions from the planning stage.
*3: Cost reductions from the planned value at the time of formulating the Medium-term Management Plan

Business environment recognition

Amid concerns over economic recession and increasing uncertainty in the energy market due to the impact of developments in Ukraine and other factors, we need to assess impacts on the energy business.

	At the time of formulation of the Medium-term Management Plan (March 2021)	Current business environment (April 2022)
Society	<ul style="list-style-type: none">Accelerating trend toward decarbonization (2050 Carbon Neutral Declaration)COVID-19-triggered acceleration of DX	<ul style="list-style-type: none">Growing uncertainty in the energy market due to the impact of developments in Ukraine and exchange rate fluctuationsFurther accelerated trend toward decarbonization, emerging in various forms in the energy businessFormulation of the Strategic Energy Plan toward decarbonization (Priority on renewable energy, decarbonized thermal power (hydrogen/ammonia power generation))
Energy business	<ul style="list-style-type: none">Sluggish demandMassive introduction of renewable energyFalling crude oil pricesDecline in electricity trading prices	<ul style="list-style-type: none">Accelerated development of renewable energy through ESG investmentSoaring resource prices due to restraints on fossil resource developmentIncreasing importance of digital infrastructure development that supports DX (5G, telecommunications networks, data centers, resilience enhancement, economic security)

Direction of FY 2022 initiatives

It is precisely in the face of growing uncertainty in the energy market that we need to further deepen cost structure reforms that can be carried out by our self-supporting efforts and maximize the use of nuclear power generation, which is less susceptible to fossil fuel prices, with the highest priority on safety. Therefore, the three key initiatives (EX, VX, and BX) set forth in our Medium-term Management Plan are becoming increasingly important, and will remain priority items for the Group to work on.

Main efforts in FY 2022

EX

Seeking to achieve zero-carbon emissions

- Continue with safe and stable operations of nuclear, renewable, and thermal power plants.
- Make steady progress toward operation of the seven nuclear reactors, including completion of construction of a nuclear counterterrorism facility*1.
- Steadily promote the nuclear fuel cycle.
- Enhance structure for offshore wind power generation, utilize knowledge and know-how originating from domestic and overseas offshore wind power projects, and accelerate development in cooperation with other companies.

- Establish and expand corporate PPA*2 businesses to meet customers' renewable energy needs.
- Conduct surveys and verification toward co-firing and exclusive firing of hydrogen at our existing thermal power plant.

*1: Special facilities to deal with designated severe accidents
*2: Long-term power purchase agreement between companies, which are electricity users, and power generation companies

Investment	FY 2021 results	Fiscal 2022 Plan	Medium-term Management Plan (2021-2025)
EX	218 billion yen	270 billion yen	1,050 billion yen (Cumulative total FY 2021-2025)

VX

Transforming into a service provider

- Promote the sale of set menus packaging energy and electrified equipment, and expand the range of equipment included in such menus.
- Provide a "Zero Carbon Package," a one-stop solution for decarbonization.

- Expand services providing EVs and charging/discharging systems, etc. as a single package.
- Expand businesses related to data centers.
- Actively promote development of ZEH and ZEB (Net Zero Energy House and Building).

Investment	FY 2021 results	Fiscal 2022 Plan	Medium-term Management Plan (2021-2025)
VX	11 billion yen	30 billion yen	120 billion yen (Cumulative total FY 2021-2025)

BX

Building a robust corporate constitution

- Further deepen cost structure reform.
- Reduce costs of materials and equipment, carefully select construction projects, and review quantities and unit prices by promoting value analysis on the premise of safe and stable power supply.

Cost reduction*	FY 2021 results	Fiscal 2022 Plan	Medium-term Management Plan (2021-2025)
BX	73 billion yen	60 billion yen	90 billion yen (Single year: the final year of the Medium-term Management Plan (FY 2025))

*Cost reductions from the planned value at the time of formulating the Medium-term Management Plan

Addressing Climate ChangeEX

Introduction

Our Group sets 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 the sustainable development of society by solving global social issues.

On the environmental front, our goal is to build a viable business foundation that can contribute to the sustainable development of society by analyzing the risks and opportunities brought about by climate change while reflecting them in our management plan and policy, which are all targeted toward realizing a zero-carbon society.

Support for the TCFD Recommendations

In May 2019, our Company declared our support for the recommendations of the Task Force on Climate-related Financial Disclosures or TCFD*.

Recognizing the size of the impacts that our Group business activities have on the global environment, we declare 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.”

*TCFD 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, 3741 organizations around the world, including financial institutions, businesses and governments, declared their support for the TCFD Recommendations as of August 31, 2022.



Governance

Recognizing climate change as a key business challenge, the following council and committees evaluate and manage the Group's initiatives, providing assistance and guidance as needed to each operating division.

Sustainability Promotion Council

Chaired by the president, the council develops the Group's sustainability measures and monitors their development, focusing on climate change issues (strategies, materiality, risks, opportunities, etc.).

Risk Management Committee

The executive vice president chairs the committee tasked with identifying critical risk factors (including climate change risks), evaluating the significance of each factor, and monitoring risk management development, the results of which are presented to the Executive Meeting and the Sustainability Promotion Council.

Risk measures, meanwhile, are reflected in the Group's plans and policies*1.

Zero Carbon Committee

Chaired by the president, the committee has developing the Zero Carbon Roadmap to achieve the Kansai Electric Power Group Zero Carbon Vision 2050 and shares activities in each division involved in zero carbon initiatives, monitoring their development.

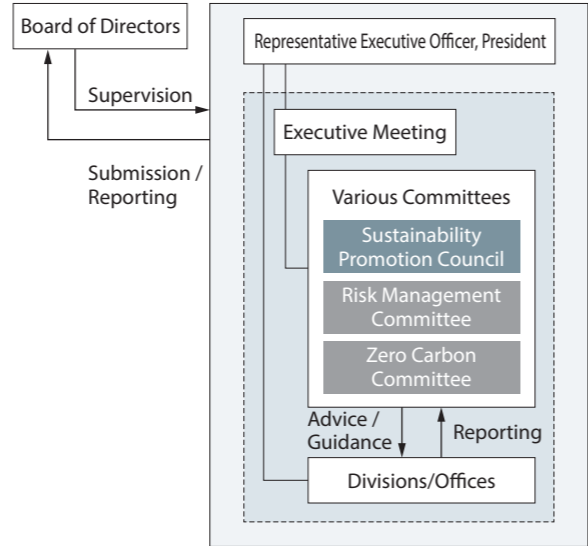
Board of Directors

The results of evaluation and monitoring are reported to the Board of Directors as needed by the above council and committees to have them reviewed and subsequently reflected in the Group's plans and policies. For example, the Zero Carbon Committee discussed the Kansai Electric Power Group Zero Carbon Roadmap*2, which was then announced in March 2022 after being reviewed by the Board of Directors.

Furthermore, for our inside directors, we are working to create a more robust governance system for climate change by linking the climate change targets in the division and the director's compensation.

*1 For more details on risk management, see page 95.
*2 For more details on the Zero Carbon Roadmap, see page 33.
*3 For more details on ESG-related compensation, see page 86.

Climate change governance system



Strategy

Climate change risks and opportunities

Our Group has identified the following climate change risks and opportunities in our Group and have properly reflected in the Group's strategy. These risks and opportunities are identified after discussions at the Sustainability Promotion Council in reference to classifications in the TCFD Recommendations.

Category	Risk description	Occurrence period*1		High degree of impact*2
		Short to medium term	Long term	
Transition risks	Policies	Lower thermal power generation operation rates due to restrictions on CO2 emissions such as introduction of carbon prices	○	○
		Uncertain investment predictability due to intense competition and institutional changes with respect to renewable energy development	○	○
	Technology	Lower demand for grid power due to widespread distributed energy resources, etc.		○
	Market	Lower sales of environmentally unfriendly products	○	○
	Reputation	Lower public acceptance of nuclear power generation		○
Physical risks	Acute	Higher restoration and countermeasure costs of power generation, transmission, and distribution facilities due to extreme weather events	○	○
	Chronic	Lower hydropower generation operation rates due to changes in precipitation*3	—	—

Category	Opportunity description	Occurrence period*1		High degree of impact*2
		Short to medium term	Long term	
Energy source	More competitive nuclear power generation	○	○	○
Products and services	Changes in electricity use associated with technological innovation in distributed energy resources, etc.		○	
Market	Increased opportunities for investment in renewable energy	○	○	
	Increased revenue opportunities associated with zero carbon initiatives	○	○	○
	Higher electricity demand due to increase in electrification	○	○	○
Resilience	Increased confidence of customers and society and the resulting business opportunities, all brought about by a resilient business foundation.	○	○	

*1 Short to medium term: from present to 2030, long-term: from present to 2050.
*2 Evaluated based on the risk map (details on page 96). The evaluation, however, is not conclusive and is subject to change due to changes in external conditions such as national policies and energy affairs.
*3 Occurrence periods are not evaluated due to the chronic nature of the risks.

The Group's climate change strategies

The Group's climate change strategies take into account the risks and opportunities mentioned above. For example, we set out the Zero Carbon Vision 2050 in March 2021 and the Zero Carbon Roadmap in March 2022.

For more details, please refer to the Kansai Electric Power Group website and page 33 of this report.

Scenario toward 2050

Scenario analysis results

We conducted a scenario analysis to evaluate the resilience of the Group's climate change strategies, including the Zero Carbon Vision and the Zero Carbon Roadmap.

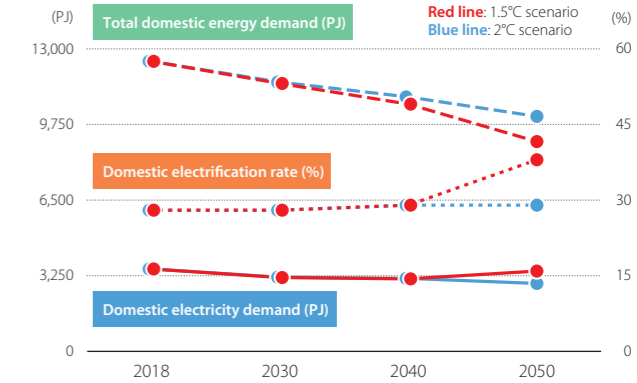
Specifically, the analysis was conducted on the following two scenarios, taking into account data published by the IEA, etc. on future demographics and electricity demand.

Note: This scenario analysis is based exclusively on potential future events and therefore does not guarantee the results.

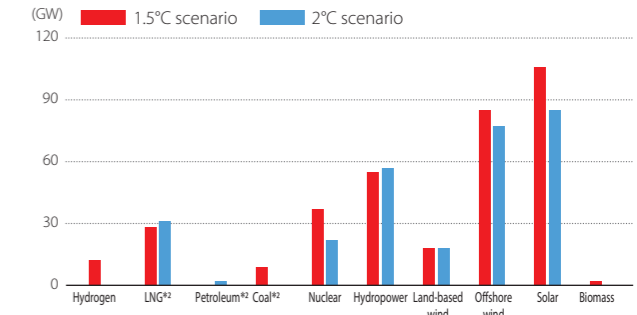
1.5°C scenario	• Nuclear power plants continue to operate*1 at current levels as thermal power generation decarbonization technology becomes available*2. • Global warming at 1.5°C above pre-industrial levels (with carbon neutrality achieved in 2050)
2°C scenario	• Nuclear power plants are phased out, and thermal power generation decarbonization technology is not available. • Global warming at 2°C above pre-industrial levels (with domestic CO2 emissions in 2050 reduced 80% from 2013 levels)

*1 Assuming that the current output is maintained.
*2 Assuming that CCUS, hydrogen exclusive firing, ammonia co-firing technologies become available.

Total domestic energy demand up to 2050 and trends in electrification and electricity demand*1



Installed capacity by power source in 2050 (GW)



*1 Industrial energy demand derives from the "Energy and Economic Statistics," published by the Energy Data and Modelling Center (EDMC); 1% energy saving is anticipated annually until 2050.
*2 Zero carbon electrification in the 1.5°C scenario

On the demand front, the 1.5°C scenario necessarily involves greater energy conservation and electrification. On the power supply front, meanwhile, the preconditions include nuclear power plants operating at current levels, thermal power generation decarbonization technology to achieve zero carbon in all power sources, and expansion in the renewable energy development. In the end, compared to the 2°C scenario, the 1.5°C scenario is difficult to achieve without stringent measures/regulations and breakthrough innovation.

Addressing Climate ChangeEX

Financial impacts

Based on the analysis results of the given scenarios, the following shows the factors impacting the Group’s financial performance and ongoing measures to handle these issues.

Major factors impacting financial performance*1	Ongoing measures, etc.	Financial information
CO2 emission regulations, etc. to achieve the national energy mix target impact the Group's power source operation, resulting in fluctuations in sales and revenue.	<ul style="list-style-type: none">Co-firing and exclusive firing of zero-carbon fuels are being reviewed, along with the evaluation and introduction of CCUS technology.Future plans include restarting idled nuclear power plants, shifting to advanced operations, and constructing, expanding, or replacing reactors.Renewable energy is being developed domestically, with focus on offshore wind power generation.Refurbishment of hydropower facilities (replacement of water turbine generators) is underway for continued utilization.	<ul style="list-style-type: none">Thermal power generation output (excluding that of affiliates): 47 billion kWh (FY 2021)Actual amount of revenue affected by 1% nuclear capacity factor: 4.3 billion yen (FY 2021)Renewable energy investment target: roughly 1 trillion yen by 2040
Local power generation for local consumption increases with distributed energy resources becoming widespread, which in turn puts downward pressure on grid power demand, sales, and revenue.	<ul style="list-style-type: none">Efforts are underway to develop and promote distributed energy solutions such as storage batteries and EVs.Risks of reduced wheeling revenue due to lower grid power demand are minimized to secure revenue, by accommodating institutional changes, for example.	<ul style="list-style-type: none">Light and power revenue: 1.6137 trillion yen (FY 2021)Wheeling revenue: 734.2 billion yen*2 (FY 2021)
Grid expansion costs increase with new power sources (including renewable energy) introduced.	<ul style="list-style-type: none">Efforts are underway to cut grid expansion costs by upgrading grid operations and harnessing renewable energy, for example.Investment costs in making renewable energy as the main power sources are minimized to secure revenue while accommodating institutional changes, etc..	<ul style="list-style-type: none">Power transmission and distribution facilities expansion costs (average between 2017 and 2021): 39.9 billion yen*2
Costs increase to respond to damage caused by intensified natural disasters due to climate change.	<ul style="list-style-type: none">Initiatives are underway to ensure expedited recovery from disasters (group-wide comprehensive emergency response drills, etc.).Power transmission and distribution facilities are being reinforced to increase resilience, thereby minimizing damage from disasters.To secure revenue, costs to recover from disasters are minimized by accommodating institutional changes, for example.	<ul style="list-style-type: none">Loss due to damage caused by Typhoon No. 21 in 2018: Approximately 12.8 billion yen

*1 The factors are identified based on the scenario analysis results, thus subject to change according to external conditions such as national policies and energy affairs.
*2 Subject to change under the new wheeling pricing system.

As we are committed to implementing measures declared in the Group’s strategies, including the Zero Carbon Vision and the Zero Carbon Roadmap, our businesses are sufficiently resilient in the event of both the 1.5°C scenario and the 2°C scenario. Efforts are also underway to promote nuclear energy, leverage thermal power generation decarbonization technology, and expand new development of renewable energy, each being key to realizing the 1.5°C scenario. We are thus potentially capable of achieving carbon neutrality in a relatively advantageous position by 2050, based on the perspective of “S+3E.”

Focusing on “S+3E,” we are committed to achieving carbon neutrality while flexibly adjusting our strategies to achieve progress in our initiatives, technological development, energy policy trends, etc.

Risk management

Risks associated with our business activities are to be managed autonomously by each operating division (including our group companies). We shall enhance risk management for risks considered to have cross-organizational importance including the supervision of departments with specialized expertise on said risks that can provide advice and guidance to various

operating divisions.
As climate change poses significant risks to the Group’s business activities, efforts are underway to properly control various risks caused by climate change.
Specifically, a system to control company-wide risks along with other risks excluding those related to climate change (e.g., financial risks) determines the significance of each risk in view of its possible impact and probability, the results of which are plotted on a risk map so as to enable an overview of the status of risk management.

Moreover, risk assessment results are presented to the Executive Meeting and the Sustainability Promotion Council, with necessary risk control measures reflected in the Group’s plans and policies to ensure sustainable growth in the future.
For more information about risk management, refer to page 95.

Metrics and targets

We will work together with all stakeholders to realize the Zero Carbon Vision 2050 while helping society achieve zero carbon and become sustainable.

Zero CO2 emissions from our business activities (by 2050)

Targets set in the Zero Carbon Roadmap

Reduce CO2 emissions from power generation by 50% by FY 2025 (compared to FY 2013) and maintain industry-leading reduction levels.

Provide services to help customers and society reduce CO2 emissions by over 7 million tonnes (by FY 2030).

Decrease the CO2 emission factor of electricity supplied to customers to industry-leading levels (by FY 2030).

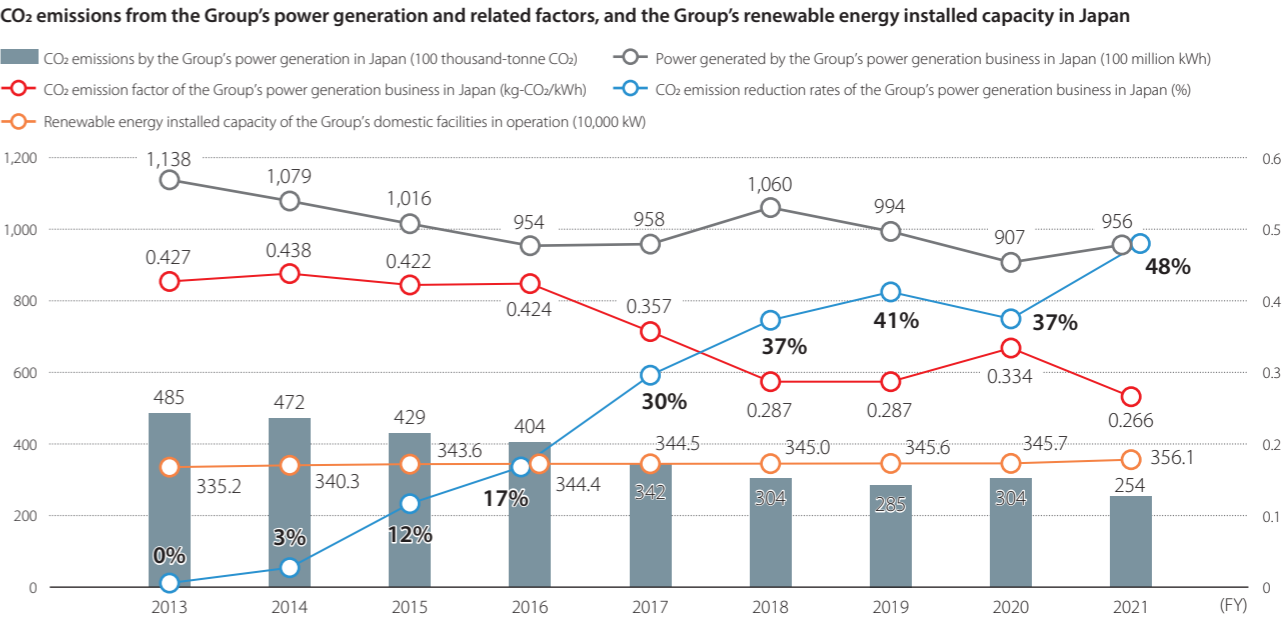
Completely electrify over 5,000 vehicles owned by the Group (by FY 2030).

New development of renewable energy domestically at a 5 GW scale and achievement of a 9 GW scale of cumulative capacity (by 2040).

Fiscal 2021 results

The Group’s CO2 emissions originating from its domestic power generation amounted to around 25.4 million tonnes in fiscal 2021; emissions have been on the decline since the benchmark year of 2013. As a leading company in zero-carbon energy, we are committed to safe, stable operation of nuclear power plants and development and promotion of renewable energy. These efforts have resulted in a 48% reduction in CO2 emissions from the levels in 2013.

Domestic renewable energy development and expansion of overseas operations, meanwhile, translated into a renewable energy installed capacity of 4.246 GW as of the end of fiscal 2021 with projects going onstream at home and abroad.



Green bond issuance

We issued the “Kansai Electric Power Green Bond” in April 2022, a bond earmarked for investments in environmental improvement projects. It is designed to promote initiatives presented in the Zero Carbon Vision 2050 by leveraging SDG financing. We, as a leading company in zero-carbon energy, are committed to working toward a more sustainable society.

Kansai Electric Power Green Bond	Issuance date	Tenor	Issuance amount	Interest rate	Use of proceeds	Association with SDG targets
The 547th bond	April 14, 2022	5 years	30 billion yen	0.330%	Development, construction, operation, and renovation of renewable energy projects (hydro-, wind-, and solar-power); survey and demonstration of hydrogen-related projects; energy creation/storage promotion projects	7 AFFORDABLE AND CLEAN ENERGY, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION
The 548th bond	April 14, 2022	10 years	25 billion yen	0.574%		

Allocation of green bonds and environmental improvement effects

To be announced around May 2023

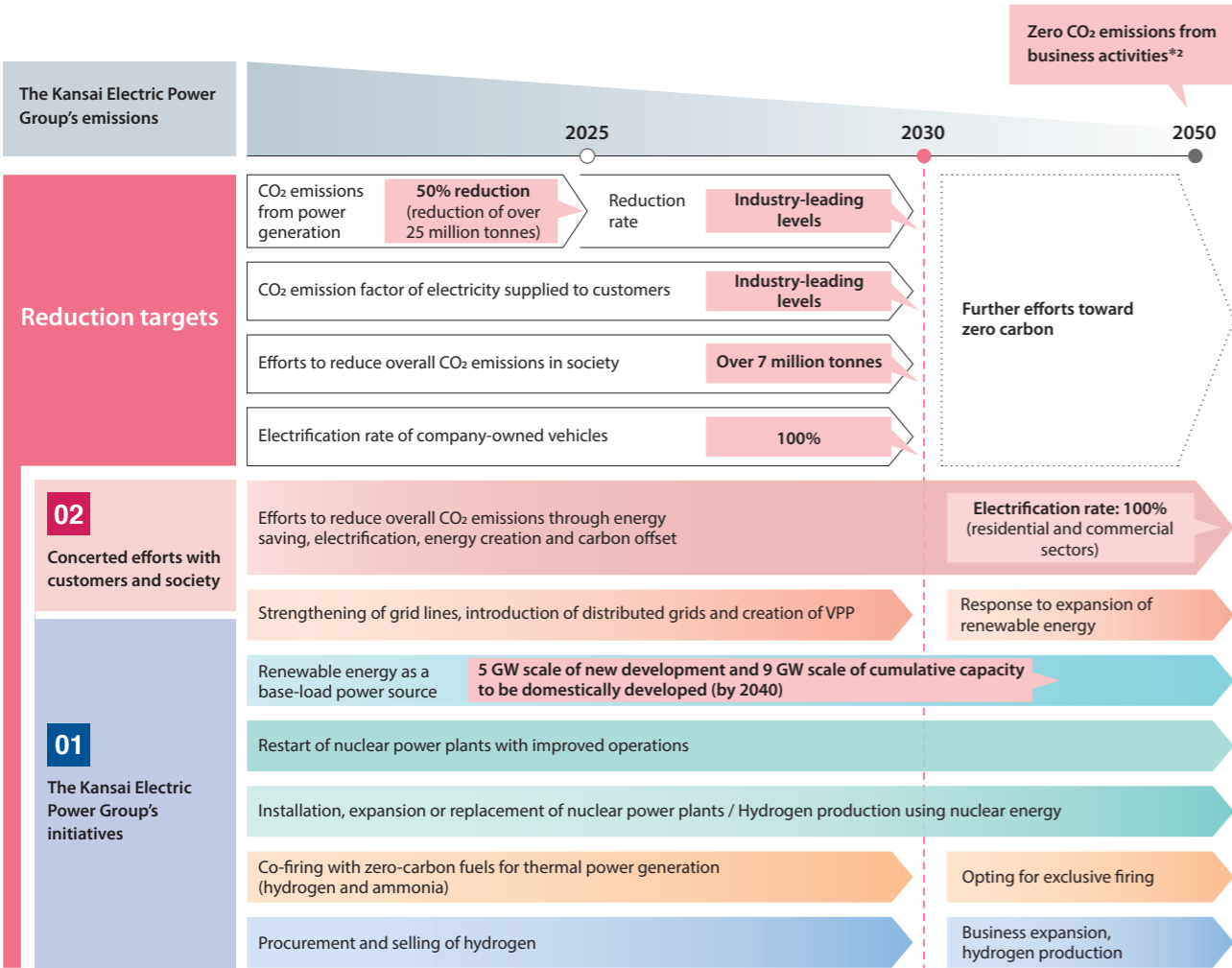
Zero Carbon RoadmapEX

Our Group is committed to helping society achieve zero carbon in addition to making its operations carbon-free. This involves cooperation with all stakeholders, including customers, business partners and municipalities. We, therefore, have developed the Zero Carbon Roadmap with our commitment represented in the slogan “Take action together toward zero carbon.” We, as a leading company in zero-carbon energy, are committed to taking initiatives for realizing a decarbonized society by 2050.

Roadmap overview, and initiatives and reduction targets toward fiscal 2030

The Zero Carbon Roadmap sets the course toward Zero Carbon Vision 2050*1. Toward fiscal 2030, we will steadily reduce CO₂ emissions from the power generation by our Group.

Based on the above, we will help customers and society reduce CO₂ emissions. Accordingly, we will strengthen the resilience of power grid networks while modernizing them in the transmission and distribution business.

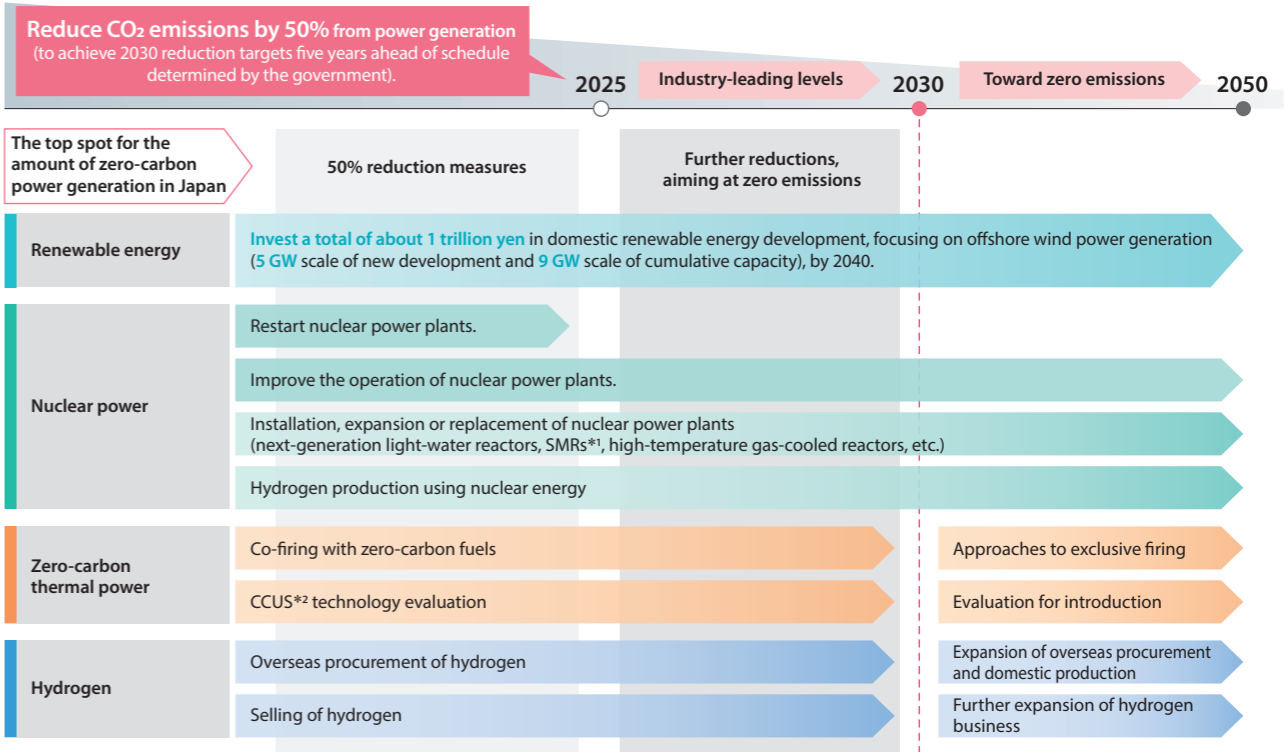


*1 The vision's three key approaches (on the demand, supply and hydrogen sides) are divided into two categories: concerted efforts with customers and society, and the Kansai Electric Power Group's initiatives (including on hydrogen).

*2 The roadmap will be revised in response to technological advancement and changes in policies and regulations to ultimately eliminate CO₂ emissions from business activities (including those of affiliates).

01 The Kansai Electric Power Group's initiatives

- Operate nuclear power plants in a safe, stable manner and reduce CO₂ emissions from power generation by 50% by fiscal 2025 (reduction of over 25 million tonnes).
- Achieve further reductions for fiscal 2030 with a focus on nuclear and renewable energy while maintaining industry-leading reduction levels.

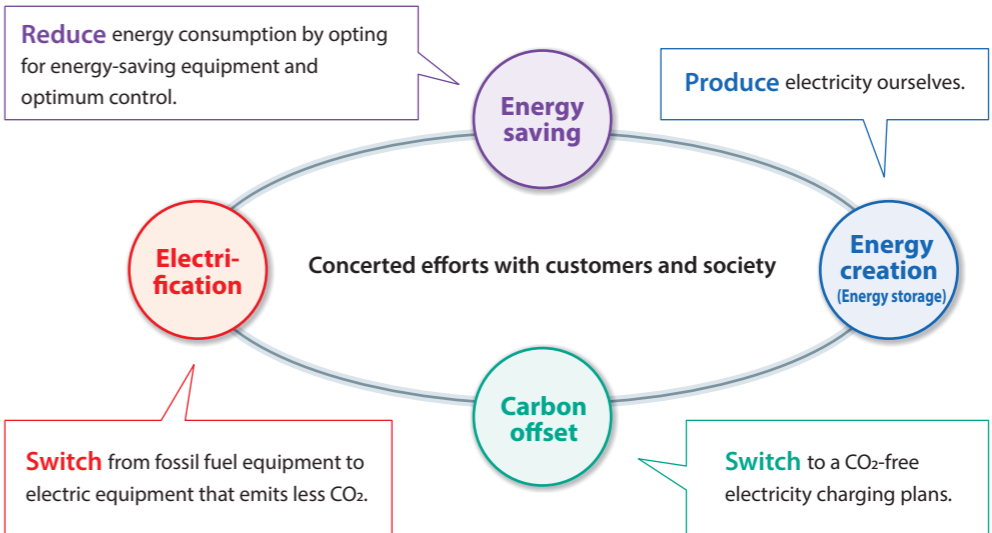


*1 SMR: Small Modular Reactors

*2 CCUS: Carbon dioxide Capture, Utilization and Storage, where CO₂ is recovered from exhaust gases for utilization or storage underground.

02 Concerted efforts with customers and society

Our Group is committed to making concerted efforts with customers and society, focusing on energy saving, electrification, energy creation (energy storage) and carbon offset, for a reduction of over 7 million tonnes of CO₂ emissions by fiscal 2030.



01 The Kansai Electric Power Group's initiatives

Renewable energy

- The Kansai Electric Power Group, as a leading company in zero-carbon energy, is committed to proactively developing renewable energy based on its improved development promotion system, focusing on offshore wind power generation, which has great development potential.
- Through investment of a total 1 trillion yen in domestic projects, we aim to develop 5 GW scale of new development and to achieve 9 GW scale of cumulative capacity by 2040.

Toward the goal

Accelerate development of renewable energy by leveraging our technological prowess in power generation, as well as knowledge and know-how originating from domestic and overseas offshore wind power projects, while enhancing cooperation with other companies.

New development 5 GW scale

Cumulative capacity 9 GW scale


to be domestically developed by 2040

Accelerate development toward 2050


Development efforts made so far

We have developed and own one of the largest domestic hydropower plants and are developing various renewable energy resources
(leveraging expertise gained from overseas projects to develop and promote domestic projects).

Domestic




Biomass:
Kanda Biomass Power Plant




Offshore wind:
Port of Akita and Port of Noshiro Project*
(Source: Akita Offshore Wind Corporation)

Overseas



Offshore wind: Triton Knoll Project

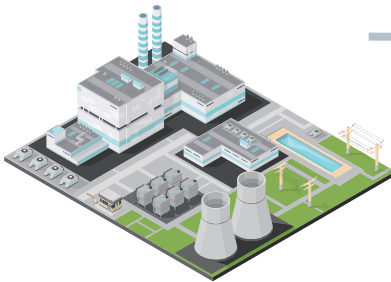


Hydropower: Nam Ngiep 1 Project

Nuclear power

- Giving top priority to safety, the Kansai Electric Power Group will leverage nuclear energy as much as possible.
- Efforts are underway to improve the operation of nuclear power plants and develop and promote next-generation options such as light-water reactors, with replacement in mind, while extracting the full potential of nuclear power for hydrogen production.

Extracting the full potential of nuclear power



Approach 1

Improving the operation of nuclear power plants

- Referencing measures at nuclear power plants overseas, discuss our initiatives to improve the operation rate (flexible operation period, optimization of the timing, period of inspections, and more).

Approach 2

Installation, expansion and replacement

- Work with plant manufacturers to design next-generation light-water reactors that outperform existing reactors in safety and cost efficiency.
- Gather knowledge on next-generation reactors being developed at home and abroad (such as SMRs and high-temperature gas-cooled reactors with great potential) to study technical feasibility.

Approach 3

Hydrogen production using nuclear energy

- Extract the full potential of nuclear energy, which constantly produces a massive amount of zero-carbon electricity, to use the electricity and heat it produces for hydrogen production in the future.

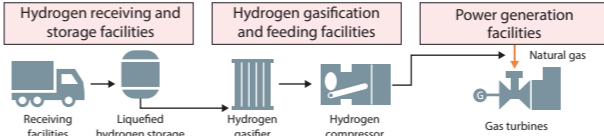
Zero-carbon thermal power

- As for LNG thermal power generation, we will study co-firing with zero-carbon fuels for realization in around 2030 by modifying and replacing existing plants, targeting exclusive firing by 2050.
- As for coal-fired thermal power generation, we will study co-firing with zero-carbon fuels for realization in around 2030, and proceed to evaluate CCUS technology for future introduction.


Demonstration of power generation by co-firing and exclusive firing of hydrogen at our existing thermal power plant

Using our existing thermal power plant (gas turbine power generation facilities), we will establish operational techniques for hydrogen power generation (including operation, maintenance and safety measures) to realize power generation by co-firing and exclusive firing of hydrogen (adopted by NEDO's Green Innovation Fund Project).

Process flow from receipt of hydrogen to co-firing and exclusive firing



Schedule and implementation flow



Contribution to realizing CCUS

Cooperation in the demonstration project of CO₂ Capture System using solid sorbents*1


- An agreement was signed with Kawasaki Heavy Industries, Ltd. to manage a part of construction work for demonstration plant of CO₂ capture system with low energy consumption which is under construction at Maizuru Power Station as part of the NEDO project.
- The commissioning run will start in fiscal 2022, to be followed by demonstration from fiscal 2023.

*1 "Applied research on coal combustion waste gas and advanced carbon dioxide solid absorption materials"

Cooperation in the technology development and demonstration of ship transportation of liquefied CO₂*2

- An agreement was signed with Japan CCS Co., Ltd. to assist construction of a liquefied CO₂ shipping base which will be constructed at Maizuru Power Station as part of the NEDO project.

*2 "CCUS research and development/demonstration project / Large-scale CCS demonstration project in Tomakomai / Demonstration test related to CO₂ transport"



Perspective drawing of demonstration plant

Hydrogen

- In terms of procurement of zero-carbon fuels, we are making efforts to prepare for establishment of fuel hydrogen supply chain including participation in feasibility studies and demonstration projects extensively.
- We plan to begin procurement of hydrogen from overseas mainly for demonstration projects around 2025 in a gradual manner. With regard to the large-scale and commercial procurement of cost competitive hydrogen, we are targeting the year of 2030.
- We will provide the above-mentioned hydrogen to the thermal power plants with zero carbon target and make efforts to produce hydrogen as well as start selling our procured hydrogen to our transport and industrial customers step by step around 2025 and aim for expanding our hydrogen business in and after 2030.

Hydrogen supply chain

Production	Storage and transportation	Utilization
<p>Overseas procurement</p> <p>We will begin hydrogen import around 2025 and will increase imported hydrogen around 2030.</p>	<p>Receiving and supply base</p> <p>Conduct research and feasibility studies to start and expand operation of base infrastructure for fuel hydrogen utilization targeting around 2030.</p>	<p>Our thermal power plants</p> <p>Aim for realization in co-firing with zero-carbon fuels in around 2030 and exclusive firing by 2050.</p>
<p>Domestic production</p> <p>Aim for commercial production by renewables in and after 2030. Make steady efforts to produce hydrogen using nuclear power.</p>		<p>Selling</p> <p>Phased selling will begin around 2025 aiming for business expansion around 2030.</p>

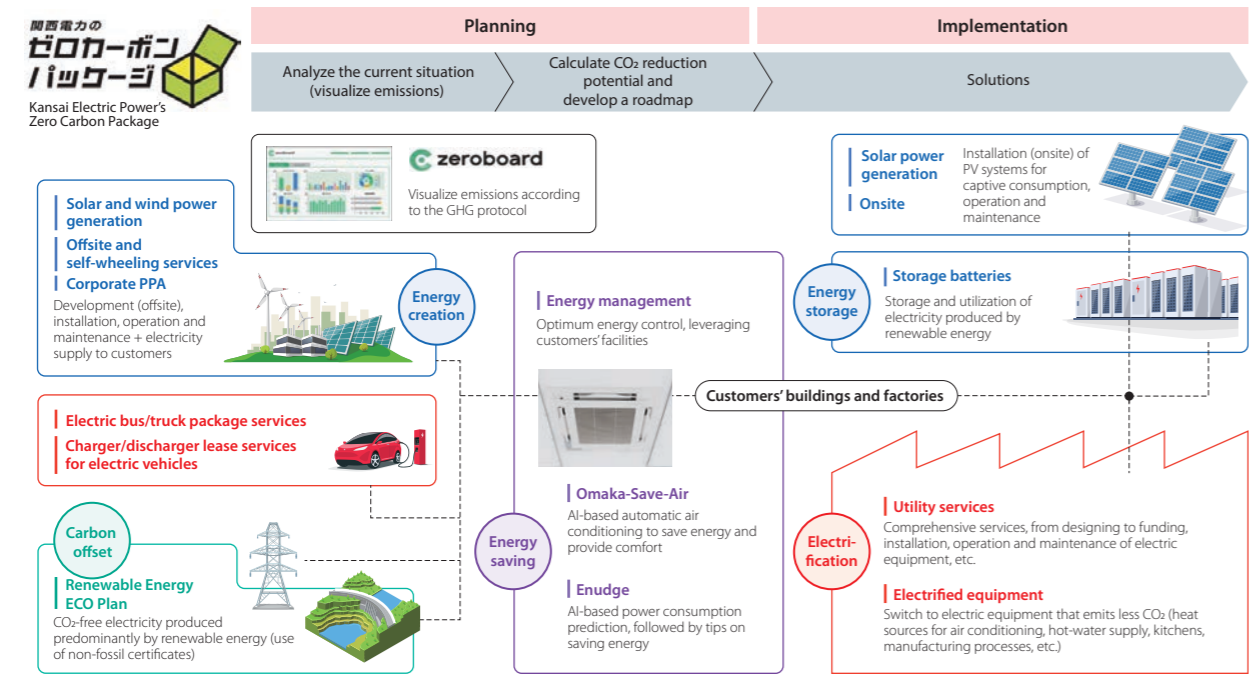
Target 30% share of nationwide market in 2050

Zero Carbon RoadmapEX

02 Concerted efforts with customers and society

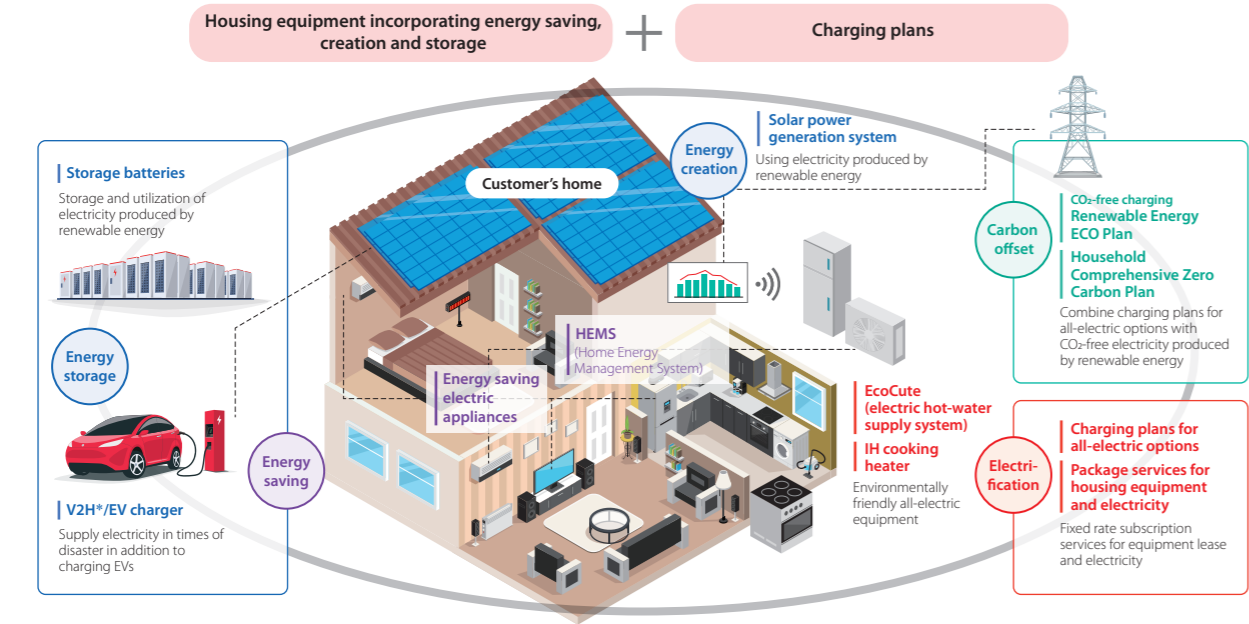
Commercial and industrial sectors

- We offer a variety of services from planning to implementation of zero carbon measures (Zero Carbon Package), with solutions customized according to customers' needs, to jointly reduce overall CO₂ emissions from the commercial and industrial sectors.



Residential sector

- With focus on electrification through promotion of charging plans for housing equipment incorporating energy saving, creation and storage and for all-electric homes, we offer solutions such as flat-rate package options for housing equipment and electric bills, and the Household Comprehensive Zero Carbon Plan, which combines CO₂-free electricity charging plans.
- Accordingly, we cooperate with customers in reducing CO₂ emissions from the residential sector.



*V2H: Vehicle to Home, where the electricity stored is used to power housing equipment in addition to charging EVs.

Transportation sector

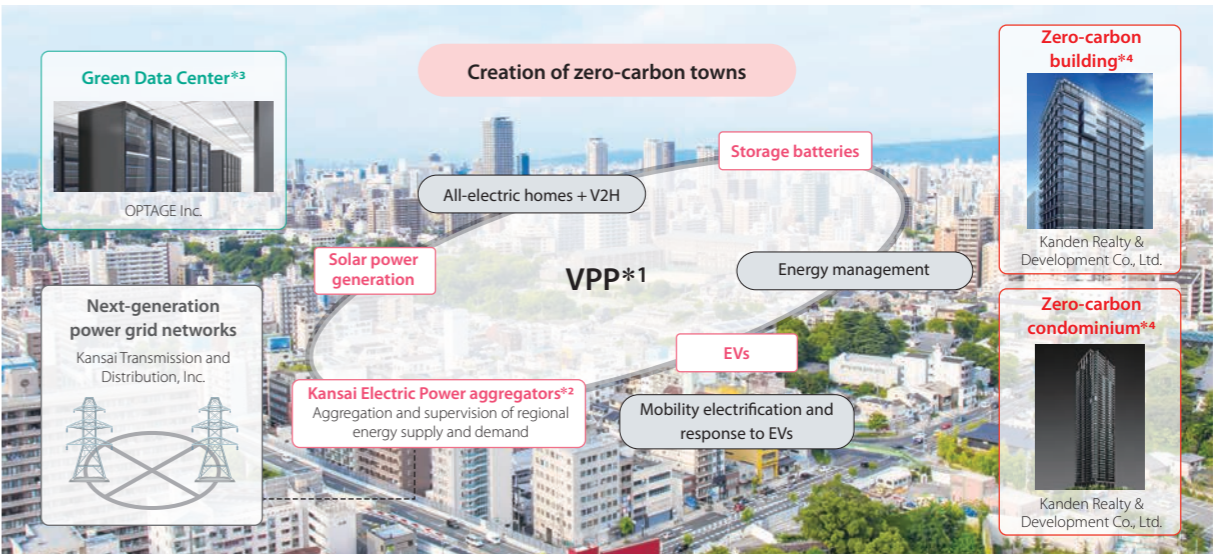
- We offer one-package services (charging services coupled with EV introduction, energy management, etc.) to jointly reduce overall CO₂ emissions from the transportation sector.
- We help introduce electric vessels and flying vehicles to electrify land, sea and air mobility, thereby contributing to achieving a zero-carbon society.



*1 Versatile, eco-friendly land/air/sea mobility provides seamless and comfortable transportation inside and outside the Expo venues. *2 BCP: Business Continuity Planning

Community sector

- Taking into account various community challenges (regional economic revitalization, resilience improvements, etc.), we cooperate with stakeholders such as municipalities and developers and provide wide-ranging services incorporating the Group's various solutions and new technologies, thereby contributing to achieving a zero-carbon society.



*1 VPP (Virtual Power Plant): A system to integrate and control distributed energy sources for electricity supply/demand management, designed to simulate the function of a power plant.
*2 Aggregators: Business operators who aggregate power demand from single or multiple customers to create VPPs.
*3 Green data center: An energy-efficient, eco-friendly data center that uses renewable energy and incorporates high-efficiency equipment and air-conditioning systems.
*4 Zero-carbon buildings and condominiums: Energy-efficient, all-electric buildings and condominiums (ZEB oriented/ZEH-M oriented or greater) powered by decarbonized energy sources to achieve zero carbon.

Commitment to Solutions

Our 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.

While customers and society have increasingly different needs, with social changes triggered by the global decarbonization movement and COVID-19 infection, we are committed to exceeding customers' expectations so that they will continue to select the Kansai Electric Power Group. Specifically, we are addressing head-on the needs and problems of customers and society while expanding and providing valuable service solutions for home use, businesses and communities.

Kansai Electric Power's initiatives

Services for residential customers

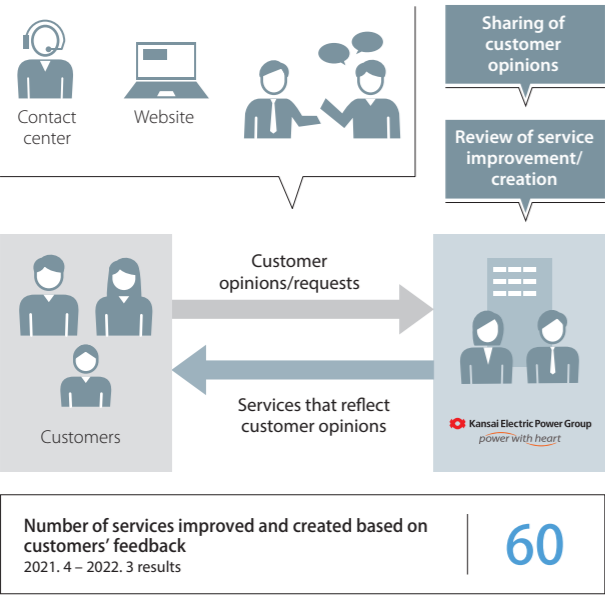
We offer a variety of services to help customers live comfortably, conveniently and economically. These include electric bill structures that meet customers' lifestyles, combined price plans for gas and electricity, total electric conversion for a zero-carbon life and integrated plans for energy and electric equipment.

We also have services that are helpful for our customers' daily lives, including a service to dispatch support personnel to customers experiencing problems, such as sudden power outages, as well as opening an EC mall designed to make life more convenient. All these solutions are available, tailor-made to the needs and lifestyles of customers.

As an energy company, we will continue to promote initiatives for customer satisfaction.

Capturing customers' feedback to create and improve services

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



Services for corporate customers

We offer a wide range of services, including energy sales, energy management system services, energy solutions (PV, storage batteries, electrification, etc.), mobility services and business solution services. All these are designed to help customers solve increasingly diversified and complex management and social issues, such as growing environmental needs associated with decarbonization and carbon neutral initiatives, and constantly changing business environments due in part to intensifying natural disasters.

Concrete measures

<Example of on-site solar power generation services provided>

We provided on-site solar power generation services to Trial Company, Inc., where the Super Center Tondabayashi (Osaka Prefecture), a supermarket opened in the spring of 2020, uses green electricity to power the entire store, thereby contributing to environmental conservation.

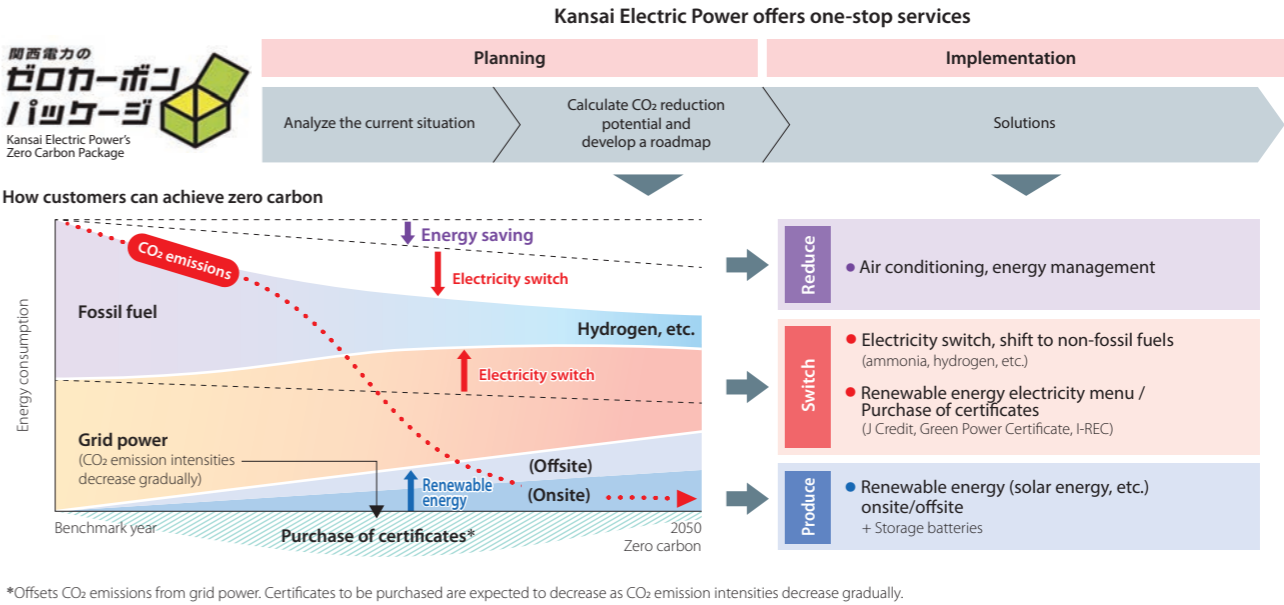
They plan to continue using the services and opt for solar power generation for captive consumption while looking at combining solar power generation with storage battery solutions as part of its Business Continuity Plan (BCP). We will therefore further strengthen our partnership to help them expand their business.



Trial Company logo and solar panels

The "Zero Carbon Package" solution

For customers nationwide, we offer customized solutions that feature a variety of services, from planning to implementation of specific measures, taking into account the decarbonization needs unique to each customer.



Joint efforts between Kansai Electric Power Co., Inc. and Kansai Transmission and Distribution, Inc.

Smart Pole demonstration

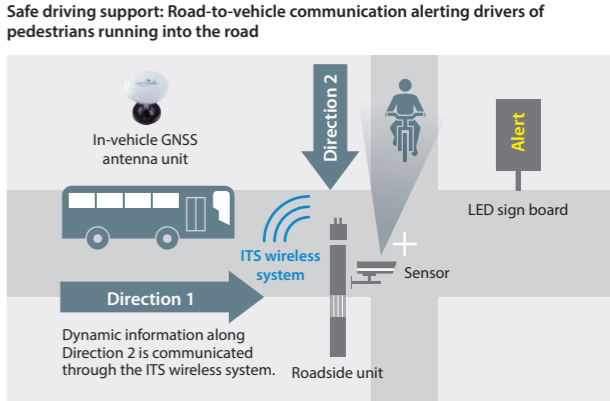
The Kansai Electric Power Group demonstrated the Smart Pole from January to June 2022 at Yumeshima, where the World Expo 2025 Osaka, Kansai, Japan will be held. The demonstration involved the poles powered with solar electricity, wireless charging of smartphones, Wi-Fi performance evaluation, and testing of the poles' salt and wind resistance. The performance of non-contact charging devices at drone ports was also examined, along with the anti-crime and monitoring performance of the cameras installed in each pole and drone.



Demonstration of the Smart Pole at Yumeshima, designed based on the anime "Evangelion"

Kansai Transmission and Distribution envisions the Smart pole as a "platform to create the future and provide links among cities." Using these poles, Kansai Transmission and Distribution is committed to solving social problems and contributing to the development of local communities.

For example, in April 2022 in Sanda City, Hyogo, twelve companies including Kansai Transmission and Distribution, Inc. conducted demonstrations where support systems for safe driving and monitoring were tested. Specifically, we verified the effectiveness of the safe driving support system using pole-assisted "road-to-vehicle communication" and "vehicle-to-vehicle communication" with bicycles, assuming a situation where a bus drives through an intersection with blind corners that make it difficult to detect pedestrians.



The ITS (Intelligent Transport Systems) is a system where information is shared between drivers, roads, and vehicles to solve a variety of problems such as traffic accidents, traffic jams, and environmental issues.

The GNSS (Global Navigation Satellite System) is a system where satellites orbiting at an altitude of tens of thousands of kilometers provide location data at an accuracy of within a few centimeters.

The ITS wireless system is wireless communication for ITS where the 700 MHz band is primarily used to communicate massive amounts of data, including target mobility information to be provided to vehicles, etc.

Kansai Transmission and Distribution leverages the Smart Pole to provide new value, creating the Smart Pole platform for a variety of business operators by diversifying the way electricity is provided.

Promoting Innovation

We will create new value and provide a broad range of solutions to meet developing social issues in the energy and non-energy fields by further accelerating innovation, while leveraging advantages from the comprehensive strength of the Group. Our Group defines innovation as being excellent in both the ability to create new businesses and services and the ability to reform operations of existing businesses, with an established system that nurtures autonomous and sustainable innovation. We are strengthening our structures and building systems capable of promoting these goals.

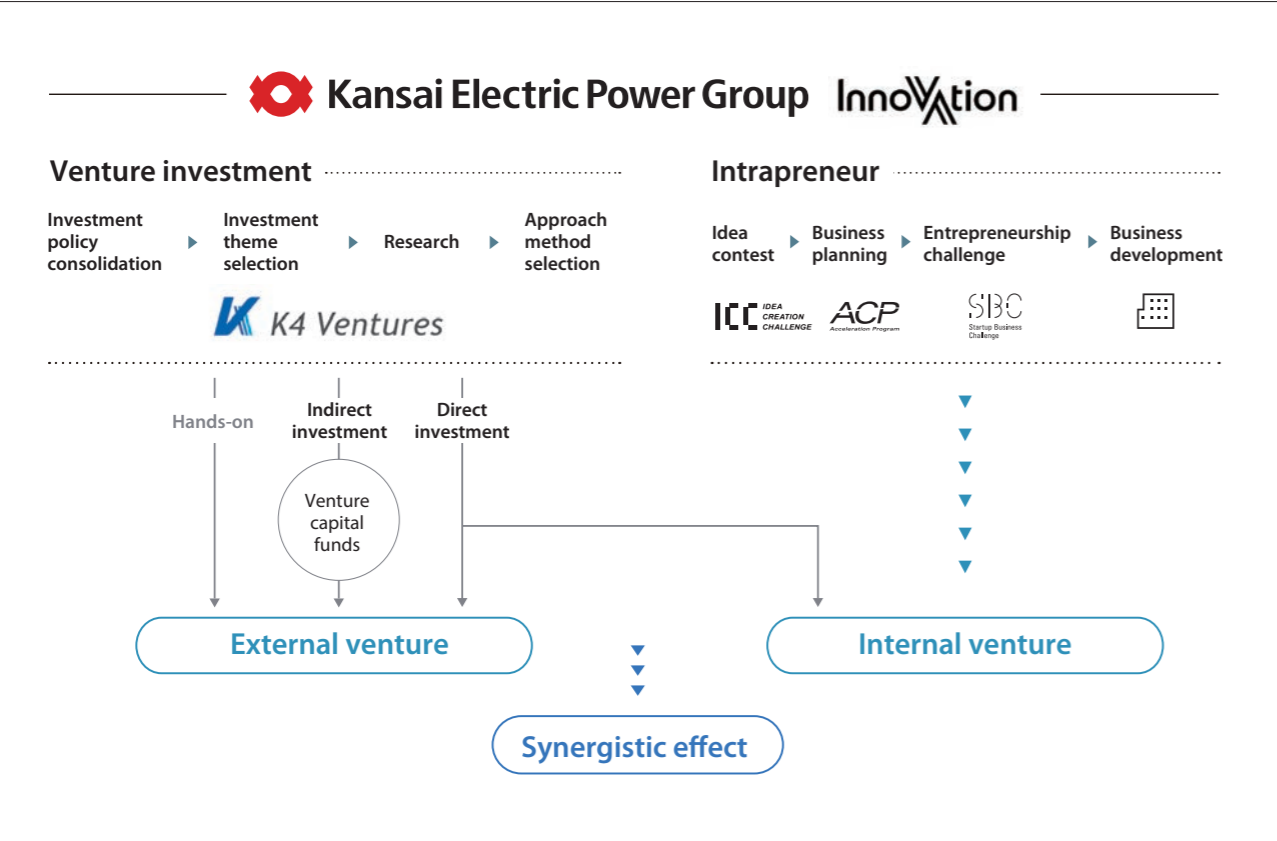
Cooperation with outside organizations and structural enhancements to promote innovation

In 2019, we set up an Innovation Lab in the Office of Corporate Planning as a hub to further accelerate innovation while leveraging the Group's comprehensive strength.

Besides promoting, coordinating and steering innovation across the Group, the Innovation Lab will advance the creation of new businesses and services not only in the energy field but also in the non-energy field in collaboration with external venture companies.

In the energy field, we are moving ahead on renewable energy, storage batteries, and other new energy-related businesses with an eye toward a zero-carbon society.

In fields other than energy, we are engaged in business development activities aiming to contribute to solving social issues mainly in agriculture/food areas, drawing on the strengths of our core businesses.



K4 Ventures GK

In order to strengthen our collaborative efforts with venture companies that possess innovative technologies and business models, K4 Ventures GK, the investment entity of the Group (hereinafter, K4V), makes direct investments in specific venture companies and indirect investment in venture capital funds. K4V supports the growth of promising venture companies through investment as well as promoting collaboration with our Company and our group companies.



Management philosophy

Challenging the unknown; entering into new fields together with venture companies

Investment targets and investment sectors

Investment targets

- Start-ups in existing business areas of integrated energy/power transmission and distribution, information and telecommunications, and life/business solutions that enable both start-ups and our Group to expect growth in businesses through collaboration
- Start-ups with innovative technologies, business models, etc. in new business fields for the Group

Investment sectors

Batteries, mobility, robotics, AI, IoT, big data, agriculture and food, etc.

Target stage

Fundamentally all stages are targets



Investment track record [Indirect investment]

Date of announcement	Investment location
2018. 6.20	EEL 4 Innovation & Impact Investment Business
2018. 9.19	Scrum Ventures 3 Fund
2019. 9.10	Global Catalyst Partners Japan 2 Fund
2020. 2.28	Future Food Fund 1
2022. 1.26	ANRI GREEN 1 Fund
2022. 6.30	ICJ 2 Fund

[Direct investment]

Date of announcement	Investment location
2018. 5. 7	Ubic, Inc.
2018.11. 1	VPP JAPAN Co., Ltd.

2018.12.28	SIRC Co., Ltd.
2019. 3. 1	EditForce, Inc.
2019. 4.12	CONNEXX SYSTEMS Corporation
2019. 4.15	NExT-e Solutions Inc.
2019. 5.23	Pixie Dust Technologies, Inc.
2019. 6. 5	Space Power Technologies Co., Ltd.
2019. 7.12	GIRASOL ENERGY Inc.
2019.10.31	Exergy Power Systems Inc.
2020. 6.29	Informetis Co., Ltd.
2020. 9.30	Next Energy & Resources Co., Ltd.
2021. 3. 2	Okage K.K.
2021. 3. 8	TERRACE MILE, Inc.
2021. 9.30	ALGO ARTIS CORPORATION
2021.11.30	WILLPORT Co., Ltd.
2022. 5.31	MEIJO NANO CARBON Co., Ltd.
2022. 5.31	PowerX, Inc.
2022. 6.30	SPACE ONE Co., Ltd.
2022. 6.30	SUCRECUBE Japon Inc.

Intrapreneur (internal entrepreneur) Promotion System

The Kanden Entrepreneurship Challenge System has been in operation since 1998, allowing employees in our Group to propose new business projects and going on to commercialize those projects that pass screening. From 2018 onward, the IDEA CREATION CHALLENGE, a contest to share new business ideas, and the Acceleration Program, which raises those ideas to the level of business plans, have been added, thus strengthening and promoting these systems that support internal entrepreneurship across those three steps.

As of the end of June 2022, ten projects have been commercialized under the Kanden Entrepreneurship Challenge System, of which five companies are continuing to develop these businesses.

<Companies with ongoing business>

- Yaala Inc. established in October 2021
- Nekojitadou Inc. established in February 2020
- TRAPOL Godo Kaisha established in October 2019
- Meteorological Engineering Center, Inc. established in September 2004
- Kanden-EL-Farm, Inc. established in January 2000

Promoting Innovation

BX

New businesses: Rising to the challenge

Pont des Tech Inc.

Pont des Tech purchases used computers from companies and upgrades their hard disks to solid-state drives, adds memory, and cleans them. It also sells high-quality computers that are affordable and safe to use. This is our first entry into the refurbished PC sales business.

In cooperation with special subsidiaries for people with disabilities, the Group will work to broaden employment options for people with disabilities to play an active role in its refurbished PC business, thereby expanding it.



Gekidan iino Godo Kaisha

Through iino, a 5 km/h mobility service created by the Innovation Lab, Gekidan iino Godo Kaisha aims to develop business at the intersection between Mobility and Culture/Entertainment. By creating a space that can be experienced only at 5 km per hour and providing content specifically for that situation, the aim is to realize transportation that is both entertaining and comfortable, as well as convenient, thereby contributing to making the places you are moving through more entertaining.



February 2022
New autonomous mobility "type-S712"
tested in Sannomiya, Kobe

Kaiko Yukinoya Godo Kaisha

In the food domain, the Group started its first "land-based aquaculture business," which contributes to the SDGs by helping solve social issues such as burdens on the marine environment and the fishing labor environment. Aquaculture facilities that consume electricity are expected to play a role in the effective use of energy resources by, for example, converting surplus energy into food products. Through the production and sale of "Yukiebi," or whiteleg shrimp, which is chemical- and additive-free and edible raw, its outstanding freshness and taste comparable to prawn, the company will work toward realizing its philosophy of "delivering valuable marine products to customers to serve and shape the vital platform for sustainable food."



Yaala Inc.

Established in October 2021 through the Kanden Entrepreneurship Challenge System. Yaala provides a facility for families with infants to stay for a certain period and supports the life of facility users after childbirth, dispatching specialists and providing opportunities for users to interact with surrounding communities.

Based on the concept of "making the start of a new family a more special time," Yaala takes on the challenge of relieving the anxiety of families raising children with regard to housework and childcare, working toward a world where no one has to give up their way of living, regardless of their family lifestyle or career.

Yaala



Nekojitadou Inc.

Established in February 2020 through the Kanden Entrepreneurship Challenge System. Founded by a former nurse Ms. Atsuko Shibata with the help of her colleagues, Nekojitadou is a company that aims to help people enduring eating difficulties due to their cancer treatment—as experienced by Ms. Shibata herself during her own treatment for cancer.

Through the sale of original cutlery (spoons, forks, etc.) designed to be used comfortably by anyone, and a community where people experiencing the same concerns can gather and connect, Nekojitadou makes opportunities to regain the joy of eating.

nekojitadou



Nekojitadou original cutlery

TRAPOL Godo Kaisha

Established in October 2019 through the Kanden Entrepreneurship Challenge System. TRAPOL provides life-changing travel services that connect travelers with local residents (local friends), allowing travelers to experience the energy of interacting with other people. The company aims to serve and shape a Vital Platform that amplifies the energy of people who enthusiastically seize the day through travel.

TRAPOL



DX Strategy

BX

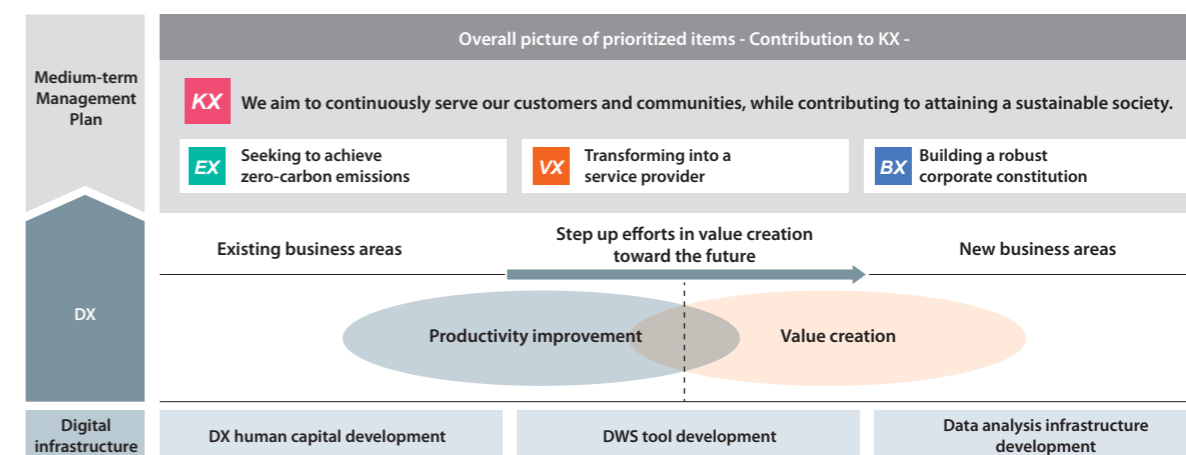
Strategy formulation and promotion structure

The Group has been proactively engaged in efforts toward improvement of productivity and new value creation through utilization of digital technology. DX is also positioned as an indispensable means for realizing the three pillars of our new Medium-term Management Plan (EX, VX, and BX).

Our respective departments are driving DX by exploring and sequentially rolling out specific DX-related initiatives based on the overall strategy, which was formulated by the DX Strategy Committee set up in June 2018 with the President as the chairman. Additionally, in August 2018, K4 Digital Co., Ltd. was established jointly with Accenture Japan Ltd. to draw on our internal and external expertise and support the initiatives of our respective departments.

DX promotion essentially requires "digital human capital" who have specialized knowledge and know-how related to digital technology. At our Group, through internal training and business execution at K4 Digital, we are working to develop human capital who can promote DX with high-level skills ranging from data analysis to digital technology-driven problem solving.

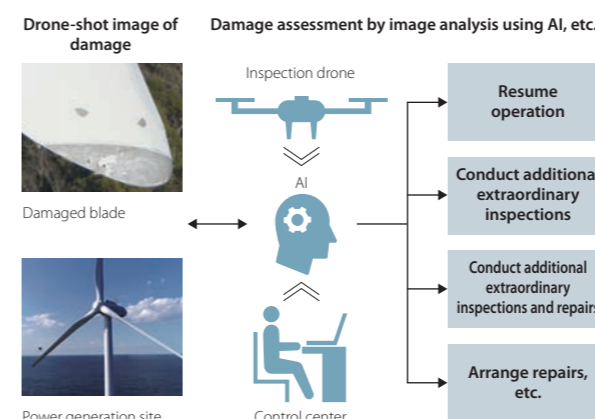
Moreover, in an effort to improve the environment for DX promotion, we are actively introducing cutting-edge IT technologies. More specifically, we have renewed the aging IT infrastructure and accelerated the shift to a highly flexible cloud environment that is suitable for DX. A data analysis platform and agile development system are also being put in place so we can proceed with DX promptly and efficiently.



Sophisticated operation and maintenance of offshore wind power facilities utilizing drones and AI image analysis

We are developing technology to allow offshore wind power facilities to check the entire appearance of a facility by drone after an emergency shutdown of power generation (safety shutdown) due to lightning strikes and other causes, and to assess damage using AI-based image analysis of damaged areas.

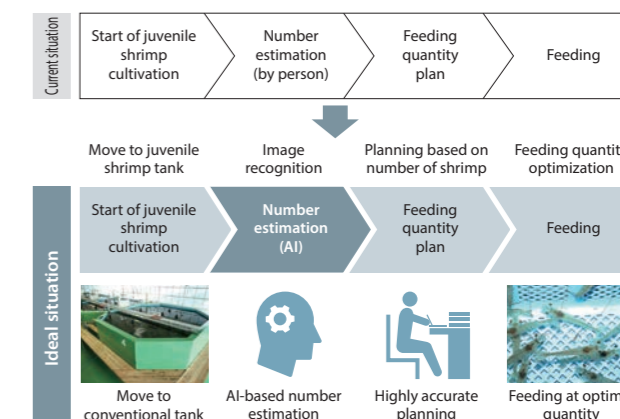
This technology will help realize next-generation operation and maintenance of wind turbines at a higher level.



Improve profitability by precisely identifying the number of shrimp using AI image analysis in the land-based shrimp aquaculture business

In collaboration with Kaiko Yukinoya, a land-based shrimp aquaculture business venture originating from our Company, we have achieved sophistication and productivity improvement in the aquaculture business using digital technology.

Counting the number of juvenile shrimp instantly and accurately at the start of cultivation by leveraging AI for image recognition has enabled highly accurate feeding and shipping plans, improving profitability.



Promoting Value Analysis (VA)



VA approach

The Group's Medium-term Management Plan sets out a goal of promoting Value Analysis (VA) to achieve "BX: Building a robust corporate constitute."

In July 2021, with strengthened procurement function, we started cost structure reform efforts in cooperation with operating divisions and group companies.

Definition of VA

VA is an approach in which the procurement and operating divisions collaborate to thoroughly examine efficiency improvement in capital investment for each operating division from all perspectives along the supply chain.

For example, in procuring materials and equipment, contracted construction work, etc., we analyze the cost structure with a focus on the original function and purpose to minimize costs by eliminating waste through specification review, equalization of the amount of materials, logistics improvement, and so on.

To this end, we are discussing ideas from many different angles and our first priority is to achieve our target budgets calculated in preparing the Medium-Term Management Plan.

Perspectives for cost reduction

Strategic perspective	Examples of viewpoints	Concrete examples
Change specifications	Change quantity	Examine closely to minimize man-hours required
	Change quality level	Reduce excessively demanding specifications
	Change method	Unify specifications among offices and with other companies
	Change special product to general-purpose product	Expand competitive orders through generalization
	Optimize life cycle cost, etc.	Cost evaluation and minimization throughout the life cycle
Change process	Change construction method	Simplified construction method, shortened construction period
	Change scope	Separation of materials and construction costs, integration of design and construction
	Change the timing of implementation	Avoiding demand concentration and periods of high prices
	Change request level, etc.	Relaxation of excessive quality requirements and supplier qualification levels
Change procurement method	Change purchasing method	Collective order, joint procurement, multi-year contract, etc.
	Change suppliers' competitive environment	Create competition, third-party, international procurement, etc.
	Work with suppliers to reduce costs	Cost reduction activities through collaboration
	Optimize supply chain	Total optimization of business process, including internal sales and outsourcing by group companies
	Strengthen bargaining power in price negotiation, etc.	Negotiation within assessed price range, comprehensive consensus building, etc.

FY 2021 achievements and future targets

VA has proved its effectiveness in the Group's overall cost reduction efforts with fiscal 2021 results (amount of cost reduced compared to the planned value when the Medium-term Management Plan was formulated) of approx. 70 billion yen, a significant reduction.

Toward fiscal 2025, we aim to achieve the Medium-term Management Plan targets.

Concrete measures

Example of cost reduction in outsourced power plant operations

We have reviewed the roles of specially appointed partner companies for the details of contracted cleaning, guarding, and vehicle operation services at our thermal power plants.

Specifically, we carefully selected the scope of consignment (locations and man-hours) and standardized the specifications, which had varied from power plant to power plant. In addition, the ordering method was also changed to reduce costs across the entirety of each of our thermal power plants.

Example of cost reduction through cost engineering* by Kansai Transmission and Distribution, Inc.

Kansai Transmission and Distribution, Inc. analyzes cost structure by disassembling the actual pole transformers.

Through these activities, the company identifies cost-cutting potentials and proposes changes in component structure, specifications, materials, number of components, etc. to its suppliers. This also encourages our suppliers to make counterproposals, thereby achieving cost reductions, including changes in types of contracts.

Furthermore, Kansai Transmission and Distribution, Inc. and the Company's Sourcing and Procurement Division are collaborating to acquire cost engineering skills by utilizing knowledge of external professionals, with the aim of insourcing and establishing such skills in fiscal 2022.



Cost engineering workshop

*Cost engineering: Skills to analyze costs based on knowledge of the market, suppliers, product manufacturing and processes, and technologies owned by each division, in order to calculate an ideal cost to formulate cost reduction strategies

Human Capital Strategy



Respect for human rights

Policies

As stated in the Kansai Electric Power Group Code of Conduct that our Group regards human rights as a universal value shared by the international community, supports international norms on human rights, and respects human rights in all its business activities, we have been promoting initiatives to encourage the respect of human rights.

Today, in light of the heightened awareness of respect for human rights in society, including the issuance of the National Action Plan on Business and Human Rights (NAP), in December 2021 we established the Kansai Electric Power Group Human Rights Policy in compliance with the Guiding Principles on Business and Human Rights.

This policy serves as a top-level human rights policy based on the Kansai Electric Power Group Management Philosophy Purpose & Values and the Kansai Electric Power Group Code of Conduct.

In accordance with the International Bill of Human Rights, the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO), and international human rights norms, the Group is committed to preventing and reducing negative impacts on human rights in various forms of human rights violations such as human trafficking, forced labor, and child labor related to business activities. We will fulfill our corporate responsibility for respecting human rights and support the realization of a society where the dignity and rights of all human beings are respected.

Initiatives for raising human rights awareness and harassment prevention

The Kansai Electric Power Co., Inc. and Kansai Transmission and Distribution, Inc. provide human rights training to management and all employees on a continuous basis to deepen their understanding and recognition of our corporate responsibility to respect human rights, and to enable each and every employee to take responsible action in all business activities.

Particularly with regard to harassment prevention, to create a workplace climate that does not tolerate any kind of harassment, in 2021 we established anti-harassment regulations, including a handbook, and also set up internal and external consultation desks* to facilitate consultations on harassment.

*The Compliance Consultation Desk and the Human Rights and Harassment Consultation Desk have been established. In fiscal 2021, 38 consultations were received through these desks on human rights and discrimination, including harassment. Disciplinary actions were taken for four of these cases.

Major training courses attended (FY 2021)

Training details	Target person	Attendance
Human Rights Training	All employees	45,712 individuals in total
Human Rights Lectures For Harassment Prevention in the Workplace	Promotion members, managers and others	193
Harassment Counselor Training	Consultation desk counselors	52

Human capital development

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 capital is the most important thing for prevailing in a severe competitive environment" along with our Group philosophy of "management that values people."

Personnel development policies

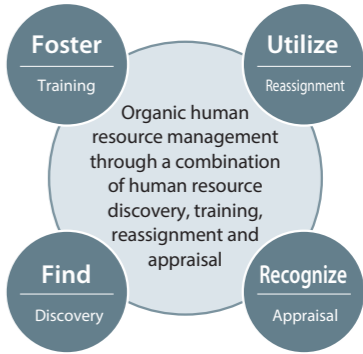
The Kansai Electric Power Group Academy implements capability development measures to empower each employee to be dynamic in their work, willingly taking on challenges to grow through new workstyles with a view of realizing the "Kanden Transformation," supporting "autonomous career development" of employees.

Specifically, we will practice personnel development measures to change awareness and behavior, which is necessary to embody our management philosophy. Along with that, we will implement measures to enhance individual employees' strengths and improve or overcome challenges that require deeper understanding, ensure that expertise is handed down to the next generation, improve productivity, and create added value driven by digital technology.

Measures for "human capital" innovation

Recognizing that the source of the power to move forward with the initiatives set forth in the Medium-term Management Plan is each and every employee, the Kansai Electric Power Group aims to create a virtuous cycle in which each employee plays an active role with willingness to grow and take on challenges while making the most of their diverse attributes. Their growth and achievements will eventually improve profitability and sustainable growth for our corporate organization.

Specifically, we are working to maximize the success of all employees in various fields through a series of processes such as human resource discovery, training, reassignment and appraisal.





Career design

As an initiative to support the career development of employees, we provide superiors with an opportunity to interview their subordinates once a year.

The interviews are held based on a Career Design Sheet that describes each individual's strengths, challenges requiring deeper understanding, career plans, etc. Each employee's characteristics and career plan are shared with his/her superiors, and are also used for OJT and reassignment for the purpose of supporting our employees' career development.

Independent career development support tool

In order to create an environment in which employees can think deeply about their own careers, gain awareness, and grow, we have published a Self-Design Book, a support tool for independent career development. By reading this booklet, thinking over the content, and learning through various questions regarding "what you want to be, what you want to value, and how you should act as the environment changes toward the future," employees can receive hints on how to form their own careers.

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.

		Objective	Career goal	Career challenges			
Career challenges	Global business	Dramatic growth of international business	Career mainly in international business areas		FY 2020	FY 2021	Cumulative total
	New business creation	Further promotion of innovations	Career mainly in new business areas	Number of applicants	88	121	377
	Core group business	Further growth of group business	Career mainly in core group business areas	Number of successful applicants	33	27	93
	Super Specialists Data Scientist Cyber Security Engineer Digital Consulting Advanced technology development (new) Fuel trading (new)	Improvement of skills indispensable for future business operation	Highly specialized and specific career				
	Renewable energy business	Dramatic growth of renewable energy business	Career mainly in renewable energy business area				
	Hydrogen business (new)	Dramatic growth of hydrogen business	Career mainly in hydrogen business area				
	Dual work challenges		Aiming for further growth through diverse work experience, in addition to their original work, participants take on another type of work (specific project work, etc.) during some of their working hours		Number of successful applicants	8	26



As part of personnel development measures through the Kansai Electric Power Group Academy, we support employees who are looking to improve their abilities and advance in their careers by providing stratified training for early development, specialized training to enhance their business expertise, as well as an executive candidate development program. Moreover, with the personnel appraisal system and the in-house application system, our employees will have more willingness to grow and feel more motivated and rewarded.

Our training and development systems

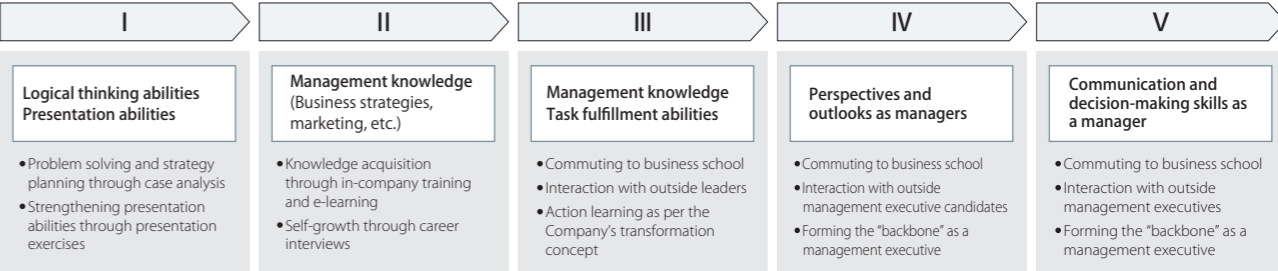
	Responsible persons					Managers				
	Base level		Application level	Advanced level						
Stratified training	New employee training	I	II	III	I	Follow-up	II	III	Follow-up	Training is provided to strengthen management skills to increase organizational performance.
Elective training	Training is focused on active learning so employees can play their expected roles and exert expected abilities.		Elective training			Optional training is provided to complement each individual's strength and necessary training for early personnel development.				
Training for executive candidates				I		II	III	IV	V	
Specialist training	Division-specific training (skill training / work knowledge training / expert theory training)									
Support for growth	Internal certification tests, certification bonuses, challenge training, outside correspondence education, e-learning, etc.									

Next generation leader development
—Executive candidate development

Amid the drastically changing environment surrounding the Group, we need to break away from prior precedents and cultivate early and systematically next-generation leaders who will drive innovation. In view of this, we are adopting step-by-step outside training programs for employees as a stretch opportunity to advance their careers.

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.

With a program V newly established in the Change Leaders Program (CLP) in fiscal 2021 for executive candidates, we have introduced curriculums designed to be linked to the succession plan.



Support for self-growth

Opportunities for interaction between management and employees have been provided since fiscal 2021. The management motivates employees at milestones in their business careers, and interaction provides chances for sharing thoughts as well as eliciting employees' opinions and ideas.

Specifically, the management and trainees exchange opinions in small groups in conjunction with stratified training six months after the trainees join the Company and when they are newly appointed as managerial personnel.



Personnel appraisal system

We have put in place a mechanism to carefully evaluate* each employee's "attitude, abilities and qualities" and "level of contribution" to our corporate performance from the perspective of practicing our management philosophy, reflecting these in their salaries, etc., to provide employees with more willingness to grow and feel more motivated and rewarded. Appraisal results are reported from superiors to subordinates. In addition, communication opportunities for further growth are provided.

We have also adopted a multidimensional appraisal system, and introduced it for managers above a certain level as of fiscal 2021.

*When evaluating employees with exceptional attitudes, abilities, and qualities, the system is designed to allow additional points other than the points awarded within the prescribed range.

Promotion of diversity and inclusion

Diversity and Inclusion Promotion Policy

In April 2022, we formulated the Kansai Electric Power Group Diversity and Inclusion Promotion Policy. Toward the realization of this policy, we will work on human capital development to empower each employee to be dynamic in their work by willingly taking on challenges, thereby leading to the realization of the "Kanden Transformation." We will also develop an internal environment allowing our employees to adopt diverse career paths and "workstyles" to maximize their abilities with increased motivation. Our dedicated organizations will continue to take the lead in advancing various initiatives, including the development of systems, periodical information dissemination, and training, expanding these initiatives groupwide.

In 2021, in order to heighten the momentum for diversity promotion, we held roundtable meetings between outside directors and employees, held presentations by outside lecturers, and solicited opinions and ideas from employees regarding promotion of diversity. The collected opinions and ideas will be reflected in the Kansai Electric Power Group Diversity and Inclusion Promotion Policy and will be implemented as concrete measures, such as diversity-focused recruiting and an expanded work system that suits different lifestyles.

Human Capital Strategy

Kansai Electric Power Group
Diversity and Inclusion Promotion Policy

1. By respecting, accepting, and utilizing 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 and innovative corporate group.

2. We seek to realize workstyles and to cultivate workplace environments that enable everyone to exercise their abilities to their fullest extents, regardless of personal attributes, including gender, age, nationality, and disabilities or experienced life events and careers.

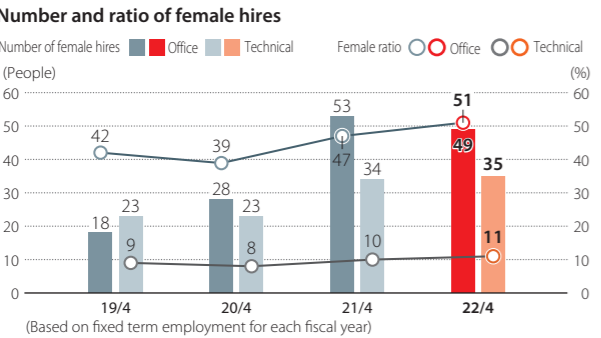
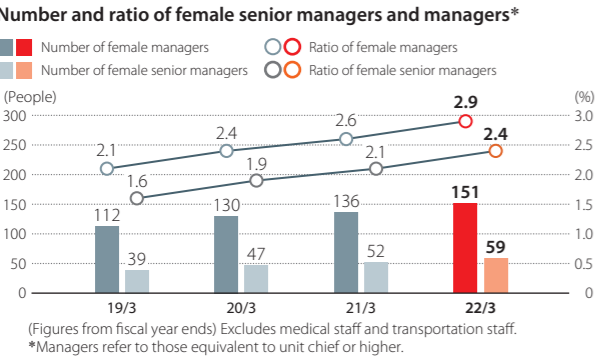
Diversity and inclusion promotion initiatives

Initiatives to encourage the further success of female employees

Various training programs and initiatives are implemented for female employees so they can maximize their potential without underestimating it, be motivated for continuous self-growth through work, and actively balance work and family, etc. even at life-stage transitions.

Male-female wage gap* (ratio of women's wages to men's)	
All workers	64.6%
Full-time employees	69.0%
Part-time employees and employees on fixed-term contracts	55.7%

Targets for promotion of female employees	
Appointment to managerial positions	By the end of FY 2030, increase the ratios of female managers and female senior managers to more than threefold those 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.



Third-party evaluation of women's empowerment

As a result of these various efforts, 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."

Promotion of employment of persons with disabilities

In 1993 we established Kanden L-Heart Co., Inc. as a special affiliate company, and together with Kansai Transmission and Distribution, Inc.* (which was split off in April 2020), these organizations encourage employment of people with disabilities. Kanden L-Heart is actively recruiting people with disabilities by accepting them as workplace trainees and by other means, in collaboration with the government, related organizations, special-needs high schools, etc. As a result, our employment ratio of workers with disabilities reached 2.6% (as of June 1, 2022), having continuously achieved the legally required ratio (2.3%).

In addition, we are opening up a diverse range of job positions where people with disabilities can play an active role, such as office assistant, while bolstering support for those with mental disabilities.

*Kansai Transmission and Distribution, Inc. has been certified as a special affiliate (as our Group) and therefore is included in the calculation of our employment ratio of persons with disabilities.

Promotion of employment of elderly persons

We are rehiring all applicants after they retire at the age of 60, and are also continuously working to improve the environment so that veteran employees can further utilize the knowledge and experience they have cultivated so far. Currently, many highly qualified and skilled retirees with abundant experience are active in a wide range of operations at our Company and group companies.

Note: Number of rehired employees (retired employees) at the end of March 2022: Approximately 900

Efforts to promote mid-career hires and non-Japanese personnel to managerial positions

We will continue to promote hiring with an emphasis on diversity, expand mid-career hiring, and actively promote mid-career hires to managerial positions. We will also actively recruit and promote non-Japanese human resources to managerial positions.

We set the following goals for the promotion of mid-career hires to managerial positions in fiscal 2021.

Promotion to managerial positions	By the end of FY 2030, increase the ratio of mid-career hires in managerial positions to more than 10 times that of the end of FY 2020. (Actual results at the end of FY 2020: 0.1%, Actual results at the end of FY 2021: 0.3%)
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Recruitment status of mid-career hires

	FY 2021 (result)	FY 2022 (result)	FY 2023 (plan)
Number of mid-career hires	28	42	70

Furthermore, we will actively rehire displaced workers who have built their careers at other companies. We will work to ensure that experienced individuals who have gained knowledge elsewhere can play an active role in our Company.

Promoting the participation of male employees in childrearing

We are encouraging male employees to participate in childrearing with the aim of deepening their ties with family members and growing as individuals through childrearing experience as well as increasing work efficiency and motivation. Specifically, we have achieved the set goal of 90% or more of childcare leave utilization among male employees over five consecutive years, from fiscal 2017 to 2021. When the period of childrearing leave begins, the provision allows for seven days of paid leave. Additionally, we deliver an email to male employees whose spouses have given birth to a child calling for the taking of childcare leave, with the same message sent to their superiors. Experiences of male employees who took childcare leave are published on our intranet. From October 2022, when the revised Child Care and Family Care Leave Law comes into effect, setting a target rate of male employees taking childcare leave to be equivalent to that of female employees (rate of female employees who took childcare leave in fiscal 2021: 100%), as well as a new target average number of days for men taking childcare leave to be at least one month by fiscal 2025, we will further promote the participation of male employees in childrearing to achieve this goal.

Support for balancing work and nursing care

Providing employees with basic knowledge about nursing care, public support, and our internal systems can help prevent them from leaving their jobs when faced with nursing care and maintain a balance with work. For this reason, we have published a Handbook for Work-Nursing Care Balance Support and hold seminars on the compatibility of work and nursing care.

Support for employees identifying as LGBTQ and promotion of understanding companywide

Aiming to deepen employees' understanding of LGBTQ issues and create a comfortable workplace for everyone, we have implemented e-learning for all employees, published an informative handbook regarding company diversity and prevention of harassment, and set up a consultation desk. In addition, in the index for evaluating corporate efforts related to LGBTQ employees formulated by a voluntary organization, work with Pride, the Company won the highest "Gold" award for the fifth consecutive year from 2016 to 2020. In April 2021, we earned a three-star certification as an Osaka City LGBT Leading Company.

Work system, work-life balance support system

Category	System
System that enhances workstyle flexibility	Super flextime
	Telework
	Hourly leave
Support for compatibility with childrearing	Prenatal and postnatal leave
	Maternity leave
	Childrearing leave
	Early reinstatement support menu
	Short working hours (childrearing)
	Child nursing leave
Support for compatibility with nursing care	Family support reserve leave
	Nursing care leave
	Short working hours (nursing care)
Reemployment system	f-staff system

Promotion of workstyle innovation, health and productivity management

Promotion of workstyle innovation, health and productivity management

Establishment of a Health and Productivity Management Declaration

The Company has established a Health and Productivity Management Declaration with the aim of expressing our unwavering commitment to step up efforts in health management. Under the Medium-term Management Plan, we are committed to increasing the added value of operations through leveraging by digital technology, accelerating flexible workstyles regardless of time and place, continuously conducting health activities on a workplace basis, and promoting line care as a means to step forward.

Health and Productivity Management Declaration
(established in January 2018)

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."

Developing comfortable workplaces

On the premise that working hours are managed appropriately, a flexible work system is being put in place to clearly delineate efficient working time ("on") from effective rest time ("off"). To this

end, we are expanding flextime with no core time across the Company, enhancing to a working system that allows for more flexibility when it comes to times/places of work through extended teleworking requirements, and encouraging employees to take leave in a planned and meaningful manner.

In particular, we are improving our telework environment by digitizing documents and expanding IT tools, while listening to the opinions of employees. We are also working to introduce a free address system in the head office and other workplaces, and the system is being established and spread as one of our new workstyles.

Office workplace telework rate for FY 2021		46.6%
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Major indicators and achievements related to workstyle innovation			
	Targets	FY 2020	FY 2021
Overtime working hours per employee	190 hours per year	242 hours	241 hours
Paid leave utilization rate	90% or more	95.5%	96.4%

Note: Figures exclude transportation and medical staff.

Certified as a Health & Productivity Management Outstanding Organization 2022 (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 sixth consecutive year since 2017.

Major health and productivity management initiatives

As part of the initiatives aiming to raise awareness of health management and improve self-care skills, the Group holds exercise and diet seminars and a walking rally, and has established “non-smoking days.”

Moreover, we are working to create an environment that facilitates superiors’ support for their subordinates by conducting training on line care for managers, and to enhance the support system by establishing a consultation desk with industrial physicians, industrial nurses, and outside counselors.

Welfare system to support employees

We have created an environment in which employees can work cheerfully with peace of mind by stabilizing the lives of employees and their families with the following systems: life security measures such as condolence money and various insurance programs, housing measures such as company housing (only in some areas)/dormitory and housing allowance (new rent subsidies to replace company housing), property accumulation support measures such as owned property accumulation savings and an employee stock ownership association, welfare proxy service, a cafeteria plan, an employee cafeteria, retirement benefit plans, etc. Details regarding these systems are reviewed and improved as necessary, taking into account the current situation and other factors.

Note: With the exception of some systems, non-regular employees are also eligible.

Sustaining stable labor-management relations

We have concluded a union shop agreement with the Kansai Electric Power Workers 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)

Correspondence between labor and management concerning employee transfer

Under the collective agreement, the Kansai Electric Power Co., Inc. and Kansai Transmission and Distribution, Inc. shall, when it is necessary due to business reasons, transfer their employees fairly in consideration of their intentions, living conditions, skills, etc. Especially when it is necessary to make a wide-ranging transfer, criteria for the transfer shall be discussed with the Workers Union.

Tackling COVID-19

In order to prevent the spread of COVID-19 and maintain a safe and stable electricity and gas supply, the Group has set up a COVID-19 Response Headquarters and has been striving to restrict movement by promoting the adoption of telework. When commuting to work, we strictly follow rules regarding mask wearing from the viewpoint of infection prevention. We are also implementing measures to avoid crowding, such as maintaining enough space between desks in the office environment. In addition, we have introduced a workplace vaccination program and grant employees special leave to receive vaccinations, to ensure the safety and health of employees and their families as well as to create an environment where they can work with peace of mind.

As it is expected to take time until the COVID-19 infection is contained, we will strive to achieve both infection prevention and sustainable business activities by considering an internet-driven transformation of how we work.

Summary of workplace vaccinations:

Vaccination results: Approximately 20,000 inoculations in total (Total of 1st, 2nd, and 3rd vaccinations)

Vaccination sites: Head office and nuclear power plants (Mihama, Takahama, Ohi)

Eligibility: Employees of the Kansai Electric Power Company, Kansai Transmission and Distribution, and their family members, employees of group companies, and employees of subcontractors who wish to be vaccinated at the above vaccination sites.

Efforts to eliminate industrial accidents

About the Kansai Electric Power Group Code of Conduct for Safety

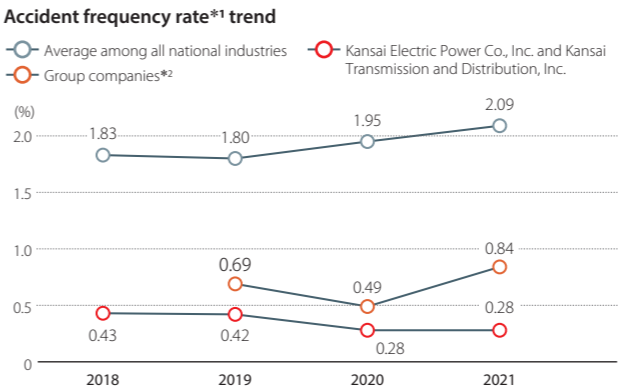
Based on the President’s Declaration: “Ensuring safety is my mission, and the mission of the Company” and applying the lessons learned from the Mihama Nuclear Power Station Unit 3 accident, we are continuing with the implementation of safety efforts that put preserving the safety of every person involved in our Group’s business activities first.

Inherent in the beliefs expressed in this declaration, we share “our beliefs about safety” as an everlasting group-wide principle to raise awareness of safety under the Kansai Electric Power Group Code of Conduct for Safety. Additionally, by practicing safe actions based on the Safe Action Declaration, we will steadily accumulate achievements in safety and cultivate an unwavering culture of safety.

PDCA of safety activities

To ensure safety for everyone related with our Group 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, we analyze the details of accidents that occur each year, communicate with employees and subcontractors to understand their awareness and perceptions of safety, and based on the actual situation, we hold discussions among relevant internal departments, including management. In addition, together with the labor union, we prioritize items to address in the next fiscal year and are engaged in activities on a group-wide basis. We will seek continuous improvement by running the PDCA cycle of safety activities in each fiscal year. We will also share prioritized items to address with our group companies, thereby further enhancing the effectiveness of safety activities.

- Prioritized items in safety activities for fiscal 2022:
- 1 Create a safe and secure working environment at each business site.
 - 2 Make it a habit to think safety and act safely based on danger prediction.
 - 3 Promote safety activities based on bilateral communication with subcontractors, etc.
 - 4 Practice safe driving behavior by all drivers and passengers as a unified effort of the workplace.



*1 The number of casualties with at least one day of absence from work due to occupational accidents per million total working hours, which indicates the frequency of accidents.

*2 Average values of our three representative group companies undertaking major construction projects have been adopted.

Specific safety efforts

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

To raise awareness of our employees and protect the colleagues of subcontractors and others, we provide education for each employee to practice autonomous safety activities. In addition, we learn new things throughout our group companies in lectures and in training programs on safety led by external experts, thereby increasing the level of our Group’s safety activities.

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

Bilateral communication with subcontractors and others

When the opportunity presents itself, our employees visit equipment construction/maintenance sites and are active in creating and enhancing opportunities to communicate with subcontractors, etc. so that we can deepen mutual understanding and promote safety activities together. By proactively facilitating bilateral communication, we are striving to raise safety awareness and reduce the risk of accidents.

Business Segments

Energy Business

Koji Inada

Director

Representative Executive Officer, Vice President



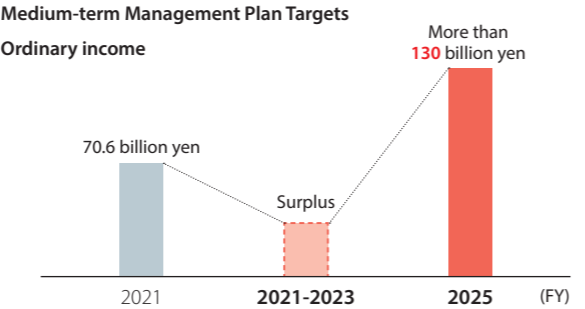
Overview

In an effort to keep up with changes in society, we, as Japan’s leading company focusing on zero-carbon energy, are making the most of renewable energy for use as main power source, maximizing the use of nuclear power and opting for zero-carbon power sources, including zero-carbon thermal power generation and zero-carbon hydrogen utilization. At the same time, we are committed to mobilizing our resources to help customers and society realize zero-carbon operations by proposing and providing optimal solutions, examining and demonstrating approaches to create a hydrogen-driven society.

In addition, measures to improve the current account balance include safe and secure operations of the seven nuclear reactors, establishment of a competitive power portfolio, rationalization of fuel procurement and supply-demand balancing, and promotion of DX-based monitoring and maintenance, all

designed to complete cost structure reform and restore profitability.

New energy and environmental markets, meanwhile, will be developed and new values will be provided through various solutions to further boost profits.

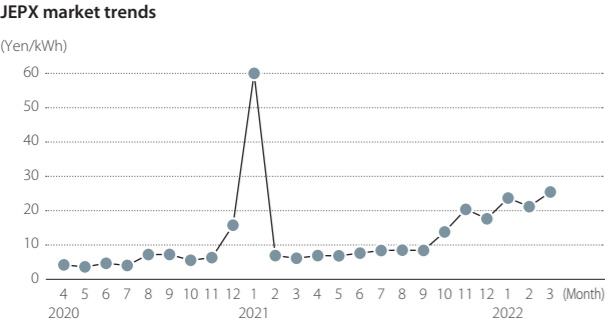


Business environment

Opportunities

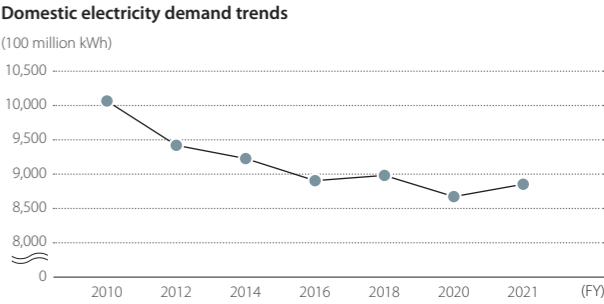
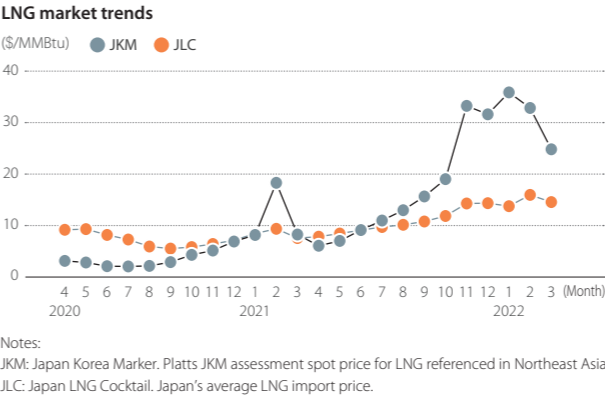
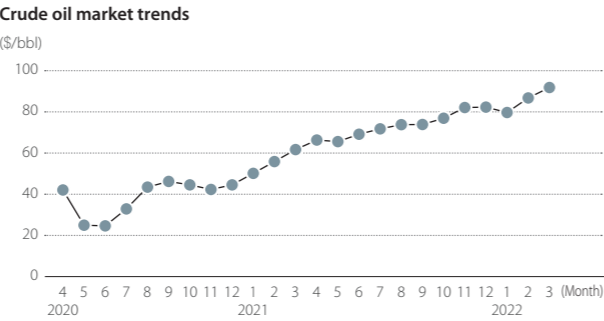
- Create new business opportunities in new and peripheral areas in energy and environmental businesses by accelerating social change: the 3D + D* movement.
 - Dramatic increase in the need to shift to “zero carbon.”
- * 3D+D: Decarbonization, Decentralization, Digitalization plus *Denka* electrification

Market overview



Risks

- Rising fuel prices and the yen’s sharp depreciation amid changing international situations
- Destabilization of the market due to tight supply, coupled with uncertainties in the system itself.



Business strategies

- Directions to take
- 1 Promote thorough cost structure reform to restore profitability in the energy business.
 - 2 Work toward realizing “zero-carbon power sources” including zero-carbon thermal power, nuclear power and renewable energy, as well as verifying and demonstrating hydrogen energy utilization.
 - 3 Provide new value through various solutions to increase profitability, while promoting electrification or *Denka*.

5-year Efforts

1 Restoration of profitability

- Cost reduction
- Build a competitive power source portfolio (rationalization of low-operating power sources).
 - Optimize power source operations including fuel and electricity market transactions, and minimize procurement costs.
 - Promote introduction of a digital technology-based surveillance and maintenance system.

2 Zero-carbon power sources/hydrogen

- Nuclear power
- Ensure operation of all seven reactors in our nuclear power plants in a sophisticated manner with safe and secure operations as a basic premise.
 - Conduct technical studies of next-generation successor models with an eye on replacement, as well as surveying HTGRs and SMRs.
 - Promote the nuclear fuel cycle.
- Renewable energy
- Work on new development projects with a focus on offshore wind power.
 - Improve existing hydropower plants.

- Thermal power
- Conduct technical studies and cooperate on hydrogen/ ammonia power generation and CCUS in the “carbon recycling technology hub,” etc.
- Hydrogen
- Conduct technical studies and demonstrations for building a hydrogen supply chain in the “hydrogen utilization technology hub” and other purposes.

3 Solutions

- Provide new value to meet diversifying customer needs for new lifestyles, zero-carbon emissions, improved resilience, etc.
- Household customers
- Provide services combining energy with electric appliances, storage batteries, etc. and platform services beyond energy.
- Corporate customers
- Provide total support to on-site renewable energy power sources, zero-carbon menus, etc. aiming to achieve zero carbon.
- Communities/e-mobility
- Provide community energy management services to improve resilience.
 - Provide package services related to electric mobility.

Energy Business

Initiatives in fiscal 2021

Rigorous cost structure reforms

Each division is working on a variety of measures, including cutting down overhead and maintenance costs, to improve profits by about 90 billion yen in fiscal 2025.

Concrete measures

Streamlining inspections of hydropower plants

Conventional conduit inspections primarily involve a temporary plant shutdown and inspections where inspectors walk inside a conduit to check for possible damage. The procedures, however, have been streamlined by the development and practical utilization of water surface drones to inspect the inside conduits and drones to inspect penstocks. This results in a shorter inspection period, lower inspection costs, and higher power outputs. Meanwhile, our digital technology, including the use of these drones, is shared with others through our group companies, contributing to safe and efficient maintenance/management of infrastructure installation.

Streamlining monitoring inspections of thermal power plants

A robot monitoring system using AI technology is in place at our thermal power plants; the plan is to automate monitoring inspections to detect defects such as oil leaks and abnormal heat/sound in real time.

Approaches to nuclear power generation

Establishing the seven reactor system

Preparing for operation beyond 40 years
Nuclear power, a well-balanced energy source contributing to 3E (Energy security, Economy and Environmental conservation; zero-carbon society), is essential in resource-poor Japan. As a result, nuclear power generation should be maintained at a certain level to ensure energy security and develop technical/human resources, whereby accident-proof nuclear power plants can be operated for over 40 year-spans. Therefore, we will be making the most of our nuclear power plants, placing a premium on their safe operation. Mihama Nuclear Power Station Unit 3 restarted in June 2021 with the consent of the local communities, and safety improvement construction has been completed at Takahama Nuclear Power Station Units 1 and 2 where inspections, drills, etc. are underway to resume operation. In addition, we are communicating face-to-face with stakeholders through plant tours, community events and

participation in briefing sessions and lectures to help them better understand our nuclear power plants’ operation of more than 40 years. We will also continue to proactively communicate with the public as well as communities near the plants.



Mihama Nuclear Power Station Unit 3, back in operation

Concrete measures

Promotion of safety improvement measures

Large-scale safety improvement work was completed at Mihama Nuclear Power Station Unit 3 and Takahama Nuclear Power Station Unit 1 in September 2020 and at Takahama Nuclear Power Station Unit 2 in February 2022 for safety operation of more than 40 years. In addition to complying with new regulatory requirements, self-imposed safety measures are being practiced.

- Examples of construction work to improve safety in fiscal 2021:**
- Fire prevention measures, with main cables replaced with flame-retardant counterparts (Takahama Nuclear Power Station Unit 2)
- Examples of voluntary safety improvement measures in fiscal 2021:**
- Shutdown seals were installed to prevent leakage from primary reactor coolant pump (RCP) seals in case units lose all AC power sources (Takahama Nuclear Power Station Units 3 and 4, and Ohi Nuclear Power Station Unit 3).

Addressing challenges with replacement in mind

Review of options such as next-generation light-water reactors, high-temperature gas-cooled reactors and SMRs*
While maintaining and leveraging nuclear power generation are key to creating a zero-carbon society, construction, expansion and replacement of reactors should be continued to secure technical expertise and human resources for nuclear safety. We cooperate with plant engineering companies in designing next-generation light-water reactors with improved safety and efficiency in preparation for future replacement while reviewing possible options such as high-temperature gas-cooled reactors and SMRs, monitoring the latest development trends at home and abroad.

*Small Modular Reactors

Initiatives prioritizing 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. The Nuclear Power Division has established Five Basic Principles as preventive measures that form part of our quality policy concerning the operation of nuclear power businesses with safety as the top priority. These measures are revised as necessary for safety improvement purposes. Making every August 9th our “Safety Vow Day,” every employee observes a moment of silence. 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.

Establishment of a company proclamation: Commitment to Enhancing Nuclear 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 idea about nuclear power safety, as a company proclamation, one of our most important company rules. This company proclamation underlines our determination to constantly improve safety in nuclear power generation, whereby all executives and employees fully understand the characteristics and risks of nuclear power generation and always remind themselves of the potential magnitude of an accident, with the President playing a leading role in making company-wide efforts to protect local communities, society and environment.

Concrete measures

Learning lessons from the accident at Mihama Nuclear Power Station Unit 3, we place a premium on nuclear safety. Specifically, the accident at the Tokyo Electric Power Fukushima Daiichi Nuclear Power Station made us aware that our understanding and preparedness for risks unique to nuclear power generation were not necessarily sufficient. We, therefore, established a roadmap to enhance practicing voluntary and continued measures to improve safety in nuclear power generation, with relevant efforts underway.

Boosting the accident response capacity
Comprehensive emergency response drills are conducted at all nuclear power plants as a precaution in the event of a nuclear disaster. In preparation for severe accidents beyond design basis, involving serious cases such as injuries during accident response,

efforts are also underway to further improve accident response capacity. These specifically include unscripted drills for participants and quick, appropriate restoration activities based on continuous improvements made by previous drills, all designed to prevent accidents from expanding. At the same time, we are working with five power companies* and affiliates in West Japan to better deal with nuclear disasters.

- Examples of drills:**
- Participating in Fukui Prefecture nuclear power comprehensive emergency response drills, we helped set up a task force for operations, accident control, and community evacuation support, assuming loss of plant power in the event of an earthquake.
 - “Stress training” programs were conducted for plant task force leaders to help them handle severe accidents where a variety of stressful situations occur simultaneously or in succession.

*Hokuriku Electric Power Company, our Company, the Chugoku Electric Power Co., Inc., Shikoku Electric Power Co., Inc., and Kyushu Electric Power Co., Inc.

Reliable decommissioning processes

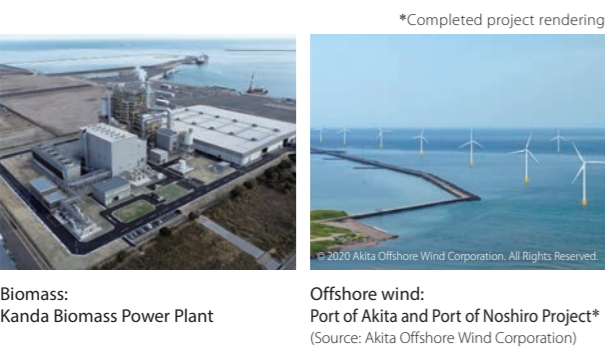
Decommissioning status of Mihama Nuclear Power Station Units 1 and 2 and Ohi Nuclear Power Station Units 1 and 2
Decommissioning is conducted in four stages, which all together take a total of about 30 years. Currently, Ohi Nuclear Power Station Units 1 and 2 are under preparation for dismantling (stage 1), while Mihama Nuclear Power Station Units 1 and 2 started dismantling and removal of peripheral facilities of reactors (stage 2) in fiscal 2022. Appropriate measures are in place for decommissioning, with the highest priority given to safety.

Approaches to renewable energy

Further developing and leveraging renewable energy

Leading Japan in zero-carbon energy production, our Group is committed to proactively developing renewable energy based on its improved development promotion system, focusing on offshore wind power generation, which has great development potential. Through investment of a total 1 trillion yen in domestic projects, we aim to develop 5 GW scale of new development and to achieve 9 GW scale of cumulative capacity by 2040. On the domestic front, for example, we focus on increasing hydropower output and promoting solar power, onshore wind power, offshore wind power, biomass power and geothermal power generation, the total capacity of which stands at about 3.56 GW as of the end of March 2022. We will continue to reduce power generation costs, push ahead with ongoing projects and develop new power sources, thereby helping customers and society achieve zero carbon.

Energy Business



Concrete measures

Development status in Japan in fiscal 2021

- In May 2021, a comprehensive partnership agreement was signed with Eco Style Co., Ltd. (headed by Masataka Kinoshita, president and executive officer) to offer renewable energy solutions, with a commitment to creating a zero-carbon society and promoting renewable energy.
- The Kansai Electric Power Co., Inc., Osaka Gas Co., Ltd. and Development Bank of Japan jointly acquired Shizukuishi Solar Power Plant, Haru Mito Solar Power Plant, and Komatsu Solar Power Plant in June 2021, and Misawa Solar Power Plant in July 2021. These solar power plants in Japan were previously owned by the Canadian renewable energy power generation company Etrion Corporation.
- In June 2021, a consortium including the Kansai Electric Power Company was selected as an operator by public offering for an offshore wind power project located off the coast of Goto City, Nagasaki Prefecture.
- In August 2021, the Company signed a partnership agreement with RWE Renewables Japan to study the feasibility of a large-scale floating offshore wind turbine power generation project in Japan.
- In September 2021, the Company took a stake in the CEF Tsuyama Wind Farm, an onshore wind farm project in Tsuyama City, Okayama Prefecture.
- In February 2022, the Kansai Electric Power Group started commercial operation of the Kanda Biomass Power Plant.
- In March 2022, the Company submitted a document on planning-stage primary environmental impact consideration and other issues to the Ministry of Economy, Trade and Industry, in accordance with the Environmental Impact Assessment Act, to study the development of an offshore wind farm project located off the coast of Karatsu City, Saga Prefecture.

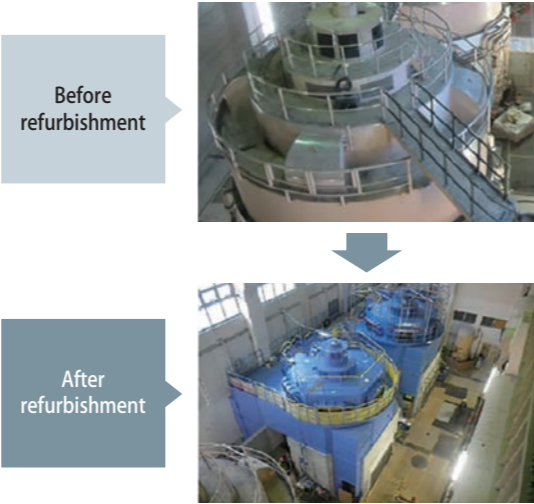
Refurbishment of existing hydropower facilities

Hydropower generation, which has a history of over 100 years, has been providing clean energy in a safe and stable manner while co-existing and building mutual trust with local communities. Leveraging our accumulated expertise in

hydropower, we conduct timely maintenance to extend the service life of facilities, thereby streamlining overall operations. Refurbishment, for example, is planned for aging power generation facilities (replacement of water turbine generators) to further extend the service life, with modern equipment and design technology expected to improve their power generation efficiencies. We will systematically refurbish existing hydropower facilities, as hydropower is a key power source that contributes to creating a decarbonized society.

Concrete measures

- Power plants under refurbishment (FY 2021)
- Kurobegawa No. 2 Power Station Unit 3
Before refurbishment 73.6 MW
After refurbishment: 74.7 MW (to be completed in September 2023)
 - Kasagi Power Station Unit 1
Before refurbishment: 41.7 MW
After refurbishment: 50.8 MW (to be completed in July 2023)

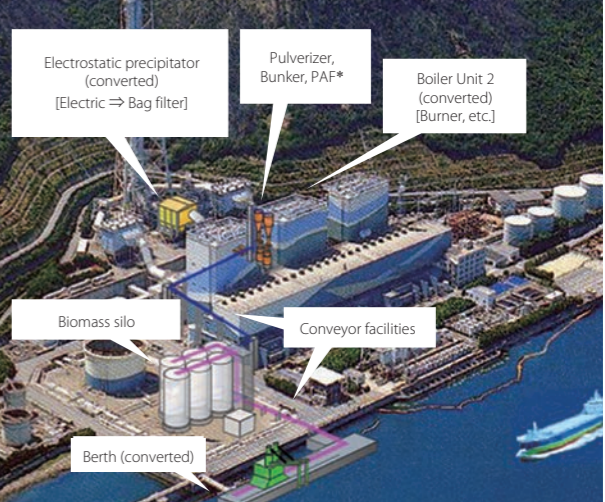


Using biomass at existing thermal power plants

We established Aioi Bioenergy Corporation with Mitsubishi Corporation Clean Energy Ltd. where fuel switch from heavy/crude oil to woody biomass is planned at the Aioi Power Station Unit 2 (Aioi City, Hyogo Prefecture); construction started in February 2020, with commercial operation scheduled for January 2023. Woody biomass is a carbon-neutral energy source and we have been working on co-firing with coal at the Maizuru Power Station. With a designed output of 200,000 kW, the Aioi Power Station Unit 2 is set to become one of the largest biomass thermal power plants in Japan. We will continue to reduce CO2 emissions, playing a part in achieving a zero-carbon society.

<Aioi Power Station overview>
Location: 5315-46 Aioi, Aioi City, Hyogo Prefecture

	Unit 1	Unit 2	Unit 3
Commencement of operation	September 1982	November 1982	January 1983
Rated capacity	375,000 kW	375,000 kW ⇒ Approx. 200,000 kW	375,000 kW
Fuel	LNG, Heavy oil and Crude oil	LNG, Heavy oil and Crude oil ⇒ Woody biomass	LNG, Heavy oil and Crude oil



*A ventilator that feeds pulverized fuel to burners

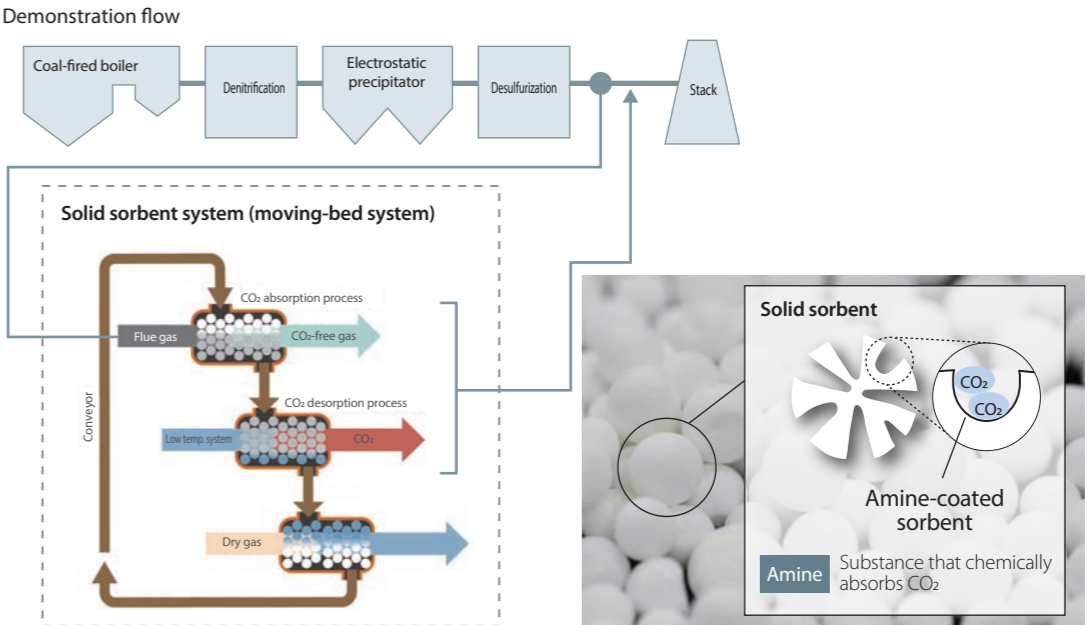
Initiatives of the thermal power division

Challenge for realizing zero-carbon thermal power generation system

We support an entity*1 involved in a NEDO*2 project where the feasibility of treating coal-fired emissions with solid sorbent system CO2 capture technology*3 is studied, providing a site for testing facilities at our Maizuru Power Station for future demonstrations. The solid sorbent system to be demonstrated is potentially a great deal more energy efficient than its conventional counterparts in capturing CO2 and hence is considered promising next-generation capture technology. The construction of demonstration facilities started on July 1, 2021, with the commissioning run starting in fiscal 2022, followed by demonstrations in fiscal 2023. We also support an entity*4 involved in an additional NEDO project*5 at our Maizuru Power Station to develop bulk CO2

marine transport technology where R&D/demonstration sites are provided. The project, which involves CO2 liquefaction at the shipping base, includes 1) R&D of liquefied CO2 marine transport technology, 2) demonstrations of annual 10,000 tonne scale of CO2 marine transport and 3) marine transport feasibility studies for CCUS purposes. Demonstrations of CO2 marine transport are scheduled to start in fiscal 2024. Through these initiatives, we are committed to reducing CO2 emissions toward the realization of a decarbonized society.

*1 Kawasaki Heavy Industries, Ltd.
Research Institute of Innovative Technology for the Earth (RITE)
*2 New Energy and Industrial Technology Development Organization
*3 CCUS R&D and demonstration project / R&D of CO2 capture technology / Feasibility study of treating coal-fired emissions with advanced solid sorbents
*4 Japan CCS Co., Ltd., Engineering Advancement Association of Japan, Itochu Corporation, Nippon Steel Corporation
*5 CCUS R&D and demonstration project / Large-scale CCUS demonstration in Tomakomai / Technological development and demonstration of CO2 shipping



Energy Business

Securing procurement of fuel

Our ongoing efforts include securing procurement of fuel, improving flexibility in responding to fluctuations in power demand, and further improving the economic efficiency of the operations.

Specifically, our efforts involve diversifying suppliers and pricing systems, and taking part in the LNG value chain from

production to receiving of LNG, including upstream (interest acquisition) and midstream (transportation, etc.) operations, with various business activities underway.

Fuel prices, meanwhile, are soaring along with short supply due to the increasingly tense international situation caused by the war in Ukraine. We will thus continue to focus on international affairs and fuel market trends to secure fuel in a stable and cost-effective manner.

Enhanced spot trading for agile LNG procurement and sale

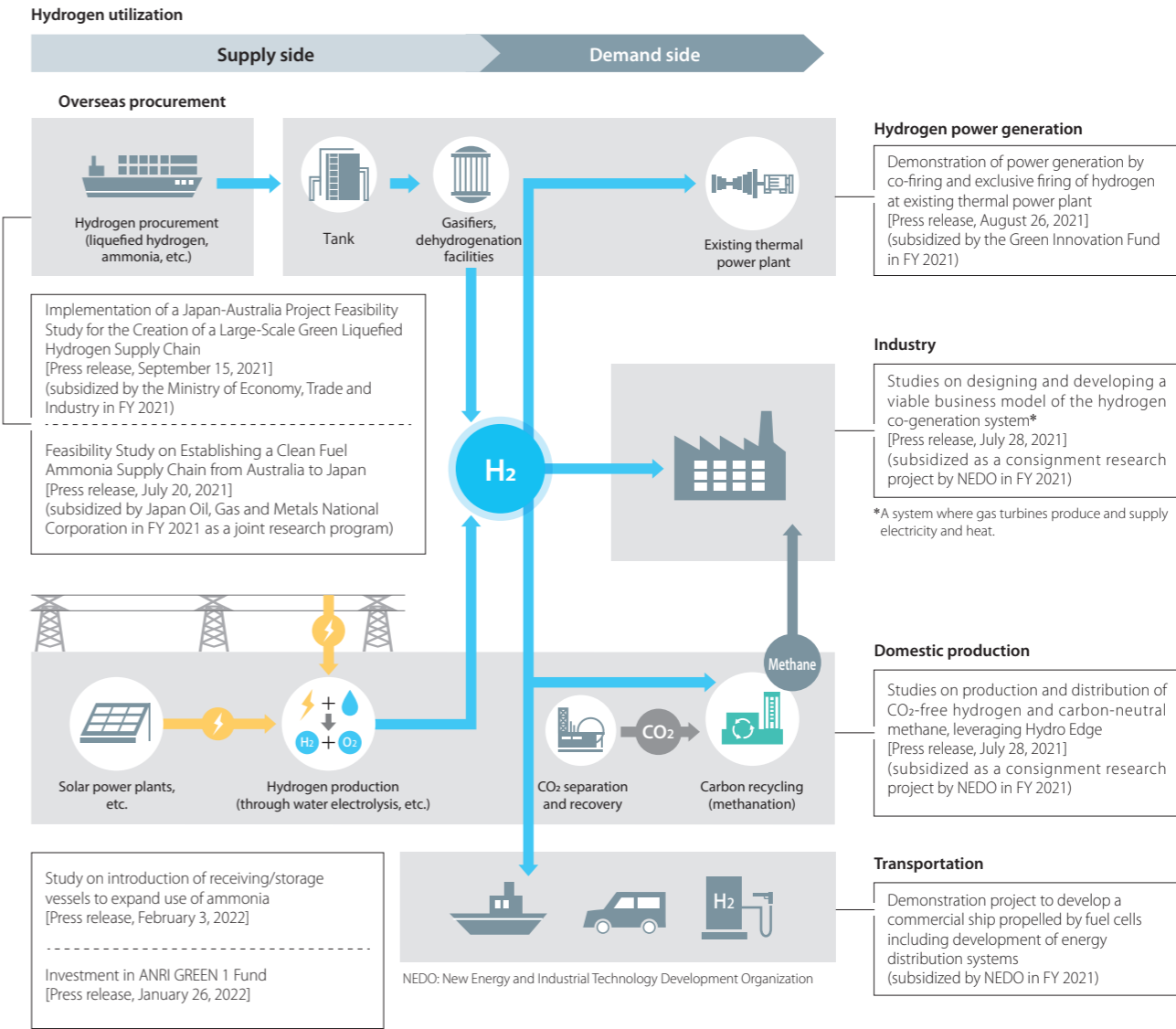
We are expanding our information gathering network in Singapore, the LNG hub in the Asia Pacific region, to respond to fluctuations in power demand.

This network is designed to gather information on LNG trade movements and prices in a timely manner, promoting procurement and sale of LNG through KE Fuel Trading Singapore Pte. Ltd. to reinforce our trading capabilities.



Concrete measures

We are advancing efforts to realize a hydrogen-driven society through consideration of a wide range of hydrogen business opportunities in production, transport, supply, and utilization of generation fuel, including ammonia, as a hydrogen carrier.



Approaches to hydrogen energy utilization

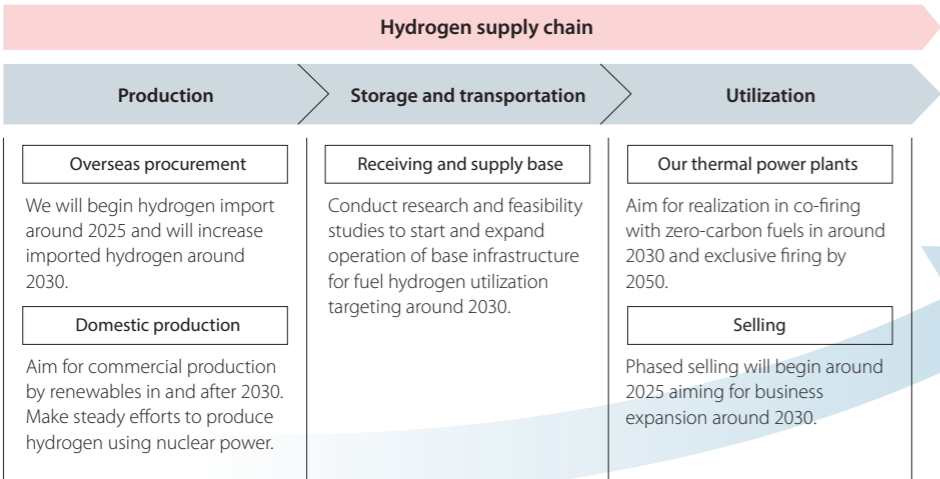
Toward realizing a hydrogen-driven society

The Kansai Electric Power Group has been bracing itself for the upcoming hydrogen society, given that hydrogen is key to achieving zero carbon in various sectors such as power generation, industry, and transportation.

In March 2022, for example, we developed the Zero Carbon Roadmap to achieve the Zero Carbon Vision 2050 where

targets are set for creation of a hydrogen society.

We will pursue every possible option, including hydrogen and ammonia, while working together with various stakeholders to accelerate efforts with the future in mind.



Target
30% share of
nationwide
market in
2050

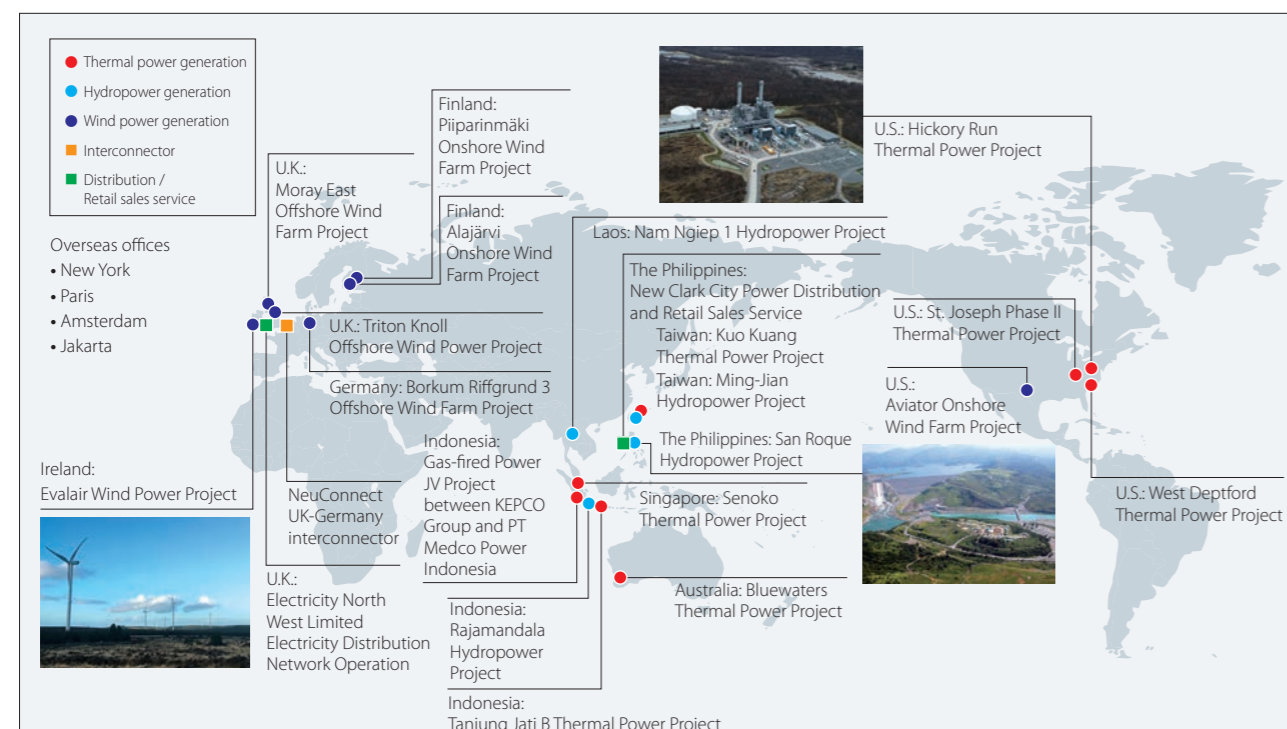
Energy Business

Overseas Energy Business

Overview

We are participating in a total of 22 projects in the domains of power generation, transmission and distribution across 11 countries. Our first international project was in 1998 when we participated in the San Roque Hydropower Project located in the Philippines. This made us the first Japanese utility to participate in an overseas electric power project.

Utilizing our overseas bases including New York and Amsterdam, we aim to expand our overseas energy business so it can continue to grow as a key cornerstone of the Group's overall earnings.



Business environment

Opportunities

- Rising energy demand, particularly in emerging countries, expands opportunities to increase revenue.
- As the notion of ESG and shift toward decarbonization gain momentum, new business opportunities emerge in the field of renewable energy.
- Development of new technologies such as hydrogen, batteries, and floating offshore wind power lead to new business opportunities.
- Advancement in the use of digital technologies (AI, IoT, etc.) expands the frontier for new business opportunities.

Risks

- Risk associated with pandemics, natural disasters, civil wars and terrorism
- Decline in the business conditions of thermal power projects due to the acceleration of global decarbonization.
- Risks where ongoing projects become less profitable due to external factors such as international instability, economic slowdown, policy changes, market fluctuations, and climate change.

Business strategies

Directions to take

- ① Promote energy businesses that contribute to achieving zero-carbon society.
- ② Provide solutions related to our customers' energy usage.
- ③ Improve profitability by utilizing our business know-how and leveraging our network.

5-year Efforts

1 Zero carbon

- Focus on IPP projects mainly in the field of renewable energy.
- Participate in transmission and distribution businesses that contribute to power grid stabilization when large-scale renewables are introduced.
- Participate in businesses utilizing new technologies such as hydrogen, storage batteries and floating offshore wind turbines.

2 Solutions

- Support the reduction of energy costs and the environmental load.
- Support the planning, construction and operations of power stations by combining AI and IoT with our technological strengths.

③ Increase profitability

- Asset portfolio reclassification.
- Apply feedback from overseas operations to domestic businesses.
- Enhance risk management capabilities.

Initiatives in fiscal 2021

Expansion of our overseas power business

In fiscal 2021, we launched joint business of advanced gas-fired power generation and O&M services in Indonesia in partnership with Kanden Power-Tech Corporation and PT Medco Power Indonesia; a joint venture between the three companies operates five gas-fired power plants (with a total installed capacity of 202,000 kW) while providing O&M services at three locations. This project marked our first overseas undertaking to collaborate with local power developers for the continuous and sustainable development of energy infrastructure in the country.

We have also acquired a stake in the Alajärvi Onshore Wind Farm Project in Finland, our second onshore wind farm project in the country, with the first being in Piiparinmäki. The currently under-construction Alajärvi Onshore Wind Farm Project boasts 36 large-scale onshore wind turbines with a total generation capacity of 221,000 kW. Once in operation it will serve as one of Finland's largest-scale onshore wind farm. Furthermore, in Germany, we have acquired a stake in the Borkum Riffgrund 3 Offshore Wind Farm Project, one of the largest of its kind and our first ever German power generation project. It marks the seventh overseas wind farm project in our asset portfolio. With these new projects on stream, our overseas renewable capacity has been expanded to reach approximately 1.09 GW.

The Triton Knoll Offshore Wind Power Project and the Moray East Offshore Wind Farm Project in the UK, along with the aforementioned Piiparinmäki Onshore Wind Farm Project in Finland, have all been completed and started commercial operations in fiscal 2022.

The Group is committed to continued development of renewable power, helping lead the way toward a zero-carbon society both in Japan and worldwide.

Power generation capacity by investment ratio
(as of the end of June 2022)

2.878 GW

Breakdown:
Thermal power: 1.788 GW
Renewable energy: 1.090 GW

Overseas power projects (as of the end of June 2022)

22 projects in 11 countries



Inauguration of the gas-fired power JV project between
KEPCO Group and PT Medco Power Indonesia



Piiparinmäki Onshore Wind Farm Project

Achieving the targets set in our Medium-term Management Plan

We are concentrating our efforts toward achieving the profit targets set in the Medium-term Management Plan by participating in regulated business with stable cash flow and early development stage projects with higher expected return, and by moving planned projects forward successfully as well as by continually improving businesses in which we have a pre-existing stake.

Business Segments

Transmission and Distribution Business

Yoshihiro Doi

President and Director

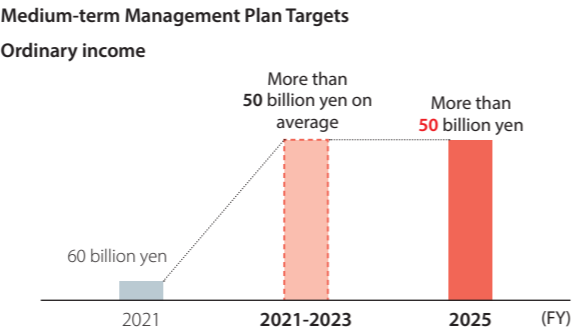
Kansai Transmission and Distribution, Inc.



Overview

Kansai Transmission and Distribution, Inc. took over the general power transmission and distribution business of the Kansai Electric Power Co., Inc. in April 2020 to further ensure neutrality in the transmission and distribution business. Kansai Transmission and Distribution, Inc. is committed to providing affordable electricity in a safe, stable manner while placing a premium on being fair and neutral. Its operations include managing power grids, and planning and constructing transmission, transformation, and distribution facilities.

In addition, the power grid network is being upgraded to achieve zero-carbon power generation with efforts underway to meet diversified needs of grid users (e.g., distributed power sources) and offer flexible grid services, all designed to contribute to the development of local communities.



Business environment

- The cost in striking a balance between demand and supply increased significantly in fiscal 2021 due in part to a surge in fuel prices.
- Recent international situations caused by the conflict in Ukraine and other factors may impact construction work due to material supply shortages, etc. and influence income and expenditure resulting from shortages and price hikes in raw materials and fossil fuels.
- A new wheeling pricing system is scheduled for introduction in fiscal 2023, and we will be tasked with meeting the diversified needs of customers and society, providing safe and stable electricity, developing renewable power sources, becoming more resilient, and reducing wheeling charges.

Opportunities	Risks
<ul style="list-style-type: none">• Investment to respond to a new wheeling pricing system• Electrification promoted by the zero carbon movement• Increased use of wide area power grids• Customers’ diversified needs for the use of power grids, etc.• Advancement in digital technologies (AI, IoT, etc.)	<ul style="list-style-type: none">• Decreased power grid demand due to power and energy saving• Intensified natural disasters and possible earthquakes in the Nankai Trough• Changing social needs (lifestyles, etc.) post COVID-19• Impact on earnings resulting from short supply of materials, etc., due to the war in Ukraine and other situations

Business strategies

Directions to take

The three business areas will be developed in Kansai Transmission and Distribution, Inc., involving transmission and distribution, growth promotion and business foundations, with a positive growth cycle created between them to turn ourselves into “what we aspire to be.”

① Transmission and distribution

Create the industry’s leading cost structure and produce results exceeding public expectations with a new wheeling pricing system in place, aiming to improve cost efficiency and secure investments in next-generation power grid networks.



- ② Growth promotion
Develop new businesses, promote global investment operations and increase external sales of Kansai Transmission and Distribution Group to expand the overall business.
- ③ Business foundations
Promote safety and compliance, improve the organization culture through the Toyota Production System (Kaizen), etc., contribute to local communities, and increase productivity through DX and workstyle innovation to build a stronger business foundation.

What we aspire to be as Kansai Transmission and Distribution Group

Leveraging our advanced technology to develop and provide attractive services that support customers and society, we aim to be a corporate group spearheading development of the transmission and distribution business at home and abroad.

5-year Efforts

① Transmission and distribution

1. Ensuring stable supply
 - ① Upgrade asset management.
 - ② Respond to intensified natural disasters.
2. Contributing to zero carbon initiatives
3. Reforming cost structures and promoting measures to expand earnings

② Growth promotion

1. Further expanding new and overseas business operations
 - ① Develop new areas in new businesses.
 - ② Develop investment operations in overseas businesses.
2. Developing new services leveraging new technologies
3. Expanding operations through cooperation among three group companies of Kansai Transmission and Distribution, Inc.

③ Business foundations

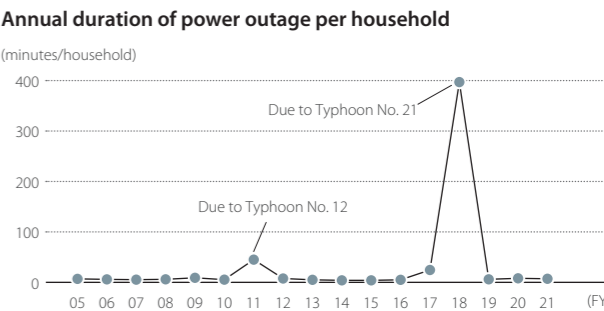
1. Building a robust safety and health culture
2. Steadily implementing business improvement plans
3. Reforming the organization culture
 - ① Promote a customer-oriented organization culture.
 - ② Foster an open organization culture.
 - ③ Foster an organization culture that pursues genuine work.
4. Contributing to development of local communities
5. Improving productivity through drastic operational reforms
 - ① Upgrade systems and push forward with DX.
 - ② Further promote workstyle innovation.

Initiatives in fiscal 2021

① Transmission and distribution

To provide high-quality electric power

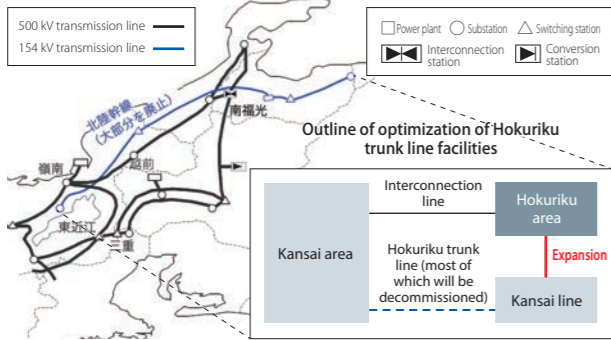
Our commitment is to ensure the operation of power grids between power plants and customers, optimize facilities, and prevent and respond quickly to power outages. As a result of our efforts, with the exception of major natural disasters, we are maintaining one of the world’s highest power quality levels in the transmission and distribution business.



Transmission and Distribution Business

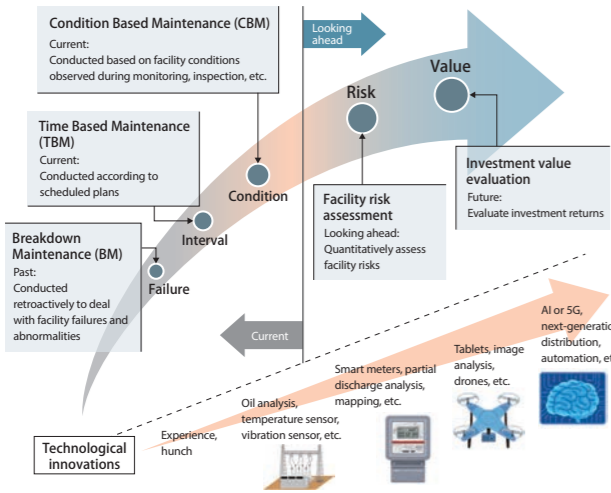
Optimization of the Hokuriku trunk line facilities

Of hydropower trunk lines that have been in operation since the 1920s, the Hokuriku trunk line, which is considerably dilapidated, will mostly be decommissioned while the remainder will be connected to the grid operated by the Hokuriku Electric Power Transmission & Distribution Company. This will obviate the need for large-scale replacement of facilities and reduce the resulting costs. We will continue to further improve the efficiency of our operations by promoting interconnection between power transmission and distribution utilities.



Advanced asset management

The number of aging facilities is increasing. These facilities should be systematically refurbished to ensure safe and stable electricity supply. Rational and efficient implementation of refurbishment, however, requires a comprehensive plan that takes into account facility risks, refurbishment costs, construction capabilities, etc. We are thus developing a planning system based on investment value evaluation to upgrade our asset management.



Expansion of the maximum transmission capacity of a 500 kV transmission grid

We expanded the maximum transmission capacity of 500 kV transmission grids to accommodate the trend toward acceptance of power transmission in wider areas across regions. Specifically, increased power transmission routes following work to change the grid system completed in fiscal 2021 resulted in an expansion of the maximum transmission capacity

of the east-to-west 500 kV transmission grid, from 5.1 GW to 8.3 GW. This expansion significantly contributes to the enhanced use of grid systems for renewable energy in the context of zero carbon and to the revitalization of electricity trading nationwide.

Emergency response system for disasters, etc.

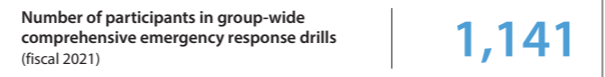
We designate initial responders and have initial response supervisors put on night watches to prepare for quickly setting up the response system in case of emergency. In addition, special training drills are conducted several times a year for both initial response supervisors and initial responders.

Moreover, with the President of the Kansai Electric Power Co., Inc. serving as Chief of the Emergency Headquarters, group-wide comprehensive emergency response drills are conducted every year and these drills see full collaboration between the Kansai Electric Power Co., Inc. and Kansai Transmission and Distribution, Inc. We are committed to improving our disaster response skills and raising disaster awareness, not only to prepare for the occurrence of the Nankai Trough Earthquake but also with consideration for severe incidents such as the simultaneous occurrence of a nuclear power disaster or during occasions when the balance of power supply and demand is tight.

Furthermore, in line with the disaster cooperation plan, we will cooperate with general power transmission and distribution utilities and relevant authorities in times of disasters to quickly recover and restore electricity facilities and systems for stable supply of power.



Group-wide comprehensive emergency response drills



Timely communication of power outage information

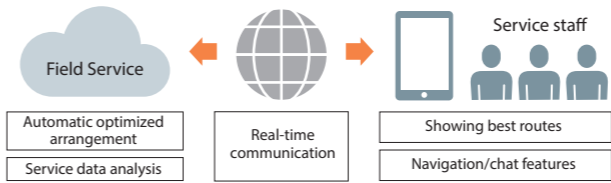
Kansai Transmission and Distribution, Inc. communicates detailed power outage information on a timely basis to as many customers as possible through various channels such as the smartphone application Kansai Power Outage Information, its website, and its official Twitter account. The website, for example, shows power outage areas on a map, while the smartphone application provides push notification to registered customers when power outages occur and restoration is completed in registered locations. Likewise, power outage situations are quickly communicated in detail through the official Twitter account.

A new arrangement system and smart device to better serve the requests of customers

A new arrangement system using cloud services, coupled with use of smart devices, is in place to better serve the requests of customers, where customer services are streamlined through advanced arrangements and field services.

These measures specifically include automatic arrangements,

real-time communication of service data, and navigation/chat features, all designed to ensure high-quality, fast, and reliable services onsite.



Promoting cost structure reforms

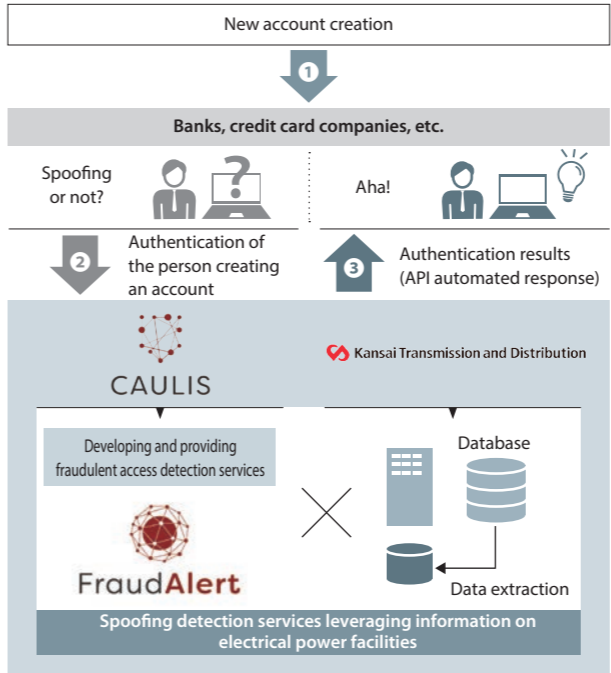
A project spearheaded by the president of Kansai Transmission and Distribution, Inc. aggressively promoted unconventional cost structure reform, with the completion of a review of 30-billion-yen efficiency improvement measures. These measures will be incorporated into day-to-day operations for decisive implementation.

2 Growth promotion

Services to prevent fraudulent account creation, leveraging information on electrical power facilities

Fraudulent accounts using “stolen identities” are often abused for criminal purposes such as money laundering, which is becoming a public concern. Kansai Transmission and Distribution, Inc. and Caulis Inc., therefore, collaborate with each other in providing financial institutions with services to prevent fraudulent account creation, with the former’s proprietary information on power facilities combined with the latter’s fraudulent access detection system. Services are expanding through the network with Hokkaido Electric Power Network, Inc., Chubu Electric Power Grid Co., Inc. and Chugoku Electric Power Transmission & Distribution Co., Inc., which contributes to preventing fraudulent transactions.

Overview of services leveraging information on electrical power facilities to prevent fraudulent account creation



Expanding overseas operations

We are extending our reach worldwide, focusing on “expansion of earnings,” “technological contribution,” and “sustainability promotion.” In fiscal 2021, for example, we were awarded five consulting projects in five countries, including Papua New Guinea and Nepal.

Kansai Transmission and Distribution, Inc., meanwhile, is looking at investing independently in overseas projects to further boost its earnings.



Papua New Guinea Power Grid Planning and Operational Capability Improvement Project

3 Business foundations

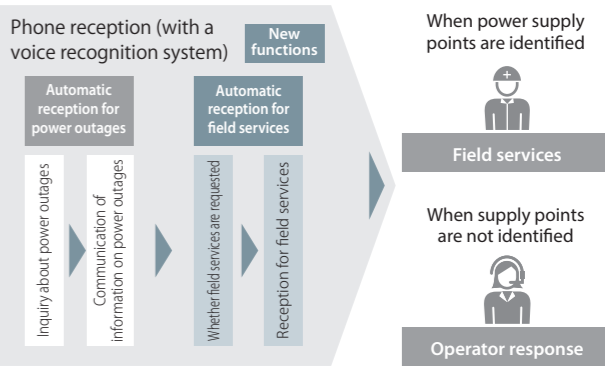
Promoting Kaizen activities

Kansai Transmission and Distribution, Inc. has been rolling out Kaizen activities since fiscal 2021 to nurture a corporate culture that aims to improve productivity while cooperating with external partners to make further improvements. This has resulted in significant improvements in productivity, brought about by 205 operational processes with increased added value, elimination of redundancies, and fundamental process innovation.

With our efforts growing in scope in fiscal 2022, we are committed to further promoting Kaizen activities, recognizing achievements made heretofore.

DX activities (automatic power outage response using voice recognition)

Interactive voice response services have been in place since September 2019 to communicate information regarding power outages and estimated recovery times. In fiscal 2021, a new function was added to the response services where customer requests are automatically dealt with from reception, dispatching field services when customer power supply points are identified through voice recognition. As such, we are working on faster customer service in addition to timely information dissemination during power outages.



Business Segments

Information and Telecommunications Business

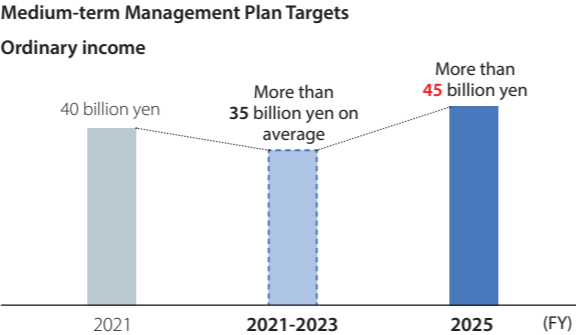
Nobuhiro Nishizawa

Director
Representative Executive Officer, Vice President



Overview

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. Going forward, we are committed to building on our contribution to our customers and society by capitalizing on our Group's strengths in development of new businesses and services, such as provision of 5G-based high value-added solutions, creation of new solutions that support cloud computing and DX needs, and promotion of data center businesses to meet increasing demand.



Business environment

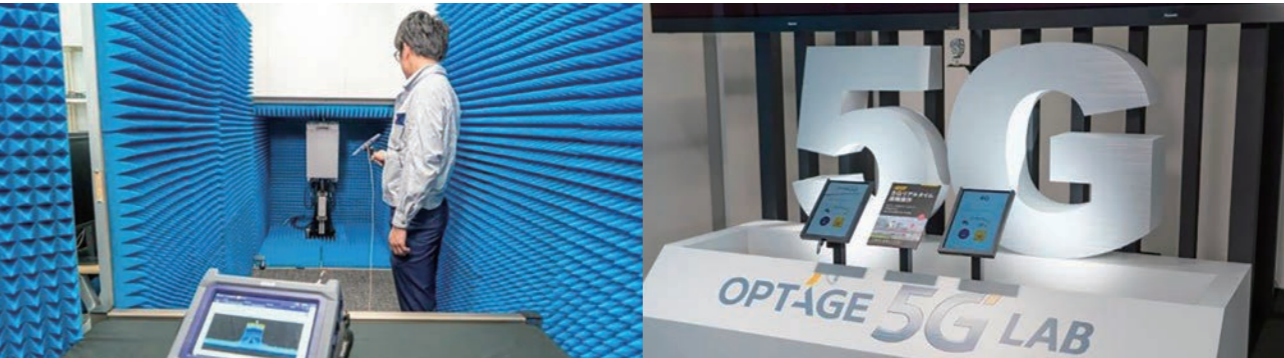
Opportunities	Risks
<ul style="list-style-type: none">Growing need for high-speed and stable communication against the backdrop of video viewing, remote work, etc.Growing needs for business efficiency and automation, with the acceleration of DX promotion	<ul style="list-style-type: none">Changes in competitive environment caused by new entrantsChanges in business structure with the emergence of innovative new technologiesIntensifying price-cutting competition

Business strategies

Directions to take	<ol style="list-style-type: none">Demonstrate overwhelming competitiveness in information and communication infrastructure services in the Kansai region, and increase profits.Promote provision of high value-added services and creation of new solutions that contribute to increasing the value of information and communication infrastructure services as well as operating outside the Kansai region.
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5-year Efforts

① Increase profitability	② Solutions
<ul style="list-style-type: none">Provide eo's ultra high-speed services and mineo's (Personal / Business) unique community-based services.Develop next-generation data centers.Provide Group assets (optical fiber, station buildings, transmission towers, utility poles, etc.) toward the spread of 5G communications.	<ul style="list-style-type: none">Provide IoT and high value-added solutions centering on the 5G core network.Provide new solutions to respond to the needs of cloud computing and DX.Set up new green data centers and promote green power source procurement.



Initiatives in fiscal 2021

Consumer services

eo Optical services, offered by the group company OPTAGE Inc., are FTTH services consisting of eo Optical Fiber Internet, eo Optical Fiber Telephone and eo Optical Fiber Television, each of which utilizes a proprietary high-speed, reliable optical fiber network extending throughout the Kansai area. In fiscal 2021, to meet the growing demand for high-capacity communication, OPTAGE lowered the basic monthly rate for its "eo Optical 10/5 GB Services," an ultra-high-speed service, and expanded the service area, the largest in the Kansai region. More than 50% of new subscribers have chosen this service.

OPTAGE will continue to provide infrastructure services that form the basis for comfortable living, developing attractive services to keep customers satisfied in accordance with their varying needs.



OPTAGE also offers the cell-phone service mineo (Personal / Business), where various services such as the Ambassador System and "Yuzurune" service are provided to mineo customers under the theme of co-creation. In fiscal 2021, the company's efforts in improving customer convenience in launching its unique "Maisoku" and "Unlimited Calls for Unlimited Time" services won first place in recommendable cell phone services.

The values unique to mineo (namely the co-creation strategy: co-creation and co-imagination) will be further enhanced to provide services to as many customers as possible.

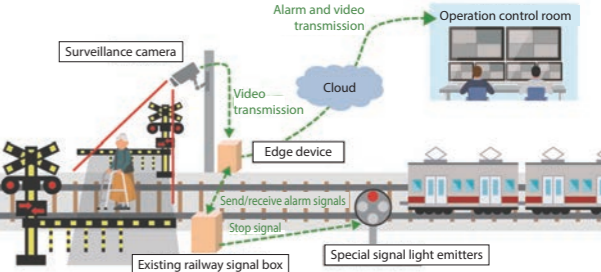


NPS is a registered trademark of Bain & Company, Inc., Fred Reichheld, and Satmetrix Systems, Inc.

Furthermore, in fiscal 2021, with the "eo-mineo Combination Discount," reducing eo Optical Net monthly rates applicable to customers subscribing to eo Optical Net and mineo as a set, OPTAGE made their services more affordable and convenient. Through both services, OPTAGE will continue to support comfort, convenience, and affluence in the lifestyles of customers.

Services for corporate customers

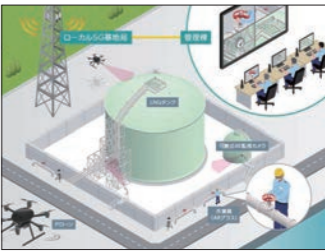
As services for corporate customers, in addition to fiber-optic internet services for enterprises, we provide comprehensive services covering consulting, system development, cloud computing, AI/IoT, etc. We are also taking on new challenges such as creation of new solutions that meet digital needs for sustainable growth. In fiscal 2021, we began providing a "Railroad Gate AI Security Camera Solution" which uses AI image analysis technology to detect abnormalities during railroad crossing blockages, with the aim of enhancing safety when crossing railroad crossings.



Overview of Railroad Gate AI Security Camera Solution

Aiming to develop local 5G-based new services, we are also engaged in demonstration experiments for infrastructure monitoring using local 5G and 4K-support drones at power plants. We will continue to contribute to the DX promotion for our customers and society by providing total solutions and creating new services.

Illustrated demonstration experiment at power plant



Business Segments

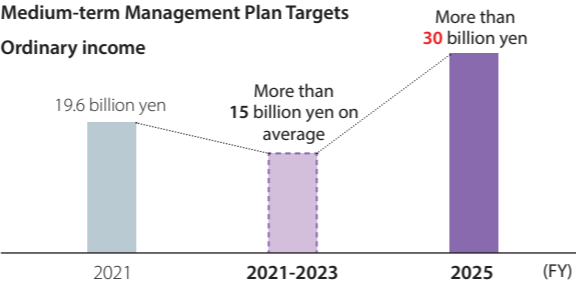
Life / Business Solution Business

Nobuhiro Nishizawa
Director
Representative Executive Officer, Vice President



Overview

In addition to comprehensive real estate services (leasing, condominium sales, property management, leisure, etc.), we provide specific services for both individuals (home security, healthcare, etc.) and businesses (call-center and staffing services, etc.) to provide support for their everyday needs.



Note: Including extraordinary gains/losses in the real-estate business

Business environment

Opportunities

- Robust demand for condominiums, office spaces, and leasing
- Increased business opportunities with the promotion of big projects such as attracting IR to Yumeshima and the Osaka Expo
- Increased business opportunities brought by advances in digital technology, etc.

Risks

- Delay in acquisition and development of new properties due to intensifying competition for property acquisition
- Sluggish real estate market resulting from sharp economic deterioration
- Damage to real estate value due to lower profitability of properties

Business strategies

Directions to take

- ① Engage in comprehensive real estate businesses to meet all real estate needs with a well-balanced combination of condominium, leasing and fee businesses, aiming to increase profit.
- ② Besides real estate, in highly competitive businesses where we can leverage our Group's strengths, aim to provide high value-added services seeking further increases in profit.

5-year Efforts

① Real estate business

- Promote business focused on asset management by making effective use of funds such as REITs.
- Enhance services for condominiums according to life cycle, such as interior fittings and furnishings, renovations, brokerage and relocation.
- Find and strengthen medium- to long-term redevelopment projects, etc. through activities related to CRE (corporate real estate) solutions.

② Other than real estate

- Provide diverse health checkup services that incorporate advanced testing technologies.
- Provide customer call center services based on digital technologies and high-level know-how.

Initiatives in fiscal 2021

We have made active efforts to increase sales of "CIELIA" condominiums in the Kansai and capital regions, and have provided 4,952 residences with this brand by the end of fiscal year 2021.



CIELIA CITY Senriyama



Number of "CIELIA" brand residences supplied

Total of condominium units and detached houses with residential land development completed since starting to supply CIELIA brand residences (fiscal 2016) until fiscal 2021

4,952

Our real estate business in emerging economies, especially those in Southeast Asia, deals with primarily with condominium development projects, while the focus is on office leasing and condominium development in Europe, the U.S., Australia and other developed countries.

By the end of fiscal 2021, we have participated in 12 condominium development projects in Vietnam, Indonesia, Thailand and the U.S., and 15 leasing projects in the U.S., Singapore and Australia.

Number of projects invested in since the first overseas real estate business (fiscal 2017) until fiscal 2021

27



Bangkok



Dallas in Texas



Washington, D.C.

About 57,000 contracts were signed for our home security services as of the end of fiscal 2021, a significant achievement in our efforts to reach out to customers and win their confidence.

Number of contracts for KANDEN SOS home security services

For detached houses and condominiums as of the end of fiscal 2021

57,000



Customer satisfaction rate: 98%
We help customers live a more secure and comfortable life.

In not only real estate services but also other business areas where we can leverage the Kansai Electric Power Group's strengths, we will proactively incorporate digital and cutting-edge technologies to expedite offering of high value-added services, aiming for dramatic profit growth as well.

Message from the Chairman of the Board

Advancing toward Kansai Electric Power that can excel once more, with every employee taking pride in our founding spirit.

Sadayuki Sakakibara

Chairman of the Board
Chairman of the
Nominating Committee
Member of the
Compensation Committee

Compliance had also become a big problem, but centering a newly established Compliance Committee under the direct control of the Board of Directors, we have developed various initiatives, such as enhanced training and the strengthened whistleblowing system, and I sense that awareness of compliance has certainly permeated the Group as a whole.

Through dialogue with management, awareness among employees is also changing rapidly

Reform of the Group's corporate culture was another major issue for restoring the trust of our customers and society. Concerns were also raised from outside the Group that our corporate culture was very much top-down and that few opinions and recommendations came from the bottom up.

For the safe and stable operation of power stations and other facilities, I think there are some aspects in which we must have a strict chain of command and behavior that follows a determined set of rules. However, for the regeneration and growth of the Group, we need a corporate climate in which frontline employees who are familiar with its operations can openly give their opinions and suggestions regarding the management of the company from the bottom up.

In order to change to an open and natural corporate culture, I believe it is essential that we as outside directors seek to communicate with employees and to convey to them the significance and purpose of that culture. Therefore, I gave management opportunities to have direct dialogue with employees.

We have visited various workplaces in the sales, transmission & distribution, and research and development divisions in the Group, including power stations, and had face-to-face conversations with many employees, from new recruits to executives. At first, I heard voices of distrust and dissatisfaction directed toward officers, but now we have overcome this and the majority of opinions are positive. I hear things like, "Let's be at the forefront of creating a new Kansai Electric Power Company," and I feel that awareness among employees has changed significantly over the past two years.

The kind of results that we have obtained from our reforms are also being conveyed to our customers and society, and in surveys into people's impressions of corporations, the ratio of responses that describe Kansai Electric Power as a trustworthy company are recovering to the same level as before the series of incidents that arose. While meeting with people from outside the company, I myself have begun to hear, "Kansai Electric Power really has changed a lot," and I find this very pleasing.

However, our initiatives to restore trust are ongoing. While increasing the effectiveness of all our initiatives, I would like us all to do our utmost, with the aim of continuing to be a corporate group that is truly trusted.

We will also seek to appropriately establish and update the succession plan

I believe that formulating the succession plan for the President and members of the Board of Directors is also indispensable for achieving sustainable future growth for the Group, and it is one of the key initiatives in our governance reforms.

Under the guidance of the Nominating Committee, which is solely composed of outside directors and of which I am the Chairman, the opportunity of the shift to being a company with a nominating committee, etc. has been used to create a new plan that will contribute to sustainable growth. When formulating the plan, we held repeated discussions about such issues as what the President is supposed to be, and established a specific succession plan that foresees the timing of changeovers in roles.

Thanks to this plan, when former President Takashi Morimoto gave notice that he would step down to hand over his position to the next generation, the process of nominating his successor proceeded very smoothly. Our new President Nozomu Mori is bright, positive, and flexible in the face of change, and an extremely able person who takes the initiative by willingly confronting difficulties. I am confident that we have selected a person who is truly appropriate as a leader and can open up the path to a new era. I think the current Board of Directors system strikes a very good balance from the point of view of skills matrix, although the knowledge, experience, and capabilities demanded of members of the Board of Directors should evolve in response to changes in the management environment. As board members, we must also change with the times. While improving the transparency and fairness of the selection process, we will continue to appropriately work toward the establishment and updating of the succession plan, based on the changing situation going forward.

Forging ahead with initiatives in the Medium-term Management Plan while aiming to make even greater strides in sustainable growth

Both restored trust and sustainable growth will be necessary for realizing the vigorous regeneration of Kansai Electric Power, and the Medium-term Management Plan is what illuminates the path toward this.

The Group has faced huge changes in the business environment, including the COVID-19 pandemic and the trend toward decarbonization. In addition, since the beginning of this year, the rising price of resources due to the situation in Ukraine, a weak yen, and other factors have led to even greater uncertainty in the energy market. To overcome these difficulties and spread our wings, it is crucial that the Group is committed to the successful execution of the three key initiatives outlined in the Medium-term Management Plan, namely seeking to achieve zero-carbon emissions (EX), transforming into a service provider (VX), and building a robust corporate constitution (BX).

Of the three, BX is directly linked to cost competitiveness. In fiscal 2021, we realized 73 billion yen of cost reductions, and we are working to achieve a further 60 billion yen of reductions in the current fiscal year. The money saved will form the basis for income, and we can expect this will lead to a robust corporate constitution.

With VX, too, as competition in the energy market intensifies, we will be innovative in creating new value in a diverse range of business sectors without restricting ourselves to sale of electricity and gas, and we will transform into a corporate group that provides solutions in response to the varied needs of our customers and society.

Being a pioneer by continuing to tackle the zero carbon challenge

Seeking to achieve zero-carbon emissions (EX) is another of the key initiatives in our Medium-term Management Plan. Achieving carbon neutrality by 2050 is a global, now-or-never issue whose time has come. Following our Zero Carbon Vision 2050 announced in 2021, we formulated a roadmap for indicating the path toward that vision in March of this year. Our aim is to reduce not just CO₂ emissions from power generation by our Group, but also to reduce the emissions of our customers and society by more than 7 million tonnes, and we would like to make a significant contribution to realizing decarbonization in society as a whole.

Our Company has many nuclear power and hydropower generation facilities. These are non-fossil fuel energy sources and we are proud to be the number one generator of hydropower in Japan. Also, five of our nuclear reactors have already resumed operations. In recent years, as the stable supply of electricity has become a state issue, nuclear power has been subject to increased interest and expectations globally. I believe it will be important to work on maximizing the utilization of nuclear power as we head into the future, while at the same time giving top priority to safety.

For zero-carbon thermal power generation, we will also look to tackle numerous advanced initiatives, such as hydrogen and ammonia co-firing.

The goal of achieving carbon neutrality by 2050 is technologically very challenging. We must realize this goal on a budget that will be acceptable to all members of society, and ground-breaking innovation will be indispensable for achieving it. There is not much time left between now and 2050, but I would like us to gather the Group's collective strength and be resolute in our determination to take on this challenge.

Taking pride in our founding spirit: toward Kansai Electric Power that can excel once more

After graduating from university, I started my career as a working adult in the Kansai region. At the time, the Kansai Electric Power Company had completed the construction of *Kuroyon*, Kurobegawa No. 4 Power Station, which can be said to stand out as a landmark achievement in the history of Japanese industry. Furthermore, the Company was a highly advanced, revolutionary blue-chip corporation, which was one of the first to come to grips with the generation of nuclear power in Japan. It is a tradition of the Company to take on difficult challenges.

Particularly now, as the energy industry approaches a major turning point, I would like us to take pride in our founding spirit and join together as one so that we can make the next great leap forward.

My position and role as Chairman of the Board may differ from those of executive officers and employees, but I, too, will try my utmost to enable Kansai Electric Power to shine once more.

Messages from the Outside Directors

Hiroshi Tomono

Director
Chairman of the
Audit Committee

A review and prospects for the future

Following the full liberalization of electricity retail markets in 2016, the power industry was in the midst of a period of great change. The Kansai Electric Power Group as a whole also upped its game and we concentrated our efforts on various initiatives. In the middle of that period, we brought about such problems as the cash/gift receiving scandal, which caused us to lose the trust of our customers and society, damaged our corporate value, and slowed down business transformation.

While analyzing the causes of those problems and devising countermeasures, we have formulated our business improvement plans. We at the Group have committed ourselves to swiftly implementing all the items outlined in the plans, and we have since devoted our energies to corporate governance reforms. The Board of Directors systematically set an agenda and freed itself from formal procedure, changing it significantly to a forum for discussion. In addition to the Nominating, Compensation, and Audit Committees, we appreciate the fact that the activities of the Compliance Committee have begun to get on track.

What we have tried to do with the Audit Committee, of which I have been appointed Chairman, is to make proper discussion our number one priority. The basis for proper discussion is objective information and to that end, it is also important for the Audit Committee and executive officers to communicate in a way that is beneficial. We are endeavoring to build close relationships that enable the unreserved expression of opinions, and with further effort and wisdom, I feel that we can expect to improve the quality of our auditing activities even further.

Our number two priority is the rearrangement of the organization, its functions, and how we work. In fiscal 2021, we focused on designing a system to enhance communication among accounting auditors, and we created a mechanism that maintains our rigorous collaboration with each other thanks to such an exchange of opinions. About two years have passed since the Audit Committee was established. Based on these experiences, I would like to aim for an even more refined structure.

Our number three priority concerns problems relating to the cash/gift receiving scandal and compensation paid to former officers for

their part-time engagements after retirement. Regarding our response to proceedings for damages filed by the Company against those former officers, we will listen carefully to the opinions of everyone involved and to make a fair decision.

In fiscal 2021, in addition to implementing our business improvement plans, we worked on improving the Group's growth and corporate value. I think that we have achieved definite results, and I feel that little by little, the wheels of this big organization are beginning to turn. As management, I will promote this action and give it momentum. This will create a buzz among all our employees, who will energetically share information and jointly contribute to our collective wisdom.

Expectations for the Kansai Electric Power Group

In order to further increase our capabilities as a corporate group, I have been emphasizing since my appointment that it is crucial to repeatedly convey the importance of compliance awareness and user viewpoints, so that they permeate every corner of our organizations.

In dialogue with employees, I sense that many of them have undergone a very positive change in their understanding of compliance awareness and user viewpoints.

Once employees understand the importance of these things, I think the key point is whether they are able to link their understanding with behavior. I believe that the role of middle management is vital for doing this. If middle management conveys this key point in line with the characteristics of the workplace and until employees on site are convinced, individual employees will gain a deeper understanding of the reality on the ground. This will change their behavior; the necessary information will make its way up to management; and managers will confront that reality to refine measures. This will then be conveyed to employees once more, thereby producing a virtuous cycle.

Progress is being made in establishing the structural aspects of our organizational culture, which a third-party committee identified as being an inward-looking corporate constitution. Particularly now, when a change in the culture has become apparent, the time is right for change in a very real sense, and it is important to take initiatives with action in mind.

At a time when a radical reexamination of energy strategy is inevitable due to the changing international situation, I expect the Kansai Electric Power Group to accomplish its growth strategy and become a leading company in energy business, while the Group assesses what kind of initiatives are needed and utilizes the wide-ranging expertise of outside directors, who are experts in various fields and form a powerful advisory group.

As I mentioned before, the wheels are beginning to turn. For those wheels to start turning more quickly, as a member of the Board of Directors, I, too, intend to do my utmost to help and to work alongside our employees.

Kazuko Takamatsu

Director
Member of the
Nominating Committee
Chairperson of the
Compensation Committee

A review of Compensation Committee initiatives and prospects for the future

In June 2020, with the Kansai Electric Power Company's shift to being a company with a nominating committee, etc., the legally mandated Compensation Committee was established and began its activities.

For the two years since then, we have undertaken repeated discussions focusing on the performance-based compensation system and the concept of setting indices and targets, and created a new mechanism.

Specifically, in addition to multiplying the indices for performance-based compensation to enable an assessment from various viewpoints of the extent to which officers have contributed, we have introduced ESG-related indices.

Moreover, based on reflection regarding compensation issues that were peculiar to the Company—for example, those relating to part-time engagements—and in order to make compensation for officers more transparent, we have begun to release information about specific calculation methods for compensation, as well as individual remuneration amounts for our inside directors.

As a result of the initiatives of the Compensation Committee over the past two years, I believe we have completed the establishment of the basic compensation system and secured its transparency.

As Chairperson of the Compensation Committee, I see the securing of transparency in relation to compensation as a basic premise, and I intend to do my best to build a compensation system that strikes a balance between our individual responsibilities and results.

Power company business, which has energy infrastructure at its heart, differs from business at the consumer electronics manufacturer where I worked previously, and is significantly affected by government policy and all kinds of regulations. Therefore, there are aspects in which it is hard for the results of initiatives by various officers and business divisions to be directly linked with financial indices such as sales and earnings.

At the same time, in addition to the introduction of the competition principle to electricity business following the full liberalization of electricity retail markets, our business structure is becoming more complex, as we have been multilaterally working on business other than the energy business, for example telecommunications and real estate. I believe such changes will accelerate even more in the future.

Due to these changes, the guidance of management will have a major influence on the performance of the corporate group. Alongside this, I think a varied compensation system will be sought in which the performance of officers is directly related to their compensation.

We have completed one round of establishing the basic compensation system, but going forward, from the point of view of officer incentives, we will continue to reexamine and improve the system, thereby enhancing the quality of our management.

Expectations for the Kansai Electric Power Group

At present, I feel there is a very strong mindset among those who work at the Kansai Electric Power Company that they must not make mistakes. Electric power is a crucial infrastructure that supports the everyday lives of the country's citizens, and I understand that such a culture is formed by the employees' sense that their mission is to provide a stable supply of electricity. This in itself is also, I believe, one of the strengths presented by the Company.

In the meantime, as mentioned above, the Kansai Electric Power Company must multilaterally tackle business besides energy business. Also, even in the energy business, I believe there will be an increasing number of areas—such as renewable energy and hydrogen—in which we should advance technological development and commercialization using approaches that differ from those of the past. In such an environment, we will need people who are determined to take on the challenge of areas they have yet to experience, and by cultivating an organizational culture that nurtures those types of personnel (one that tolerates diversity), I think we will become an even better company.

At Sony, where I used to work, there were many people who welcomed a challenge and the company had a positive view of them. There, even if you made a mistake, you could move on to the next challenge and you were given the chance to recover. That culture was so pervasive that anyone who had not experienced failure was less likely to be promoted to higher managerial positions.

If you see a situation in which you cannot recover from the failure of making even a single mistake, the work environment around you becomes so frightening that you can no longer try to achieve anything at all. I have found it to be invaluable that as far as possible, you are allowed to make minor mistakes while you are still young. Then you can accumulate the experiences of recovering from those mistakes and come to believe that making mistakes is not a problem.

Having this kind of culture take root in every corner of the organization, including in the field, will be tough and may take time. I believe the attitude of management is vital for achieving this.

Since the cash/gift receiving scandal, the Kansai Electric Power Company has formulated a new management philosophy and placed importance not just on compliance but on taking up challenges with the aim of reforming of its organizational culture. Compared with compliance, I feel the results of those efforts may still be limited.

As an outside director who has worked in an organization with a completely different culture from the power industry, and while utilizing this different viewpoint to provide help and advice, I anticipate even more powerful change in the Kansai Electric Power Group in the future.

Special
Feature
2

Communication toward regeneration

Communication between managers and employees
—Creating a new Kansai Electric Power

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

Outline of Sosei Communication

Objective

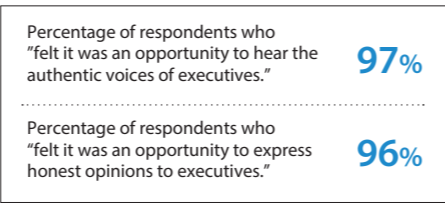
With the aim of exchanging various opinions about our business improvement plans (formulated in March 2020) and working to prevent the recurrence of problems and undertake the necessary reforms, our management and employees started these communication sessions in April 2020.

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

Achievements

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

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



Main comments

Management philosophy		Organizational culture	
Employees' comments	<ul style="list-style-type: none">It's very simple and empathetic. It has been a great support in doing my job.The new philosophy made me feel a strong desire for change.	Employees' comments	<ul style="list-style-type: none">We are making various efforts to establish a governance system and to initiate communication. What's important is to turn these efforts into a change in the organizational culture.I'm encouraged by executives taking the lead in speaking to us from the employees' standpoint, through their messages, <i>Sosei</i> Communication, and by other means. I look forward to more such activities in the future.
	<p>Like water and air, electricity is taken for granted in society, and this is something we should be most proud of and the greatest value we can provide to society. I ask all of you to use the various experiences you have gained through working at the front line to give meaning and add your own touches to the philosophy, and to make it prevail in our Group.</p>		<p>In addition to hiring a diverse range of personnel, diversity initiatives that allow the free exchange of ideas, bilateral communication between executives and employees, and compliance training that also targets executives are all important. I believe that through these initiatives, the organizational culture will change, even though it may take time.</p>
Medium-term Management Plan		Zero Carbon Vision 2050	
Employees' comments	<ul style="list-style-type: none">I recognize that fiscal 2021 to 2023 is a period during which we pool our strengths for the next leap ahead.Our cost-consciousness is changing steadily in the workplace, too.I think the plan reflects our Company's flexible response to the times.	Employees' comments	<ul style="list-style-type: none">Aiming for zero carbon is a challenging goal that will lead the industry, and I sensed our expectations for the future.I have noticed a significant change in our customers' reactions before and after publication.
	<p>If we can achieve this three-year cost structure reform, we will be able to move on to the next stage of growth. To that end, we need to rack our brains and are therefore discussing, for example, how to use the cash generated by cost structure reforms to invest in the next stage of growth.</p>		<p>Among former general electricity utilities, our Company has the advantage of accounting for the largest ratio of decarbonized power sources and the largest amount of power generated, including nuclear and hydroelectric power. Although carbon neutrality is a very tough challenge for society, for us it acts as a tailwind. I want to turn this into an opportunity through the concerted efforts of the entire Group.</p>

From the director responsible

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

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

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



Makoto Araki
Executive Vice President

Directors



Director
Member of the Audit Committee

Fumio Naito

Director
Member of the Compensation Committee

Atsuko Kaga

Director
Member of the Audit Committee

Shigeo Sasaki

Director
Member of the Nominating Committee
Member of the Compensation Committee

Tetsuya Kobayashi

Director
Member of the Audit Committee

Yasushi Sugimoto

Director
Member of the Audit Committee

Yasuji Shimamoto

Director
Member of the Nominating Committee
Member of the Audit Committee

Takamune Okihara

Director
Chairman of the Audit Committee

Hiroshi Tomono

Director
Member of the Nominating Committee
Chairperson of the Compensation Committee

Kazuko Takamatsu

Chairman and Director
Chairman of the Nominating Committee
Member of the Compensation Committee

Sadayuki Sakakibara

Director
Representative Executive Officer, President

Nozomu Mori

Director
Representative Executive Officer, Vice President

Koji Inada

Director
Representative Executive Officer, Vice President

Nobuhiro Nishizawa

Directors

Outside Directors and Independent Officers



Chairman and Director
Chairman of the Nominating Committee
Member of the Compensation Committee

Sadayuki Sakakibara

June 2002: Representative Director and President, Toray Industries, Inc.
June 2010: Representative Director and Chairman, Toray Industries, Inc.
June 2014: Chairman, Japan Business Federation
June 2014: Executive Chairman, Toray Industries, Inc.
June 2015: Chief Senior Advisor and Chief Senior Counselor, Toray Industries, Inc.
June 2017: Senior Advisor, Toray Industries, Inc.
May 2018: Honorary Chairman, Japan Business Federation (to present)
June 2018: Special Advisor, Toray Industries, Inc. (retired in June 2019)
June 2020: Chairman and Director of the Company (Outside Director) (to present)

Appointment reason

Mr. Sadayuki Sakakibara has held important positions of Toray Industries, Inc., which globally operates businesses, and has assumed office as Chairman of the Japan Business Federation. As such, Mr. Sakakibara has a wealth of experience as a corporate manager. Since he became the Chairman and Director of the Company in June 2020, Mr. Sakakibara has played a leading role in the meetings of the Board of Directors and the Nominating Committee as Chairperson of the Board of Directors and Chairman of the Nominating Committee, and also conducted appropriate supervision and provided valuable advice on the overall management of the Company as a member of the Compensation Committee. The Company believes that Mr. Sakakibara can be expected to continue to play the same role.



Director
Member of the Nominating Committee
Member of the Audit Committee

Takamune Okihara

May 2004: President and CEO, Representative Director, UFJ Bank Ltd.
June 2004: Director, UFJ Holdings, Inc.
Jan. 2006: Deputy President, Representative Director, The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Apr. 2008: Deputy Chairman, Representative Director, The Bank of Tokyo-Mitsubishi UFJ, Ltd.
June 2010: Chairman, Representative Director, Mitsubishi UFJ Financial Group, Inc. (retired in June 2014)
May 2014: Senior Advisor, The Bank of Tokyo-Mitsubishi UFJ, Ltd.
June 2014: Outside Director of the Company (to present)
Apr. 2018: Senior Advisor, MUFG Bank, Ltd. (changed bank name) (to present)

Appointment reason

Mr. Takamune Okihara has held important positions of Mitsubishi UFJ Financial Group, Inc., which engages in banking business and other financial service business on a global level. As such, Mr. Okihara has a wealth of experience as a corporate manager and has provided opinions and advice on the management of the Company from a broad managerial perspective as Outside Director since June 2014, and as a member of the Nominating Committee and a member of the Compensation Committee since June 2020. The Company believes that Mr. Okihara can be expected to continue to play the same role.



Director
Member of the Nominating Committee
Member of the Compensation Committee

Tetsuya Kobayashi

June 2007: President and Representative Director, Kintetsu Corporation
Apr. 2015: Chairman and Representative Director, Kintetsu Group Holdings Co., Ltd.
Apr. 2015: Chairman and Representative Director, Kintetsu Corporation
June 2015: Outside Director of the Company (to present)
May 2018: Vice Chairman, Kansai Economic Federation (to present)
June 2019: Director, Kintetsu Corporation (to present)
June 2020: Representative Director and Chairman of the Board, Group CEO, Kintetsu Group Holdings Co., Ltd. (to present)

Appointment reason

Mr. Tetsuya Kobayashi has held important positions of Kintetsu Group, which operates a railway business and other service business on a diversified level. As such, Mr. Kobayashi has a wealth of experience as a manager of a company that engages in social infrastructure. Mr. Kobayashi has provided opinions and advice on the management of the Company from a broad managerial perspective as Outside Director since June 2015, and as Chairman of the Compensation Committee and a member of the Nominating Committee since June 2020. The Company believes that Mr. Kobayashi can be expected to continue to play the same role.



Director
Member of the Audit Committee

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
June 2020: Outside Director of the Company (to present)

Appointment reason

Mr. Shigeo Sasaki has held a number of important positions, among them Superintending Prosecutor at the Osaka High Public Prosecutors Office. Mr. Sasaki now serves as an attorney-at-law, and has assumed office as outside officer of other companies. As such, Mr. Sasaki has a wealth of experience in the legal profession and supervision of corporate management, and has provided opinions and advice on the management of the Company from a broad perspective including compliance as Outside Audit & Supervisory Board Member since June 2019, and as Outside Director and a member of the Audit Committee since June 2020. The Company believes that Mr. Sasaki can be expected to continue to play the same role.



Director
Member of the Compensation Committee

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
June 2020: Outside Director of the Company (to present)

Appointment reason

Ms. Atsuko Kaga has experience working at private companies and now serves as a professor at a Graduate School of Osaka University. As such, Ms. Kaga has provided opinions and advice on the management of the Company from a broad perspective as a person of extensive learning and experience and as Outside Audit & Supervisory Board Member since June 2019, and as Outside Director, a member of the Compensation Committee and a member of the Audit Committee since June 2020. The Company believes that Ms. Kaga can be expected to continue to play the same role.



Director
Chairman of the Audit Committee

Hiroshi Tomono

June 2005: Representative Director & President, Sumitomo Metal Industries, Ltd.
Oct. 2012: Representative Director & President & COO, Nippon Steel & Sumitomo Metal Corporation
Apr. 2014: Representative Director & Vice Chairman, Nippon Steel & Sumitomo Metal Corporation
Apr. 2015: Director & Advisor, Nippon Steel & Sumitomo Metal Industries, Ltd. and Nippon Steel & Sumitomo Metal Corporation (currently Nippon Steel Corporation)
June 2015: Advisor, Nippon Steel Corporation (changed corporate name)
Apr. 2019: Advisor, Nippon Steel Corporation (changed corporate name)
June 2020: Alumnus of Nippon Steel Corporation (to present)
June 2020: Outside Director of the Company (to present)

Appointment reason

Mr. Hiroshi Tomono has held important positions of Sumitomo Metal Industries, Ltd. and Nippon Steel & Sumitomo Metal Corporation (currently Nippon Steel Corporation), which globally operate businesses. As such, Mr. Tomono has a wealth of experience as a corporate manager. Mr. Tomono has played a leading role in the meetings of the Audit Committee as Chairman of the Audit Committee and has provided opinions and advice on the management of the Company from a broad managerial perspective as Outside Director since June 2020. The Company believes that Mr. Tomono can be expected to continue to play the same role.



Director
Member of the Nominating Committee
Chairperson of the Compensation Committee

Kazuko Takamatsu

Apr. 2003: Representative Director, Sony Digital Network Applications, Inc.
Oct. 2008: VP, Senior General Manager of Environmental Center, Sony Corporation (retired in March 2012)
Apr. 2013: Executive Director and Secretariat, Japan Institute for Women's Empowerment & Diversity Management
Apr. 2020: Executive Director, Japan Institute for Women's Empowerment & Diversity Management (resigned in June 2020)
June 2020: Outside Director of the Company (to present)

Appointment reason

Ms. Kazuko Takamatsu has ample experience as an expert in diversity, serving as Executive Director and Secretariat of Japan Institute for Women's Empowerment & Diversity Management. Ms. Takamatsu has also held important positions of Sony Corporation (currently Sony Group Corporation), which operates global business, and served in the past as Representative Director of a subsidiary of Sony Corporation. As such, Ms. Takamatsu has experiences as a corporate manager and has provided opinions and advice on the management of the Company from a broad perspective including diversity management as Outside Director and a member of the Nominating Committee since June 2020. The Company believes that Ms. Takamatsu can be expected to continue to play the same role.



Director
Member of the Audit Committee

Fumio Naito

Apr. 1990: Assistant Professor, School of Business Administration, Kobe University
Apr. 1997: Professor, School of Business Administration, Kobe University
Apr. 1999: Professor, Graduate School of Business Administration, Kobe University
Apr. 2006: Honorary Professor, Kobe University (to present)
Apr. 2006: Professor, Faculty of Business Administration, Konan University (to present)
June 2020: Outside Director of the Company (to present)

Appointment reason

Mr. Fumio Naito has a wealth of experience serving as a person of extensive learning and experience in fields such as financial accounting, auditing, and corporate governance. As such, Mr. Naito has provided opinions and advice on the management of the Company from a broad perspective including financial accounting as Outside Director and a member of the Audit Committee since June 2020. The Company believes that Mr. Naito can be expected to continue to play the same role.

Directors



Director
Representative Executive Officer, President

Nozomu Mori

Apr. 1988: Entered The Kansai Electric Power Co., Inc.
June 2018: Executive Officer, General Manager of Office of Asset Optimization and Trading
July 2019: Executive Officer, Vice General Manager of Operation and Trading Division, General Manager of Operation Planning Section and Trading Section
Oct. 2019: Managing Executive Officer, General Manager of Renewable Energy Division, General Manager of Community Energy Division
June 2020: Executive Vice President
June 2021: Director, Representative Executive Officer, Vice President
June 2022: Director, Representative Executive Officer and President of the Company (to present)

Appointment reason

Mr. Nozomu Mori has extensive operational experience, primarily in the transmission and distribution sector. Since being appointed as a Managing Executive Officer in October 2019, he has served as General Manager of the Renewable Energy Division and General Manager of the Community Energy Division, and has been in charge of Hydrogen Business Strategy Division, etc., and has broad insight in these fields. Mr. Mori has demonstrated leadership as the Director, Representative Executive Officer, President since June 2022, contributing to the increase in value of our Group. In addition, Mr. Mori has led discussions on the strategies for the renewable energy business and hydrogen business, and sales activities, and engages in an appropriate supervision on the management through expressing useful opinions, thereby contributing to enhancing the effectiveness of the Board of Directors. Based on his experience and insight, the Company believes that Mr. Mori is well qualified to be responsible for the Company's management.



Director
Representative Executive Officer, Vice President

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 Officer, 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: Representative Director, Executive Vice President
June 2020: Director, Representative Executive Officer and Vice President of the Company (to present)

Appointment reason

Mr. Koji Inada has extensive operational experience, primarily in the IT and planning divisions, and since being appointed as a Director in June 2018, he has been in charge of Office of Asset Optimization and Trading, Office of IT Strategy, Office of Corporate Planning, Office of Energy and Environmental Planning, Interim Storage Promotion, and Compliance on Wheeling Service Guidelines under the Electricity Business Act, etc., and has broad insight in these fields in addition to being responsible for the management of our Group as a Director, Representative Executive Officer, Vice President since June 2020. In addition, Mr. Inada has led the discussions on directions of initiatives for zero CO₂ emissions (zero carbon) in relation to business activities in 2050 and responses in light of various systems in the electricity business, and engages in an appropriate supervision on the management through expressing useful opinions, thereby contributing to enhancing the effectiveness of the Board of Directors. Based on his experience and insight, the Company believes that Mr. Inada is well qualified to be responsible for the Company's management.



Director
Representative Executive Officer, Vice President

Nobuhiro Nishizawa

Apr. 1982: Entered The Kansai Electric Power Co., Inc.
June 2016: Executive Officer, and General Manager of Office of Accounting and Finance
June 2019: Managing Executive Officer, General Manager of the Sourcing and Procurement Division, and in charge of Office of Nuclear Fuel Cycle (Nuclear Fuel Cycle Business) & Office of Accounting and Finance
June 2020: Director, Executive Vice President
June 2022: Director, Representative Executive Officer and Vice President of the Company (to present)

Appointment reason

Mr. Nobuhiro Nishizawa has extensive operational experience, primarily in the financing and accounting division. Since being appointed as a Managing Executive Officer in June 2019, he has been in charge of the Office of Nuclear Fuel Cycle (Nuclear Fuel Cycle Business) & Office of Accounting and Finance, and has served in positions such as General Manager of the Sourcing and Procurement Division and has broad insight in these fields. Mr. Nishizawa has been Executive Vice President since June 2020. Based on his experience and insight, the Company believes that Mr. Nishizawa is well qualified to be responsible for the Company's management.



Director
Member of the Audit Committee

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
June 2020: Director of the Company (to present)

Appointment reason

Mr. Yasushi Sugimoto has extensive operational experience, primarily in the financing and accounting division. Since being appointed as a Director in June 2014, he has been in charge of the Office of Nuclear Fuel Cycle (Nuclear Fuel Cycle Business) & Office of Accounting and Finance, and has served in positions such as General Manager of the Sourcing and Procurement Division. In addition to his broad insight in these fields, he has served as an Audit & Supervisory Board Member of the Company and has been in charge of auditing since June 2019. Also, he has been responsible for the management as a Director and the audit as a member of the Audit Committee since June 2020. Based on his experience and insight, the Company believes that Mr. Sugimoto is well qualified to be responsible for the Company's management.



Director
Member of the Audit Committee

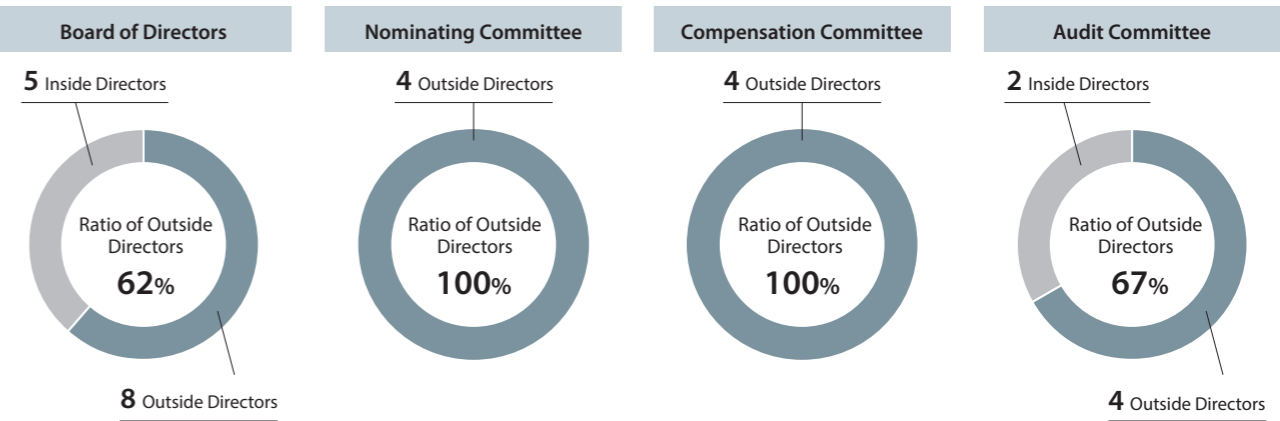
Yasuji Shimamoto

Apr. 1983: Entered The Kansai Electric Power Co., Inc.
June 2014: Executive Officer, Deputy Division Manager of Thermal Power Division, General Manager of Thermal Power Operation Department, Deputy Division Manager of Nuclear Power Division
June 2016: Managing Executive Officer, Division Manager of Thermal Power Division
June 2017: Director, Managing Executive Officer of the Company
June 2020: Executive Vice President of the Company
June 2021: Director of the Company (to present)

Appointment reason

Mr. Yasuji Shimamoto has extensive operational experience, primarily in the Thermal Power Division. Since being appointed as a Managing Executive Officer in June 2016, he has served as Division Manager of Thermal Power Division and has been in charge of the Office of Research and Development, and has broad insight in these fields. Mr. Shimamoto has been Executive Vice President since June 2020. He has been responsible for management as Director, and auditing as a member of the Audit Committee since June 2021. Based on his experience and insight, the Company believes that Mr. Shimamoto is well qualified to be responsible for the Company's management.

Composition of the Board of Directors and Committees



Executive Officers

Representative Executive Officer, President



Director,
Representative Executive Officer,
President
Nozomu Mori

Representative Executive Officers, Vice Presidents



Director
Representative Executive Officer,
Vice President
Koji Inada
Energy Business in general
In charge of Interim Storage
Promotion and Trading, and
Office of Plant Siting



Representative Executive Officer,
Vice President
Mikio Matsumura
General Manager of Customer
Solution Division
General Manager of International
and Cooperation Division



Representative Executive Officer,
Vice President
Takao Matsumura
General Manager of Nuclear Power
Division



Director
Representative Executive Officer,
Vice President
Nobuhiro Nishizawa
Corporate Operations in general
In charge of Compliance on Wheeling
Service Guidelines under the
Electricity Business Act
General Manager of Sourcing and
Procurement Division
In charge of Office of Accounting and
Finance

Executive Vice Presidents



Executive Vice President
Naoki Naito
In charge of Energy Business (Tokyo)



Executive Vice President
Nobuyuki Miyamoto
In charge of Office of Human
Resources and Safety Management
and Office of General Administration



Executive Vice President
Hiroshi Ogawa
In charge of Office of Energy and
Environmental Planning, and
Office of Nuclear Fuel Cycle (Nuclear
Fuel Cycle Business)



Executive Vice President
Hitoshi Mizuta
Acting General Manager of Nuclear
Power Division (Nuclear Safety &
Technology, Nuclear Power
Generation, Nuclear Fuel)
In charge of Office of Nuclear Fuel
Cycle (Nuclear Fuel Contracts)



Executive Vice President
Yasushi Ando
Acting General Manager of Nuclear
Power Division
(Energy Planning)



Executive Vice President
Masaaki Ikeda
In charge of Office of Compliance
Promotion, Office of Corporate
Communications, and Office of
Internal Auditing



Executive Vice President
Takashi Tada
General Manager of Renewable
Energy Division
In charge of Office of Civil
Engineering and Architecture



Executive Vice President
Makoto Araki
In charge of Office of Corporate
Planning, Hydrogen Business
Strategy Division, and Office of IT
Strategy



Executive Vice President
Kazumitsu Takanishi
General Manager of Operation and
Trading Division
General Manager of Thermal Power
Division
In charge of Office of Research and
Development



Executive Vice President
Mika Makiyama
Acting General Manager of
Customer Solution Division
General Manager of Gas Business
Division

Corporate Governance Systems

Basic concept on corporate governance

Based on the Kansai Electric Power Group Purpose & Values, the Group will continue to meet the expectations of all its stakeholders, thereby contributing to the sustainable improvement of corporate value and the sustainable development of society.

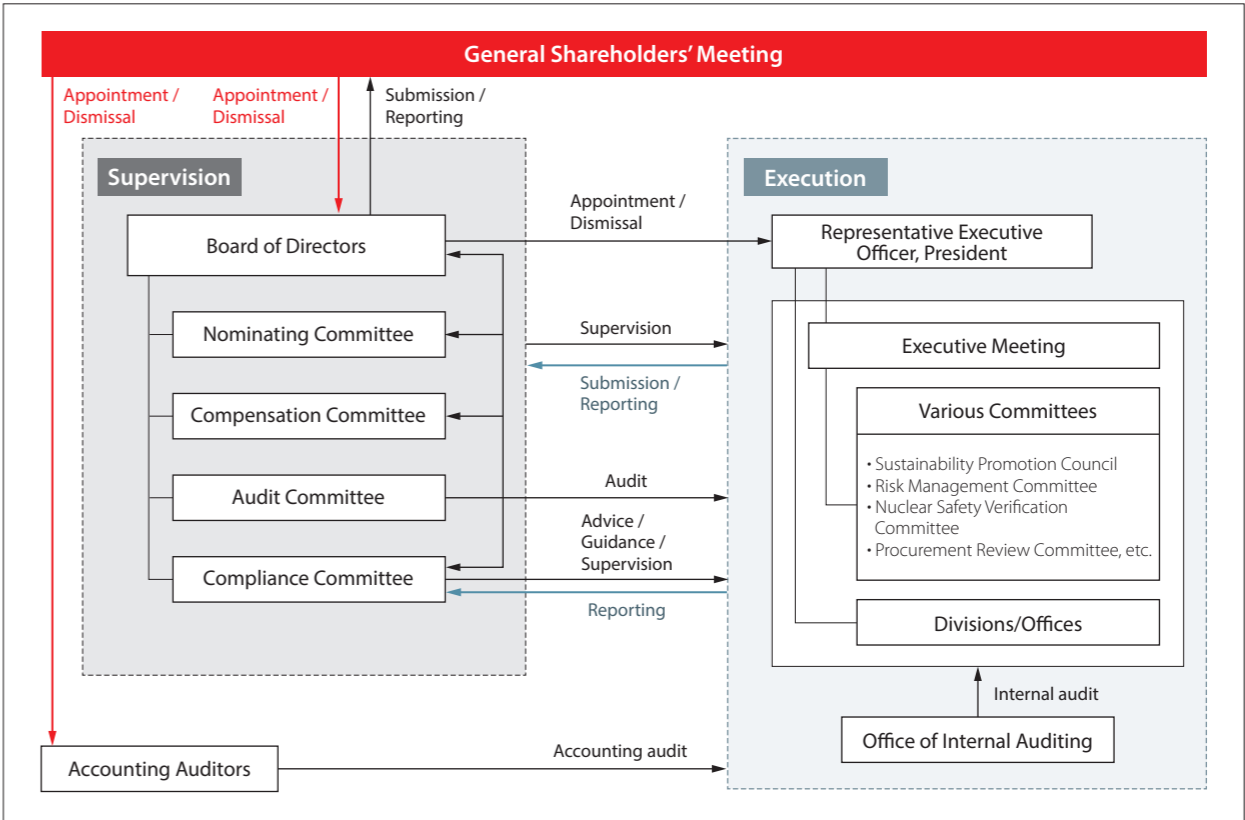
Recognizing that the most important management issue for achieving this goal is strengthening corporate governance, we have adopted the institutional design of a company with a nominating committee, etc., which clearly separates execution and supervision for our corporate governance, with the aim of enhancing management transparency and objectivity in business management.

In terms of supervision, in order to reflect the perspectives of all our stakeholders, we have established a system with a Board of Directors at the core focused on objective and diverse perspectives

as outsiders. By appropriately supervising execution, we will improve transparency and objectivity in business management.

Overview of current corporate governance

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. While executing operations appropriately, we supervise the execution of duties by our directors and executive officers through the Board of Directors. We have adopted the institutional design of a company with a nominating committee, etc. since June 2020, which clearly separates execution and supervision for our corporate governance, with the aim of enhancing management transparency and objectivity in business management.



Note: The Kansai Electric Power Co., Inc. will also implement an appropriate governance system for Kansai Transmission and Distribution, Inc., insofar as the Company has the right to do so as its shareholder, based on the premise of ensuring neutrality as a general power transmission and distribution business operator.

1. Supervision

Board of Directors

<Structure>

In light of our business scale, business description, approach to managerial issues, and supervisory function, as well as diversity, including gender, internationality, work history and age, the Board of Directors is a necessary and appropriate structure comprised of independent outside directors (eight persons) with ample experience and knowledge cultivated as executives

or professionals in a wide range of fields and inside directors (five persons) who have abundant expertise and abilities in our business.

In addition, from the perspective of appropriate decision-making and effective supervision, the number of the Board members shall be 20 or less, a majority of which shall be independent outside directors.

The Chairperson of the Board of Directors shall be an independent outside director.

Corporate Governance Systems

<Roles and responsibilities>

Based on the standpoints of our diverse and wide-ranging set of stakeholders, the Board of Directors aims to achieve sustainable growth and increase the corporate value of the Group over the medium to long term. To achieve these ends, the Board takes on the following main responsibilities: ① to illuminate the future path of the Group, including our corporate strategy, ② develop an environment that supports appropriate risk-taking by executive officers, and ③ provide highly effective supervision of management from an independent and objective standpoint.

We will decide basic management policies such as management plans after thorough discussions from a variety of perspectives, regularly monitor progress and reflect results in our future policies. In addition, we will establish effective internal control and risk management systems, supervise management with a focus on compliance, and support executive officers for their swift and strong-minded decision-making.

From the standpoint of clearly separating execution and supervision, the Board of Directors, in principle, delegates decisions on business execution to executive officers in line with basic management policies. Regardless of whether or not delegation to executive officers is made, if necessary, especially important decisions on business execution are discussed in advance at the Board of Directors meeting while they are being considered, and appropriate opinions and advice are provided from outside directors and other directors before decisions are made.

Nominating Committee

The Nominating Committee is chaired by an independent outside director and all of its four members are independent outside directors. The Nominating Committee resolves proposed agenda for General Shareholders' Meeting regarding the appointment and dismissal of directors after establishing the "Policy for nominating director candidates." The Committee also resolves/deliberates on matters related to the appointment of executives. In addition, the Committee is responsible for formulating a succession plan for the Executive Officer and President, as well as developing candidates in a planned manner, with sufficient time and resources. In the course of this process, it is important for the Committee to recognize the appointment of the Executive Officer and President as the most important strategic decision-making for sustainable growth of the entire Group and improvement of corporate value over the medium to long term. In formulating the succession plan, the Committee deliberates the outcome, required experience and skills, competency (ability), potential (quality), sense of value, and personality expected from the next Executive Officer and President, and reviews "what the President is supposed to be."

Moreover, utilizing internal assessment and external assessment by third-party organizations, the Committee collects information on candidates in a multifaceted way. Members also directly interview candidates to clarify the appointment process, with high transparency and objectiveness ensured.

Chairperson: Sadayuki Sakakibara
Committee members: Takamune Okihara, Tetsuya Kobayashi and Kazuko Takamatsu

Compensation Committee

The Compensation Committee is chaired by an independent outside director and all of its four members are independent outside directors. The Compensation Committee resolves compensation of respective directors and executive officers after establishing the "Policy for determining the compensation of directors and executive officers." The Committee also resolves/deliberates on other matters related to executive compensation. When considering various compensation-related issues, such as the standard of compensation of directors, the Committee uses data from external specialized organizations and examples from other companies.

Chairperson: Kazuko Takamatsu
Committee members: Sadayuki Sakakibara, Tetsuya Kobayashi and Atsuko Kaga

Audit Committee

The Audit Committee is chaired by an independent outside director and consists of four outside and two inside directors not concurrently serving as executive officers. To serve as an Audit Committee member, each director is required to have appropriate experience and abilities as well as necessary knowledge of finance, accounting, and legal affairs. The Audit Committee establishes basic policies and rules necessary to execute its duties, and then audits the execution of duties by executive officers, directors, employees and others of the Company or its subsidiaries, from the viewpoint of legality and appropriateness. In addition to that, the Committee reports the status and results of audits to the Board of Directors. When necessary, the Committee provides advice and recommendations to executive officers, etc.

The Audit Committee, the Office of Internal Auditing and accounting auditors will conduct efficient and effective audits in close collaboration as appropriate through exchanging opinions on audit plans and audit results.

The Committee members participate in important meeting structures, such as the Executive Meeting, and hear explanations of matters of importance in business management from executive officers.

Chairperson: Hiroshi Tomono
Committee members: Takamune Okihara, Shigeo Sasaki, Fumio Naito, Yasushi Sugimoto and Yasuji Shimamoto

Compliance Committee

For the purpose of strengthening the Group's function to supervise compliance, we have established a Compliance Committee, which is independent from the President and other executive officers. The Committee is under the direct control of the Board of Directors. The Committee, a majority of which including the Chairperson are external experts, deliberates and approves particularly important matters such as basic policies for promoting compliance and policies for addressing problematic events associated with directors,

executive officers, and others. When necessary, the Committee also directly guides, advises and supervises the President and other executive officers, as well as reporting periodically to the Board of Directors.

Directors

<Nomination policy>
In performing their duties, our directors must be willing to conduct themselves with emphasis on compliance, in accordance with the basic orientation of business management and guiding principles specified in the Kansai Electric Power Group Purpose & Values, the Kansai Electric Power Group Code of Conduct, etc. Regarding the nomination of director candidates, the Nominating Committee makes a decision after deliberating comprehensively on whether the candidate's ability, experience, personality, insight, and other elements are good enough to

take on management of the Company, also in light of diversity, including gender, internationality, work history and age, from the viewpoint of appropriate decision-making and effective supervision. As for outside director candidates, we ensure in particular that they have independence from an outsider's objective viewpoint and also take into account their role of enhancing the supervisory function of the Board of Directors.

The Company has established its own judgment criteria for independency, as described below, in light of the requirements for independent officers stipulated by the Tokyo Stock Exchange, Inc. We assess the independency of outside directors by these criteria. If an outside director concurrently serves as an officer at another listed company, the number of concurrent positions is within a reasonable range so that the time and labor required to properly fulfill the roles and responsibilities as an outside director of the Company can be secured.

<Judgment criteria for independency established by the Company>

The Company considers an outside director to be independent when the outside director does not fall under any of the categories of 1 to 9 below.

1	A person to whom the Company is a major business partner, or a business executive for that person	6	A person who is a major shareholder of the Company, or a business executive for that person and a business executive of a company for which the Company is a major shareholder
2	A major business partner of the Company, or its business executive	7	A business executive of a company which has accepted an executive from the Company or a subsidiary of the Company
3	A consultant, accounting professional or legal professional who receives a large amount of money or any other assets, other than executive compensation, from the Company (if the consultant, etc. who receives such assets is an organization such as a corporation, a person who belongs to that organization)	8	A person who has fallen under any of the categories of 1 to 7 above recently
4	A person who receives a large amount of donations or membership fees from the Company, or a business executive for that person	9	A spouse or relative within the second degree of kinship to a person described in either of the following items (excluding those who are not in applicable positions) (1) A person listed in 1 to 3 above (2) A person who is currently or has recently been a business executive of the Company or a subsidiary of the Company
5	A business executive of the auditing firm of the Company		

<Directors' skill matrix>

The following is a list detailing the experience and insight required for the members of the Company's Board of Directors, who have been selected by the Nominating Committee, as well as skills possessed by directors.

Specifically, in light of the Corporate Governance Code established by the Tokyo Stock Exchange, Inc., the Committee has selected "Management experience," "Governance / Risk management," "Finance / Accounting," and "Legal affairs / Compliance" as basic skills for supervising the management of the Company. For addressing our key issues, "Technologies," "Industrial policies," "Public relations strategies," "Global experience," and "Sales / Marketing" have been selected in particular as skills that are necessary.

Directors	Management experience	Governance/ Risk management	Finance/ Accounting	Legal affairs/ Compliance	Technologies	Industrial policies	Public relations strategies	Global experience	Sales/ Marketing
Sadayuki Sakakibara	●	●			●	●		●	
Takamune Okihara	●	●	●					●	●
Tetsuya Kobayashi	●	●					●		●
Shigeo Sasaki		●		●					
Atsuko Kaga					●	●			●
Hiroshi Tomono	●	●			●			●	
Kazuko Takamatsu	●						●	●	
Fumio Naito		●	●						
Nozomu Mori	●				●	●			
Koji Inada	●				●	●			
Nobuhiro Nishizawa		●	●						
Yasushi Sugimoto		●	●						
Yasuji Shimamoto	●				●				

Corporate Governance Systems

<Roles and responsibilities>

Directors shall actively express their opinions and have thorough and constructive discussions at the Board of Directors, etc. When executing their duties, directors shall diligently collect sufficient information by requesting explanations from other directors and executive officers and through other means.

Outside directors’ roles include strengthening the supervisory function of the Board of Directors from their objective external perspective, making use of their abundant experience and insight as corporate managers and specialists. Additionally, from the perspective of actively contributing to discussions at the Board of Directors, outside directors actively exchange opinions and cooperate fully with executive officers.

<Training>

We hold training sessions for directors when and after they take up their post on a periodical basis to provide the knowledge necessary to fulfill their roles and responsibilities.

For outside directors, we provide explanation about the Group’s business, finances, organization, and other aspects on a continual basis when and after they take up their post so they can acquire the knowledge necessary to fulfill their roles and responsibilities. In addition, we hold tours of our facilities as appropriate and provide opportunities for them to talk with our frontline staff to promote their understanding of our business.

2. Execution

Executive Officers

<Appointment policy>

In performing their duties, our executive officers must be willing to conduct themselves in accordance with the basic orientation of business management and guiding principles specified in the Kansai Electric Power Group Purpose & Values, the Kansai Electric Power Group Code of Conduct, etc., and in adherence to the spirit of the President’s Oath to Stakeholders. Regarding the appointment/dismissal of executive officers, the Board of Directors makes a decision after deliberating comprehensively on whether the officer has abundant expertise, and whether his/her experience, business execution ability, personality, and other elements are good enough to take on management of the Company.

<Roles and responsibilities>

Executive officers make decisions on how the business of the Company is carried out, which is delegated to them by the Board of Directors and by the resolution of the Board of Directors, and also execute the operations of the Company.

<Training>

We hold training sessions for executive officers when and after they take up their post on a periodical basis to provide the knowledge necessary to fulfill their roles and responsibilities.

Executive Meeting and Committees

In order to deliberate on important business execution policies, plans, and execution of business for the entire Group and to receive necessary reports, based on the basic policies determined by the Board of Directors, we hold Executive Meeting every week as a general rule. The Executive Meeting is chaired by Executive Officer and President, and consists of all our executive officers to ensure swift and appropriate corporate management. In addition to the above, for the purpose of ensuring appropriate and smooth business execution, we have established various committee organizations that support decision-making through the Executive Meeting and the business execution by respective divisions. These committees mostly consist of executive officers in charge of duties related with respective goals, and meetings are convened periodically or on an as-needed basis.

<Sustainability Promotion Council>

To address sustainability-related issues, our Group’s basic concept and code of conduct that we should strictly observe are stipulated in the Kansai Electric Power Group Code of Conduct. We also set up a Sustainability Promotion Council to draw up comprehensive sustainability measures for the entire Group and check implementation status. At the same time, we perform concrete activities for the Group to contribute to the sustainable growth of society.

<Risk Management Committee>

Risks associated with the Group’s business activities are managed autonomously by each operating division in accordance with the Kansai Electric Power Group Risk Management Rules. Risk management for risks considered to have cross-organizational importance (information security, business management of subsidiaries, safety and health, market risk, reliability of financial reports, environment, disasters, and compliance) are enhanced by the supervision of departments with specialized expertise on each risk area that provide advice and guidance to the various operating divisions on an as-needed basis. Furthermore, a Risk Management Committee is established to put risks under central management. The Committee Chairperson is appointed as the Risk Management Officer, and the Committee strives to manage risks associated with the Group business activities at the appropriate level through this system.

<Nuclear Safety Verification Committee / Nuclear Safety Enhancement Committee>

Regarding nuclear safety, our principles associated with nuclear safety to be succeeded to our employees in future generations are clearly stated in our Commitment to Enhancing Nuclear Safety. Based on this, we are making constant efforts to improve safety. A Nuclear Safety Enhancement Committee has been set up to enhance the safety of nuclear power on a company-wide basis. The Committee checks and conducts discussion on the promotion of recurrence prevention measures and fostering of safety culture following the accident at Mihama Nuclear Power Station Unit 3 and activities from

a broad range of viewpoints, including voluntary and continuous activities following the accident at Tokyo Electric Power Fukushima Daiichi Nuclear Power Station.

In addition, opinions and advice provided by the Nuclear Safety Verification Committee from its independent position have been reflected in our safety improvement initiatives.

<Procurement Review Committee>

For the purpose of ensuring appropriateness and transparency in the procedures of construction orders and contracts as well as payment of donations and cooperation funds, we have established a Procurement Review Committee, the majority of which are outside experts, with an examination mechanism from the perspective of such experts put in place.

<Internal Auditing Committee>

Regarding internal audits, we have established an Internal Auditing Committee in order to share and deliberate widely-ranging management issues, such as safety and quality, gain insights and information from outside the Company, and ensure the adequacy of the internal audit process for the entire Group from a fair and professional standpoint.

In addition, as a dedicated organization for conducting internal audits, the Office of Internal Auditing (including certified internal auditors and qualified internal auditors) has been set up to audit the adequacy and effectiveness of the system and operational status on a regular basis, this ensuring the adequacy of operations.

3. Advisors

The Company has adopted the following advisor system.

<System>

Advisors may be appointed on an as-needed basis, if doing so contributes to the sustainable development of the Group.

<Appointment/remuneration determination process>

From the perspective of ensuring objectivity, when appointing an advisor to a person who retired from the post of a director or executive officer, the Nominating Committee, the Compensation Committee, and the Board of Directors decide the necessity of such appointment, job description, and remuneration after rigorous deliberation, and disclose the commissioned duties and the individual amount of remuneration of the advisor.

<Roles>

Advisors contribute to society through activities in business and industrial communities and respond to requests from regional economic communities by making full use of their own experience and human networks, toward the growth of the economy in the Kansai region as well as the business of the Group. Advisors do not provide guidance or advice on business management.

4. Remuneration of directors and executive officers

<Policy for determining remuneration, etc. for directors and executive officers>

Policy and outline of the remuneration system:
Remuneration of directors and executive officers is determined by the Compensation Committee in accordance with the provisions of the Companies Act.

Remuneration of directors not responsible for execution of business consists only of basic compensation, in consideration of their roles.

Remuneration for executive officers responsible for the execution of business consists of basic compensation that takes into account the responsibilities required for each executive officer’s position, etc., and short-term incentives, which are results-based compensation and stock-based compensation as a medium- to long-term incentive, in order to contribute to the sustainable improvement of our corporate performance and corporate value. Proportion of the payment will be set using “basic compensation: results-based compensation: stock-based compensation = 6:3:1” as a guide.

Remuneration determination process:

With the Policy for Determining Remuneration of Directors and Executive Officers established and in accordance with this policy, the Compensation Committee, which is comprised solely of outside directors, makes resolutions on the remuneration of individual directors and executive officers.

In addition, the Company utilizes data from external organizations and refers to the situation of other companies when considering compensation levels and other related issues.

<Remuneration system (Basic compensation, Performance-based compensation, and Stock-based compensation)>

Basic compensation:
The Company pays the base amount required for the position of each director and executive officer, taking into consideration the responsibilities required according to their respective job positions and other factors.

Performance-based compensation:

The Company’s performance-based compensation consists of company-wide performance considering the financial targets of the Medium-term Management Plan and ESG initiatives, and individual performance based on the results of initiatives of each responsible division. This type of compensation is calculated and paid based on the base amount set for each job position and the degree of achievement against the targets.

Stock-based compensation:

The Company grants a certain number of points to executive officers and others each year based on the base amount corresponding to their respective job positions. When they leave their post, the Company grants its shares and pays cash in the amount equivalent to the conversion value of the Company’s shares in proportion to their respective accumulated points.

Corporate Governance Systems

<Remuneration System>

Breakdown of performance-based compensation

Company-wide performance 70%	Indicator		Percentage	Calculation formula
	Financial indicators	Consolidated ordinary income [100 billion yen]	70%	Achievement rate = Consolidated ordinary income / 100 billion yen
		FCF [-110 billion yen]	10%	Achievement rate = 100% when minus 110 billion yen is achieved; 10% increase/decrease for every 10-billion-yen deviation
		ROA [1.5%]	10%	Achievement rate = $\frac{\text{Actual ROA}}{\text{ROA}} \times 100\%$ [ROA = (Ordinary income + Interest expense) / Total assets]
	Non-financial indicators	CO ₂ emission reduction	10%	Evaluated by the Compensation Committee with reference to the current status of efforts in CO ₂ emissions reduction as well as external evaluations by DJSI, CDP, MSCI, and Sustainalytics, in order to achieve the Medium-term Management Plan target (to be halved in 2025 compared to FY 2013).
External ESG assessment				
Individual performance 30%	Indicators	Individual performance (assessment)		
	Application	Base amount by job position (individual) x assessment rate (0-120%)		

Directors, etc. and takes proper steps to improve corporate governance, including operation of the Board of Directors to enhance the functions of the Board of Directors, Nominating Committee, Compensation Committee, and Audit Committee. The contents and results of the effectiveness evaluation for fiscal 2021 are as follows.

Results of effectiveness evaluation

Evaluation/analysis method
<ul style="list-style-type: none">Using a third-party organization, we conducted a survey targeting all directors on the effectiveness of the Board of Directors, etc.Based on the analysis of the survey results by the third-party organization, the effectiveness of the Board of Directors, etc. was deliberated and evaluated at the Board of Directors meeting held on April 27, 2022.
Evaluation items
<ol style="list-style-type: none">Role/function of the Board of DirectorsStatus of efforts for the business improvement planComposition/size of the Board of DirectorsOperation of the Board of DirectorsOperation of the Nominating, Compensation, and Audit CommitteesSupervision of audit functionsSupport system for outside directorsRelationships with shareholders, investors, etc.Improvement status of last year's major issues
General comment for fiscal 2021
As a result of the fiscal 2021 survey, we have confirmed analysis results that set out "substantive discussions on management strategy, etc. through appropriate agenda setting, provision of prerequisite information, and management of meetings," "creation of basic operation method of and substantive discussions at the Nominating, Compensation, and Audit

Committees," and the "current composition of the Board of Directors that supports these substantive discussions" as the strengths of the Company's Board of Directors. In addition, the results showed that the evaluation items associated with the improvement status for the previous year's major issues had generally improved and scores were higher than those in the previous year for most of the evaluation items. We have confirmed that the overall effectiveness of the Board of Directors, etc. has been steadily improving.

In consideration of the above, the Board of Directors has determined that the effectiveness of the Board of Directors, etc. for fiscal 2021 has been ensured. Going forward, while keeping abreast of changes in the business environment, we will work to make further improvements and continue with our efforts to improve effectiveness.

<Major initiatives for fiscal 2021 based on the previous year's evaluation results>

- To "enhance opportunities for communication between outside directors and management," we set up opportunities for exchange of opinions and interviews between outside directors and executive officers to fully share understanding regarding the business lineup, management issues, and other matters.
- Toward "further strengthening of reporting on the operational status of the internal control system," we have enhanced reporting details on internal control, such as business risks faced by the entire Group as well as the operational status of the whistleblowing system, and strengthened our group governance.

Points of further improvement and response policy in the future
<ol style="list-style-type: none">Enhancement of communication opportunities between the management and outside directors While paying close attention to the COVID-19 situation, outside directors and the management will share their understanding and create opportunities for exchange that will lead to more active discussions at the Board of Directors meetings.Further enhancement of discussions on important medium- to long-term themes We will further enhance the discussions at the Board of Directors meetings regarding the group-wide business strategy and human resource development as well as other matters, and strongly push forward our medium-term management plan and zero carbon vision.Supervision of individual audit functions by the Board of Directors We will strive to further improve the supervisory function of the Board of Directors, etc. through appropriate reporting and information sharing with individual audit functions, such as internal audit departments, etc.Confirmation of training for officers and its implementation status We will regularly report on the implementation status of officer training, such as acquisition and update of knowledge required for officers, and strive to improve the supervisory function of the Board of Directors.Further improvement of the composition (skills and diversity) of the Board of Directors The Nominating Committee will continue to discuss the ideal composition of the Board of Directors in view of the future business climate.

Operating status of fiscal 2021

Board of Directors

Based on laws and regulations and the rules of the Board of Directors, the Board of Directors resolves important matters related to the management of the Group, such as proposals submitted to the General Shareholders' Meeting, composition of each committee, appointment/change of executive officers, and the roadmap toward the realization of our Zero Carbon Vision 2050. Moreover, the status of efforts in the implementation of our business improvement plan in line with the Electricity Business Act, progress status of our medium-term management plan including quarterly financial results, operational status of internal control, and other matters are reported and deliberated on a regular basis. For the resolutions and deliberation stated above, with the aim of ensuring fulfilling discussions at the Board of Directors and strengthening corporate governance, in fiscal 2021, three opinion exchange meetings were held by directors, and three meetings were held only attended by independent outside directors to discuss a wide range of themes such as management issues and the direction of future growth strategies of the Company.

Views obtained through these meetings are reflected in our business management and subsequent discussions at the Board of Directors. Furthermore, various measures are implemented for outside directors throughout the year, such as prior briefing on board meeting agendas from the executive side; visiting front-line workplaces, including nuclear power plants; and dialogue with employees.

Nominating Committee

The Committee decides the content of proposals for appointment and dismissal of directors, submitted to the General Shareholders' Meeting, as well as the policy for selecting directors, and deliberates the details of a succession plan for the Executive Officer and President, successor development process, commissioning of advisors, and other matters. Priority items discussed in fiscal 2021 include the following:

- Succession plan for Executive Officer and President
- Process for selecting outside director candidates
- Development and appointment/change of executive officer candidates and officers of affiliated companies

Compensation Committee

The Committee decides on the policy and details of compensation of respective directors and executive officers, and deliberates on compensation for advisors. Priority items discussed in fiscal 2021 include the following:

- Policy on determining compensation for the Company's officers based on the results of surveys on compensation standards of other companies, trends in compensation policies, etc.
- Performance-based compensation system and goal setting (including introduction of ESG-related indices)

Audit Committee

The Committee formulates audit plans encompassing important matters related to the Group's management decided by the Board of Directors, and performs audits from the perspective of whether or not

Corporate Governance Systems

the Group is conducting business activities legally and appropriately, and making decisions and executing business properly and reasonably to prevent risks and improve corporate value. Deliberation is made among the Committee members, and their opinions and recommendations are provided to the Board of Directors and the executive side. Priority audits and other items conducted in fiscal 2021 include the following:

- Status of efforts to strengthen compliance and governance
- Status of efforts made in line with the medium-term management plan
- Dialogue with front-line workers
- Response to proceedings for damages against our former officers filed by the Company concerning problems such as receiving money and gifts and compensation paid for their part-time engagements after retirement.

The Audit Committee is briefed on audit plans from our accounting auditor at the beginning of the fiscal year. As for the implementation status of the plans, the Committee receives reports on the quarterly

review status in every quarter, as well as reports on annual audit status at the interim period and the end of the fiscal year, and thereby exchange opinions. In this way, a close cooperative relationship is maintained between them. The Committee also holds discussions with the accounting auditor multiple times during the fiscal year to exchange opinions on Key Audit Matters (KAM).

In particular, in fiscal 2021, in time with the report from the accounting auditor to the Audit Committee on the “system for ensuring the propriety of business operations,” the management and audit team of the accounting auditor briefed the Committee on the status of their efforts to maintain and improve audit quality as an auditing organization, and the audit team of the accounting auditor briefed the Committee on the status of their specific efforts to maintain and improve audit quality as an audit team. Through exchange of opinions, the Committee has confirmed a situation where high-quality auditing is maintained.

The main examples of the cooperative relationship between the Audit Committee and the accounting auditor are as follows.

Item	Period	Overview
Briefing on audit plans	July*1	The Audit Committee is briefed on audit plans for the current fiscal year.
Quarterly review report	July, October, January	The Audit Committee receives report on quarterly review results from the accounting auditor and exchanges opinions.
Interim audit report	December	The Audit Committee receives an interim report on accounting auditor’s audit and exchanges opinions.
Year-end audit report	May, June	The Audit Committee receives year-end report on the accounting auditor’s audit (including internal control audit status) as well as a detailed report on the status of the accounting auditor’s performance of duties.
Key Audit Matters (KAM)	September, December, May, June	The Audit Committee members and the accounting auditor discuss and exchange opinions about KAM.*2

*1 Throughout the fiscal year, the Committee receives reports of revisions to the audit plan, if any, at the time when each report is made.
*2 The Committee also confirms the appropriateness and consistency of KAM-related information disclosure.

Activities of outside directors

Board of Directors, Nominating Committee, Compensation Committee, and Audit Committee meetings held in fiscal 2021 and the attendance status of respective directors are as follows.

Name	Meetings held and attendance status			
	Board of Directors	Nominating Committee	Compensation Committee	Audit Committee
Sadayuki Sakakibara*	◎100% (12/12 attendances)	◎100% (7/7 attendances)	100% (3/3 attendances)	—
Takamune Okihara*	100% (12/12 attendances)	100% (7/7 attendances)	100% (3/3 attendances)	—
Tetsuya Kobayashi*	83% (10/12 attendances)	71% (5/7 attendances)	◎100% (3/3 attendances)	—
Shigeo Sasaki*	100% (12/12 attendances)	—	—	100% (16/16 attendances)
Atsuko Kaga*	92% (11/12 attendances)	—	100% (3/3 attendances)	81% (13/16 attendances)
Hiroshi Tomono*	100% (12/12 attendances)	—	—	◎100% (16/16 attendances)
Kazuko Takamatsu*	100% (12/12 attendances)	100% (7/7 attendances)	—	—
Fumio Naito*	100% (12/12 attendances)	—	—	100% (16/16 attendances)
Takashi Morimoto	100% (12/12 attendances)	—	—	—
Toyokazu Misono	100% (12/12 attendances)	—	—	—
Koji Inada	100% (12/12 attendances)	—	—	—
Nozomu Mori	100% (10/10 attendances)	—	—	—
Yasushi Sugimoto	100% (12/12 attendances)	—	—	100% (16/16 attendances)
Yasuji Shimamoto	100% (10/10 attendances)	—	—	100% (13/13 attendances)

Notes: 1 The percentages are rounded off to the whole number. The numbers in parentheses indicate the number of attendances/the number of meetings held during the term of office.
2 ◎ represents the chairperson of the board/committee.
3 * represents an independent outside director.

4 Regarding the number of board meetings held, in addition to the above, written resolution was implemented once by obtaining consent of all the directors in accordance with the provisions of Article 370 of the Companies Act and notifying the directors in accordance with Article 372, Paragraphs 1 and 3 of the Companies Act.

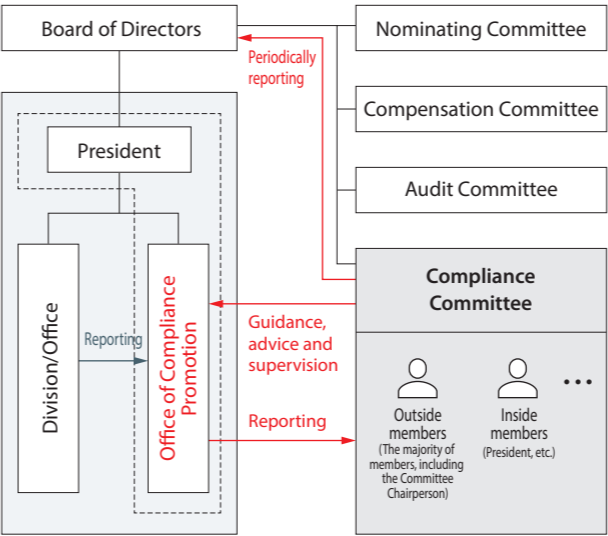
Compliance

Compliance system

In order to radically strengthen our system of observing laws and regulations, the Group has decided to rebuild its compliance system by utilizing external human resources, and we established a Compliance Committee and an Office of Compliance Promotion in April 2020. Aiming to strengthen supervisory functions related to compliance, the Compliance Committee is organized directly under the Board of Directors as a committee independent from the President and other executive officers. The majority of the committee members, including the chairperson, are from outside the Company. (See page 83.)

The Office of Compliance Promotion was newly established as a business organization independent from the Office of General Administration in order to strengthen its promotion functions related to compliance. The Office is composed of employees with legal knowledge as well as employees with diverse work experience. Besides formulating and implementing the Group’s compliance promotion plan and responding to problematic events, the Office reports on and brings up compliance-related events for discussion to the Compliance Committee. Then, with the guidance, advice and supervision of the Compliance Committee, the President and other executive officers are able to act and take concrete measures.

In addition, an executive in charge of the Office of Compliance Promotion periodically reports on the status of compliance promotion to the Compliance Committee Chairperson, and in return he/she receives guidance, advice and supervision.



<Reference> Compliance Committee meetings held in fiscal 2021
Meetings of the Compliance Committee are held regularly on a quarterly basis, and will also be held swiftly and flexibly when a particularly problematic event arises. In fiscal 2021, a total of six meetings were held, focusing on the deliberation of compliance promotion plan, compliance-related training, and investigation reports on compliance problematic events.

Efforts to promote compliance

For fiscal 2022, the major items for compliance promotion that should be recognized and worked on by the entire Group are “Penetration of compliance awareness across the Group and in all of its workplaces,” and “Penetration of compliance awareness through the approach of ‘superiors’* who are close to individual employees,” to create open workplaces where employees can consult with their superiors on any matters and where compliance issues are addressed as organization responses.

*In addition to direct superiors such as section chiefs and section managers, those who are not direct superiors but are in a job position involving routine communication with the person in charge, such as general managers, are included.

Compliance Promotion Plan for fiscal 2022

1. Penetration of compliance awareness across the Group and in all of its workplaces

<Implementation of group-wide training>
Integrity approach-based training* is provided across the Group, including directors and employees of our group companies.

*Integrity approach-based training: Training to raise awareness toward better behavior

<Group-wide awareness-raising activities>
Through communication, etc. between outside members of the Compliance Committee and employees, we will work to raise employees’ awareness of compliance.

In addition, we will promote activities to disseminate our Compliance Policy established in fiscal 2021 as a concrete explanation of the Kansai Electric Power Group Code of Conduct from the perspective of compliance.

Additionally, we will support compliance activities in group companies by providing tools for raising awareness and discussion case examples, exchanging opinions with the secretariat of each group company on promotion activities.

<Applying the Regulations on Handling of Gifts and Hospitality across the Group>

We will apply the Regulations on Handling of Gifts and Hospitality stipulated in fiscal 2021, in addition to those on the reception of gifts and hospitality, to all group companies, and implement measures for the appropriate operation of these regulations by sharing examples of handling of gifts and hospitality.

<Improving the group-wide compliance hotline system and promoting understanding>

In accordance with the enforcement of the amended Whistleblower Protection Act (June 2022), we will improve our group-wide system and take steps to foster a sense of trust in the compliance hotline by sending out messages from the lawyer in charge of the external hotline.

Compliance

2. Penetration of compliance awareness through the approach of ‘superiors’ who are close to individual employees

<Support for supervisors to promote compliance>
We provide tools for superiors to promote compliance at their workplaces, including case examples of internal and external compliance issues.

<Promotion of consultation with superiors and use of the Compliance Hotline>
We encourage general managers, etc. to send out messages regarding the protection of confidentiality, prohibition of detrimental treatment, etc.

Autonomous compliance promotion in accordance with the characteristics of each division/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 autonomously promoting compliance based on the characteristics and sizes of their businesses, as well as other real conditions.

Compliance awareness survey
(Results of questionnaire given to all employees on sustainability/executed November 2021)



Supporting the efforts of each division and group company

In addition to leading the promotion of efforts of the Group as a whole, our Office of Compliance Promotion is supporting the efforts of each division and group company. In fiscal 2021, as part of our support for awareness-raising activities related to compliance of the entire Group, we prepared a leaflet on our Compliance Policy established in the same year, which can be carried at all times for confirmation, and distributed it to each division and group company.

In addition, as a project with the participation of employees, we invited applications from each division and group company for our new mascot character and held an awards ceremony.
Going forward, we will further enhance discussion materials and strengthen support through communication with each division and group company.

Efforts to prevent overseas bribery

The Group is globally operating business in Asia, North America, Europe, and many other regions, and we believe that complying with local legislation and rules is a major premise for global business expansion.
In particular, as tightening of bribery regulations has become a global trend, we have established internal rules to prevent bribery of foreign public officials, etc., and clarified prohibited items such as gift-giving and entertainment with wrongful intentions as well as items to be observed. At the same time, we are continuously informing divisions involved in international transactions, including the International Business and Cooperation Division, through training and other means.
We will continue to strive to prevent inappropriate bribery through these efforts.

Compliance Hotline

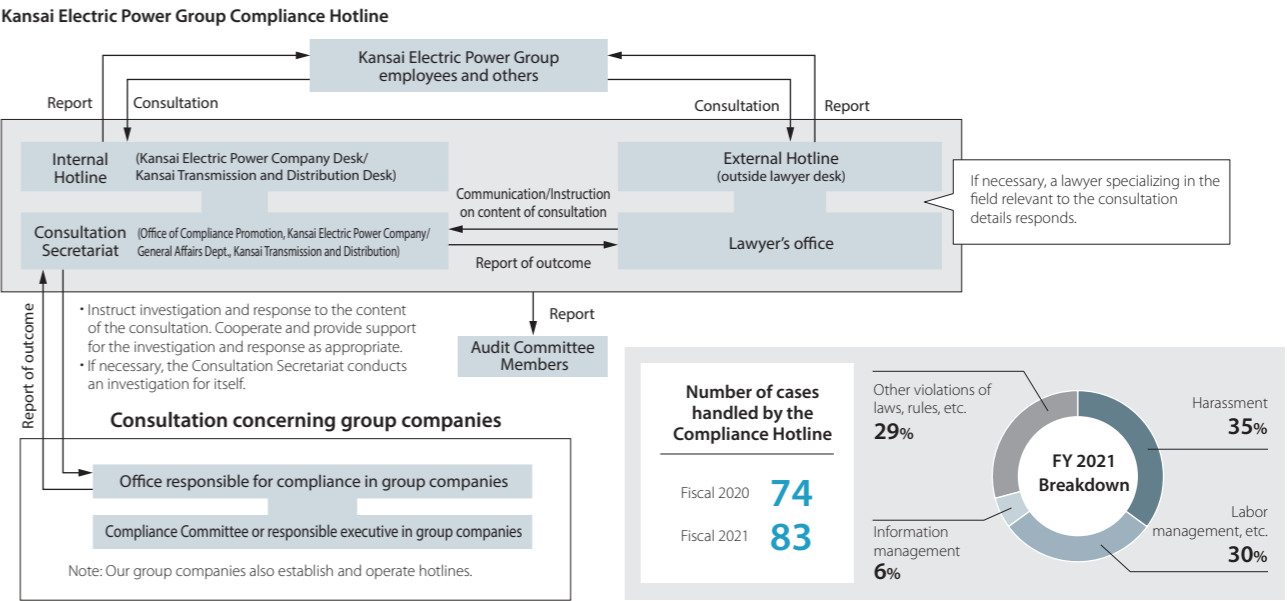
The Kansai Electric Power Group Code of Conduct stipulates how to report to and consult with the hotline when feeling doubt or discomfort related to compliance.
Our Compliance Hotline has been set up for consultation when people have doubts related to compliance in their workplaces, and in regard to various legal violations and improper work conduct. This hotline is available not only to officers and employees of our group companies and contractors but also to those retired or resigned from the above. The hotline is designed to prevent, detect early, and correct inappropriate behavior in terms of compliance. If required, a lawyer specializing in the field relevant to each issue will respond, and he/she can request the Compliance Committee or Audit Committee to take effective measures at his/her own discretion.

We are working to create an environment offering a more approachable service that can accept anonymous consultations and that allocates female consultants, for example, and are strictly prohibiting detrimental treatment of consulters due to having received consultation. Paying close attention to protecting the confidentiality of consulters, we disclose consulters’ names only to the minimum parties required for fact-finding and taking action, and impose confidentiality obligations on them. In addition, we proceed with a fact-finding survey while confirming the intention of each consuler.

Considering the importance of using the hotline, with

intranet, posters, leaflets, and various educational tools, we are continuously informing and encouraging each of our divisions and group companies to use the hotline.

In fiscal 2021, a consultation with an outside organization (a lawyer’s office) revealed a case of inadequate work experience



Responding to compliance violations

Based on our business improvement plan formulated in fiscal 2019, the Company and Kansai Transmission and Distribution, Inc. have established a reporting system when a problematic event occurs, and stipulated the reporting rules for executives and employees in our internal rules.

In the relevant divisions, should respective division heads become aware of any information on major violations of laws and regulations (including omission of procedures stipulated by laws and regulations) or fraud and other compliance-related issues that affect the Company’s and the Kansai Transmission and Distribution’s credibility with the external stakeholders, they shall immediately report these matters to the General Manager of the Office of Compliance Promotion. The General Manager of the Office shall take appropriate measures and report on these matters to the Compliance Committee to receive guidance, advice and supervision.

When executives become aware of an event that causes or is likely to cause a compliance issue, they shall report it to the outside members of the Compliance Committee and the Chairperson of the Board of Directors. In the same situation, employees shall report to their superiors. If it is judged appropriate based on the details of the report, employees can report to the Compliance Hotline set up inside and outside the Company, instead of reporting to their superiors. When a report is received, the Hotline shall investigate and take action in cooperation with relevant divisions and related parties as

for a construction management technical certificate exam in a company of our Group. Based on advice and guidance from the Compliance Committee, we publicly announced currently known facts, and the third-party committee is conducting an investigation.

necessary. If the investigation reveals a violation of laws and regulations, the relevant divisions and related parties shall promptly take corrective and preventive measures, and if necessary, report to the relevant administrative agency and announce the issue to the news media. The General Manager of the Office of Compliance Promotion shall also follow up with related divisions and parties as necessary, and check whether the corrective and recurrence prevention measures are functioning sufficiently, as well as checking if any compliance issue has reoccurred. If a compliance issue has reoccurred, the General Manager can discuss necessary measures with relevant divisions as well as other related divisions.

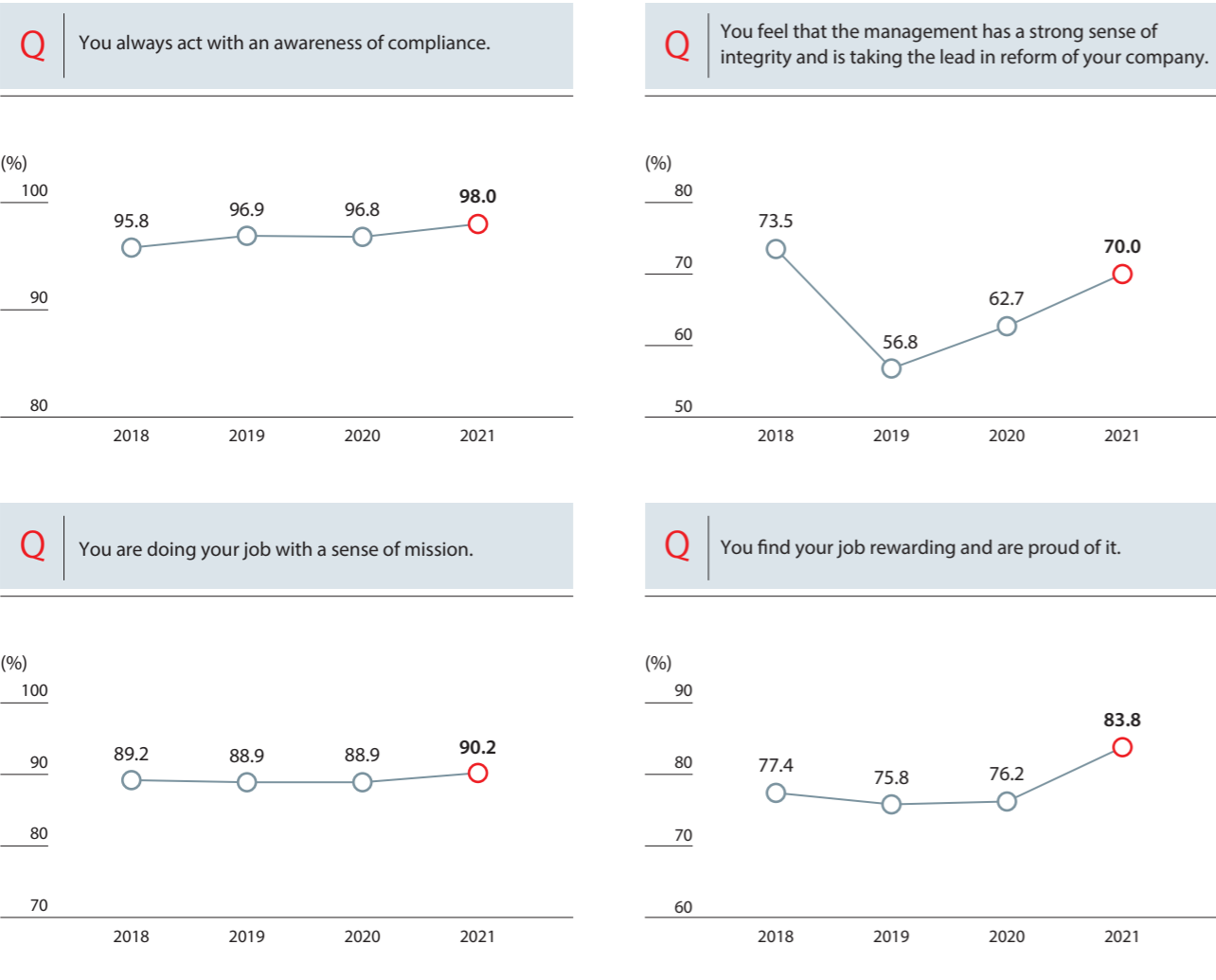
Regarding compliance-related risk assessment

Each year the Kansai Electric Power Group assesses compliance-related risks, including anti-corruption, and selects compliance risk items to be addressed. We formulate and implement concrete preventive measures against these risks.

Compliance

Results of a questionnaire for all employees regarding compliance awareness, etc.

The Company and Kansai Transmission and Distribution, Inc. conduct a “Sustainability questionnaire for all employees (conducted every year since fiscal 2006)” which includes a survey on compliance awareness. Utilizing the results of the survey, we will continue to work on correcting our corporate structure and fostering a sound organizational culture that emphasizes compliance.



Survey period: November 11 to December 2, 2021
Respondents: All employees of the Kansai Electric Power Co., Inc. and Kansai Transmission and Distribution, Inc.
Number of respondents: 13,931 [Response rate: 74.8%]

[How to read charts]
The graph of secular change shows the transition of the total value of the percentages of “Strongly agree” and “Moderately agree” in all responses.
The survey was conducted in January for 2019, and in November for other years.

Risk Management

Our fundamental approach to risk management

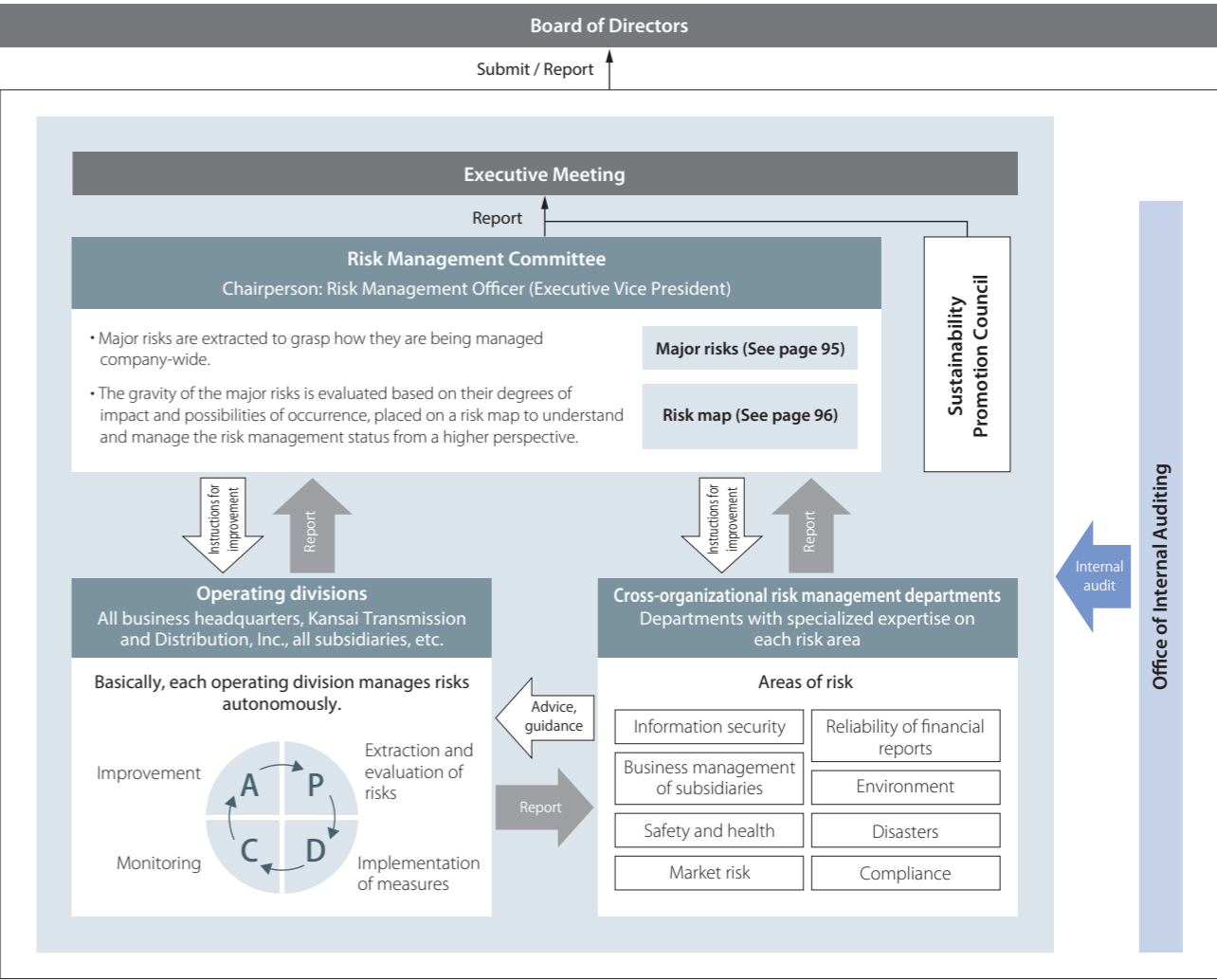
In accordance with the Kansai Electric Power Group Risk Management Rules established in April 2006, risks that have the potential to affect the achievement of organizational goals are to be recognized and identified. Then, an assessment is to be made, followed by implementing necessary measures to deal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

Risk management system

Risks associated with the Group’s business activities are to be managed autonomously by each operating division. Risk management for risks considered to have cross-organizational importance, such as information security, business management of subsidiaries, safety and health, market risk, reliability of financial reports, environment, disasters and compliance, is enhanced by the supervision of departments

with specialized expertise on such risks that provide advice and guidance to the operating divisions on an as-needed basis. Furthermore, a Risk Management Committee comprising 15 members headed by an Executive Vice President has been established to put risks under central management. The Committee Chairperson is appointed as the Risk Management Officer, and the Committee strives to manage risks associated with Group business activities at an appropriate level through this system.

The Risk Management Committee presents the risk evaluation results to the Executive Meeting and the Sustainability Promotion Council so that necessary risk measures are reflected in plans and policies for the entire Group with the aim of realizing our sustainable growth into the future. The Committee also 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. Furthermore, the Office of Internal Auditing conducts internal auditing on the maintenance and operation of the risk management system, and we are working to make improvements based on the audit results.



Risk Management

Risk management status

The Risk Management Committee held meetings three times during fiscal 2021. Meetings ascertain and evaluate how major risks that could greatly affect our Group’s business activities are being managed company-wide. These major risks are systematically sorted out not only for our Group’s sustainable growth but also with the aim of achieving our financial targets and ESG goals, to contribute to the sustainable development of society by solving global social issues covered under SDGs. The gravity of the major risks is evaluated based on their

degrees of impact and possibilities of occurrence, classified and organized on a risk map to clarify, manage, and evaluate how the risks are being handled from a higher perspective, and instructions for improvement are given to operating divisions, as necessary, based on the evaluation results.

For details of and countermeasures for major risks that could affect the Group’s business results and financial position, please refer to the “Operational risks” section of our securities report for the fiscal year ended March 31, 2022 and financial results for the three months ended June 30, 2022 (only available in Japanese).

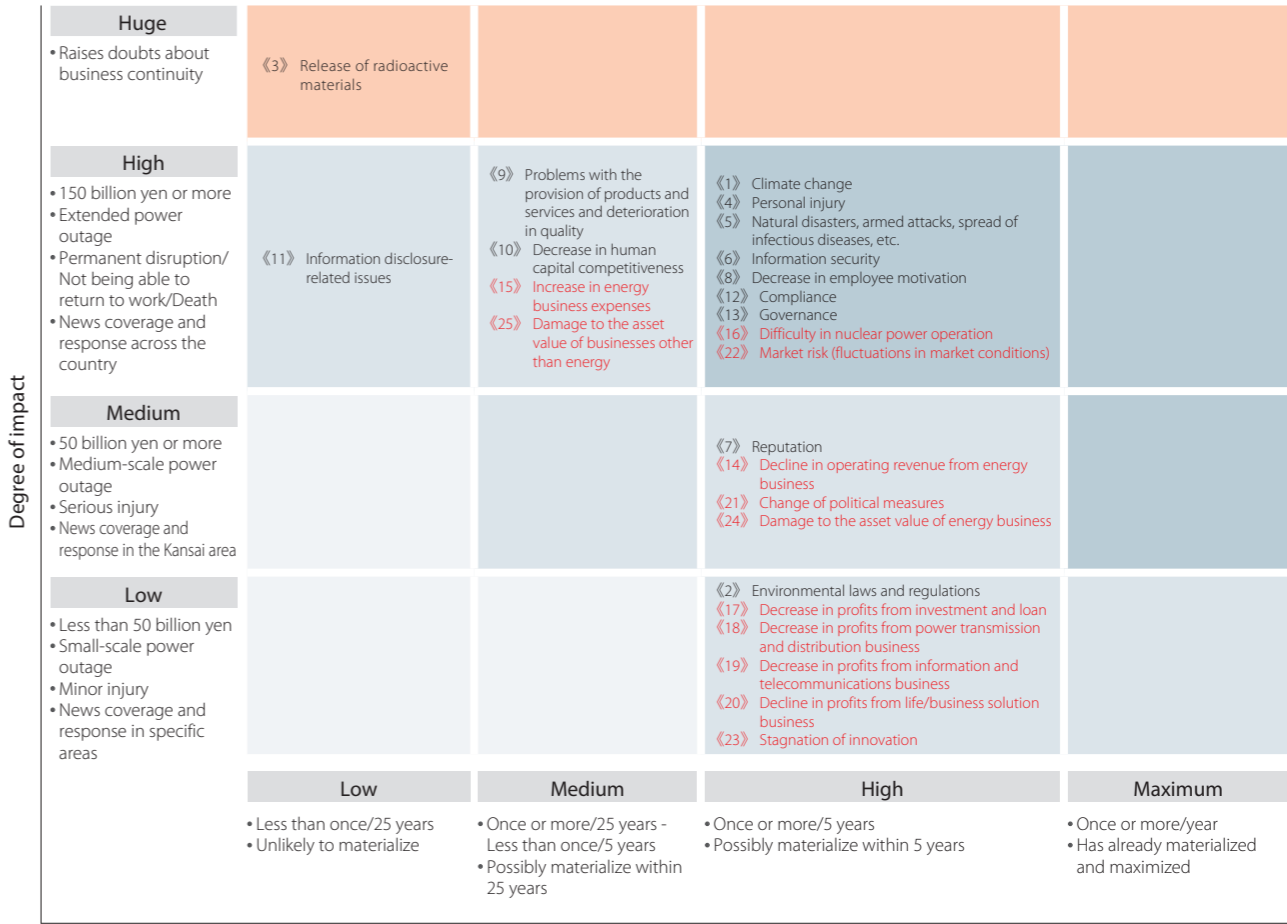
Major risks

Classification	Major risks	Gravity		Organizational goals/Classification	Major risks	Gravity	
		FY 2021	FY 2022			FY 2021	FY 2022
E	《1》 Climate change	High	High	Achievement of profit targets (P/L)	Operating revenue	《14》 Decline in operating revenue from energy business	High Medium
	《2》 Environmental laws and regulations	Medium	Medium				
	《3》 Release of radioactive materials	Huge	Huge		Expenses	《15》 Increase in energy business expenses	Medium Medium
S	《4》 Personal injury	High	High			《16》 Difficulty in nuclear power operation	High High
	《5》 Natural disasters, armed attacks, spread of infectious diseases, etc.	High	High		Investments and loans	《17》 Decrease in profits from investment and loan	Medium Medium
	《6》 Information security	High	High				
	《7》 Reputation	Medium	Medium		Transmission & Distribution	《18》 Decrease in profits from power transmission and distribution business	Low Medium
	《8》 Decrease in employee motivation	High	High		Information & Telecommunications	《19》 Decrease in profits from information and telecommunications business	Medium Medium
	《9》 Problems with the provision of products and services and deterioration in quality	Medium	Medium		Life/Business Solution	《20》 Decline in profits from life/business solution business	Medium Medium
	《10》 Decrease in human capital competitiveness	Medium	Medium				
	《11》 Information disclosure-related issues	Medium	Medium				
	《12》 Compliance	High	High		Business environment	《21》 Change of political measures	Medium Medium
	《13》 Governance	High	High			《22》 Market risk (fluctuations in market conditions)	Low High
G				Maintenance and improvement of asset value (B/S)	Energy	《23》 Stagnation of innovation	Medium Medium
					Other	《24》 Damage to the asset value of energy business	Medium Medium
						《25》 Damage to the asset value of businesses other than energy	Medium Medium

<Reason for changes in Gravity>

- 《14》 Decline in operating revenue from energy business: Revised downward in light of growth in sales resulting from higher demand for electricity, etc.
- 《18》 Decrease in profits from power transmission and distribution business: Revised upward considering profit decline caused by increasing costs associated with supply-demand adjustments, etc.
- 《22》 Market risk (fluctuations in market conditions): Revised upward under the circumstances of increasing electricity demand based on deterioration in earnings due to the increase in additional fuel procurement costs caused by surging fuel prices.

Risk map



Gravity
Low Medium High Huge
Red font: Perspective of achieving financial targets
Black font: Perspective of ESG

Probability of occurrence
[Note] Probability of occurrence indicates that, for example, a risk classified as "Medium: Once or more/25 years - Less than once/5 years" does not always occur at least once in 25 years, but viewed relatively, it is evaluated to have that degree of probability. The monetary impact reflects lower sales and higher expenses.

Investment risk management

Regarding investment in the domestic renewable energy business, international and our group businesses, and new businesses, in addition to the investment appropriateness evaluations, we have established and operated a series of management processes including post-investment monitoring, as well as consideration and implementation of disinvestment/replanning measures. The internal meeting structure (Investment Evaluation Committee), which consists of executives in charge of business promotion and corporate divisions, deliberates and examines such processes based on their specialized 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 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.
- <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 as we strive to appropriately deal with risks.

Risk Management

Supply chain management

Kansai Electric Power Group Basic Procurement Policy

In January 2021, the Kansai Electric Power Group announced the Kansai Electric Power Group Basic Procurement Policy (hereinafter, the “Policy”) to endeavor to carry out sustainable, transparent, and responsible procurement in all business activities.

Specifically, the previous “Kansai Electric Power CSR-based Procurement Policy” has been revised as the Group-wide policy, and details have been newly given to “Transparent procurement activities” and “Respect human rights,” with “Strict compliance” and other values placed as high-level concepts.

In accordance with the Kansai Electric Power Group Code of Conduct and the Policy, we will endeavor to carry out sustainable, transparent, and responsible procurement activities in all business activities.

Our procurement activities are supported by our suppliers, who we view as valuable partners, and we will place importance on communication as we move forward with procurement initiatives.

1. Practice and ensure strict compliance.
With the practice and ensuring of strict compliance positioned as the foundation to all procurement activities, we shall thoroughly observe all relevant laws, regulations, and morals thereof.

We shall also give due consideration to the strict management and protection of personal and confidential information, as well as intellectual property.

2. Carry out transparent and responsible procurement activities.
We shall carry out highly transparent and responsible procurement activities. We shall not participate in bribery or other corrupt conduct with the goal of obtaining profits unfairly nor shall we provide convenience only to specific individuals or companies. Furthermore, we shall have no relationship with antisocial forces or organizations.

We shall expand our business through new transactions with companies at home and abroad. When selecting suppliers, selection shall be conducted in a fair and equitable manner according to the supplier selection criteria outlined below, taking into consideration economic and social rationality.

Criteria for selecting suppliers:
We shall select suppliers by considering factors including thorough compliance implementation; respect for human rights; safety; quality; level of technical expertise; attention to environmental considerations; business conditions; willingness to maintain a relationship of trust; price; adherence to delivery/ construction schedules; adherence to maintenance and management standards; provision of after-sales service; and adequacy of response to accidents and defects.

3. Respect human rights.
With respect for human rights, we shall not be involved in any forms of

discrimination or inhumane treatment (forced labor, child labor, etc.). We shall also respect workers’ rights (freedom of association, collective bargaining rights, payment of appropriate wages, etc.).

4. Establish strong partnerships.
We shall establish strong partnerships with our suppliers by deepening bilateral communication and working together to make improvements. We shall also strive to build relationships toward mutual development through collaboration to optimize the entire supply chain, from material procurement, manufacturing, and logistics through to maintenance.

5. Ensure safety.
By making the assurance of safety the top priority in all activities, we shall thoroughly implement measures to prevent occupational accidents and occupational diseases, and to ensure public safety.

6. Promote cost reduction and quality improvement efforts.
We shall promote sustainable low-cost procurement efforts by reducing costs through technological innovation and new ideas, as well as by strengthening cooperation with our suppliers. Moreover, for the sake of our customers, we shall work to maintain and improve the quality and technical expertise of the products and services we provide.

7. Always consider the environment and contribute to local communities.
We shall promote procurement of materials with low environmental impacts to help build a decarbonized, recycling-oriented society. We shall also contribute to the development of local communities in cooperation with our suppliers.

8. Achieve continuous and stable procurement.
Together with our suppliers, we shall seek to ensure continuous and stable procurement by improving our methods of placing orders and other means. Moreover, in preparation for the occurrence of accidents and natural disasters, as well as the spread of infectious diseases, we shall thoroughly implement crisis management in a systematic manner. In such emergency events, we shall endeavor to promptly arrange necessary materials and equipment.

Dissemination and implementation of our Basic Procurement Policy

The Sourcing and Procurement Division holds in-house discussions on the Policy and provides new employee training, for the purpose of disseminating and implementing the Policy.

We make use of supplier registration and other opportunities to explain the Policy to our suppliers and ask for their cooperation in questionnaires to monitor how they address sustainability-related tasks.

- Questionnaire implemented for new suppliers (Sourcing and Procurement Division contracts)
→ Implementation rate of 99% (FY 2021 results)
- Questionnaire implemented for major suppliers
→ No. of companies implemented: 167 (FY 2019-2021 results)

Information security initiatives

Fundamental policies

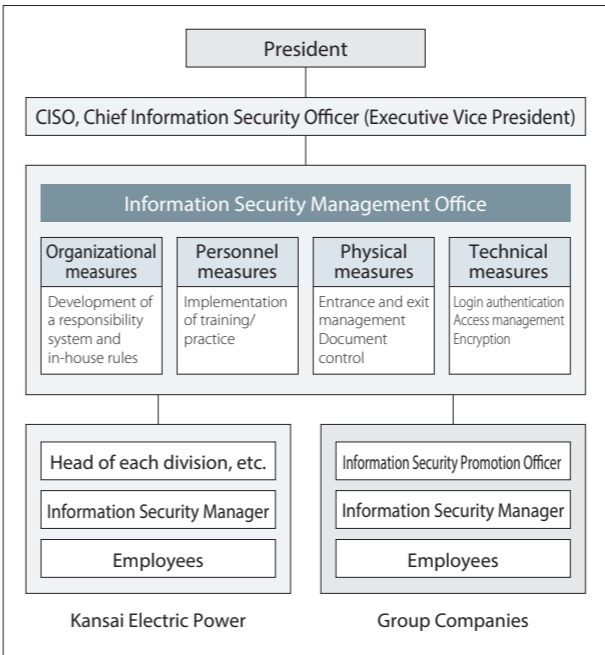
The Company believes that one key duty is to steadily advance information security efforts to ensure the safe and stable supply of power, and to protect customer information in our possession. In particular, while further strengthening countermeasures against cyber attacks, which are increasing around the world and targeting important infrastructure operators, we are promoting information security management based on the relevant laws, regulations and guidelines of cyber security management along with in-house rules. At the same time, in accordance with amendments to the Personal Information Protection Law, our in-house rules and systems are revised on a continual basis.

Information security promotion system for the entire Group

In our corporate information security promotion system, we have a Chief Information Security Officer (CISO) [Executive Vice President] and deploy Information Security Managers to promote specific efforts in each workplace.

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

Director responsible: Makoto Araki [Kansai Electric Power CISO (Executive Vice President)]
Deliberative body: Executive Meeting
Management office: Cyber Security Administration Group, Office of IT Strategy (Information Security Management Office)



Efforts for cyber security measures

By quickly recognizing threats such as security incidents and vulnerabilities that occur outside the Company, as well as issues with our Information Technology (IT) systems used in our daily work and all Operational Technology (OT) systems related to the provision of a stable power supply, we are continuously implementing necessary security measures.

Specifically, risk assessments are made for IT and OT systems, necessary technical measures are taken, and monitoring is carried out 24 hours a day, 365 days a year at dedicated IT and OT monitoring centers. In addition to an emergency response system established in preparation for incidents, we are continuing to provide drills for how to respond to cyber attacks as well as relevant training for employees.

We are gathering information about cyber attacks that occur outside the 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.

*An organization where business operators share and analyze information from the perspective of cyber security in order to ensure the stability of the supply of electricity in Japan.



Company-wide training to respond to cyber attacks

Initiatives for protecting personal information

Amid rising awareness of personal information and accelerating data utilization with the progress of digitization, the amended Act on the Protection of Personal Information has been enacted, imposing more stringent obligations on business operators that handle personal information.

The Company believes that the proper protection of personal information is an important responsibility in terms of earning the trust of customers as well as other people in society, in addition to helping fulfill our mission as an enterprise. From this viewpoint, we have developed in-house rules in compliance with the Personal Information Protection Law and other laws, regulations and guidelines. Moreover, we inform employees thoroughly about these issues through training, etc., and urge them to reaffirm the importance of proper handling and protection of personal information with regard to privacy and other rights.

Five-Year Summary of Selected Operational Data

The Kansai Electric Power Company, Incorporated and Its Subsidiaries March 31, 2022

	Non-Consolidated Basis					Consolidated Basis				
	2018	2019	2020	2021	2022	2018	2019	2020	2021	2021
Operating Revenues (Billions of Yen)	2,683.9	2,797.1	2,658.8	2,332.6	2,177.6	3,133.6	3,307.6	3,184.2	3,092.3	2,851.8
Operating Income (Billions of Yen)	165.4	133.9	125.6	(5.7)	23.5	227.5	204.8	206.9	145.7	99.3
Ordinary Income (Billions of Yen)	145.5	130.5	125.0	36.1	113.4	217.1	203.6	211.5	153.8	135.9
Net Income (Billions of Yen)	103.0	87.4	79.1	39.5	104.5	151.8	115.0	130.0	108.9	85.8
Total Ordinary Revenues (Billions of Yen)	2,704.9	2,823.7	2,686.9	2,400.9	2,293.0					
Residential	995.9	899.5	816.9	760.1	669.8					
Commercial and Industrial	1,240.6	1,312.7	1,272.4	1,066.9	943.8					
Total	2,236.6	2,212.2	2,089.3	1,827.1	1,613.7					
Other	468.3	611.5	597.6	573.7	679.3					
Total Ordinary Expenses (Billions of Yen)	2,559.4	2,693.2	2,561.9	2,364.7	2,179.5					
Personnel Expenses	217.2	216.5	207.4	103.8	99.8					
Fuel Costs	520.1	538.2	456.9	393.4	520.1					
Backend Expenses of Nuclear Power	59.9	89.8	83.5	43.7	79.8					
Maintenance Costs	184.1	177.0	194.2	104.3	63.0					
Taxes Other Than Income Taxes	144.7	144.4	139.2	44.8	46.9					
Depreciation	250.7	244.4	187.6	92.7	108.3					
Cost of Purchased Power	466.7	516.8	454.1	389.7	314.5					
Interest Expense	33.3	26.5	22.8	20.8	18.6					
Other	682.4	739.2	815.9	1,171.2	927.9					
Return on Equity (ROE) (%)	11.5	9.2	8.0	3.9	10.5	10.9	7.8	8.3	6.6	5.1
Return on Assets (ROA) (%)						3.7	3.3	3.2	2.2	1.9
Net Income per Share (Yen)	115.30	97.85	88.53	44.22	117.05	170.01	128.83	145.55	122.02	96.14
Cash Dividends per Share (Yen)	35.00	50.00	50.00	50.00	50					
Capital Investments (Billions of Yen)	295.4	369.3	447.2	410.6	208.1	407.0	485.2	561.9	655.8	522.8
Total Assets (Billions of Yen)	5,946.1	6,404.5	6,747.8	6,858.4	7,396.3	6,985.0	7,257.3	7,612.7	8,075.7	8,656.4
Net Assets (Billions of Yen)	933.9	975.0	1,001.1	1,017.5	972.5	1,472.7	1,532.9	1,641.7	1,725.5	1,705.5
Equity Ratio (%)	15.7	15.2	14.8	14.8	13.1	20.8	20.9	21.0	20.9	19.2
Interest-bearing Debt (Billions of Yen)	3,359.9	3,582.1	3,870.1	4,268.9	4,654.0	3,708.2	3,853.4	4,096.6	4,471.6	4,838.3
Net Assets per Share (Yen)	1,045.09	1,091.38	1,120.61	1,138.88	1,089.37	1,627.66	1,695.36	1,792.31	1,886.12	1,859.50
Free Cash Flows (Billions of Yen)	—	—	—	—	—	176.0	(88.1)	(113.9)	(291.5)	(122.3)
Operating Cash Flows (Billions of Yen)	—	—	—	—	—	623.2	449.7	463.4	369.2	410.3
Number of Employees	19,243	18,884	18,141	8,770	8,633	32,527	32,597	31,850	31,933	31,963

Note: Figures for FY 2020 and later represent those after the spin-off of the transmission and distribution business.

	Non-Consolidated Basis				
	2018	2019	2020	2021	2022
Electricity Sales Volume (Million kWh)					
Residential	41,767	37,671	34,832	34,014	32,326
Commercial and Industrial	73,477	80,155	78,159	68,317	68,331
Total	115,244	117,826	112,992	102,331	100,657
Electricity Generation Capacity (MW)					
Thermal	19,430	19,441	15,766	14,566	14,566
Hydropower	8,226	8,228	8,234	8,235	8,248
Nuclear	6,578	6,578	6,578	6,578	6,578
Renewable Energies	11	11	11	11	11
Total	34,245	34,259	30,590	29,390	29,403
Power Sources (%)					
Nuclear	10	22	21	12	26
Thermal	70	56	54	57	45
Hydropower	12	11	12	11	12
Renewable Energies	4	4	4	4	4
Other	4	7	9	15	13
Total	100	100	100	100	100
CO ₂ emissions of the Group's domestic power generation business					
(Million t-CO ₂)	34.2	30.4	28.5	30.4	25.4
CO ₂ emission factor of the Group's domestic power generation business					
(Kg-CO ₂ /kWh)	0.357	0.287	0.287	0.334	0.266
Nuclear Capacity Factor (%)	18.0*	54.6	48.4	28.0	61.0
Thermal Efficiency of Thermal Power Plants (Lower heating value) (%)	48.3	49.0	48.6	47.8	48.2
System Peak Demand in Kansai Area (MW)	26,376	28,650	28,162	29,103	28,257
FTTH Services (Thousand Lines)	1,630	1,642	1,650	1,678	1,698
Gas Sales Volumes (LNG conversion [gas and LNG total]) (Thousand Tonnes)	970	1,210	1,390	1,570	1,560

*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).

Major Human Capital Indicators

Please note that the figures represent those for the Kansai Electric Power Co., Inc. and Kansai Transmission and Distribution, Inc. unless otherwise specified in the Remarks column.

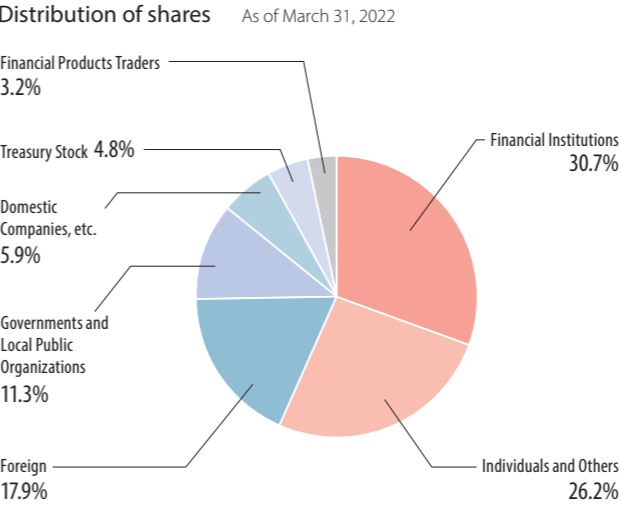
Indicators	Targets	FY 2020	FY 2021	Remarks
Ratio of mid-career hires in managerial positions*1	FY 2030: 1% or more	0.1%	0.3%	Figures for major Kansai Electric Power Group companies*2
	FY 2030: 20% or more	—	11%	
Rate of male employee childrearing leave utilization*1	Same level as that of female employees	98%	117%	Figures for major Kansai Electric Power Group companies*2
	Same level as that of female employees	—	86%	
Rate of female employee childrearing leave utilization*1	—	100%	100%	Figures for major Kansai Electric Power Group companies*2
	—	—	96%	
Rate of paid leave utilization*1	90% or more for each year	95.5%	96.4%	Figures for major Kansai Electric Power Group companies*2
	—	—	85.2%	
Employment rate of persons with disabilities	Achieve legal employment rate every year.	2.6%	2.6%	Figures for major Kansai Electric Power Group companies*2
	Achieve legal employment rate every year.	—	2.4%	
Number and ratio of female managers*1	Increase the ratio of female managers in FY 2030 to more than threefold that of FY 2018 (to 6.3%)	136/2.6%	151/2.9%	Consolidated figures for FY 2020; figures of major Kansai Electric Power Group companies*2 for FY 2021
	Increase the ratio of female managers to 10% or more in FY 2030.	726/6.2%	868/7.1%	
Number and ratio of female senior managers*1	Increase the ratio of female senior managers in FY 2030 to more than threefold that of FY 2018 (to 4.8%)	52/2.1%	59/2.4%	Consolidated figures for FY 2020; figures of major Kansai Electric Power Group companies*2 for FY 2021
	Increase the ratio of female senior managers to 5% or more in FY 2030.	118/2.2%	114/2.0%	
Number and ratio of female hires*1,3	—	87/19%	84/20%	Estimated results for FY 2021
	30% or more for each year	236/26%	180/23%	
Number and ratio of female hires (office jobs)*1,3	40% or more for each year	53/47%	49/51%	
Number and ratio of female hires (technical jobs)*1,3	10% or more for each year	34/10%	35/11%	
Number of group training participants (in total)	—	29,414	31,442	
Time spent on training per employee	—	36.9 hours	40.2 hours	
Total training cost	—	1,540 million yen	1,462 million yen	
Training cost per employee	—	85,800 yen	83,000 yen	

*1 Excludes transportation staff and medical staff.
*2 The Kansai Electric Power Co., Inc., Kansai Transmission and Distribution, Inc., and 24 major group companies
*3 Regular employees hired in each fiscal year are the subject of the calculation.

Corporate Information

Company outline / Stock Information			
As of March 31, 2022			
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:	299,819
Date of establishment:	May 1, 1951	Stock exchange listings:	Tokyo Stock Exchange
Paid-in capital:	¥489.3 billion	Transfer Agent:	Mitsubishi UFJ Trust and Banking Corporation
Operating revenues:	¥2,851.8 billion (consolidated), ¥2,177.6 billion (non-consolidated)		4-5, Marunouchi 1-Chome, Chiyoda-ku, Tokyo 100-8212, Japan
Total assets:	¥8,656.4 billion (consolidated), ¥7,396.3 billion (non-consolidated)		
Number of employees*:	8,633 (31,963 as the whole Group)		
Electricity sales:	100.7 billion kWh		
Main business:	Electric power, gas supply, heat supply, telecommunications, etc.		
*Number of working employees excluding employees on loan and on leave of absence.			

Major shareholders		
As of March 31, 2022		
Name of Shareholders	Ratio of the Number of Shares Held to the Total Number of Shares Issued (%)	Number of Shares Held (thousands)
The Master Trust Bank of Japan, Ltd. (Trust Account)	13.29	118,755
Osaka City	7.64	68,287
Custody Bank of Japan, Ltd. (Trust Account)	4.52	40,420
Nippon Life Insurance Company	3.07	27,462
Kobe City	3.06	27,351
Kansai Electric Power Employee Stockholder Program	2.34	20,938
Osaka Metro Co., Ltd.	1.73	15,461
Mizuho Bank, Ltd.	1.45	12,978
STATE STREET BANK WEST CLIENT—TREATY 505234 (Standing proxy: Mizuho Bank, Ltd.)	1.31	11,690
SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch)	1.24	11,038
Note: The ratio of the number of shares held to the total number of shares issued is calculated by subtracting treasury stock (45,430,892 shares). Treasury stock is excluded from the above table.		



Corporate Information

Group Companies (Consolidated subsidiaries and affiliates accounted for by the equity method)

(As of June 30, 2022)

●Consolidated subsidiaries 91 companies

Energy business 47 companies

Kanden Energy Solution Co., Inc.
Fukui City Gas Co., Ltd.
ECHIZEN ENELINE CO., INC.
NIHON NETWORK SUPPORT CO., LTD.
Kanden Plant Corp.
Aioi Bioenergy Corporation
NEWJEC INC.
Institute of Nuclear Safety System, Inc.
Next Power Company
KANSO TECHNOS CO., LTD.
Kanden E House Co., Ltd.
Kanden Power-Tech Corp.
SAKAI LNG Corp.
Nuclear Engineering, Ltd.
The Kurobe Gorge Railway Co., Ltd.
Dshift Inc.
KANDEN GAS SUPPORT CO., INC.
Osaka Bioenergy Co., Ltd.
KE Fuel International Co., Ltd.
KPIC Netherlands B.V.
LNG SAKURA Shipping Corporation
LNG FUKUROKUJU Shipping Corporation
LNG JUROJIN Shipping Corporation
Biopower Kanda Godo Kaisha
Oita Usuki Wind-power Generation Godo Kaisha
Wakayama Taiyoko Godo Kaisha
KPRE Godo Kaisha
Kansai Electric Power Holdings Australia Pty Ltd
KPIC USA, LLC
Kansai Electric Power Australia Pty Ltd
Kansai Sojitz Enrichment Investing S.A.S.
PT. Kansai Electric Power Indonesia
Kansai Energy Solutions (Thailand) Co., Ltd.
KANSAI ENERGY SOLUTIONS (VIETNAM) CO., LTD.
KE Fuel Trading Singapore Pte. Ltd.
12 other companies in addition to the above listed

Transmission and distribution business 3 companies

Kansai Transmission and Distribution, Inc.
Kanden Engineering Corp.
The Kanden Services Co., Inc.

Information and telecommunications 8 companies

OPTAGE Inc.
Kanden Systems Inc.
K4 Digital Co., Ltd.
5 other companies in addition to the above listed

Life / Business solution business 33 companies

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.
Kansai Electron Beam Co., Ltd.
Kanden Joinus Co., Ltd.
Gekidan iino Godo Kaisha
Pont des Tech Inc.
Kanden CS Forum Inc.
Kanden Office Work Co., Inc.
The Kanden L & A Co., Ltd.
KANDEN AMENIX Corp.
K4 Ventures GK
Kaiko Yukinoya Godo Kaisha
17 other companies in addition to the above listed

●Affiliates accounted for by the equity method 9 companies

Energy business

JAPAN NUCLEAR FUEL LIMITED
KINDEN CORPORATION
ENEGATE Co., Ltd.
San Roque Power Corporation
5 other companies in addition to the above listed

Organization Chart (As of July 1, 2022)

