

INTEGRATED REPORT 2024

Kansai Electric Power Group Integrated Report 2024

CONTENTS

Contents, Editorial Policies	1	04. Business Activities	30	06. Foundation to Support Value Creation	108
01. Kansai Electric Power Group	2	<small>Basic Premise of Our Business Operations</small> Special Feature 1 Progress of the Business Improvement Plan	31	Roundtable Talk with the Chairman of the Board and Outside Directors	109
Kansai Electric Power Group Purpose & Values	3	EX Seeking to Achieve Zero-carbon Emissions	38	Directors	114
History of Value Creation	5	Special Feature 2 Environmental Initiatives (1. Climate Change / 2. Biodiversity)	44	Executive Officers	118
Business Outline	7	VX Transforming into a Service Provider	58	Corporate Governance Systems	119
Financial and Nonfinancial Highlights	8	BX Human Capital Strategy	66	Compliance	129
02. Value Creation Story	10	Special Feature 3 DX Strategy	79	Risk Management	133
Message from the President	11	Promoting Innovation	84	Partnership with Suppliers	136
Value Creation Process	15	Promoting Cost Structure Reform (VA)	86	Respect for Human Rights	137
Sustainability Promotion System and Materiality (Important Issues)	16	05. Business Overview	87	Financial and Corporate Information	139
03. Corporate Strategies	21	Business Overview	88	Financial Statements	139
What We Aspire to Become in the Medium to Long Term	22	Energy Business	89	External Evaluations and Participation in Initiatives	141
Medium-term Management Plan	24	Transmission and Distribution Business	98	Corporate Information	142
Financial Strategy	27	Information and Telecommunications Business	103	Independent Third-Party Assurance Report	144
		Life / Business Solution Business	105		

Editorial Policies

In March 2021, the Group formulated the Kansai Electric Power Group Purpose & Values and the Kansai Electric Power Group Medium-term Management Plan (2021–2025). Following this, with the Zero Carbon Vision 2050 established in order to more voluntarily and proactively respond to global warming issues, and with the Zero Carbon Roadmap laying out a path toward realization of this vision formulated in March 2022, we have been promoting each of these initiatives step by step. In April 2024, we updated our medium-term management plan and stated What We Aspire to Become in the Medium to Long Term to ensure that we stay on the right track for further growth. At the same time, we also revised the Zero Carbon Roadmap with new, challenging goals.

This report has been edited to systematically disclose our specific efforts based on the above philosophy, plan, and vision, with the aim of conveying the Group's value creation story regarding achievement of sustainable growth.

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

Reference guidelines, etc.

- International Integrated Reporting Framework (IIRC)
- Ministry of Economy, Trade and Industry: Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation 2.0
- Task Force on Climate-related Financial Disclosures (TCFD)
- Taskforce on Nature-related Financial Disclosures (TNFD)

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 September 2024 / FY 2025: To be published in autumn of 2025

Scope of report

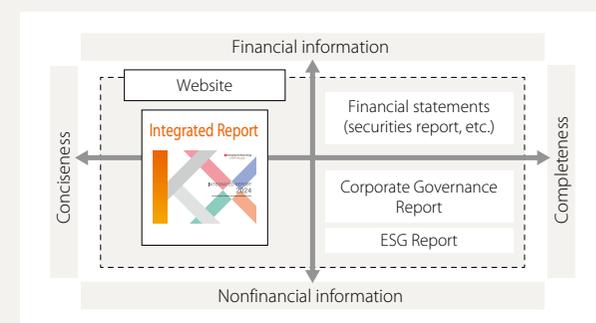
Period covered: April 1, 2023 to March 31, 2024 (We will also report on important information that may fall outside of that time frame.)
Companies covered: The Kansai Electric Power Co., Inc., and Kansai Electric Power Group companies.

"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 the Group's anticipated performance and other future projections is based on information currently available to the Company and assumptions that we believe are reasonable. For this reason, the actual results may differ from the projections due to various factors.

Positioning of this report



01

Kansai Electric Power Group

- 3 Kansai Electric Power Group Purpose & Values
- 5 History of Value Creation
- 7 Business Overview
- 8 Financial and Nonfinancial Highlights

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 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

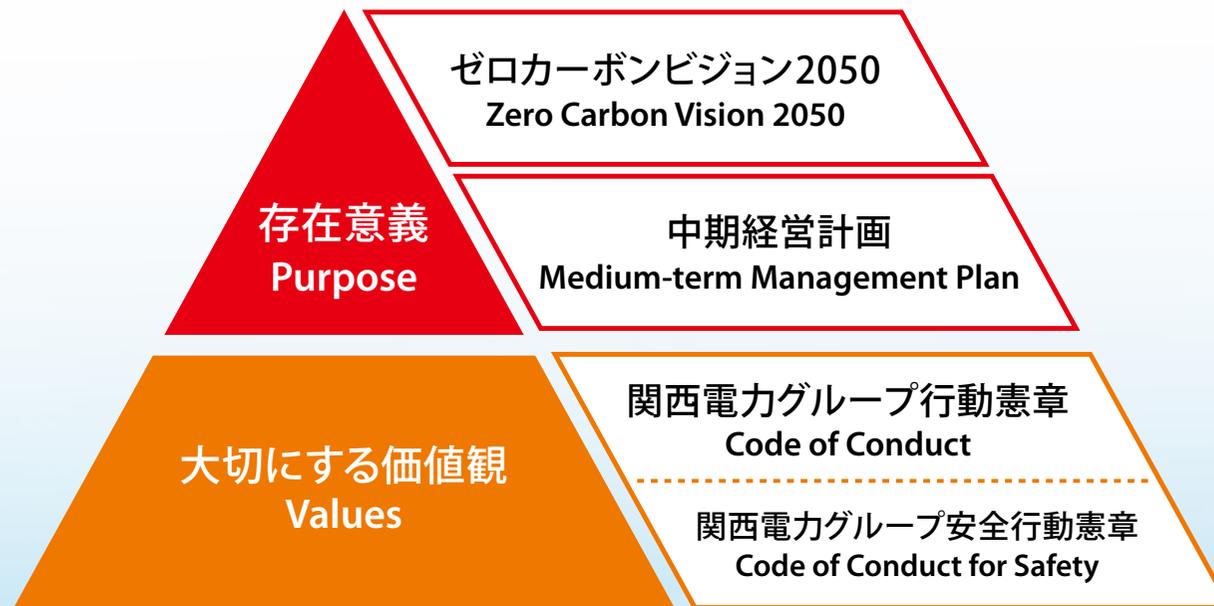
公正 × 誠実 × 共感 × 挑戦
Fairness × Integrity × Inclusion × Innovation

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

Kansai Electric Power Group Purpose & Values

Brand Statement *power with heart*



For details regarding each item, please refer to the following.

Elaborated "Purpose" of Purpose & Values Zero Carbon Vision 2050 https://www.kepco.co.jp/english/corporate/pr/2021/pdf/feb26_1.pdf

Medium-term Management Plan https://www.kepco.co.jp/english/corporate/info/policy/pdf/plan_2021.pdf

Elaborated "Values" of Purpose & Values Code of Conduct <https://www.kepco.co.jp/english/csr/charter.html>

Code of Conduct for Safety https://www.kepco.co.jp/energy_supply/supply/ichiisenshin/philosophy/chikai.html

Our Brand Statement, which is positioned as a straightforward message conveying the Group's stance both internally and externally.

<https://www.kepco.co.jp/english/corporate/info/policy/index.html>

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.

Activities to implement the management philosophy

We have established an activity plan to spread awareness of the 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. In fiscal 2023, we took steps to encourage our employees' deeper understanding of our management philosophy and put it into practice, through measures such as workplace discussions on the theme of "taking management philosophy as personal matter" and introducing employees who are putting the philosophy into practice in our email newsletter.

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

Rapid economic growth and dramatic increase in the demand for electrical power

1973/1979

Oil crisis

1985

Liberalization of telecommunications

1990

Bursting of the bubble economy

1995

The Great Hanshin-Awaji Earthquake

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

This Japan's first commercial PWR succeeded in trial electricity transmission to the Expo site.



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

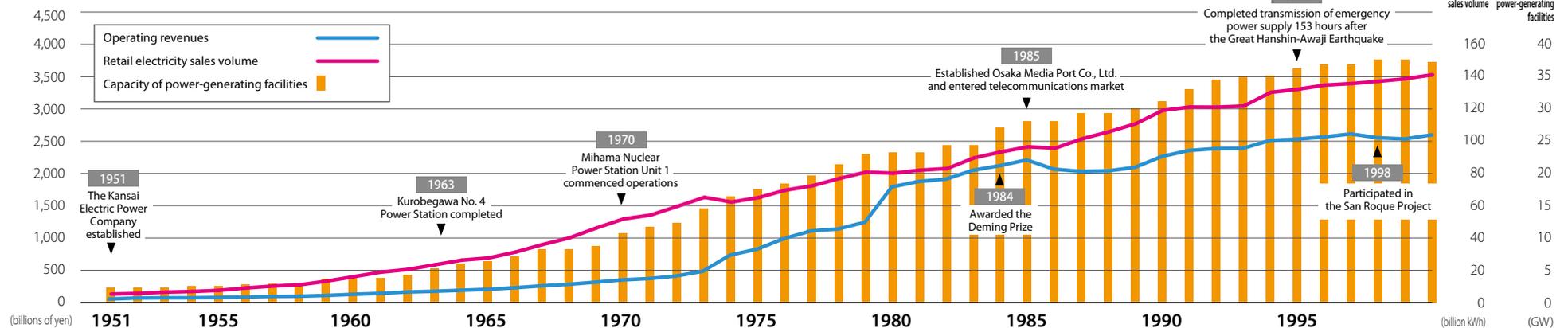
The Company became the first Japanese power company to participate in an overseas power generation business, collaborating on-site with the construction work.



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.

Operating revenues



History of Value Creation

Strengths cultivated by the Kansai Electric Power Group

01 Zero-carbon power sources

- Top spot for the amount of zero-carbon power generation in Japan
- Know-how related to the design, maintenance and operation of facilities for nuclear power generation and renewable energy

02 Problem-solving power

- Engineering capabilities built on the group business
- Expertise and know-how in energy management

03 Comprehensive strengths of our Group

- Customer base other than electricity sales through a wide range of group businesses
- Expertise and know-how built on the group business

04 Responding to digitalization

- Active introduction of cutting-edge IT infrastructures and IT technologies
- Expertise and know-how regarding digital technologies

2000

2011

2016

2020

The Great East Japan Earthquake

Full liberalization of electricity retail markets

Legal separation of power transmission and distribution business



2000
Entered the gas supply business

2001
Launch of eo Optical Net

2011
Mega Solar Sakai Power Station commenced commercial operations

2012
Kanden Energy Solution Co., Inc. expanded its business to the Tokyo Metropolitan district

2014
Construction at Nam Ngiep begun

2014
Launch of the *mineo* mobile phone service

2018
K4 Digital Co., Ltd. established

2021
Zero Carbon Vision 2050 formulated

Launch of a gas business including sales of Liquefied Natural Gas (LNG)

Started providing internet services utilizing a proprietary fiber-optic network.

Became the first Japanese company to operate the large-scale solar power station.

Established a Tokyo Office and began supplying the district with electric power service in 2014.

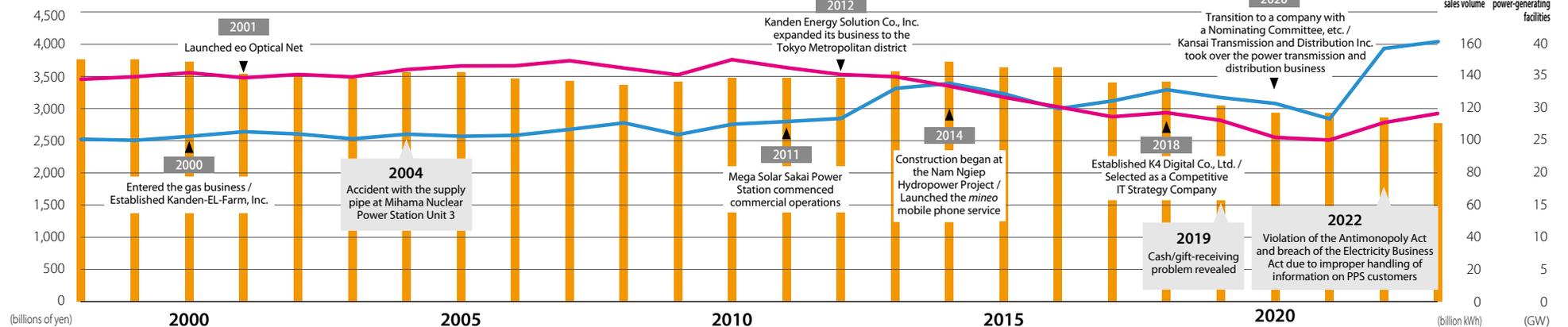
Construction started at what the Company called the Second *Kurayon* Dam Project for Laos—the Nam Ngiep Hydropower Project.

A new mobile service that enables low-cost usage of LTE/mobile phone functionality/handsets

K4 Digital was established to leverage digital technologies capable of creating new businesses and changing the business.

Declared the Group's intent to achieve zero CO₂ emissions in power generation and other business activities by 2050.

Operating revenues



Business Outline

Strengths of Kansai Electric Power

The Kansai Electric Power Group, as a lifeline provider, has been creating new values in a variety of areas including the electricity business while taking on new challenges to contribute to the growth of Japanese society by leveraging its "strength," which originates from over 70 years of operations.

01 Zero-carbon power sources

As a leading company in zero-carbon energy, we have been striving to increase energy independence to secure stable supply of energy with a priority given to safety in an effort to create a sustainable society.

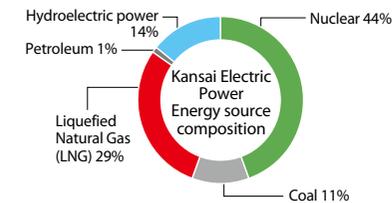
Power sources

- FY 2023 results (Value at transmission end)
- Generated by our company

94.9 billion kWh

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

- Actual power generated in FY 2023



Total installed power capacity by renewable energy

- As of March 31, 2024
- Projects commenced operations (at plants completed) in Japan and overseas

4.901 GW

02 Problem-solving power

We have been offering multiple solutions to provide new values, promoting electrification and addressing various challenges and the needs of customers.

Operating revenues

- FY 2023 results

¥3,335.6 billion

Retail electricity sales volume

- FY 2023 results

117.2 billion kWh

Gas sales volume

- FY 2023 results
- LNG equivalent (gas and LNG total)

1.68 million tonnes

03 Comprehensive strengths of our Group

We have been providing solution services by leveraging the collective strengths of our group companies, with particular emphasis on our business domains of energy, transmission and distribution, information and telecommunications, and life/business solutions.

Number of group companies

- As of May 31, 2024
- Consolidated subsidiaries and affiliates accounted for by the equity method

99

External sales in group businesses

- FY 2023 results

¥733.3 billion

04 Responding to digitalization

We have been pursuing DX, primarily capitalizing on digital technology derived from our electricity business, as DX is a key to our sustainable growth.

Effects of DX in a single year

- FY 2023 results

¥23.5 billion

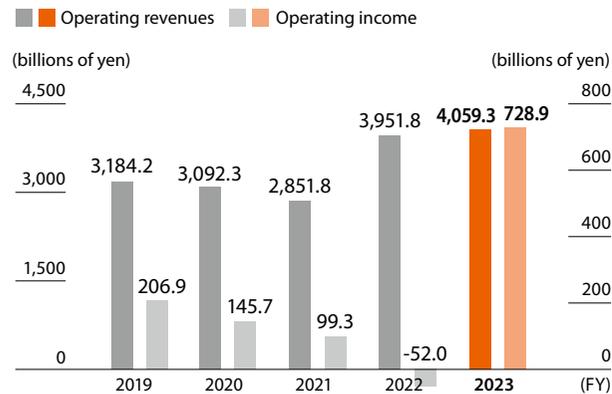
Highly-skilled DX human capital

- FY 2023 results

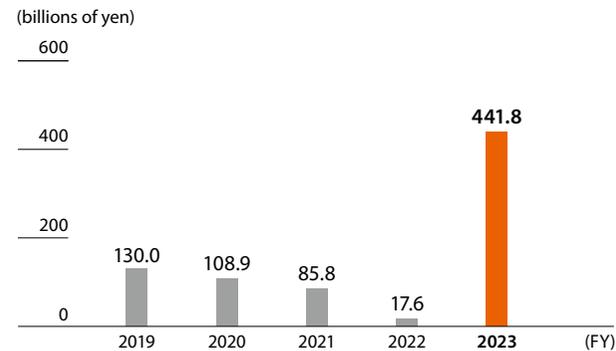
36 individuals

Financial and Nonfinancial Highlights

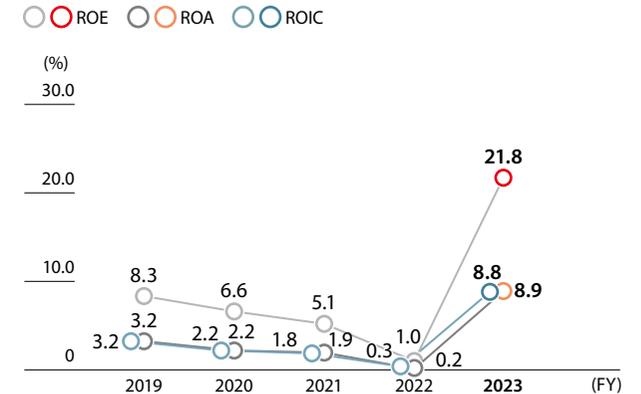
Operating revenues / Operating income



Net income attributable to shareholders of the parent



ROE*1, ROA*2, ROIC*3

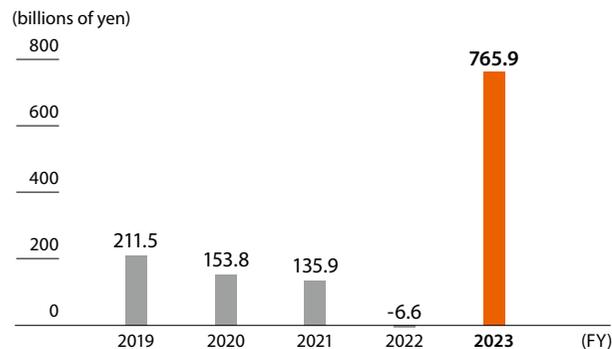


*1 Return On Equity = Net income / Shareholders' equity [Beginning and ending balance average]

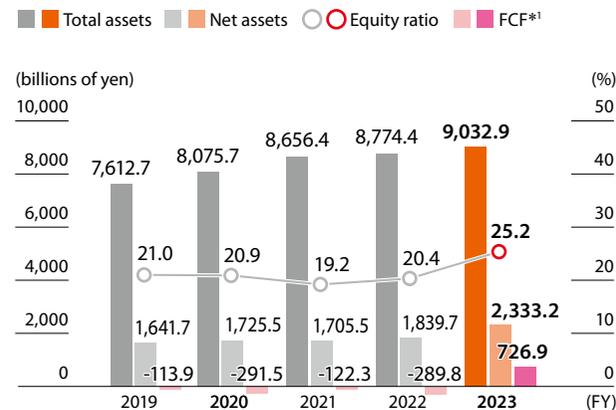
*2 Return On Assets = Operating income [Ordinary income + Interest expense] / Total assets [Beginning and ending balance average]

*3 Return On Invested Capital = Operating income after tax / Invested capital [Beginning and ending balance average]

Ordinary income

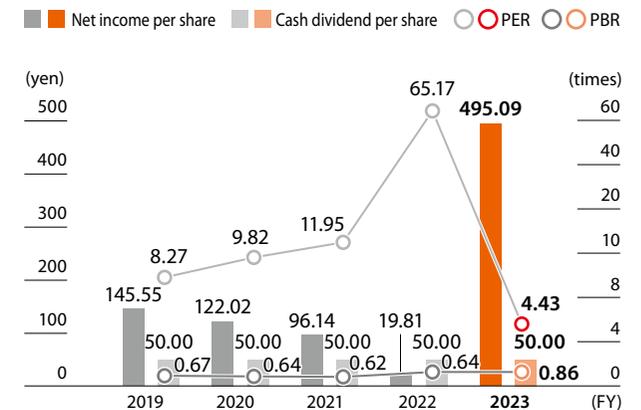


Total assets, Net assets, Equity ratio



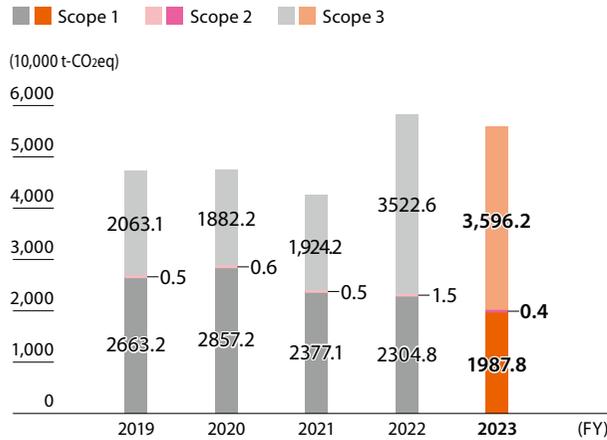
*1 Free Cash Flow = Operating cash flows + Investment cash flows

Net income per share / Cash dividend per share



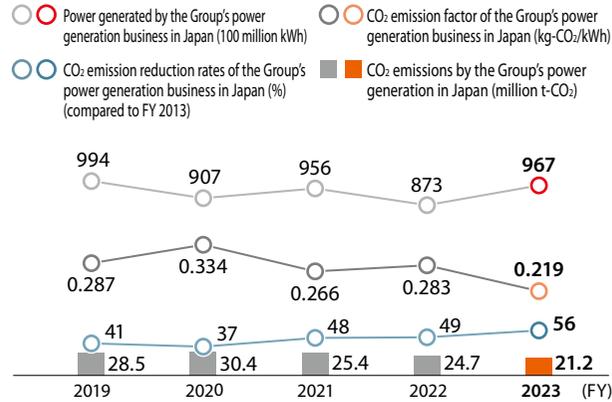
Financial and Nonfinancial Highlights

GHG (greenhouse gas) emissions



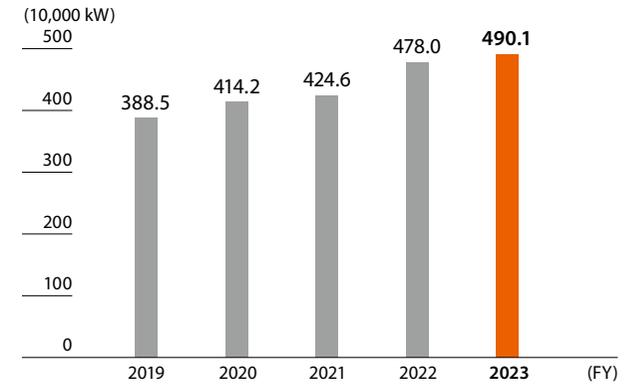
Note: The Company and Kansai Transmission and Distribution, Inc. were in the scope of calculation for FY 2021, and Kanden Energy Solution Co., Inc., Kanden Realty & Development Co., Ltd., and OPTAGE Inc. have been added since FY 2022. For details on GHG emissions, refer to page 52.

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

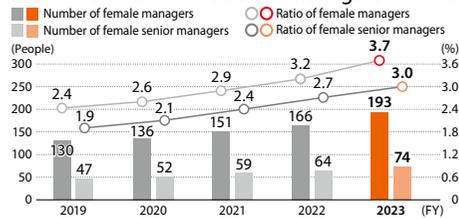


* Figures for the Group's power generation in Japan are multiplied by the Company's stake. (Figures after FY 2022 do not include power generation by companies in which the Company has a stake of less than 50%.)

Total installed power capacity by renewable energy –Projects commenced operations (at plants completed) in Japan and overseas

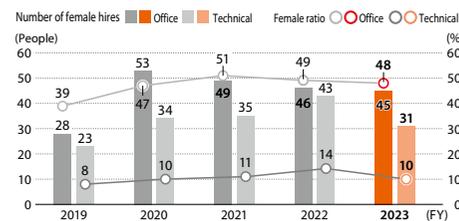


Number and ratio of female senior managers and managers*



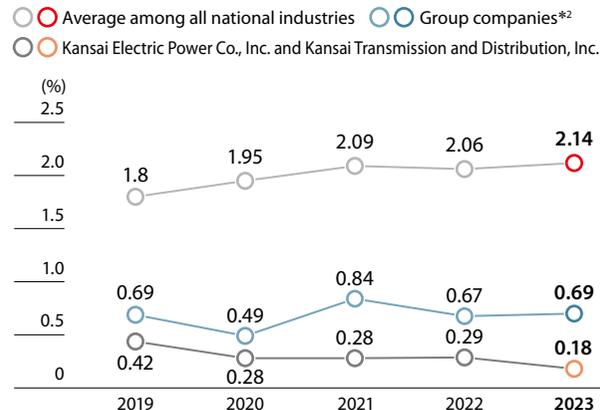
(Figures from fiscal year ends) * Excludes medical and transportation staff. * Figures for the Kansai Electric Power Co., Inc. combined with Kansai Transmission and Distribution, Inc. * Managers refer to those equivalents to unit chief or higher.

Number and ratio of female hires*



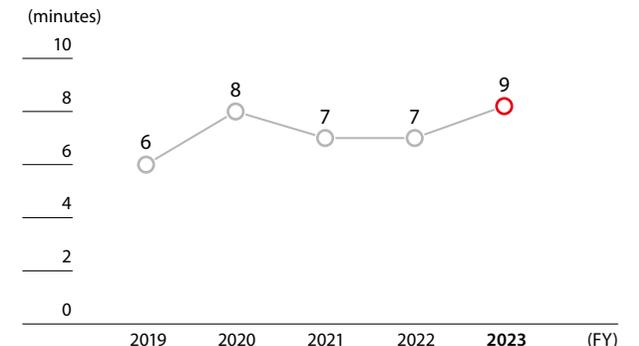
(Based on fixed term employment for each fiscal year) * Results from the fiscal year in which recruitment activities were made

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.

Annual duration of power outage per household



02

Value Creation Story

- 11 Message from the President
- 15 Value Creation Process
- 16 Sustainability Promotion System and Materiality (Important Issues)

Message from the President

The Kansai Electric Power Group will continue to grow together with society by achieving its Purpose of Serving and Shaping the Vital Platform for a Sustainable Society.

Consistently looking one or two steps ahead to embrace new challenges

It has already been two years since I assumed the position of president, and during that time, I have dedicated all my strength to promote our medium-term management plan.

In fiscal 2023, we realized our long-standing goal of operating seven nuclear reactors, coupled with numerous outcomes in the challenge of seeking to achieve zero-carbon emissions, the creation of new value, and other initiatives at each site. On the earnings front, we recorded the first increase in both revenues and profits in six years, achieving all of the financial targets for the first three years of the plan.

That being said, it has not been smooth sailing at all. Due to the large impact exerted by the fluctuations in foreign exchange rates and fuel prices, it is less than a substantial increase if we look at the last two consecutive fiscal years. Moreover, the business environment surrounding our Group remains uncertain. Despite these circumstances, we must continue to achieve sustainable growth while at the same time balancing safe and stable energy supply with decarbonization.

To this end, I believe nothing is more important than taking on challenges with emphasis on speed, looking one or two steps ahead. As stated in our management philosophy, Serving and Shaping the Vital Platform for a Sustainable Society, my aim is to work together with you all to continue to steadily provide what customers and society consider “vital,” and go further to build a “vital platform” for the future that no one has yet foreseen. It is precisely because we are in an era of changes in people’s values and rapid advances in technological innovation that we see great value in meeting demands of the time ahead of others.

We will take on this challenge in the future not only in energy but also in a wider range of domains. In April 2024, we updated our medium-term management plan, in which we aspire to become a leading company in zero-carbon energy in the energy domain and to accelerate the initiatives set forth in the roadmap, while at the same time putting all our efforts into remaining a platform provider that delivers new value to our customers in diverse areas, including real estate, information, and telecommunications.

Nozomu Mori

Director, Representative
Executive Officer,
President



Message from the President

Once again, we will refine our management foundation of finance, people, and systems that supports these endeavors. We will give a tremendous boost to the endeavors in all business domains by improving our financial soundness through investment in growth, while creating a lively work environment in which each individual can play an active role by harnessing their full potential.

Over the next two years, through steadfast implementation of these initiatives, we intend to boldly evolve into a corporate group that stays ahead and creates a “vital platform” for the next era.

With the hope of hearing people say, “A-yan*, Kanden!”

I fully recognize that it is also my grave responsibility to restore the trust that has been lost due to a series of inappropriate incidents. To start afresh as a corporate group that can truly ensure compliance, we have been pushing forward various reforms, not only by enhancing education and training and developing internal rules, but also by delving into the issues underlying each incident, such as strengthening internal control and reform of the organizational climate.

Over the past year or so, our Group’s concerted efforts have made steady progress in all the items in our business improvement plans, and I have sensed a positive sign in moves toward autonomous improvements that have emerged in each department.

In the context of awareness and behavioral change of all Group members, however, we must continue to work. To achieve truly thorough compliance, not only management but

also each employee must have a sense of ownership. In other words, we all must take this matter as seriously as our own problems and change our awareness and behavior for the better. It means having a high sensitivity to various risks associated with our daily operations, not hesitating to speak out when we become aware of something, and taking action toward reform together with our colleagues in our workplaces.

I have persistently asked all members of our Group to practice “Become aware, Speak out, and Take action” through dialogue, messages on our internal portal, and other means. The Organizational Climate Reform Committee I chair is also working to build a system and environment that facilitate behavioral change of individuals based on suggestions from employees. I am convinced that these reforms will not only contribute to strict compliance, but will also encourage each workplace to develop a positive mindset in taking on challenges, leading to various operational reforms and the creation of new value and services.

In addition, I am concerned that the series of inappropriate incidents may have caused employee loyalty to our Company to decline. It is no exaggeration to say that if employees are not satisfied with or cannot feel proud of their work, the company will not be able to grow or thrive further. I am entirely devoted to listening carefully to our employees and creating an environment in which all employees can work vigorously with a sense of fulfillment and pride in their work.

Through these efforts, I hope our Group will regain the trust of customers and society at large and transform into a corporate group about which people can say, “A-yan, Kanden!”

*Meaning “nice.”

Aiming to be a leading company in zero-carbon energy

We cannot envision the future of energy without the perspective of simultaneously achieving safe and stable supply of energy and decarbonization.

For resource-limited Japan, securing a stable energy supply is a critical issue that affects the foundation of the nation. Above all, the recent rise in geopolitical risks has made it increasingly difficult to secure stable supplies of energy resources. Nevertheless, this issue must be appropriately addressed at all costs, even with the expected growth in electricity demand from here on in pace with the construction of new and additional data centers and semiconductor factories. Furthermore, we have no time to lose in achieving decarbonization. In Japan, there is an urgent need to expedite efforts by mobilizing all available technology and wisdom.

Aiming to achieve virtually zero CO₂ emissions in its business activities by 2050, our Group has been implementing initiatives based on the Zero Carbon Roadmap. In fiscal 2023, we met our CO₂ emission reduction target for 2025 two years ahead of schedule mainly through the realization of operating seven nuclear reactors. In response to this, we revised our roadmap in April 2024 with more challenging targets (e.g., a 50% reduction of greenhouse gas emissions throughout the supply chain (Scopes 1, 2, and 3) by 2030) to further accelerate our efforts toward decarbonization. Of particular importance to this end is introducing and utilizing nuclear energy and renewable energy to the maximum extent possible as inseparable non-fossil power sources.

I am convinced that it is essential to secure the share of nuclear power generation mix at certain levels now and in

Message from the President

future years, from the perspective of both simultaneously achieving the 3Es and of ensuring safety and maintaining technical and human resource bases. In addition to continuing safe and stable operations at functioning power plants, as a pioneer in nuclear power generation, we must start now charting a solid path forward with a view to future replacement.

With regard to renewable energy, we have already developed approximately 3.97 GW*¹ in Japan and will accelerate our efforts to achieve our development target of a cumulative total of 9 GW by fiscal 2040. Surrounded by the sea, Japan has great development potential for offshore wind power. Our Group will press ahead with the development of this energy source, strengthening its development promotion system and acquiring the necessary expertise and knowledge.

Thermal power generation plays an important role to give greater flexibility to renewable energy, the output of which fluctuates depending on natural conditions. For this reason, we will continue to utilize thermal power while also moving toward decarbonization through zero carbonization of fuels with the use of hydrogen, ammonia, etc. and introduction of CCUS. For hydrogen, because its use is not limited to a fuel for power generation but expected to extend to transportation, industry, and various other areas, we intend to commercialize its use in the entire supply chain covering from production to subsequent customer demand.

Moreover, we will develop next-generation electric power networks capable of accommodating widespread use of renewable energy and storage batteries, firmly supporting decarbonization efforts on the demand side by utilizing corporate PPA and other schemes.

As a leading company in zero-carbon energy, our Group will continue to make an extensive contribution to realizing a decarbonized society while ensuring a stable energy supply with diverse energy source composition.

Pursuing attractive value in diverse business areas

Since the Company's founding, as we operate our business with a focus on energy, the mindset of aspiring to be of service to our customers and society has been firmly rooted in each one of us in our Group, which I believe is our greatest strength. In recent years, our business area has expanded beyond energy to include diverse areas such as information and telecommunications, as well as life and business solutions. In all of these areas, we are bravely facing daily challenges to create new value and services to meet the expectations of customers and society.

In the energy area, we have focused mostly on delivering the amount needed when it is needed, but this business style is now approaching a major turning point. Customers' needs are becoming more diverse; for example, some want to use zero-carbon electricity and others want to optimally control energy resources at multiple locations in an optimal way. We will carefully listen to customer opinions and break a path for meeting these needs by staying one or two steps ahead. In terms of decarbonization in the transportation sector, we have also started offering EV charging services and AI-based sharing mobility services (collectively called "Kanmobi"), with a desire to

contribute to the realization of a smart mobility society.

In areas other than energy, our experience in the real estate business extends over 60 years, and in the information and telecommunications business over 30 years. Utilizing our Group's diverse strengths as exemplified above, we will continue to create and deliver what our customers truly seek. Meanwhile, the market for data centers, which underpins digital transformation, is expected to grow rapidly. For us, the data center business is strongly interrelated with the electricity business and is an area that overlaps with our Group's core businesses. We will work aggressively to grow this business to a scale comparable to our core businesses such as real estate, information, and telecommunications.

Given recent years' increased volatility in the energy business, delivering attractive value in such diverse business domains is extremely important in the context of achieving a more stable business structure for the entire Group. We will continue to build an optimal business portfolio*² in the energy and other business domains, thereby generating stable profits and cash flow.

Aiming to continue serving our customers and society, we plan to venture out of the area of Kansai and the domain of electric power to seize business opportunities and achieve great results.

*1 As of March 31, 2024

*2 Achieving a profit balance rate of [Energy 2] to [Non-energy including new value creation in the energy domain 1]

Message from the President

Building a corporate structure to survive turbulent times

Management bases underlying our business activities cover a wide range of areas, such as finance, people, and systems, and these management bases need to be further sophisticated to accelerate our future endeavors in expanding into various business areas.

In finance, in the recent update of the medium-term management plan, we have revised our financial targets for fiscal 2025 to include ordinary income of 360 billion yen or more and equity ratio of 28% or more, with an addition of ROIC (return on invested capital) as a new financial target. We are committed to achieving these targets by steadily promoting cost structure reforms, digital transformation, and other strategies, while also striving for management that emphasizes return on capital.

In terms of people and systems, I have long been aware of the need to further improve internal organizational structure and various systems to bring the best out of the human resources in our Group. For each individual to fully demonstrate their potential, our workplace must be a place where we admire and support each other for the challenges we take on, so everyone can work vigorously.

Since our Group tends to make value judgments solely within our own organization without looking at the outside world, I would like to encourage the exchange of personnel and formation of communities beyond the organization's boundaries, thereby maximizing group value. It is also important to boldly shift our focus to work that is truly

worthwhile by stopping what needs to be stopped, making quick decisions on what needs to be decided, and executing it.

These initiatives can be summed up in four items: enhancement of individual capabilities, enhancement of organizational capabilities, enhancement of the attractiveness of work, and enhancement of the attractiveness of workstyles. By following out these four enhancements, we can build a more resilient corporate structure.

Through these reforms, I hope we can create an excellent virtuous cycle whereby each employee is motivated and proud of their work, which will in turn contribute to the company's growth and social progress, making each employee more motivated and prouder of their work.

To our stakeholders

The opinions we receive from our stakeholders are valuable guidelines for corporate management. Guided by the corporate governance guidelines stipulating active information disclosure, including nonfinancial information, we will continue to enhance the content of our disclosure materials and engage in close dialogue through various opportunities. We are determined to operate highly transparent business activities so we can earn your trust.

It is our consistent desire and unwavering commitment to realize our management philosophy of Serving and Shaping the Vital Platform for a Sustainable Society. I will continue to spearhead every effort to ensure that the "vital platform" we create will shape an exciting future filled with dreams and

hopes for everyone surrounding our Group, and that we ourselves can make a breakthrough as an exciting corporate group.

Looking forward, our Group will work together as one to meet the expectations of our stakeholders. We kindly ask for your continued understanding and support.



Value Creation Process for the Kansai Electric Power Group

存在意義
Purpose

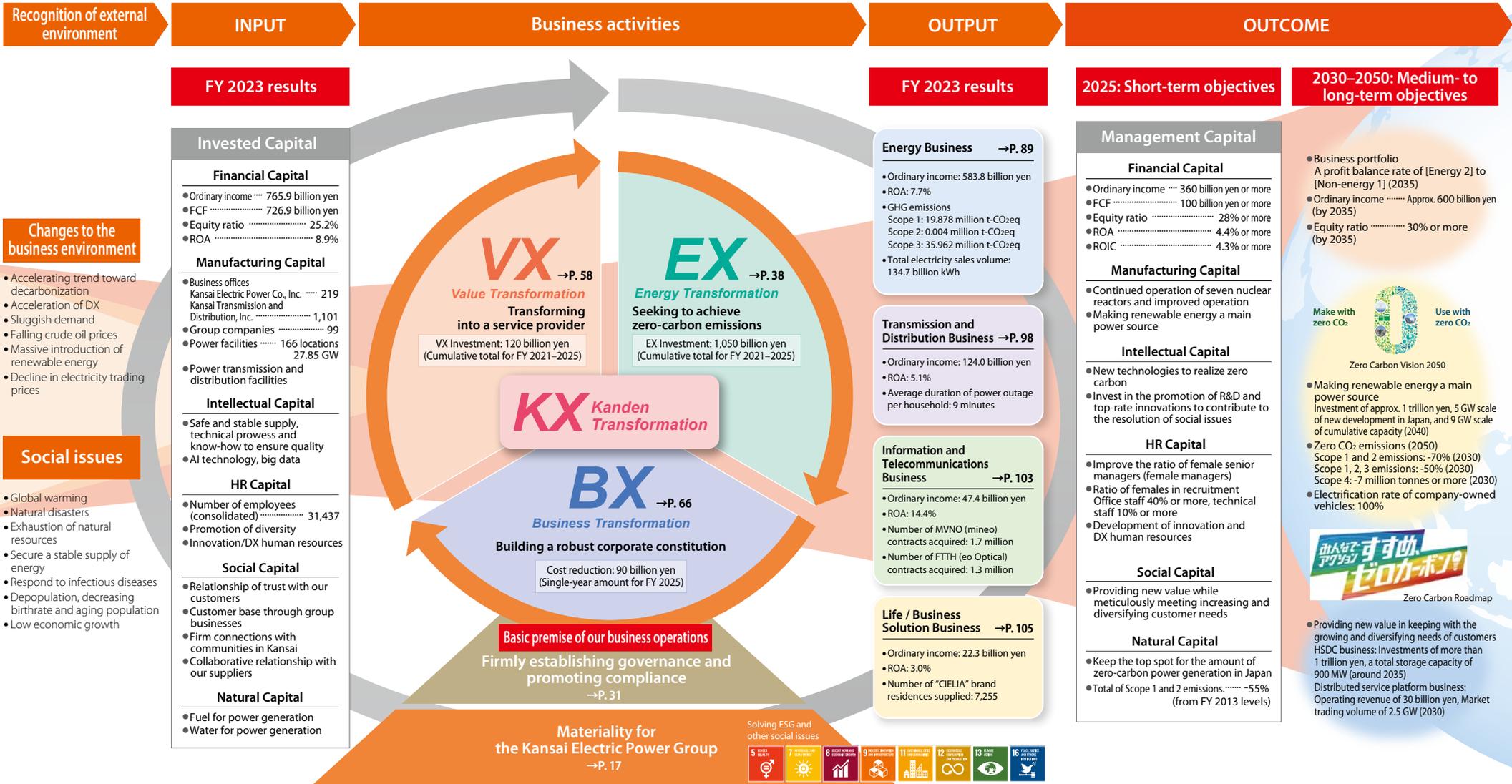
「あたりまえ」を守り、創る

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



Changes to the business environment

- Accelerating trend toward decarbonization
- Acceleration of DX
- Sluggish demand
- Falling crude oil prices
- Massive introduction of renewable energy
- Decline in electricity trading prices

Social issues

- Global warming
- Natural disasters
- Exhaustion of natural resources
- Secure a stable supply of energy
- Respond to infectious diseases
- Depopulation, decreasing birthrate and aging population
- Low economic growth

Materiality for the Kansai Electric Power Group →P. 17

Basic premise of our business operations

Firmly establishing governance and promoting compliance →P. 31

KX Kanden Transformation

VX →P. 58
Value Transformation
Transforming into a service provider
VX Investment: 120 billion yen (Cumulative total for FY 2021-2025)

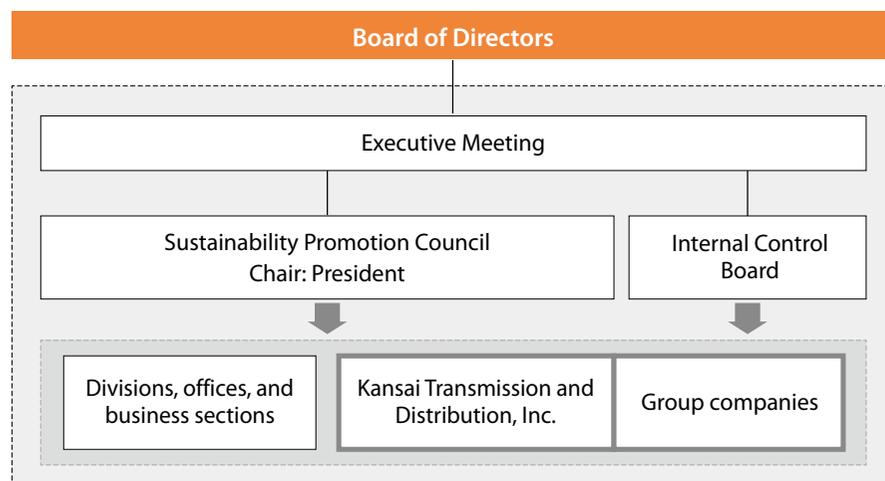
EX →P. 38
Energy Transformation
Seeking to achieve zero-carbon emissions
EX Investment: 1,050 billion yen (Cumulative total for FY 2021-2025)

BX →P. 66
Business Transformation
Building a robust corporate constitution
Cost reduction: 90 billion yen (Single-year amount for FY 2025)

Sustainability Promotion System and Materiality (Important Issues)

Sustainability Promotion System

Structural diagram

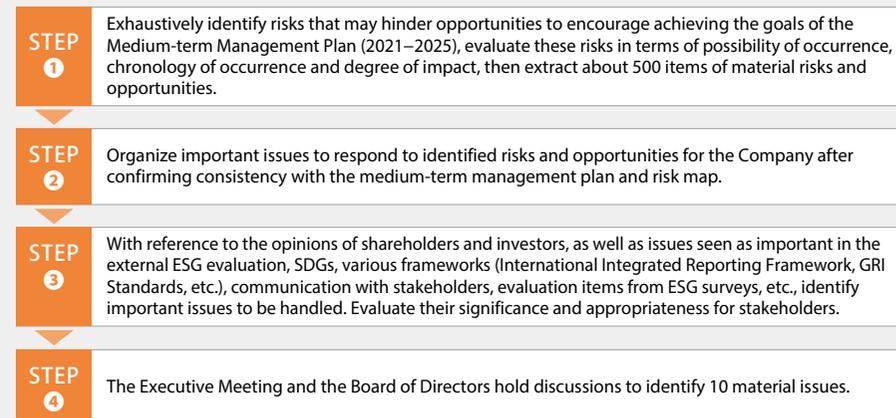


As a corporate group that aims to be of benefit to our customers and communities, we promote sustainability-focused initiatives to achieve growth and development for ourselves, but also to resolve global societal issues and so contribute to making society more sustainable. To further advance these initiatives, we have established a Sustainability Promotion Council, which is chaired by the President. The Council formulates a series of comprehensive measures for sustainability promotion and deploys a range of concrete activities that allow the Group to contribute to the sustainable development of society. The Internal Control Board identifies important risks, including those related to sustainability, and assesses their management status. The risk assessment results are regularly reported to the Board of Directors, and improvements to risk management systems and structures are made, as necessary. Through this structure, 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, staying in communication with the Kansai Electric Power Company. In addition, a performance-based compensation system is in place for executive officers responsible for business execution, and nonfinancial indicators are adopted as performance indicators.

Materiality (Material Issues) Identification Process

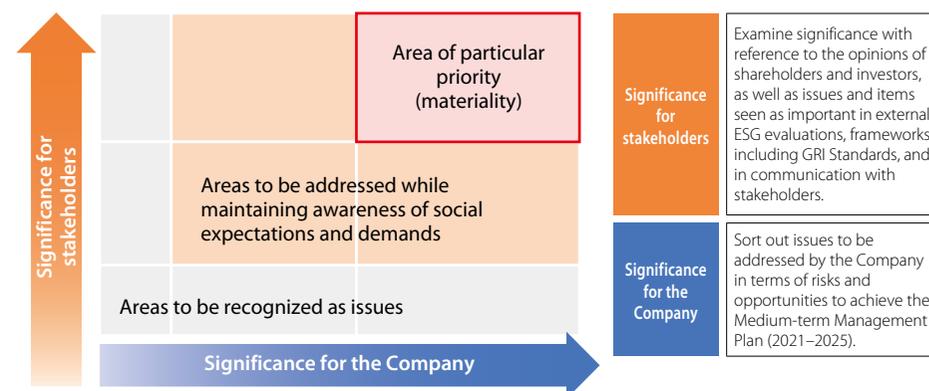
Aiming to achieve sustainable growth of our Group and also contribute to the sustainable development of society through the pursuit of SDGs and the resolution of other global issues, along with the formulation of our Medium-term Management Plan (2021–2025), we have identified the following 10 themes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

Materiality identification process



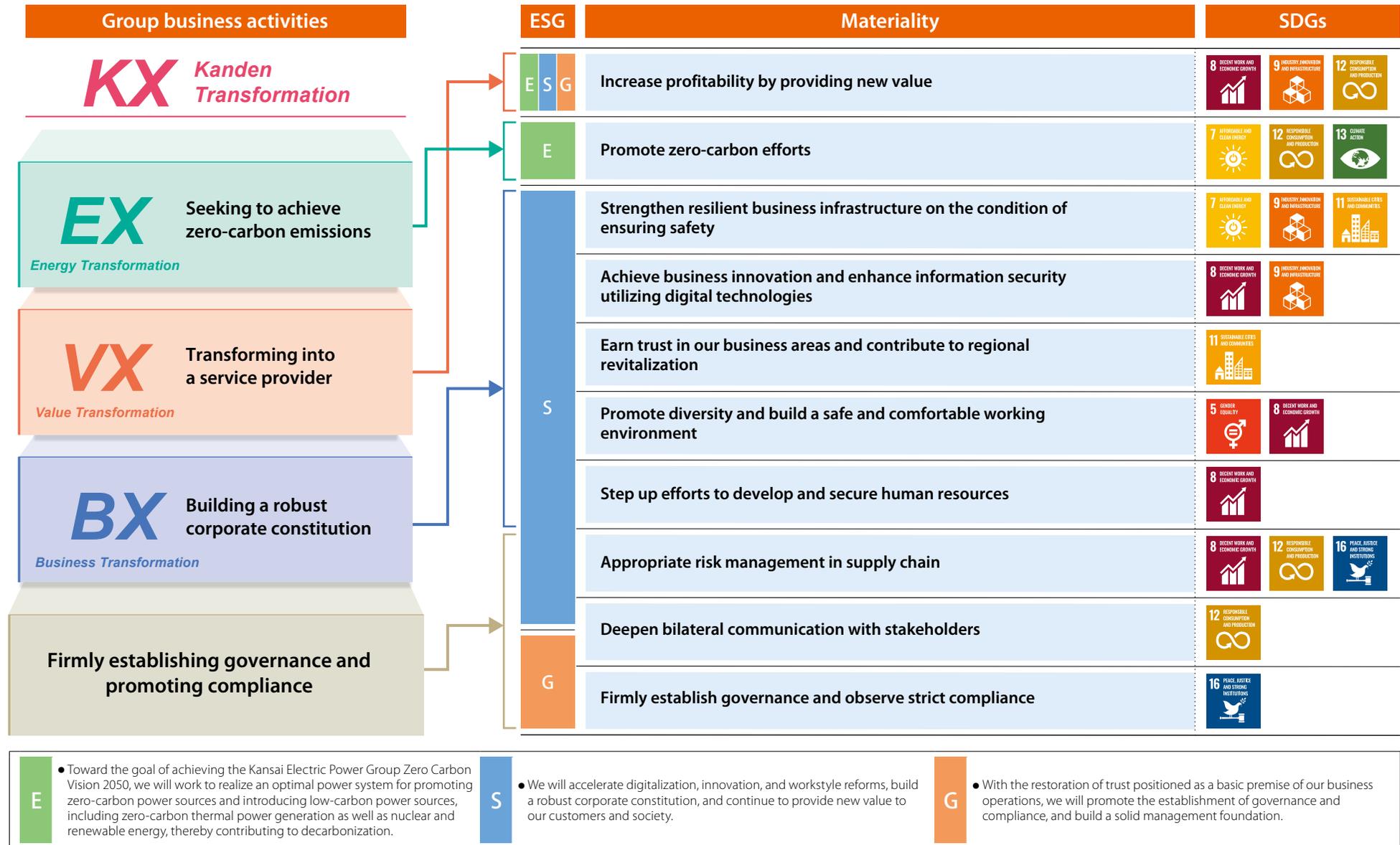
We refer to the GRI standards (including aspects specific to power) as fundamental requirements that should be considered in reviews.

Our approach in identifying materiality



Materiality for the Kansai Electric Power Group (Important issues)

The 10 material issues identified and the Group's related business activities, ESG, and SDGs are as follows.



Materiality for the Kansai Electric Power Group (Important issues)

Risks and opportunities of materiality (important issues)

Risks and opportunities associated with the identified materiality are as follows.

Materiality		Risks	Opportunities
E	Increase profitability by providing new value	<ul style="list-style-type: none"> Reduced energy demand due to declining population Intensification of domestic retail power sales Reduced competitiveness of existing business models due to market entry by businesses from other industries Intensification of customer acquisition competition in the FTTH and mobile marketplaces Intensification of competition to acquire the excellent real estate properties in Japan Country and market risks related to overseas business expansion 	<ul style="list-style-type: none"> Increased demand in pace with the progress in AI Business opportunities resulting from domestic social issues, including medicine, caregiving and the aging of society Expanded business opportunities by the liberalization of electricity and gas markets (advancement into areas outside Kansai) Enhancement of sales channels with expanded alliances Increased interest in energy due to advancements in energy conservation Changes in electricity usage patterns due to technological innovations Expansion of domestic infrastructure business resulting from 5G popularization Business opportunities resulting from the diversification of needs, including decentralization
S			
G			
E	Promote zero-carbon efforts	<ul style="list-style-type: none"> Substantial revision of regulations and policies affecting existing businesses as a result of strengthening countermeasures for climate change issues 	<ul style="list-style-type: none"> New revenue growth opportunities resulting from strengthening trends for ESG investment and decarbonization Expansion of renewable energy investment opportunities in Japan and abroad Revenue growth opportunities arising from establishing new markets Increased interest in energy due to advancements in energy conservation
S	Strengthen resilient business infrastructure on the condition of ensuring safety	<ul style="list-style-type: none"> Continued aging of power supply facilities Facility troubles caused by natural disasters, including abnormal weather phenomena caused by climate change, typhoons, torrential rains, earthquakes and tsunamis Unplanned stoppages of large-scale power sources, including nuclear power Interruption of stable power supply due to insufficient measures against cyber attacks and infectious diseases Tight supply-demand situation due to severe weather (intense heat and cold) 	<ul style="list-style-type: none"> Trust earned from customers and society by strengthening resilient business foundations and resulting business opportunities
	Achieve business innovation and enhance information security utilizing digital technologies	<ul style="list-style-type: none"> Interruption of stable power supply due to insufficient measures against cyber attacks Intensification of customer acquisition competition in the FTTH and mobile marketplaces Lost business opportunities due to slow business model reform and technological innovation as well as stagnation in expert personnel development 	<ul style="list-style-type: none"> Changes in electricity usage patterns due to technological innovations Expansion of domestic infrastructure business resulting from 5G popularization Improved productivity and creation of new value through the utilization of digital technologies
	Earn trust in our business areas and contribute to regional revitalization	<ul style="list-style-type: none"> Intensification of domestic retail power sales Country and market risks related to overseas business expansion Erosion of trust resulting from lack of communication with local communities 	<ul style="list-style-type: none"> Expanded business opportunities by the liberalization of electricity and gas markets (advancement into areas outside Kansai) Business opportunities resulting from increased overseas energy demand Business opportunities resulting from the diversification of needs, including decentralization
	Promote diversity and build a safe and comfortable working environment	<ul style="list-style-type: none"> Intensification of personnel hiring competition due to shrinking labor force Lost business opportunities due to slow business model reform and technological innovation as well as stagnation in expert personnel development Poor organizational performance due mainly to lack of communication 	<ul style="list-style-type: none"> Creation of new value through the utilization of diverse personnel Increased productivity as a result of promoting workstyle innovation Performing business activities that exceed the expectations of customers and society with improved employee engagement
	Step up efforts to develop and secure human resources	<ul style="list-style-type: none"> Intensification of personnel hiring competition due to shrinking labor force Lost business opportunities due to slow business model reform and technological innovation as well as stagnation in expert personnel development 	<ul style="list-style-type: none"> Creation of new value through the utilization of diverse personnel Increased productivity as a result of promoting workstyle innovation
	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 	—
	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 	<ul style="list-style-type: none"> Gain understanding of our business through timely and adequate information dissemination and communication with stakeholders
G	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 	—

Materiality for the Kansai Electric Power Group (Important issues)

Objectives and results of materiality (important issues)

Of the initiatives for the identified materiality, we have extracted particularly important items to achieve the medium-term management plan, with targets set as priorities.

Materiality	Nonfinancial activities	FY 2023 objectives	FY 2023 results	Objectives (short to medium term)
Promote zero-carbon efforts	Advancement of efforts to reduce GHG emissions	<ul style="list-style-type: none"> Keep the top spot for the amount of zero-carbon power generation in Japan. Halve CO₂ emissions associated with power generation in Japan in FY 2025 (compared to FY 2013) 	<ul style="list-style-type: none"> Retained the top spot for the amount of zero-carbon power generation in Japan. Reduction of 56% compared to FY 2013 Achieved the target on the left in FY 2023 two years ahead of schedule. (FY 2013 emissions: 48.5 million t-CO₂ FY 2023 emissions: 21.2 million t-CO₂) 	<ul style="list-style-type: none"> GHG emissions from our business activities (Scope 1, 2) FY 2025: -55%* FY 2030: -70%* GHG emissions through the entire supply chain (Scope 1, 2, 3) FY 2030: -50%* <p>*Compared to FY 2013</p>
	Further development and utilization of renewable energy sources	<ul style="list-style-type: none"> Achieve 5 GW scale of new development and 9 GW scale of cumulative capacity by 2040 	<ul style="list-style-type: none"> 3.966 GW*/9 GW or more (target) <p>*The above figure is only for externally announced projects and includes power sources not under the jurisdiction of the Renewable Energy Division.</p>	<ul style="list-style-type: none"> Achieve 5 GW scale of new development and 9 GW scale of cumulative capacity by 2040
	Maintain and improve thermal efficiency of thermal power plants	<ul style="list-style-type: none"> Achieve benchmark indicators* (A: 1.00, B: 44.3%) <p>*Indicators based on the benchmark system of the Act on Rationalizing Energy Use and Shifting to Non-fossil Energy</p>	<ul style="list-style-type: none"> Achieved benchmark indicators 	<ul style="list-style-type: none"> Achieve benchmark indicators (A: 1.00, B: 44.3%)
	Continuation of safe and stable operation of nuclear power plants	<ul style="list-style-type: none"> Continue with safe and stable operation based on the operation plan (Number of unplanned stoppages: 0, Nuclear power generated: 45.3 billion kWh) 	<ul style="list-style-type: none"> Continued with safe and stable operation based on the operation plan (Number of unplanned stoppages: 0, Nuclear power generated: 44.2 billion kWh) 	<ul style="list-style-type: none"> Continue with safe and stable operation based on the operation plan (Number of unplanned stoppages: 0, Nuclear power generated: 49 billion kWh)
Strengthen resilient business infrastructure on the condition of ensuring safety	Preparation for and handling of accidents and disasters	<ul style="list-style-type: none"> Conduct group-wide comprehensive emergency response drills, training, awareness raising, etc. Active participation in disaster response training sponsored by external disaster response agencies Evaluation of nuclear operator emergency response drills by the Secretariat of the Nuclear Regulation Authority: Grade A for all items 	<ul style="list-style-type: none"> Number of participants in group-wide comprehensive emergency response drills: 1,260 Number of e-learning programs provided for all employees: 1 Distribution of information aiming to raise awareness of disaster prevention: 4 times Participation in disaster response training sponsored by external disaster response agencies: 35 sessions Evaluation of nuclear operator emergency response drills by the Secretariat of the Nuclear Regulation Authority: Grade A for all items 	<ul style="list-style-type: none"> Conduct group-wide comprehensive emergency response drills, training, awareness raising, etc. Active participation in disaster response training sponsored by external disaster response agencies Nuclear operator emergency response drills (Evaluation by the Secretariat of the Nuclear Regulation Authority: Grade A for all items)
Achieve business innovation and enhance information security utilizing digital technologies	DX-based efforts to address management issues	<ul style="list-style-type: none"> DX-based efforts to address management issues (Target: 25.2 billion yen in single-year benefits from DX) 	<ul style="list-style-type: none"> Single-year benefits from DX: 23.5 billion yen 	<ul style="list-style-type: none"> DX-based efforts to address management issues (Target: 28.7 billion yen in single-year benefits from DX)
	Information security management	<ul style="list-style-type: none"> Major information security incidents: 0 	<ul style="list-style-type: none"> Major information security incidents: 0 	<ul style="list-style-type: none"> Major information security incidents: 0
Promote diversity and build a safe and comfortable working environment	Industrial accident status	<ul style="list-style-type: none"> Accident frequency rate: 0 	<ul style="list-style-type: none"> Accident frequency rate: 0.18 	<ul style="list-style-type: none"> Accident frequency rate: 0
	Promotion of diversity	<ul style="list-style-type: none"> Increase the ratios of female managers and female senior managers: More than threefold those of FY 2018 (6.3% and 4.8%, respectively) by the end of FY 2030 Female employment ratios: 40% or more for office jobs and 10% or more for technical jobs Accelerate employment of persons with disabilities Building an organization driven by individual development and diversity Diversity realization index 	<ul style="list-style-type: none"> Ratio of female managers: 3.7%, Ratio of female senior managers: 3.0% Female employment ratios: 48% for office jobs and 10% for technical jobs Employment rate of persons with disabilities: 2.7% Building an organization driven by individual development and diversity Diversity realization index: 67% 	<ul style="list-style-type: none"> Increase the ratios of female managers and female senior managers: More than threefold those of FY 2018 (6.3% and 4.8%, respectively) by the end of FY 2030 Female employment ratios: 40% or more for office jobs and 10% or more for technical jobs Accelerate employment of persons with disabilities Building an organization driven by individual development and diversity Diversity realization index: 80% or more in FY 2025

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

Materiality for the Kansai Electric Power Group (Important issues)

Objectives and results of materiality (important issues)

Materiality	Nonfinancial activities	FY 2023 objectives	FY 2023 results	Objectives (short to medium term)
Promote diversity and build a safe and comfortable working environment	Creation of workplaces where working is easy	<ul style="list-style-type: none"> Rate of paid leave utilization: 90% or more Total working hours: Cut by 5% versus FY 2015, or 190 hours/year, which is equivalent to overtime hours per person Male employee childrearing leave utilization rate: Same level as that of female employees Average number of childrearing leave days taken by male employees: One month or more by FY 2025 Enhance employee turnover prevention measures 	<ul style="list-style-type: none"> Rate of paid leave utilization: 97.1% Overtime hours per employee: 256.8 hours/year Rate of male employee childrearing leave utilization: 99% (Rate of female employee childrearing leave utilization: 100%) Average number of childrearing leave days taken by male employees: 21.8 days Turnover rate: 0.97% Building a work environment that supports diverse individuals: Satisfaction level with working environment* ① 92%, ② 63% 	<ul style="list-style-type: none"> Rate of paid leave utilization: 90% or more Total working hours: Cut by 5% versus FY 2015, or 190 hours/year, which is equivalent to overtime hours per person Male employee childrearing leave utilization rate: Same level as that of female employees Average number of childrearing leave days taken by male employees: One month or more by FY 2025 Enhance employee turnover prevention measures Building a work environment that supports diverse individuals: Satisfaction level with working environment* ① 100% by FY 2025, ② Higher percentage than the previous year
	Prevention of human rights violations in business activities	<ul style="list-style-type: none"> Number of human rights violations (serious human rights violations: 0) 	<ul style="list-style-type: none"> Serious human rights violations: 0 	<ul style="list-style-type: none"> Number of human rights violations (serious human rights violations: 0)
	Fostering a better organizational climate	—	<ul style="list-style-type: none"> Reform practice index for organizational climate: 58% 	<ul style="list-style-type: none"> Reform practice index for organizational climate: 70% or more in FY 2025
Appropriate risk management in supply chain	Implementation of Basic Procurement Policy and promotion of its adoption by suppliers	<ul style="list-style-type: none"> Conduct a questionnaire survey for suppliers to encourage permeation of the Basic Procurement Policy and the Declaration on Partnership Building 	<ul style="list-style-type: none"> Conducted a fact-finding survey on the due diligence regarding human rights with 575 new and existing suppliers Conducted a questionnaire survey with 612 suppliers (including suppliers of major affiliated companies) on partnership building 	<ul style="list-style-type: none"> Conduct a fact-finding survey on due diligence regarding human rights and a questionnaire survey for building partnerships with suppliers, targeting more than 200 suppliers
Step up efforts to develop and secure human resources	Development of employee skills and abilities	<ul style="list-style-type: none"> Build an organization driven by individual development and diversity Growth oriented index Growth realization index 	<ul style="list-style-type: none"> Building an organization driven by individual development and diversity Growth oriented index: 76% Growth realization index: 65% 	<ul style="list-style-type: none"> Build an organization driven by individual development and diversity Growth oriented index: 80% or more in FY 2025 Growth realization index: 80% or more in FY 2025
	Strengthening of personnel hiring	<ul style="list-style-type: none"> Number of planned new hires for FY 2023: 480 (New hires: 410, Mid-career recruits: 70) 	<ul style="list-style-type: none"> Number of new hires: 525 (New hires: 413, Mid-career recruits: 112) 	<ul style="list-style-type: none"> Number of planned new hires for FY 2024: 560 (New hires: 460, Mid-career recruits: 100)
Firmly establish governance and observe strict compliance	Strict enforcement of compliance	<ul style="list-style-type: none"> Major social compliance violations: 0 Major environmental compliance violations: 0 	<ul style="list-style-type: none"> Major social compliance violations: 1 Major environmental compliance violations: 7 	<ul style="list-style-type: none"> Major social compliance violations: 0 Major environmental compliance violations: 0
	Maintaining and strengthening governance system	<ul style="list-style-type: none"> Annual implementation of effectiveness evaluation of the Board of Directors, etc. and continuous improvement based on the evaluation results Attendance rate at the Board of Directors meetings: 75% or more 	<ul style="list-style-type: none"> Effective operation of governance system with emphasis on external objective viewpoints An effectiveness evaluation of the Board of Directors, etc. was implemented using a third-party organization. Based on the results, major future issues and directions for addressing these issues were deliberated at the Board of Directors, with improvement measures subsequently taken. Overall attendance rate at the Board of Directors meetings: 99.4% 	<ul style="list-style-type: none"> Annual implementation of effectiveness evaluation of the Board of Directors, etc. and continuous improvement based on the evaluation results Attendance rate at the Board of Directors meetings: 75% or more

*① Percentage of those who feel that the awareness of not tolerating any kind of harassment has taken root in their workplace

② Percentage of those who are satisfied with their workstyles, in terms of both time and place

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

03

Corporate Strategies

- 22 What We Aspire to Become in the Medium to Long Term
- 24 Medium-term Management Plan
- 27 Financial Strategy

What We Aspire to Become in the Medium to Long Term

In the Kansai Electric Power Group Medium-term Management Plan (2021–2025) update in April 2024, we set forth what we aspire to become in the medium to long term.

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
Fairness

×

誠実
Integrity

×

共感
Inclusion

×

挑戦
Innovation

1 Expansion of Energy Business

- With the Kansai region as the axis, we will expand our business nationwide and drive stable energy supply and decarbonization in Japan through the development and provision of various services centered on the development of zero-carbon power sources and energy solutions.

2 Expansion of Non-energy Business

- Expand Information & Telecommunications and Life/Business Solution businesses in Japan and overseas.
- Moreover, create new businesses in areas around these businesses and where they overlap, developing them into core businesses, to continue to be a platform operator that provides new value to customers.

3 Realization of Sustainable Growth

- Achieve a profit balance rate of [Energy 2] to [Non-energy including energy VX 1] and build a resilient business portfolio.
- Accelerate growth using M&A and alliances, without relying on organic growth.
- Aim to be “a utility company that generates profits and free cash flow stably with the most sustainable growth in Japan.”

Goals
(by 2035)

- Ordinary income of about 600 billion yen
- Achieving a return on capital comparable to European utility companies (ROIC: WACC + 100 to 150 bps)
- Ensuring financial soundness (equity ratio of 30% or more)

What We Aspire to Become in the Medium to Long Term

Zero Carbon Vision 2050

In February 2021, the Group formulated the Kansai Electric Power Group Zero Carbon Vision 2050 with the aim of realizing a zero-carbon society, and has mobilized resources to achieve this goal.

In accordance with the Vision, we have pledged that we, as a leading company in zero-carbon energy, will be committed to improving energy self-sufficiency to ensure stable energy supplies on the premise of ensuring safety, as well as reducing CO₂ emissions from our power generation and other business activities to zero by 2050 to prevent global warming, toward the realization of a sustainable society.

Three key approaches for Zero Carbon Vision 2050

1 Zero-carbon emissions on the demand side

With the enlarged role on the demand-side, the Kansai Electric Power Group, as a zero-carbon solution provider, is pleased to provide customers with the best available solution toward zero-carbon emissions along with supporting its implementation across all sectors.

2 Zero-carbon emissions on the supply side

With priority given to safety, our Group will seek to achieve the best energy mix which can lead to full decarbonization, ensure secure stable supply with an increasing energy self-sufficiency ratio, and enhance economic efficiency.

Based on diversified social requests including promoting distributed energy resources and strengthening resilience, our Group is making best efforts to maximize the introduction of renewable energy as a main power source, upgrade the power transmission and distribution system, and maximize nuclear power where power generation output stability and energy density are high with priority given to safety, as well as working to decarbonize thermal power generation which can flexibly adjust output to secure a stable supply despite the large-scale diffusion of renewable energy. Our Group will also look to contribute to decarbonization on an international level.

3 Seeking to create a hydrogen-driven society

As hydrogen is indispensable for a zero-carbon society, our Group, as a key player working toward realizing a hydrogen-driven society, will tackle the challenges to produce, transport, and supply zero-carbon hydrogen with non-fossil fuels, in addition to using hydrogen for power generation.

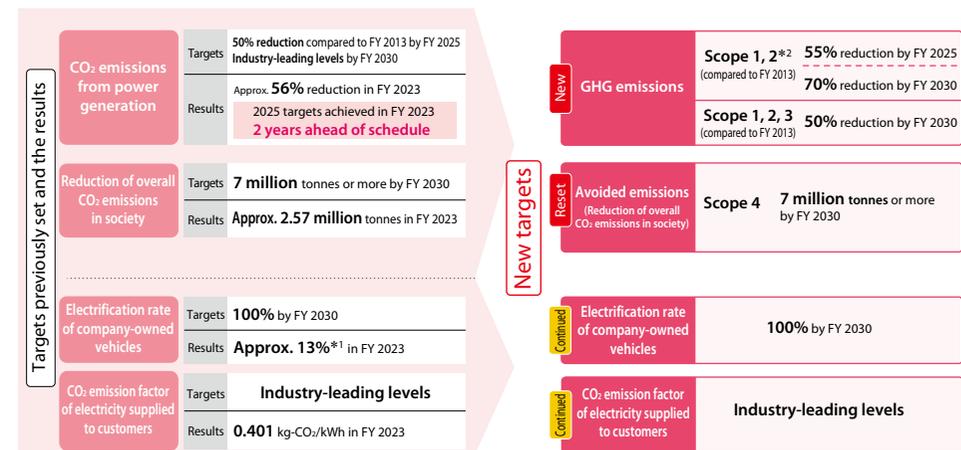
In promoting initiatives to help customers and society realize zero-carbon operations, we will proactively collaborate with customers, business partners, national and local governments, research institutions, and other relevant parties.

Zero Carbon Roadmap

Positioning fiscal 2030 as a halfway point on the path toward the realization of our Zero Carbon Vision 2050, the Group set the course and targets of its initiatives as the Zero Carbon Roadmap (formulated in March 2022).

Since the formulation of this roadmap, we have been steadily moving ahead with our initiatives and achieved our target of halving CO₂ emissions from power generation in fiscal 2025, two years ahead of schedule. Given the significant developments we have already made and the fact that enthusiasm for decarbonization is growing worldwide, we have set challenging new targets, including greenhouse gas emission reduction targets for the entire supply chain by fiscal 2030 (revised in April 2024).

We will further accelerate our efforts toward the goal of achieving the Kansai Electric Power Group Zero Carbon Vision 2050, and continue to work together with all stakeholders to achieve zero carbon emissions for society as a whole.



*1 Kansai Electric Power Co., Inc. + Kansai Transmission and Distribution, Inc.

*2 Same as the emission reduction targets submitted to the GX League in September 2023

Medium-term Management Plan

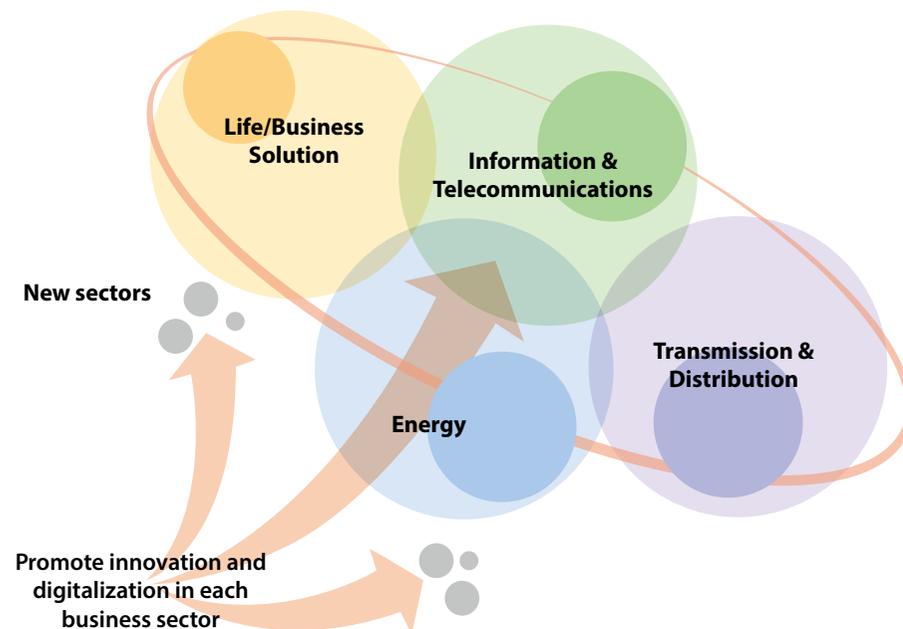
Kansai Electric Power Group Medium-term Management Plan (2021–2025)

In March 2021, we formulated the Kansai Electric Power Group Medium-term Management Plan (2021–2025) as an action plan over five years to achieve sustainable growth while coping with changes in the business environment.

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 various social infrastructures and services, we aim to continuously serve our customers and communities, while contributing to attaining a sustainable society.



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

EX

Seeking to achieve zero-carbon emissions

Energy Transformation

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.

VX

Transforming into a service provider

Value Transformation

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.

BX

Building a robust corporate constitution

Business Transformation

We will speed up cost structure reform, innovation, digitalization and workstyle innovation.

Medium-term Management Plan

Progress Status of the Medium-term Management Plan

All (consolidated) financial goals for fiscal years 2021 through 2023 were achieved.

(Consolidated)	Results			Results	Financial goals (Set in March 2021)	
	FY 2021	FY 2022	FY 2023	FY 2021–2023	FY 2021–2023	FY 2025
Ordinary Income	135.9 billion yen	-6.6 billion yen	765.9 billion yen	298.4 billion yen averaged over three years	More than 100 billion yen averaged over three years	More than 250 billion yen
FCF	-122.3 billion yen	-289.8 billion yen	726.9 billion yen	104.9 billion yen averaged over three years	Less than -50 billion yen averaged over three years Register a surplus across total income booked between FY 2021 and FY 2025	More than 200 billion yen
Equity Ratio	19.2%	20.4%	25.2%	25.2%	More than 20%	More than 23%
ROA	1.9%	0.2%	8.9%	Approx. 3.7% averaged over three years	More than 1.5% averaged over three years	More than 3.5%

(Segment) Upper row: Ordinary income Lower row: ROA	Results			Results	Financial goals (Set in March 2021)	
	FY 2021	FY 2022	FY 2023	FY 2021–2023	FY 2021–2023	FY 2025
Energy Business	70.6 billion yen	-27.4 billion yen	583.8 billion yen	209 billion yen	Surplus	More than 130 billion yen
	1.2%	-0.0%	7.7%	3.0%	More than 0.3% on average	More than 2.0%
Transmission & Distribution Business	6 billion yen	-45.1 billion yen	124 billion yen	28.3 billion yen	More than 50 billion yen on average	More than 50 billion yen
	0.6%	-1.4%	5.1%	1.4%	More than 2.0% on average	More than 2.0%
Information & Telecommunications Business	40 billion yen	43 billion yen	47.4 billion yen	43.5 billion yen	More than 35 billion yen on average	More than 45 billion yen
	12.1%	13.2%	14.4%	13.2%	More than 10.0% on average	More than 11.5%
Life/Business Solution Business	19.6 billion yen	20.9 billion yen	22.3 billion yen	20.9 billion yen	More than 15 billion yen on average	More than 30 billion yen
	2.6%	2.8%	3.0%	2.8%	More than 2.0% on average	More than 3.0%

Basic premise of our business operations

Firmly establishing governance and promoting compliance

- Carry through with the business improvement plans, strengthening internal controls and organizational climate reform in parallel.
- Make sure to cope with various environmental changes and risks.

Three Key Initiatives **KX: Kanden Transformation**

	FY 2021–2023 (results)	FY 2025 (targets)
EX Energy Transformation	Steady progress was made in establishing operation at the seven nuclear reactors, investment in zero-carbon power sources in Japan and overseas, and other areas based on the Zero Carbon Roadmap. The goal of cutting CO ₂ in half*1 is expected to be achieved ahead of schedule. Investment results Cumulative total: 636 billion yen	Investment 1,050 billion yen (Cumulative total for FY 2021–2025)
VX Value Transformation	The data center, distributed service platform*2, and other businesses that could become future revenue sources were created. Investment results Cumulative total: 69 billion yen	Investment 120 billion yen (Cumulative total for FY 2021–2025)
BX Business Transformation	Steady progress was made in cost structure reform / value analysis (VA)*3, innovation promotion, DX promotion, human capital improvement, and other areas. Cost reduction achieved 87 billion yen*4 for FY 2023 alone	Cost reduction 90 billion yen*4 (Single-year amount for FY 2025)

*1 CO₂ emissions from power generation (compared to FY 2013)

*2 A platform that brings together distributed energy resources owned by customers, power generation companies, etc., and carries out optimal market transactions.

*3 Capital investments, etc., were closely examined from every perspective of the value chain in collaboration with operating divisions from the planning stage.

*4 Cost reductions from the planned value at the time of formulating the medium-term management plan (March 2021)

Current Business Environment

Internal	<ul style="list-style-type: none"> Profits have improved through operation at the seven nuclear reactors, cost structure reforms, and other factors. All financial goals for fiscal years 2021 through 2023 were achieved.
External	Society <ul style="list-style-type: none"> Materialized inflation as seen in rising resource prices and labor costs Further increases in the mobility of human resources and diversification of workstyles Further progress in digital technology, such as the practical application of generative AI
	Energy <ul style="list-style-type: none"> Increasing geopolitical risks and market volatility Further acceleration of trends toward decarbonization and progress in national policies and institutional development <ul style="list-style-type: none"> Rising importance of nuclear power at the GX Implementation Council Introduction of a long-term decarbonized energy auction system Intensified competition in public offerings related to renewable energy

Medium-term Management Plan

Medium-term Management Plan (2021–2025) Update

We updated our medium-term management plan in April, 2024 to give shape to EX and VX initiatives, bolster BX initiatives that will contribute to establishing robust management bases, and ensure solid paths to further growth.

Update of Financial Goals

Based on the status of income and expenditures, we have updated our financial goals and added ROIC as a financial indicator to practice management emphasizing return on capital, as shown in the table below.

(Consolidated)	FY 2025 (Set in March 2021)	FY 2025 (Updated in April 2024)
Ordinary Income	More than 250 billion yen	More than 360 billion yen
FCF	Register a surplus across total income booked between FY 2021 and FY 2025	More than 300 billion yen across total income booked between FY 2021 and FY 2025
	More than 200 billion yen	More than 100 billion yen
Equity Ratio	More than 23%	More than 28%
ROA	More than 3.5%	More than 4.4%
ROIC	–	More than 4.3%
(Reference) ROE	Approx. 10%	Approx. 11%

Financial goals were also updated by business segment, as shown in the table below.

(Segment)	FY 2025 (Set in March 2021)		FY 2025 (Updated in April 2024)	
	Ordinary Income	ROA	Ordinary Income	ROA
Energy Business	More than 130 billion yen	More than 2.0%	More than 275 billion yen	More than 3.7%
Transmission & Distribution Business	More than 50 billion yen	More than 2.0%	More than 10 billion yen	More than 0.9%
Information & Telecommunications Business	More than 45 billion yen	More than 11.5%	More than 45 billion yen	More than 11.5%
Life/Business Solution Business	More than 30 billion yen	More than 3.0%	More than 30 billion yen	More than 3.0%

Financial Strategy

Message from the Executive in Charge of Corporate Planning, Accounting and Finance



period of our medium-term management plan, from fiscal 2021 to 2023.

Currently, the environment surrounding our Company continues to change, with inflation, further advances in digital technology, heightened geopolitical risks, and accelerated trends toward decarbonization.

Under these circumstances, in April 2024, we updated our Medium-term Management Plan (2021–2025) with an upward revision of consolidated ordinary income target for fiscal 2025 from the previous 250 billion yen or more to 360 billion yen or more. In keeping with a request from the Tokyo Stock Exchange (TSE), return on invested capital (ROIC) has been added to our financial targets to promote management more conscious of return on capital.

Toward medium- to long-term value creation

The TSE's request to establish management with the awareness of capital cost and stock prices was a great opportunity for us to discuss at the management level how we oversee stock market trends.

We see the decline in earning power since the Great East Japan Earthquake as well as the uncertainty and foreseeability of our growth potential and business risks as discount factors in our stock price. We first need to maintain and improve our current earning power and increase our return on capital, communicating our business risks and growth potential as clearly, carefully, and appropriately as possible.

Medium-term Management Plan (2021–2025) updated

In 2021, we formulated a five-year medium-term management plan. At that time, fuel prices and electricity transaction prices remained low, and we had to expect a decrease in sales volume and unit selling prices of electricity. We decided to aim for the next leap forward by resuming nuclear power generation, promoting drastic cost structure reforms, and providing new value through a variety of solutions.

Even in the midst of subsequent significant changes in the business environment associated with the situation in Ukraine, we continued to pursue these initiatives and strengthened our earnings base, as exemplified by the establishment of operation at the seven nuclear reactors in fiscal 2023.

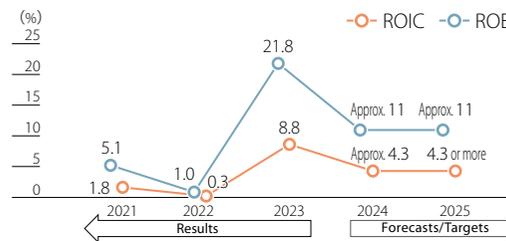
We achieved consolidated ordinary income of 765.9 billion yen in fiscal 2023, thanks partly to fuel prices being in a declining phase, and we also achieved all of the financial targets set for the three-year

TOPICS Response to TSE request

Immediate response in the medium-term management plan

- Improve return on invested capital (ROIC) by focusing on asset efficiency and return on capital in making decisions on investment and issues, continuing with efforts to ensure safe and stable operation of nuclear power plants, cost structure reforms, etc.
- Achieve both investment in future growth and distribution of stable dividends, based on the premise of ensuring financial soundness.
- Achieve sustainable growth by building a resilient business portfolio through business activities with an emphasis on return on capital.
- Enhance trust and expectations for our growth strategies through appropriate control of risks associated with business activities, IR, etc.

Trends in ROIC and ROE



- In fiscal 2023, business performance and return on capital improved backed mainly by the restart of nuclear power plants and thorough cost structure reforms.
- In fiscal 2024 and beyond, we will strive to achieve our profit targets and build an appropriate capital structure.
- We aim to secure a medium- to long-term ROIC spread of 100-150 basis points (bps) over weighted average cost of capital (WACC).

Financial Strategy

Given that the electric utility business requires a long-term perspective and large-scale facilities, we believe it is important for us to grow sustainably over a long period of time.

In the recent update of the medium-term management plan, we have set forth What We Aspire to Become in the Medium to Long Term.

In the energy business, we will expand our business across Japan by developing zero-carbon power sources and providing energy solutions. In the non-energy business, we will aim to take a great step forward by promoting and expanding initiatives in the Information & Telecommunications and Life/Business Solution businesses, simultaneously creating new businesses such as hyperscale data centers.

Looking at our business portfolio, the energy business is currently given much larger weight in our profit balance. With rising volatility in the energy business due to market conditions and other factors, we will strive to achieve a profit balance rate of [Energy 2] to [Non-energy*2 1] through expansion of non-energy businesses and build a resilient business portfolio, aiming to achieve a consolidated ordinary income of approx. 600 billion yen, return on capital comparable to European utility firms (ROIC = WACC + 100–150 bps), and equity ratio of at least 30%, by 2035.

We hope to continuously meet the expectations of our shareholders by generating long-term, stable profits and cash, remaining the utility company that continues to grow at the highest level in Japan, and distributing the outcome appropriately.

Update of financial goals by segment

	FY 2025 (Set in March 2021)		FY 2025 (Updated in April 2024)	
	Ordinary Income	ROA	Ordinary Income	ROA
Energy Business	More than 130 billion yen	More than 2.0%	More than 275 billion yen	More than 3.7%
Transmission & Distribution Business	More than 50 billion yen	More than 2.0%	More than 10 billion yen	More than 0.9%
Information & Telecommunications Business	More than 45 billion yen	More than 11.5%	More than 45 billion yen	More than 11.5%
Life/Business Solution Business	More than 30 billion yen	More than 3.0%	More than 30 billion yen	More than 3.0%

Toward What We Aspire to Become in the Medium to Long Term

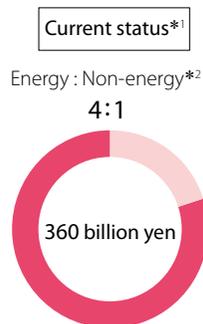
Major initiatives

Energy

- Improvement in nuclear capacity factor
- Higher efficiency for thermal power generation, Achieving zero carbon
- Expansion of renewable energy business
- Expansion of distributed service platform business*3
- Next-generation electric power network
- Appeal for electricity bill collection under the RC system*4

Non-energy

- Expansion of information and telecommunications business, Launch of hyperscale data centers*5, etc.
- Expansion of real estate business in Tokyo and other metropolitan areas



Example of a path toward realization of the 2035 profit target

- Achieving the world's top class nuclear capacity factor
- Appeal for electricity bill collection under the RC system*4
- Doubling profits in the information and telecommunications business as well as the real estate business
- Providing new value through VX (Value Transformation)

Medium- to Long-term Objectives

Energy : Non-energy*2
2 : 1



*1: Fiscal 2024 forecast

*2: Including Energy VX (Value Transformation)

*3: A platform that bundles distributed energy resources owned by customers, power operators, etc., to conduct optimal market transactions

*4: Revenue Cap system

*5: The first project is scheduled to start operation in fiscal 2027.

Financial Strategy

TOPICS Initiatives in the last two years of the [Medium-term Management Plan]

In preparation for future large-scale investments, including zero-carbon power sources, we aim to attain financial soundness as soon as possible and promote EX (Energy Transformation) and VX (Value Transformation) investments in line with the goals set forth in our medium-term management plan. On top of that, we will maintain stable dividends based on our shareholder return policy.

Shareholder return policy

Our shareholder return policy is that, as the Kansai Electric Power Group, we seek to improve corporate value and appropriately allocate business results to shareholders. We aim to deliver stable distribution while ensuring financial soundness.

We have achieved operation at the seven nuclear reactors and have just established a business foundation, albeit gradually. Furthermore, considering the cash forecast for this fiscal year and beyond, we have increased our annual dividend forecast for fiscal 2024 by 10 yen per share to 60 yen per share. We remain committed to reciprocate our shareholders based on the shareholder return policy stipulated in the current medium-term management plan.

Reduction of interest-bearing debt

Our interest-bearing debt exceeded 5 trillion yen at the end of fiscal 2022 and still stands at 4,580.4 billion yen at the end of fiscal 2023. We continue to improve our financial soundness and increase equity ratio.

Investment for future growth

To realize sustainable growth, we will work to invest in growth on a timely and continual basis. Regarding capital investment, we plan to expand investments for medium- to long-term growth, in addition to investment necessary for aging power transmission and distribution facilities and development of next-generation grid networks. Specifically, in the energy business, we will replace the Nanko Thermal Power Station and Okutataragi Pumped Storage Power Station, which were awarded in the Long-term Decarbonization Power Source Auction introduced in fiscal 2023, and in the information and telecommunications business, we will accelerate investment in the data center business along with expanding investment in existing businesses to generate profit. In relation to the real estate business, we will increase investments in more promising markets centering on urban areas.

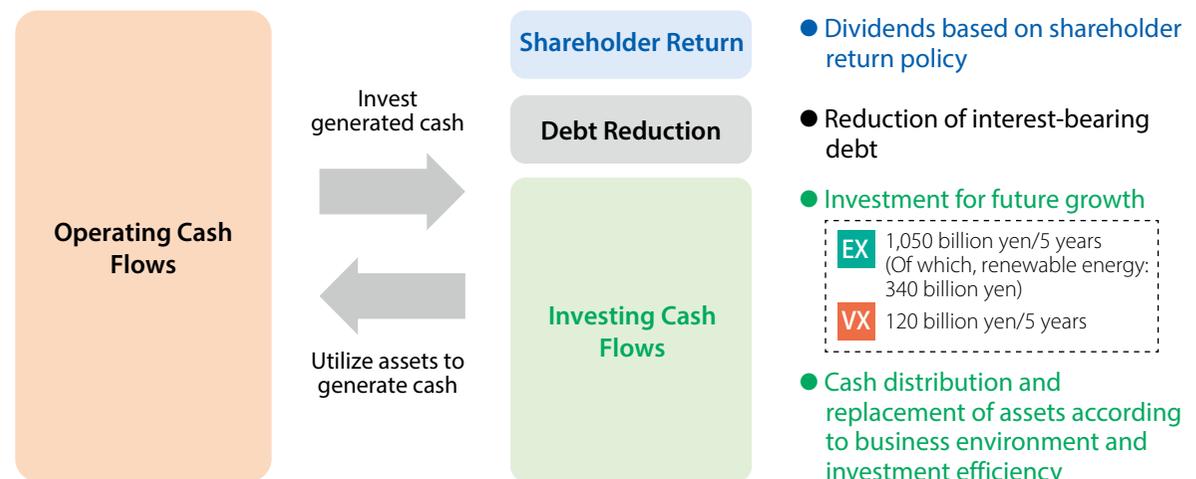
Cash distribution and replacement of assets according to business environment and investment efficiency

We will pursue improvement in asset efficiency (ROA) and further profit growth, while also working on cash distribution and asset replacement in accordance with the business environment and investment efficiency.

In the energy business, we will go forward with DX of nuclear power plants and improve their operating rates and thermal efficiency, thereby boosting power generation. Efforts are also being made for continuous scrutiny of existing assets; results in fiscal 2023 include cancellation of a plan to build a Wakayama Power Station and the transfer of some businesses in the Life/Business Solution segment.

Through these efforts, we strive to improve ROA, ROIC, and ROE.

Conceptual diagram of cash distribution set forth in the medium-term management plan



04

Business Activities

31	<small>Basic Premise of Our Business Operations</small>	<small>Special Feature</small> 1	Progress of the Business Improvement Plan	66		Human Capital Strategy
38	EX		Seeking to Achieve Zero-carbon Emissions	79	<small>Special Feature</small> 3	DX Strategy
44		<small>Special Feature</small> 2	Environmental Initiatives	84	BX	Promoting Innovation
58	VX		Transforming into a Service Provider	86		Promoting Cost Structure Reform (VA)

Basic Premise of Our Business Operations

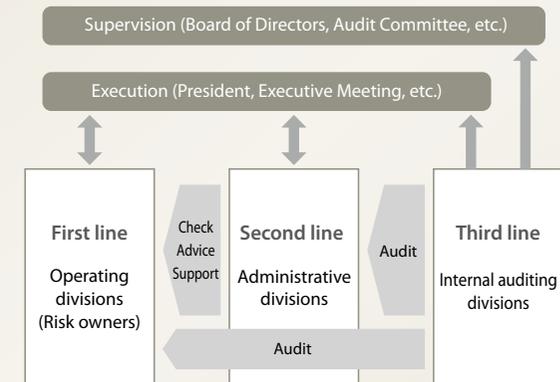
Basic Premise of Our Business Operations Firmly Establishing Governance and Promoting Compliance

Strengthening internal controls

To ensure proper business operations, we aim to create an organization that not only observes laws, regulations, and rules, but is capable of autonomous and continuous improvement.

[Initiatives]

- Activities to spread and establish compliance awareness (e.g. messages from management and communications)
- Ensuring a robust Three Lines of Defense (e.g. autonomous management with operating divisions as risk owners)
- Strengthening risk management (e.g. training to raise risk sensitivity)
- Enhancement of internal control at group companies (e.g. enhanced communication, training for directors)
- Stricter compliance with laws and regulations (e.g. confirmation of conformity with laws and regulations and internal rules)



Reforms of organizational climate

We aim to become a company where each executive and employee can take pride in and feel enthusiasm toward their work, with the aim of making people say, "A-yan*, Kanden!"

*Meaning "nice."

[Initiatives]

- Implement measures focusing on both corporate systems and individual awareness to eliminate normalized work overload and rigid and homogeneous organization.
- Conduct dialogue activities to understand the actual climate in each workplace and to find out what employees really think.

Actions to be established



Become aware

Be highly sensitive to risks and opportunities.



Speak out

Create a high level of physiological safety and open work environments.



Take action

Act independently based on what you become aware of and speak out.
(Be receptive and respond as an organization.)

Special Feature

1

Progress of the Business Improvement Plan

Overview of the Business Improvement Plan

- In response to the improper handling of information on customers of power producers and suppliers (PPS) and violation of the Antimonopoly Act, the Company submitted business improvement plans in May and August 2023.
- In May 2023, we declared our “Commitment to fair competition by upper level management,” and are upholding this commitment by steadily proceeding with recurrence prevention measures while building and spreading a mechanism for executives and employees to change their awareness and behavior in line with the new business rules and to comply with the rules.

Measures to prevent recurrence of violation of the Electricity Business Act due to improper handling of information on PPS customers	Measures to prevent recurrence of violation of the Antimonopoly Act in special-high voltage and high voltage electric power transactions
<ul style="list-style-type: none"> ● Physical separation of information systems relating to wheeling information, etc. ● Measures taken in information system development and the operation process ● Measures taken promptly by the Customer Solution Division to prevent similar incidents <ul style="list-style-type: none"> • Overhaul of business operation and information systems • Development of compliance training and a system for ongoing training • Strengthen dialogue with employees to gather their opinions • Strengthen the checking system to ensure the appropriateness of operations • Dealing with subcontractors 	<ul style="list-style-type: none"> ● Development of internal rules, etc. (mechanisms to strictly observe the Antimonopoly Act) ● Improvement of education, training, etc. (to promote understanding of the Antimonopoly Act and re-instill compliance awareness) ● Strengthening of preventive functions (support systems to prevent violations of the Antimonopoly Act) ● Enhancement of monitoring functions (checking functions)
Common recurrence prevention measures based on underlying causes	
Below contains the results as of July 31, 2024	
<ul style="list-style-type: none"> ● Expressing our commitment to fair competition ● Strengthening internal controls <ul style="list-style-type: none"> • Establish a Compliance Promotion Headquarters and Chief Compliance Officer, and strengthening of internal audits (Internal Control Board meetings were held 14 times in total). ● Reforms of organizational climate <ul style="list-style-type: none"> • Establish an Organizational Climate Reform Committee chaired by the President (meetings were held 24 times in total) to identify material issues, organize measures, and implement them sequentially. ● Verification of the implementation status and effectiveness of initiatives utilizing external human resources <ul style="list-style-type: none"> • In special supervision by the Board of Directors, the Board receives reports from the executive side on the progress status of business improvement plans, and provides advice and guidance. • In special audits by the Audit Committee, the Committee requests reports on the status of efforts made in the series of reforms periodically and as necessary, and a full-time member of the Committee reports the content of said reports to the Audit Committee. In addition, from the perspective of internal control, clarify the authority of the Audit Committee to give instructions to the Office of Internal Auditing, etc., and reinforce checking and auditing of execution for prevention and early response to fraud involving officers (management override). • The Compliance Committee conducts necessary monitoring and review on an ongoing basis. 	

■ Results of monitoring by the Electricity and Gas Market Surveillance Commission

Regarding the Company's efforts made over the year in implementing its business improvement plans concerning the unauthorized browsing of information on PPS customers, the Electricity and Gas Market Surveillance Commission rated these efforts in line with the internal control framework (COSO Framework) in June 2024, and both the Kansai Electric Power Co., Inc. and Kansai Transmission and Distribution, Inc. were proved as making effective progress in many items.

■ Rating results for Kansai Electric Power Company

(On a scale of 1 to 30)

Five components of COSO	Kansai Electric Power Company	Average of the six former utilities* ¹
Control environment	29	28.2
Risk assessment	30	27.0
Control activities	30	27.8
Information and communication	30	29.8
Monitoring	26	27.0

*1 Six former general electricity utilities (Kansai, Tohoku, Chubu, Chugoku, Shikoku, and Kyushu)

■ Rating results for Kansai Transmission and Distribution

(On a scale of 1 to 30)

Five components of COSO	Kansai Transmission and Distribution	Average of the eight transmission and distribution utilities* ²
Control environment	29	27.9
Risk assessment	29	28.4
Control activities	29	26.9
Information and communication	30	28.5
Monitoring	30	29.1

*2 Eight general electricity transmission and distribution service operators (Kansai, Tohoku, Chubu, Hokuriku, Chugoku, Shikoku, Kyushu, and Okinawa)

Source: Electricity and Gas Market Surveillance Commission documents, June 25, 2024

Progress of the Business Improvement Plan

Initiatives taken by the Kansai Electric Power Company

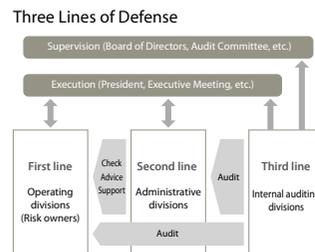
Specific initiatives to strengthen internal control

To ensure the appropriateness of our business operations, we are working to build an organization that goes beyond compliance with laws and rules and promotes autonomous and continuous improvement.

Promotion of various improvement activities through the Internal Control Board

The Internal Control Board evaluates the development and operation status of internal control systems, and examines, instructs, and supports comprehensive improvement measures. The Board has been promoting initiatives ① through ③, with a focus on strengthening the Three Lines of Defense. In particular, in risk management, from the viewpoint of effective and appropriate implementation of measures, the Board has organized systems and added new items to the plan in light of recently identified risks.

- ① Strengthening and upgrading internal control foundation
- ② Strengthening and upgrading risk management
- ③ Internal control of the corporate group



Thorough promotion of compliance awareness

Various awareness-raising activities have been carried out to increase sensitivity to identify potential risks, foster a climate in which anyone can speak out, and raise employee awareness to act with a sense of ownership through penetration of compliance and awareness-raising.



Compliance training



Antimonopoly Act training

Improvement and enhancement of whistleblowing systems

An internal leniency system was introduced in November 2023 for early detection and correction of violations. To encourage the use of the system, better understanding is being promoted using a mascot.



An example of use in cartoons with an original mascot

Strengthening internal audits (various initiatives taken by the internal audit department (Office of Internal Auditing), which is responsible for the third line)

① Expansion of the scope of workplace communication

With the scope of communication expanded, the Office of Internal Auditing pursued communication in the workplace to understand the status of penetration of management messages, potential risks, etc.



② Implementation of site audits

With a sufficient on-site inspection period secured, a broad range of business processes were confirmed at each division of the head office, branch offices, and other organizations to identify potential risks, etc.



③ Conduct of external evaluations

External evaluations were conducted, including evaluation of internal audit conformity to international standards to improve audit quality by utilizing external knowledge.

基準	適合	部分適合	不適合
.....	✓		
.....	✓		
.....		✓	
.....	✓		
.....	✓		
.....			✓
.....			✓

Progress of the Business Improvement Plan

Specific initiatives in organizational climate reforms

In July 2023, we established the Organizational Climate Reform Committee chaired by the President to build an organizational culture where all executives and employees can candidly talk about their feelings and awareness across positions and sections. The management has since been endeavoring to reform the organizational climate by supporting reform efforts from the perspective of the employees.

Currently, to resolve the material issues raised to management through the Working Group of Key Persons for Organizational Climate Reforms and other initiatives, we are building momentum for changes in the awareness of managers who form the core of the workplace, encouraging each employee to take issues as seriously as if they were their own, allowing each workplace to work proactively to address the issues. Systems and mechanisms to support these initiatives are also being developed. In addition, we are working with Kansai Transmission and Distribution, Inc., where similar initiatives are underway.

Through the practice of “Become aware, speak out, and take action,” we aim to become a company where each of us can take pride in and feel enthusiasm toward our work, and as a consequence, outside people could say “A-yan, Kanden!” Moreover, we have newly set a nonfinancial activity item in addressing our materiality, Fostering a better organizational culture. Based on an internal questionnaire survey, an index representing the implementation status of the “Become aware, speak out, and take action” will be calculated and disclosed as the progress of our initiatives. [Target: 70% or more in FY 2025 (FY 2023 result: 58%)]

Reform initiatives led by key individuals for organizational climate reform

To deal with reforms under the initiative of employees, we selected Key Persons for Organizational Climate Reforms from each department and embarked on initiatives in the form of a working group from October 2023. Through communication with employees, including those in frontline workplaces with a key person at the core, we figured out the true causes affecting our organizational climate, and presented material issues and draft measures to resolve issues to the Organizational Climate Reform Committee, which were identified and examined from the employees’ perspectives, in February 2024.



Working Group of Key Persons and communication with frontline workplaces

Initiatives related to individual awareness

Psychological safety training for all managers

For the purpose of cultivating a positive organizational climate in which everyone can express frank opinions and questions with each other, we provide all managers with psychological safety training.

To promote changes in awareness more effectively, this training is designed based on common things at our Company that has been extracted from our employees’ opinions. Also, the President appears in the training video to convey his message to managers about the organizational climate that we aspire for.



President Mori delivering his message in the training video

Initiatives to tackle the reforms with a sense of ownership

- To make the organizational climate reforms more familiar to employees so employees will voluntarily face reforms as their personal matters, we have put up the slogan “A-yan, Kanden!” which concisely expresses the goal of the reforms.
- By showing that the initiatives of each workplace are aligned with company-wide moves, we are heightening momentum toward reforms and emphasizing the importance of giving it a try to encourage each individual to take their first step.



Initiatives related to systems and mechanisms

Creating a mechanism of praise

- To use praise for giving it a try as the driving force for each next action, we are creating a new mechanism as well as actively utilizing departmental rewards to foster a culture of recognizing when one another does a good job.

Linkage with BX initiatives (creating opportunities for mutual learning and awareness-raising)

- Interactions between human resources with different backgrounds not only improve organizational abilities but also bring about positive changes in the organizational culture. To this end, in conjunction with strengthening of the human resource base promoted in BX initiatives, we are stepping up mid-career recruitment, accepting side job seekers from other companies, and promoting transfers and assignments through our internal recruitment system.

Departmental and workplace initiatives

Various initiatives have been undertaken voluntarily and enthusiastically in accordance with the actual conditions of each department and workplace.

[Examples of initiatives]

- Launch of a project to create an appealing workplace that embodies employees’ thoughts and opinions on the workplace environment and how we foster communication
- Conducting dialogue activities that division heads visit frontline workplaces in person based on the management philosophy
- Introduction of one-on-one meetings to strengthen interactive communication within the organization and workplaces



Dialogue activity

Progress of the Business Improvement Plan

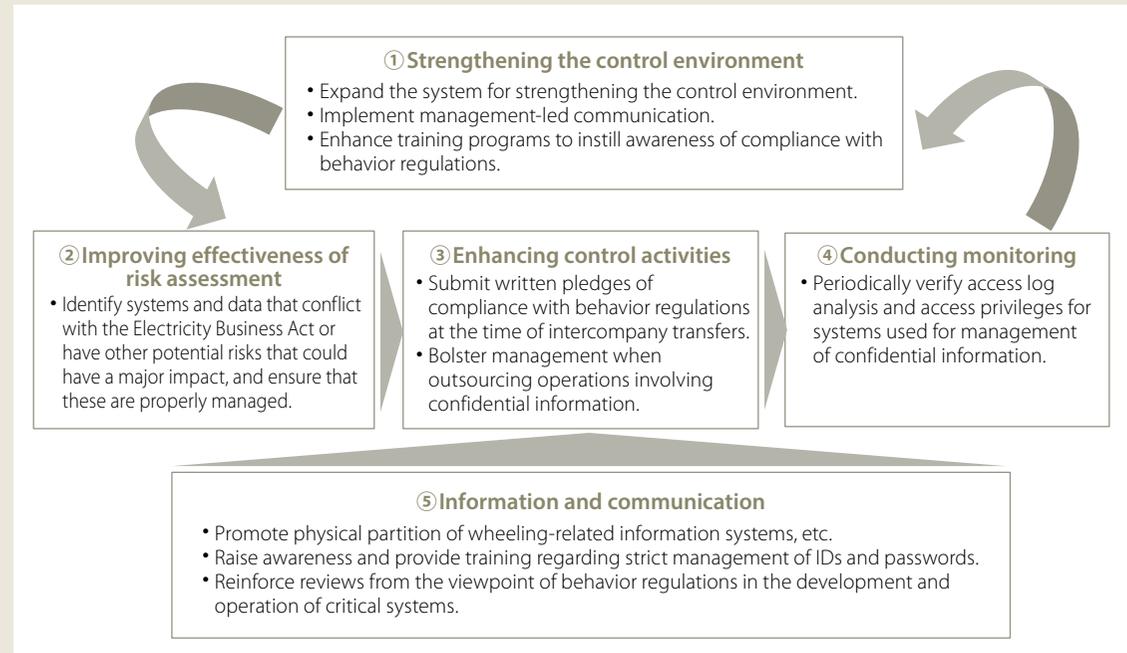
Initiatives taken at Kansai Transmission and Distribution, Inc.

Promoting business improvement plans and further strengthening internal controls

- Kansai Transmission and Distribution, Inc. submitted a business improvement plan in May 2023 in response to the violation of the Electricity Business Act involving leaking information on customers of retail electric utilities due to inadequate processing of information blocking and other factors.
- Positioning strict compliance with all laws and regulations, along with ensuring fairness and integrity in business activities, as the basic premise of our business operations, we are committed to steadily implementing and establishing recurrence prevention measures.
- In assessing the effectiveness and efficiency of recurrence prevention measures, we utilize the five components of the COSO Framework: ① control environment, ② risk assessment, ③ control activities, ④ monitoring, and ⑤ information and communication to bolster internal controls.
- In addition to the initiatives in the business improvement plan, we are also strengthening autonomous risk management of the first line in the Three Lines of Defense and organic collaboration between the first and second lines to further improve the effectiveness of risk management.

Organizational climate reforms

- In parallel with strengthening internal controls, organizational climate reforms are also being promoted.
- With the aim of transforming our organization into an organization that allows every employee to explore and take on the challenge of providing new value, on the basis of a truly open organizational climate, we have been working to facilitate communication between management and frontline workers.
- In fiscal 2023, we formed the Working Group for Organizational Climate Reforms whereby key individuals, including frontline employees, identify issues and examine measures.
- Going forward, based on the draft measures discussed by the Working Group, we will promote changes in awareness and review of our corporate systems and mechanisms. We will continue working with the Kansai Electric Power Company to advance reforms, as we share many issues and measures.



Implementation of management-led communication

Enhance communication aiming to reflect employees' awareness and recognition of issues in business management, and to foster an open organizational climate.



Management-led communication

Initiatives taken by the Working Group for Organizational Climate Reform

Based on discussions among key individuals from various departments and workplaces, as well as a questionnaire survey on organizational climate targeting all employees, material issues related to organizational climate were identified and measures were examined. The measures will be implemented from now on.



Working group activity

Progress of the Business Improvement Plan

Message from the Executive in Charge of Strengthening Internal Controls



Masaaki Ikeda
Chief Compliance Officer
(CCO)

Compliance and Group Company Internal Controls, after vigorous discussions at the Internal Control Board, which is made up of persons engaged in business execution at each division and major group companies.

Thoughts, focus, and response in implementing initiatives

In developing and strengthening internal controls, it is necessary to establish rules and strictly observe them while making use of our autonomy and mobility in each business division. Our main focus was the process of involving everyone to discuss and derive the optimal solution for the effectiveness and efficiency of internal controls.

In this process, we not only held internal discussions but also incorporated objective opinions from external experts.

We received notices and suggestions for improvement from as wide a range of perspectives as possible, for example, through special supervision by the Board of Directors, special audits by the Audit Committee, and monitoring by the Compliance Committee, and reflected these in our initiatives.

We also conducted a self-evaluation of these activities using the Internal Control Framework to work on identifying specific areas for improvement for the next cycle.

The Electricity and Gas Market Surveillance Commission evaluated our initiatives over the past year in accordance with the Internal Control Framework, and we were rated as having made effective progress in many items. This gives me confidence about our results.

Future initiatives and commitment

In fiscal 2024, we intend to build upon last year's efforts to establish a more effective internal control system, with an emphasis on strengthening and enhancing our internal control infrastructure and risk management capabilities (such as enhancing our operational infrastructure using AI and other technology, and flexibly communicating and sharing risks that occurred at other companies) as well as strengthening the internal controls of our corporate group (such as training for directors of our subsidiaries).

The ultimate goal of internal controls is to create an environment in which each individual can work with peace of mind. By spreading this idea throughout each workplace, and through an accumulation of inventive measures and repeated trials, we are determined to be reborn as a company that is truly committed to compliance.

The environment surrounding our Company and our business and the rules we must comply with are constantly changing, and there is no finish line for us to implement internal control and compliance initiatives. That said, there will be milestones where we can see results, and, as the Chief Compliance Officer (CCO), I will always strive to improve and take the initiative in promoting efforts.

Results of our initiatives

We have been promoting efforts to drastically strengthen internal controls and to reform our organizational climate based on the recognition that the common issues in the series of inappropriate events, including the cash/gift receiving incident, lie in organizational climate and our response to environmental changes and risks.

As regards specific initiatives to strengthen internal controls, we have pushed forward with practical initiatives to identify and improve issues centered on developing and strengthening the structural aspects of our Three Lines of Defense, Risk Management, Legal

Progress of the Business Improvement Plan

Message from the Executive Officer in Charge of Organizational Climate Reform



Sayuri Noji
General Manager of Office of Organizational Climate Reform

Progress of organizational climate reform

As part of our efforts to reform our organizational climate, we worked to uncover the actual state of our organization and identified material issues through communication with our employees, including frontline workers.

We are currently in the phase of formulating and implementing measures to resolve these issues, and are making steady progress in reforming our organizational climate.

We have made every effort to reflect the opinions of employees in these measures. We found it important to involve everyone in our activities, including key personnel selected from key divisions, so that the management office would not be closed off to the ideas of others. However, we have a large number of employees, and I must say it was difficult to fully convey the thoughts of the management office to everyone. Therefore, while we have struggled with this, we have tried to keep our minds on the task at hand and move forward.

Recognition of our organizational climate reform initiatives is gradually spreading thanks to our ongoing efforts to disseminate information, and I can see that each workplace is starting to implement its own initiatives autonomously. I feel a great sense of accomplishment in seeing how each employee is thinking carefully about what they should do, and how they are working enthusiastically starting with what they can do at the moment.

Future initiatives

Going forward, I think it will be important how we will further expand the circle of employees who have a sense of involvement in organizational climate reform.

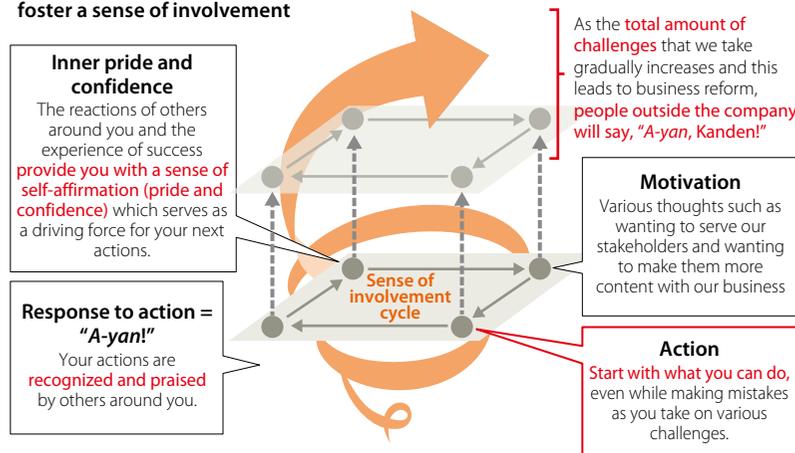
Our basic approach is the idea that if employees can participate in initiatives related to reform in their department and workplace and can actually feel the changes, it will give them a greater sense of involvement.

To do so, we will continue to formulate and implement measures whereby motivated employees who give it a go for the first step are recognized and praised for their actions, and this serves as a driving force for their next action and increases their own sense of involvement, and other employees who have seen this will think to give it a go as well and take action, which will in turn lead to expanding the circle of employees who have a sense of involvement.

If all executives and employees are conscious of becoming aware, speaking out and taking action, while keeping in mind what they can and should do and putting these ideas into practice starting with what they can do at the moment, then I believe the seeds of organizational climate reform that are sprouting up everywhere around us will lead to major changes throughout the entire company.

I would like us all to work together to create a free and open organizational climate that will serve as the foundation for us to become a group that can truly ensure compliance and to take another leap forward through the creation of new value.

Conceptual diagram of initiatives to foster a sense of involvement



EX Energy Transformation

Seeking to Achieve Zero-carbon Emissions Environmental Initiatives

FY 2021–2023 (results)

Steady progress was made in establishing operation at the seven nuclear reactors, investment in zero-carbon power sources in Japan and overseas, and other areas based on the Zero Carbon Roadmap.

The goal of cutting CO₂ in half is expected to be achieved ahead of schedule.

Investment results

Cumulative total: 636 billion yen

FY 2025 (targets)

Investment

1,050 billion yen (Cumulative total for FY 2021–2025)

Three Key Initiatives *KX: Kanden Transformation*

Seeking to Achieve Zero-carbon Emissions **EX**

Based on the Kansai Electric Power Group Zero Carbon Roadmap, we will step up decarbonization efforts in the remaining two years of the Medium-term Management Plan (2021–2025) to achieve the following.

Nuclear Power	<ul style="list-style-type: none"> Continuation of safe and stable operation Improvement of operations to increase nuclear energy utilization Development of the business environment with a view to replace nuclear power plants Promotion of the nuclear fuel cycle
Thermal Power	<ul style="list-style-type: none"> Higher efficiency for thermal power generation, and achieving zero carbon (e.g. hydrogen co-firing, CCS)
Renewable Energy	<ul style="list-style-type: none"> Increase in hydroelectric power generation amount and maximum utilization of pumped storage Strengthening competitiveness to win in public bidding for offshore wind power Promotion of corporate PPA using a variety of renewable energy sources
Hydrogen/CCUS	<ul style="list-style-type: none"> Building a supply chain for hydrogen, etc. in Himeji and other areas Building a CCS value chain in Sakai-Semboku and other areas
Transmission and Distribution	<ul style="list-style-type: none"> Construction of next-generation electric power networks that will serve as foundations to achieve zero-carbon emissions

The concept of environmental initiatives

In line with the Kansai Electric Power Group Code of Conduct, we, as a business with deep connection to the environment, are well aware of the significance of addressing various environmental concerns. We are thus striving to reduce environmental impacts and associated risks in our business activities. Specifically, addressing climate change issues, biodiversity conservation, and resource recycling as well as providing products and services with low environmental impacts, we aim to create a better environment and proactively contribute to building a sustainable society.

Seeking to Achieve Zero-carbon Emissions **EX**

We updated the medium-term management plan in April 2024 and set out to increase decarbonization efforts in the remaining two years of the plan, focusing on seeking to achieve zero-carbon emissions (EX: Energy Transformation), one of the three key initiatives, where we follow the Kansai Electric Power Group Zero Carbon Roadmap. Specifically, we will make efforts to achieve the following.

Nuclear Power

Maintaining the operation of seven nuclear reactors with a primary focus on safe and stable operation

All the seven nuclear reactors restarted, with large-scale safety improvement work completed to comply with new regulatory requirements enforced as of July 2013.

Learning lessons from the accident that took place in August 2004 at Mihama Nuclear Power Station Unit 3, meanwhile, we established a quality policy concerning the operation of nuclear power businesses with safety as the top priority and have since been working on safety improvement initiatives.

[Quality policy concerning the operation of nuclear power businesses with safety as the top priority]

1. We will prioritize safety above all.
2. We will positively invest resources for safety purposes.
3. We will fully recognize the characteristics of nuclear power and continue our effort in reducing risks.
4. We will put our endeavor to recover the trust of plant-hosting communities and the whole country by further pushing ahead with the communication with them.
5. We will objectively assess our effort toward safety.

Moreover, learning lessons from the accident at the Tokyo Electric Power Fukushima Daiichi Nuclear Power Station, we established a roadmap in June 2014 to enhance voluntary and continued measures to improve safety in nuclear power generation, and have been subsequently working on them.

Going beyond the existing regulatory requirements, we will continue supplying as much zero-carbon electricity as possible to customers by improving the operation of nuclear power plants, with priority given to safety.



Safety improvement initiatives utilizing external knowledge (on-site inspection by external organizations specializing in nuclear power safety)

Improvement of operations to increase nuclear energy utilization

Efforts are underway to operate our nuclear power plants more efficiently to stabilize power supplies and reduce CO₂ emissions.

Specifically, we participate in a working group of the Atomic Energy Association (ATENA) and are working on technical aspects such as evaluation of equipment integrity to shift to a flexible operating cycle where the current maximum 13-month cycle is extended to a 15-month cycle. In addition, periodic inspection procedures and periods are compared with those of other nuclear power plants (in Japan and the U.S.) for streamlining processes, with discussions underway to optimize overall operations.

Initiatives for replacement, and development of next-generation innovative reactors

The share of nuclear power in the power generation mix should be maintained at certain levels to create a zero-carbon society, which inevitably involves new installation, expansion, and replacement work. On the basis of the design of light-water reactors in operation, therefore, we cooperated with plant manufacturers to review the design of an innovative light-water reactor SRZ-1200 with improved safety and economy, thereby preparing for future replacement and collecting/reviewing technical knowledge on new types of reactors with great potential (e.g. small modular reactors).

As predicting relevant regulations is key to designing innovative light-water reactors, moreover, we participate in a working group of the Atomic Energy Association (ATENA) to exchange opinions with regulatory authorities.

In improving the environment necessary to utilize nuclear power, the Nuclear Energy Subcommittee (under the Ministry of Economy, Trade and Industry) reportedly identified the present state of and challenges regarding nuclear power at the meeting held on June 25, 2024. We will continue to provide feedback on the government's institutional designs from the perspective of an energy company.

Seeking to Achieve Zero-carbon Emissions **EX**

Renewable Energy

Strengthening competitiveness to win in public bidding for offshore wind power

The Kansai Electric Power Group, as a leading company in zero-carbon energy, is committed to strengthening our organizational structure to promote development of renewable energy business, including engineering and marketing capabilities, with a focus on offshore wind power generation that has great growth 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.

We will improve the cost competitiveness of offshore wind power generation by strengthening engineering capabilities and sales forces, including partnership and collaboration with other companies, enhancing its feasibility through respectful dialogue with stakeholders in the local communities concerned to win public auctions.

At the same time, we will engage in floating offshore wind, such as demonstration projects abroad (DemoSATH, etc.) to extend our reach into exclusive economic zones and participate in the Floating Offshore Wind Technology Research Association (FLOWRA), which was established to promote commercialization of floating offshore wind power generation. These of our efforts will make sure to sustainably develop offshore wind power generation and achieve our development goals.



Akita Port and Noshiro Port Project (Bottom-fixed) (Source: Akita Offshore Wind Corporation)



DemoSATH Project (Floating)

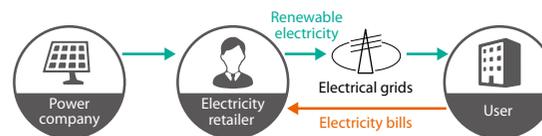
Promotion of corporate PPA* using a variety of renewable energy sources

In February 2023, we started a business supplying electricity generated by solar power along with environmental value for Panasonic Operational Excellence Co., Ltd. and Hydro Edge, one of our group companies, based on a corporate PPA.

We also started offering ESG investment opportunities to investors in May 2024. In addition, a fund for investment in domestic solar power projects was established to realize a decarbonized society, especially in developing cost-competitive renewable energy sources and providing consumers with renewable electricity in an environmentally-friendly manner. We are taking initiatives to further expand the corporate PPA for solar power generation.

Going forward, we will promote corporate PPA for other renewable power sources such as wind power generation to meet the various needs of customers and help them achieve their environmental goals.

* A power purchase agreement (PPA) is a long-term, fixed price contract via an electricity retailer, signed between a user and a power company as a means to supply and procure electricity. It is a user-driven alliance (UDA) model where a user, a power company, and an electricity retailer join forces to promote renewable energy.



Increase in hydroelectric power generation amount and maximum utilization of pumped storage

With our hydropower plants operating at more than 150 locations nationwide, we are further expanding hydroelectric power generation as carbon neutrality is gaining momentum at home and abroad. Specifically, we utilize untapped water resources to develop new hydropower plants, improve the efficiency of aging plants by partially refurbishing facilities (replacing water turbine generators), and review operations of existing plants.

Pumped storage power generation, meanwhile, plays a key role in achieving carbon neutrality and stabilizing electricity supplies; green electricity produced during daytime hours (solar power electricity, etc.) is used to pump water for power generation from evening onward when solar power output decreases. As pumped storage power generation is capable of storing electricity, which is key to variable renewable energy and adjusting the output promptly in response to electricity demand fluctuations, it also contributes to maintaining power grid frequency. We are thus utilizing government policies to use as much pumped storage power generation as possible, maintaining and operating the plant facilities. In line with the renovation plan for Okutataragi Pumped Storage Power Station Units 3 and 4, a project we acquired through a long-term decarbonization power source auction held in April 2024, for example, we are working on facility upgrading for commercial operation scheduled from fiscal 2030 onward.

Seeking to Achieve Zero-carbon Emissions **EX**

Thermal Power

Higher efficiency for thermal power generation, and achieving zero carbon

A facility renovation plan is underway at the Nanko Power Station, our oldest LNG thermal power plant, with over 30 years of operation. A combined cycle unit will be installed to stabilize electricity supplies and switch to decarbonized energy.

This renovation is expected to increase power generation efficiency by about 40% and reduce the CO₂ emission factor by about 30%. Furthermore, aiming to introduce CCS technology and hydrogen co-firing power generation in the late 2030s, we contribute to creating a zero-carbon society.



Nanko Power Station

Operator	Power source	Decarbonization roadmap*			
		2020s	2030s	2040s	2050s
Kansai Electric Power Co., Inc.	Nanko Power Station Unit 1	2026-2029 Renovation	2029-LNG exclusive firing	Late 2030s: 20-50% hydrogen co-firing Late 2030s: Full recovery by CCS	Mid 2040s: Hydrogen exclusive firing
		2026-2030 Renovation	2030-LNG exclusive firing	Late 2030s: 20-50% hydrogen co-firing	Mid 2040s: Hydrogen exclusive firing
Kansai Electric Power Co., Inc.	Nanko Power Station Unit 2	2026-2030 Renovation	2030-LNG exclusive firing	Late 2030s: 20-50% hydrogen co-firing	Mid 2040s: Hydrogen exclusive firing
		2026-2030 Renovation	2030-LNG exclusive firing	Mid 2040s: Full recovery by CCS	
Kansai Electric Power Co., Inc.	Nanko Power Station Unit 3	2026-2030 Renovation	2030-LNG exclusive firing	Late 2030s: 20-50% hydrogen co-firing	Mid 2040s: Hydrogen exclusive firing
		2026-2030 Renovation	2030-LNG exclusive firing	Mid 2040s: Full recovery by CCS	

*As for each power source's decarbonization roadmap, the upper line refers to the hydrogen scenario and the lower refers to the CCS scenario.

Hydrogen

Building a supply chain for hydrogen, etc. in Himeji and other areas

With a variety of operators, we are jointly studying the feasibility of creating supply chains for hydrogen, etc. in Himeji and other areas.

We are also planning hydrogen production projects at various locations abroad where water is electrolyzed with renewable electricity. With receiving terminals for imported hydrogen set up in Japan, we will create cost-effective, large-scale hydrogen supply chains.

As part of an initiative to create hydrogen supply chains in Japan, we have been conducting studies since June 2024 to estimate hydrogen demand and build transportation infrastructure in the Harima and Kobe areas in Hyogo Prefecture, as we were granted the 2024 Subsidy for Measures to Promote Introduction of Non-Fossil Energy (Hydrogen Supply Infrastructure Development Project).

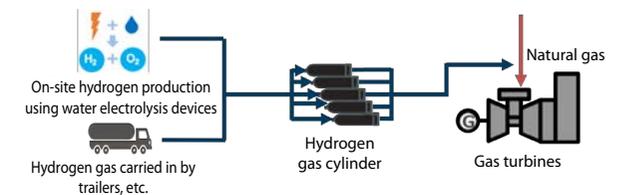
In addition to using hydrogen for our power generation, we will expand this project to supply hydrogen to other users, aiming to achieve a 30% share of the domestic hydrogen market in 2050. We will further accelerate hydrogen initiatives while exploring every possible opportunity to create a hydrogen-driven society.

Himeji No. 2 Power Station acquiring knowledge on the introduction of hydrogen power generation

We have been working on feasibility studies since the adoption of the Green Innovation Fund Project*1—Large-scale Hydrogen Supply Chain Development, which was offered by NEDO*2 in August 2021.

While designing and manufacturing of relevant facilities have been underway since fiscal 2023, we plan to conduct demonstrations of hydrogen co-firing power generation in fiscal 2025, using gas turbines installed at the Himeji No. 2 Power Station. Our objective is to establish operational techniques that can contribute to commercializing hydrogen power generation.

Demonstration system process flow



*1 The 2 trillion yen Green Innovation Fund, set up by the government for NEDO, aims to encourage innovation among companies to achieve carbon neutrality by 2050, subsidizing companies for up to 10 years.

*2 New Energy and Industrial Technology Development Organization

Seeking to Achieve Zero-carbon Emissions



CCUS

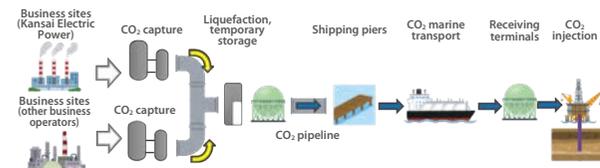
Establishment of a CCS value chain in the Sakai-Semboku area

Conducting joint studies with other business operators in the Sakai-Semboku area

We are conducting studies toward the establishment of a CCS value chain that encompasses separation, capture, transportation, and storage of CO₂. In the Sakai-Semboku area, engineering design and economic viability are being studied with Cosmo Energy Holdings Co., Ltd. and a project in which we participate was nominated as a candidate for the JOGMEC*¹ 2024 Business Feasibility Study on Japanese Advanced CCS Project. We will also conduct studies with a view to future cooperation with other business operators that have CO₂ emission sources in the Sakai-Semboku area.

*1 JOGMEC: Japan Organization for Metals and Energy Security

Conceptual diagram of CO₂ capture, storage, and transportation



Constructing and demonstrating CO₂ capture pilot facilities at the Himeji No. 2 Power Station

Pilot-scale facilities for the demonstration of a liquid amine-type CO₂ capture system were jointly constructed with Mitsubishi Heavy Industries, Ltd. at the Himeji No. 2 Power Station to study CO₂ capture technology for the separation and recovery of CO₂ from the exhaust gas. The demonstration will start in fiscal 2025 to develop higher-performance, energy-efficient CO₂ capture processes and absorbents compatible that can be adapted to the currently mainstream combined cycle system in thermal power generation facilities.

CO₂ capture technology research at the Maizuru Power Station

We are supporting NEDO's project at our Maizuru Power Station, R&D of CO₂ separation/capture technologies*². Following the commissioning run performed until the first half of FY 2023, the demonstration started at testing facilities in January 2024. The solid sorbent system is potentially a great deal more energy efficient than its conventional counterparts in capturing CO₂ and is therefore considered promising next-generation capture technology.

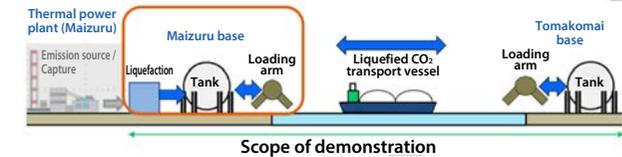
*² Development of carbon recycling/next-generation thermal power generation technology / Research and development of CO₂ capture technology / Research on application of advanced CO₂ solid sorbents to treatment of coal-fired emissions

Technological development and demonstration of CO₂ marine transport at the Maizuru Power Station

We participate and cooperate in the NEDO project, R&D and Demonstration of CO₂ Ship Transportation Project*³ at the Maizuru Power Station where facilities designed for the project (for liquefaction, storage, and shipping of CO₂) and a demonstration vessel are used to ① develop technology for integrated marine transport of liquefied CO₂, ② demonstrate liquefied CO₂ marine transport, and ③ study the feasibility of CO₂ marine transport for CCUS. The demonstration is scheduled to start from fiscal 2024.

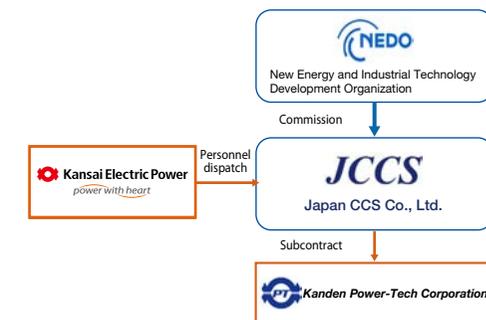
Project scope

Conceptual diagram



NEDO project's liquefied CO₂ tank (source: Japan CCS Co., Ltd.)

Project system in which the Kansai Electric Power Group is involved



*³ CCUS R&D and demonstration project / Large-scale CCUS demonstration in Tomakomai / Demonstration of CO₂ transport / Technological development and demonstration of CO₂ marine transport

Seeking to Achieve Zero-carbon Emissions EX

Transmission and Distribution

Creating next-generation grid networks as the basis of zero carbon infrastructure

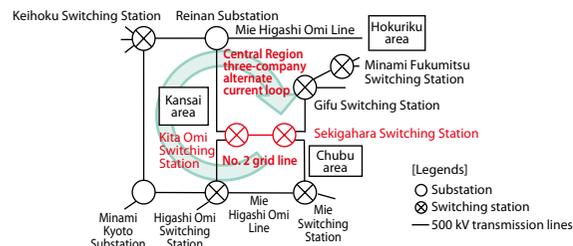
Developing fast, seamless grid connections and expanding transmission and distribution facilities to harness the potential of renewable power source

As renewable energy is expected to become the main power source in the future, existing facilities should be utilized to the fullest to develop fast, seamless grid connections. We are thus expanding connections to renewable energy by introducing the "N-1 inter-tripping scheme" and "non-firm access connections" and by upgrading monitoring and control of distribution networks. Transmission and distribution facilities will be expanded in advance to deal with grid congestion after social benefit evaluation.

Each grid's predicted current, meanwhile, is shown on our website to improve the predictability of power generators, etc. and promote efficient grid use. In the future, we will consider putting medium- to long-term predictions of grid congestion on the website with more details.

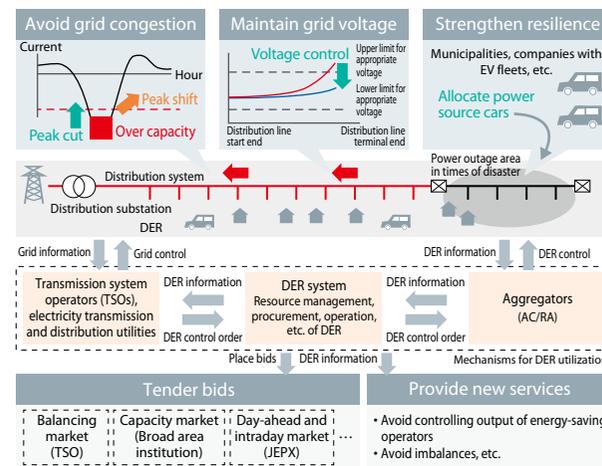
In addition, in promoting the reinforcement of the core grid lines, we are cooperating with broad area institutions and other general electricity transmission and distribution service operators to operate a three-company alternate current loop in the Central Region and to build a second interconnection line.

We are committed to delivering more social benefits and meeting the needs of customers, specifically by promoting zero carbon and catering to large-scale users such as data centers.



Upgrading facilities and operation by incorporating IoT technology, etc. to introduce renewable energy and utilize DERs

Distributed energy sources (DERs), including renewable energy and storage batteries, need to be utilized to create stable power systems, which are key to achieving carbon neutrality in 2050. Kansai Transmission and Distribution, Inc., therefore, participates in the NEDO project, Development of Flexible Distributed Energy Resources Control Technology to Mitigate Congestion in Power Systems, and other projects. Collaborating with experts from inside and outside the company, we develop technology for incorporating DERs to manage grid operation and fluctuations in demand to ensure greater flexibility.



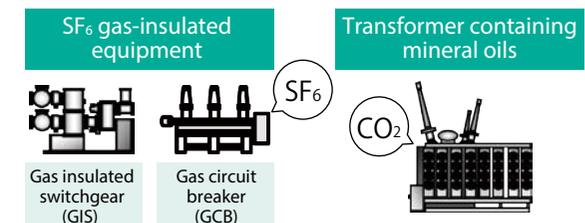
Introducing GHG emission abatement equipment

Transformation facilities such as special-high voltage and extra-high voltage substations are installed with equipment containing SF6 gas and mineral oils. Given that SF6 gas has a high global warming potential and mineral oils are produced from fossil fuels, we are considering switching to eco-friendly insulation materials.

Regarding SF6-substitute gas breakers for 77kV-class transmission facilities, the feasibility of switching to eco-friendly insulation materials will be determined during renovation and the range of applicable voltage will be further expanded.

In addition, we are switching to vegetable oils for use in transformers, as they produce less CO2 than mineral oils, are highly flame retardant and biodegradable, and have less of an environmental impact resulting from leakage that may be caused as a result of earthquakes.

Conventional transmission and transformation facilities



Special Feature

2

Environmental Initiatives (1. Climate Change)



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

We have specified ESG-related materiality (important issues), aiming for our growth as a corporate group as well as contributing to the sustainable growth of society by providing solutions to SDGs and other global social challenges. In particular, the Kansai Electric Power Group Zero Carbon Vision 2050 is in place along with the medium-term management plan to address climate change, both of which manifest “Purpose” as stated in our philosophy system. Accordingly, we have set the Zero Carbon Roadmap to achieve carbon neutrality, with decarbonization efforts underway.

1. Governance

With climate change perceived as a key business challenge, we have a system in place where executives promote each initiative under the supervision of the Board of Directors.

Specifically, the councils and committees mentioned below review and discuss climate change risks, opportunities, and strategies, providing assistance and guidance as needed to each operating division.

Board of Directors

The Board of Directors determines medium- to long-term management policies to address climate actions such as the Zero Carbon Roadmap and is informed of developments and specific actions, with evaluation and management results reported as needed by each council and committee.

Sustainability Promotion Council

Chaired by the president, the council develops the comprehensive measures for the Group’s overall sustainability, including risks and opportunities, and monitors their development, focusing on climate change issues.

Zero Carbon Committee

Chaired by the president, the committee has set the Zero Carbon Roadmap to achieve the Kansai Electric Power Group Zero Carbon Vision 2050. Specifically, it is designed to share zero carbon initiatives, map out practical plans, and address climate change.

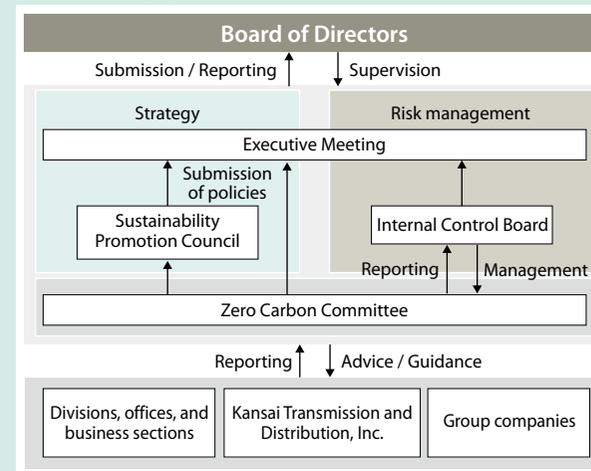
The Board of Directors, meanwhile, approved the revision of the Zero Carbon Roadmap in April 2024, following discussions by the Zero Carbon Committee and exchanging opinions with directors.

Internal Control Board

Chaired by the Chief Compliance Officer, the Internal Control Board extracts critical risk items, including those related to sustainability issues, monitoring and evaluating how they are managed. Risk evaluation results are reported periodically to the Board of Directors to improve risk management mechanisms and systems where necessary.

Note: For details on risk management, refer to page 133.

Climate change governance system



Executive compensation based on climate change performance

A performance-based compensation system is in place for executive officers responsible for business execution, and CO₂ emission reductions and external ESG assessments are adopted as performance evaluation indicators.

Note: For details about executive compensation, refer to page 125.

Results from meetings held in fiscal 2023

Name of meeting	Frequency	Major climate change topics
Board of Directors	15 times*	<ul style="list-style-type: none"> The Company’s climate change initiatives and issues to be addressed Management status of critical risk items
Sustainability Promotion Council	4 times	<ul style="list-style-type: none"> Evaluating the status of nonfinancial activities, including those related to climate change Presenting climate change risk evaluation results
Zero Carbon Committee	5 times	<ul style="list-style-type: none"> Understanding challenges and future plans, based on the latest decarbonization trends Setting new targets such as those for 2030 GHG emission reductions Revising the Zero Carbon Roadmap
Internal Control Board	12 times*	<ul style="list-style-type: none"> Extracting critical items, including items related to sustainability issues, monitoring, and evaluation of how they are managed, as well as improvement of the system itself.

*Including meetings held for topics other than climate change

2. Risk management

The Kansai Electric Power Group’s management discusses risk management for effective and appropriate implementation, extracts critical risk items that may have significant impacts on business, and monitors and evaluates how risks are managed from a group-wide perspective. Climate change risks, for example, are identified as critical risk items along with other risks such as financial risks, where the Internal Control Board comprehensively monitors and controls risk management status.

At the same time, the Zero Carbon Committee, etc. discuss and evaluate individual climate change-related risks, the results of which are reported as needed to the Internal Control Board. The review and discussion status, meanwhile, is presented to the Executive Meeting, etc. while required risk management measures are reflected in the Group’s plans and policies for continued sustainable growth.

Environmental Initiatives (1. Climate Change) EX

3. Strategy

Scenario analysis

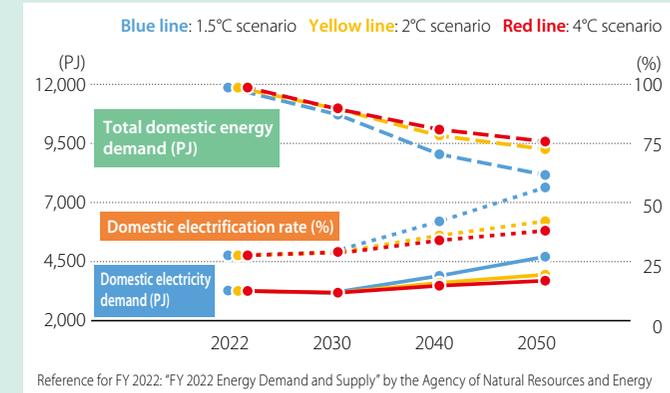
The Kansai Electric Power Group conducts proprietary risk analysis, referring to analysis conducted by the International Energy Agency (IEA), the Intergovernmental Panel on Climate Change (IPCC), etc. to identify climate change risks and opportunities that may impact finances in the future, reflecting them in the Group's management strategy. Specifically, we estimate and analyze electricity demand in the Kansai area in 2050 in addition to nationwide demand along with each power source's installed capacity, based on multiple scenarios assuming 1.5°C, 2°C, and 4°C temperature increases.

Scenario analysis results

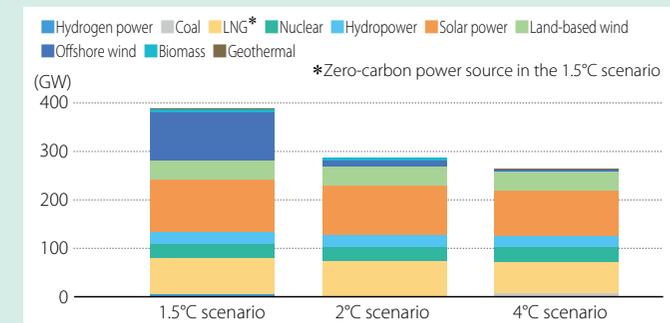
Our scenario	Reference scenario	Scenario's vision	Our analysis results
1.5°C scenario Main scenario assumed by the Company	• IEA WEO NZE scenario (2023)	Effective carbon neutral measures are implemented, with innovation progressing as planned, resulting in carbon neutral in 2050.	<ul style="list-style-type: none"> Energy conservation progresses toward carbon neutral, while electricity demand increases by 40% due to increased electrification and advancement in AI and communication. Hydrogen is used as a fuel source even in hard-to-electrify areas, with its introduction rate influencing the electrification rate. Renewable energy becomes widespread across the country, resulting in a significant change in the power generation mix. Future significant changes lead to significant transition risks. VX needs to be utilized to acquire customers, capitalize on distributed energy resources, and expand and maintain power source facilities for stable electricity supply as electricity demand is expected to increase nationwide, including in the Kansai area.
2°C scenario	• IEA WEO STEPS scenario (2023) • IPCC SSP1-2.6	Carbon neutral measures are implemented, with innovation not progressing as planned, resulting in an 80% decrease (from 2013 levels) in GHG emissions in 2050.	<ul style="list-style-type: none"> The electrification rate remains lower than what is expected in the 1.5°C scenario and electricity demand increases by 20% due to advancements in AI and communication technology. Renewable energy is introduced at certain levels, but the power generation mix remains stable compared to what is expected in the 1.5°C scenario. Transition risks and physical risks from temperature increases are moderate compared to what is expected in the 1.5°C and 4°C scenarios.
4°C scenario	• IEA WEO STEPS scenario (2023) • IPCC SSP5-8.5	No additional climate actions are taken, with only ongoing measures in place.	<ul style="list-style-type: none"> The electrification rate is the lowest of all the scenarios while electricity demand increases by 10% due to advancements in AI and communication technology. Physical risks associated with temperature increases are significant, such as increased disaster risks due to increased precipitation, etc. Power sources and transmission/distribution facilities need to be more resilient to reduce the impact of physical risks on business.



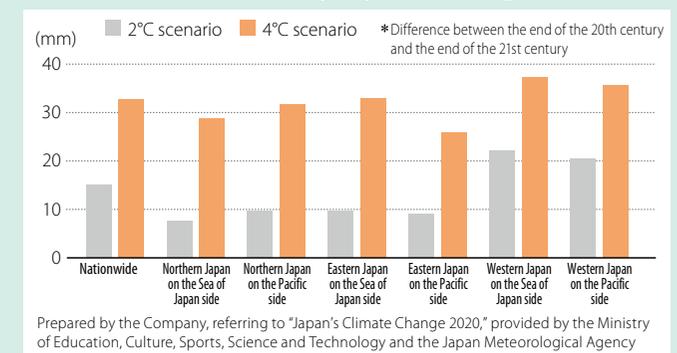
Total domestic energy demand up to 2050 and trends in electrification and electricity demand (The Company's assumption)



Installed capacity by power source in 2050 (The Company's assumption)



Estimated annual maximum daily precipitation* (average amount)



Prepared by the Company, referring to "Japan's Climate Change 2020," provided by the Ministry of Education, Culture, Sports, Science and Technology and the Japan Meteorological Agency

Environmental Initiatives (1. Climate Change) EX



Identifying and addressing climate change risks and opportunities

The Kansai Electric Power Group, as a leading company in zero-carbon energy, focuses on the 1.5°C scenario (achieving carbon neutrality in 2050) as shown on the previous page. Accordingly, we evaluated potential impacts of climate change on the Group's operation and performed similar evaluation in the 4°C scenario. We assume that risks identified in each scenario can be addressed by evaluating transition risks in the 1.5°C scenario and physical risks in the 4°C scenario. The following analysis results, meanwhile, are reflected in the Zero Carbon Roadmap and the Group's strategies.

	Category	Risk description	Occurrence period		Degree of impact	Financial information	Countermeasures
			Short to medium term	Long term			
1.5°C	Policies	Introduction and tightening of environmental regulations for reduction of CO ₂ emissions	○	○	High	[Increased power generation costs due to carbon pricing, etc.] <ul style="list-style-type: none"> A cost increase of about 5.1 billion yen, with FY 2030 CO₂ emissions from power generation being equal to the Company's Scope 1 and 2 emission targets for FY 2030*1 [Thermal power plants becoming stranded assets] <ul style="list-style-type: none"> Percentage of coal-fired power generation in the power generation mix: 6% (FY 2023) 	[Increased power generation costs due to carbon pricing, etc.] <ul style="list-style-type: none"> Initiatives such as investment evaluation, etc. with carbon prices factored in (Refer to page 50.) [Thermal power plants becoming stranded assets] <ul style="list-style-type: none"> Evaluation of CCUS technology and consideration of its implementation Efforts toward co-firing and exclusive firing of zero-carbon fuels
		Changes in the power generation mix determined by government policies	○	○	High	[Increased power generation cost] <ul style="list-style-type: none"> A one percent decrease in the nuclear power utilization rate increases fuel costs by about 5.2 billion yen (FY 2023). 	<ul style="list-style-type: none"> Collection of information such as energy/environment policies and regulatory trends Communicating the Group's philosophy through occasions such as council meetings
	Technology	Lower demand for grid power due to widespread distributed energy resources, etc.		○	High	[Decreased sales due to decreased demand] <ul style="list-style-type: none"> A one percent decrease in the amount of retail electricity results in a sales loss of about 23.0 billion yen*2. A one percent decrease in grid power demand results in a sales decrease of about 6 billion yen*3 	<ul style="list-style-type: none"> Proposing and offering optimized solutions to help customers achieve zero carbon and select the Company's electricity, which in turn boosts sales Risks involving loss of wheeling revenues due to lower demand for grid power are minimized by properly responding to systems, etc., a means to secure profits.
		Destabilization of supply and demand adjustment due to changes in the power generation mix	○	○	High	[Increased cost of securing flexible adjustment capabilities] <ul style="list-style-type: none"> A one percent increase in the required amount of flexible adjustment capabilities from 2023 levels results in an expenditure increase of about 0.47 billion yen (calculated based on the cost of securing flexible adjustment capabilities in FY 2023: 46.8 billion yen). 	<ul style="list-style-type: none"> Securing the required flexible adjustment capabilities on a medium- to long-term basis and properly addressing mechanisms, systems, etc. designed for short-term operation Initiatives to reduce the required degree of flexible adjustment capabilities (improving the accuracy of renewable output forecasts, optimizing operation, etc.) Discussing the incorporation of grid stabilization technology (synchronous phase modifiers, grid storage batteries, etc.)
	Market	Decreased competitiveness due to failures to meet customers' decarbonization needs	○	○	High	[Decreased sales due to decreased competitiveness] <ul style="list-style-type: none"> A one percent decrease in the amount of retail electricity results in a sales loss of about 23.0 billion yen*2. 	<ul style="list-style-type: none"> Developing and implementing sales strategies to serve the diversified needs of customers and society (sales of the Renewable Energy Eco Plan, offering of Zero Carbon Package, etc.) Maintaining the Company's presence in new technological fields
		Slowdown in development of renewable energy due to intensified competition with other companies, regulatory changes, etc.	○	○	High	[Development goal achievement rate] <ul style="list-style-type: none"> 5 GW scale to be newly developed in Japan with a cumulative 9 GW scale by 2040 	<ul style="list-style-type: none"> Strengthening our organizational structure to promote development of renewable energy business including engineering and marketing capabilities Promoting power source development that contributes to solving challenges facing by stakeholders in the local communities near power plants Acquiring knowledge by participating in demonstration of floating offshore wind power projects, and nearby areas are expected to expand into exclusive economic zones
Reputation	Decreased corporate reputation due to failure to respond to changes toward a zero-carbon society, etc.	○	○	Medium	[Additional costs] <ul style="list-style-type: none"> Transition-linked bond/loan descriptions: 100 million yen, with roughly half of about 250 billion yen (corporate bond and long-term loan in FY 2023) procured through transition-linked bonds/loans and 0.10 % shouldered 	<ul style="list-style-type: none"> Monitoring and evaluating changes in the Group's business environment Disclosing proper information on the Group's climate change measures 	
4°C	Physical risks	Acute	○	○	High	[Increased costs of restoring power generation, transmission, and distribution facilities and increased countermeasure costs] <ul style="list-style-type: none"> Loss due to damage caused by Typhoon No. 21 in 2018: Approx.12.8 billion yen The loss is estimated at about 16.6 billion yen with no additional measures taken, assuming that a 4°C temperature increase results in about 30% increase in precipitation*4 	<ul style="list-style-type: none"> Implementing disaster drills for quick recovery from increasingly intensifying natural disasters and signing agreements for cooperation with municipalities, expressway companies, etc. Increasing resilience of power transmission and distribution facilities to minimize damage from disasters Securing revenue for disaster recovery costs by appropriately accommodating institutional changes, etc.
		Chronic	Lower hydropower generation operation rates due to changes in precipitation	○	○	Low	[Increased power generation costs] <ul style="list-style-type: none"> Impact of a one percent change in the water flow rate on power generation costs: 1.5 billion yen (FY 2023)

Environmental Initiatives (1. Climate Change) EX



	Category	Opportunity description	Occurrence period		Degree of impact	Financial information	Countermeasures	
			Short to medium term	Long term				
1.5°C	Opportunities	Energy source	More competitive nuclear power generation	○	○	High	[Progress in power generation strategies] <ul style="list-style-type: none"> Revenue growth due to replacement, etc. 	<ul style="list-style-type: none"> Ensuring safe, stable operation of seven nuclear reactors Discussing replacement plans, etc. for better business environments
		Products and services	Changes in electricity use associated with technological innovation in distributed energy resources, etc.		○	Low	[New business opportunities] <ul style="list-style-type: none"> Revenue growth with expansion of new services [Contribution to the Group's business] <ul style="list-style-type: none"> Cost reduction through technological innovation such as distributed energy resources, etc. 	[New business opportunities] <ul style="list-style-type: none"> Sales promotion and expansion of energy management services along with those of distributed energy solutions such as on-site solar PPA and grid storage batteries E-Flow LLC was established in April 2023 to optimize operation of distributed energy resources and promote transactions in the balancing market, etc. A new business started in March 2024 to offer the monitoring control system K-LIBRA to aggregators that plan to utilize storage batteries in electricity markets such as the balancing market. [Contribution to the Group's business] <ul style="list-style-type: none"> Demonstrating technology that capitalizes on DER flexibility to avoid grid congestion
		Market	Increased development opportunities with expansion of the renewable energy market	○	○	High	[Development goal achievement rate] <ul style="list-style-type: none"> 5 GW scale to be newly developed in Japan with a cumulative 9 GW scale by 2040 	<ul style="list-style-type: none"> Strengthening our organizational structure to promote development of renewable energy business including engineering and marketing capabilities Promoting power source development that contributes to solving challenges facing by stakeholders in the local communities near power plants Acquiring knowledge by participating in demonstration of floating offshore wind power projects, and nearby areas are expected to expand into exclusive economic zones
			Increased revenue opportunities associated with zero carbon initiatives, which accelerate progress in decarbonization technology	○	○	High	[Contribution to the Group's business] <ul style="list-style-type: none"> Increased revenue opportunities attributable to new businesses such as hydrogen production 	<ul style="list-style-type: none"> Developing and providing energy-centered services to meet the diversified needs of customers and society, such as zero carbon Studying the feasibility of creating and commercializing hydrogen supply chains A new business started in March 2024 to offer the monitoring control system K-LIBRA to aggregators that plan to utilize storage batteries for use in electricity markets such as the balancing market.
4°C	Resilience	Higher electricity demand due to increase in electrification	○	○	High	[Increased sales due to increased demand] <ul style="list-style-type: none"> A one percent increase in the amount of retail electricity results in a sales increase of about 23.0 billion yen*2. 	<ul style="list-style-type: none"> Expanding the amount and sales of electricity through combinations of various services such as packaged services, including household electric charges (for a fixed amount of electricity) coupled with household equipment leases, corporate utility services, and solution services such as EV packages 	
		Increased confidence of customers and society and the resulting business opportunities, all brought about by a resilient business foundation.	○	○	Low	—	<ul style="list-style-type: none"> Implementing disaster drills for quick recovery from increasingly intensifying natural disasters and signing agreements for cooperation with municipalities, expressway companies, etc. Communicating in a timely manner the status of power outages and recovery through website, apps, and social media 	

Risks and opportunities: Of changes in the business environment and uncertainties affecting our core electricity business, approximately 30 items that could impact the grid power market size, investment decisions, and our existing assets have been identified, and their consistency with our materiality and risk items selected by operating divisions is confirmed. Specifically, risk items with significant impacts are identified and reviewed by the Sustainability Promotion Council in reference to TCFD risk classifications.

Occurrence period: Short to medium term: from present to 2030, Long term: from present to 2050.

Degree of impact: Evaluated based on the status and characteristics of each business. Evaluation axis example: low (<50 billion yen), medium (≥50 billion and <150 billion), high (≥150 billion)

This evaluation, however, is not conclusive, being subject to changes in external factors such as government policies and energy affairs.

*1: The carbon price is set at 363 yen/t-CO₂, based on the design of the carbon tax system. The price is assumed to increase gradually toward 2049 due to the paid auction charge system, etc.

*2: Calculated based on the Company's light and power revenue in FY 2023 (2,297.9 billion yen)

*3: Calculated based on the actual grid power demand in FY 2023

*4: Based on "Recommendations on Flood Control Planning in Response to Climate Change (revised edition)" by the Ministry of Land, Infrastructure, Transport and Tourism

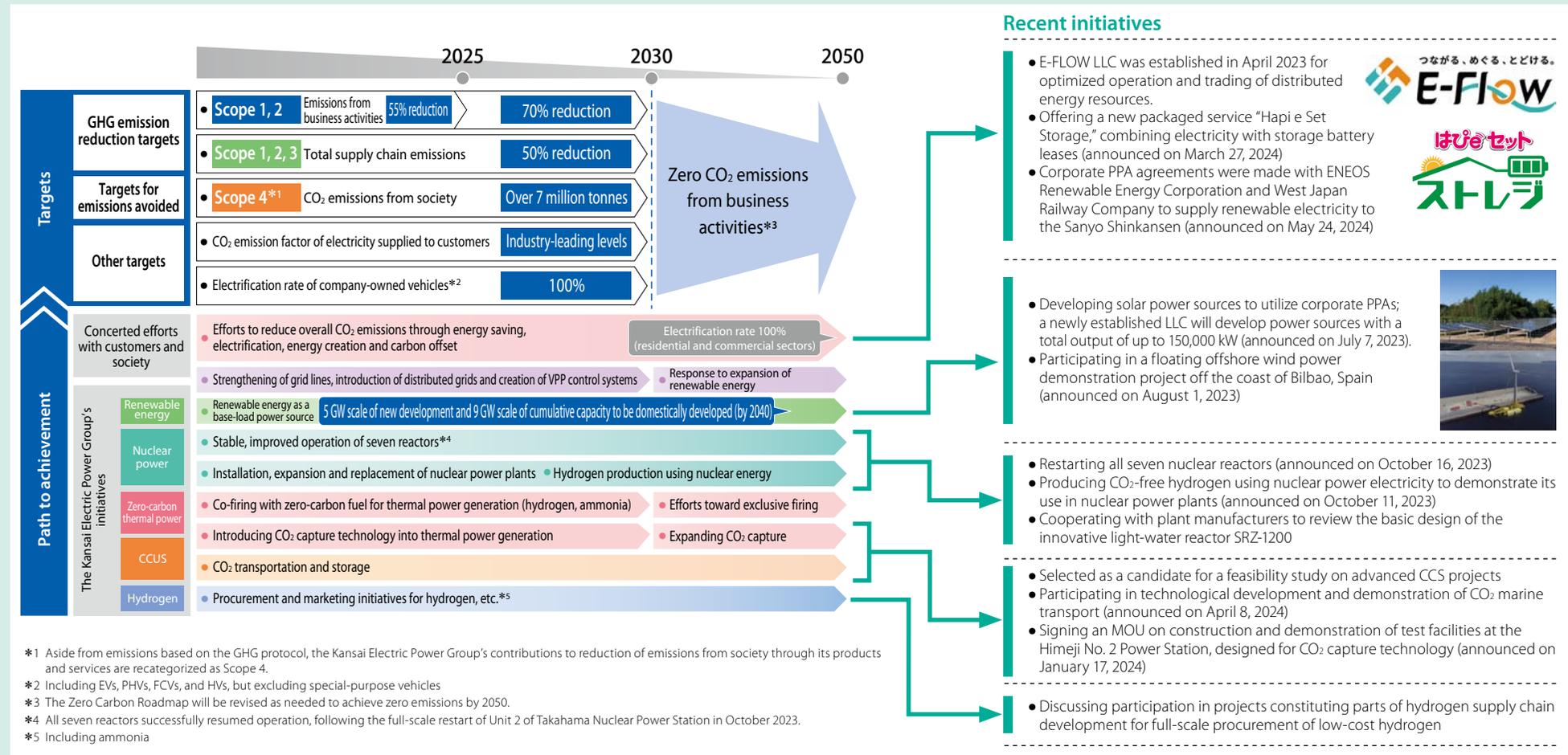
Environmental Initiatives (1. Climate Change) EX



Kansai Electric Power Group Zero Carbon Roadmap

Taking into account growing global decarbonization efforts resulting in changes in climate change risks and opportunities and their associated impacts, as well as the progress made in our initiatives, we revised the Zero Carbon Roadmap in April 2024 to increase our zero carbon efforts toward creation of a net zero-carbon society in 2050. We are confident that our business will be resilient in every scenario as we cooperate with customers and society by introducing a series of strategies according to the roadmap and implement the Kansai Electric Power Group's voluntary initiatives for renewable energy, nuclear power, and zero-carbon thermal power generation.

We will further accelerate these initiatives to achieve the Zero Carbon Vision 2050, making concerted efforts with all stakeholders to make all of society carbon-free.



Environmental Initiatives (1. Climate Change) EX



Transition plans toward 2050

In line with its Zero Carbon Vision 2050 and Zero Carbon Roadmap, the Kansai Electric Power Group is discussing and reviewing its power source strategies and investment plans to help achieve a zero-carbon society by 2050.

Direction of power source transition

We will utilize each power source to stabilize electricity supply and keep track of technological and institutional trends to achieve zero carbon in all power sources, all from the perspective of simultaneously achieving zero CO₂ emissions and S+3E. Specific measures include turning renewable energy into the main power source, using nuclear power as much as possible, eliminating CO₂ emissions from thermal power generation, and making use of zero-carbon hydrogen.

Renewable energy

Focusing on offshore wind power generation with its great growth potential, the Kansai Electric Power Group will proactively develop forms of renewable energy by strengthening development and promotion systems in engineering and sales, for example.

Specifically, an investment of approximately 1 trillion yen will be made by 2040 for new development at a 5 GW scale and achievement of a 9 GW scale of cumulative capacity, with further development planned toward 2050.

Nuclear power

We will continue operating the seven nuclear reactors to accumulate expertise in safe, stable operation and discuss options to contribute to carbon neutrality by 2050, including replacement of nuclear power facilities in accordance with a timetable.

Thermal power generation

We will continue operating thermal power plants, a power source needed to expand introduction of renewable energy and stabilize electricity supplies, with zero-carbon fuels used and CCUS technology introduced for decarbonization.

Specifically, zero-carbon fuels will be studied for co-firing by around 2030 and exclusive firing by 2050 in line with the Zero Carbon Roadmap. We are investigating the introduction of CCUS around 2030 and the expansion of CO₂ capture by 2050 by retrofitting and/or replacing our existing power plants.

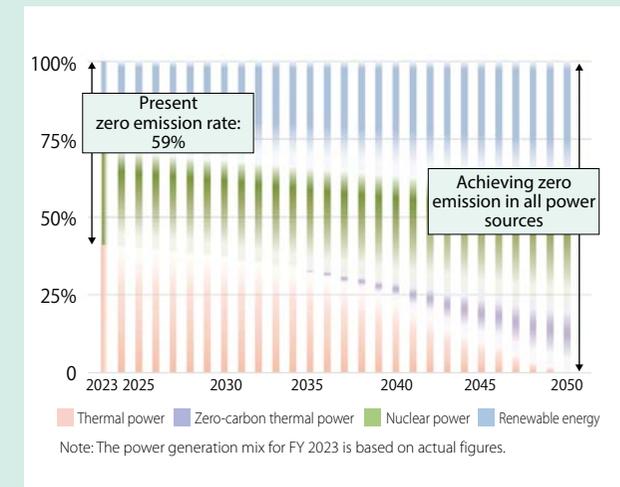
Nanko Power Station Units 1, 2, and 3 will be renovated for efficiency improvement and zero-carbon operation in the future.

In addition, we will invest in our thermal power plants, including those using coal as fuel sources, for decarbonization purposes or opt for shutdown or decommissioning, taking into account external factors such as government policy trends and carbon prices.

New coal-fired thermal plants, meanwhile, will not be constructed, as stipulated in the Zero Carbon Vision 2050.

Allocation of financial resources will be discussed company-wide and by the Zero Carbon Committee to implement these power source strategies.

The Company's future power generation mix



Environmental Initiatives (1. Climate Change) EX

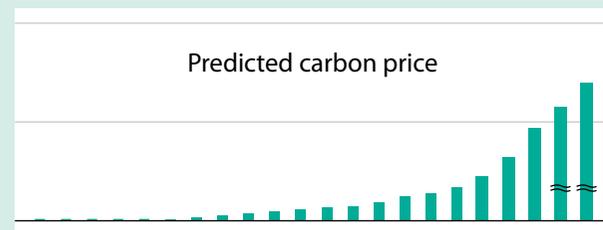


Investment evaluation

The GX Promotion Act stipulates that the government shall issue GX economy transition bonds to encourage up-front GX investments; fossil fuel taxes will be introduced in fiscal 2028 and paid auctions in fiscal 2033, through an emission trading scheme to secure funds for redemption. At the same time, CO₂ emission allowances will be partially allocated to power generators for remuneration, with specified business taxes imposed according to the amount allocated.

Taking into account the carbon pricing system to be introduced, we conduct capital investment evaluation from long-term perspectives, based on estimated revenues and costs associated with the system, and we assess profitability comprehensively by addressing climate change in mind. We also consider carbon prices in designing future power source mixes.

We will continue to keep track of trends in carbon pricing design and review carbon prices as needed to promote low-carbon investments.



GHG emission reduction plan

We are committed, by 2030, to reducing GHG emissions, including Scope 3 emissions, by 50% through maximum use of nuclear power generation with safety as the top priority and new development of renewable energy for expanded introduction. In the long-term toward 2050, we will study the reduction plan according to the following.

<Scope 1 and 2 emissions>

Scope 1 and 2 emissions will be reduced by 100% by increasing reduction efforts group-wide, specifically by achieving zero-carbon power generation and promoting decarbonization across our operations.

<Scope 3 emissions>

Retail electricity procurement will be improved. Regarding power

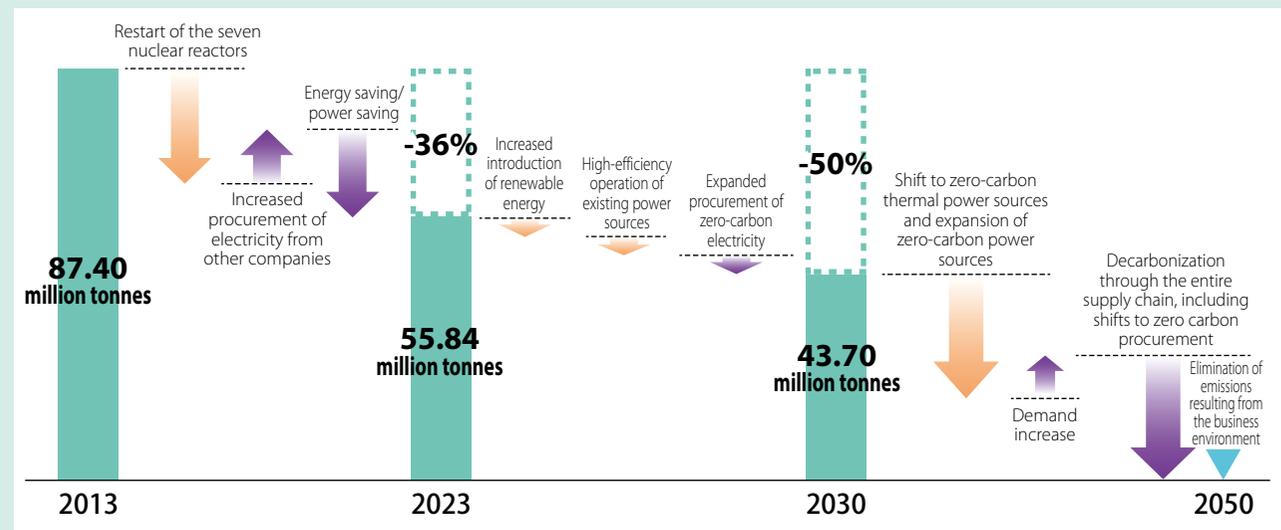
received from other companies, resulting emissions will be reduced through cooperation with contractors and expansion of zero-carbon electricity procurement in an effort to achieve zero carbon by 2050.

In addition, the emission factor for retail electricity will be reduced by, for example, utilizing non-fossil fuel certificates to remain at industry-leading levels.

We perceive Scope 3 emissions as a challenge because they include customers' emissions resulting from our gas business. Paying attention to the gas industry's decarbonization efforts, we will accelerate a switch from heavy oil, etc. to LNG and propose CO₂ offset in order to respond to the growing environmental needs of customers.

We aim to reduce emissions throughout the entire supply chain in these efforts to achieve our reduction targets.

Major efforts to achieve zero carbon in 2050 and the reduction pathway



Environmental Initiatives (1. Climate Change)



External outreach

The situation surrounding climate change risks is increasingly diversified and changing rapidly, exemplified by emerging geopolitical risks related to energy supply (due to the Russo-Ukrainian War, growing tension in the Middle East, etc.) and climate change measures that are gaining momentum worldwide due to the 1.5°C scenario. We will thus continue to collect information in advance through research at home and abroad, evaluating possible impacts on our business and communicating our views to achieve what we aspire to become.

We are also committed to reducing CO₂ emissions from customers and in society (Scope 4 emissions) by enhancing our efforts to promote electrification and provide solutions.

International business policy

The Kansai Electric Power Group Zero Carbon Vision 2050 stipulates that CO₂ emissions from domestic business activities be eliminated by 2050, which also applies to overseas business activities. Accordingly, our overseas energy business plans involve investment primarily in power transmission, as well as distribution that contributes to renewable IPPs, grid stabilization, and in resources such as hydrogen and storage batteries that contribute to zero carbon. In the meantime, investment in thermal IPPs will not involve development of new coal-fired thermal power plants. The other kinds of thermal plants, however, may be invested in if they contribute to energy transition and comply with host countries' decarbonization policies.

As for ongoing projects in which we have invested, we will cooperate with the parties concerned, taking their contributions to stabilizing electricity supplies in host countries and achieving nationally determined contribution (NDC) targets into account.

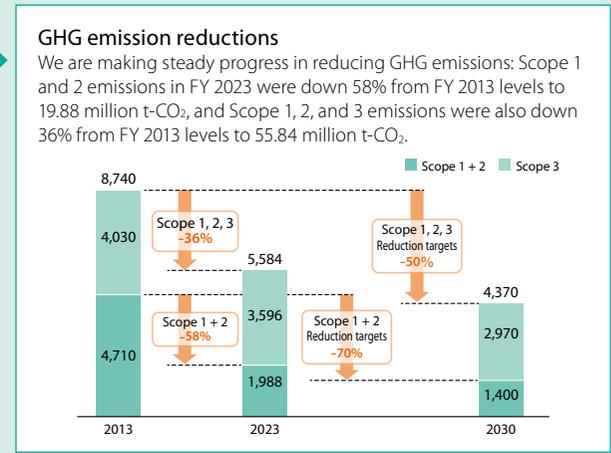
4. Metrics and targets

The Kansai Electric Power Group formulated its Zero Carbon Roadmap to achieve the Zero Carbon Vision 2050, with intermediate targets in place for fiscal 2030. We also set internal control indexes in fiscal 2023 for zero carbon initiatives to monitor progress toward these goals. In the meantime, the previous target, which aims to reduce fiscal 2025 power generation CO₂ emissions by half from levels in fiscal 2013, was achieved two years ahead of schedule primarily through the restart of our seven nuclear reactors. Therefore, we introduced more challenging GHG emission reduction targets in the new Zero Carbon Roadmap revised in April 2024.

The Group will continue to cooperate with all stakeholders to create a zero-carbon society toward the realization of the Zero Carbon Vision 2050.

		Targets	Results
GHG emissions*	Scope 1, 2 (compared to FY 2013)	55% reduction by FY 2025 70% reduction by FY 2030	58% reduction in FY 2023
	Scope 1, 2, 3 (compared to FY 2013)	50% reduction by FY 2030	36% reduction in FY 2023
Avoided emissions (Reduction of overall CO ₂ emissions in society)		Over 7 million tonnes by FY 2030	2.57 million tonnes in FY 2023
CO ₂ emission factor of electricity supplied to customers		Industry-leading levels	0.401 kg-CO ₂ /kWh in FY 2023
Other	New development of renewable energy domestically	5 GW by 2040	Approximately 0.52 GW as of the end of FY 2023 (including operation in the planning stage)
	Electrification rate of company-owned vehicles	100% by FY 2030	13% as of the end of FY 2023

*The Company, Kansai Transmission and Distribution, Inc., Kanden Energy Solution Co., Inc., Kanden Realty & Development Co., Ltd. and OPTAGE Inc. are included in the calculation.



Avoided emissions (Reduction of overall CO₂ emissions in society)

In addition to Scope 1, 2, and 3 emissions, which are specified in the GHG protocol, we are addressing Scope 4 emissions (avoided emissions) where we work on the previously set target of reducing CO₂ emissions from customers and in society by more than 7 million tonnes. FY 2023 emissions stand at 2.57 million tonnes. We will continue to accelerate our CO₂ emission reduction initiatives in cooperation with customers and society to achieve a series of reduction targets.

<CO₂ emission reduction initiatives>

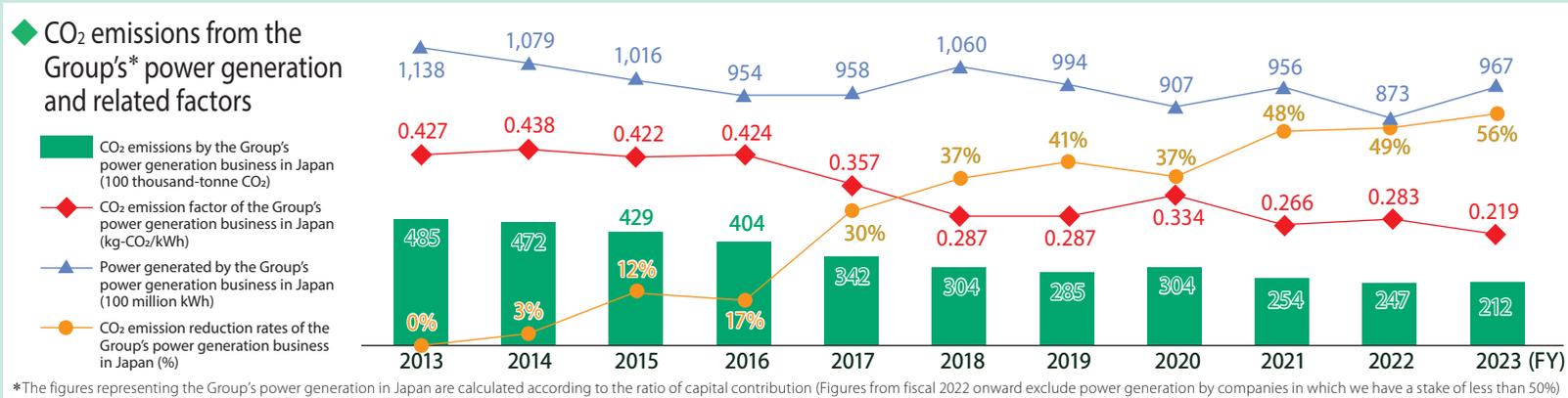
- Reducing the use of fossil fuels by promoting electrification
- Reducing CO₂ emission by providing zero carbon packages (Omaka-Save-Air, solar on-site services, etc.)
- Promoting offsetting through the CO₂-free electricity rate menu

Environmental Initiatives (1. Climate Change)



Recent performance

The Group's CO₂ emissions from its domestic power generation business amounted to 21.2 million tonnes in fiscal 2023. Emissions are down 56% from base-year (fiscal 2013) levels, with the 50% reduction target for fiscal 2025 achieved two years ahead of schedule. As a leading company in zero-carbon energy, we will continue to ensure safe, stable operation of our nuclear power plants, developing and introducing renewable energy.



Greenhouse gas (GHG) emissions*1	Unit	FY 2021	FY 2022	FY 2023
Direct greenhouse gas emissions (Scope 1)*2	10,000 t-CO ₂ eq	2,377.1	2,304.8	1,987.8
Indirect greenhouse gas emissions (Scope 2)*3	10,000 t-CO ₂ eq	0.5	1.5	0.4
Other indirect greenhouse gas emissions (Scope 3)*4	10,000 t-CO ₂ eq	1,924.2	3,522.6	3,596.2
Category 1 *5		248.5	296.8	192.8
Category 2 *6		104.9	129.1	127.2
Category 3 *7		1,147.6	2,646.0	2,766.5
Category 4 *8		0.0	0.0	2.2
Category 5 *9		1.1	1.0	0.9
Category 6 *10		0.2	0.3	0.3
Category 7 *11		0.6	0.7	0.7
Category 8 *15	10,000 t-CO ₂ eq	—	—	—
Category 9 *15		—	—	—
Category 10 *15		—	—	—
Category 11 *12		421.4	448.4	490.9
Category 12 *13		—	0.1	0.1
Category 13 *14		—	0.3	14.5
Category 14 *15		—	—	—
Category 15 *15		—	—	—

*1 The amount of greenhouse gases emitted in our entire supply chain is calculated in accordance with the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver. 2.6) issued by the Ministry of the Environment and the Ministry of Economy, Trade and Industry. Emission intensity is calculated based on the Emission Intensity Database for Calculation of Greenhouse Gas Emissions Throughout the Supply Chain (ver. 3.4). Those applicable include the Company and Kansai Transmission and Distribution, Inc. for FY 2021, with Kanden Energy Solution Co., Inc., Kanden Realty & Development Co., Ltd. and OPTAGE Inc. included for FY 2022 onward.

2 Direct GHG emissions (energy-derived CO₂, SF₆ and N₂O) reported by electric companies in line with the Act on Promotion of Global Warming Countermeasures along with CO₂ emissions from transportation fuel use, which are excluded from the reporting obligations. *Based on calendar year

*3 Of emissions that should be reported by electric operators in line with the Act on Promotion of Global Warming Countermeasures, indirect CO₂ emissions include emissions from electricity and heat purchased from other companies. Emission factors adjusted for each electric operator are used for electricity. The emission intensity of each supplier is used for heat from FY 2023.

*4 Indirect emissions not covered by Scope 1 or Scope 2 (emissions from other corporations related to the business activities of the company concerned)

5 $\sum \{ (\text{amount data for products or services purchased})^ \times (\text{emission intensity}) \}$
 *The amount of gas purchased for the gas business is included in Category 1 for FY 2021 and 2022 and readjusted with fuel and energy activities for FY 2023 for inclusion in Category 3. Nuclear power-related items (contributions to spent fuel reprocessing, etc.), however, are excluded from calculation as rational calculation is not possible without appropriate emission intensity available at present.

6 $\sum \{ (\text{capital expenditure})^ \times (\text{emission intensity}) \}$
 *Including intangible fixed assets (software)

7 $\sum \{ (\text{fuel and heat consumption}) \times (\text{emission intensity}) \}^ + \sum \{ (\text{electricity purchased from other companies}) \times (\text{emission intensity}) \}^* + \sum \{ (\text{electricity sold to other companies}) \times (\text{individual electric operator emission factor}) \}^* \}$
 *1: Gas purchased for the gas business is reclassified into Category 3 from FY 2023 as fuel and an energy activity. The emission intensity is based on IDEA (ver. 3.4).
 *2: CO₂ emissions from mining and transportation of electricity purchased from other companies
 *3: CO₂ emissions from production of electricity sold to other companies

*8 $\sum \{ (\text{fuel consumption by trucks, materials, and equipment}) \times (\text{emission intensity}) \}$ CO₂ emissions from sales of LNG transported by Kanden Energy Solution trucking is included from FY 2023, calculated according to: $\sum \{ (\text{haul distance}) \div (\text{gas mileage}) \times (\text{unit calorific value}) \times (\text{emission factor}) \times 44/12 \}$

9 CO₂ emissions from ① industrial waste disposal (landfill and recycling) and ② industrial waste transportation
 *According to the Act on Rationalizing Energy Use and Shifting to Non-fossil Energy, CO₂ emissions from transportation as a consignor / outsourced transportation. Those from self-transportation are categorized as Scope 1 emissions.

*10 $\sum \{ (\text{waste disposal amount, excluding valuable resources}) \times (\text{emission intensity by waste type and disposal method}) \} + \sum \{ (\text{fuel consumption}) \times (\text{emission intensity}) \}$

*11 $\sum \{ (\text{number of employees}) \times (\text{emission intensity}) \}$

*12 $\sum \{ (\text{number of employees}) \times (\text{number of operating days}) \times (\text{emission intensity}) \}$ Calculated by work pattern and city classification

*13 CO₂ emissions from ① gas sales, ② real estate sales and ③ communication services sales
 ① $\sum \{ (\text{total gas sales}) \times (\text{emission intensity}) \} + \sum \{ (\text{amount of real estate sold (number of residences or total floor area}) \times (\text{emission intensity}) \times (\text{remaining useful legal life}) \} + \sum \{ (\text{number of openings in the year concerned}) \times (\text{service life emission period}) \times (\text{electricity consumption per day of product use}) \times (\text{emission intensity}) \}$
 *13 CO₂ emissions from ① real estate sales and ② communication services sales
 ① $\sum \{ (\text{amount of real estate sales (m}^2\text{)}) \times (\text{emission intensity}) \} + \sum \{ (\text{product sales weight})^* \times (\text{emission intensity}) \}$
 *Products other than sold out products are not included in calculation

*14 $\sum \{ (\text{energy consumption}) \times (\text{emission intensity}) \}$
 Newly added companies for calculation included for FY 2022 are Kanden Realty & Development Co., Ltd. and OPTAGE Inc., with Kanden Energy Solution Co., Inc. also included for FY 2023.
 CO₂ emissions from leased real estate, information communication equipment, and energy-related facilities used by customers

*15 None applicable due to the nature of the business

Third Party Assurance
 Greenhouse gas emissions in FY 2023 with are assured by an independent third party, Deloitte Tohmatsu Sustainability Co., Ltd. in the Kansai Electric Power Group Integrated Report 2024

Environmental Initiatives (1. Climate Change)

Green bond issuance

We further promote initiatives presented in the Zero Carbon Vision 2050 by leveraging SDGs finance. As a leading company in zero-carbon energy, we are committed to working toward a more sustainable society.

FY 2023 results

Issuance number	Issuance date	Tenor	Issuance amount	Interest rate	Use of proceeds	Association with SDGs targets
The 556th bond	July 20, 2023	10 years	20 billion yen	0.900%	Development, construction, operation, and refurbishment of renewable energy projects (hydroelectric-, wind-, and solar-power); hydrogen-related R&D, demonstration and study; projects related to the promotion of energy creation and storage	
The 558th bond	September 7, 2023	10 years	20 billion yen	1.073%		

Allocation status of proceeds and environmental benefits

FY 2023 results

		The 556th bond		The 558th bond		
		Allocated amount	Environmental improvement effects/ Business outline	Allocated amount	Environmental improvement effects/ Business outline	
Supply side	Renewable energy	Hydroelectric power plants	12.7 billion yen	2,164,969 t-CO ₂ /y* ¹	13.9 billion yen	828,951 t-CO ₂ /y* ¹
		Wind power plants	0.02 billion yen	188 t-CO ₂ /y* ¹	3.6 billion yen	395 t-CO ₂ /y* ¹
		Solar power plants	6.1 billion yen	17,163 t-CO ₂ /y* ¹	0 billion yen	2,291 t-CO ₂ /y* ¹
	Hydrogen business	0.04 billion yen	Demonstration of hydrogen co-fired power generation, using gas turbine facilities installed at an existing thermal power plant, to develop technology for operation of hydrogen power generation.	0.04 billion yen	Feasibility study at the World Expo on facilities designed for hydrogen business	
Demand side	Renewable energy	1.0 billion yen	3,528 t-CO ₂ /y* ²	2.2 billion yen	7,815 t-CO ₂ /y* ²	
Total		19.9 billion yen (allocation completed)	2,185,848 t-CO ₂ /y	19.9 billion yen (allocation completed)	839,453 t-CO ₂ /y	
Refinance amount		15.9 billion yen	—	15.9 billion yen	—	

*1 Calculation method: total output in FY 2023 × CO₂ emission factor × (amount allocated ÷ project total amount)

*2 Calculation method: panel capacity × generation hours × CO₂ emission factor × (amount allocated ÷ project total amount)

The calculation formula was revised, with the underlined part added from FY 2023.

Transition bond issuance

The Kanden Green/Transition Finance Framework was developed in March 2024, followed by revision in June, to increase efforts to help create a zero-carbon society and to diversify fund raising channels.

We subsequently issued our first transition bonds in July 2024.

Results as of July 2024

Issuance number	Issuance date	Tenor	Issuance amount	Interest rate	Use of proceeds	Association with SDGs targets
The 569th bond	July 11, 2024	5 years	30 billion yen	0.888%	<ul style="list-style-type: none"> Nuclear power business Construction work to ensure safe operation in compliance with new regulatory standards (for restarting nuclear reactors), inspection and maintenance of equipment and facilities required for safe, stable operation, renewal of equipment to further improve safety, etc. Zero-carbon thermal power business Renewal of equipment to improve the efficiency of existing power plants, as well as study, R&D, and demonstrations to introduce zero-carbon fuels and CCUS technology 	
The 570th bond	July 11, 2024	10 years	15 billion yen	1.560%	<ul style="list-style-type: none"> Transmission and distribution business Renewal of aging transmission and distribution facilities, improvements in the resilience of existing transmission and distribution grids and shifts to their distributed counterparts, improvements in the operation of existing transmission and distribution grids, including options such as digitalization 	

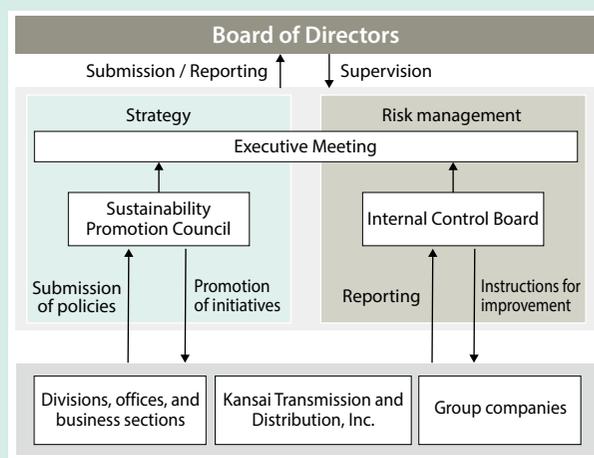
Environmental Initiatives (2. Biodiversity) EX



As the Kansai Electric Power Group's direct operation and value chains are closely intertwined with biodiversity and natural capital, it is increasingly important that we properly monitor, analyze, and evaluate our business impacts on them. We will therefore promote biodiversity and natural capital conservation initiatives to create a nature-positive society, specifically by improving information disclosure based on the framework designed by the TNFD*¹ (consisting of four pillars of disclosure: governance, risk and impact management, strategy, and metrics and targets).

1. Governance

A supervisory system is in place where issues related to biodiversity and natural capital are reviewed and discussed by the Sustainability Promotion Council and the Internal Control Board, with the results reported to the Board of Directors



2. Dealing with "risk and impact management" and "strategy"

Regarding risk and impact management, biodiversity risks are extracted as critical in our risk management system. For example, we identify the impacts of hydropower plant construction on biodiversity in order to design conservation measures based on the results of surveys on river systems, vegetation, raptorial birds, etc.

There is also a system to minimize impacts on biodiversity by complying with environmental regulations and agreements with municipalities.

Regarding strategy, we analyze potential risks and opportunities, taking into account our dependencies and impacts on nature.

*1 Taskforce on Nature-related Financial Disclosures: An international task force that properly evaluates risks and opportunities resulting from business activities that relate to natural capital and biodiversity.

3. Metrics and targets

<Metrics>

Metrics referring to core global disclosure metrics recommended by the TNFD are as follows.

Impact factors	Metrics	Measurement metrics	Unit	FY 2023 results	
Climate change	GHG emissions	Scope 1	10,000 t-CO ₂ eq	1987.8	
		Scope 2	10,000 t-CO ₂ eq	0.4	
		Scope 3	10,000 t-CO ₂ eq	3,596.2	
Land, fresh water and ocean use change	Total space footprint	Total surface area under organizational control		1,000 m ²	138,219
		Water discharge	Amount of water discharge		10,000 m ³
Pollution/pollution removal	Waste generation and disposal	Generation amount	Hazardous waste	1,000 t	17
			Non-hazardous waste	1,000 t	541
	Disposal amount	Hazardous waste	Landfill	1,000 t	0
			Recycling	1,000 t	16
		Non-hazardous waste	Landfill	1,000 t	6
			Recycling	1,000 t	535
Non-GHG air pollutants	Nitrogen oxides (NOx)		1,000 t	3,524	
	Sulfur oxides (SOx)		1,000 t	1,905	
Resource use/replenishment	Amount of high-risk natural resources	Coal	1,000 t	3,453	
		Heavy oil	MI	115	
		Crude oil	MI	46	
		LNG	1,000 t	3,801	

Note: Figures may not add up due to rounding off.

<Targets>

Our self-imposed nature-related targets are as follows.

Item	Targets	FY 2023 results
GHG emissions*	<ul style="list-style-type: none"> •Scope 1, 2 55% reduction in FY 2025 (compared to FY 2013) 70% reduction in FY 2030 (compared to FY 2013) •Scope 1, 2, 3 50% reduction in FY 2030 (compared to FY 2013) 	<ul style="list-style-type: none"> •Scope 1, 2 58% reduction •Scope 1, 2, 3 36% reduction
Waste generation and disposal	Maintaining industrial waste recycling rate: 99.5%	98.9%
Nitrogen oxides (NOx) Sulfur oxides (SOx)	Emissions: Complying with the standards as agreed for each power plant	No events exceeding agreed values

*The Company, Kansai Transmission and Distribution, Inc., Kanden Energy Solution Co., Inc., Kanden Realty & Development Co., Ltd. and OPTAGE Inc. are included in the calculation.

Environmental Initiatives (2. Biodiversity) EX



In line with the Kansai Electric Power Group Environmental Policy and as a responsible energy business that has been in close contact with the environment, we are aware of the significance of biodiversity and are thus working on biodiversity conservation.

Sustainable management of watershed protection forests

Pruning and thinning are performed every year in cooperation with local forestry cooperatives, etc. for conservation and management purposes at watershed protection forests*1 we own in Gifu Prefecture.

*1 Watershed protection forests are located upstream of rivers and water intake facilities, playing a crucial role in utilizing water resources.



Watershed protection forest

Protecting native species around Kurobe Dam

Ogizawa Station, the entrance to the Kurobe Dam, is equipped with floor mats designed to remove seeds from the soles of tourists' shoes as a means to control introduction of invasive species.

The removed seeds are collected with a vacuum cleaner and incinerated.



Seed-removal floor mat

Installing fish passages

Some hydropower plants are equipped with fish passages for anadromous fish, a means to operate in symbiosis with nature.

A stepwise structure is put in place to control the flow rate and amount of water for the benefit of fish.



Fish passage installation

Monitoring of the habitats and lives of flora and fauna at locations around the power plant

In fiscal 2022 and 2023, we surveyed the area surrounding the hydropower plant located along the Kiso River system in Nagano Prefecture to better understand potential contributions to conservation of biodiversity. We will continue our survey on such areas this year and beyond.



Survey status

Providing biotopes

Biotopes are located in the Okutataragi Pumped Storage Power Station to provide habitats for insects and amphibians.

Plants and animals, including forest green tree frogs*2, have been found to inhabit areas around the biotopes.

*2 Forest green tree frogs: Increasingly endangered species specified in the 2017 Hyogo Prefecture Red List



Biotope

Protecting oriental white storks

In Toyooka City, Hyogo Prefecture, oriental white storks, which are designated a Special Natural Treasure in Japan, sometimes make their nests on utility poles and steel towers.

Kansai Transmission and Distribution, Inc. patrols carefully, removing nests as quickly possible and conducting measures to discourage them from coming near utility poles in cooperation with the local governments. In these ways, we are both protecting the storks and maintaining the safety and stability of the power supply.

White stork couple building their nest on top of an electric pole



Environmental Initiatives (2. Biodiversity) EX



The following is an example of how the power generation business is evaluated regarding its dependencies and impacts on nature, key to understanding risks and opportunities regarding biodiversity and natural capital.

<Reference> Evaluation example of our power generation business' dependencies and impacts on nature

Hydropower generation, thermal power generation, and nuclear power generation are selected for their large installed capacity.

1. The tool used

ENCORE*¹ was used, a universal tool recommended by the TNFD for evaluation of the dependencies and impacts of business processes on nature. Reference 1 and Reference 2 show the results of the ENCORE evaluation of the electric power company sector*².

2. Evaluation concept

Referring to ENCORE, we evaluated our dependencies and impacts on nature, each on a scale of 1 to 5, taking into account how our power plants are equipped and operated.

The following shows the evaluation concept.

- As coal-fired thermal power and nuclear power generation primarily use seawater for cooling and power generation, their dependencies on river water for water supply and flow adjustment are considered low.
- As all types of power generation plants are being operated in compliance with environmental regulations and agreements with municipalities, their impacts on nature are considered low in all items excluding climate change and water use.
- The CO₂ emission intensity for thermal power generation increases in the order of coal, oil, and LNG, while CO₂ emissions decrease in proportion to reductions in the amount of power produced. The impacts of coal-fired thermal power generation on GHG emissions are thus considered extremely high, and the impacts of LNG and petroleum fired thermal power generation are considered to be high.

3. Evaluation results

The dependencies and impacts of our operation on nature are as follows.

[Legends] Very High VH High H Medium M Low L Very Low VL

① Dependencies on nature

By business activity	Dependencies											
	Provisioning services		Regulating and maintenance services									
	Water supply	Water flow regulation	Solid waste remediation	Soil and sediment retention	Water purification	Dilution by atmosphere and ecosystems	Air filtration	Flood control	Global climate regulation	Local (micro and meso) climate regulation	Noise attenuation	Storm mitigation
Hydropower generation	VH	VH	L	M	L	VL	VL	VH	M	L	VL	M
Thermal power generation (coal)	VL	VL	L	L	L	VL	VL	VL	L	L	VL	L
Thermal power generation (LNG)	H	H	L	L	L	VL	VL	L	M	L	VL	L
Thermal power generation (oil)	H	H	L	L	L	VL	VL	L	L	L	VL	L
Nuclear power generation	L	L	L	L	L	VL	VL	VL	L	L	VL	L

Reference 1: Dependencies on nature, based on ENCORE

By business activity	Dependencies											
	Provisioning services		Regulating and maintenance services									
	Water supply	Water flow regulation	Solid waste remediation	Soil and sediment retention	Water purification	Dilution by atmosphere and ecosystems	Air filtration	Flood control	Global climate regulation	Local (micro and meso) climate regulation	Noise attenuation	Storm mitigation
Hydropower generation	VH	VH	L	VL	L			VH	M	L		M
Thermal power generation	H	H	M	M	M		VL	M	M	L	VL	L
Nuclear power generation	H	H	L	H	M	VL	VL	M	VL	L	VL	L

*1 Exploring Nature Capital Opportunities, Risks and Exposure: Evaluation tool based on global data to help understand the relation between the dependencies and impacts of business processes on nature

*2 With reference to TNFD sector-specific guidance (Electric utilities and power generators version 1.0)

② Impacts on nature

By business activity	Impacts							
	Land/freshwater-use change		Climate change	Resource exploitation	Pollution/pollution removal			
	Area of land use	Area of freshwater use	GHG emissions	Volume of water use	Emissions of non-GHG air pollutants	Emissions of toxic solid and water pollutants	Generation and release of solid waste	Disturbances
Hydropower generation	L	L	VL	L	VL	VL	L	L
Thermal power generation (coal)	L	VL	VH	L	L	L	L	L
Thermal power generation (LNG)	L	L	H	M	L	L	L	L
Thermal power generation (oil)	L	L	H	M	L	L	L	L
Nuclear power generation	L	L	VL	L	L	L	L	L

Reference 2: Impacts on nature, based on ENCORE

By business activity	Impacts							
	Land/freshwater-use change		Climate change	Resource exploitation	Pollution/pollution removal			
	Area of land use	Area of freshwater use	GHG emissions	Volume of water use	Emissions of non-GHG air pollutants	Emissions of toxic solid and water pollutants	Generation and release of solid waste	Disturbances
Hydropower generation	M	H	L	L			L	H
Thermal power generation	M	M	VH	M	VH	VH	H	VH
Nuclear power generation	M	M	VL	M	L	M	H	M

Environmental Initiatives EX

Message from the Executive in Charge of Energy Business



Hiroshi Ogawa

Director
Representative Executive Officer,
Vice President

Initiatives toward zero carbon and conserving biodiversity

We believe that we have an extremely significant role to play in bringing about a zero-carbon society, such as by reducing emissions from our power generation business. In April 2024, we revised our Zero Carbon Roadmap and set ourselves new, very challenging targets of reducing our greenhouse gas emissions by fiscal 2030 compared to fiscal 2013: reducing Scope 1 and 2 emissions (those produced by our own business activities) by 70% and Scope 1, 2 and 3 emissions (including those from the entire supply chain) by 50%. To achieve these, with safe and stable operations as a basic premise, we will maximize our promotion of a number of initiatives, including continuing operation of our seven nuclear reactors and making these operations more advanced to improve their utilization rates, promoting corporate PPAs for diverse renewable energy sources, updating Nanko Power Station to introduce high-efficiency combined-cycle equipment, and renewing equipment at Okutataragi Pumped Storage Power Station.

Furthermore, we will proactively take on challenge with various initiatives toward zero carbon status, with the aim of achieving zero CO₂ emissions by 2050, such as by strengthening our system to further accelerate the new development of renewable energy with a focus on offshore wind power, gathering technical expertise and conducting studies into new installation, expansion and replacement of nuclear power facilities, working on zero-carbon thermal fuels, running demonstrations toward CCUS, and constructing supply chains for hydrogen and ammonia.

In our business, we come into contact with nature in both our direct operations and in every stage of our value chain, and while we benefit from the blessings of natural capital and ecosystems in many ways, we also have an impact on these. We are conscious of the vital

importance of biodiversity, something that is closely linked to our business, and as such we carry out environmental assessments when constructing power stations, and work to minimize impact on flora and fauna, and on overall ecosystems. At the same time, we are working on biodiversity measures that take regional characteristics into account, such as our sustainable management of watershed protection forests or our protection of species native to the area around our Kurobe Dam.

With regard to these and other environmental initiatives, to respond to the growing interest among all stakeholders about sustainable management, we are working to enhance our scenario analysis and information disclosure based on the recommendations of the TCFD by adding a 4°C scenario and adding transition plans to take us to 2050 (detailing our power source transition direction, GHG reductions), etc. Additionally, this time, we have started referencing the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) in organizing the Group's efforts and information disclosure.

As a responsible energy provider, we believe we have an important mission as a Group to secure stable power supplies and economic efficiency, and simultaneously various tackle environmental issues, including addressing the problem of climate change, promoting resource recycling, and running activities to conserve the natural environment. Furthermore, we believe that these initiatives tie in to our growth as a company and new business opportunities. We will continue to take on board everyone's feedback as we strive to enhance the content of our disclosure. By retaining a sense of mission about simultaneously achieving S+3E as we go about our business, we will devote ourselves to gaining the trust of all our stakeholders.

Working to achieve S+3E

In our business, we recognize the prime importance of simultaneously achieving the constituent parts of the S+3E concept (safety, energy security which includes supply stability, economic efficiency, and the environment). Of those, for the environment, companies face growing responsibility to address issues such as the need to combat global warming or help conserve biodiversity, seen in Japan's 2050 Carbon Neutral Declaration and its formulation of the National Biodiversity Strategy and Action Plan 2023–2030. As a company that is closely tied to the environment, we wish to make an active contribution to building a more sustainable society. To this end, we are working to respond to climate change, promote resource recycling, and conserve the natural environment. By working to tackle various environmental issues like these, we will steadily work to reduce the environmental impact and risks that come with our business activities, while still pursuing stable power supplies and economic efficiency.

VX Value Transformation

Transforming into a Service Provider

FY 2021–2023 (results)

The data center, distributed service platform, and other businesses that could become future revenue sources were created.

Investment results

Cumulative total: 69 billion yen

FY 2025 (targets)

Investment

120 billion yen (Cumulative total for FY 2021–2025)

Three Key Initiatives *KX: Kanden Transformation*

Transforming into a Service Provider **VX**

In areas around existing businesses as well as where they overlap, we will offer new value to customers by advancing our initiatives in the remaining two years of the Medium-term Management Plan (2021–2025), to achieve the following.

Energy	Distributed Services	<ul style="list-style-type: none"> ● VPP, grid scale battery, and renewable energy aggregation businesses based on a distributed service platform (E-Flow LLC)
	Zero Carbon Solutions	<ul style="list-style-type: none"> ● Reduction of CO₂ emissions by customers nationwide through provision of zero carbon solutions, a combination of decarbonized power sources (EX) ● Packaged services centered on EV charging and energy management systems in the mobility business
	Information Communication / Real Estate	<ul style="list-style-type: none"> ● Hyperscale data center business targeting mega cloud operators ● Connectivity data center business with excellent connectivity to the cloud and internet ● Providing zero carbon solutions, such as smart eco towns and green data centers
	New Services	<ul style="list-style-type: none"> ● Opening up new business areas not limited to existing energy business areas

Transforming into a Service Provider VX

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.

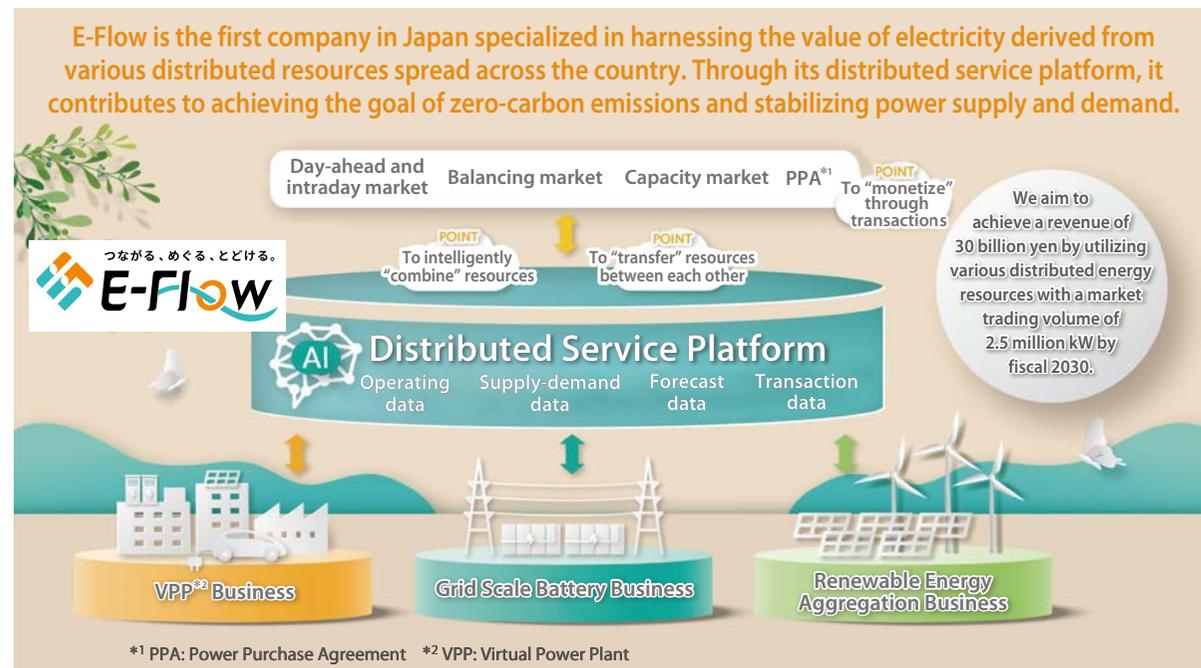
While customers and society have increasingly different needs in accordance with mounting social issues including zero carbon, we are committed to addressing the needs and problems of customers and society and continuing to create new value that exceeds customers' expectations in areas that are peripheral to or overlap with existing businesses, so they will continue to select the Kansai Electric Power Group.

Distributed Services

VPP, grid scale battery, and renewable energy aggregation businesses based on the distributed service platform

E-Flow LLC, which specializes in operation of distributed energy resources (DERs), was established in April 2023 to leverage the experience and expertise derived from our Virtual Power Plant (VPP) business.

Taking over the VPP business of the Kansai Electric Power Company, E-Flow is committed to optimizing operation of customers' DERs and maximizing their electric values through its VPP, grid scale battery, and renewable energy aggregation businesses, which are expected to grow as we transition to a zero-carbon society.



Transforming into a Service Provider VX

In the VPP business, we will extract the value of electricity by bundling existing resources (customer production and power generation facilities, etc.) and making them work like a single power plant through power regulating operation, to alleviate issues related to tight electricity supply and demand and to accommodate fluctuations in renewable energy output.

Taking into account the characteristics of individual storage batteries (capacity, degradation risks, etc.), the grid scale battery business makes optimal use of large-scale storage batteries to improve the profitability of storage batteries, contributing to stabilizing electricity supplies and further promoting renewable energy.

As for renewable energy resources such as non-FIT solar power generation, services provided in the renewable energy aggregation business include precisely predicting renewable energy output, which is susceptible to weather conditions, and providing maximum non-fossil value.

E-Flow also offers services based on the distributed service platform "K-VIPs+," which is equipped with an optimized operation AI incorporating cumulative operational expertise and market transaction data to improve its earnings. This system has been in operation since the second half of fiscal 2023 in the renewable energy aggregation business and in the grid scale battery business since fiscal 2024, and the scope of operation is to be expanded to EVs, hydrogen production equipment, and other resources.

Multi-use of DER

• In response to multiple power markets launching in 2024



Latest regulatory knowledge

• Various regulatory information related to power transactions
• Flexible adaptation to regulatory changes



Achievements in VPP business

• Know-how in DER operation
• Rich operational performance data
• Insights and cutting-edge technologies obtained through demonstration projects

Power control and market integration system development technology

• Bidding plan creation using AI
• Reliable DER control
• Robust security design

Participating in a grid scale battery asset business

Utilizing national government subsidiaries, we have a stake in one of the largest storage stations in Japan (48 MW / 113 MWh), and in preparation for the start of its operation, a storage station is currently under construction in Kinokawa City, Wakayama Prefecture. E-Flow will be in charge of its operation. Through this business, we will contribute to stabilizing electricity supply and demand and further introducing renewable energy.



Rendering of the planned storage station

Zero Carbon Solutions

Services for residential customers

The Subscription Plan solution

In addition to electric charging plans tailor-made to suit customers' lifestyles, we also offer a variety of services to help customers live comfortably, conveniently, and cost-efficiently. These include a subscription plan (Hapi e Set, Hapi e Set Solareji, and Hapi e Set Storage) for promotion of electrification toward zero carbon, which combines electricity charges to a specified amount and leasing fees for housing equipment.

Hapi e Set

The Hapi e Set is an electrification subscription plan comprising electricity charges up to a specified amount and leasing fees for electric appliances (electric hot-water supply system EcoCute), where customers are free to choose an electric charging plan and electric appliances according to their lifestyle needs. It is a 10-year, monthly, all-inclusive fixed-rate plan for electrification that ensures a safe, comfortable, and convenient lifestyle.

Hapi e Set Solareji

The Hapi e Set Solareji, a packaged plan comprising electricity charges up to a specified amount and leasing fees for solar power generation equipment, is designed to provide a secure and comfortable lifestyle for newly built residences at affordable fixed rates.

Hapi e Set Storage

This is a packaged plan comprising electricity charges up to a specified amount and leasing fees for storage battery equipment.

Storage batteries in combination with solar power generation equipment enable effective and economical use of renewable energy from solar power generation, reducing electricity purchase and improving resilience of housing in the event of power outages caused by disasters.

Services for corporate customers

The Zero Carbon Package solution

While we are committed to working together with customers and communities to realize decarbonization and carbon neutrality, we offer solutions (Zero Carbon Package) made specifically to meet their needs. These range from consulting and planning services for CO₂ emission reduction to support for implementing specific measures.

Transforming into a Service Provider VX

The Zero Carbon Package provides solutions for each stage of CO₂ emission reduction: ① “visualization” of energy, ② “production” of energy, ③ “conservation” of energy, and ④ “switching” energy.

As for the ① “visualization” of energy, we collaborate with Zeroboard Inc. in providing the cloud service “zeroboard,” which calculates and visualizes CO₂ emissions based on international GHG protocol; CO₂ emissions originating from customers’ operations are visualized and analyzed to develop the best possible reduction solution. In addition, we will help customers calculate and visualize CO₂ emissions originating from their supply chains, products, and services.

On-site solar power generation services are also available for the ② “production” of energy. Customers have on-site solar power generation equipment installed by the group company Kanden Energy Solution Co., Inc. (hereinafter, “Kenes”) and use the electricity generated, with the bill charged according to the amount they use. Many customers opt for these services as they are very convenient.

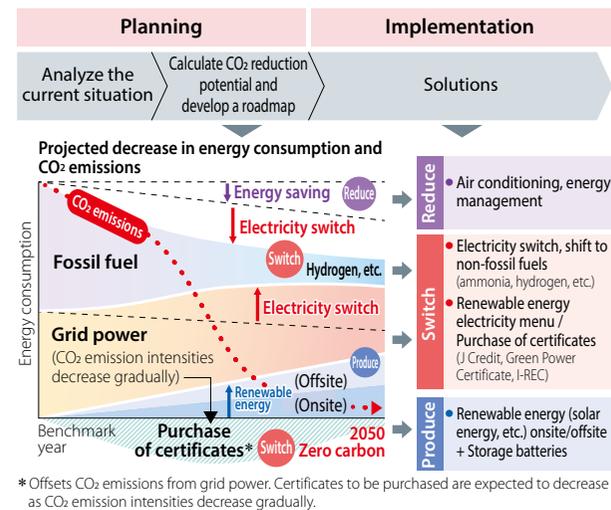
SenaSon (Smart energy aggregate Solution), an AI-based system optimizing operations of distributed energy resources, made its debut in April 2023 for the ③ “conservation” of energy. It is designed to control energy resources such as solar power equipment, storage batteries, EVs, air-conditioning units, and production facilities*1.

For ④ “switching” energy, Kenes’ utility services implement electricity switching at fossil fuel facilities. They take care of design, financing, and construction of facilities involving electricity switching, providing follow-up services spanning from tuning to operation and maintenance. Additional plans for offsetting CO₂ emissions through CO₂-free electricity are also available for electricity used in facilities that have completed the transition to electricity. The renewable energy

certificate “I-REC,” which is valid in more than 50 countries (primarily Asian countries), moreover, is obtained for overseas customers while the value of renewable energy electricity is provided. In addition to these services, the Zero Carbon Package provides various solutions that meet customers’ needs. It is available nationwide, not just limited to the Kansai area, and has been utilized by many customers.

*1 Solar power generation equipment and storage batteries are subject to control as of the end of April 2023, and EVs and air-conditioning units to be added by the end of fiscal 2024. More equipment will be added in the near future.

Zero Carbon Package

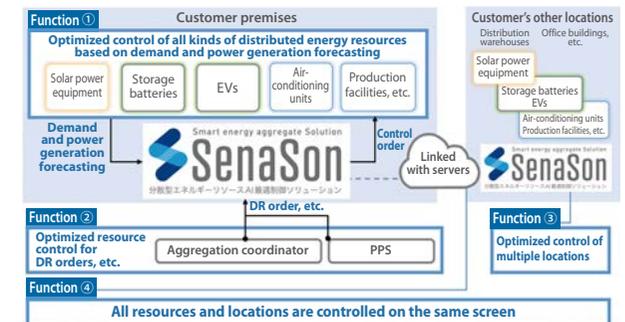


Providing SenaSon

SenaSon, which was released in April 2023, controls all kinds of distributed energy resources in real-time, thereby helping customers reduce CO₂ emissions and save energy.

Compatible with the DR*2 order, it also reduces constraints in power systems caused by increased introduction of renewable energy, contributing to realize a decarbonized society.

*2 Demand Response: Energy resources are controlled to strike a balance between supply and demand of electricity, with demand patterns adjusted accordingly.



Specific initiatives abroad

As a demand side initiative abroad, we started surveying energy management in Japanese companies’ plants in Thailand around 2016.

While companies are stepping up efforts to address environmental issues to achieve carbon neutral by 2050, there have been a growing number of customers who want to save energy, to reduce costs, and reduce CO₂ emissions, but do not have the systems required or cannot afford to implement them on their own. Some of them do not even know where to start with energy management at their overseas plants.

Transforming into a Service Provider



We, therefore, established Kansai Energy Solutions (Thailand) Co., Ltd. (K-EST) in Bangkok in August 2018 and Kansai Energy Solutions (Vietnam) Co., Ltd. (K-ESV) in Ho Chi Minh in December 2021 to provide solutions primarily to Japanese customers operating in these countries. Through our PPA business, which includes solar power generation, co-generation systems, and high-efficiency chillers, we provide solutions to these Japanese customers that help them save energy, reduce costs, and reduce CO₂ emissions.



Rendering of solar panels to be installed at Sumitomo Rubber (Thailand)

Services for issues faced by customers in the community sector (local communities)

We are developing new solutions, taking into account the issues and needs of customers and local communities, while working on sustainable, attractive urban development through our community business, which coordinates and provides company attraction programs (for vitalizing the Kansai economy and realizing a digitalized society) and the Group's wide-ranging proprietary solutions.

Providing area management support services and “last one mile transport” services in Smart Eco Town Hoshida

In the Smart Eco Town Hoshida, which is being developed by Kanden Realty & Development, we support proactive efforts in the community to enhance the value of the area by providing town security maintenance, car-sharing, and other services, all designed to facilitate community development and management.

For the purpose of improving convenience in the area, the new community delivery service “Linkuru-san” has started.

Through these services, we are committed to solving challenges faced in local communities.

Leveraging “human flow data” and reviewing “last one mile mobility” services

In Kobe Sannomiya, which is undergoing redevelopment, we are working to support evaluation of the effects of the redevelopment, helping change pedestrian behavior, and working to create a lively atmosphere using data acquired via human flow sensors. Since 2022, we have been working with

Kobe City and Gekidan iino on demonstration projects for new types of mobility step by step that coexist with pedestrians with the aim of improving urban circulation, and in May 2024 we conducted a demonstration project for new automated mobility along the Kobe Sannomiya Center Gai Shopping Street.

In Oya, Utsunomiya City, Tochigi Prefecture, with its variety of tourist facilities, we are working with Utsunomiya City and local businesses to demonstrate different mobility-based excursion measures to ease traffic congestion and improve local travel experiences in the area.

Realizing a digitalized society and energizing the Kansai economy by attracting data centers

While the increasingly digitalized society is resulting in an exponential increase in the amount of data, there has been a construction boom for data centers, where telecommunication equipment operates 24 hours a day, 365 days a year, consuming a massive amount of electricity.

To meet these social changes and needs, we will contribute to the realization of a digitalized society and revitalization of the Kansai economy by supporting data center operators' siting for their new data centers and converting to green data centers through zero carbon and many other solutions in the Group.

Services for customers in the transportation sector Supporting electrification of business fleets

To help customers electrify their business fleets and, by extension, reduce CO₂ emissions in the transportation sector, we provide EVs, chargers, and other necessary facilities along with energy management systems that optimize charging as EV package services called Kanmobi Package nationwide.

Transforming into a Service Provider

Supporting the switch to EVs



Let us provide the support needed to switch to EV buses!

Vehicle		Proposal for a vehicle that meets customer needs
Charger Charger/discharger		Selection of appropriate output and number of units according to the number of vehicles installed and travel distance
EV charge/discharge management service (Energy management)		Optimal control of charge/discharge amounts according to use and peak electricity demand period
Power source facilities		Facilities for receiving electricity from the grid (No need for renewal if current facilities can handle this)

With the Kanmobi Package service helping customers electrify their business fleets, we provide solutions for challenges such as selection of vehicles, installation of charging and power source facilities, pre-installation simulation, support for subsidy application, operation of fleets, and solutions for decarbonization.

Entering into the EV charging service business

In April 2024, Kanmobi Charge, an EV charging service, was launched with EV chargers installed in public areas. We provide charging infrastructure at commercial facilities, electronics retailers, home improvement stores, and other retail outlets nationwide, as well as a system with reservation, time-of-day rate setting, and other functions. EV customers can select charging locations, charging times, and charging fees through a dedicated application on their smartphones.

By expanding highly convenient EV charging services, we will contribute to the further spread of EVs.

Initiatives for mobility at Expo 2025 Osaka, Kansai

The Company will participate as one of sponsors in the Future Society Showcase Project Exhibition at Expo 2025 Osaka, Kansai. The project was adopted in July 2022 to demonstrate research and development supported by the Green Innovation Fund*¹, where 100 electric buses will be jointly operated with Osaka Metro Co., Ltd. and other companies inside and outside the venue. Newly developed technology will be demonstrated, including linking fleet management system (FMS) and energy management system (EMS), autopilot functions, and dynamic wireless power transfer (DWPT).

Research and development (project overview)

Energy Management System (EMS) coupled with Fleet Management System (FMS) FMS × EMS	
Leveraging FMS → Electric bus operation management	Leveraging FMS
Leveraging EMS → Electric bus charge control, supply-demand management at business locations, renewable energy utilization	
Leveraging EMS	Leveraging EMS
Introduction of advanced technology	
Leveraging DWPT → DWPT system embedded in the road charges electric buses while traveling	Leveraging DWPT

2025: Participating in Expo 2025→2025 and beyond: Demonstration by city buses

In addition, we will install and operate*² the charging facilities for “flying cars” or eVTOLs (electric Vertical Take-Off and Landing aircrafts) at the vertiport in the venue. We will continue to work on these future-oriented initiatives and promote electrification in the mobility sector to help realize a zero-carbon society.

- *1 Green Innovation Fund Project—Smart Mobility Society Construction, offered by the New Energy and Industrial Technology Development Organization (NEDO)
- *2 Supporting operation of ORIX Corporation’s flying car vertiports in the Expo 2025 venue

Expanding life-related services

We offer services such as the dispatch of support personnel to customers experiencing problems in their housing and the operation of the Kanden Kurashi Mall, an internet mall with businesses, which helps problem solving for customers in real estate and housing, insurance, housekeeping support, and healthcare and learning. These are all designed to help customers live more fulfilling lives, with solutions available that are specifically made tailored to customers’ needs and lifestyles.

As an energy company, we are committed to improving these services for customer satisfaction.



Transforming into a Service Provider VX

Information Communication / Real Estate

The data center business is an area where the Group's four core businesses overlap one another. Harnessing our strengths and synergies, we will create value significant for the advancement of digital society.

Hyperscale data center business

We established CyrusOne KEP, Inc., a 50-50 joint venture with the US data center developer and operator, CyrusOne, in May 2023. CyrusOne KEP, Inc. will develop and operate hyperscale data centers (HSDCs)*1, with investments of more than one trillion yen over the next 10 years or so, aiming for total incoming capacity*2 of 900 MW.

Utilizing both companies' strengths: the Kansai Electric Power Group, which has developed its variety of businesses such as energy, real estate, information and telecommunications, and CyrusOne, which has accumulated advanced expertise in sales, design, development, and operation of HSDC business, this venture company will provide cloud service providers with the world's highest quality digital infrastructure services, facilitating improvement in social and digital infrastructures.

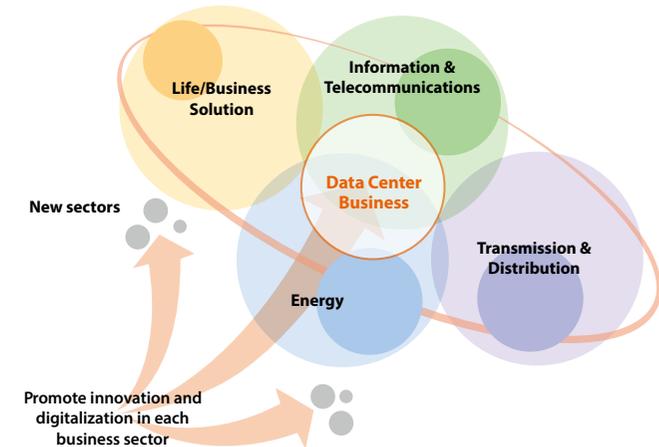
CyrusOne KEP, Inc. plans firstly to develop its business in the Tokyo metropolitan area and the Kansai area; its project site has been secured in the Kansai area and been prepared for construction.

*1: Extremely large data centers that are designed for mega cloud service providers to process a massive amount of data

*2: Indicator that represents the data center capacity (Amount of electricity supplied to the entire building)



Establishment of CyrusOne KEP, Inc.



Leveraging the two companies' strengths



Competitive strengths

- Sales capabilities targeting mega cloud service providers
- Expertise in design and construction of data centers that meet the needs of customers
- Proven track records in advanced operation, etc.



Competitive strengths

- Expertise in electricity supply
- Acquisition, development, and management of real estate
- Expertise in data center operation
- Optical fiber network spanning the Kansai area, etc.



Transforming into a Service Provider



New Services

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

Gekidan iino operates mobility service business through “iino,” a 5 km/h autonomous driving mobility created based on ideas from its employees. Autonomous driving allows riders even greater physical freedom than walking, offering the mobile experience of enjoying content specifically for that situation. The aim is to realize an unprecedented level of transportation combined with value other than convenience, thereby contributing to making the places you are moving through more entertaining.



New autonomous driving mobility “type-S712” verification on Midosuji Avenue, Osaka in November 2023

TRAPOL Godo Kaisha

Established in October 2019 through the Kanden Entrepreneurship Challenge System. This company 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 the Vital Platform that amplifies the energy of people who enthusiastically seize the day through travel.

The operator of TRAPOL, a matching platform that connects travelers and local residents (local friends), contributes to solving regional issues by developing content that emphasizes the positive qualities of “people” in a region, thereby increasing the number of people involved.



BX Business Transformation

Human Capital Strategy

DX Strategy

Promoting Innovation

Promoting Cost Structure Reform (VA)

FY 2021–2023 (results)

Steady progress was made in cost structure reform / value analysis (VA), innovation promotion, DX promotion, human capital improvement, and other areas.

Cost reduction achieved 87 billion yen for FY 2023 alone

FY 2025 (targets)

Cost reduction 90 billion yen (Single-year amount for FY 2025)

Three Key Initiatives *KX: Kanden Transformation*

Building a Robust Corporate Constitution **BX**

To build a stronger management base and increase competitiveness, we have identified initiatives to work on in the remaining two years of the Medium-term Management Plan (2021–2025) from the perspectives of “people,” “systems,” and “finance.”

We continue with the DX promotion and cost structure reforms, and step up efforts in “people” and “systems.”

1. People

Reinforcement of human capital base

2. Systems

Reforming the way we work

3. Finance

Strengthening financial standing

- Securement of diverse human capital and establishment of an organization where each individual can play an active role
- Defining each individual's mission
- Support for learning and relearning
- Redesign of work duties from scratch
- Providing opportunities for employees to take on challenges
- Improving innovation activities
- Supporting the maintenance and enhancement of physical and mental health
- Development of a rewarding work environment
- DX promotion
- Cost structure reforms
- Ensuring adequacy of equity capital

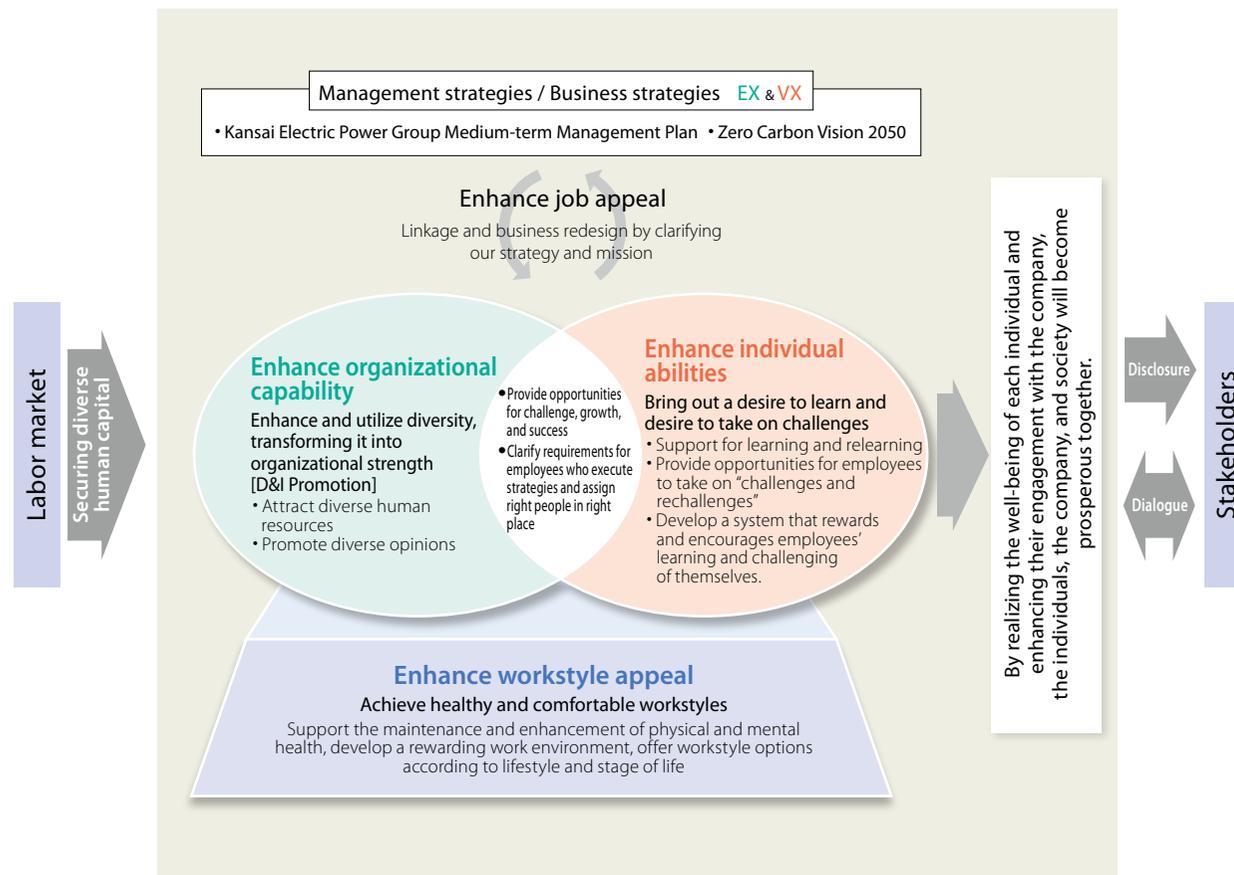
Stepping up efforts in “people” and “systems”

Human Capital Strategy **BX**

General picture of “reinforcement of human capital base”

General picture of our human capital strategy based on the direction of BX

- The following diagram shows the general picture of the reinforcement of our human capital base in the BX initiatives to strengthen our management foundation, as set forth in the Kansai Electric Power Group Medium-term Management Plan (2021–2025).



Enhance job appeal

We will enhance job appeal at our Company by enabling employees to focus on work that leads to the creation of new value and high value-added work.

We specifically aim to link management and business strategies with the Three Enhancements listed below, by motivating employees to work by defining each individual’s mission through dialogue in each department and workplace, as well as by clarifying the organizational and individual capabilities required to achieve the mission. In addition, by redesigning work duties from scratch in reference to each person’s mission, we will create an environment that allows us to focus on work that is truly valuable.

Enhance individual abilities

For the Kansai Electric Power Group to cope with the changing business environment and achieve sustainable growth according to its management philosophy, individual abilities must be enhanced. We will proceed with a variety of initiatives to bring out employees’ desire to learn and take on challenges.

Specifically, the Kansai Electric Power Group Academy will support learning and relearning by renewing its learning platform and developing an environment where employees can study whenever they want, allowing every employee to improve their own abilities with a willingness to grow and take on challenges, with the aim of making the Kanden Transformation happen.

Moreover, we will provide opportunities for taking on “challenges and rechallenges” by expanding our in-house application system, external secondment, and sideline dispatch, and develop a system to praise and reward employees who are learning and taking on challenges by recognizing and rewarding not only the results of challenges, but also their act of taking on challenges.

Human Capital Strategy **BX**

Enhance organizational capability

We will promote various initiatives to transform the diversity of our human capital into organizational strength by respecting, accepting, and utilizing the differences of each individual and turning diverse values and ideas into organizational strength (D&I promotion).

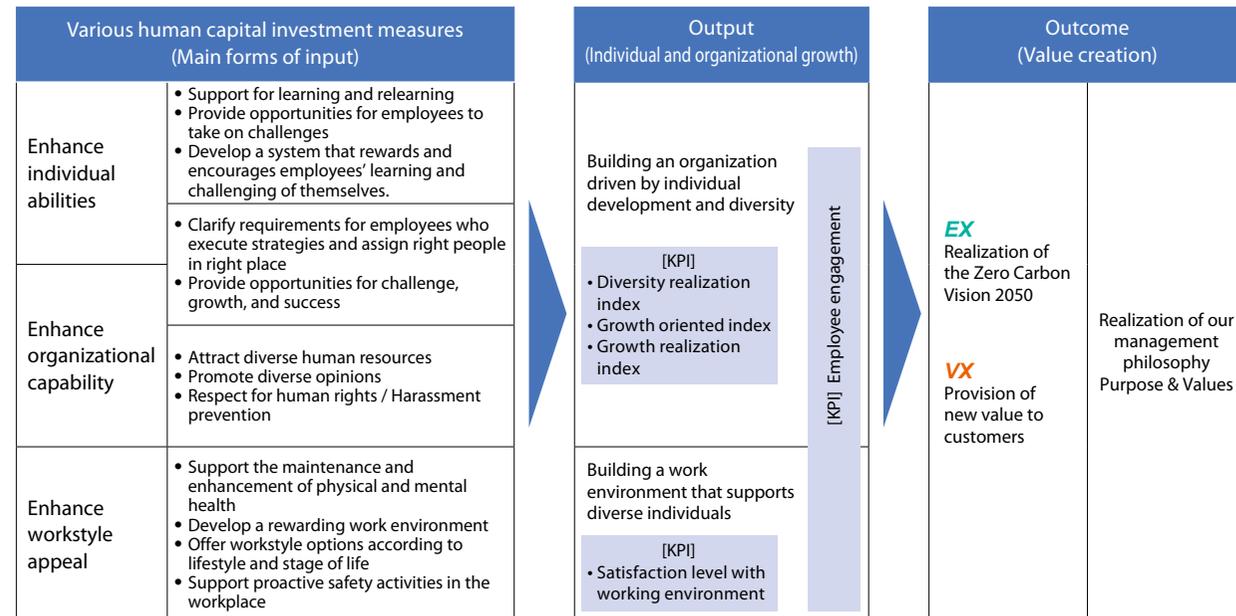
In conjunction with increasing mid-career recruitment, specific measures include acquiring diverse human capital by accepting secondment and side job seekers from other companies, and by utilizing external specialists through outsourcing as well as building a displaced workers' network, while also promoting diversity of opinions within the organization by enhancing facilitation training.

Enhance workstyle appeal

With the basic premises of compliance and preventing harassment, we will support the health of each employee and create an environment in which every employee feels enthusiasm toward their work in good health by putting in place flexible workstyles not bound by time or place, fostering a workplace culture that respects individual workstyles.

We will specifically support employee maintenance and enhancement of physical and mental health by holding health promotion events, enhancing regular health checkups, and through other health measures. We will and also develop a rewarding work environment and offer workstyle options according to lifestyle and stage of life by providing better employee benefits, including a housing system for employees with work location restrictions due to business reasons, and adopting new systems such as grandchild nursing leave and infertility treatment leave.

Value creation process in human capital strategy



Output indicators

Indicators	Targets	Results (FY 2023)
Growth oriented index (Note 1)	80% or more by FY 2025	76%
Growth realization index (Note 2)		65%
Diversity realization index (Note 3)		67%
Satisfaction level with working environment (Note 4)	① 100% by FY 2025 ② Higher than the previous year's level	① 92% ② 63%
Employee engagement (Note 5)	Higher than the previous year's level	① 81.8% ② 50.3% ③ 81.8%

Conducted for the Kansai Electric Power Co., Inc. and Kansai Transmission and Distribution, Inc.

- Notes:
- Percentage of employees who voluntarily took action in the past year with the willingness to grow
 - Percentage of employees who realized growth in the past year
 - Percentage of employees who feel that their workplace utilizes diversity
 - ① Percentage of employees who feel that awareness of not tolerating any kind of harassment has been established in their workplace
② Percentage of employees who are satisfied with their workstyles, in terms of both time and place
 - Percentage of employees who answered "fairly or sort of true" to the following three questions in the internal questionnaire survey:
 - You feel your job is rewarding and you are proud of it.
 - You think your job at the company will be more rewarding in the future.
 - Do you like Kansai Electric Power Company / Kansai Transmission and Distribution?

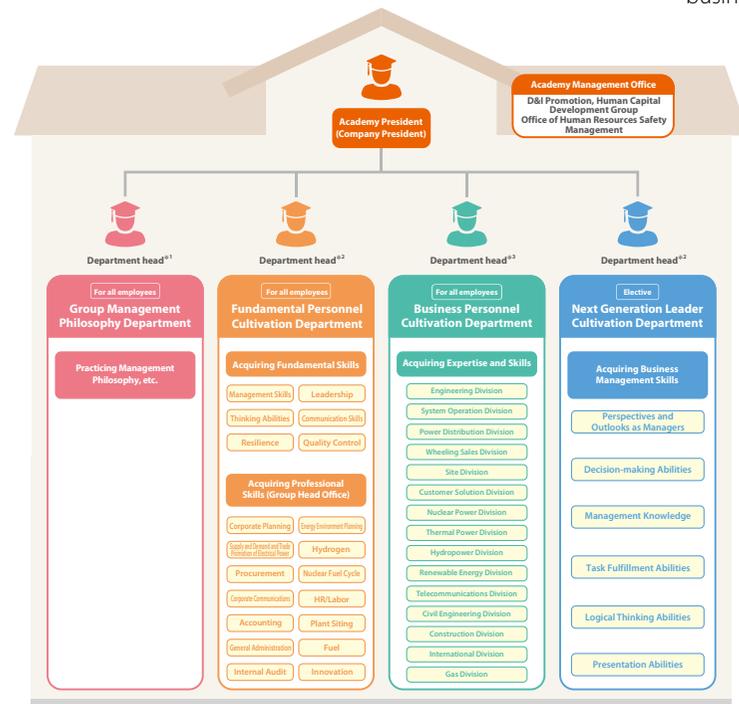
Human Capital Strategy **BX**

Enhance individual abilities

About the Kansai Electric Power Group Academy

The Group 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.

Academy organization



*1: Director, Office of Corporate Planning *2: Director, Office of Human Resources and Safety Management
*3: Division Manager of Each Division and President of Kansai Transmission and Distribution, Inc.

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.

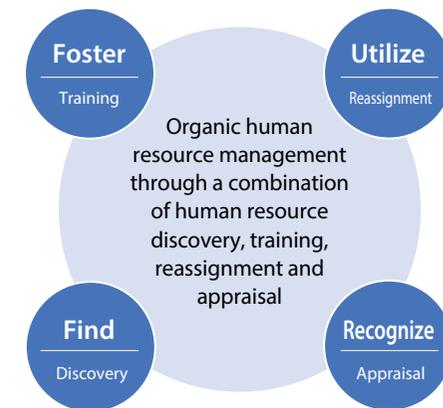
Specifically, we will practice personnel development measures to change awareness and behavior, which is necessary to embody our management philosophy. Along with this, to anticipate future changes in workstyles and the business environment, we will launch new training measures, including reskilling, targeted for both young and experienced employees, and adopt new measures to reinforce support for voluntary individual efforts. We also plan to implement more development measures designed to ensure that expertise is handed down to the next generation, acquire new technologies and high levels of expertise in response to environmental changes, and improve productivity and create added value driven by digital technology.

Personnel development measures

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.

Foster / Utilize / Recognize / Find



Human Capital Strategy **BX**

Find

Discovery

Utilize

Reassignment

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

Supporting the autonomous 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.

Classification	Details
Expert career challenges	A system to find and foster employees who have potential to be active in the medium to long term, with the aim of acquiring exceedingly high-level expertise
Job challenges	An in-house application system that allows transfer to meet the needs of career selection of individual employees, e.g. those who wishes to broaden their careers through new work experiences
Dual work challenges	A system aimed at further growth through diverse work experiences, in addition to their original work, under which participants take on another type of work (specific project work, etc.) during some of their working hours

Expert career challenges* (Established in FY 2018) *Some of the courses have been transferred to Job challenges since FY 2023

	FY 2021	FY 2022	FY 2023	Cumulative total since its establishment
Number of applicants	121	92	10	479
Number of successful applicants	27	30	3	126

Job challenges (Established in FY 2023)

	FY 2021	FY 2022	FY 2023	Cumulative total since its establishment
Number of applicants	—	—	50	50
Number of successful applicants	—	—	10	10

Dual work challenges (Established in FY 2018)

	FY 2021	FY 2022	FY 2023	Cumulative total since its establishment
Number of applicants	49	55	57	213
Number of successful applicants	26	39	41	143

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 their superiors, and are also used for OJT and reassignment for the purpose of supporting our employees' career development.

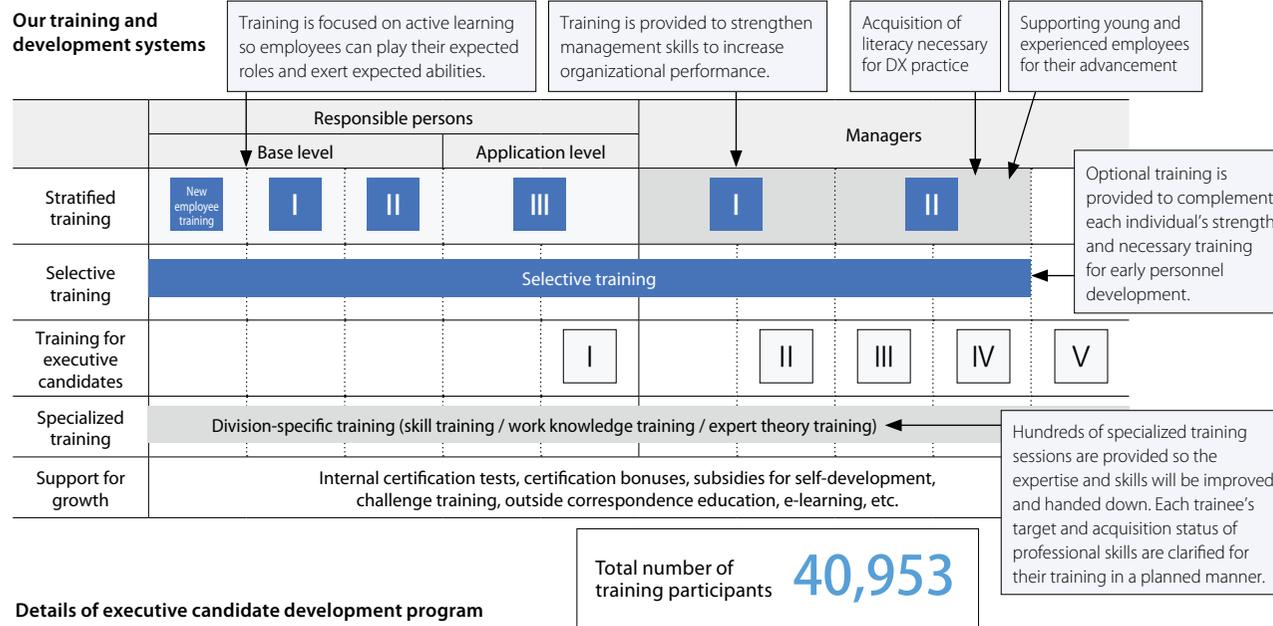
Autonomous career development support tool

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 autonomous 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. In addition, to further support each employee's autonomous career development, we have enhanced tools that help employees envision their specific careers in each division.

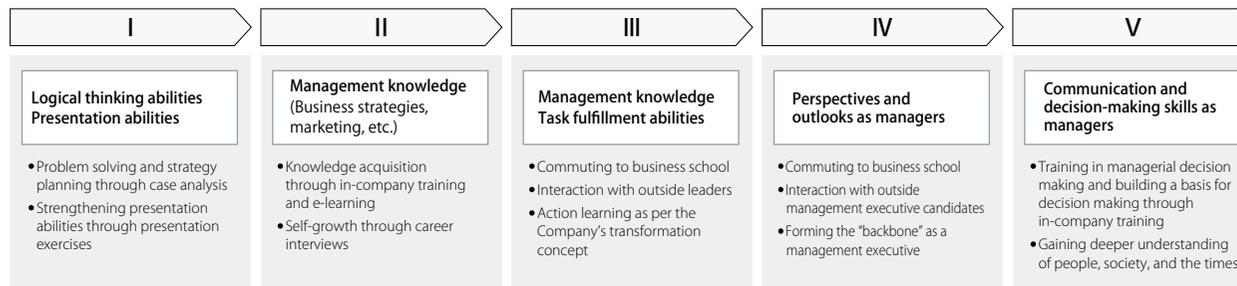
Human Capital Strategy BX



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, selective training that complements individual strengths and deeper understanding for early development, specialized training to enhance business expertise, as well as executive candidate development programs.



Details of executive candidate development program



Next generation leader —executive candidate development programs

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.

Creating opportunities for interaction between management and employees

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 opportunities for sharing thoughts as well as eliciting employees' opinions and ideas. Specifically, management and trainees exchange opinions in small groups when trainees are in their second year in the Company and when they are newly appointed as special managerial personnel.

DX human capital development

For the realization of digital transformation (DX), we are developing DX personnel to advance efforts to increase productivity and generate added value utilizing digital technologies. In fiscal 2023, the percentage of autonomous actions taken triggered by practical training reached 78.9%, confirming that the training helps improve employee DX literacy. Aiming for DX literacy for all employees, we will work with K4 Digital Co., Ltd. to develop DX personnel and increase their expertise.

Human Capital Strategy **BX**

Recognize
Appraisal

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.

* 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.

Enhance organizational capability (D&I promotion)

In April 2022, we formulated the Kansai Electric Power Group Diversity and Inclusion Promotion Policy. Toward the realization of this policy, we are working to acquire diverse human capital and promote diversity of opinions (opinion diversity) to harness diverse values and ideas as our organization strength. We will also develop an internal environment allowing our employees to adopt diverse career paths and workstyles to maximize their abilities with increased motivation. We will continue to take the lead in advancing various initiatives, including periodical information dissemination and training, as well as creation of a company-wide lateral meeting structure to share and adopt successful examples of initiatives taken by each division/workplace

across our Company and group companies (implemented since fiscal 2023). We will make structures and enhance systems to boost autonomous D&I promotion by respective divisions.

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 create innovation and establish a competitive 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 gender, age, nationality, and disabilities or experienced life events and careers.

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

We 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. (Results: 0.1% at the end of FY 2020, 0.3% at the end of FY 2021, 0.6% at the end of 2022, and 1.4% at the end of FY 2023)
--	---

We will continue to actively hire people who have built diverse careers to ensure that experienced individuals who have gained knowledge elsewhere can play an active role in our Company.

Acceptance of side job seekers

Given diversifying workstyles in society as a whole and increasing the number of individuals seeking side jobs in the labor market, we have been accepting side job seekers since fiscal 2023 with the aim of ensuring further diversity and gaining expertise and experience not yet present in our Company. In the first year, projects for accepting side job seekers were set mainly to the area of new business development, but in fiscal 2024, the scope of accepting departments and group companies was expanded.

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 percentage of workers with disabilities reached 2.68% (as of June 1, 2024), having continuously achieved the legally required percentage (2.50%). 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 also creating a comfortable work environment. Pont des Tech, Inc., a member of the Kansai Electric Power Group, provides expertise in the refurbishment of used PCs from the perspective of creating safe and high-value-added jobs as a special-purpose subsidiary, thus contributing to the promotion of employment of people with disabilities in society as a whole.

* 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.

Human Capital Strategy **BX**

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. In addition, as part of our efforts to improve the environment to allow employees of all generations to continue to play an active role into the future, the retirement age will be raised by one year every two years starting from fiscal 2025 and extended to 65 years old in fiscal 2033.

Note: Number of rehired employees (retired employees) at the end of March 2024: Approximately 990

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.

As a measure to encourage female upper management at the department manager level or higher, we have introduced a mentoring program by executive officers in the second half of fiscal 2023. With this program, an executive serves as a mentor to women at the section manager level in supporting the autonomous career formation of each individual employee and fostering their abilities, thereby increasing the number of female executives.

Although the Company does not adopt a gender-specific wage structure, the difference in average years of service has caused a gender wage gap. In this regard, we have various support systems to balance between work and childcare, etc., and we are actively promoting female employees to managerial positions with targets set for the ratio of female managers and female senior managers.

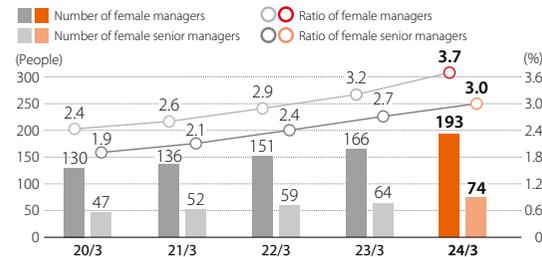
Gender wage gap* (ratio of women's wages to men's)

All workers	66.4%	*Non-consolidated figures for the Kansai Electric Power Company
Full-time employees	69.1%	*FY 2023
Part-time employees and employees on fixed-term contracts	69.5%	*Includes base salary, overtime pay, bonuses, etc., but excludes retirement allowance, commuting allowance, etc. *Excludes loaned employees and employees on leave. *The difference in average years of service, which is the basis for the gender wage gap (full-time employees), is 8.5 years. *Includes medical and transportation staff.

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. (FY 2023 results: 3.7% for female managers, 3.0% for female senior managers)
Recruitment	Achieve ratios of 40% or more for women employed in office jobs and 10% or more for women employed in technical jobs. (FY 2024 results: 48% for office jobs and 10% for technical jobs)

Number and ratio of female senior managers and managers*



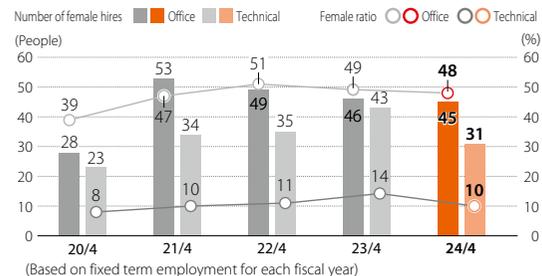
(Figures from fiscal year ends)

*Excludes medical and transportation staff.

*Figures for the Kansai Electric Power Co., Inc. combined with Kansai Transmission and Distribution, Inc.

*Managers refer to those equivalent to unit chief or higher.

Number and ratio of female hires



(Based on fixed term employment for each fiscal year)

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."

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, growing as individuals through childrearing experience as well as increasing work efficiency and motivation, leading to further promotion of women's empowerment.

From October 2022, when the revised Child Care and Family Care Leave Act 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 2023: 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.

Targets for male employees taking childcare leave

Utilization rate	Equivalent to the utilization rate of female employees (Rate of female employees who took childcare leave in FY 2023: 100%)
Average number of days	At least one month by fiscal 2025

Rate of male employees who took childcare leave*

	Rate of childcare leave taken	Average number of days of childcare leave taken
FY 2021	117%	10.4
FY 2022	124%	14.5
FY 2023	99%	21.8

Calculation method for the ratio of men's childcare leave taken:

• Numerator: Number of male employees whose first childcare leave at birth or childcare leave for a child started during the relevant fiscal year

• Denominator: Number of male employees whose spouse gave birth during the relevant fiscal year

* Excludes medical and transportation staff

* As employees can take childcare leave until the end of the fiscal year in which their child reaches the age of three, the utilization rate may exceed 100% if the fiscal year in which the child is born is not the same fiscal year in which the first childcare leave at birth or childcare leave for the same child starts.

Human Capital Strategy **BX**

Measures to encourage male employees to participate in childrearing and take childcare leave

The Support for Balancing Work and Childcare Leaflet, distributed by superiors when a subordinate notifies them that she or his spouse is pregnant or giving birth, invites employees to attend the expectant mother/father seminar, which communicates the importance and benefits of men's participation in childcare and taking childcare leave, and encourages them to draw up a Plan for Taking Childcare Leave, etc. useful for communicating with their superiors, thereby facilitating male employees' taking childcare leave when necessary and for a necessary period.

Superiors with subordinates who expect childbirth are required to attend the seminar for managers (superiors) in departments with expectant mothers/fathers so they correctly understand the benefits that male participation in childrearing and taking childcare leave will bring not only for themselves but also for the company and society, creating a workplace environment that facilitates balancing work and childcare.

Additionally, we deliver an email calling for taking childcare leave to male employees whose spouse have given birth to a child, with the same message sent to their superiors. The experiences of male employees who took childcare leave are published on our intranet.

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.



Handbook for Work-Nursing Care Balance Support

Work system, work-life balance support system

Not just unitarily posting various work systems and work-life balance support systems on our portal site, we also provide employees with explanations of newly introduced systems as appropriate.

Work system, work-life balance support system

Category	System	Details
System that enhances workstyle flexibility	Super flextime	Flexible work system without designated core time
	Telework	Employees can work from home or in a satellite office regardless of reason and without a limit on the number of times.
	Hourly leave	Leave is available in 1-hour units (up to 5 days/year).
Support for compatibility between work and childrearing	Prenatal and postnatal leave	6 weeks before and 8 weeks after childbirth (paid leave)
	Leave before and after childbirth	5 days at any time starting from the time the spouse's pregnancy is determined and no later than 2 weeks after delivery (paid leave)
	Childrearing leave	Unpaid leave until the end of fiscal year in which an employee's child becomes 3 years old (up to two times during the period). (Any one of the two times, paid leave up to 7 days from the start of the childcare leave)
	Childrearing leave at birth	Up to 4 weeks in total within 8 weeks from (estimated) due date (can be taken in installments up to two times)
	Early reinstatement support menu	Financial support for childcare is provided to employees with a child under 12 months of age upon returning to work.
	Short working hours (childrearing)	Up to 2 hours per day in 10-minute increments (until the end of September of the year when an employee's child is in the first grade of elementary school)
	Child nursing leave	5 days (10 days in the case of two or more children) per fiscal year when an employee's child receives nursing care, inoculations, or health examinations before entering elementary school
Support for compatibility between work and nursing care	Family support reserve leave	Employees can use part of their accumulated annual paid leave for participation in their child's school events, going to hospital for infertility treatment, nursing/long-term care of their spouse/relatives, going to get full medical checkups, and other purposes.
	Nursing care leave	5 days (10 days in the case of two or more eligible persons) per fiscal year when an employee provides nursing care to their spouse, parent, child, or relatives
	Nursing care leave	Leave is available within 3 years in principle or up to 93 days in total.
	Short working hours (nursing care)	Up to 2 hours per day in 10-minute increments (period in need of nursing care and that an employee applied for)
Support for compatibility between work and medical treatment	Short working hours (medical treatment)	Up to 2 hours per day in 10-minute increments (for treatment of cancer, stroke, liver disease, heart disease, diabetes, intractable disease, or infertility treatment for the employees themselves)
Reemployment system	f-staff system	Reemployment system for those who resigned due to pregnancy, childbirth, childrearing, long-term nursing care, transfer of spouse, or infertility treatment

Human Capital Strategy **BX**

Support for employees identifying as LGBTQ and promotion of understanding company-wide

Aiming to deepen employees' understanding of LGBTQ issues and creating a comfortable workplace for everyone, we have published an informative handbook for all employees that contains the basic LGBTQ knowledge and prevention of harassment, setting up a consultation desk as well. Since fiscal 2023, we have been conducting awareness activities through publication of the LGBTQ & ALLY Support Book, which outlines our policies and initiatives for employees, including LGBTQ people, setting up a consultation desk outside the company, workplace discussions to prevent SOGI (sexual orientation and gender identity) harassment, and training for LGBTQ supporters (allies).

In fiscal 2023, we were designated the "Silver" rating under the PRIDE Index established by work with Pride, a voluntary organization that evaluates LGBTQ-related corporate efforts.

Promoting diversity of opinions

We are promoting diversity of opinions (opinion diversity) by respecting, accepting, and utilizing individual employees' different viewpoints and ideas to harness diverse values and ideas as our organizational strength.

As part of stratified, selective, and other types of training, we have put in place programs to improve each employee's ability to listen to and elicit diverse opinions and to learn facilitation skills to view conflicts of opinion as healthy, maximizing outcomes through a practical approach. Since fiscal 2024, we have expanded the scope of selective training to include employees across a wider range of ages and positions, providing more opportunities to acquire facilitation skills.

Moreover, to create a work environment that encourages the exchange of diverse opinions, we are committed to building a workplace with a high level of psychological safety and invigorating communication using one-on-one meetings and other methods.

Enhance workstyle appeal

Achieve healthy and comfortable workstyles

Under the medium-term management plan, we are committed to increasing the added value of operations leveraged 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 of integrated promotion of workstyle innovation and health and productivity management.

The Health and Productivity Management Declaration was renewed in April 2023, and unified efforts have since been ongoing at the Kansai Electric Power Group.

Health and Productivity Management Declaration

For the Kansai Electric Power Group's contribution to the development of a sustainable society aligned with its management philosophy Purpose & Values, it is important that every employee can fully exercise their abilities in business activities in good physical and mental health. In addition to taking all possible measures to prevent illnesses among its employees, the Group will support employees' health advancement so each one of them can live a vibrant and fulfilling life as we promote health and productivity management and workstyle innovation in an integrated manner.

Developing and improving comfortable workplaces

For working hours to be managed appropriately, efforts are being made across the Group to improve operational efficiency by eliminating unnecessary operations and reviewing processes, along with efforts to enhance work systems that allow for more diverse workstyles through flextime with no core time, teleworking, development of a leave system for various purposes, and to create a work environment in which each employee is respected to autonomously consider and choose their most appropriate workstyle.

Major indicators and achievements related to workstyle innovation

	Targets	FY 2022	FY 2023
Overtime working hours per employee	190 hours per year	250 hours	257 hours
Paid leave utilization rate	90% or more	99.4%	97.1%

Note: Figures exclude medical and transportation staff.

Major health and productivity management initiatives

The following measures are underway as major health and productivity management initiatives.

- Regular health checkups, etc. have been replaced with complete medical checkups for employees who have reached the age of 35 and every five years thereafter.
- Holding walking rally competitions for exercise habits to be firmly established
- Smoking cessation during working hours
- Enhancement of support systems by holding various training sessions and establishing a consultation desk on mental and physical health

Examples of initiatives and resulting effects

We have been holding company-wide walking rally competitions since fiscal 2019. In fiscal 2023, this event gathered more than 8,000 participants from the Kansai Electric Power Co., Inc. and Kansai Transmission and Distribution, Inc. The percentage of employees with habitual exercise of at least two days a week has gradually improved from 18.4% in fiscal 2018 to 39.6% in fiscal 2023. In addition, we are preparing to introduce company-wide smoking cessation during working hours by April 2025. Additionally, ongoing innovative measures include the implementation of extended non-smoking days and the smoking cessation programs. Some business offices, including the head office, have already introduced smoking cessation during working hours, reducing the smoking rate from 26.2% in fiscal 2018 to 20.8% in fiscal 2023.

Human Capital Strategy **BX**

Certified as a Health & Productivity Management Outstanding Organization 2024 (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 eighth consecutive year since 2017.



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/dormitory (only in some areas) and housing allowance (new rent subsidies to replace company housing/dormitory), 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.

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.

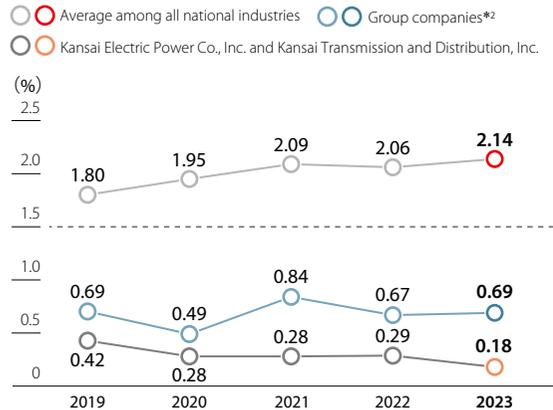
We will seek continuous improvement by running the PDCA cycle of safety activities in each fiscal year. We will also share prioritized items to address with our group companies, thereby further enhancing the effectiveness of safety activities.

Prioritized items in safety activities for fiscal 2024:

- 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.

Human Capital Strategy **BX**

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 The average value of three companies representing the Group that undertake major construction projects is used for FY 2021 and FY 2022, and the average value of major affiliated companies is used for FY 2023.

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.



Bilateral communication with subcontractors and others

Efforts to make it a habit to think safety and act safely

With specific time periods set for accidents that have occurred frequently in recent years or that have been caused by seasonal factors, we roll out group-wide campaigns to prevent these accidents, thereby stimulating safety activities at all workplaces.

- **Summer Health and Safety Campaign:** Preventing summer-specific accidents with a focus on preventive measures for heat stroke
- **Zero Winter Accident Campaign:** Preventing winter-specific accidents focused on falls and traffic accidents due to natural factors such as snow and frozen ground
- **Month to strengthen prevention of "Fall and Fall down":** Focusing on the frequent occurrence of underfoot accidents, this campaign is implemented in May, when the number of construction operations increases, to prevent accidents from occurring.



Initiatives to prevent similar accidents

We are implementing measures to prevent similar accidents from happening by promptly informing related divisions of the details regarding accidents. In particular, as for designated severe accidents, we swiftly provide information to related divisions through preliminary accident report meetings and accident liaison meetings. Our initiatives, which include investigation into causes, reviewing rules, and communicating with workers from their point of view, help employees practice acting safely.

Human Capital Strategy **BX**

Message from the Executive in Charge of Human Resources



Nobuyuki Miyamoto
Executive Vice President

In 2021, our Group formulated a new management philosophy, and based on this, we embarked upon a five-year medium-term management plan that sets out a path to a growth trajectory, aimed at realizing KX through the three pillars of EX, VX, and BX, with the firm establishment of governance and the promotion of compliance as the basic premise of our business operations.

As regards EX, having achieved the restart of seven nuclear reactors in line with the Zero Carbon Roadmap, we have set out to promote renewable energy and to clarify our challenges in new areas such as hydrogen and CCUS. In terms of VX, we have set out to provide new value to customers in peripheral and overlapping areas of our existing businesses. We have done all this while working to fundamentally strengthen internal controls and reform our organizational climate.

In the area of human capital strategy, which is an important part of BX, we have returned to our original principle of management that values people and have been taking various measures with a sense of

urgency to ensure that our human capital strategy is consistent with the direction of our management and business strategies and with efforts to reform our organizational climate.

In these measures we have taken, we have been particularly conscious of improving transparency for open communication and promoting diversity in terms of both acquiring and utilizing human resources.

One example of our initiatives to improve transparency is that we introduced a multidimensional appraisal system for executive management first and then expanded it to managers at a certain level. In order to create an open organizational climate, it is essential to rebuild relationships of trust in employees with management and supervisors, as well as to instill and establish the keywords of our organizational climate reform efforts: Become aware, Speak out and Take action. We have introduced and expanded this appraisal system to set an example from management.

In addition, we have been implementing measures with a sense of urgency in response to various requests raised in communication with employees on our human capital base, starting with what we can do. Through these efforts, we will promote the cultivation of an organizational climate in which employees can openly discuss their thoughts and insights.

As regards promoting diversity, we have been expanding mid-career recruitment in light of our business strategy of expanding into new fields. As a result, our mid-career recruitment has increased by around fivefold compared to five years ago, and it now accounts for approximately 20% of our annual recruitment. We are also accepting external personnel to work part-time in order to further accelerate the creation of new value and services. In terms of human resource utilization, we are supporting each employee's autonomous career development through measures such as increased personnel transfers facilitated by internal recruitment, and we are encouraging our employees to take on voluntary challenges in diverse careers and fields.

These initiatives have resulted in a certain improvement in employee engagement scores, which had declined following the series of improprieties.

In updating the medium-term management plan, we decided to focus even more on BX in the second half of the plan period in order to achieve the medium- to long-term vision that we see for ourselves thereafter.

As our business environment is becoming increasingly volatile, the Group's business strategy requires flexible modification while aiming for the best mix that incorporates differences in each business field and target period. We must also accelerate our respective initiatives for human capital strategy to flexibly coordinate with these business strategies.

In this context, I believe it is important that we visualize the changing business strategy as individual missions through constructive dialogue between management and individual employees and help employees realize the link between the strategy and their autonomous growth and career development while making their work more appealing. We will pursue a form of growth in which the company's strategic story resonates with the autonomous career development stories of each employee, and in which the well-being of each employee is realized and they continue to grow together with the company.

In 2025, we plan to revise the human capital system to place greater importance on employees' taking on current challenges and to introduce programs to offer attractive opportunities for them to take on challenges, and we will also begin our phased extension of the retirement age. We will continue our efforts to build a robust corporate constitution.

Special Feature

3

DX Strategy **BX**

Overall picture of DX promotion

To achieve the three key initiatives (EX, VX, and BX) set forth in the medium-term management plan, the Group has been working on DX promotion since 2018, with digital technology positioned as the core of transformation. In terms of structure, the DX Strategy Committee headed by a director examines overall strategy and determines a direction; respective divisions study and implement specific measures; and K4 Digital Co., Ltd., a company specializing in DX, provides technical support necessary for implementing measures. They work in unison to promote DX for the Group. Initially, we focused on productivity improvement projects that contribute to increasing the efficiency of existing operations. In recent years, we have also been accelerating and bolstering value creation initiatives that contribute to building new business models and increasing profit.



K4 Digital Co., Ltd.

K4 Digital Co., Ltd. established in 2018 jointly with Accenture Japan Ltd. utilizes its internal and external expertise to focus on providing each division with digitally supported consulting services, fostering human capital for business transformation (digital consultants), who have digital problem-solving skills.

In recent years, in response to mounting demand for generative AI, we newly established an AI CoE (Center of Excellence), a team dedicated to generative AI, in June 2024 to reinforce our DX promotion structure.

Management Philosophy

Changing business and society with digital technology

Purpose of establishment

- ① Strengthening capabilities in gathering information on cutting-edge digital technology and examples of advancement
- ② Reinforcement of the digital technology support team in terms of both quality and quantity
- ③ Early development of digital human capital

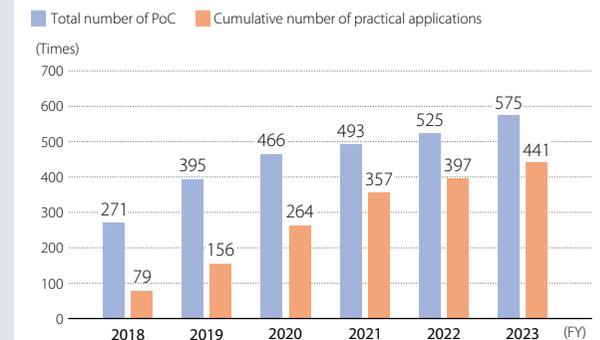
Business details

- Collection of cutting-edge digital technology and case studies
- Consulting for in-house digital utilization
- Support for the development of digital human capital
- Support for data utilization and data management
- Services related to the above

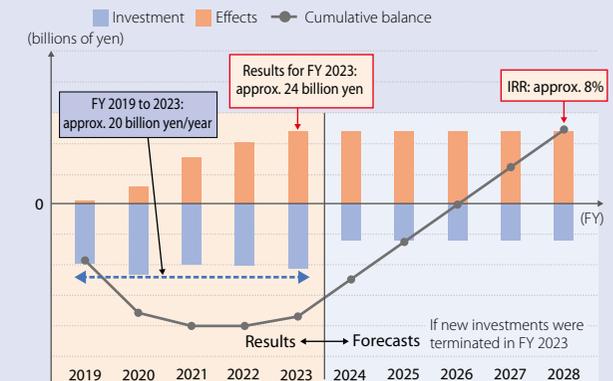
DX promotion status

From fiscal 2018 to 2023, we performed PoC (Proof of Concept) 575 times, of which 441 were put into practical use. In addition, from fiscal 2019 to 2023, we made DX investment of approx. 20 billion yen per year, steadily achieving return on investment of approx. 24 billion yen per year as of fiscal 2023, with an expected internal rate of return (IRR) of approx. 8%.

Trends in the number of PoC and practical applications



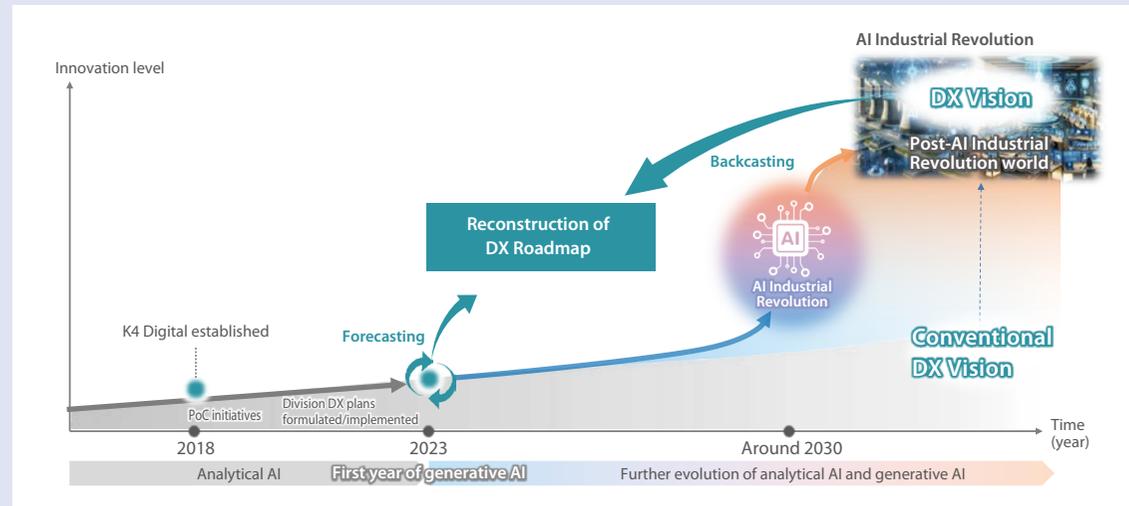
Trends in return on DX investment



DX Strategy BX

Initiatives looking ahead to the AI Industrial Revolution

The evolution of AI technology in recent years is astonishing. In addition to analytical AI, which has been used for numerical analysis and prediction, the year 2023 saw the emergence of generative AI, which can generate sentences and other forms of output. Starting with the spread of generative AI, there are predictions that AI will rapidly spread through society and throughout all industries, ushering in an AI Industrial Revolution, a disruptive innovation around 2030. The Group has defined a new business image for the post-AI Industrial Revolution world as our DX Vision. Furthermore, we have reconstructed our DX Roadmap, the concrete path toward our vision, using backcasting methods from the future and forecasting from the present.



DX Vision and DX Roadmap

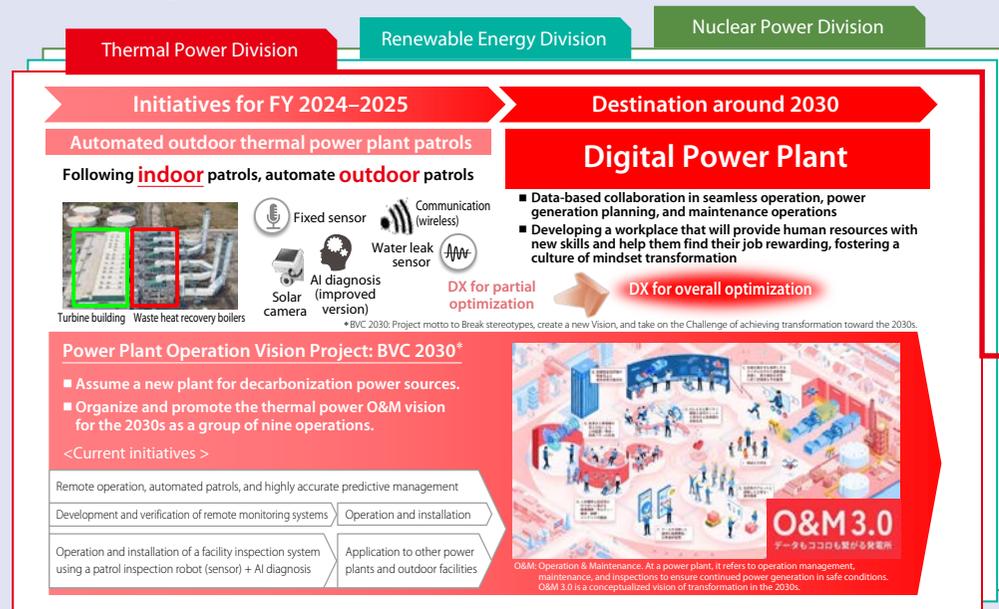
The Group expects that the AI Industrial Revolution will necessitate an AI-based restructuring of operations around 2030. In restructuring, we structured our DX Vision by defining Operating Division DX to implement digital transformation in the value chain of electricity provision (energy supply and demand ⇒ power generation / transmission and distribution ⇒ retail and solutions) and Office Operation DX to transform office operations throughout the Group.

For Operating Division DX, we uphold a theme of digital transformation in each business area. In the area of energy supply and demand, we aim to develop supply-demand operation support AI; in the area of power generation / transmission and distribution, digital power plants and full digital condition monitoring; and in the area of retail and solutions, full sales support AI and provision of a variety of solution services. In Office Operation DX, under the theme of new workstyles created with AI agents, we aim to realize AI dedicated to each individual and have specialized work completed by AI agents. As a foundation for accelerating DX, we also strive to establish mechanisms to make full use of AI.

To realize a concrete DX Vision, we will implement an array of initiatives as stipulated in the reconstructed DX Roadmap, aiming for AI-powered individual operation in fiscal 2024–2025.

Classification	Target area	DX Roadmap		Restructuring of AI-based operations	DX Vision
		Until FY 2025	FY 2026–2030		
Operating Division DX	Energy supply and demand	Upgrade of operation systems Implementation of AI into predicting operations	AI-powered individual operations AI-powered collaboration in operations		Digital Transformation in Business Areas Supply-demand operation support AI
	Power generation / transmission and distribution	AI-powered collaboration in desk work (design, work support) Incorporation of sensors, IoT, and AI into field equipment and systems	AI-powered collaboration in field work (operation, monitoring, patrol, and construction)		Digital power plants / full digital condition monitoring
	Retail and solutions	AI-powered support for sales activities Implementation of AI into contact centers Expansion of control devices and functions (energy management systems) Launch of AI-based services for customers			Full sales support AI / provision of a variety of solution services
Office Operation DX	Company-wide	Implementation of various cloud AI services into daily operations AI-powered routine work AI-powered collaboration in non-routine work and specialized work	Consolidation of front-end AI		New Workstyles Created with AI Agents Realizing AI dedicated to each individual Specialized work done by AI agents
Foundation		Development of data, human capital / systems, and policies / rules			Establishing mechanisms to make full use of AI

DX Strategy BX



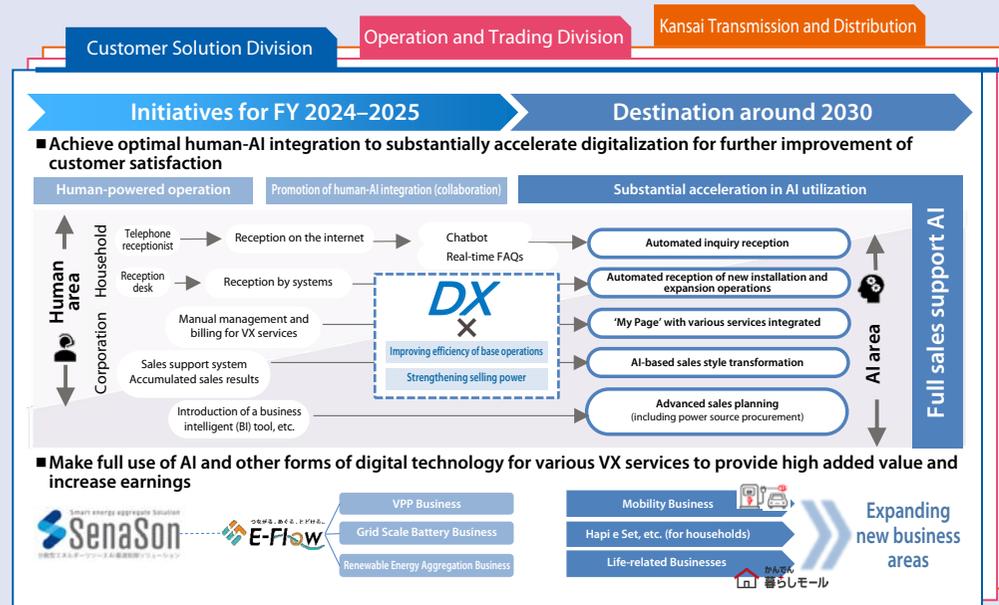
Operating Division DX

In the Operating Division DX, each division itself performs a central role in formulating division-based DX plans that put the DX Roadmap, a company-wide strategy, into a more concrete form. Respective divisions are reviewing and implementing specific measures as their most recent initiatives toward their own destination to reach around 2030.

Thermal Power Division initiatives

The Thermal Power Division is dedicated to improving the efficiency of thermal power plant operations using robots, drones, and AI, and has set the Thermal Power O&M* Vision as its destination to reach in the 2030s. To this end, steps will be taken to realize Digital Power Plants around 2030, and to automate outdoor patrols in fiscal 2024 to 2025.

*O&M: Operation & Maintenance. At a power plant, it refers to operation management, maintenance, and inspections to ensure continued power generation in safe conditions.



Customer Solution Division initiatives

The Customer Solution Division focuses on workstyle reforms in the sales department and energy management system development. Efforts will be made in improving service quality and creating new services around 2030 through optimal human-AI integration and upgrading reception desk operations and expanding various VX services in fiscal 2024 to 2025.

Office Operation DX

Our main focus in the Office Operation DX includes the introduction of web conferencing tools and other Digital Work Style (DWS) tools, as well as the application of generative AI to business portals. Fiscal 2030 will mark a milestone for new workstyles created with AI agents, and fiscal 2024 to 2025 for achieving DX for company-wide office operations that include implementation of generative AI into routine and specialized work.

DX Strategy BX

DX human capital development

The Group is also concentrating on the development of personnel responsible for DX promotion, with qualified applicants classified into three categories: highly-skilled DX human capital, DX promoters from respective divisions, and all employees. Development policies are being implemented based on the DX human capital strategy. For highly-skilled DX human capital who will lead DX promotion, in addition to dispatching them to K4 Digital Company to develop their skills through on-the-job training, we are actively recruiting mid-career data scientists and digital consultants to produce and secure work-ready personnel from outside the company. For DX promoters from respective divisions, in addition to ongoing training programs, multiple training programs such as Data Management Training and Generative AI Training (for promoters) are scheduled to be added in fiscal 2024 to accelerate human capital development. For all employees, we have defined the Kansai Electric Power's ABCD for DX (A: Agile, B: Business intelligence, C: Customer experience (CX), and D: Digital technology + Generative AI) as the DX literacy that all of our employees should acquire. In an effort to improve DX literacy, DX training sessions (videos) required for all employees are provided and generative AI training sessions for all employees also started in fiscal 2024.

Qualified applicants	DX human capital development policies <small>Strengthened in FY 2024</small>		
<p>Medium-term management plan Development target (end of FY 2025)</p> <p>Highly-skilled DX human capital <small>Approx. 50 individuals</small></p>	<p>Human capital to create new digital businesses and services</p>	<p>Human capital for data utilization</p> <p>Data scientist</p> <ul style="list-style-type: none"> • Secondment to K4 Digital Co., Ltd. and execution of duties 	<p>Human capital for business innovation</p> <p>Digital consultant</p>
<p>DX promoters from respective divisions <small>Approx. 5,600 individuals</small></p>	<p>Business planner</p> <ul style="list-style-type: none"> • New DX business development training 	<p>Data analyst</p> <ul style="list-style-type: none"> • Training for utilizing visualization tools • Basic data analysis training • Data management training • AutoML training 	<p>Digital translator</p> <ul style="list-style-type: none"> • Practical training for consulting • Practical training for DX application • Training program for designers (customer experience)
<p>All employees <small>Approx. 17,000 individuals</small></p>	<p>Improvement in DX literacy for all employees</p> <p>A Agile B Business intelligence C Customer experience (CX)</p> <p>D Digital technology + Generative AI</p>		
	<p>• "Digital shower" (invigorating discussion by introducing digital application examples)</p> <ul style="list-style-type: none"> • Training on reading data and developing judgment 		

Fostering awareness and a culture of DX promotion

The Group holds a group-wide event, KANDEN Digital Day, once a year. In fiscal 2024, it was held as a hybrid event, a combination of an online and on-site event, with about 1,000 participants. The event helps foster awareness of DX promotion through keynote speeches from other leading companies in DX, a Generative AI Idea Contest, introduction of DX initiatives (presentations and demonstrations), and awards for DX Specialists, key individuals in DX promotion.



Introducing DX initiatives



Generative AI Idea Contest



DX Specialists Award Ceremony



Event at KANDEN Digital Day

DX Strategy **BX**

Message from the Executive in Charge of DX



Makoto Araki

Director
Representative Executive Officer,
Vice President

At the Group, DX (Digital Transformation) is positioned as the core of transformation essential to realize the three pillars of KX (Kanden Transformation) initiatives (EX: Seeking to achieve zero-carbon emissions, VX: Transformation into a service provider, and BX: Building a robust corporate constitution). In 2018 K4 Digital Co., Ltd., a company specializing in digital technology, was established and has since been working together with our respective departments to promote DX.

In the increasingly complex and uncertain business environment in which we operate, it is becoming even more important to continue taking on challenges to make the best use of our inventiveness, without being bound by conventional thinking. In light of remarkable evolution and changes in information technology and its growing importance, I think that we must take the lead in introducing new initiatives, such as business transformation driven by digital tools and proactive use of generative AI and other forms of the latest technology to accelerate DX-based problem-solving.

In addition, we assume that the AI Industrial Revolution, a disruptive period of innovation, will be brought about around 2030 by AI, which has been evolving at an astounding pace in recent years. In response, we have defined our DX Vision, looking ahead to a post-AI Industrial Revolution world, and reconstructed our DX Roadmap as a means to reach our vision in conjunction with the update of the Group's Medium-term Management Plan (2021–2025).

With regard to the DX Vision, we have set directions in two areas. Operating Division DX, under the theme of Digital Transformation in Business Areas, aims to implement supply-demand operation support AI, digital power plants with advanced Operation & Maintenance (O&M) functions driven by IoT and AI, and full AI-based support for sales. Meanwhile, in the Office Operation DX, as indicated by the theme New Workstyles Created with AI Agents, we aim to raise operation efficiency by utilizing AI as an agent with which we co-create work. To realize the DX Roadmap to our DX Vision, division-based DX plans have been formulated for each business area. Digital technology is a means to an end as tool to solve problems, or a clue as to "how," and it is therefore important to multiply the capabilities of digital technology with management and divisional issues, or "what," as the starting point. Based on this perspective, we will continue to steadily promote the division-based DX plans that are formulated for issues set for each business area.

To further promote DX, the strength of human capital is essential. Having defined human capital for data utilization who excel in data analysis and human capital for business transformation who can identify and solve business issues, we have assigned highly-skilled DX human capital to K4 Digital Company and DX promoters to respective divisions. A variety of training programs have been prepared according to these diverse employee needs, contributing to steady progress in their development. We will further enhance the content of our training programs.

Moreover, once a year, KANDEN Digital Day, a company-wide event held with our group companies fosters awareness and a

culture of continuous DX promotion (making DX a personal matter) on an ongoing basis. Additionally, last fiscal year, we increased the DX literacy level of all employees through DX video training, which is raising our hopes in accelerating our DX initiatives more than before.

Through these DX promotion activities, we intend to establish a competitive advantage utilizing digital technology in each of the EX and VX areas in line with the DX Vision and DX Roadmap, thereby accelerating the achievement of our medium-term management plan. I myself will lead our strenuous efforts toward the achievement of KX, paying close attention to the activities of divisions, group companies, and employees engaged in DX, and also staying aware of the latest IT and DX trends.

Promoting Innovation

BX

To keep pace with discontinuous environmental changes in the era of VUCA (future unpredictability), the Kansai Electric Power Group is developing a system that enables autonomous and sustainable innovation, and actively promoting innovation activities that will lead to business creation and operational reform.

Deepening future-oriented innovation activities

For the purpose of promptly identifying changes over a broad range of political, economic, social, and technological (PEST) trends from a medium- to long-term perspective to create new value, in July 2023, the Company established the Innovation Development Division and began operating a future-oriented value creation process. Our innovation activities are steadily evolving as we conduct research on a broader range of trends over a longer time period than before and link the findings to actions that involve investments and demonstrations, as well as refinement of hypotheses.

Note: See pages 63–64 for examples of commercialization of data center business, etc.

Future-oriented value creation process

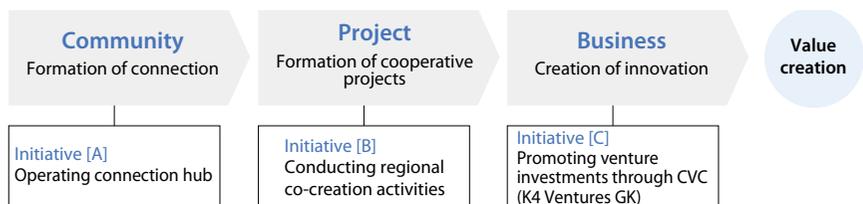


Shown below are our three main group-wide initiatives to promote innovation activities and ensure that this value creation process functions properly.

Promoting open innovation

The Group is proceeding with various initiatives, keeping in mind the flow of value creation through open innovation.

Flow of value creation through open innovation and our initiatives



A. Operating enellege, a connection hub

The Company operates “enellege,” an open innovation center that supports the creation of new value. We are engaged in various activities and interactions with partners that go beyond the framework, including individuals and organizations, and held more than 40 events in fiscal 2023, with over 1,500 participants in total. With enellege designated as a starting point, we will continue to expand and strengthen our connection with different organizations and individuals.



Kansai Electric Power enellege

enellege
未来のあたりまえになるイノベーションを、ここから。

Location: Grand Front Osaka North Bldg., Knowledge Capital 3F, 3-1 Ofuka-cho, Kita-ku, Osaka

B. Conducting regional co-creation activities

In many different regions, we are operating business co-creation activities in collaboration with various organizations and people. For example, in Fukui Prefecture, we have launched joint research on fisheries with four partners to develop competitive fish species, collaborating with local governments and regional businesses to build a fishery business that is sustainable and contributes to regional revitalization based on a region’s characteristics.

In addition to the above, efforts to solve regional issues are also ongoing in cooperation with enterprises in urban areas and other related parties in the region.



Regional co-creation activities

Promoting Innovation BX

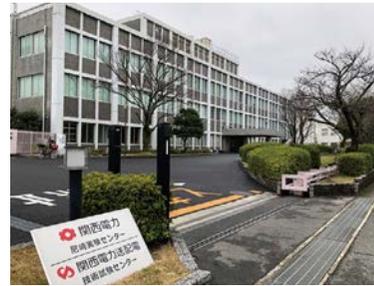
C. Promoting venture investments

With K4 Ventures, a limited liability company, as the investor promoting venture investments, we have made a cumulative total of 39 investments as of June 30, 2024, aiming to diversify business lines and create innovation in future years through cooperation with venture companies that have innovative technology and business models. From fiscal 2024 onward, with the investment limit raised to 18 billion yen, we will increase activities in the three priority investment areas of ① zero carbon, ② DeepTech, and ③ regional co-creation, giving a boost to the growth of promising venture companies.

Direct investment results

Investment	Investment location
No. 1	Ubie, Inc. VPP JAPAN Co., Ltd. SIRC Co., Ltd. EditForce, Inc. CONNEXX SYSTEMS Corporation NEXT-e Solutions Inc. Pixie Dust Technologies, Inc. Space Power Technologies Inc. GIRASOL ENERGY Inc. Exergy Power Systems Inc. Informatis Co., Ltd. Next Energy & Resources Co., Ltd. Okage K.K. TERRACE MILE, Inc.
No. 2	ALGO ARTIS CORPORATION WILLPORT Co., Ltd. MEIJO NANO CARBON Co., Ltd. PowerX, Inc. SPACE ONE Co., Ltd. SUCRECUBE Japon Inc. Clean Energy Connect, Inc. EV Motors Japan Co., Ltd. folofly, Inc. Zeroboard Inc. Kyoto Fusionneering Ltd. Sharing Energy Co., Ltd. Aakel Technologies Inc.
No. 3	enechain Corporation

In addition to funding, the Group can also provide an array of resources, including a technological development environment, to support the growth of venture companies. We will encourage this growth with all our strength.



Example of technological development environment: Amagasaki Experimental Center

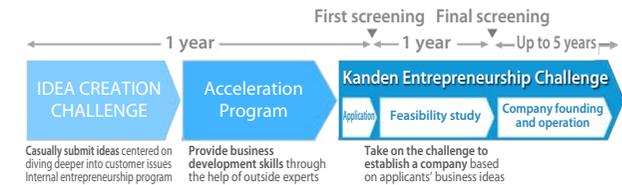
Fostering an innovative culture and human capital

To produce innovation autonomously and sustainably, it is important to develop an organizational culture that encourages innovation by continuously finding creative employees who have motivation and supporting their growth. To achieve this, the Group provides a variety of programs in which all employees can participate.

An example of programs related to fostering an innovative culture and human capital



For example, the Kanden Entrepreneurship Challenge System is in operation, allowing employees in our Group to propose new business projects and going on to commercialize projects that pass screening. In addition, we hold the IDEA CREATION CHALLENGE, a contest to share new business ideas as a measure to encourage proposals for the Kanden Entrepreneurship Challenge System and to draw out the motivation and qualities of participants, and the Acceleration Program, which raises those ideas to the level of business plans.



Since its launch in 1998 through the end of June 2024, the Kanden Entrepreneurship Challenge has received a cumulative total of over 800 applications, with nine companies founded, four of which are still operating as members of the Group.

In June 2023, a company founded under this program (Nekojitadou Inc.) was transferred to another company (Ono Pharmaceutical Group); this is an example of the continuous evolution of the Kanden Entrepreneurship Challenge into an activity that goes beyond fostering innovation in our culture and employees. We will further draw out motivation in our Group employees, connect them with colleagues who share similar values, and update the program to ensure friendly competition will continue, thereby boosting ongoing efforts to uncover and produce innovation within our employees and organizational culture.

Promoting activities that lead to value creation

In promoting innovation, it is vital to increase sensitivity to, acquire, and use technology and intellectual property that serve as a source of competitiveness in business. With regard to intellectual property, we need to use intellectual property rights, such as patents, as well as standardization of specifications, etc. properly according to each business. Under the leadership of the General Manager of the Innovation Development Division, who is responsible for standardization activities, we will undertake activities for standardization from the stage of business study and the early stages of development of energy-related systems and other forms of technology in cooperation with each operating division.

Promoting Cost Structure Reform (VA)

BX

General overview of VA activities

The Group is promoting Value Analysis (VA) activities as part of its efforts to achieve cost reduction targets toward BX (Building a robust corporate constitute) as set forth in its medium-term management plan.

VA is an approach that includes collaboration from the planning stage between not just our procurement and operating divisions but also suppliers and other parties involved to thoroughly examine efficiency improvement in expenses, repairs, and 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 and discuss ideas from many different angles. This has led to waste elimination through the review of specifications, process, procurement methods, etc., achieving minimized costs.

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.	Comprehensive consensus building, etc.

Concrete measures

Example of cost reduction for power plant related systems

In considering efficiency improvements from all perspectives along the supply chain, we focus on sharing knowledge and collaboration beyond boundaries of companies.

For a disaster prevention-related system at a power plant, we worked together with a group company that performs routine maintenance to create a competitive environment through standardization of the design of current system requirements, and to explore and start business transactions with new suppliers.

These activities resulted in significant cost reductions by inviting multiple suppliers for competitive estimates, including new suppliers that have been confirmed to satisfy our required standards, on the condition that standardized system specifications shall be met.

We will continue to improve efficiency in collaboration with other companies, including our group companies.

Example of cost reduction through cost engineering*1 by Kansai Transmission and Distribution, Inc.

Kansai Transmission and Distribution, Inc. undertakes cost engineering of procured products and engages in cost-cutting activities to achieve a win-win situation with suppliers. Through disassembly of equipment actually used and cost analysis based on a series of studies in line with the Sengen Principle (Three Actuals)*2, the company identifies cost-cutting potential and proposes changes in component structure, specifications, materials, etc., to its suppliers. This also encourages our suppliers to make counterproposals, collectively achieving cost reduction, including changes in types of contracts and equalization of order quantities.

Kansai Transmission and Distribution, Inc. and the Company's Sourcing and Procurement Division will continue to work together with the aim of becoming the industry's top runner in cost engineering by utilizing internal and external knowledge.



Cost engineering workshop

*1 Cost engineering: Skills to analyze costs based on knowledge of the market, suppliers, product manufacturing and processes, and technologies owned by each division, etc., in order to identify cost reduction opportunities

*2 Sengen Principle (Three Actuals): An approach for solving problems involving observing the "actual thing" at the "actual site" and understanding the "actual situation"

05

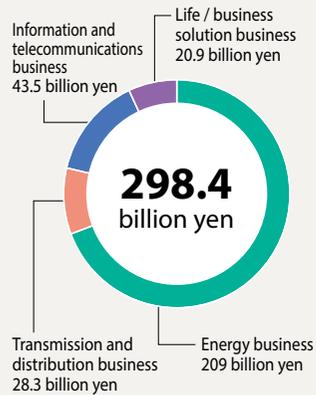
Business Overview

- 88 Business Overview
- 89 Energy Business
- 98 Transmission and Distribution Business
- 103 Information and Telecommunications Business
- 105 Life / Business Solution Business

Business Overview

FY 2021–FY 2023
Results

Consolidated ordinary income

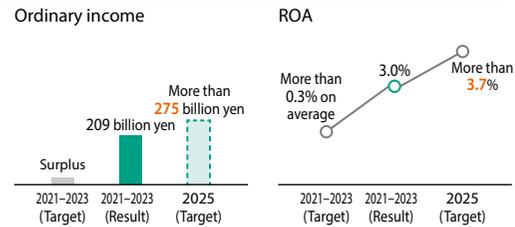


Consolidated ROA

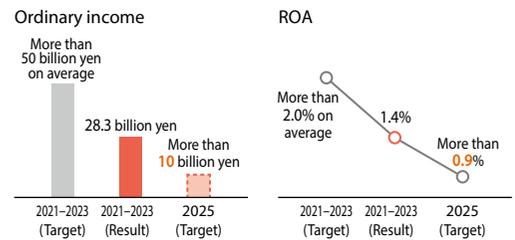
Approx. 3.7%

Medium-term Management Plan Targets

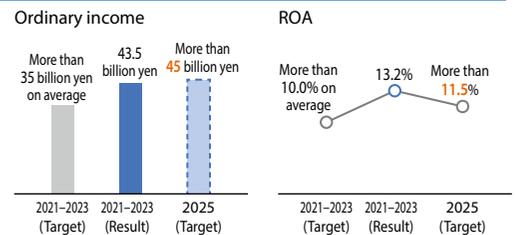
Energy Business P. 89



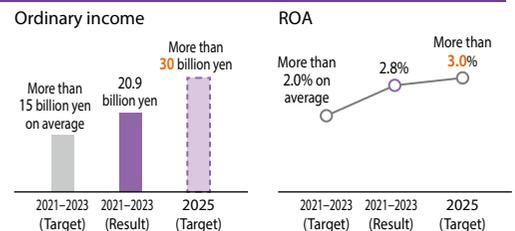
Transmission and Distribution Business P. 98



Information and Telecommunications Business P. 103



Life / Business Solution Business P. 105



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, we will strive to make our corporate structure more resilient through the cost structure reform and other measures, and expand our business through the development and provision of various services centered on energy solutions, aiming to achieve targets set in the medium-term management plan.

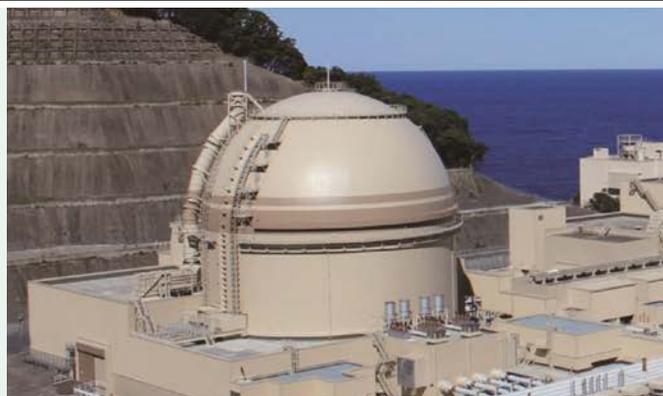
Kansai Transmission and Distribution, Inc. took over the general power transmission and distribution business of the Kansai Electric Power Co., Inc. in April 2020 to further ensure neutrality in the transmission and distribution business. Kansai Transmission and Distribution, Inc. is committed to providing affordable electricity in a 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. As energy needs in society (decarbonization, greater resilience, etc.) become increasingly diversified, power transmission and distribution business takes on a greater role in meeting such needs. We will therefore develop next-generation grid networks to flexibly meet the diversified needs of grid users (distributed energy resources, etc.), and provide proven, reliable grid services, thereby meeting the expectations of customers and society.

Arranging an extensive variety of options that respond to customer needs, we provide comprehensive IT services led by OPTAGE Inc., our group company, including ultra high-speed optical Internet services for households, mobile phone services, enterprise networks, data centers, and cloud computing. Our Group's IT business has been growing as a primary source of revenue along with the comprehensive energy business through its strengths in both tangible aspects such as its tightly woven optical fiber networks extending throughout the Kansai region, and intangible aspects such as our high-speed and stable communication services and robust support system, earning a high degree of customer satisfaction over a long period of time.

Through our wide-ranging service portfolio containing comprehensive real estate businesses operated mainly by Kanden Realty & Development Co., Ltd., such as the development of all-electric condominiums and buildings that achieve zero-carbon emissions, as well as leasing, sale in lots, management, and leisure; healthcare services for health-conscious customers; and contact center operations to meet the outsourcing needs of corporate customers, we satisfy the needs of society and customers in their daily lives and businesses, and support safe, secure, and comfortable lives and businesses, thereby creating an affluent society and lifestyles.

Business Segments

Energy Business



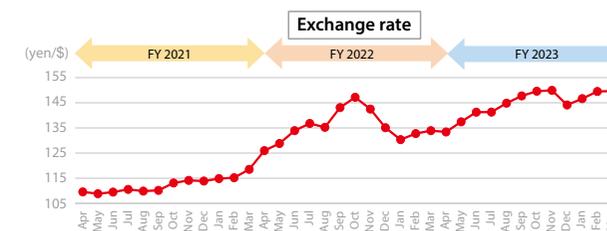
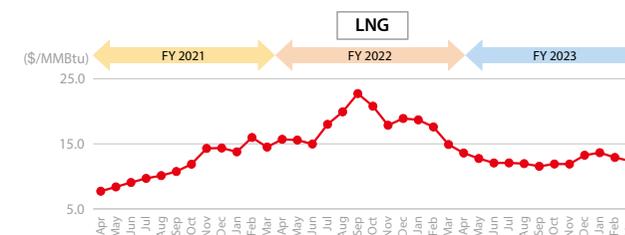
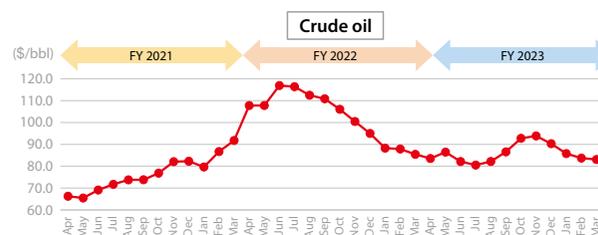
Business environment

Opportunities

- New business opportunities emerge in the energy and environmental business, with increasingly advanced digital technology and diversified needs (distributed energy resources, etc.) creating new or related business sectors.
- Further acceleration of trends toward decarbonization and progress in national policies and institutional development
 - Rising importance of nuclear power at the GX Implementation Council
 - Introduction of a long-term decarbonized energy auction system

Risks

- Increasing geopolitical risks and market volatility
- Materialized inflation as seen in rising resource prices and labor costs
- Intensified competition in public offerings related to renewable energy



Business Segments | Energy Business

Business strategies

Directions to take

- 1 Shifting to “zero-carbon power sources,” including zero-carbon thermal power generation as well as nuclear and renewable energy sources, working on research and demonstration programs to commercialize CCUS and create a hydrogen-driven society.
- 2 Providing new value through various solutions centering on energy to meet the diversified needs of customers and society (zero carbon, etc.), thereby expanding revenue.
- 3 Pursuing cost structural reforms to strengthen the business foundation and competitiveness.

5-year Efforts (FY 2021–FY 2025)

1 Initiatives for nuclear power generation

- Business management with safety as the top priority
- Continue and make the most of safe, stable operation
- Promote the nuclear fuel cycle
- Initiatives to develop with local communities

2 Initiatives for renewable energy

- Further developing and leveraging renewable energy
- Refurbishment of existing hydropower facilities

3 Initiatives for thermal power generation and fuels

- Initiatives for stable fuel procurement, trading, etc.

4 Initiatives for hydrogen business

- Toward the realization of a hydrogen-driven society

5 Initiatives for cost structure reforms

Initiatives in fiscal 2023

1 Initiatives for nuclear power generation

Business management with safety as the top priority

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 on August 1, 2014, 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.

At the same time, we will communicate these initiatives proactively to communities, including those near the plants, incorporating feedback into our risk management system to further reduce risks.

Continue and make the most of safe, stable operation

As we are committed to realizing green transformation (GX) to achieve carbon neutrality by 2050, we will maximize the use of nuclear power generation and balance the 3Es (Energy security, Economy and Environmental conservation; decarbonization), prioritizing safety.

With the share of nuclear power in the power generation mix maintained at certain levels, we will continue to contribute to preserving Japan’s technology and human resources for nuclear safety.

Business Segments | Energy Business

Specific initiatives

Initiatives to promote the use of nuclear power

With priority given to safety, we are working to increase the utilization rate of nuclear power by reviewing our maintenance system and inspection frequency. Periodical inspections at Ohi Nuclear Power Station Unit 4, for example, were optimized and shortened in fiscal 2023 by reducing and standardizing workload.

As stress corrosion cracks and reductions in wall thickness were found in steam generator heat transfer tubes at Takahama Nuclear Power Station Units 3 and 4, meanwhile, a permit application was submitted to the Nuclear Regulation Authority in April 2023 to ensure the units' long-term reliability, with preventive maintenance procedures (steam generator replacement, etc.) proposed; the permit was granted in June 2024. In addition, a memorandum of prior understanding was approved in July 2024 by the Fukui Prefectural Government and the Takahama Municipality according to the Safety Agreement on Nuclear Power Plants' Surrounding Environment.

Achieving over 40 years of operation

In applying for an operation period extension for 40 years from the starting month, in addition to special inspections carried out for reactor vessels and other equipment, we have carried out technical evaluations of degradation from age and confirmed that the durability and safety of important facilities could be assured even over an operation period of 60 years.

Mihama Nuclear Power Station Unit 3 restarted in 2021, complying with new regulatory requirements. It is the first 40-year-old reactor in Japan to be restarted. Takahama Nuclear Power Station Unit 1 was also restarted in August 2023, and was followed by Unit 2 in September of the same year.

An application for an extended operation period of 60 years, submitted in April 2023 for Takahama Nuclear Power Station Units 3 and 4, was granted in May 2024.

The Nuclear Reactor Regulation Law, which was revised in May 2023, meanwhile, involves review of safety regulations on aging nuclear reactors. Accordingly, a long-term facility management plan was approved for the first time in Japan in June 2024 for Ohi Nuclear Power Station Units 3 and 4.

Promoting decommissioning step by step

Decommissioning will be conducted roughly in four stages over the next 30 years or so according to a decommissioning plan approved by the Nuclear Regulation Authority. Currently, stage 2 (dismantling of facilities peripheral to reactors) is underway at Mihama Nuclear Power Station Units 1 and 2, and stage 1 (dismantling of equipment in the turbine building and monitoring of residual radioactivity) is underway at Ohi Nuclear Power Station Units 1 and 2. Appropriate measures are in place for decommissioning, with the highest priority given to safety.

Promote the nuclear fuel cycle

Promoting the nuclear fuel cycle, which involves spent fuel reprocessing for extraction of plutonium, is key to utilizing energy resources effectively and reducing the volume and toxicity of high-level radioactive waste. We thus have an all-Japan system in place to push forward construction and operation of the Rokkasho Reprocessing Plant of Japan Nuclear Fuel Limited, with priority given to safety.

We are also committed to strictly following a spent fuel measures roadmap formulated in October 2023 and promoting the nuclear fuel cycle by, for example, cooperating with the national government, etc. to select and locate high-level radioactive waste disposal sites and by communicating with as many people as possible to solicit understanding.

Initiatives to develop with local communities

The operation of nuclear power plants should be agreed on with communities, including those near the plants, and based on initiatives for sustainable and symbiotic development. We will thus communicate the significance of nuclear power through various channels listening to opinions in local communities and conducting various activities to help them develop communities and address their challenges, all designed to build confidence.



Takahama Nuclear Power Station

2 Initiatives for renewable energy

Further developing and leveraging renewable energy

As a leading company in zero-carbon energy production, our Group is committed to proactively developing renewable energy by strengthening our organizational structure to promote its development including engineering and marketing capabilities, focusing on offshore wind power generation, which has great development potential. Through investment of a total of 1 trillion yen in domestic projects, we aim to achieve a scale of 5 GW for new development and a cumulative total capacity of 9 GW by 2040. Domestically, we are taking initiatives not only to improve the output of existing hydroelectric power plants but also to develop solar power, onshore wind power, offshore wind power, biomass power,

Business Segments | Energy Business

geothermal power, and hydroelectric power plants. New development with a total output of about 0.4 GW came into operation as of the end of March 2024. We will contribute to helping the decarbonization of our customers and society by continuously operating our developed power sources and promoting the development of new power sources as well.

Specific initiatives

Development of solar power sources leveraging corporate PPAs: established a joint-venture company to develop new power sources with a capacity of up to 150,000 kW

The Kansai Electric Power Co., Ltd., Daiwa Energy & Infrastructure Co. Ltd. and SMFL MIRAI Partners Co., Ltd. jointly established KDS Godo Kaisha (hereinafter "KDS") in July 2023 to develop solar power generation facilities for corporate PPA. In cooperation with Eco Style Co., Ltd., KDS will develop a power source of up to 150,000 kW by the end of fiscal 2025 in the Kansai, Tokyo, and Chubu areas.

KDS commenced commercial operation of approximately 26,000 kW of solar power generation facilities as of the end of fiscal 2023.



KDS' solar power generation facilities (Suzuka City, Mie Prefecture)

Other domestic initiatives during the fiscal 2023

- The Kansai Electric Power Company and RWE Renewables Japan G. K. submitted the environmental impact assessment at the planning stage for the offshore wind power generation project off the coast of Wakayama Prefecture in accordance with the Environmental Impact Assessment Act in June 2023.
- In order to acquire knowledge on floating offshore wind power development, being expected to have high potential in Japan, we participated in DemoSATH project, the demonstration project of barge-type floating offshore wind power generation facilities conducted between Saitec Offshore Technologies and RWE Renewables off the port of Bilbao, Spain in August 2023. In addition, we became a shareholder of Odfjell Oceanwind AS, a Norwegian company developing floating foundation technology for offshore wind power generation.
- We submitted environmental impact assessment procedures for the Furubira Yoichi Wind Farm (tentative name), in accordance with the Environmental Impact Assessment Act in November 2023. In March 2024, we entered into a comprehensive partnership agreement with Furubira Municipality for decarbonization initiatives.
- In March 2024, we joined the Floating Offshore Wind Technology Research Association (FLOWRA), which was established for extensive, large-scale commercialization of floating offshore wind power generation and for development of related industries in Japan.



【Offshore wind power】
Floating offshore wind turbine demonstration off the port of Bilbao, Spain (DemoSATH Project)



【Onshore wind power】
Survey on endangered birds of prey for the Furubira Yoichi Wind Farm (tentative name)

Refurbishment of existing hydropower facilities

Leveraging our accumulated expertise in hydropower generation, 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 zero-carbon society.

Specific initiatives

Power plants under refurbishment (FY 2023)

- **Kurobegawa No. 2 Power Station Unit 3**
Before refurbishment: 73.6 MW
After refurbishment: 74.7 MW (completed in September 2023)
- **Kasagi Power Station Unit 2**
Before refurbishment: 50.9 MW
After refurbishment: 60.1 MW (completed in November 2023)
- **Shinmaruyama Power Station Unit 1**
Before refurbishment: 63.0 MW
After refurbishment: 63.7 MW (to be completed in March 2025)
- **Kasagi Power Station Unit 3**
Before refurbishment: 60.1 MW
After refurbishment: 69.2 MW (to be completed in December 2025)

Business Segments | Energy Business

3 Initiatives for thermal power generation and fuel

We are committed to working on various initiatives to realize the Zero Carbon Vision 2050, specifically by improving efficiency of thermal power generation, using zero-carbon fuels (hydrogen, etc.), and introducing CCUS technology.

Specific initiatives

A facility renovation plan is underway at the Nanko Power Station. A combined cycle unit will be installed to stabilize electricity supply and contribute to decarbonizing energy.

In addition, we aim to introduce CCS technology and start hydrogen co-firing in the late 2030s.

Initiatives for stable fuel procurement, trading, etc.

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.

While the fuel market is beginning to level off, we will continue to increase efforts to procure fuel in a stable, cost-effective manner, paying close attention to international affairs and fuel prices.

Strengthening the trading system

As part of our efforts to make our fuel business more flexible, we strengthened our trading system in Singapore, an LNG trading hub in the Asia-Pacific region, in fiscal 2023. At the same time, a trading office was set up in London to expand trading in the Atlantic region.

We will utilize our LNG trading volume (about 10 million tonnes a year), accumulated expertise, and global network to further expand revenue from LNG trading.

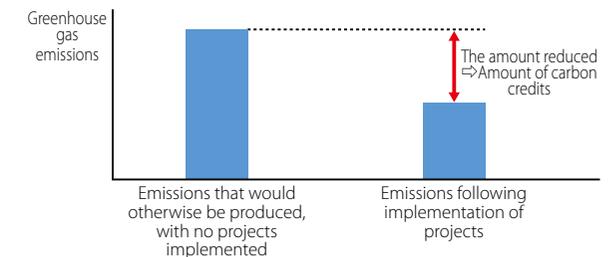
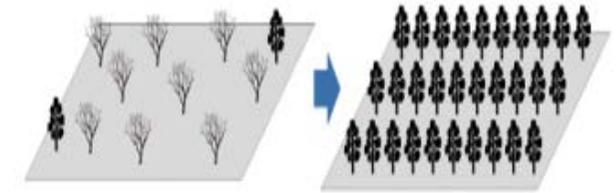


Participating in carbon credit projects

We entered into an agreement in December 2023 with Hartree Partners LP, an energy company dealing with LNG, to discuss the feasibility of launching carbon credit projects in Australia and participate in carbon credit trading, which is growing globally.

Specifically, we will take part in a primary forest regeneration project in Australia to obtain knowledge and expertise in carbon credit trading, thereby increasing our efforts to create a zero-carbon society.

(Concept image of primary forest regeneration project)



Business Segments | Energy Business

4 Initiatives for hydrogen business

Toward the realization of a hydrogen-driven society

Hydrogen does not emit CO₂ when burned and can be produced from renewable energy, etc. for storage and transportation, a characteristic ideal for applications such as power generation, industrial production, and mobility. We are thus working on various research topics, including the hydrogen upstream/downstream supply chain (from production to transportation, storage, use as power generation fuel, and distribution).

We signed a basic agreement with partner companies in fiscal 2023 on cooperation in hydrogen transportation and utilization, based in the Himeji area.* Accordingly, we will promote the use of hydrogen in and around hydrogen receiving terminals and use each partner company's infrastructure to study hydrogen transportation. Specific issues to be studied include rail freight transport from the Himeji area, transportation by pipeline utilizing railway tracks and communication piping, introduction of fuel-cell trains and development of hydrogen applications (fuel cells, etc.)

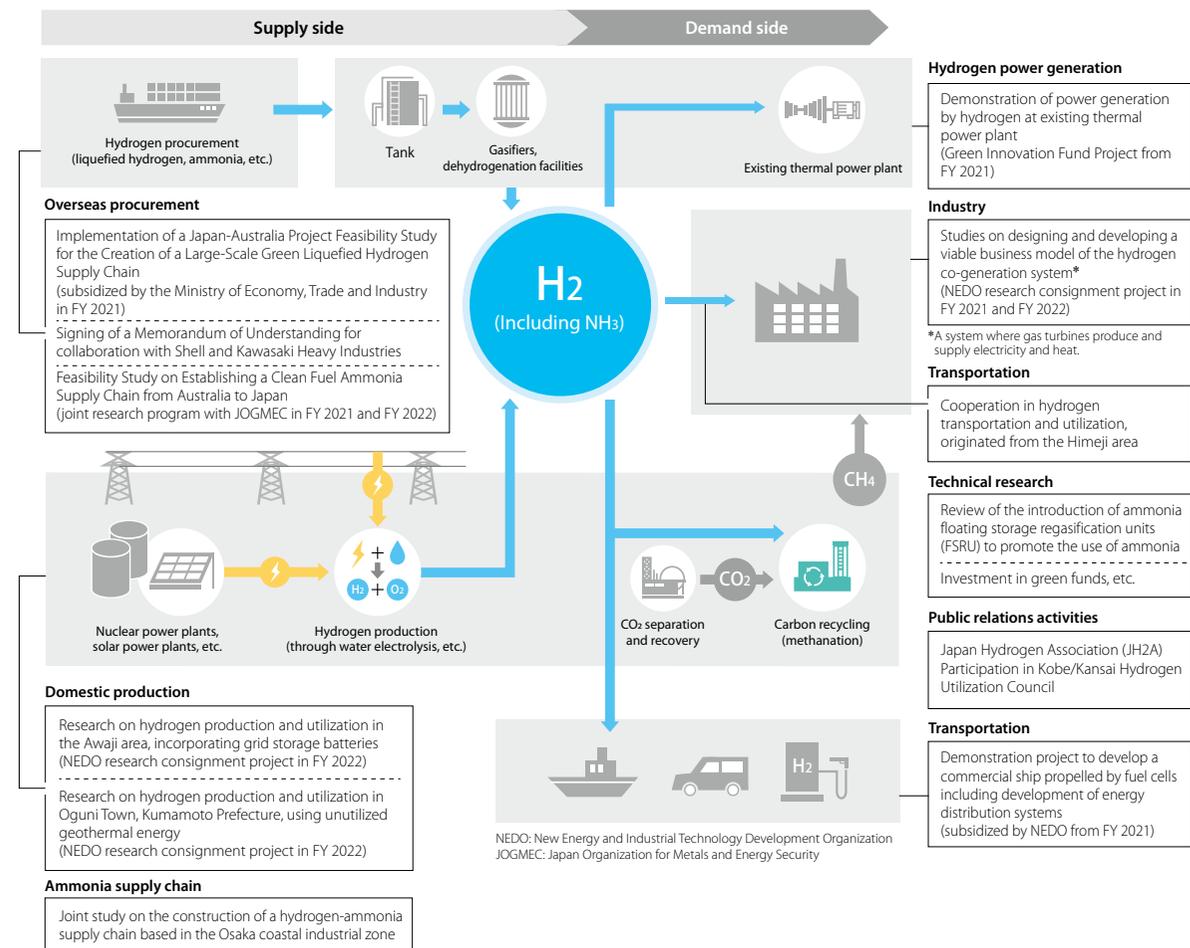
We will work together with the partner companies to develop cost-competitive, efficient hydrogen supply chains, possibly in the 2030s.

*West Japan Railway Company, Japan Freight Railway Company, Nippon Telegraph and Telephone Corporation (NTT), NTT Anode Energy Corporation, Panasonic Corporation, the Kansai Electric Power Co., Inc.

Specific initiatives

We are broadly engaged in technical research and public relations activities to realize a hydrogen-driven society, participating in various projects both on the supply and demand side.

Our contribution to creating a hydrogen-driven society will continue, specifically by improving initiatives and exploring every option possible, such as adopting advanced technology and promoting the use of hydrogen in communities and society through cooperation with various related parties.



Business Segments | Energy Business

5 Initiatives for cost structure reforms

Various efforts are underway to achieve the targets set in the medium-term management plan, a cost reduction of 90 billion yen* in fiscal 2025 through structural reforms, such as operating and maintenance cost reduction by the introduction of a condition-based maintenance system using DX, development of a cost-competitive power source portfolio by improving the efficiency of low-operating power sources and minimization of the costs of power source operation and procurement, including fuel and electricity market trading.

*The cost reduction amount based on a target set in March 2021 in the medium-term management plan.

Specific initiatives

Developing a cost-competitive power source portfolio

We decided to renovate facilities at the Nanko Power Station, decommission aging power generation facilities, and cancel construction plans, comprehensively taking into account changes such as medium- to long-term supply and demand conditions. We will continue to create a cost-competitive power source portfolio in response to changes in the business environment.

【Reviewing the power source portfolio】

Facility renovation:

- Nanko Power Station Units 1, 2 and 3
Equipment in place will be decommissioned (March 31, 2025), followed by a switch to high-efficiency combined cycle units (scheduled to be in operation in fiscal 2029 or later)

Decommissioning:

- Miyazu Energy Research Center Units 1 and 2 (May 31, 2023)
- Gas turbines (Units 1 and 2) at the Himeji No. 1 Power Station (March 31, 2024)
- Units 1 and 2 at the Kansai International Airport Energy Center (scheduled for decommissioning on March 31, 2026)

Cancellation of plans:

- Wakayama Power Station construction plan (December 19, 2023)

Developing an AI-based equipment anomaly detection system

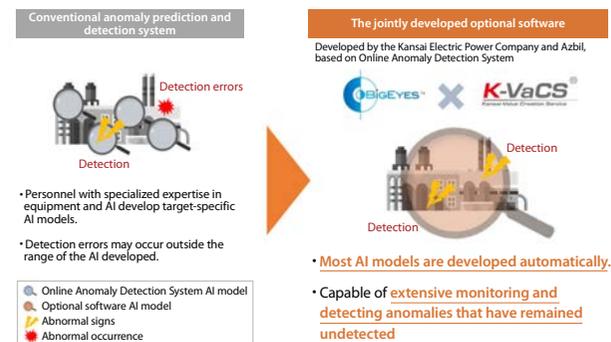
We developed optional software for AI-based equipment anomaly detection system in collaboration with Azbil Corporation (hereinafter “Azbil”).

While the preceding Online Anomaly Detection System involved the use of target-specific AI models, each developed by personnel with specialized expertise, this optional software features AI models, most of which are developed automatically. This improves the efficiency of AI model development while a significant increase in input types enables extensive monitoring, which had previously been difficult.

While Online Anomaly Detection System and the optional software will be phased in at our thermal power plants, we will jointly reach out with Azbil to companies in the manufacturing industry to promote the systems.

Streamlining facility inspection procedures using under-water drones

Conventional inspections of the submerged parts of hydropower dam discharge facilities (spillway gate wire ropes) were visually inspected by divers. These inspections have been replaced with visual inspections by under-water drones and measurement using AE (Acoustic Emission), depending on the results of previous inspections; the overall objective is to improve inspection efficiency and safety, thereby reducing disaster risks and inspection costs. 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.



Business Segments | Energy Business

Overseas Energy Business

Overview

We are participating in a total of 23 projects in the domains of power generation, transmission and distribution across 12 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.

We will promote our overseas energy business to create a stable revenue source for the Group, through our overseas offices in New York, Amsterdam, and Jakarta. In addition, our overseas energy business is expected to play a key role in responding to changes in the business environment as techniques and expertise obtained abroad are incorporated into our domestic business to make the Kansai Electric Power Group more competitive.

Power generation capacity by investment ratio (as of the end of April 2024)

2.852 GW Breakdown Thermal power: 1.764 GW
Renewable energy: 1.088 GW

Overseas power projects (as of the end of April 2024)

23 projects in 12 countries

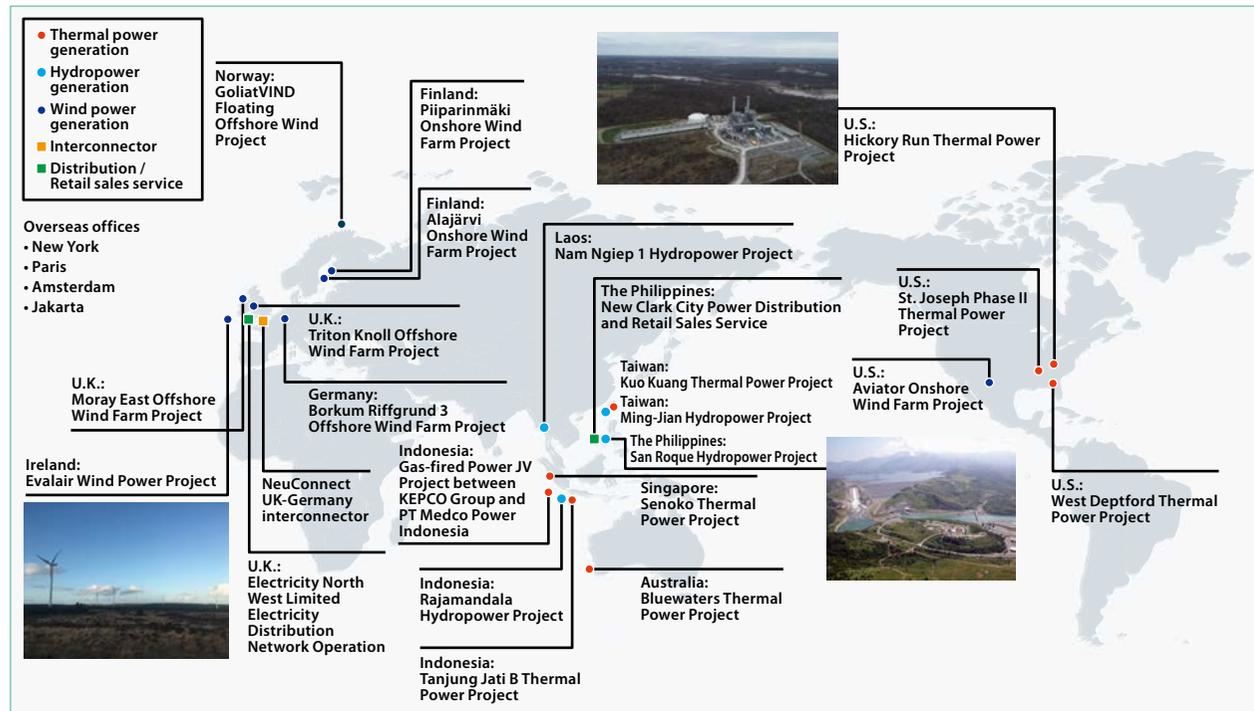
Business environment

Opportunities

- Opportunities for profitable businesses increase, particularly in emerging countries, where energy demand is on the rise.
- As the initiatives toward decarbonization accelerate worldwide, business opportunities increase in the field of renewable energy.
- Advancement in the use of new technology such as hydrogen, storage batteries, and floating offshore wind turbines as well as digital technology such as AI and IoT expands frontiers for new business opportunities.

Risks

- Decline in the business conditions of thermal power projects due to the further 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 Segments | Energy Business

Business strategies

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.

Progress

1 Zero carbon

The construction of the Alajärvi Onshore Wind Farm Project (Finland), in which we have a stake, was completed in fiscal 2023, followed by commercial operation. In addition, we participated in a floating offshore wind power demonstration project in Norway to contribute to promoting and expanding renewable energy.

Global decarbonization trends are resulting in technological innovation and changes in customers' needs and, by extension, a rapidly changing business environment. Under these circumstances, our energy business is committed to growing sustainably utilizing its development track records while contributing to creating a zero-carbon society.



Rendering of completed Goliat VIND Floating Offshore Wind Demonstration Project

2 Solutions

Our employees are assigned to transfer our expertise to the San Roque Hydropower Project in the Philippines and local staff members are invited to Japan to contribute to safe, stable operation of the hydropower plant.

We continue to provide solutions using our technological strength and expertise.



On-site training at the San Roque Hydropower Project

3 Increase profitability

Our international business covers Asia, Europe, and North America, expanding operations in the electric business, including thermal/hydro/wind power generation and power transmission/distribution. We will continue to increase the value of our assets by participating in new projects and restructuring our asset portfolio through divestment of projects for which the purpose of participation has been achieved. Being ahead of other Japanese companies in participating in offshore wind power projects, moreover, we are

incorporating the knowledge we obtained into our domestic business. Our other efforts include dispatching personnel to projects and footholds abroad to keep track of changes in international relations and other conditions related to business and to optimize business operations, thereby improving risk management. These efforts are expected to boost the profitability of our operations.



Alajärvi Onshore Wind Farm Project

Message from top management

In fiscal 2023, the operation of seven nuclear reactors and the promotion of our cost structure reform improved our competitiveness in the energy business. Additionally, on the environmental front, we achieved our target of halving CO₂ emissions by fiscal 2025 two years ahead of schedule. As this shows, we are steadily moving forward with efforts to achieve zero carbon. On the other hand, the business environment surrounding the energy business continues to change, for instance with the further development of digital technology and accelerating decarbonization trends. To accurately understand changes to the business environment like these, we are pulling together the Group's strengths to push initiatives aimed at simultaneously achieving stable power supplies and carbon neutrality. By doing so, we hope to unlock further growth.

Hiroshi Ogawa
Director
Representative Executive Officer,
Vice President



Business Segments

Transmission and Distribution Business



Business environment

Opportunities

- Financing available and profits arising from greater efficiencies secured with the new wheeling charge system in place
- Diversified customer energy needs and transactions
- Progress in electrification, driven by decarbonization
- Expansion of energy-related business at home and abroad

Risks

- Power transmission and distribution operators reviewed and compared with one another, with the new wheeling charge system in place
- Rising fuel prices and tightening supply-demand balance
- Declining grid demand due to the development of distributed resources
- Worsening supply-demand balance due to demand fluctuations
- Intensified natural disasters and possible earthquakes in the Nankai Trough

Kansai Transmission and Distribution Group Vision

The Kansai Transmission and Distribution Group Vision has been established to envision the path toward 2050. We are committed to

improving and expanding Kansai network facilities, our group's human resources and technologies, and platforms serving customers and society, thereby providing stable electricity, creating new value that goes beyond expectations, and better serving customers and society.

As an entity that supports the entire energy industry in addition to transmitting and distributing electricity, we are also committed to serving as an "energy platform," expanding our services from providing electricity to creating new value for customers and society.



Business Segments | Transmission and Distribution Business

Business strategies

Directions to take

We will pour resources into two business areas with wheeling business, one of our core businesses, positioned as the “wheeling domain,” and domestic and overseas business, expanded by utilizing our group strength, as the “expanded domain.” At the same time, we will create a “business foundation” to support these two areas.

1 Wheeling domain

Leading the industry in pursuing decarbonization and strengthening resilience

We will create a system to provide new value, taking into account the needs of customers and society, such as developing next-generation networks and implementing cost structure reforms to be an industry front-runner.

2 Expanded domain

Establishing a primary source of revenue, following wheeling business

We will roll out initiatives and services at home and abroad, going beyond the boundaries of wheeling business.

3 Business foundation

Creating an organization where exploration and ambition in providing new value is taken as matter-of-fact

We will develop an organizational culture to aim for more ambitious goals and implement innovative operational reforms, emphasizing Kaizen (the Toyota production system) and DX.

5-year Efforts

Basic premise of our business operations

- Doing business with integrity, beginning with compliance with laws and regulations
- Recreate a fair basis for competition
- Create a robust safety culture

1 Wheeling domain

- Create next-generation networks (decarbonization and greater resilience)
- Implement renovation for aging facilities
- Implement cost structure reforms to be an industry front-runner

2 Expanded domain

- Create new value in power transmission and distribution business
- Establish other sources of revenue

3 Business foundation

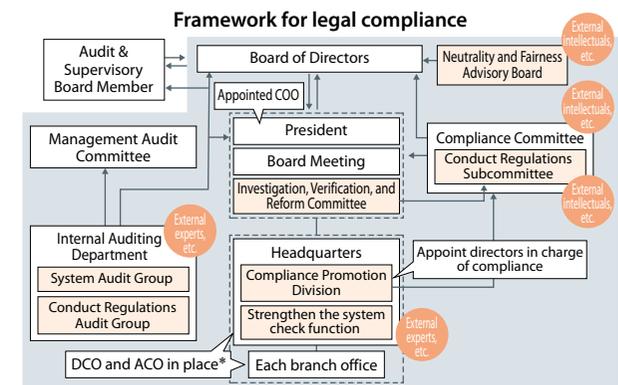
- Promote Kaizen and DX, innovate the organizational culture
- Strengthen human resources and support various workstyles
- Contribute to local communities (to win understanding and confidence)
- Strengthen the financial bases

Initiatives in fiscal 2023

Basic premise of our business operations

Doing business with fairness and integrity

Learning lessons from a serious violation of the Electricity Business Act (power producer and supplier data breach, etc.), we have strengthened our compliance system to abide by laws and regulations. Specifically, the president, appointed as the chief compliance officer (CCO), controls compliance and behavior issues, with directors in charge of compliance in place. In addition, the Compliance Promotion Division was established to ensure compliance with laws and regulations under the direct control of the president, where compliance and behavior issues are centrally controlled. Moreover, we have established a system that incorporates external, objective perspectives, with external experts overseeing to help Kansai Transmission and Distribution, Inc. deal with compliance and behavior issues more effectively.



*Compliance manager of each department and area. Department: Department Compliance Officer (DCO), Area: Area Compliance Officer (ACO)

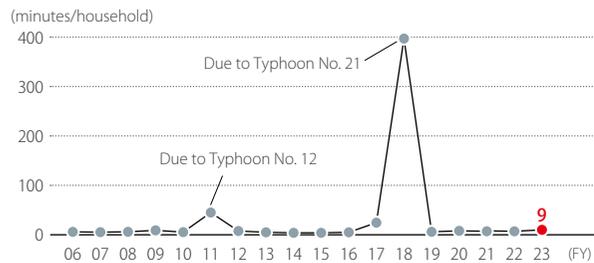
Business Segments | Transmission and Distribution Business

1 Wheeling domain

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.

Annual duration of power outage per household



Upgrading grid distribution networks

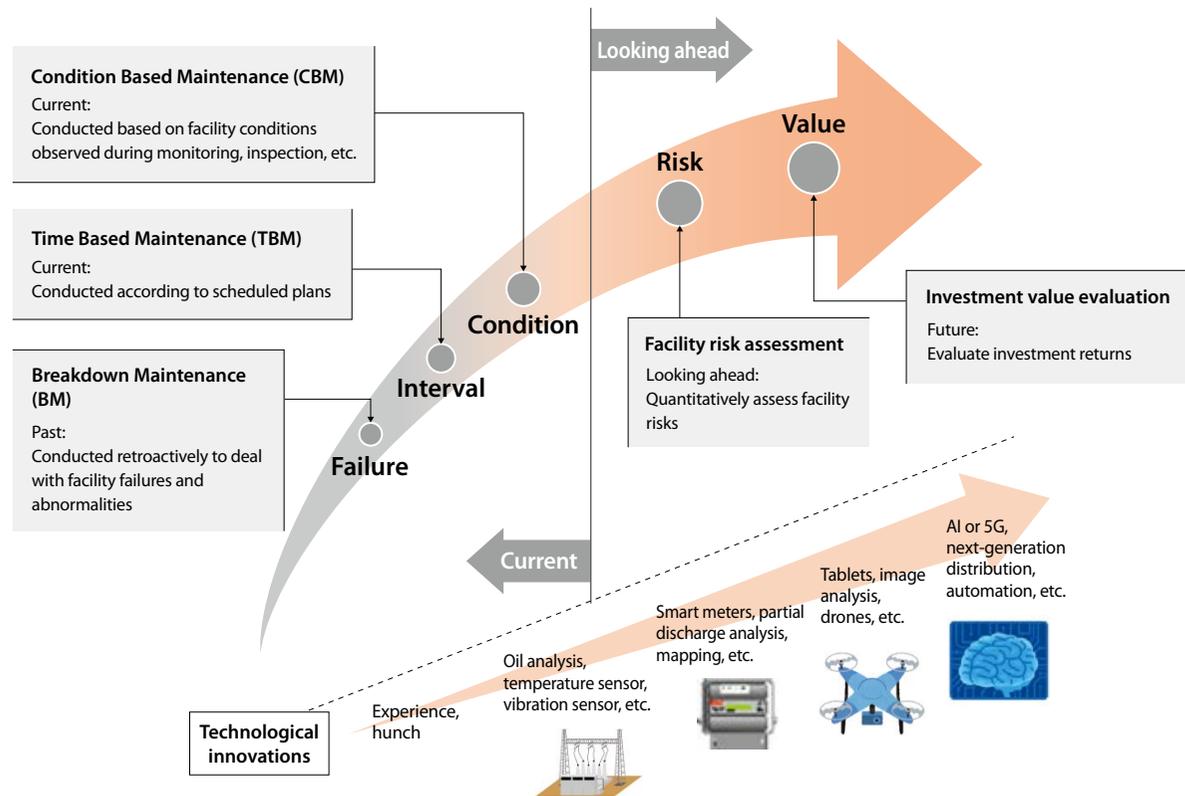
We will introduce next-generation equipment to closely monitor and control the operation status of the grid distribution networks, thereby dealing with problems arising from the input of massive amounts of renewable electricity, upgrading the capacity of grid distribution networks to accommodate more renewable electricity. All of this will contribute to decarbonization. In addition, we will prevent power outages by incorporating grid information (grid voltage/current waveforms, etc.) and develop an early detection system for power outage causes. These measures will also contribute to increasing resilience.

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 will develop and verify a system to map out a plan based on investment value evaluation, with efforts underway to upgrade our asset management.



Business Segments | Transmission and Distribution Business

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, the Kansai Electric Power Co., Inc. and Kansai Transmission and Distribution, Inc. will work together to stabilize electricity supply during disasters and emergencies. To this end, the two companies conduct group-wide comprehensive emergency response drills every year. We are committed to improving our disaster response skills and raising disaster awareness to prepare for various situations such as accidents caused by the Nankai Trough Earthquake, electricity supply constraints and disasters during holidays or at night, which result in a shortage of emergency response personnel.

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

Number of participants in group-wide comprehensive emergency response drills (fiscal 2023)

1,260

Implementing cost structure reforms to be an industry front-runner

A cost reduction of 55.1 billion yen/year expected for measures discussed before fiscal 2022 is incorporated in the business plan submitted to the government in accordance with the new wheeling charge system. We will make these measures a standard practice to start with. At the same time, we will implement cost structure reforms in all areas, incorporating external knowledge, to be a front-runner in power transmission and distribution operation.

2 Expanded domain

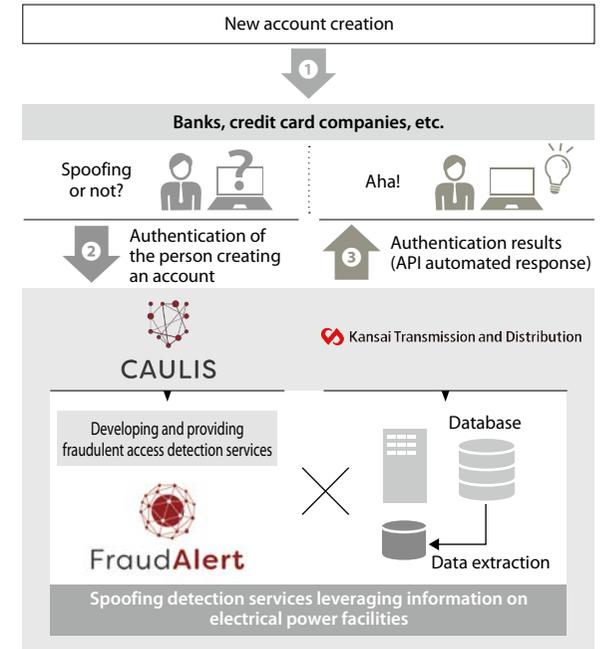
Services to prevent fraudulent account creation, leveraging information on electrical power facilities

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.

In addition, we are incorporating electric facility information to provide new services for continuous customer management designed to streamline management of existing accounts for financial institutions.

These services will help prevent crimes, including money laundering.

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



Business Segments | Transmission and Distribution Business

Expanding overseas business

We are extending our reach worldwide, focusing on expansion of earnings, technological contribution, and sustainability promotion. In fiscal 2023, for example, we were awarded five consulting projects including the one in Bangladesh. Kansai Transmission and Distribution, Inc., meanwhile, is looking at investing independently in overseas projects to further boost its earnings.



Facility survey by Dhaka Electric Supply Co., Ltd. (DESCO), a local power distribution company, to formulate the Dhaka Power Distribution Master Plan

3 Business foundation

Promoting Kaizen and DX

We implemented 304 Kaizen projects in fiscal 2023, including those for which management solves problems and challenges, to continue operations with a primary focus on productivity. As a result, redundancies were eliminated and operating processes were fundamentally reviewed.

We also implemented wide-ranging measures to promote DX, such as a shift to cloud contributing to improving system flexibility and reducing costs, and renewal of on-site operating processes using SaaS (Software as a Service).

With the essentials of business in mind, we will put innovative operational reforms into practice and double the productivity of all our operations through Kaizen and DX.

Message from top management

To provide inexpensive electricity in a stable manner while placing a premium on being fair and neutral, our operations include managing power grids, and planning and constructing transmission, transformation, and distribution facilities. As energy needs in society become increasingly diversified for decarbonization, greater resilience, etc., wheeling fields (the transmission and distribution business) takes on a greater role in meeting such needs.

We will go beyond the power transmission and distribution business, though, to deepen and expand links between the various assets we possess and everyone in society, to continue our evolution into an “energy platform” that creates new value for customers and society. At the same time, we will utilize the strengths we have built up in this business to boldly tackle new growth fields (in new business and international business), and work to meet customers’ and society’s expectations.

Takayuki Hakugin

President and Director
Kansai Transmission and
Distribution, Inc.



Business Segments

Information and Telecommunications Business



Business environment

Opportunities

- Increasing demand for IT infrastructure such as data centers to support growing use of AI and cloud computing
- Expanding need for high-speed communication for both domestic and overseas markets driven by increased data traffic corresponding to increases in video viewing and the spread of remote work
- Advancement of IoT technologies such as sensors and cameras, and the growing trend of applying IoT to smart homes

Risks

- Changes in the competitive environment caused by new entrants and policy trends
- Changing and diversifying market needs with the emergence of innovative new forms of technology
- Intensifying price competition

Business strategies

Directions to take

- 1 Demonstrate overwhelming competitiveness to increase profit in IT infrastructure services growing in demand such as optical fiber internet, mobile phones, corporate communication lines, and data centers.

- 2 Provide high value-added services that utilize the latest technology such as cloud computing, IoT, and blockchain, creating new solutions that can be provided outside of the Kansai region.

5-year Efforts

1 Consumer services

- Optical fiber internet "eo" expands its ultrahigh-speed service area and market share ahead of competitors.
- The mobile phone service "mineo" offers unique community-based services to differentiate from competitors and expand its user base.
- Promote home security and smart home businesses utilizing assets such as IoT technology and knowledge in security services.

2 Services for corporate customers

- Develop a connectivity data center with excellent connectivity to public clouds and internet telecommunications providers, including those overseas.
- Provide solutions that integrate networks, data centers, cloud computing, etc., and strengthen activities in the Tokyo metropolitan area.
- Provide Group assets (optical fiber, communication station buildings, etc.) toward the further spread of 5G communications.

Initiatives in fiscal 2023

1 Consumer services

"eo Optical services," offered by the group company OPTAGE Inc., are FTTH services utilizing a proprietary high-speed, reliable optical fiber network available throughout Kansai, and have established the largest market share in the Kansai region for detached houses. Their bundled service package centering on "eo Optical Fiber Internet," "eo Optical Fiber Telephone," and "eo Optical Fiber Television" tailored to customers' lifestyles is a major contributor to revenue growth in our IT business.

In fiscal 2023, in response to the further increase in demand for ultrahigh-speed internet, "eo Optical Fiber Internet 10/5 GB Course" became available in 173 municipalities, the largest service area in Kansai, and the service secured approx. 60% share of Kansai's FTTH market (for detached houses, 5 GB or faster course) through sales promotion, driving the growth of the FTTH market in the Kansai region.

Business Segments | Information and Telecommunications Business



OPTAGE also offers the mobile phone service "mineo", which was launched in 2014 nationwide, marking its 10th anniversary in fiscal 2024.

It offers low-priced, unique services with its original value co-created with fans mainly on "mineo oh," a community website, acquiring more than 1.3 million subscribers.

In fiscal 2023, in an effort to improve customer convenience, long-term subscription benefits based on contract years were reviewed for the "fan ∞ toku" user benefit program, significantly improving communication quality, even during busy weekday hours.

In 2024, under the slogan of "with mineo forever," unique services will be developed through continuous co-creation with our customers (fans), with the aim to provide services that appeal to users over the long term.



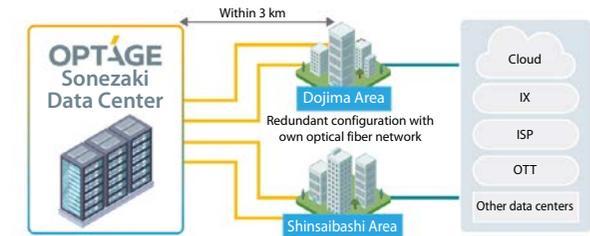
2 Services for corporate customers

As services for corporate customers, OPTAGE provides one-stop support for extensive services covering high-speed, high-quality information and communication services for enterprises, cloud, security, our data centers, as well as consulting and system development, all in line with customer needs.

In fiscal 2023, with a new 10 GB course added to the "Office eo Optical" lineup, the number of subscriptions to its line services grew steadily, and construction of the OPTAGE Sonezaki Data Center began toward its start of operations scheduled in January 2026.

Additionally, in response to the needs of customers for early provision of services, a new connectivity data center with low latency and excellent connectivity to cloud services, etc., was established within the existing Shinsaibashi Data Center as Shinsaibashi POP (Point Of Presence) to provide the same services as Sonezaki Data Center.

We will continue to propose optimal IT solutions to solve customer issues.



Message from top management

At OPTAGE, we are responsible for the Kansai Electric Power Group's information and telecommunications business, and we hold a large market share for fiber-optic internet for detached houses in the Kansai area. We are also developing nationwide mobile phone services that take advantage of our strengths in original services. For corporate customers, we have provided comprehensive information and telecommunications infrastructure in Kansai and elsewhere in Japan.

Going forward, we will respond to changes in society and to customers' needs by aiming to further increase the speeds of our networks and providing high-value-added services. At the same time we will focus on developing solutions that make use of cutting-edge technology such as the IoT and blockchains. By aspiring to further growth in this way, we will endeavor to realize a "future in which each and every one lives happily."

Masahiko Nabe
President and Representative Director
OPTAGE Inc.



Business Segments

Life / Business Solution Business



Business environment

Opportunities

- Robust demand for condominiums, office spaces, and leasing
- Growing demand for zero carbon and sustainability
- Increased business opportunities with the promotion of big projects such as attracting IR to Yumeshima and the Osaka Kansai Expo
- Increased business opportunities brought by advances in digital technology, etc.
- Increased outsourcing by enterprises due to labor shortages as the aging of society and the declining birthrate progress
- Improved health awareness in pace with longer healthy life expectancy

Risks

- Shrinking and changing needs due to declining population, diversifying lifestyles, etc.
- Sluggish real estate market resulting from sharp economic deterioration
- Damage to real estate value due to lower profitability of properties
- Intensifying competition with our industry peers

Business strategies

Directions to take

- 1 In the real estate business, while focusing on the Kansai region, increase presence in Tokyo and other metropolitan areas with large markets, and also further expand overseas with awareness of scale of risk.
- 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 (FY 2021–FY 2025)

1 Real estate business

- Continue to provide new value to customers by offering Smart Eco Town, ZEH (Net Zero Energy House) and ZEB (Net Zero Energy Building), as well as through generation of group synergy.
- Promote capital recycling business by making effective use of funds.
- Expand asset size overseas by building a business portfolio with risk diversification and stable earnings.

2 Businesses 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.
- Expand service base

Initiatives in fiscal 2023

1 Real estate business

We have made active efforts to increase sales of CIELIA condominiums mainly in the Kansai and Tokyo metropolitan areas.

The 810-unit CIELIA CITY AKASHI OKUBO was completed as the centerpiece of Akashi Smart Town, which is designed to provide a comfortable lifestyles for residents through optimal use of energy for the entire town. The building has acquired ABINC certification* for its biodiversity-friendly initiatives such as the formation of habitat networks for living creatures, including those in the surrounding area.

*A third-party certification and evaluation system for biodiversity conservation efforts

Business Segments | Life / Business Solution Business



CIELIA CITY AKASHI OKUBO



COMMUNITY HUB



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 2023

7,255

As part of our zero carbon initiatives, we launched construction of the CIELIA Azamino, a ZEH condominium that offers net zero carbon for the entire condominium. The completed KRD-Logistics Fukuoka Ogori acquired the first Nearly ZEB*¹ certification for Kanden Realty & Development Co., Ltd. through the use of motion sensors and photovoltaic panels.

*¹ Buildings that have reduced annual primary energy consumption to nearly zero



CIELIA Azamino



KRD-Logistics Fukuoka Ogori

Construction of the Kanden Fudosan Shibuya Bldg (rooftop terrace) and Kanden Fudosan Osaka Fukushima Building was completed as buildings that contribute to the environment and society.

In addition to ZEB Ready certified environmental performance, the buildings offer creative spaces that promote the interaction of diverse personalities, such as rooftop terraces and all-gender restrooms.



Kanden Fudosan Shibuya Bldg (rooftop terrace)

In addition to its environmental performance, which has acquired five stars in BELS*², the highest rank, natural wood construction is designed to "fix carbon dioxide issues" and "harmonize with the townscape."

*² Evaluation of energy conservation performance in buildings



Kanden Fudosan Osaka Fukushima Building

Business Segments | Life / Business Solution Business

Our office leasing and residential projects are expanding in developed countries, namely the U.S. and Australia, while residential development grows in emerging economies, especially in Southeast Asia. By the end of fiscal 2023, we have participated in 21 leasing projects in the U.S., Australia, and other countries, as well as 17 residential projects in the U.S., Australia, Thailand, and other countries.

Number of projects invested in since the first overseas real estate business (fiscal 2017) until fiscal 2023 **38**



Washington, D.C. Office Leasing Project (U.S.A.) 1099 New York Avenue



Sydney Residential Land Development Project (Australia) Orchard Hills North

2 Businesses other than real estate

KANSAI Medical Net offers the members-only health management support service Medical Support System (MSS), which includes a variety of services such as genetic testing and a sleep testing center as well as comprehensive medical checkups.



Many of the members are satisfied with the three “assurances” of “comprehensive medical checkups,” “health support,” and “medical coordination” that we provide. To further expand our support in the health of customers, we are also opening new medical facilities.

Number of KANSAI Medical Net MSS members **2,300**

- Nishinomiya Gardens Kenshin Clinic (October 2023)
- Nakanoshima Clinic Ladies Plaza (September 2024)

Kanden CS Forum is expanding the amount of order receipts for customer contact center operations from other companies, etc. by utilizing knowledge and high-quality services cultivated through operations for the Kansai Electric Power Company and its group companies.



Most recently, the company has been expanding its business by opening the following contact centers and establishing a subsidiary dealing with digital marketing BPO (business process outsourcing).

- April 2023: Opened Aomori Contact Center
- January 2024: Opened Nara Shin-Omiya Center
- January 2024: Established HarFor, Incorporated

In not only real estate services but also other business areas where we can take advantage of business experience and strengths as the

Kansai Electric Power Group, we will proactively incorporate digital and cutting-edge technology to expedite offering of high value-added services and to expand and enhance healthcare and contact center businesses, aiming for dramatic profit growth as well.

Message from top management

As the Kansai Electric Power Group's comprehensive real estate developer, we focus on creating all-electric buildings and urban development, as we expand our business in our Kansai heartland but also to places like the Tokyo metropolitan here in Japan, and the US and elsewhere overseas. We provide a diverse range of real estate services, centered on our core businesses: the condominium and housing business, real estate fund business, and overseas business. Through these services we have contributed to greater customer satisfaction and society's development. In line with our goal of being a leading company in the real estate industry for zero carbon activities, we provide zero carbon options to society through the combination of all-electric buildings and CO₂-free electricity. Even as the business environment changes as lifestyles and workstyles diversify, our dream of a society where every individual can shine will drive us to work toward a sustainable future through the creation of new value.



Emi Fukumoto
President
Kanden Realty & Development Co., Ltd.

06

Foundation to Support Value Creation

- 109 Roundtable Talk with the Chairman of the Board and Outside Directors
- 114 Directors
- 118 Executive Officers
- 119 Corporate Governance Systems
- 129 Compliance
- 133 Risk Management
- 136 Partnership with Suppliers
- 137 Respect for Human Rights

Roundtable Talk with the Chairman of the Board and Outside Directors



Hiroshi Tomono

Outside Director
Chairman of the Audit
Committee

Sadayuki Sakakibara

Chairman of the Board
Chairman of the Nominating
Committee

Kazuko Takamatsu

Outside Director
Chairperson of the Compensation
Committee

Assessment and Challenges for Sustainable Growth and a Further Leap Forward

1. Progress and assessment of governance structure

In June 2020, the Kansai Electric Power Company transitioned to a company with a nominating committee, etc., which clearly separates executive and supervisory functions, and has been promoting governance reforms since then. Please tell us about what has been focused on.

Sakakibara: Four years have passed since I assumed the position of Chairman of the Board in June 2020, a time when the Company had lost public trust in the aftermath of the cash/gift receiving incident

and other problems. To restore trust, I have put my efforts into strengthening the functions of the Board of Directors and promoting corporate governance reforms throughout the Company. First, we shifted to a company with a nominating committee, etc. and improved objectiveness and expertise in the Board of Directors by appointing eight outside directors, more than half of the 13 board members. In addition, while separating supervision and execution, we have striven to operate the Board of Directors in a manner to promote lively discussion between outside and inside directors. Regarding compliance, we newly set up a Compliance Committee chaired by an independent outside lawyer directly under the Board

of Directors to ensure the operation of the Committee is not influenced by politics that have been long established at the Kansai Electric Power Company.

To restore the trust of customers and society, all of our employees need to have strong awareness of compliance. As an observer participating in the Compliance Committee, thoroughly deliberating from an outside perspective, I have devoted my energy to deploying various initiatives, including those to strengthen the whistleblowing system and enhance training systems. Through exchange of views with employees in frontline workplaces, I became aware that compliance awareness was steadily rising. At that time, however, the

Roundtable Talk with the Chairman of the Board and Outside Directors

violation of the Antimonopoly Act and the breach of the Electricity Business Act due to the improper handling of the power producer and supplier customer information occurred, which reminded us that reforms were still halfway complete. With this in mind, we have been committed to further advance corporate governance reforms, which include reinforcement of internal controls and changes in the organizational climate. Moreover, at monthly board meetings, the board members are firstly asked to report within appropriate timing on the progress of these reforms in the form of special supervision (reform monitoring), and subsequently additional measures and improvement policies are thoroughly discussed. Through objective guidance and advice repeatedly provided in this way from the supervisory side to the initiatives taken by the executive side, I believe reforms on the “defensive” front have made steady progress.

Tomono: In promoting measures to prevent recurrence in a string of incidents, the head office initially took the lead in studying and implementing reasonable measures. However, frontline workplaces have their own logic, and it was not easy for them to relate the head office’s intentions to themselves. Seeing this gap in compliance awareness between the head office and frontline workplaces as a problem, the Board of Directors came to the conclusion that the corporate culture that has been cultivated up to that point must be changed. The executive side proposed that the entire company, including its culture, must change, which I believe demonstrates their willingness to change. If we fail to change at this point, we will revert to the old Kansai Electric Power. I believe that now we face a critical moment to take an opportunity for change.

Takamatsu: Since the strengthening of internal controls is also subject to special supervision by the Board of Directors, it is being promoted carefully and in great detail. I also appreciate the fact that the proposal for organizational climate reform was made from the executive side. There has been an ingrained culture of doing everything as told by the regulatory authorities from top to bottom. In dialogue with employees, I sometimes heard them say things like,

“We are just doing what we were told.” In recent years, though only gradually, employees in frontline workplaces have started to tell us that they are asking their supervisors for advice on their own problems, which makes me feel that things are changing. This change can be attributed to organizational climate reform. The results now being seen on the executive side reflect our reiteration of the need over these past four years to create an atmosphere that encourages open discussion.

Sakakibara: Our Group has had a deep-rooted top-down organizational culture that has made it difficult for frontline employees to speak up. The inappropriate handling of power producer and supplier customer information was left unaddressed for as long as five years, on the basis of a perception that there was no problem because it was visible information in the system the company had built.

Tomono: It could have been worse if this incident had not been brought to light by the people in charge, but pointed out by an outside party. In that sense, the fact that such an incident was uncovered from the bottom up was a change in itself. If our corporate culture and structure had remained as they were prior to the corporate governance reforms, it might still have been left unaddressed.

Sakakibara: Since June 2020, we, outside directors, have visited the head office, power stations, branch offices, and others dozens of times to talk with employees. I realize that, over these four years, our workplaces have been instilled with an awareness of Compliance with laws and regulations. Gradually, a bottom-up system has been built to take into account employees’ opinions, and healthy dialogue between supervisors and subordinates takes place in the company. We also have the momentum rolling to become a company that is receptive to opinions from people outside, “A-yan, Kanden!” I truly feel that our corporate culture is changing to become open-minded, with an upbeat atmosphere.



I understand that “defensive governance” has been producing results over the past four years. What is your assessment of “offensive governance”?

Sakakibara: As Chairman of the Board, I recognize the importance of not only defensive governance but also offensive governance to achieve medium- to long-term growth and enhance our corporate value. Toward sustainable growth, we have discussed and implemented a number of measures over these four years. Following the cash/gift receiving incident and other problems, we renewed our management philosophy. In formulating it, incorporating not only a defensive perspective but also an offensive perspective for growth and further progress, we have created four values of Fairness, Integrity, Inclusion, and Innovation in addition to our Purpose of Serving and Shaping the Vital Platform for a Sustainable Society.

Moreover, in 2021, we mapped out a medium-term management plan as an action plan for the next five years. Three years have passed

Roundtable Talk with the Chairman of the Board and Outside Directors

since the plan was formulated, with the concerted efforts of our Group, we have achieved all of our financial targets set for 2021 through 2023. Amid a rapidly changing business environment, we just updated our medium-term management plan this April, because we determined that it was difficult to show highly accurate forecasts and targets within a five-year time frame and that we needed to revise our profit plan and other content. With regard to decarbonization, in 2021 we established the Zero Carbon Vision, which aims to achieve zero CO₂ emitted through all our business activities, including power generation, by 2050. Toward this goal, initiatives are steadily ongoing in line with the roadmap. Unprecedented efforts, such as offshore wind power generation, hydrogen, and data center businesses, are being made as well.

Tomono: In our prior corporate culture, management would have opposed the idea of reviewing the medium-term management plan. I do not think the executive side would have even tried to do so. When this review was brought to the table, the objectives were not even organized. Nevertheless, it deserves recognition that the



significance and direction of the review of the plan were found through repeated discussions between the executive and supervisory sides.

Takamatsu: If there was an issue that needs to be addressed, it would be that the methods of human resource management and personnel appraisal have not changed. Appraisal in a top-down culture is different from that in a flexible and open culture. To change the structure in which the head office makes decisions and frontline workplaces carry them out, we need to change the methods of human resource management and appraisal as well. Specifically, it will be necessary to change the current demerit system to a merit system, and to adopt a wide range of multifaceted appraisal methods such as 360-degree feedback, which have already been introduced for some officers and managers.

2. Direction of the Board of Directors and the state of discussions

What are the activities, issues, and effectiveness in the Board of Directors in recent years?

Sakakibara: Based on a skill matrix, our outside directors are composed of individuals who have diverse experience and extensive knowledge, such as managers at large corporations, legal professionals, and university professors. Their male-female ratio is 5:3, maintaining a well-balanced composition. In managing the Board of Directors as the Chairman, I put importance on whether discussions can be held from medium- to long-term perspectives of shareholders and society. This and other factors encourage animated discussions at the Board of Directors meetings at all times, creating an atmosphere in which both the executive and supervisory sides can speak straightforwardly. In particular, I see that the executive side take issues pointed out by the outside directors serious and respond

honestly toward realization. I myself have been involved in the management of many companies, and I'm sure that willingness to sincerely consider and positively accept the opinions of outside directors is a good point and one of the strengths of our Company. Aside from the Board of Directors meetings, we also hold opinion-exchange meetings where the executive and supervisory sides can exchange opinions in an open and frank manner. What is more, offsite meetings exclusively for outside directors are held, fostering a climate that allows for unfettered exchange of views. Since 2022, we have set up an opportunity called executive camp, where executive officers and outside directors hold intensive discussions on medium- to long-term management strategies, the business portfolio, and the like, for two full days with no time limit. Through these efforts, I believe that we have established an effective system that facilitates free and open discussions on management issues between the executive and supervisory sides, drawing on their respective expertise, which will lead to further growth in our Group.

Tomono: The strength of our Board of Directors is that outside directors can speak freely in their areas of expertise, and that the executive and supervisory sides understand each other's background and context of their comments. On the other hand, it may be an issue whether or not the agenda items to be discussed at the Board meetings are correctly escalated from the executive side. The opinion-exchange meetings between the executive and supervisory sides and the directors' camp have enabled the creation of a trend whereby management issues are detected and these issues should be discussed at the Board of Directors meetings. It however makes me feel that the executive side should bring forward agendas at the Board of Directors meetings in an appropriate manner in the first place even without the involvement of the supervisory side. I think this point needs to be improved.

Takamatsu: It is important to thoroughly deliberate on matters to be resolved, but it is also very important to discuss matters, for example, about what we are currently thinking. In this respect, the directors'

Roundtable Talk with the Chairman of the Board and Outside Directors

camp and opinion-exchange meetings facilitate a frank exchange of opinions between the executive and supervisory sides, so I appreciate that these efforts are functioning effectively.

3. Direction of each committee and the state of discussions

In your capacity as Chair of the Nominating Committee, Audit Committee, and Compensation Committee, what do you think about the current situation and issues in each committee?

Sakakibara: I serve as the chair of the Nominating Committee. Since it is composed of four members, all of whom are outside directors, the Committee is operated from an objective perspective. Its mission is to appoint executive officers, and most recently, in 2022 it performed its role in the appointment of the President. In addition, it has replaced four outside directors during the period up to June 2024. In light of our Company's business conditions, the Committee selects individuals who are capable of expressing appropriate opinions on management issues, based on the concept of the skill matrix. Furthermore, the Committee also approves the personnel structure of executive officers and I recognize that determining this management structure is a role played by the Committee. Above all, I think having a plan in place for management successor candidates, the so-called succession plan, is the most important. Toward our company's sustainable growth, it is vital to engage in activities such as defining the qualities of the President and securing and training management candidates while keeping an eye toward the next-generation corporate structure.

Tomono: I am the chair of the Audit Committee, consisting of four outside directors and two inside directors. This Committee was probably the most disrupted among the three committees, partly

because it started due to scandals. At the time it was set up, the legal status of the Audit Committee was not yet fully clarified, so we needed to think about what it should be like and build an audit committee that allowed us authority to strengthen corporate governance. However, we could not allocate enough time to discuss it, and the resultant lack of communication was an issue. To cope with this, in fiscal 2021, immediately after this committee was instituted, we spent 2.3 times as much time in careful discussion as we did when we had the Audit & Supervisory Board. Last fiscal year, mainly because of our familiarity with auditing, deliberations were completed in 1.6 times as much time.

I understand that the purpose of auditing is to increase corporate value. Based on this purpose, we held study sessions several times, as there was a shortage of human resources who had systematically studied auditing. These efforts paid off as professional human resources with knowledge of auditing have been developed now. With the understanding that auditing is for the benefit of the company, not for criticism, the Committee has, in my view, grown to properly be able to perform audits to enhance corporate value and communicate smoothly with the executive side.

Takamatsu: I serve as the chair of the Compensation Committee, which consists of four outside directors. Its statutory role is to determine the compensation of directors and executive officers, but going beyond this scope, the Committee also deliberates on the compensation of advisors, etc. Last fiscal year, we investigated executive compensation levels and trends in similar-size industry peers, discussing our Company's compensation level and what our performance-based compensation should be like. In view of the cash/gift receiving incident and other problems, we have kept our compensation level down. However, in response to rising compensation levels at other companies, we have made a slight improvement from the viewpoint of securing management human resources while keeping the level lower than other companies. As for performance-based compensation, the system, target setting, and

timing of payment were determined after repeated discussions. It is worthy of note that, for financial indicators, we have set a new target using ROIC to practice management that focuses on capital efficiency, and for nonfinancial indicators, we have aligned targets with the achievement status of organizational climate reforms and employee engagement.

I think the desirable form of compensation will change in conjunction with changes in society. We need to consider how the shareholder perspective should be reflected, especially in nonfinancial indicators. We have a mountain of issues that need to be addressed: what type of compensation system and performance-based pay are appropriate to properly function as a solid medium- to long-term incentive. We will continue study to work out the most advanced compensation system.



Roundtable Talk with the Chairman of the Board and Outside Directors

4. Prospects and expectations for sustainable growth

What are your prospects and expectations for the future of the Kansai Electric Power Group?

Sakakibara: In discussing the future of our Group, the most important issue, I think, is to map out a medium- to long-term growth strategy, with the establishment of governance and promotion of compliance as our basic premise. Specifically, we need to discuss how to build our power supply portfolio, including the replacement of nuclear power plants and offshore wind power generation. Additionally, since our interest-bearing debt has increased through large-scale investments in nuclear power generation and other projects so far, I'm also aware of the need for continuous improvement in our financial position. In pursuing these goals, the Board of Directors plays an especially important role and I will keep revitalizing the Board to ensure freewheeling discussions.

Our organizational climate has been becoming quite vibrant as an outcome of a series of reforms over the past four years, with challenges being taken on new themes at a number of workplaces inside our Group. I hope all of our employees will be more proactive and keep taking on ambitious challenges. I'm convinced that the pursuit of ambitious goals by every employee will create a brilliant Kansai Electric Power Group.

Tomono: I would describe the organization Kansai Electric Power as a "flywheel." It has been a spherical wheel that maybe did not know where to go, but now that the wheel of the "flywheel" has become a disc type, once the direction is set, it can move forward in one sitting. If every single employee takes initiative seeing the present moment as an opportunity for change, I'm sure that the "flywheel" will move forward at an accelerated pace serving as an impetus toward a huge leap in the future.

Energy forms the backbone of our nation, and without international competitiveness in energy, Japan's economy and

society will not be able to be maintained. I'm confident that the Kansai Electric Power Group can be a leading company that drives Japan's energy future.

Takamatsu: As the Company's operation has been centered on the electric power business, we are destined to be a leading company in energy. Having said that, without settling, we should expand into different areas. I hope everyone at our Company will not only deal with electric power-based business, but also try various things with higher levels of creativity, tolerate failures, and learn from their failures to create new business. To this end, we should prepare an environment in which diverse human resources can play more of an

active role than ever, hoping to become an organization that appreciates and praises those who take on challenges. I have high expectations that all members of the Group will continue to stay united to achieve robust growth.



Directors



Director
Member of the Compensation Committee

Noriyo Yahagi

Director
Member of the Nominating Committee
Member of the Audit Committee

Kiyoshi Sono

Director
Member of the Audit Committee

Motoko Tanaka

Director
Member of the Nominating Committee
Member of the Compensation Committee

Seiji Manabe

Director
Member of the Audit Committee

Yasuji Shimamoto

Director
Member of the Audit Committee

Nobuhiro Nishizawa

Director
Member of the Audit Committee

Fumio Naito

Director
Chairman of the Audit Committee

Hiroshi Tomono

Director
Member of the Nominating Committee
Chairperson of the Compensation Committee

Kazuko Takamatsu

Chairman of the Board
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

Makoto Araki

Director
Representative Executive Officer,
Vice President

Hiroshi Ogawa

Directors

Outside Directors and Independent Officers



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 of the Board of the Company (Outside Director) (to present)

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

Sadayuki Sakakibara

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 June 2020, Mr. Sakakibara has appropriately supervised the overall management of the Company and provided useful advice as an outside director. In particular, in dealing with the breach of the Electricity Business Act due to the improper handling of the power producer and supplier customer information and the violation of the Antimonopoly Act, Mr. Sakakibara, as Chairman of the Board of the Company and Chairperson of the Board of Directors, was committed to the exercise of the supervisory function of the Board of Directors by putting the progress status of various recurrence prevention efforts, including organizational climate reforms and fundamental enhancement of internal controls, under special supervision by the Board of Directors, such as providing his impartial opinions and guidance. The Company believes that Mr. Sakakibara can be expected to continue to play the same role.



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 Corporation
 June 2015: Advisor, Nippon Steel & Sumitomo Metal Corporation
 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)

Director
 Chairman of the Audit Committee

Hiroshi Tomono

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 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.



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)

Director
 Member of the Nominating Committee
 Chairperson of the Compensation Committee

Kazuko Takamatsu

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. She has provided opinions and advice on the management of the Company from a broad perspective including diversity management as Outside Director since June 2020. The Company believes that Ms. Takamatsu can be expected to continue to play the same role.



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)

Director
 Member of the Audit Committee

Fumio Naito

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 since June 2020. The Company believes that Mr. Naito can be expected to continue to play the same role.



May 2012: President, Representative Director and Executive Officer, West Japan Railway Company
 June 2016: Chairman and Director, West Japan Railway Company
 June 2021: Senior Adviser, West Japan Railway Company (to present)
 June 2023: Outside Director of the Company (to present)

Director
 Member of the Nominating Committee
 Member of the Compensation Committee

Seiji Manabe

Appointment reason

Mr. Seiji Manabe has held important positions of West Japan Railway Company, which operates diversified business centered on railway transport. Mr. Manabe has a wealth of experience as a manager of a company engaged in social infrastructure. Mr. Manabe, as Outside Director since June 2023, has provided opinions and advice on the management of the Company from a broad managerial perspective based on his diverse business experience at the finance and labor departments of the company. The Company believes that Mr. Manabe can be expected to continue to play the same role.



July 2019: Chief public prosecutor, Kobe District Public Prosecutors Office (retired in September 2020)
 Nov. 2020: Registered as attorney-at-law (to present)
 June 2023: Outside Director of the Company (to present)

Director
 Member of the Audit Committee

Motoko Tanaka

Appointment reason

Ms. Motoko Tanaka has held a number of important positions, among them Chief Prosecutor of the Kobe District Public Prosecutors Office. Ms. Tanaka now serves as an attorney-at-law, and has assumed office as outside officer of other companies. As such, Ms. Tanaka 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 Director since June 2023. The Company believes that Ms. Tanaka can be expected to continue to play the same role.

Directors



Director
Member of the Nominating Committee
Member of the Audit Committee

Kiyoshi Sono

May 2014: Deputy Chairman of the Board of Directors, The Bank of Tokyo-Mitsubishi UFJ, Ltd.
June 2014: Chairman of the Board of Directors, Mitsubishi UFJ Financial Group, Inc.
June 2015: Member of the Board of Directors, Chairman (Representative Corporate Executive), Mitsubishi UFJ Financial Group, Inc.
June 2017: Deputy Chairman of the Board of Directors, Executive Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Apr. 2018: Deputy Chairman of the Board of Directors, Executive Officer, MUFG Bank, Ltd. (changed bank name)
Apr. 2019: Chairman of the Board of Directors, MUFG Bank, Ltd. Member of the Board of Directors, Managing Corporate Executive, Mitsubishi UFJ Financial Group, Inc.
June 2019: Managing Executive Officer, Mitsubishi UFJ Financial Group, Inc. (retired in April 2021)
Apr. 2021: Senior Advisor, MUFG Bank, Ltd. (to present)
June 2024: Outside Director of the Company (to present)

Appointment reason

Mr. Kiyoshi Sono has held important positions of Mitsubishi UFJ Financial Group which globally operates businesses associated with financial services. As such, Mr. Sono has a wealth of experience as a corporate manager. The Company believes that Mr. Sono can be expected to provide opinions and advice on the management of the Company from a broad managerial perspective based on his diverse business experience at the sales, compliance, and audit departments of the group, among others.



Director
Member of the Compensation Committee

Noriyo Yahagi

Apr. 2018: General Manager, Market Operation Department, Marubeni Corporation (retired in March 2020)
Apr. 2020: PR and interchange secretary/general of Sanda City, Hyogo Prefecture (retired in March 2023)
Mar. 2023: Director, General Incorporated Association EXPO 2025 Sakuyahime Congress (to present)
June 2024: Outside Director of the Company (to present)

Appointment reason

Ms. Noriyo Yahagi served as the PR and interchange secretary/general of Sanda City, Hyogo Prefecture after her career with a general trading company. As such, Ms. Yahagi has extensive experience and knowledge on community life and communication with various stakeholders. Currently, Ms. Yahagi actively engages in women's empowerment and promotion of the charms of Osaka and Kansai, as Director of the general incorporated association, EXPO 2025 Sakuyahime Congress. The Company believes that Ms. Yahagi can be expected to provide opinions and advice on the management of the Company from a broad perspective.

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 also been responsible for the management of the Group as Director, Representative Executive Officer and Vice President since June 2021. Mr. Mori has contributed to increasing the Group's value by demonstrating leadership on management as a whole through continuing efforts set forth in the Kansai Electric Power Group Medium-term Management Plan (2021-2025) on a group-wide basis as Director, Representative Executive Officer and President from June 2022. Moreover, in dealing with the breach of the Electricity Business Act due to the improper handling of the power producer and supplier customer information and the violation of the Antimonopoly Act, Mr. Mori, as a leader, rigorously strove to reform the organizational climate and fundamentally enhance its internal control, under a philosophy in which thorough compliance is the prerequisite for business management. Since Mr. Mori has contributed to enhancing the effectiveness of the Board of Directors by leading deliberations on these important management issues and conducting appropriate supervision, the Company believes that Mr. Mori is well qualified to be responsible for supervision of the Company's management.



Director
Representative Executive Officer, Vice President

Makoto Araki

Apr. 1987: Entered The Kansai Electric Power Co., Inc.
June 2016: Executive Officer, General Manager of Office of IT Strategy
June 2017: Executive Officer
Representative Director, Executive Vice President of K-Opticom Inc.
June 2018: Executive Officer
Representative Director, President of K-Opticom Inc.
Apr. 2019: Executive Officer
Representative Director, President of OPTAGE Inc. (changed corporate name) (retired in June 2021)
June 2021: Executive Vice President
June 2023: Director, Representative Executive Officer and Vice President of the Company (to present)

Appointment reason

Mr. Makoto Araki has extensive operational experience, primarily in the IT division, and experience as president of a subsidiary. Since being appointed as an Executive Vice President in June 2021, he has been in charge of Office of Compliance Promotion, Office of Corporate Planning, Hydrogen Business Strategy Division and Office of IT Strategy, and has broad insight in these fields. Moreover, Mr. Araki has performed proper management supervision by taking leadership in discussions on the organizational climate reforms in line with a business improvement plan and the fundamental enhancement of internal controls such as strengthening IT governance and an internal audit function and providing useful opinions and made contributions to improved effectiveness of the Board of Directors. The Company believes that Mr. Araki is well qualified to be responsible for supervision of the Company's management.

Directors



Apr. 1988: Entered The Kansai Electric Power Co., Inc.
 June 2020: Executive Officer, General Manager of Office of Energy and Environmental Planning
 June 2022: Executive Vice President
 June 2024: Director, Representative Executive Officer and Vice President of the Company (to present)

Director
 Representative Executive Officer,
 Vice President

Hiroshi Ogawa

Appointment reason

Mr. Hiroshi Ogawa has extensive operational experience related to the energy business, having served in the human resources and planning departments, as well as being deeply involved in the system design of the electricity market from the standpoint of a business operator. Since assuming the position of Executive Vice President in June 2022, he has been in charge of the Office of Energy and Environmental Planning, Office of Nuclear Fuel Cycle (Nuclear Fuel Cycle Business) and other offices and has broad insight in these fields. Moreover, Mr. Ogawa has played a leading role in planning and executing medium- to long-term strategies such as those related to "Kansai Electric Power Group Zero Carbon Roadmap" for realizing "Kansai Electric Power Group Zero Carbon Vision 2050" and power source portfolios. Based on his experience and insight, the Company believes that Mr. Ogawa is well qualified to be responsible for supervision of the Company's management.



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
 June 2020: Executive Vice President
 June 2021: Director of the Company (to present)

Director
 Member of the Audit Committee

Yasuji Shimamoto

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 Officer 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 supervision of the Company's management.



Apr. 1982: Entered The Kansai Electric Power Co., Inc.
 June 2016: Executive Officer, 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: Executive Vice President
 June 2022: Director, Representative Executive Officer and Vice President
 June 2023: Director of the Company (to present)

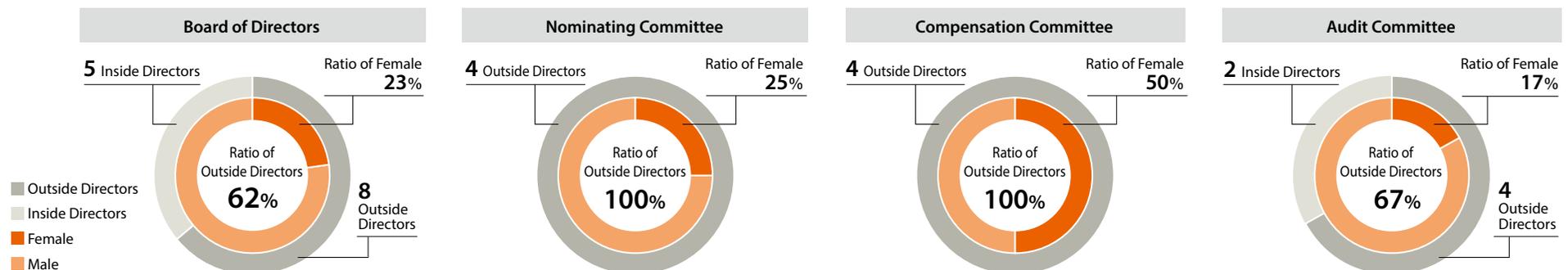
Director
 Member of the Audit Committee

Nobuhiro Nishizawa

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 responsible for the management of the Company as Executive Vice President since June 2020, as Director, Representative Executive Officer, and Vice President since June 2022, and as Director since June 2023. He has been responsible for auditing as a member of the Audit Committee since June 2023. Based on his experience and insight, the Company believes that Mr. Nishizawa is well qualified to be responsible for supervision of 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



Representative Executive Officer,
Vice President

Hitoshi Mizuta

General Manager of Nuclear Power Division



Director
Representative Executive Officer,
Vice President

Makoto Araki

Corporate Operations in general
In charge of Office of Organizational
Climate Reform, Hydrogen Business
Strategy Division, Data Center
Business Division, and Office of IT
Strategy
Chief Information Security Officer
In charge of Office of Internal Auditing



Director
Representative Executive Officer,
Vice President

Hiroshi Ogawa

Energy Business in general
In charge of Interim Storage
Promotion and Trading, Office of
Energy and Environmental Planning,
Office of Nuclear Fuel Cycle
(Nuclear Fuel Cycle Business), and
Office of Plant Siting



Representative Executive Officer,
Vice President

Kenichi Fujino

General Manager of Customer
Solution Division
In charge of supervising Gas
Business Division

Executive Vice Presidents



Executive Vice President

Naoki Naito

In charge of Energy Business
(Tokyo)



Executive Vice President

Takashi Tada

General Manager of Renewable
Energy Division
In charge of Office of Civil
Engineering and Architecture



Executive Vice President

Kazumitsu Takanishi

General Manager of Operation and
Trading Division
General Manager of Thermal Power
Division
General Manager of Innovation
Development Division



Executive Vice President

Nobuyuki Miyamoto

In charge of Office of Human
Resources and Safety Management
and Office of General Administration



Executive Vice President

Yasushi Ando

Acting General Manager of Nuclear
Power Division
(Energy Planning)



Executive Vice President

Mika Makiyama

Acting General Manager of
Customer Solution Division
General Manager of Gas Business
Division



Executive Vice President

Masaaki Ikeda

Chief Compliance Officer*
In charge of Office of Corporate
Communications

*Also in charge of Compliance on Wheeling Service Guidelines
under the Electricity Business Act



Executive Vice President

Toru Tanaka

In charge of Office of Corporate
Planning
General Manager of Sourcing and
Procurement Division
In charge of Office of Accounting
and Finance



Executive Vice President

Hayato Takabatake

Acting General Manager of
Nuclear Power Division (Nuclear
Safety & Engineering, Nuclear
Power Generation, Nuclear Fuel)
In charge of Office of Nuclear Fuel
Cycle (Nuclear Fuel Contract)



Executive Vice President

Toru Kuwahara

General Manager of International
Business and Cooperation 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.

1. Supervision

Board of Directors

<Structure>

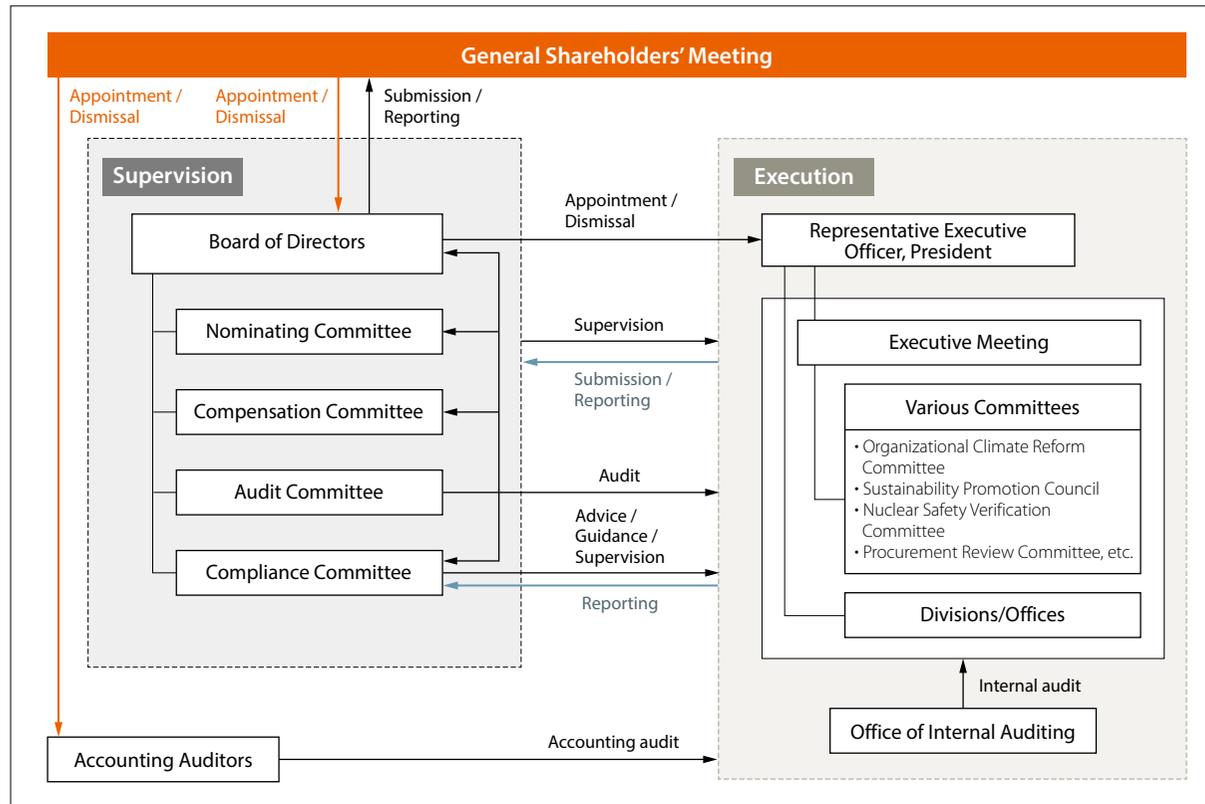
We pursue both diversity, such as gender, internationality, work history, and age, and an appropriate size in view of our business scale, business description, approach to managerial issues, and supervisory function in the Board of Directors, which has a well-balanced composition as a whole, consisting of independent outside directors (eight persons) with ample experience and knowledge cultivated as executives or professionals in a variety 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.

<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: to illuminate the future path of the Group, including our corporate strategy, develop an environment that supports appropriate risk-taking by executive officers, and provide highly effective supervision of 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 electricity transmission and distribution service operator.

Corporate Governance Systems

from an independent and objective standpoint. The Board decides basic management policies such as management plans after thorough discussions from a variety of perspectives, regularly monitors progress and reflects results in the future policies. In addition, the Board establishes effective internal control and risk management systems, supervises management with a focus on compliance, and supports executive officers for their swift and strong-minded decision-making. Moreover, for particularly important matters, the Board of Directors provides special supervision that requires in-depth reporting.

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: Kazuko Takamatsu, Seiji Manabe and Kiyoshi Sono

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 remuneration, etc. for 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, Seiji Manabe and Noriyo Yahagi

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 audits the execution of duties by executive officers, directors, employees, and other parties in the Company or its subsidiaries, from the viewpoint of legality and appropriateness. In addition, the Committee reports and expresses its opinions on 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 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: Fumio Naito, Motoko Tanaka, Kiyoshi Sono, Yasuji Shimamoto and Nobuhiro Nishizawa

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 outside 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.

Corporate Governance Systems

Directors

<Nomination policy>

All of our directors must be able to execute their duties under the Kansai Electric Power Group Purpose & Values with emphasis on sustainability, not to mention compliance.

Regarding the nomination of director candidates, the Nominating Committee makes decisions after deliberating comprehensively on whether the candidate's ability, experience, personality, insight, and other elements are suitable to take on management of the Company, and in light of diversity, including gender, internationality, work history and age, from the viewpoint of appropriate decision-making and effective supervision. Through the process, a certain number of individuals with sufficient management experience are appointed.

<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 knowledge and abilities specifically expected of directors.

Directors		Sadayuki Sakakibara	Hiroshi Tomono	Kazuko Takamatsu	Fumio Naito	Seiji Manabe	Motoko Tanaka	Kiyoshi Sono	Noriyo Yahagi	Nozomu Mori	Makoto Araki	Hiroshi Ogawa	Yasuji Shimamoto	Nobuhiro Nishizawa
Management experience		●	●	●		●		●		●	●		●	
Specifically expected knowledge and abilities	Legal affairs/Governance	●	●		●	●	●	●			●	●	●	●
	Finance/Accounting				●	●		●						●
	Environment/Energy	●	●	●						●		●	●	
	Technologies/Innovation	●	●							●	●		●	
	Customers/Social engagement			●		●		●	●	●	●			
	Global business	●	●	●				●						
	Human resource development			●		●	●		●	●		●		

The Company has established its own judgment criteria for independency, as described below, in consideration of requirements for independent officers stipulated by the Tokyo Stock Exchange, Inc. For outside directors, we assess their independency using these criteria from the perspective of their expected role in strengthening the supervisory function of the Board of Directors. 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
2	A major business partner of the Company, or its business executive
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)
4	A person who receives a large amount of donations or membership fees from the Company, or a business executive for that person
5	A business executive of the auditing firm of the Company
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
7	A business executive of a company which has accepted an executive from the Company or a subsidiary of the Company
8	A person who has fallen under any of the categories of 1 to 7 above recently
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

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 and provide opportunities for them to talk with our front-line staff to promote their understanding of our business.

Concept of creating the skills matrix

With the Kansai Electric Power Group Purpose & Values as its ultimate overarching concept, the Company has announced that it will carry out business activities placing importance on 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, with dedication to safety and security. "Compliance" and "sustainability" are positioned as a perspective and stance to be possessed by all the directors.

Under this philosophy, toward achieving the medium-term management plan, the Company has identified ten particularly important themes for its materiality. In order to perform management's supervisory function properly to solve and achieve these materiality themes, directors with management experience are expected to demonstrate their comprehensive knowledge of management strategy development, risk management, organization management, etc., and technical knowledge and skills required of the Board of Directors, as a whole, are identified as follows:

Legal affairs/Governance	For fair business activities and sustainable corporate value enhancement, the skill and knowledge of supervising the status of compliance and the establishment of corporate governance, internal controls, and risk management systems and their operations are important.
Finance/Accounting	The skill and knowledge of supervising the correct financial reporting and maintenance of financial soundness, the promotion of growth investment for improving corporate value, financial strategies, capital policies, etc. are important.
Environment/Energy	In Energy Business and other group businesses, the skill and knowledge of supervising the promotion of environment-friendly businesses, such as zero carbon challenges, in view of social conditions, government policies, etc. are important.
Technologies/Innovation	In order to underpin the business foundation of the Company and offer new values, the skill and knowledge of supervising the promotion of DX/innovation, etc. in view of the latest technological trends are important.
Customers/Social engagement	To gain the trust of various stakeholders and grow and evolve together, the skill and knowledge of supervising initiatives on PR, communication, marketing, local communities, etc. are important.
Global business	The skill and knowledge of supervising overseas business operations and profitability improvement in conformity with different cultures and business practices, and the building of good relationships with business partners, etc. are important.
Human resource development	For every single employee to maximize one's drive and capabilities to flourish, the skill and knowledge of supervising the initiatives to promote human capital development and DE&I, and to strengthen human capital base such as HR programs are important.

Corporate Governance Systems

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 and our Commitment to Fair Competition. 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 their 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.

<Organizational Climate Reform Committee>

The Organizational Climate Reform Committee comprehensively forges ahead with organizational climate reform as well as measures to prevent recurrence of inappropriate handling of the power producer and supplier customer information and the violations of the Antimonopoly Act in the retail electricity business. The Committee's responsibilities include identifying and analyzing company-wide issues related to these incidents, formulating comprehensive measures for recurrence prevention, discussing and promoting specific measures for organizational climate reform and reinforcement of internal controls, and checking the implementation status of such measures.

<Internal Control Board>

The Internal Control Board has been established to manage risks associated with the Group's business activities at an appropriate level and to achieve sustainable growth of the Group. The Board assesses the development and operation status of internal control systems, discusses comprehensive improvement measures, gives instructions for improvement of inadequacies, checks the improvement status, and provides support.

<Sustainability Promotion Council>

To address sustainability-related issues, the 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 have also set up a Sustainability Promotion Council, which is chaired by Mr. Nozomu Mori, Executive Officer and President, and is composed of 23 members, to draw up comprehensive sustainability measures for the entire Group and check implementation status. At the same time, we perform concrete activities by developing comprehensive measures for the Group to contribute to the sustainable growth of society.

<Nuclear Safety Enhancement Committee / Nuclear Safety Verification Committee>

Regarding nuclear safety, our principles associated with nuclear safety to be succeeded to our employees in future generations are clearly stated in the company proclamation, 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.

Corporate Governance Systems

<Internal Auditing Committee>

Regarding internal audits, we have established an Internal Auditing Committee in order to share and deliberate wide-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.

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 performance-based compensation as short-term incentives as well as stock-based compensation as medium- to long-term incentives, 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: performance-based compensation: stock-based compensation = 6:3:1" as a guide.

Remuneration determination process:

With the "Policy for determining remuneration, etc. for directors and executive officers" established and in accordance with this policy, the Compensation Committee, which is composed 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 is referred to as Performance-based Compensation I, determined based on the degree of achievement related to business performance, etc. in the previous fiscal year and Performance-based Compensation II, which will be determined based on the degree of achievement related to business performance, etc. in the current fiscal year. Performance-based Compensation I is paid regularly together with basic compensation, while Performance-based Compensation II will be paid as a bonus by resolution of the Compensation Committee, to be held in June 2025.

"Performance" consists of company-wide performance based on the results of respective indicators in conjunction with the financial targets of the medium-term management plan as well as the results of ESG and other initiatives, and individual performance based on the results of performance regarding the initiatives undertaken by respective divisions that respective directors are in charge of. The amount to be paid is calculated based on the base amount set for each job position and the degree of target achievement.

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

Total amount of compensation

Performance-based compensation 【30%】	Regularly-paid fixed amount Performance-based compensation I 【50%】	Company-wide performance (70%)	Indicators		Percentage	FY 2023: Targets / Achievement rate
			Financial indicators	Consolidated ordinary income	70%	Achievement rate = 150% [765.9 billion yen / 170.7 billion yen]
FCF	10%	Achievement rate = 150% [726.9 billion yen / 262.1 billion yen]				
ROA	10%	Achievement rate = 150% [8.9% / 2.4%]				
Stock-based compensation 【10%】	Bonuses Performance-based compensation II 【50%】	Company-wide performance (70%)	Nonfinancial indicators	CO ₂ emission reductions	10%	Achievement rate = 75% Evaluated by the Compensation Committee with reference to the current status of efforts in reducing CO ₂ emissions as well as external assessment by DJSI etc. in order to achieve the medium-term management plan targets (to be halved in FY 2025 compared to FY 2013).
				External ESG assessment		
Basic compensation 【60%】		Individual performance (30%)	Indicators / Targets		Percentage	FY 2024: Targets / Assessment criteria
			Financial indicators	Consolidated ordinary income	65%	Achievement rate = Consolidated ordinary income / 360 billion yen
FCF	10%	Achievement rate = Total actual FCF for FY 2021–2024 / 200 billion yen				
ROA	5%	Achievement rate = Actual ROA for FY 2024 / 4.3% [ROA = (Consolidated ordinary income + Interest expense) / Total assets]				
ROIC	5%	Achievement rate = Actual ROIC for FY 2024 / 4.3% [ROIC = NOPAT / Invested capital]				
		Individual performance (30%)	Nonfinancial indicators	CO ₂ emission reductions	15%	Achievement rate = Evaluated by the Compensation Committee with reference to the following: • Current status of efforts in reducing CO ₂ emissions from domestic power generation, aiming to achieve the GHG reduction targets set forth in the Zero Carbon Roadmap • External evaluation by DJSI, CDP, etc. • Status of achievement of KPIs related to employee engagement, organizational climate reforms, etc.
	External ESG assessment					
	Employee and organizational engagement					
			<input type="radio"/> Indicators: Individual performance (assessment) <input type="radio"/> Application: Base amount by job position (individual) × assessment rate (0–120%)			

Notes: 1 Base amount of performance-based compensation by job position (annual amount)

- Director, Representative Executive Officer and President: 27.0 million yen
- Director, Representative Executive Officer and Vice President: 20.1 million yen
- Representative Executive Vice President: 18.6 million yen
- Executive Vice President: 12.6 million yen

2 Company-wide performance varies in the range of 0 to 150% depending on the degree of achievement of performance indicators.

3 Individual performance varies within a range of 0% to 120%, depending on the performance results of each individual. Individual performance shall not be applicable but company-wide performance shall be applicable by 100% to the President.

5. Management of subsidiaries

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

We also strive to prevent any losses to the corporate value of the Group as a whole, or at least keep them to a minimum, by participating in important decision-making by our subsidiaries, and periodically checking on their management status. Moreover, our Executive Meeting deliberates execution directions and plans for important business, particularly for the core companies responsible for businesses that are the pillars for the future growth of the Group.

Specifically, based on the performance evaluation system, we set financial and nonfinancial targets at the beginning of each fiscal year after confirming consistency between the plans and policies of each company and policies of the Group, confirming progress through communication by senior management during and at the end of each fiscal year. Additionally, we make prior adjustments to individual plans, such as investments of a certain scale or making inroads into new business fields. Through these efforts, we are striving to enhance the corporate value of our entire Group and prevent it from being undermined.

Corporate Governance Systems

6. Effectiveness evaluation and response policies for the Board of Directors

The Company evaluates the effectiveness of the Board of 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.

(1) Overview of effectiveness evaluation for fiscal 2023

Evaluation/analysis method	Evaluation items
<ul style="list-style-type: none"> Conducted a survey targeting all directors (5-point scale and free answer) on the effectiveness of the Board of Directors, etc. January 2024. A third-party organization was used for the survey to improve the transparency and objectivity of the evaluation. 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 30, 2024. 	<ol style="list-style-type: none"> Role/function of the Board of Directors Status of efforts for the business improvement plan Composition/size of the Board of Directors Operation of the Board of Directors Operation of the Nominating, Compensation, and Audit Committees Role of and support system for outside directors Relationships with shareholders, investors, etc. Improvement status of major issues in fiscal 2022

General comments on survey results for FY 2023

Continuing from the results of fiscal 2022 evaluation, the results of the analysis confirmed the strengths: substantive discussions regarding management strategy and other important medium- to long-term themes, which is the role of the Board of Directors, and providing sufficient information in advance and the agenda management by the Chairperson to support active discussions.

In addition, because the results showed that the evaluation items associated with the improvement status for major issues of fiscal 2022 had generally improved according to approximately 85% of the directors, we have confirmed that the effectiveness of the Board of Directors, etc. has been steadily improving.

Based on the results of the fiscal 2023 evaluation, the Company will focus on supervision of group governance and improvement of the operation of the Board of Directors in order to improve the effectiveness of the Board of Directors, etc.

(2) Main initiatives to enhance effectiveness and results of evaluation for fiscal 2023

Main issues for FY 2022	Main initiatives for FY 2023	Results of evaluation
① Further efforts toward organizational climate reform and stricter compliance	<ul style="list-style-type: none"> The Board of Directors thoroughly discussed on a monthly basis the progress of each of the recurrence prevention measures listed in the business improvement plan, including organizational climate reform and strengthening of internal controls, as matters for special supervision by the Board of Directors. Confirmed the status of penetration of various recurrence prevention measures and issues through dialogue between outside directors and employees at front-line workplaces, etc. (six times in fiscal 2023). 	<ul style="list-style-type: none"> The Board of Directors has been highly effective in exercising its supervisory function to reform the organizational climate and enhance compliance, with particular emphasis on the Company and Kansai Transmission and Distribution, Inc. In the future, the Board of Directors will further expand the scope of the above supervisory function to include strengthening internal controls at group companies, which is a priority issue.
② Supervision of the Nominating and Compensation Committees by the Board of Directors	<ul style="list-style-type: none"> Organized reporting details necessary for supervision on the Board of Directors and shared them with each director. Based on this recognition, the status of the execution of duties by each committee was reported to the Board of Directors in a timely, appropriate, and substantial manner. 	
③ Information disclosure and explanation to shareholders, investors, etc.	<ul style="list-style-type: none"> Based on the results of the General Shareholders' Meeting and IR results, etc., enhanced discussions on how engagement with shareholders, investors, etc. were conducted. The capital costs and share prices were analyzed, and policies to improve asset efficiency, etc., were discussed several times, based on the premise of ensuring financial soundness. 	
④ Further improvement of the composition of the Board of Directors	<ul style="list-style-type: none"> Continued discussion by the Nominating Committee on the ideal composition of the Board of Directors, with a focus on the future business environment. (Including a review of the skill matrix) 	
		<ul style="list-style-type: none"> There is a general trend toward improvement, with higher evaluation and more positive comments. The efforts made in fiscal 2023 should be continued in the future to further improve the effectiveness of the Board of Directors, etc.

(3) Major future issues and policies for future initiatives

Major future issues	Policies for future initiatives
Deliberation theme: Supervision of group governance	As part of the Company's efforts to fundamentally strengthen internal controls, the Board of Directors will make efforts to strengthen governance at group companies as priority theme for future Board of Directors and will hold regular deliberations on this topic.
Support for enhancing deliberations: Improve management of the Board of Directors	<p>In addition to group governance, the following measures will be taken to further enhance both the quality and quantity of deliberations on important issues such as medium- to long-term management strategies.</p> <ul style="list-style-type: none"> Create opportunities to mutual understanding among directors regarding the matters to be supervised by the Board of Directors and will realign them as necessary. The executive side will strive to present each agenda item in a clear and concise manner in order to ensure more effective deliberations.

Corporate Governance Systems

Operating status of fiscal 2023

Board of Directors

Based on laws and regulations and the rules for 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, the composition of each committee, appointment and changes of executive officers, personnel measures for officers, and specific initiatives to achieve the medium-term management plan. Furthermore, progress on the medium-term management plan is regularly reported and deliberated, including quarterly financial results, operational status of internal control, and measures to support management awareness of capital costs, share prices, and other matters. In addition, during fiscal 2023, under the business improvement plan formulated in response to the breach of the Electricity Business Act due to the improper handling of the power producer and supplier customer information and violation of the Antimonopoly Act in connection with transactions of special-high voltage power and high voltage power service, the progress of various preventive measures and status of efforts for organizational climate reform to fundamentally strengthen internal control were thoroughly discussed in conjunction with the Board of Directors meetings as special supervision by the Board of Directors. For the resolutions and deliberations stated above, the Board of Directors held seven opinion exchange meetings between directors and one joint training session for directors and executive officers during fiscal 2023 with the aim of fulfilling discussions at the Board of Directors and strengthening corporate governance. In these opinion exchange meetings and the training session, a wide range of management issues and the direction of future growth strategies are discussed with the aim of realizing the Group's vision, including a review of the Company's business portfolio and Zero Carbon Roadmap.

The opinions obtained through these opinion exchange meetings and the training session are reflected in management

through discussions at subsequent meetings of the Board of Directors.

Additionally, independent outside directors are actively striving to monitor the Company's status through prior briefing on board meetings; visiting front-line workplaces; and through dialogue with employees throughout the year.

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. For fiscal 2023, priority items discussed and opinions exchanged include the following:

- Operation of succession plan for Executive Officer and President, and development of successor candidates
- Director change proposals for the General Shareholders' Meeting
- Succession plan for outside directors
- Review of director nomination policy, etc. (including skill which the Board of Directors should be equipped with)

Compensation Committee

The Committee decides on the policy and details of compensation of respective directors and executive officers, and deliberates on compensation for advisors. For fiscal 2023, priority items discussed and opinions exchanged 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.
- Establishment of a system for performance-based compensation and financial and nonfinancial targets.

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 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. Audit reports and opinions therein are provided to the Board of Directors and executive officers. Priority audits and other items conducted in fiscal 2023 include the following:

- Monitoring and verification of efforts to ensure compliance
- Monitoring and verification of business execution related to important management issues
- Monitoring and verification of group governance reforms
- Response to proceedings for damages against our former executives filed by the Company concerning problems such as receiving cash and gifts and remuneration for part-time service, etc., after resignation.

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).

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

Corporate Governance Systems

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)	October, December, February, 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 directors

Board of Directors, Nominating Committee, Compensation Committee, and Audit Committee meetings held in fiscal 2023 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% (15/15 attendances)	◎100% (10/10 attendances)	100% (6/6 attendances)	–
Takamune Okihara*	100% (15/15 attendances)	100% (10/10 attendances)	–	100% (14/14 attendances)
Atsuko Kaga*	87% (13/15 attendances)	–	100% (6/6 attendances)	–
Hiroshi Tomono*	93% (14/15 attendances)	–	–	◎93% (13/14 attendances)
Kazuko Takamatsu*	100% (15/15 attendances)	100% (10/10 attendances)	◎100% (6/6 attendances)	–
Fumio Naito*	100% (15/15 attendances)	–	–	100% (14/14 attendances)
Seiji Manabe*	100% (11/11 attendances)	100% (8/8 attendances)	100% (3/3 attendances)	–
Motoko Tanaka*	100% (11/11 attendances)	–	–	100% (11/11 attendances)
Nozomu Mori	100% (15/15 attendances)	–	–	–
Koji Inada	100% (15/15 attendances)	–	–	–
Makoto Araki	100% (11/11 attendances)	–	–	–
Yasuji Shimamoto	100% (15/15 attendances)	–	–	100% (14/14 attendances)
Nobuhiro Nishizawa	100% (15/15 attendances)	–	–	100% (11/11 attendances)

Notes:

- 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.
- ◎ represents the chairperson of the board/committee.
- * represents an independent outside director.

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 120.)

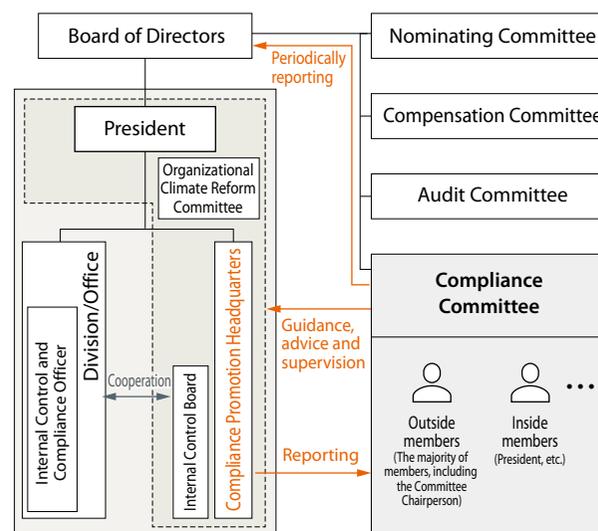
In July 2023, for centrally promoting compliance and risk management throughout the Group, the Compliance Promotion Headquarters was newly set up by integrating compliance on wheeling service guidelines, risk management, internal control, and other functions into the Office of Compliance Promotion. At the same time, the position of Chief Compliance Officer (CCO) was established as the officer with ultimate responsibility for compliance promotion. Additionally, the Internal Control Board was set up to deliberate internal controls, including risk management, for the entire Group*. In addition, aiming to enhance the effectiveness of internal controls at operating divisions, including front lines, each operating division now has an Internal Control and Compliance Officer to step up cooperation with corporate divisions.

The Compliance Promotion Headquarters is composed of staff members with legal knowledge as well as diverse work experience. In addition to formulating and implementing the Group's compliance promotion plans and responding to problematic events, the Headquarters provides training for compliance, encourages compliance with laws and regulations in cooperation with corporate divisions, and conducts interviews and provides guidance on efforts made

by each operating division, etc.

The Headquarters reports on and brings up compliance-related events for discussion to the Compliance Committee. With the guidance, advice and supervision of the Compliance Committee, the President and other executive officers are subsequently able to act and take concrete measures.

* See pages 133–135 for details regarding risk management.



<Reference> Compliance Committee meetings held in fiscal 2023

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.

A total of eight meetings were held in fiscal 2023, focusing on investigation reports on problematic events related to compliance, as well as the deliberation of a compliance promotion plan and compliance-related training. The Compliance Committee reports to the Board of Directors on the execution of its duties each time the Committee meets.

Efforts to promote compliance

The Group assesses compliance risks every year and selects compliance risk items to be addressed.

In fiscal 2024, major items for promoting compliance that should be recognized and worked on by the entire Group are “provision of compliance training of the Kansai Electric Power Group,” “implementation of awareness-raising activities,” and “enhancement of internal and external communication.”

Specific initiatives to promote compliance

1. Provision of compliance training of the Kansai Electric Power Group

<Effective training>

Effective compliance training that goes beyond the acquisition of knowledge to truly ensure and practice compliance in routine work is provided across the Group, including education for directors and employees at our group companies.

2. Implementation of awareness-raising activities

<Continuous delivery of messages from top management>

Top management will deliver messages on a continual basis about fostering an open, free, and vibrant organizational climate with thorough compliance.

<Communication with Compliance Committee members>

We will raise employees' awareness of compliance through communication between outside members of the Compliance Committee and employees.

Compliance

<Preparation of awareness-raising tools>

We will create and disseminate awareness-raising tools that explain problematic events within our Company and introduce case studies involving other companies.

<Disseminating information toward higher psychological safety>

We will disseminate information on how to create a workplace where it is easier for employees to speak out and where compliance issues are handled on an organizational basis.

<Initiatives to promote and utilize whistleblowing>

We will carry out awareness-raising activities toward better understanding and increased use of our whistleblowing system by a variety of means, including encouraging the use of the internal leniency system and providing information to lower the psychological hurdles for whistleblowing.

<Implementation plans to promote understanding of compliance>

We will deploy tools and hold participatory events to encourage all employees to actively think about compliance.

3. Enhancement of internal and external communication

<Enhancing communication in divisions and group companies>

To introduce compliance-related initiatives, information exchange meetings will be held among divisions and group companies.

<Reflecting advanced initiatives at other companies>

We will introduce advanced compliance initiatives at other companies.

Compliance Hotline

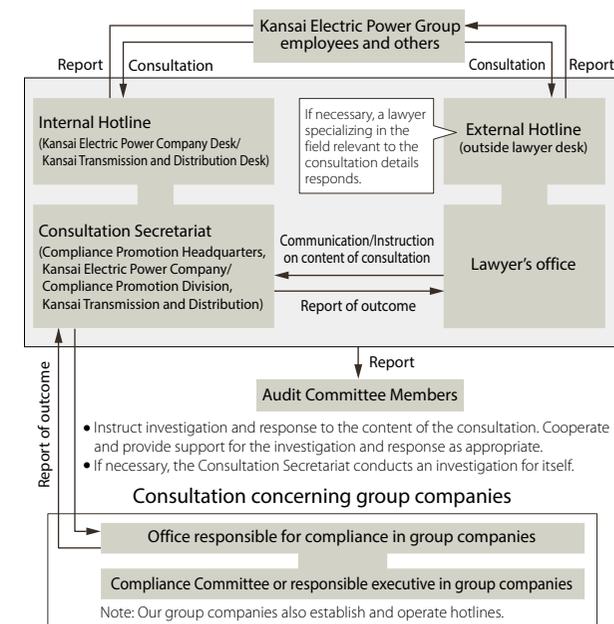
The Kansai Electric Power Group Code of Conduct stipulates how to report to and consult with the hotline when feeling doubt or discomfort related to compliance.

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 they can request the Compliance Committee or Audit Committee to take effective measures at their 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.

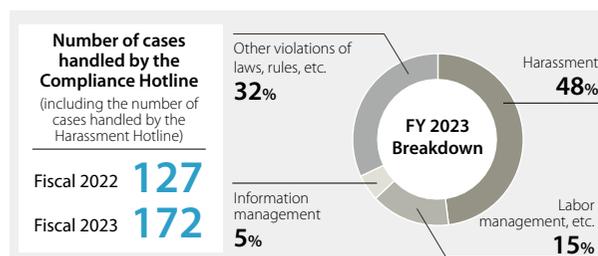
Kansai Electric Power Group Compliance Hotline



Enhancement and improvement of the consultation desk, including introduction of an internal leniency system

Based on the business improvement plan formulated in May 2023, we further promoted the use of the consultation desk by, for example, informing employees of use cases at the consultation desk and frequently asked questions with the use of cartoons to lower resistance toward using the system. We also introduced an internal leniency system in November 2023. The internal leniency system allows consideration of lessening severity of the final disciplinary action for employees who voluntarily report compliance violations to the company. We will enhance and improve our consultation desk to detect legal violations and inappropriate business operations at an early stage and take measures as an organization.

Compliance



<Examples of awareness-raising tools>

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 Chief Compliance Officer (CCO). The CCO 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 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 CCO 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 CCO can discuss necessary measures with relevant divisions as well as other related divisions.

Examples of actions taken in past events of violation

<Unmet work experience requirements for construction management technical certification exam>

On June 18, 2021, a report to the Compliance Hotline revealed that some employees in our group companies had taken construction management technical certification exams and obtained certification without satisfying the prescribed work experience requirements. Based on guidance and advice from the Compliance Committee, a third-party committee was established on July 30, 2021 for the purpose of conducting an objective and thorough investigation, inquiring into the cause, and providing recommendations on recurrence

prevention measures.

The third-party committee investigated 3,372 current employees and 704 retired employees from 15 companies, including the Kansai Electric Power Company, as to the following three matters.

- ① Unmet work experience requirements for eligibility to receive the technical certification exam
- ② Existence and extent of properties where a person who did not satisfy work experience requirements was assigned as a chief engineer or supervisory engineer on site based on certification that was determined to be inadequate
- ③ The quality of construction work at properties where a person who did not satisfy work experience requirements was assigned as a chief engineer or supervisory engineer on site based on certification that was determined to be inadequate

Results from the investigation by the third-party committee and the subsequently formulated recurrence prevention measures were announced on December 20, 2022.

Compliance promotion in accordance with the characteristics of each division and group company

Promoting compliance in each company division and group company

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

Specifically, each division has created their own compliance promotion plans and is striving to implement, evaluate, and improve their promotion efforts. When doing so, they are considering the Company's basic policies and major themes, the business and work characteristics of their divisions, and compliance risks that could occur in the future along with

Compliance

changes in the business environment, unacceptable incidents that occurred in the past both inside and outside the Company, and other factors.

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

Supporting the efforts of each division and group company

In addition to leading the promotion of efforts of the Group as a whole, the Compliance Promotion Headquarters is supporting the efforts of each division and group company.

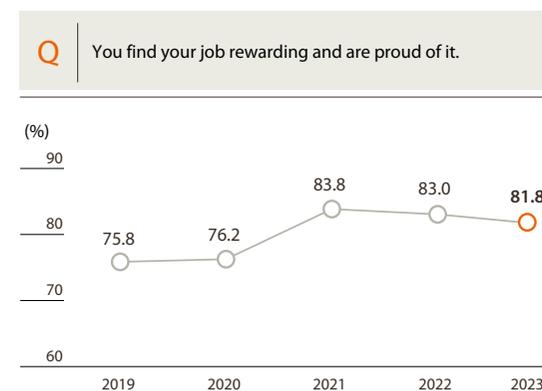
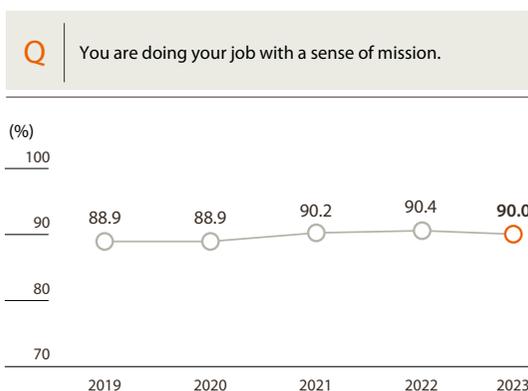
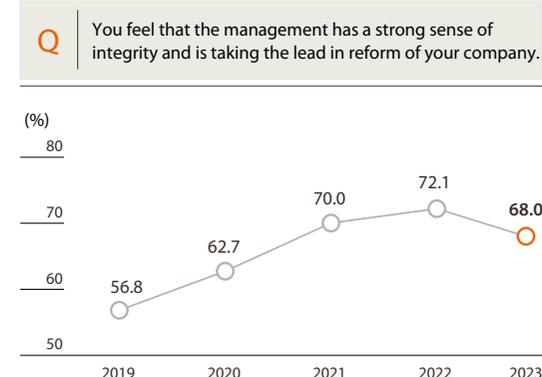
Efforts to prevent overseas bribery

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.

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 climate that emphasizes compliance.



Survey period: November 6 to November 24, 2023
 Respondents: All employees of the Kansai Electric Power Co., Inc. and Kansai Transmission and Distribution, Inc.
 Number of respondents: 16,066 [Response rate: 92.6%]

[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.

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. An assessment is subsequently 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. Management of risks considered to have cross-organizational importance, such as information security, business management at subsidiaries, human capital base, market risk, financial report reliability, environment, energy policy, disasters, compliance (including laws and regulations in a competitive environment), and appropriateness of procurement, is enhanced by the supervision of departments with specialized expertise in each area of such risks that provide advice and guidance to the operating divisions on an as-needed basis.

The Compliance Promotion Headquarters supports these efforts and centrally promotes compliance, risk management, etc. for the entire Group.*

* See page 129 for a general picture of our compliance promotion system.

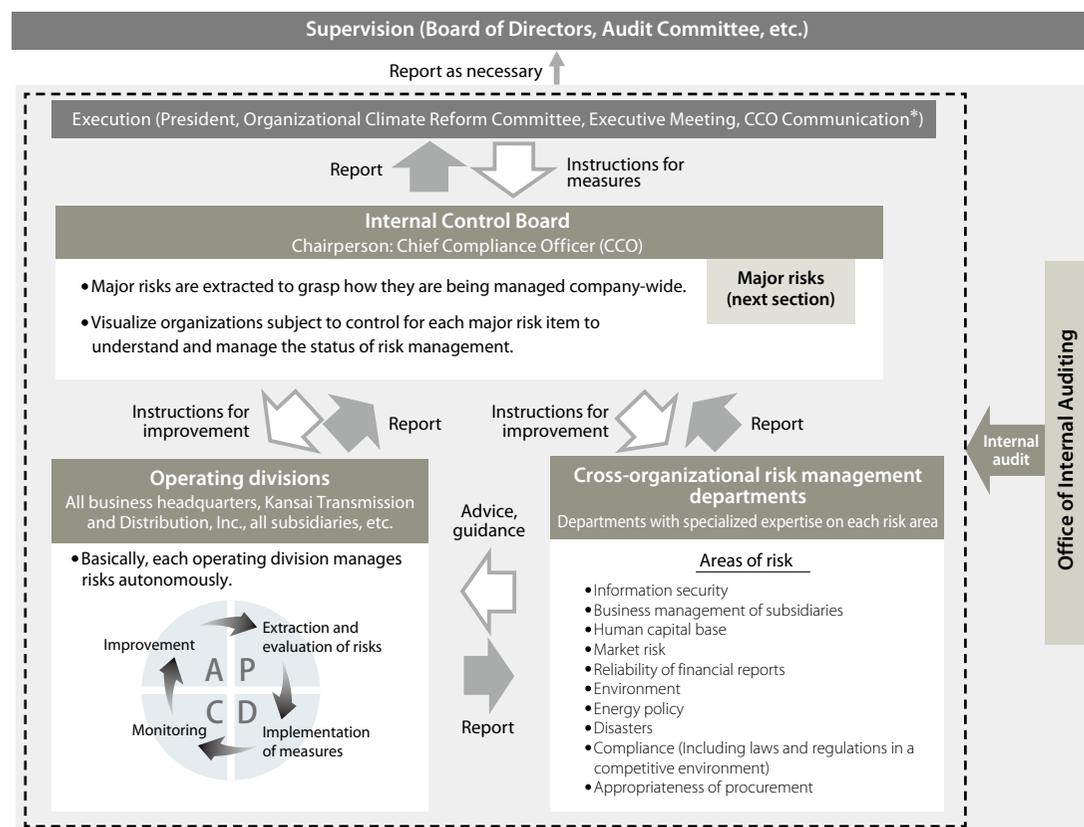
Moreover, an Internal Control Board has been established to put risks under central management. The Chairperson of the Board, who also serves as the Chief Compliance Officer, is appointed as the Risk Management Officer of the Group, and

the Board strives to manage risks associated with the Group's business activities at an appropriate level through this system.

The Internal Control Board oversees risk management plans by, for instance, coordinating cooperation between corporate divisions and operating divisions that have expertise to ensure group-wide risk management. The Board also reports its risk evaluation results to the Executive Meeting

and, as necessary, 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 audit results.



*Dialogue conducted by the Chief Compliance Officer (CCO) with each director to ascertain and evaluate the risk management status in each division

Risk Management

Risk management status

The Internal Control Board (including the former Risk Management Committee) meetings were held 13 times during fiscal 2023 to identify major risks that could greatly affect our Group's business activities. The Board ascertains and evaluates how they are managed company-wide.

From the perspective of effective and appropriate risk measures, these major risks were identified through repeated discussions at the management level, with a focus on each component that affects earnings. The risks were systematically sorted out by business (specific to the electric power business that makes up a large proportion of our business, and common to all businesses) and by factor (strategy, operations, hazard, and finance). In addition, new items including IT governance have been added taking into account recent risk events such as system failures.

Risks specific to the electric power business include:

《1》 Climate change, 《2》 Nuclear power-related risks, 《3》 Power supply disruptions, etc., and 《4》 Delays in responding to rapid changes in the competitive environment.

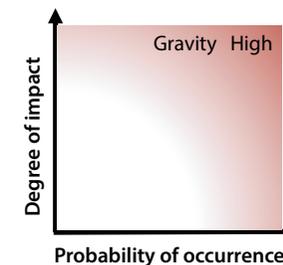
Meanwhile, risks common to all businesses are:

《5》 Changes in laws, regulations, and regulatory policies, 《6》 Stagnation of innovation, 《7》 Damage to asset value, 《8》 Fluctuations in the human capital base, 《9》 Instability or disruption in the supply chain, 《10》 IT governance and information security risks, 《11》 Governance and compliance risks, 《12》 Environmental issues (violation of environmental laws and regulations, etc.), 《13》 Natural disasters, changes in international situations, etc., and 《14》 Market condition / market fluctuation risks.

Classification, major risks, and risk details are shown in the table below.

Classification		Major risks	Risk details
Electric power business (energy / power transmission and distribution)	Strategy / Hazard	《1》 Climate change	Risk of delay in promoting zero-carbon emissions and in responding to global warming and other extreme weather events induced by climate change
	Strategy / Operation	《2》 Nuclear power-related risks	Risk of exerting significant impact on local communities, including those with a nuclear plant, and society due to the release of radioactive materials and other factors Risk of business deterioration due to shutdown resulting from inadequate facility maintenance, changes in circumstances surrounding the nuclear fuel cycle business (e.g. front-end business and back-end business), delays in responding to changes in relevant regulations, and injunction lawsuits against nuclear power generation
		《3》 Power supply disruptions, etc.	Risk of impaired stable supplies and earnings, or a negative impact on society due to inadequate facility maintenance, inadequate medium- to long-term facility buildup, etc.
		《4》 Delays in responding to rapid changes in the competitive environment	Risk of delays in responding to rapid changes in the competitive energy business environment brought by changes in customer needs and the emergence of competitors
Common to all businesses	Strategy	《5》 Changes in laws, regulations, and regulatory policies	Risk of losing customers due to changes in the business environment, such as institutional design of power system reforms, changes in energy and environmental policies, and tax system reforms
		《6》 Stagnation of innovation	Risk of significantly lowering our reputation among stakeholders due to failure to adapt to the external environment, including political, economic, social, and technological fronts
		《7》 Damage to asset value	Risk that changes in regulations, technological innovations, or other factors may undermine the asset value of each business of the Group
	Strategy / Operation	《8》 Fluctuations in the human capital base	Risk of employee motivation and engagement declining due to the occurrence of work-related casualties, physical or mental illnesses of employees or their families, or a decline in motivation, job satisfaction, or sense of mission Risk where human resources necessary for business continuity will not be secured in terms of both quality and quantity
		《9》 Instability or disruption in the supply chain	Risk of instability or disruption of conventional supply chains due to labor shortages, deteriorating profitability, etc. at suppliers
		《10》 IT governance and information security risks	Risk of delays or impediments in IT and DX promotion due to inadequate strategies and resource allocation, or deficiencies in system development, maintenance, and operation Risk of interference with business or loss of public trust due to ill-preparedness against factors including cyber-attacks and information leaks
		《11》 Governance and compliance risks	Risk of loss of public trust due mainly to deficiencies in internal control systems, non-compliance, erroneous financial reporting, and inadequate information disclosure
	Operation	《12》 Environmental issues (violation of environmental laws and regulations, etc.)	Risk that business activities may impact the surrounding environment or lead to a loss of public trust due to violation of environmental laws and regulations or result in environmental pollution not contrary to laws or regulations
	Hazard / Strategy	《13》 Natural disasters, changes in international situations, etc.	Risk of negative impact exerted on business activities due to delays in responding to economic security required for disruptions in service supply or changes in international conditions due to natural disasters, armed attacks, spread of infectious diseases, etc.
	Finance	《14》 Market condition / market fluctuation risks	Risk that market fluctuations in JEPX, fuel, and real estate prices, as well as interest and exchange rates may affect business activities

For major risks, we will evaluate the gravity of each from the perspective of probability of occurrence and degree of impact, while determining the actual conditions and characteristics at each business. Countermeasures will then be discussed, followed by evaluation of the gravity again at the end of the fiscal year based on the results of risk countermeasures during the period. This constitutes the PDCA cycle of risk management.



Risk Management

Information security initiatives

Basic policy

The Company believes that one key responsibility is the advancement of information security efforts to ensure safe and stable supply of power and to protect customer information, important information, and personal information in our possession. In particular, due to increasing cyber attacks around the world and the targeting of important infrastructure operators, information security management is steadily being promoted through strengthening of information security measures based on relevant laws and regulations (e.g. Electricity Business Act, Act on the Protection of Personal Information, Basic Act on Cybersecurity, Economic Security Promotion Act), as well as guidelines related to cyber security management along with in-house rules. At the same time, our in-house rules and systems are revised on a continual basis as a countermeasure against improper handling of personal information.

Information security promotion system for the entire Group

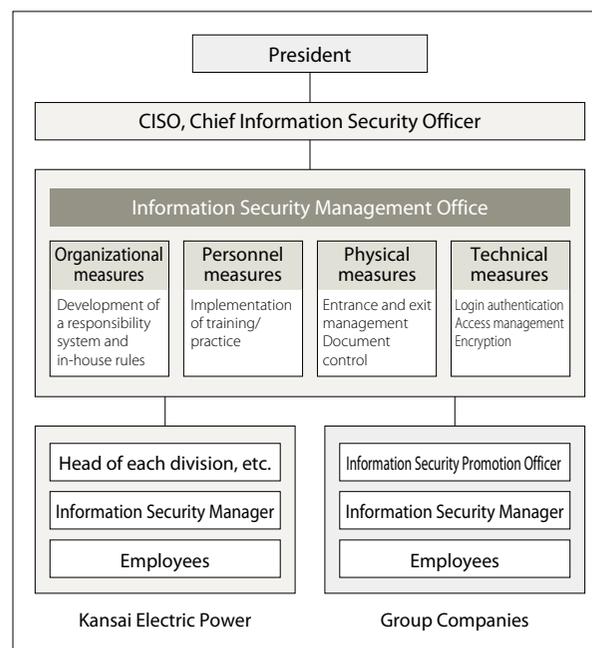
In our corporate information security promotion system, we have a Chief Information Security Officer (CISO) and deploy Information Security Managers to promote specific efforts in each workplace.

In addition, our group companies are undertaking independent efforts based on the Kansai Electric Power Group 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, security levels are evaluated for IT and OT systems based on a global standard framework, necessary 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.



24/7/365 monitoring at our monitoring center

Partnership with Suppliers

Initiatives toward partnership building

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.

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.

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 fact-finding surveys, etc. to monitor how sustainability-related tasks are addressed.

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.

Procurement activities in line with the Declaration on Partnership Building

In October 2020, we announced our Declaration on Partnership Building. Following the revision in March 2024 of the Promotion Standards based on the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises, we re-declared our commitment in a new format as of May 2024.

In order to implement procurement activities in line with this declaration, we inform both internal and external parties of the details of the declaration and sincerely respond to requests and consultations from our suppliers, thereby endeavoring to build a relationship of co-existence and co-prosperity.

Respect for Human Rights

Respect for human rights

Basic policy

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.

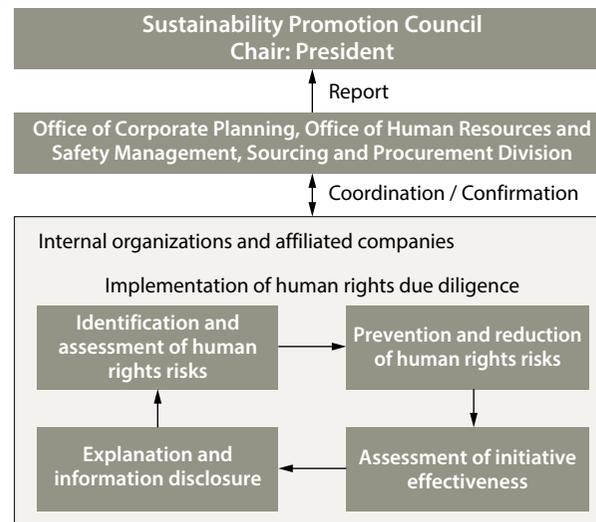
This policy serves as a top-level human rights policy based on the Kansai Electric Power Group Management Philosophy Purpose & Values and the Kansai Electric Power Group Code of Conduct.

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 human rights due diligence, 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.

Human rights due diligence

Human rights due diligence system

We will identify negative impacts (human rights risks) associated with our business activities and report the status of initiatives toward prevention and reduction and other matters to the Sustainability Promotion Council chaired by the President, confirming the implementation status of human rights due diligence at this Council.



Implementation status of human rights due diligence

In fiscal 2023, the Company conducted human rights due diligence with a focus on operating divisions closely related to its supply chain.

Specifically, based on an operational policy that refers to the Ministry of Economy, Trade and Industry's Guidelines on Respecting Human Rights in Responsible Supply Chains, we have identified and managed risks with regard to human rights violations that may occur in our business operations,

and have been studying initiatives to prevent said violations.

We will move forward with initiatives focusing on the following three human rights violation risks to which a company should pay particular attention.

Risks of human rights violations requiring particular attention

- Risks at overseas fuel mining sites (child labor, forced labor, etc.)
- Safety and health impacts on workers
- Environmental impact on local communities

As for the initiatives we undertook in fiscal 2023, we will collaborate with external experts and others to evaluate, verify, and review to improve the effectiveness of the initiatives. These initiatives will be applied in the Kansai Electric Power Group companies step by step while monitoring the implementation status at the Kansai Electric Power Company.

Additionally, to check the status of human rights initiatives at our suppliers, we conducted a questionnaire survey that deals with issues such as forced labor, child labor, conflict minerals, and foreign technical intern trainees, targeting 575 suppliers. Based on the results of the survey, we will proceed with efforts to respect human rights throughout our supply chain.

Remedy desks

The Kansai Electric Power Co., Inc. and Kansai Transmission and Distribution, Inc. accept consultations not only from employees but from all stakeholders. With the Compliance Hotline and the Human Rights and Harassment Hotline in place, employees are informed of these through our internal portal site, training, and other means. For customers, local communities, suppliers, and other stakeholders, consultation is offered through "Contact" on our website and by other means.

Respect for Human Rights

Dialogue and consultation

The Kansai Electric Power Co., Inc. and Kansai Transmission and Distribution, Inc. have formulated a human rights policy and implemented awareness-raising activities, seeking advice from outside experts.

We will continue to advance initiatives demonstrating respect for human rights through dialogue and consultation with our stakeholders.

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.

In fiscal 2023, we encouraged employees' understanding of business and initiatives to respect human rights, including human rights due diligence, required of companies through lectures by outside experts as well as group discussions and training to promote understanding of sexual minorities.

Furthermore, as a measure to prevent human rights violations such as defamation and discrimination on the Internet, a social problem in recent years, we have invited lecturers from Osaka Prefecture to provide training on the prevention of human rights violations on the Internet for personnel involved in human resources and labor affairs, and have introduced said training in related workplaces.

Distinctive training and attendance in FY 2023

Training details	Attendance
LGBTQ ALLY training	Personnel involved in human resources and labor affairs 95
Group discussion "SOGI harassment prevention"	3,767
Human rights lecture on "Business and human rights" —Considering the connection between Kansai Electric Power's business operations and human rights—	Promotion members, managers and others 220
Workplace discussion on harassment prevention	9,562
Training on the prevention of "Human rights violations on the Internet"	Personnel involved in human resources and labor affairs 21

Financial Statements

The Kansai Electric Power Company, Incorporated and Its Subsidiaries March 31, 2024

Five-Year Trends in Financial Data

	Non-consolidated Basis					Consolidated Basis				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
Operating Revenues (Billions of Yen)	—	—	—	—	—	3,184.2	3,092.3	2,851.8	3,951.8	4,059.3
Operating Income (Billions of Yen)	—	—	—	—	—	206.9	145.7	99.3	(52.0)	728.9
Ordinary Income (Billions of Yen)	—	—	—	—	—	211.5	153.8	135.9	(6.6)	765.9
Extraordinary Income (Billions of Yen)	—	—	—	—	—	—	—	—	—	—
Extraordinary Loss (Billions of Yen)	—	—	—	—	—	24.1	—	10.7	—	—
Net Income (Billions of Yen)	—	—	—	—	—	130.0	108.9	85.8	17.6	441.8
Net Income (Loss) per Share (Yen)	—	—	—	—	—	145.55	122.02	96.14	19.81	495.09
Total Ordinary Revenues (Billions of Yen)	2,686.9	2,400.9	2,293.0	3,280.6	3,342.6	—	—	—	—	—
Light and Power Revenue	2,089.3	1,827.1	1,613.7	2,344.6	2,297.9	—	—	—	—	—
Grant under the Act on Purchase of Renewable Energy Sourced Electricity	177.9	149.4	—	—	—	—	—	—	—	—
Other	419.6	424.3	679.3	936.0	1,044.6	—	—	—	—	—
Total Ordinary Expenses (Billions of Yen)	2,561.9	2,364.7	2,179.5	3,300.7	2,771.6	—	—	—	—	—
Personnel Expenses	207.4	103.8	99.8	97.1	98.5	—	—	—	—	—
Fuel Costs	456.9	393.4	520.1	862.8	514.2	—	—	—	—	—
Backend Expenses of Nuclear Power	83.5	43.7	79.8	68.6	122.4	—	—	—	—	—
Maintenance Costs	194.2	104.3	63.0	94.3	107.1	—	—	—	—	—
Taxes Other Than Income Taxes	139.2	44.8	46.9	55.1	59.7	—	—	—	—	—
Depreciation	187.6	92.7	108.3	118.2	138.3	—	—	—	—	—
Cost of Purchased Power	454.1	389.7	314.5	911.5	632.4	—	—	—	—	—
Interest Expense	22.8	20.8	18.6	21.6	23.2	—	—	—	—	—
Levy under the Act on Purchase of Renewable Energy Sourced Electricity	289.5	263.5	—	—	—	—	—	—	—	—
Other	815.9	1,171.2	927.9	1,071.0	1,075.5	—	—	—	—	—
Total Assets (Billions of Yen)	—	—	—	—	—	7,612.7	8,075.7	8,656.4	8,774.4	9,032.9
Net Assets (Billions of Yen)	—	—	—	—	—	1,641.7	1,725.5	1,705.5	1,839.7	2,333.2
Interest-bearing Debt (Billions of Yen)	—	—	—	—	—	4,096.6	4,471.6	4,838.3	5,009.4	4,580.4
Equity Ratio (%)	—	—	—	—	—	21.0	20.9	19.2	20.4	25.2
Capital Investments (Billions of Yen)	—	—	—	—	—	561.9	655.8	522.8	465.8	453.5
Return on Equity (ROE) (%)	—	—	—	—	—	8.3	6.6	5.1	1.0	21.8
Return on Assets (ROA) (%)	—	—	—	—	—	3.2	2.2	1.9	0.2	8.9
Operating Cash Flows (Billions of Yen)	—	—	—	—	—	463.4	369.2	410.3	128.0	1,154.9
Investment Cash Flows (Billions of Yen)	—	—	—	—	—	(577.3)	(660.7)	(532.6)	(417.8)	(428.0)
Free Cash Flows (Billions of Yen)	—	—	—	—	—	(113.9)	(291.5)	(122.3)	(289.8)	726.9
PBR (Times)	—	—	—	—	—	0.67	0.64	0.62	0.64	0.86
PER (Times)	—	—	—	—	—	8.27	9.82	11.95	65.17	4.43
Amount of Dividend (Billions of Yen)	—	—	—	—	—	44.6	44.6	44.6	44.6	44.6

Note: Figures for FY 2020 and later represent those after the spin-off of the transmission and distribution business.

	Non-consolidated Basis				
	2019	2020	2021	2022	2023
Electricity Sales Volume (Million kWh)					
Residential	34,832	34,014	32,326	30,904	31,416
Commercial and Industrial	78,159	68,317	68,331	80,661	85,830
Total	112,992	102,331	100,657	111,565	117,246
Electricity Generation Capacity (MW)					
Thermal	15,766	14,566	14,566	13,816	13,001
Hydropower	8,234	8,235	8,248	8,248	8,259
Nuclear	6,578	6,578	6,578	6,578	6,578
Renewable Energies	11	11	11	11	11
Total	30,590	29,390	29,403	28,654	27,849
Power Sources (%) (Supply and demand record by power source)					
Nuclear	21	12	26	31	44
Thermal	54	57	45	52	41
Hydropower	12	11	12	16	14
Renewable Energies	4	4	4	—	0
Other	9	15	13	—	—
Total	100	100	100	100	100
CO ₂ emissions of the Group's domestic power generation business (million t-CO ₂)	28.5	30.4	25.4	24.7	21.2
CO ₂ emission factor of the Group's domestic power generation business (kg-CO ₂ /kWh)	0.287	0.334	0.266	0.283	0.219
Nuclear Capacity Factor (%)	48.4	28.0	61	48.5	76.6
Thermal Efficiency of Thermal Power Plants (Lower heating value) (%)	48.6	47.8	48.2	48.1	49.4
Gas Sales Volumes (LNG conversion [gas and LNG total]) (Thousand Tonnes)	1,390	1,570	1,560	1,530	1,680

For 10-year financial data, please refer to our financial data book (only available in Japanese).

https://www.kepco.co.jp/ir/brief/earnings/2024/pdf/pdf2024_04_06.pdf

Financial Statements

Major Indicators in Nonfinancial Data

Indicators	Targets	FY 2021	FY 2022	FY 2023	Remarks
Ratio of mid-career hires in managerial positions*1	FY 2030: 1% or more	0.3%	0.6%	1.4%	Figures for major Kansai Electric Power Group companies*2
	FY 2030: 20% or more	11%	11%	12%	
Rate of male employee childrearing leave utilization*1	Same level as that of female employees	117%	124%	99%	Figures for major Kansai Electric Power Group companies*2
	Same level as that of female employees	86%	98%	85%	
Average number of childrearing leave days taken by male employees*1	One month or more in FY 2025	10.4 days	14.5 days	21.8 days	
Rate of female employee childrearing leave utilization*1	—	100%	100%	100%	Figures for major Kansai Electric Power Group companies*2
	—	96%	100%	100%	
Rate of paid leave utilization*1	90% or more for each year	96.4%	99.4%	97.1%	Figures for major Kansai Electric Power Group companies*2
	—	85.2%	91.1%	87.5%	
Employment rate of persons with disabilities	Achieve legal employment rate every year.	2.6%	2.5%	2.7%	Figures for major Kansai Electric Power Group companies*2
	Achieve legal employment rate every year.	2.4%	2.4%	2.6%	
Ratio of female employees	—	8.7%	9.3%	9.9%	Figures for major Kansai Electric Power Group companies*2
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%)	151/2.9%	166/3.2%	193/3.7%	Figures for major Kansai Electric Power Group companies*2
	Increase the ratio of female managers to 10% or more in FY 2030.	868/7.1%	953/8.0%	1,048/8.7%	
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%)	59/2.4%	64/2.7%	74/3.0%	Figures for major Kansai Electric Power Group companies*2
	Increase the ratio of female senior managers to 5% or more in FY 2030.	114/2.0%	120/2.2%	143/2.6%	
Ratio of female executives	—	6.9%	9.7%	12.9%	
Number and ratio of female hires*1,3,4	—	84/20%	89/22%	76/18%	Figures for major Kansai Electric Power Group companies*2
	30% or more for each year	180/23%	218/27%	191/22%	
Number and ratio of female hires (office jobs)*1,3,4	40% or more for each year	49/51%	46/49%	45/48%	
Number and ratio of female hires (technical jobs)*1,3,4	10% or more for each year	35/11%	43/14%	31/10%	
Number of group training participants (in total)	—	33,302	38,685	40,953	
Time spent on training per employee	—	41.2 hours	43.5 hours	44.3 hours	
Total training cost	—	1,462 million yen	1,479 million yen	1,886 million yen	
Training cost per employee	—	83,000 yen	85,400 yen	97,500 yen	

*1 Excludes medical and transportation staff. *2 Includes the Company, Kansai Transmission and Distribution, Inc., and major group companies. *3 Regular employees hired in each fiscal year are the subject of the calculation.

*4 Results from the year in which recruitment activities were conducted

External Evaluations and Participation in Initiatives

Major external evaluations and awards



Awarded a leadership level of "A-" in a CDP climate change survey
Awarded a management level of "B-" in a CDP water security survey



Acquired Digital Transformation Certification



Certified as a Outstanding Organization in Health and Productivity Management (White 500)



Received the "Kurumin" certification



Received the "Eruboshi" certification (the highest level)

Inclusion in ESG indexes

The Kansai Electric Power Co., Inc. has been included in the following four of the six ESG indexes adopted by the Government Pension Investment Fund (GPIF) (as of April 2024).



FTSE Blossom Japan Sector Relative Index

FTSE Blossom Japan Sector Relative Index



S&P/JPX Carbon Efficient Index

2024 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

MSCI Japan Equity Women's Activity Index (WIN)

Morningstar Japan ex-REIT Gender Diversity Tilt (GenDI)

Participation in initiatives



Endorsement of TCFD Recommendations



Participation in the GX League



Registration for TNFD Adopters

Corporate Information

Company outline / Stock information As of March 31, 2024

Company name:	The Kansai Electric Power Company, Incorporated
Head office:	3-6-16 Nakanoshima, Kita-ku, Osaka 530-8270, Japan
Date of establishment:	May 1, 1951
Paid-in capital:	¥489.3 billion
Operating revenues:	¥4,059.3 billion (consolidated), ¥3,213.3 billion (non-consolidated)
Total assets:	¥9,032.9 billion (consolidated), ¥7,554.7 billion (non-consolidated)
Number of employees*:	8,416 (31,437 as the whole Group)
Electricity sales:	117.2 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.

Number of common shares issued:	938,733 thousand
Number of shareholders:	271,470
Stock exchange listings:	Tokyo Stock Exchange
Transfer Agent:	Mitsubishi UFJ Trust and Banking Corporation
	4-5, Marunouchi 1-Chome, Chiyoda-ku, Tokyo 100-8212, Japan

Group companies

(Consolidated subsidiaries and affiliates accounted for by the equity method)

As of May 31, 2024

Consolidated subsidiaries 90 companies

Energy business 49 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
KANSAI TECHNOS CO., LTD.
Kanden E House Co., Ltd.
Kanden Power-Tech Corp.
Nuclear Engineering, Ltd.
The Kurobe Gorge Railway Co., Ltd.
Dshift Inc.
Kansai Electron Beam Co., Ltd.
KANDEN GAS SUPPORT CO., INC.
Osaka Bioenergy Co., Ltd.
E-Flow LLC
KE Fuel International Co., Ltd.
KPIC Netherlands B.V.
Biopower Kanda Godo Kaisha
LNG SAKURA Shipping Corporation
LNG JUROJIN SHIPPING CORPORATION
LNG FUKUROKUJU SHIPPING CORPORATION
KPRE Godo Kaisha
Wakayama Taiyoko Godo Kaisha
Oita Usuki Wind-power Generation Godo Kaisha
Karatsu Offshore Wind Godo Kaisha
KX Renewable Energy Godo Kaisha
KANSAI ELECTRIC POWER HOLDINGS AUSTRALIA PTY LTD
KPIC USA, LLC
KANSAI ELECTRIC POWER AUSTRALIA PTY LTD
KANSAI ENERGY SOLUTIONS (VIETNAM) CO., LTD.
KANSAI SOJITZ ENRICHMENT INVESTING
Kansai Energy Solutions (Thailand) Co., Ltd.
KANSAI ELECTRIC POWER FTS PTE. LTD
PT. KANSAI ELECTRIC POWER INDONESIA
11 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 30 companies

Kanden Realty & Development Co., Ltd.
KANSAI Medical Net Co., Inc.
Kanden L-Heart Co., Inc.
Kanden Facilities Co., Ltd.
Gekidan iino Godo Kaisha
Kanden CS Forum Inc.
Kanden Office Work Co., Inc.
The Kanden L & A Co., Ltd.
KANDEN AMENIX Corp.
Pont des Tech, Inc.
K4 Ventures GK
Kaiko Yukinoya G.K.
18 other companies in addition to the above listed

Affiliates accounted for by the equity method 9 companies

Energy business

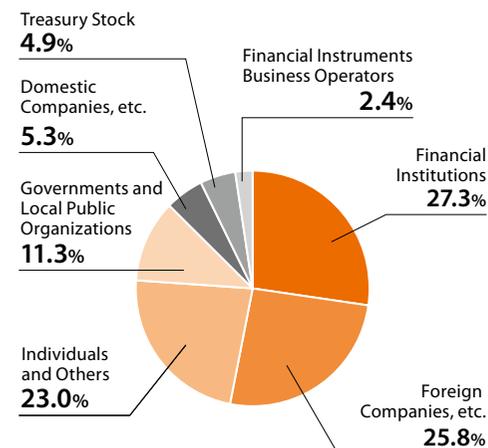
JAPAN NUCLEAR FUEL LIMITED
KINDEN CORPORATION
ENEGATE Co., Ltd.
San Roque Power Corporation
5 other companies in addition to the above listed

Major shareholders As of March 31, 2024

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)	12.38	110,591
Osaka City	7.65	68,287
Custody Bank of Japan, Ltd. (Trust Account)	4.53	40,423
Nippon Life Insurance Company	3.07	27,462
Kobe City	3.06	27,351
SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch)	2.19	19,563
Kansai Electric Power Employee Stockholder Program	2.11	18,803
Osaka Metro Co., Ltd.	1.73	15,461
STATE STREET BANK WEST CLIENT—TREATY 505234 (Standing proxy: Mizuho Bank, Ltd.)	1.55	13,837
Mizuho Bank, Ltd.	1.39	12,378

Note: The ratio of the number of shares held to the total number of shares issued is calculated by subtracting treasury stock (45,625,718 shares). Treasury stock is excluded from the above table.

Distribution of shares As of March 31, 2024



Corporate Information

Organization chart As of July 1, 2024



Independent Third-Party Assurance Report

The Kansai Electric Power Group has obtained third-party assurance from Deloitte Tohmatsu Sustainability Co., Ltd. to enhance the reliability of its environmental data, with the scope of the assurance broadened to the value chain and the target data range expanded.

Deloitte.

デロイト トーマツ

(TRANSLATION)

Independent Practitioner's Assurance Report

September 27, 2024

Nozomu Mori
Director, Representative Executive Officer, President,
The Kansai Electric Power Co., Inc.

Tomoharu Hase
Representative Director
Deloitte Tohmatsu Sustainability Co., Ltd.
3-2-3, Marunouchi, Chiyoda-ku, Tokyo

We have undertaken a limited assurance engagement of the sustainability information indicated with for the year ended March 31, 2024 (the "GHG Information") included in the "Kansai Electric Power Group Integrated Report 2024" (the "Report") of The Kansai Electric Power Co., Inc. (the "Company").

The Company's Responsibility

The Company is responsible for the preparation of the GHG Information in accordance with the calculation and reporting standard adopted by the Company (noted in the GHG Information). Greenhouse gas quantification is subject to inherent uncertainty for reasons such as incomplete scientific knowledge used to determine emissions factors and numerical data needed to combine emissions of different gases.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We apply International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the GHG Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board ("IAASB"), ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the IAASB and the *Practical Guideline for the Assurance of Sustainability Information*, issued by the Japanese Association of Assurance Organizations for Sustainability Information.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. These procedures also included the following:

- Evaluating whether the Company's methods for estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or reperforming the estimates.
- Undertaking site visits to assess the completeness of the data, data collection methods, source data and relevant assumptions applicable to the sites.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the GHG Information is not prepared, in all material respects, in accordance with the calculation and reporting standard adopted by the Company.

The above represents a translation, for convenience only, of the original Independent Practitioner's Assurance report issued in the Japanese language.

Member of
Deloitte Touche Tohmatsu Limited

power with heart

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