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The Kansai Electric Power Company, Inc.

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<https://www.kepco.co.jp>

The corporate governance of The Kansai Electric Power Company, Inc. (the “Company”) is described below.

I Basic Concept on Corporate Governance, Capital Structure, Corporate Attributes and Other Basic Information

1. Basic Concept Updated

The basic concept of our corporate governance is as follows.

Based on the Kansai Electric Power Group Management Philosophy 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.

Each one of our executive officers and employees will carry out business activities while ensuring integrity and a high level of transparency in accordance with our principles of the Kansai Electric Power Group Code of Conduct, the President’s Oath to Stakeholders, and the Commitment to Fair Competition. With explicitly defined authority and responsibilities, we will strive to maximize our corporate value by swiftly and flexibly making decisions and putting them into practice.

Regarding inappropriate compliance-related incidents, including violation of the Electricity Business Act due to improper handling of information on customers of power producers and suppliers, and violation of the Antimonopoly Act in connection with special high-voltage and high-voltage electric power transactions, we submitted business improvement plans to the Ministry of Economy, Trade and Industry (METI) in May and August 2023.

Since then, the entire Group has been steadily implementing various measures set forth in the business improvement plans. We are also working hard to strengthen internal controls and reform our organizational climate to address common issues underlying the two inappropriate incidents. We will continue to work earnestly to reform ourselves into a company that is truly committed to compliance and to ensure that this kind of incident will never happen again.

The business improvement plans to prevent recurrence are posted on our website.

<https://www.kepco.co.jp/kaizenkeikaku/index.html>

[Reasons for Non-compliance with the Principles of Japan’s Corporate Governance Code]

The Company complies with all of the principles of Japan’s Corporate Governance Code.

[Disclosure Based on the Principles of Japan’s Corporate Governance Code] Updated

<Principle 1-4> Strategically held shares

The Company holds shares from the viewpoint of maintaining and improving the corporate value of the entire Group, including necessities in our business operation and the development and prosperity of regional societies.

Regarding strategically held shares, the necessity of holding such shares is verified individually at the Board of Directors meeting every year. As a result, shares judged as unnecessary to be held are sold in consideration of market trends and other factors. Propriety of holding such shares is determined taking into comprehensive consideration their necessity in business operation and economic rationality.

As to whether or not we exercise voting rights for shares held, we make judgment for each agenda from the perspective of the necessity of holding such shares and of maintaining and improving the issuing company’s corporate value.

<Principle 1-7> Transactions between related parties

As for conflict-of-interest transactions by directors and executive officers, we acquire approval at the Board of Directors meeting.

Additionally, we disclose related party transactions adequately in accordance with the Company Act and other laws and rules established by the Tokyo Stock Exchange, Inc.

<Supplementary principle 2-4-1> Ensuring diversity in the Company, including promotion of the empowerment of women, foreigners, and mid-career hires

The Group continues to actively recruit women, foreigners, and mid-career hires regardless of gender, nationality, work history, etc., and also promotes them to managerial positions according to their individual abilities and aptitudes in a fair and equitable manner.

We publicly announce the goals for promoting women and mid-career hires to managerial positions, and work to improve our workplace environment and develop human capital to achieve these goals.

<Principle 2-6> Fulfilling functions as owner of corporate pension assets

We do not manage corporate pension reserves. We nevertheless have introduced a defined contribution pension plan starting in 2005. Upon introduction, we have chosen an appropriate operational management institution with professional knowledge of asset management.

We provide our employees with opportunities to acquire knowledge regarding asset management by periodically holding briefing sessions.

<Principle 3-1> Enhancement of information disclosure

(1) Management philosophy, Management strategy and Management plan

We disclose the Kansai Electric Power Group Purpose & Values and the Kansai Electric Power Group Medium-term Management Plan (2021–2025) on our website.

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

(2) Basic view on corporate governance

Our basic view on corporate governance is disclosed in “I 1. Basic Concept” of this Report.

(3) Policies and procedures related to determining remuneration of directors and executive officers

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., performance-based compensation as short-term incentives, and stock-based compensation as a medium- to long-term incentive, in order to contribute to the sustainable improvement of our corporate performance and corporate value. Proportion of the payment is set using “basic compensation: performance-based compensation: stock-based compensation = 6:3:1” as a guide.

Details of the remuneration system for directors and executive officers are included in our securities report for the (100th term) fiscal year ended in March 2024.

(4) Appointment/dismissal of directors and executive officers, and policies and procedures for nomination of director candidates

<Policy for finalizing director candidates by the Nominating Committee>

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.

Regarding outside director candidates, we assess their independency using the judgment criteria for independency established by the Nominating Committee in light of the requirements for independent officers stipulated by the Tokyo Stock Exchange, Inc. to ensure that they have independence to assume the role of enhancing the supervisory function of the Board of Directors from an outsider’s objective viewpoint. If an outside director concurrently serves as an officer at another listed company, the number of concurrent positions should be 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.

<Policy for appointment/dismissal of executive officers by the Board of Directors>

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 the 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.

(5) Explanation of appointment/nomination of individual directors

Based on the above (4), personal history and reasons for nomination regarding each candidate of directors nominated by the Board of Directors are disclosed in “Reference documents for the General Shareholders’ Meeting.”

<Supplementary principle 3-1-3> Information disclosure of sustainability initiatives

The Company discloses sustainability initiatives of the Group in the Kansai Electric Power Group Integrated Report. Regarding response to climate change, we endorsed the TCFD recommendations in May 2019, and we are disclosing information based on this. Information regarding research and development, including intellectual property, is disclosed on our securities report and on our website.

<https://www.kepco.co.jp/>

<Supplementary principle 4-1-1> Scope and outline of Board of Directors’ delegation to executive officers

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 delegation to executive officers is enacted, if necessary, particularly important business execution is discussed in advance at the Board of Directors meeting while it is being considered, and appropriate opinions and advice are provided from outside directors and other directors before decisions are made.

<Supplementary principle 4-1-3> Succession plan for Executive Officer and President

The Company recognizes the appointment of the Executive Officer and President as the most important strategic decision-making for the sustainable growth of the entire Group and improvement of corporate value over the medium to long term. With this view in mind, the Nominating Committee plays a central role in formulating and implementing a succession plan and developing candidates in a planned manner, with sufficient time and resources.

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.

<Principle 4-9> Independence criteria and requirements for independent outside directors

The Company has established its own judgment criteria for independency in light of the requirements for independent officers stipulated by the Tokyo Stock Exchange, Inc. We assess the independency of outside directors by these criteria.

Our independence criteria are disclosed in “II 1. Organizational Composition and Operation [Independent Officers]” of this Report. We have also confirmed the details of transactions between each outside director himself/herself and each company at which he or she is presently or was in an executive position in the past; the details are disclosed in “II 1. Organizational Composition and Operation.”

<Supplementary principle 4-11-1> Concept of the composition of the Board of Directors

In order to enhance the supervisory function of the Board of Directors, we clearly separate execution and supervision to construct an effective governance system with emphasis on an outsider’s objective viewpoint.

Based on this idea, 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 with ample experience and knowledge cultivated as executives or professionals in a variety of fields and inside directors who have abundant expertise and abilities in our business. The skills matrix of directors is disclosed in “Notice of the 100th Ordinary General Shareholders’ Meeting.”

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.

<Supplementary principle 4-11-2> Concurrent position of directors

The statuses of important concurrent positions of our directors are disclosed in “Notice of the 100th Ordinary General Shareholders’ Meeting.”

<Supplementary principle 4-11-3> Analysis and evaluation of the effectiveness of 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.

The major issues based on the results of the effectiveness evaluation for fiscal 2022, the main initiatives for fiscal 2023, the contents and results of the effectiveness evaluation for fiscal 2023, major issues and policies for the future and other details are disclosed in “Notice of the 100th Ordinary General Shareholders’ Meeting.”

<Supplementary principle 4-14-2> Director/executive officer training policy

We hold training sessions for directors and 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.

For outside directors, we provide explanation about the Group’s business, finances, organization, and other aspects on a continual basis when and after they take up their post so they can acquire the knowledge necessary to fulfill their roles and responsibilities.

In addition, we hold tours of our facilities as appropriate and provide opportunities for them to talk with our front-line staff to promote their understanding of our business.

<Principle 5-1> Policy on constructive dialogue with shareholders

We encourage constructive dialogue with our shareholders and investors to promote understanding of our basic attitude and policies regarding business management, including compliance with laws and regulations, our medium-term management plan, and other policies. Constructive opinions we receive are relayed to our corporate management to regain trust of our stakeholders and build a solid relationship of trust that will last for a long time.

Under the President’s supervision, the General Shareholders’ Meeting and other opportunities to have direct dialogue with our shareholders and investors in Japan and overseas are provided in cooperation with the Office of Corporate Planning and other relevant departments led by executive officers and others in charge of the Office of Accounting and Finance and Office of General Administration. From the perspective of promoting constructive dialogue, directors, executive officers and other relevant members, including the President and outside directors, engage in dialogue as necessary.

(Concrete efforts)

- Holding financial results briefings and individual meetings
- Holding facility tours as appropriate
- Information disclosure and provision on our website (Business Report for Shareholders, etc.)

Opinions and concerns received in dialogue with our shareholders and investors are shared among directors, executive officers, etc., at the meetings of the Board of Directors and the Executive Meeting and other occasions, and utilized for our corporate management.

Furthermore, based on insider trading prevention regulations, we keep tight control over information, ensuring that important facts are not

disclosed in dialogue with shareholders and investors before they are publicly announced.

[Status of implementation of dialogue with shareholders]

The status of implementation of dialogue with shareholders and investors in fiscal 2023 based on the above policy is as follows.

(Main persons engaging in dialogue)

- President, Vice Presidents, outside directors, executive officers in charge of Office of Accounting and Finance and the Office of General Administration, etc.

(Shareholder and investor overview)

- Shareholders and investors (fund managers, analysts, ESG Representatives, Proxy Voting Representatives, etc.) in Japan and overseas

(Details regarding main implementation)

- Financial result briefings: Held four times
- Individual meetings: Held 311 times
- Facility tour: Held six times
- Business Report for Shareholders (on our website): Posted once

(Main themes and matters of concern in the dialogue)

- Financial results and forecasts, medium- to long-term business strategies, capital policies including shareholder returns, ESG initiatives including responses to climate change issues, agenda items for the General Shareholders' Meeting, inappropriate compliance-related incidents, progress of the business improvement plans, etc.

(Implementation status regarding feedback to management and the Board of Directors)

- Board of Directors: Report four times a year on IR and SR activities conducted
- Executive Meeting, etc.: Report 10 times a year on IR and SR activities conducted
- Other occasions: Report to management on feedback from shareholders and investors as appropriate

(Examples of response based on dialogue and subsequent feedback)

- Establishment of targets for greenhouse gas emission reduction for fiscal 2030, expansion of disclosed content in the Integrated Report including TCFD disclosure, etc.

<Principle 5-2> Formulation and public announcement regarding management strategies and plans

On April 30, 2024, we updated the Kansai Electric Power Group Medium-term Management Plan (2021-2025), originally published on March 26, 2021. As financial targets for fiscal 2025, we set a consolidated ordinary income of 360 billion yen or more, FCF of 100 billion yen or more, fiscal 2021-2025 total of 300 billion yen or more, equity ratio of 28% or more, ROA of 4.4% or more, and ROIC of 4.3% or more.

Specific details regarding our initiatives are also published on our website.

https://www.kepco.co.jp/english/corporate/info/policy/pdf/plan_2021.pdf (Kansai Electric Power Group Medium-term Management Plan (2021-2025) Update)

[Action to Implement Management That Is Conscious of Cost of Capital and Stock Price]

Our current initiatives are as follows.

- Continue efforts such as safe and stable operation of nuclear power plants and cost structure reform, improving ROIC by emphasizing asset efficiency and capital profitability when making investment decisions, etc.
- Pursue both investment in future growth and stable dividends on the premise of ensuring financial health.
- Create a resilient business portfolio and achieve sustainable growth by promoting business activities that are conscious of capital profitability.
- Control risks resulting from business operation appropriately, enhancing trust and expectations regarding our growth strategy primarily through IR.

We will continue to engage in dialogue with investors and practice management that puts emphasis on capital profitability.

The current initiatives are also disclosed in the "Financial results for FY ended 3/2023" announced on April 30, 2024.

[Japanese] <https://www.kepco.co.jp/ir/brief/earnings/index.html>

[English] <https://www.kepco.co.jp/english/corporate/ir/brief/jobfair/index.html>

2. Capital Structure

Foreign Shareholding Ratio

From 20% to less than 30%

[Status of Major Shareholders] Updated

Name	Number of Shares Owned (Shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	110,590,800	12.38
Osaka City	68,286,880	7.65
Custody Bank of Japan, Ltd. (Trust Account)	40,423,330	4.53
Nippon Life Insurance Company	27,462,182	3.07
Kobe City	27,351,175	3.06
SSBTC CLIENT OMNIBUS ACCOUNT (Standing Proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch)	19,563,019	2.19
Kansai Electric Power Employee Stockholder Program	18,802,668	2.11

Osaka Metro Co., Ltd.	15,461,086	1.73
STATE STREET BANK WEST CLIENT-TREATY 505234 (Standing Proxy: Mizuho Bank, Ltd.)	13,837,251	1.55
Mizuho Bank, Ltd.	12,377,966	1.39

Controlling Shareholder (except for Parent Company)	-----
Parent Company	None

Supplementary Explanation Updated

- 1 Shareholding Ratio (%) in Status of Major Shareholders represents the percentage (%) of the number of shares owned against the total number of outstanding shares (excluding treasury stock).
- 2 In the large shareholding report made available for public inspection on June 6, 2024, BlackRock Japan Co., Ltd. and its joint holders (five in total) are reported to own the following shares as of May 31, 2024. However, as we are unable to confirm the number of shares substantially owned as of March 31, 2024, they are not included in the above Status of Major Shareholders.
The content of the large shareholding report is as follows.

Name	Number of share certificates, etc. owned (shares)	Ownership ratio of share certificates, etc. (%)
BlackRock Japan Co., Ltd.	16,067,200	1.71
BlackRock (Netherlands) BV	1,233,418	0.13
BlackRock Asset Management Ireland Limited	4,561,647	0.49
BlackRock Fund Advisors	14,801,800	1.58
BlackRock Institutional Trust Company, N.A.	10,278,753	1.09

3. Corporate Attributes

Listed Stock Market and Market Section	TSE Prime Market
Fiscal Year-End	March
Type of Business	Electric Power and Gas
Number of Employees (Consolidated) at the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	¥1 trillion or more
Number of Consolidated Subsidiaries at the End of the Previous Fiscal Year	From 50 to less than 100

4. Policy for Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

5. Special Circumstances Which May Have Material Impact on Corporate Governance Updated

Based on the Kansai Electric Power Group Purpose & Values, the Company promotes group management aiming for the sustainable improvement of corporate value and the sustainable development of society.

We have one listed company that is an affiliate accounted for by the equity method (Kinden Corporation), and the significance of holding it is as follows.

(Kinden Corporation)

Kinden Corporation is a major company that supports the Group's power transmission and distribution business, contributing to the stable supply of electricity, and in leveraging its social credibility and name recognition as a listed company, the company is growing its business performance and contributing to the enhancement of the Group's corporate value.

We respect the autonomy of the management of the listed company, which is our affiliate accounted for by the equity method, and when conducting transactions with the company, we do so fairly on equal footing so as not to disadvantage minority shareholders.

II Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Supervision in Management

1. Organizational Composition and Operation

Organization Form	Company with a Nominating Committee, etc.
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[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	20
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Chairman and Director (Excluding the case of holding concurrent position as President)
Number of Directors	13

[Outside Directors]

Number of Outside Directors	8
Number of Independent Officers Designated from among Outside Directors	8

Outside Directors' Relationship with the Company (1) Updated

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Sadayuki Sakakibara	From another company								△			
Hiroshi Tomono	From another company								△			
Kazuko Takamatsu	From another company											
Fumio Naito	Academic								○			
Seiji Manabe	From another company								△			
Motoko Tanaka	Lawyer											
Kiyoshi Sono	From another company								△			
Noriyo Yahagi	Other								△			

* Categories for "Relationship with the Company"

“○” when the Director presently falls or has recently fallen under the category;

“△” when the Director fell under the category in the past;

“●” when a close relative of the Director presently falls or has recently fallen under the category; and

“▲” when a close relative of the Director fell under the category in the past

- a. Executive (a person who executes business; hereinafter, the same) of the Company or its subsidiary
- b. Non-executive director or executive of a parent company of the Company
- c. Executive of a fellow subsidiary of the Company
- d. Party whose major business partner is the Company or an executive thereof
- e. Major business partner of the Company or an executive thereof
- f. Consultant, accounting professional or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director
- g. Major shareholder of the Company (or an executive of said major shareholder if the shareholder is a corporation)
- h. Executive of a business partner of the Company (which does not correspond to any of d., e., or f.) (the Director himself/herself only)
- i. Executive of a corporation to which outside officers are mutually appointed (the Director himself/herself only)
- j. Executive of a corporation that receives a donation from the Company (the Director himself/herself only)
- k. Other

Name	Committee Affiliation			Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
	Nominating Committee	Compensation Committee	Audit Committee			
Sadayuki Sakakibara	○	○	○		<p>The Company has a business relationship in payment of membership fees with Keidanren, or the Japan Business Foundation, at which Mr. Sakakibara served as an executive officer. However, since this is not considered to be a threat in terms of exerting influence on the decisions of our shareholders and investors in light of the scale and nature of the transactions, description of the transaction summary is omitted.</p> <p>Additionally, the Company has a business relationship in electric power supply with a company at which Mr. Sakakibara served as an executive officer in the past. However, the annual transaction amount is below 1% of the Company's consolidated sales.</p>	<p>He has successively held important posts at Toray Industries, Inc., which operates business globally. With a wealth of experience as a manager, he was selected for the post of Chairman of the Japan Business Federation. Since June 2020, he has appropriately supervised the overall management of the Company and provided useful advice as an outside director.</p> <p>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, as Chairman of the Board of the Company and Chairperson of the Board of Directors, he 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.</p> <p>Additionally, since he meets the requirements for independent officers specified by the Company, we believe that he has independence with no fear of creating conflict of interest with general shareholders.</p> <p>Based on his abundant experience, insight, independence, and supervision and guidance on efforts to reform organizational climate and fundamentally strengthen internal controls, from an outsider's objective viewpoint, we need him to continue to take a leadership role in further enhancing the Board's supervisory function. Therefore, he has been designated as one of our outside directors.</p>

Hiroshi Tomono			○	○	<p>The Company has a business relationship in electric power supply with a company at which Mr. Tomono served as an executive officer in the past. However, the annual transaction amount is below 1% of the Company's consolidated sales.</p>	<p>He has held important positions at Sumitomo Metal Industries, Ltd., and Nippon Steel & Sumikin Stainless Steel Corporation (currently Nippon Steel Corporation), which operate business on a global scale. Since June 2020, he has provided us with valuable opinions and advice on our business management from his broad management perspective as an outside director.</p> <p>Additionally, since he meets the requirements for independent officers specified by the Company, we believe that he has independence with no fear of creating conflict of interest with general shareholders.</p> <p>Based on his abundant experience, insight, and independence, from an outsider's objective viewpoint, we believe that he is able to perform his role of enhancing the supervisory function of the Board of Directors, and therefore has been designated as one of our outside directors.</p>
Kazuko Takamatsu	○	○		○	-----	<p>Having served as Executive Director and Secretary General of the Japan Institute for Women's Empowerment & Diversity Management, a public interest incorporated foundation, she is very knowledgeable about diversity. She also has experience as a manager in key positions at Sony Corporation (currently Sony Group Corporation), a global-scale enterprise, and as a representative director of a subsidiary of Sony. Since June 2020, as an outside director, she has provided us with valuable opinions and advice on our business management from her extensive knowledge of diversity management and other fields.</p> <p>Additionally, since she meets the requirements for independent officers specified by the Company, we believe that she has independence with no fear of creating conflict of interest with general shareholders.</p> <p>Based on her abundant experience, insight, and independence, from an outsider's objective viewpoint, we believe that she is able to perform her role of enhancing the supervisory function of the Board of Directors, and therefore has been designated as one of our outside directors.</p>

Fumio Naito		○	○		<p>The Company has a business relationship in electric power supply with a company at which Mr. Naito presently serves or served as an executive officer in the past. However, the annual transaction amount is below 1% of the Company's consolidated sales.</p>	<p>He has a great deal of experience as an academic expert in fields such as finance, accounting, auditing, and corporate governance. Since June 2020, as an outside director, he has provided us with valuable opinions and advice on our business management from his broad perspective of finance, accounting, and other fields.</p> <p>Additionally, since he meets the requirements for independent officers specified by the Company, we believe that he has independence with no fear of creating conflict of interest with general shareholders.</p> <p>He has never been involved in the management of a company by any means other than serving as an outside director or as an Outside Audit & Supervisory Board Member in the past. Nevertheless, based on his abundant experience, insight, and independence as stated above, from an outsider's objective viewpoint, we believe that he is able to enhance the supervisory function of the Board of Directors and therefore has been designated as one of our outside directors.</p>
Seiji Manabe	○	○	○		<p>The Company has a business relationship in electric power supply with a company at which Mr. Manabe served as an executive officer in the past. However, the annual transaction amount is below 1% of the Company's consolidated sales.</p>	<p>He has extensive experience as a manager, having held senior positions in West Japan Railway Company, a social infrastructure provider that operates diversified business centered on railway transport. As an Outside Director since June 2023, he 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.</p> <p>Additionally, since he meets the requirements for independent officers specified by the Company, we believe that he has independence with no fear of creating conflict of interest with general shareholders.</p> <p>Based on his abundant experience, insight, and independence, from an outsider's objective viewpoint, we believe that he is able to perform his role of enhancing the supervisory function of the Board of Directors, and therefore has been designated as one of our outside directors.</p>

Motoko Tanaka			○	○	-----	<p>She is a vastly experienced legal professional, having served as Chief Prosecutor of the Kobe District Public Prosecutors Office and in other key positions, and is currently working as a lawyer and also as an outside officer for another company, with experience overseeing business management. As an Outside Director since June 2023, she has provided opinions and advice on the management of the Company from a broad perspective including compliance. Additionally, since she meets the requirements for independent officers specified by the Company, we believe that she has independence with no fear of creating conflict of interest with general shareholders.</p> <p>She has never been involved in the management of a company by any means other than serving as an outside director or as an Outside Audit & Supervisory Board Member in the past. Nevertheless, based on her abundant experience, insight, and independence as stated above, from an outsider's objective viewpoint, we believe that she is able to enhance the supervisory function of the Board of Directors and therefore has been designated as one of our outside directors.</p>
Kiyoshi Sono	○		○	○	<p>The Company has a business relationship in fund borrowing, foreign exchange, and deposits with MUFG Bank, Ltd., at which Mr. Sono served as an executive officer. However, as this is not considered to be a threat in terms of exerting influence on the decisions of our shareholders and investors in light of the scale and nature of the transactions, description of the transaction summary is omitted.</p> <p>Additionally, the Company has a business relationship in electric power supply with a company at which Mr. Sono served as an executive officer in the past. However, the annual transaction amount is below 1% of the Company's consolidated sales.</p>	<p>He has held senior positions of Mitsubishi UFJ Financial Group which globally operates businesses associated with financial services. As such, he has extensive experience as a corporate manager, and the Company believes that he will provide opinions and advice on the management of the Company from the broad managerial perspective based on his diverse business experience at the sales, compliance, and audit departments of the group, among others.</p> <p>Additionally, since he meets the requirements for independent officers specified by the Company, we believe that he has independence with no fear of creating conflict of interest with general shareholders.</p> <p>Based on his abundant experience, insight, and independence, from an outsider's objective viewpoint, we believe that he is able to perform his role of enhancing the supervisory function of the Board of Directors and therefore has been designated as one of our outside directors.</p>

Noriyo Yahagi	○	○		<p>The Company has a business relationship related to thermal and nuclear fuels with Marubeni Corporation, at which Ms. Yahagi served as an executive officer. However, as this is not considered to be a threat in terms of exerting influence on the decisions of our shareholders and investors in light of the scale and nature of the transactions, description of the transaction summary is omitted.</p>	<p>She served as the PR and interchange secretary/general of Sanda City, Hyogo Prefecture after her career with a general trading company. As such, she has extensive experience and knowledge on community life and communication with various stakeholders. Currently, she 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 she will provide opinions and advice on the management of the Company from a broad perspective.</p> <p>Additionally, since she meets the requirements for independent officers specified by the Company, we believe that she has independence with no fear of creating conflict of interest with general shareholders.</p> <p>She has never been involved in corporate management, however, based on her extensive experience, insight and independence, the Company expects that she will carry out the role of strengthening supervisory function of the Board of Directors from an outside objective perspective and therefore has been designated as one of our outside directors.</p>
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[Committees]

Committee's Name, Composition, and Chairperson's Attributes

	Total Committee Members	Full-time Members	Inside Directors	Outside Directors	Chairperson
Nominating Committee	4	0	0	4	Outside Director
Compensation Committee	4	0	0	4	Outside Director
Audit Committee	6	2	2	4	Outside Director

[Executive Officers]

Number of Executive Officers 15

Concurrently Held Positions Updated

Name	Representative Authority	Concurrent Position as Director			Concurrent Position as Employee
			Nominating Committee Member	Compensation Committee Member	
Nozomu Mori	Yes	Yes	×	×	No
Hitoshi Mizuta	Yes	No	×	×	No
Makoto Araki	Yes	Yes	×	×	No
Hiroshi Ogawa	Yes	Yes	×	×	No
Kenichi Fujino	Yes	No	×	×	No

Naoki Naito	No	No	×	×	No
Takashi Tada	No	No	×	×	No
Kazumitsu Takanishi	No	No	×	×	No
Nobuyuki Miyamoto	No	No	×	×	No
Yasushi Ando	No	No	×	×	No
Mika Makiyama	No	No	×	×	No
Masaaki Ikeda	No	No	×	×	No
Toru Tanaka	No	No	×	×	No
Hayato Takabatake	No	No	×	×	No
Toru Kuwahara	No	No	×	×	No

[Audit Framework]

Directors and Employees Assigned to Assist with the Duties of the Audit Committee

Yes

Matters Concerning Relevant Directors' and Employees' Independence from Executive Officers

The Audit Committee currently consists of six members, all of whom are non-executive directors. The Committee is chaired by an independent outside director, and four out of its six members are also independent outside directors. For directors that make up the Audit Committee, we have selected individuals with appropriate experience and capabilities as well as required knowledge of finance, accounting, and legal affairs. In particular, multiple individuals with sufficient knowledge of finance and accounting have been secured. Furthermore, in order to ensure that the Audit Committee can fulfill its roles and functions properly, we have appointed two Audit Mission Officers as employees to assist the Audit Committee. Along with that, we have also set up an Office of Audit Committee (14 members), a dedicated organization that assists in the duties of the Audit Committee, as part of our efforts to reinforce the auditing function. The Office of Audit Committee is under the direct control of the Audit Committee in order to ensure its independence and does not concurrently perform any duties related to the execution of business by the Group. For allocation, transfer and appraisal of the staff of the Audit Committee, we respect the intention of the Audit Committee.

Cooperation of Audit Committee, Accounting Auditor, and Internal Audit Department

Close cooperation is maintained among them through appropriate implementation of auditing in cooperation as well as exchange of audit plans and audit results.

[Independent Officers]

Number of Independent Officers

8

Matters relating to Independent Officers

- All of the outside directors are designated as independent officers.
- The Company has established its own judgment criteria for independency in light of the requirements for independent officers stipulated by the Tokyo Stock Exchange, Inc. We assess the independency of outside directors by these criteria.

[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

[Incentives]

Implementation of Measures to Provide Incentives to Directors and Executive Officers

Introduction of a performance-based compensation system, etc.

Supplementary Explanation of Relevant Items

Please see the descriptions in “1. Basic Concept ‘Disclosure Based on the Principles of Japan’s Corporate Governance Code’ <Principle 3-1> Enhancement of information disclosure (3) Policies and procedures related to determining remuneration of directors and executive officers” of this Report.

Recipients of Stock Options

Supplementary Explanation of Relevant Items

[Remunerations of Directors and Executive Officers]

Disclosure Status (Remunerations of Individual Directors)

Individual remunerations are partially disclosed.

Disclosure Status (Remunerations of Individual Executive Officers)

Individual remunerations are not disclosed.

Supplementary Explanation of Relevant Items Updated

Amounts of remuneration and other compensation for directors and executive officers for fiscal 2023 are as follows.

Classification of Directors	Total amount of remuneration and other compensation (Million Yen)	Total amount of remuneration and other compensation by type (Million Yen)			Number of directors covered (Persons)
		Basic compensation	Performance-based compensation	Stock-based compensation (Note 1)	
Directors (excluding Outside Directors)	68	68	–	–	3 (Note 2)
Outside Directors	132	132	–	–	10 (Note 2)
Executive Officers	554	384	99	69	17 (Note 3)

Note 1: Amount of stock-based compensation represents the amount posted as expenses for fiscal 2023.

2: The number of officers counted as “Directors” includes three executive officers who retired at the conclusion of the 99th Ordinary General Shareholders’ Meeting held on June 28, 2023.

3: The number of officers counted as “Executive Officers” includes the number of executive officers who also serve as directors. Also included are two executive officers who retired on June 28, 2023.

4: Target and result of indicators related to performance-based compensation for fiscal 2023

<Achievement rate of each financial indicator (fiscal 2022 result / target)>

Consolidated ordinary income: 0% (-6.6 billion yen / 100.0 billion yen)

FCF: 0% (-289.8 billion yen / -65.0 billion yen)

ROA: 13.3% (0.2% / 1.5%)

<Achievement rate of non-financial indicators>

CO₂ emission reductions, external ESG evaluation: 75%

The above evaluation is made by the Compensation Committee, with reference to the Company’s CO₂ emission reduction efforts in fiscal 2022 and external evaluations such as DJSI.

5: Amounts of remuneration and other forms of compensation for directors (excluding outside directors) for fiscal 2023 are as follows.

Name	Post (As at the end of the year)	Total amount of remuneration and other compensation (Million Yen)	Total amount of remuneration and other compensation by type (Million Yen)		
			Basic compensation	Performance-based compensation	Stock-based compensation*
Nozomu Mori	Director, Representative Executive Officer, President	38	30	2	5
Koji Inada	Director, Executive Vice President	42	29	7	5
Makoto Araki	Director, Executive Vice President	44	31	7	5
Yasuji Shimamoto	Director	35	35	-	-
Nobuhiro Nishizawa	Director	38	32	4	1

*Amount of stock-based compensation represents the amount posted as expenses for fiscal 2023.

Disclosure of Policy for Determining Remuneration Amounts or Calculation Methods Thereof

Please see the descriptions in “1. Basic Concept ‘Disclosure Based on the Principles of Japan’s Corporate Governance Code’ <Principle 3-1> Enhancement of information disclosure (3) Policies and procedures related to determining remuneration of directors and executive officers” of this Report.

[Supporting System for Outside Directors]

Departments in charge of supporting outside directors are designated, and important matters are briefed to them as needed. Thus, a support system for outside directors has been put in place.

[Status of Persons Who Have Retired from a Position Such as President & Representative Director]

Names, etc., of senior advisors or advisors who have formerly served as President and Representative Director, etc. **Updated**

Name	Title/Position	Responsibilities	Working Form and Conditions (Full-time/Part-time, Paid/Unpaid, etc.)	Date of Retirement from Position Such as President	Term of Office
Yosaku Fuji	Advisor	External activities at external organizations, etc.	Part-time, with compensation (¥8.4 million/year)	2005/6/29	1 year
Takao Matsumura	Advisor	External activities at external organizations, etc.	Part-time, with compensation (¥8.4 million/year)	2023/6/28	1 year
Mikio Matsumura	Advisor	External activities at external organizations, etc.	Part-time, with compensation (¥12.0 million/year)	2024/6/26	1 year
Koji Inada	Advisor	External activities at external organizations, etc.	Part-time, with compensation (¥8.4 million/year)	2024/6/26	1 year

Total Number of Retired Presidents & Representative Directors, etc. Holding Advisory or Any Other Positions in the Company

4

Other

[System]

Advisor and other positions 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 shall decide the necessity of such appointment, job description, and remuneration after rigorous deliberation, and shall disclose the commissioned duties and the individual amount of remuneration of the advisor.

[Roles]

Advisors shall 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 shall not provide guidance or advice on business management.

2. Matters on Functions of Business Execution, Audit and Supervision, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System) **Updated**

In the 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.

In order to further enhance the supervisory function of the Board of Directors, we have appointed eight outside directors with ensured independency. Pursuant to Article No. 427-1 of the Companies Act, we have signed a contract with outside directors that stipulates the responsibility set forth in Article No. 423-1 of the same Act shall be up to the minimum liability amount specified by the law.

In addition, the Company has signed indemnification agreements with directors and executive officers as set forth in Article 430-2, Paragraph 1 of the Companies Act, which indemnify them for the expenses stipulated in Item 1 of the same Article to the extent provided by laws and regulations, and the losses stipulated in Paragraph 2 of the same Article are excluded from compensation.

Moreover, the Company has concluded a directors and officers liability insurance policy with an insurance agency, as set forth in Article 430-3, Paragraph 1 of the Companies Act. This insurance policy covers damages arising from liability borne by the insured (directors, executive officers, Audit Mission Officers, officers dispatched to external entities*, etc.) in the course of their duties or possible claims pertaining to the pursuit of such liability.

*Individuals who hold officer positions in external corporations at the request or direction of the company.

The Board of Directors of the Company is chaired by an independent outside director, and eight of the 13 directors are independent outside 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, composition of each committee, appointment/change of Executive Officers, personnel measures for officers, and specific initiatives to achieve the Medium-term Management Plan. Furthermore, the progress of the Medium-term Management Plan, including quarterly financial results, operational status of internal control, and measures to support management awareness of capital costs and share prices as well as other matters are reported and deliberated.

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 the transactions of extra high voltage power and high voltage power service, the progress of various preventive measures as well as the status of efforts for organizational climate reforms to fundamentally strengthen internal controls were thoroughly deliberated in conjunction with the Board of Directors meetings as special supervision by the Board of Directors.

For resolutions and deliberations regarding the issues stated above, the Board of Directors held seven opinion exchange meetings among 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 training sessions, a wide range of management issues and the direction of future growth strategies are discussed, including a review of the Company's business portfolio and Zero Carbon Roadmap, with the aim of realizing the Group's vision. The opinions obtained through these opinion exchange meetings and training sessions are reflected in management through discussions at subsequent meetings of the Board of Directors.

Furthermore, throughout the year, our independent outside directors actively seek to understand the Company's situation by receiving prior briefings on Board of Directors agenda items, inspecting front-line workplaces, and engaging in dialogue with employees.

Regarding the Nominating Committee, all four members are independent outside directors, including the Chairperson. 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 skills the Board of Directors should be equipped with)

Regarding the Compensation Committee, all four members are independent outside directors, including the Chairperson. 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 non-financial targets

The Audit Committee is chaired by an independent outside director, and four out of its six members are independent outside directors. 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 implement compliance
- Monitoring and verification of business execution related to important management issues
- Monitoring and verification of group governance reform
- 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 after retirement.

The Audit Committee is briefed on audit plans from our accounting auditor at the beginning of the fiscal year. As for the implementation status of the plans, the Committee receives reports on the quarterly review status in every quarter, as well as reports on annual audit status at the interim period and the end of the fiscal year, and thereby exchanges 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.

Item	Period	Overview
Briefing on audit plans	July (Note 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. (Note 2)

Note 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.

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

We have appointed Deloitte Touche Tohmatsu LLC as our accounting auditor and the continuous audit period is 56 years. Certified public accountants who performed accounting audit duties as independent third parties for the Company are Mr. Takashi Ishii, Mr. Tadatomo Node and Mr. Takatomi Okuno. Additionally, 19 certified public accountants and 58 others assisted in the accounting audit of the Company.

Appointment of our accounting auditor shall be based on the criteria set by the Audit Committee that include the auditing firm's quality control system, audit implementation system, and similar relevant information. The policy on determination of dismissal or refusal to reelect an accounting auditor is as follows.

- When an accounting auditor falls under any of the paragraphs of Article 340-1 of the Companies Act and dismissal of the accounting auditor is judged as reasonable, the Audit Committee dismisses the accounting auditor with unanimous consent of the Committee members.
- When an accounting auditor falls under any of the paragraphs of Article 340-1 of the Companies Act or dismissal/refusal of reelection of the accounting auditor is judged as reasonable because of a reason that may undermine trust as accounting auditor, the Audit Committee determines the details of the agenda concerning dismissal/refusal of reelection to submit to the General Shareholders' Meeting.

With regard to the evaluation of the accounting auditor, we appropriately evaluate the independency and expertise of the auditing firm by monitoring and verifying audit quality through daily audits, collecting information from accounting and internal auditing departments at the Company, as well as from the accounting auditor, in accordance with evaluation criteria.

The evaluation criteria established by the Audit Committee consist of the following seven items:

1. Quality control of the auditing firm
2. Audit team
3. Audit fees and efficiency
4. Communication with the Audit Committee
5. Relationship with corporate managers, etc.
6. Group audit
7. Fraud risk

As a result, the Audit Committee has determined that Deloitte Touche Tohmatsu LLC is suitable as an accounting auditor of the Company.

For the purpose of strengthening the Group's function to supervise compliance, we have established a Compliance Committee chaired by lawyer Mr. Shin Kikuchi and comprising five members, a majority of which are outside experts, as a committee independent from the President and other executive officers under the direct control of the Board of Directors.

The Committee 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, and reports periodically to the Board of Directors.

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 Mr. Nozomu Mori, Representative Executive Officer, and consists of all our 15 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 committees 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.

The Organizational Climate Reform Committee comprehensively forges ahead with organizational climate reform as well as measures to prevent recurrence of inappropriate handling of information regarding customers who have contracts with other power producers and suppliers 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.

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, Representative Executive Officer, 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.

We have developed a whistleblower system to receive internal reporting on suspicious activity in terms of compliance concerning business of the entire Group with Compliance Hotline set inside and outside the Company. Lawyers specializing in the event-related field deal with respective cases as appropriate, and a system has been established in which the lawyers can urge at their own discretion the Chairperson of the Compliance Committee and members of the Audit Committee to take effective action.

Officers (directors, executive officers, etc.) have an obligation to report information to outside members of the Compliance Committee and Chairperson of the Board of Directors if they become aware of any event that may pose a compliance issue or the possibility of such an event occurring.

Employees have an obligation as well to report information to their superiors or the Compliance Hotline if they become aware of any event that may pose a compliance issue or the possibility of such an event occurring.

The Compliance Hotline investigates the facts and takes action paying full attention to the protection of confidentiality. We are making efforts so the hotline is adequately used by repeatedly and thoroughly notifying potential users that no disadvantages will arise to the whistleblower or the consulter. We provide an internal leniency system and encourage its use for the purpose of early detection and prompt correction of problematic events in terms of compliance.

Risks associated with business activities of the Group are to be managed autonomously by each operating division in accordance with the Kansai Electric Power Group Risk Management Rules. As for risks considered to have cross-organizational importance (information security, business management of subsidiaries, human capital foundation, market risks, credibility of financial reporting, the environment, energy policy, disasters, compliance (including laws and regulations in competitive environments), appropriateness of procurement), risk management departments with specialized expertise are designated as needed to provide operating divisions with advice and guidance to enhance risk management. The Internal Control Board has been established to manage these 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.

Regarding nuclear safety, our principles associated with nuclear safety to be succeeded to our employees in future generations are clearly stated in a company proclamation, Commitment to Enhancing Nuclear Safety. Based on this, we are making constant efforts to improve safety. A Nuclear Safety Enhancement Committee with 18 members composed of officers from all divisions and other members headed by Mr. Kenichi Fujino, Executive Vice President, 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 problem 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's Fukushima Daiichi Nuclear Power Station. In addition, opinions and advice provided by the Nuclear Safety Verification Committee with eight members, composed mainly of outside experts headed by Mr. Yuji Ueno from its independent position have been reflected in our safety improvement initiatives. We are making our best effort to ensure ongoing transparency by widely announcing these developments on our website and through other media.

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, chaired by lawyer Mr. Yojiro Taki, comprising four members in total, a majority of which are outside experts. By building an examination mechanism from the perspective of outside experts, we ensure the appropriateness and transparency of procedures of construction orders, donations, etc. Progresses of these efforts are widely disclosed through our website and other media to ensure transparency.

We have established an Internal Auditing Committee composed of eight members, including outside experts headed by Mr. Makoto Araki, Executive Vice President, whose functions are to share and deliberate a broad range of management issues such as safety and quality, secure views and information from outside the Company, and maintain proper internal auditing of the Kansai Electric Power Group as a whole from an impartial and specialized standpoint.

Furthermore, we have established an Office of Internal Auditing, which includes certified internal auditors and qualified internal auditors, as a dedicated organization responsible for internal auditing. This office regularly audits appropriateness and effectiveness concerning the arrangement and operation of systems for the assurance of business propriety. Plans for internal auditing are submitted to the Executive Meeting and reported to the Audit Committee, and the auditing results are reported to the Executive Meeting, the Board of Directors, and the Audit Committee.

In addition, we are endeavoring to ensure business propriety by, for example, each workplace conducting necessary improvement activities based on the results of audits.

Our internal audit division (Office of Internal Auditing), Audit Committee and accounting auditor continue to work closely through appropriate implementation of auditing in coordination as well as the exchange of audit plans and audit results.

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. In addition, 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.

3. Reasons for Adoption of Current Corporate Governance System

Please see the descriptions in "1.1. Basic Concept" of this Report.

III Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Energize General Shareholders' Meetings and Smooth Exercise of Voting Rights Updated

	Supplementary Explanation
Advance Dispatch of Notice of General Shareholders' Meetings	The Notice is distributed as early as possible and its details are disclosed on the TDnet and our website prior to the distribution of the Notice. (Results of 2024) Notice distribution date: June 7 (Friday) (Three days or one business day ahead of statutory due date) Notice disclosure date: May 24 (Friday) (Disclosed electronically on our website 14 days or 10 business days prior to distribution)
Scheduling OGMs Avoiding the Peak Day	The 100th Ordinary General Shareholders' Meeting was held on June 26, 2024.
Allowing Electronic or Magnetic Exercise of Voting Rights	Electronic exercise of voting rights from computers connected to the internet and mobile phones has become effective.
Participation in Electronic Voting Platform and Other Efforts to Enhance the Voting Environment for Institutional Investors	We have participated in Electronic Voting Platform.
Providing Notice in English (Translated Fully or Partially)	We have posted the English version of the Notice in a narrow sense and reference documents for the General Shareholders' Meeting on our website and the Electronic Voting Platform.
Other	The General Shareholders' Meeting is streamed live via the Internet. We also post a video report on the Company's initiatives on our website in advance of the meeting.

2. IR Activities

	Supplementary Explanation	Explanation by Representative Personally
Preparation and Publication of Disclosure Policy	Posted on our website.	
Regular Investor Briefings for Analysts and Institutional Investors	As a general rule, briefings are held on our management plan, annual financial closing and Q2 financial closing, where the President and other officers explain management status.	Yes
Regular Investor Briefings for Overseas Investors	As a general rule, the President and other officers visit our overseas investors every year and explain management status.	Yes
Posting of IR Materials on Website	IR page URL https://www.kepco.co.jp/ir/ Management Plan, Earnings Briefing, Securities Report, Kansai Electric Power Group Integrated Report, Information session material and other IR materials are posted on our website.	
Establishment of Department and/or Manager in Charge of IR	Department responsible for IR: Planning Group, Office of Accounting and Finance Responsible officer: Officer in charge of Office of Accounting and Finance Administrative circular manager: Chief Manager of Planning Group, Office of Accounting and Finance	
Other	The Company discloses information to investors impartially and quickly. Its diversified investors, including Japanese and overseas institutional investors and individual investors, are provided with information that satisfies a variety of needs through the Company's website. Additionally, on the occasions of information sessions and visits to investors, the President and other officers have proactive dialogues with investors, thereby facilitating bilateral communication.	

3. Measures to Ensure Due Respect for Stakeholders Updated

	Supplementary Explanation
<p>Provisions to Ensure Due Respect for Stakeholders in Internal Rules, etc.</p>	<p>Stipulated in the Kansai Electric Power Group Code of Conduct (instituted in March 2021).</p> <p><Basic view> The Kansai Electric Power Group Code of Conduct details specifically how our executives and employees should act, providing a foundation for decision-making in our business activities. This code is based on the Kansai Electric Power Group Purpose & Values and takes all in-house company rules as prerequisites.</p> <p>The business activities of the Kansai Electric Power Group are supported by a variety of stakeholders, including customers, shareholders and investors, business partners, employees and other members of society. The trust we receive from these stakeholders is itself the foundation that allows us to continue fulfilling our duties and pursuing sustainable growth as the Kansai Electric Power Group.</p> <p>We fulfill our duties as a member of society by acting in accordance with our Management Philosophy and always thinking about what it means to thoroughly implement compliance not only for laws and regulations, but also for the standards expected by modern society. We want to make our various stakeholders have unshakable trust in us by responding sincerely to their expectations for our group business activities.</p> <p>Based on this mindset, our employees all work together and combine their individual capacities, enabling the Kansai Electric Power Group to contribute to the sustainable development of society.</p> <p>[Kansai Electric Power Group Code of Conduct] https://www.kepco.co.jp/english/csr/charter.html</p>
<p>Implementation of Environmental Activities, CSR Activities, etc.</p>	<p>Providing safe and stable delivery of eco-friendly energy, solving social issues through new businesses, and establishing a solid foundation to support them, the Group will increase its sustainable corporate value and promote SDGs and solutions to other global social issues in order to contribute to the sustainable development of society.</p> <p>We have also set up a Sustainability Promotion Council, which is chaired by the President of the Company, to draw up comprehensive measures to promote sustainability for the entire Group and monitor implementation status. In addition, we are developing concrete, comprehensive measures to enable the Group to contribute to the sustainable growth of society.</p> <p>Furthermore, with the Zero Carbon Vision 2050 formulated in February 2021, we declared that we would reduce the entire Group's CO₂ emissions from power generation and other business activities to zero by 2050. Toward the realization of the Zero Carbon Vision 2050, the Zero Carbon Committee, chaired by the President, formulated the Zero Carbon Roadmap and is sharing the status of initiatives and developing specific plans to promote our responses to climate change.</p> <p>Considering the progress of our initiatives to date, we revised the Roadmap in April 2024 with new targets to further promote zero carbon initiatives, including greenhouse gas reduction targets for total supply chain emissions.</p> <p>[Kansai Electric Power Group Zero Carbon Vision 2050] https://www.kepco.co.jp/english/corporate/pr/2021/pdf/feb26_1.pdf [Kansai Electric Power Group Zero Carbon Roadmap] https://www.kepco.co.jp/sustainability/environment/zerocarbon/pdf/en_zerocarbon_roadmap_01.pdf [Kansai Electric Power Group Integrated Report] https://www.kepco.co.jp/english/corporate/list/report/pdf/e2023_a4.pdf [Kansai Electric Power Group ESG Report] https://www.kepco.co.jp/english/corporate/list/esg/pdf/esg2023_e.pdf</p>
<p>Development of Policies on Information Provision to Stakeholders</p>	<p>Our policy for information provision to stakeholders is disclosed in our Corporate Governance Guidelines.</p> <p>[Corporate Governance Guidelines: Chapter 3 Appropriate Information Disclosure and Ensuring Transparency 1. Sufficient information disclosure]</p> <p>The Group proactively discloses financial information that includes financial status and operating results of the Company, management strategies/issues, as well as non-financial information concerning risks and governance, in its securities reports, corporate governance reports and integrated reports to the shareholders and other stakeholders.</p> <p>With regard to the information content considered to be useful in dialogue with our shareholders and other stakeholders, in addition to which is stipulated by laws and regulations including the Companies Act, we are trying to disclose accurate and specific content so we can make value-added explanation.</p> <p>We also create English versions of media as necessary to provide information to overseas investors.</p>

<Promotion of Diversity and Inclusion>

With diversity promotion positioned as one of the key elements of business management, the Group established a dedicated organization in June 2011 and has pushed ahead with initiatives to forge differences in senses of value and ideas as organizational strengths while accepting various attributes of its employees, such as gender, age and disability, as well as to encourage the further success of female employees. Additionally, in April 2022, we established the Kansai Electric Power Group Diversity and Inclusion Promotion Policy and are making efforts to further promote and accelerate these initiatives.

Please visit our website for details regarding these initiatives.

<https://www.kepco.co.jp/sustainability/society/diversity/policy.html>

(Kansai Electric Power Group Diversity and Inclusion Promotion Policy)

1. By respecting, accepting, and utilizing each individual's "differences" and making diverse senses of value and ways of thinking sources of strength for the organization, we will realize a competitive corporate group that creates innovation and new value.
2. We seek to realize workstyles and to cultivate workplace environments that enable all employees to exercise their abilities to their maximum extents, regardless of gender, age, nationality, disability and other personal attributes, lifestyles, or careers.

<Female employees>

Seeing women as one of the important sources that bring various feelings and ways of thinking to an organization, we are proactive in promoting the success of female employees.

The Company and Kansai Transmission and Distribution, Inc. have set the following goals for the further empowerment of female employees.

- By the end of fiscal 2030, the ratios of female managers and of female senior managers shall be more than three times that of fiscal 2018.
- Achieve ratios of 40% or higher for women employed in office jobs and 10% or higher for women employed in technical jobs.

Toward the empowerment of female employees through such measures as further increase of the ratio of females in managerial positions and those in top management, we will encourage continuous contributions to the organization by encouraging the development of abilities and growing independently through work. We will also strive to foster young female employees' awareness of career development and creating environments that allow them to continue to work enthusiastically even when their life stages change.

<Mid-career hires>

The Group has been hiring mid-career professionals and promoting them to managerial positions.

Regarding the promotion of mid-career hires to managerial positions, the Company and Kansai Transmission and Distribution, Inc. have set the following goals.

- By the end of fiscal 2030, increase the ratio of mid-career hires in managerial positions more than 10 times compared to the end of fiscal 2020.

From the perspective of ensuring the diversity of human capital, the Group will continue to increase the number of mid-career hires and actively promote them to managerial positions.

<Foreign employees>

The Group has long been hiring employees and promoting them to managerial positions based on their abilities and qualities, regardless of attributes such as nationality.

Based on the above, the Company and Kansai Transmission and Distribution, Inc. offer internship programs for foreign students as initiatives to deepen their understanding of the industry and are proactively hiring foreign human capital. In addition, our subsidiaries are also proactively hiring foreign human capital and promoting them to managerial positions.

The Group will continue to proactively hire and promote foreign human capital to managerial positions.

<Policies for human capital development and workplace environment improvement>

(Enhancing the abilities of individuals)

For the Kansai Electric Power Group to achieve sustainable growth in line with its management philosophy while responding to the changing business environment, it is necessary to enhance the abilities of individuals. We will promote various initiatives to motivate each employee to learn

and to take on challenges.

(Enhancing the abilities of the organization)

We will promote various initiatives to create innovation by respecting, accepting, and utilizing the “differences” of each individual, and by transforming diverse values and ways of thinking into sources of strength for the organization (promoting D&I).

(Increasing the attractiveness of the workstyle)

With harassment prevention and strict compliance as a prerequisite, we will create a better internal environment by realizing a workstyle and fostering a workplace culture in which everyone can maximize their abilities regardless of gender, age, nationality, disability, attributes, lifestyle, or career.

<Implementation status>

To be specific about human capital development and workplace environment improvement, we are implementing the following initiatives.

(Enhancing the abilities of individuals)

- Expansion of support for self-development (aid for self-development expenses, participation in external e-learning programs, and the introduction of a system to evaluate autonomous learning and link it to career development, etc.)
- Introduction of a learning platform
- Establishment of an in-house application system (e-challenge system)

(Enhancing the abilities of the organization)

- Expansion of mid-career hiring and utilization of outside professional human resources by accepting secondment and side job workers from outside and outsourcing, as well as the establishment of a network of ex-employees.
- Introduction of an on-boarding program for mid-career hires (mentors, follow-up interviews, etc.)
- Training to utilize diverse values as a power of the organization (training to promote diversity of opinions)
- Mentoring program by executive officers (a program in which executives serve as mentors*¹ to female employees at the section manager level (mentees*²) in supporting their autonomous career formation and fostering their abilities)

*1: Meaning a coach, advisor, counselor, etc.

*2: Referring to a person in a position to receive support from a mentor

- Publication of an LGBTQ&ALLY support book and establishment of an LGBTQ consultation desk to create a work environment where everyone can feel secure and work without anxiety regarding gender, sexual orientation, or gender identity.
- For information on our initiatives to encourage further success of female employees, please visit our website.

<https://www.kepco.co.jp/sustainability/csr/diversity/woman.html>

(Increasing the attractiveness of the workstyle)

- Development of a pleasant workplace (super flextime system, telework system, encouragement of taking meaningful leave in a planned manner, etc.)
- Three layers of care: self-care, line care, and staff care
- Enhancement of benefits, including a housing program, for employees with work location restrictions due to reasons of business
- Creation of leave to care for grandchildren and infertility treatment leave
- Fostering a workplace culture that respects individual workstyles
- Organizing health promotion events and enhancing regular health checkups (complete medical checkups at target ages)

IV Matters Related to Internal Control System

1. Basic Concept on Internal Control System and Progress of System Development Updated

Resolutions of the Board of Directors and overview of the operational status of said system are as follows.

Board of Directors resolution details regarding said system

To improve sustainable corporate value while ensuring transparency and soundness in business operation, we will lay out systems to ensure propriety in execution of business and make continuous efforts toward improvement to make the systems highly effective.

(1) System to ensure that the execution of duties by directors and executive officers comply with laws and regulations and Articles of Incorporation

The Company has adopted the institutional design of a company with a nominating committee, etc., in which execution and supervision are clearly separated. Also, with an emphasis on an outsider's objective viewpoint, the Board of Directors, which has a mandate of the Company's business management from the General Shareholders' Meeting, and the three statutory committees—the Nominating Committee, the Compensation Committee and the Audit Committee—are respectively composed of independent outside directors who account for the majority of the constituent members. Additionally, chairpersons of the Board of Directors and the three statutory committees, respectively, are selected from among independent outside directors. Furthermore, the Executive Meeting and various committees have been established to ensure appropriate execution of duties.

Our directors and executive officers conduct themselves in performing their duties in accordance with the basic orientation of business management and code of conduct embodied in the Kansai Electric Power Group Purpose & Values, the Kansai Electric Power Group Code of Conduct, etc. and are willing to put these into practice.

The Board of Directors deliberates and determines basic policies for business management, such as management plans. In principle, the Board entrusts executive officers with decision-making in the execution of duties based on the basic policies for business management, receives reports from them and supervises them. For the purpose of strengthening the function of supervising compliance, under the direct control of the Board of Directors we establish a Compliance Committee chaired by an outside expert and outside members of which account for the majority. The Committee deliberates and approves particularly important matters such as basic policies concerning compliance and policies for addressing problematic events associated with directors and executive officers. When necessary, the Committee also directly guides, advises and supervises the President and other executive officers, and reports periodically to the Board of Directors. Directors and executive officers have an obligation to report any illegal act or suspected violation of compliance to the Compliance Committee and Chairperson of the Board of Directors.

The Audit Committee conducts an audit of directors and executive officers on their execution of duties from the perspective of legality and appropriateness, and reports on the status and results of the audit to the Board of Directors. When necessary, the Committee provides advice and recommendations to executive officers, etc. 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.

Furthermore, the accounting auditor conducts accounting audits from the viewpoint of legal and adequate preparation of financial statements, from a position independent from the Company.

(2) System concerning storage and management of information on the execution of duties by executive officers

In accordance with the laws and regulations and internal rules, executive officers properly create, store, and manage minutes from the Board of Directors meeting and other meeting structures, as well as information on the execution of duties, such as documents relating to the determination of business.

(3) Regulation on the management of risk of loss and other systems

Risks associated with business activities are to be managed autonomously by each operating division in accordance with our internal rules. As for risks considered to have cross-organizational importance, risk management departments with specialized expertise on such risks are designated as needed to provide operating divisions with advice and guidance.

Furthermore, a committee established to put risks under central management strives to manage risks associated with Group business activities at an appropriate level.

(4) System to ensure efficient execution of duties by executive officers

A system for fast and efficient execution of duties by executive officers is to be ensured by stipulating where authority and responsibility lie, as well as the chain of command, in our internal rules.

In addition, matters relating to the execution of important business are, as a general rule, deliberated every week at the Executive Meeting comprising all executive officers.

(5) System to ensure that the execution of duties by employees comply with laws and regulations and Articles of Incorporation

Through activities of sustainability-related committees, etc., executive officers establish and instill in the mind of employees a basic orientation in business management and code of conduct that are embodied in the Kansai Electric Power Group Purpose & Values, the Kansai Electric Power Group Code of Conduct, etc. and require employees to comply with them. Additionally, we set up an organization equipped with a function to promote compliance in the Group and, by receiving guidance, advice and supervision of the committee, we ensure that our employees execute their duties in compliance with laws and regulations.

Furthermore, we put in place a whistleblower system to receive internal reporting from employees and outsiders on any act suspected of violations of law or compliance, with a Compliance Hotline set up inside and outside the Company. Our employees are obliged to report any act suspected of violations of law or compliance. In the course of operating this system, we securely protect the whistleblower's confidentiality so that he or she will never suffer detrimental treatment.

(6) System to ensure business propriety in our corporate group comprising the Company and its subsidiaries

Based on our internal rules, executive officers ensure the propriety of business activities at our corporate group comprising the Company and its subsidiaries by supporting them and providing advice on the arrangement of their autonomous management structures.

(a) Executive officers of the Company receive regular reports from directors of subsidiaries on management status and other matters concerning execution of their duties.

(b) While our basic idea is that risks associated with business activities of our subsidiaries are to be autonomously managed by the subsidiaries, executive officers of the Company 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 beforehand in important decision-making by our subsidiaries, and periodically checking on their business management status, risk management systems and risk management status, with departments designated to control our subsidiaries' risk management.

As for risks considered to have importance to all our subsidiaries, risk management departments with specialized expertise on such risks are designated in the Company as needed to provide our subsidiaries with advice and guidance. Furthermore, a committee established to put risks under central management strives to manage risks associated with Group business activities, including risks pertaining to the execution of business at our subsidiaries, at an appropriate level.

(c) Executive officers of the Company have directors of our subsidiaries ensure a system for fast and efficient execution of their duties by stipulating where authority and responsibility lie, as well as the chain of command, in their internal rules.

(d) Through activities of sustainability-related committees, etc., executive officers establish and instill in our subsidiaries a basic orientation in business management and code of conduct that are embodied in the Kansai Electric Power Group Purpose & Values, the Kansai Electric Power Group Code of Conduct, etc. and require subsidiaries to comply with them and develop an adequate system. In addition to this, we set up an organization equipped with a function to promote compliance in the Group and, by receiving guidance, advice, and supervision from the committee, we have our subsidiaries ensure that their directors and employees execute their duties in compliance with laws and regulations.

Furthermore, we put in place a whistleblower system to receive internal reporting from our subsidiaries' directors and employees on any act suspected of violations of law or compliance, with a Compliance Hotline set up inside and outside the Company. In the course of operating this system, we ensure and we also have our subsidiaries' directors and employees ensure that the whistleblower's confidentiality is securely protected so that he or she will never suffer detrimental treatment.

(7) Matters concerning employees who are to assist the duties of Audit Committee

Upon request from the Audit Committee, executive officers set up a dedicated organization that takes charge of audit practices, operation of the Audit Committee, and similar activities, and allocate necessary personnel to assist with the duties of Audit Committee members and the Audit Committee. Additionally, executive officers can appoint Audit Mission Officers as employees who assist the duties of the Audit Committee.

(8) Matters concerning ensuring independency of employees who are to assist the duties of the Audit Committee from executive officers, as well as effectiveness of Audit Committee's instructions to relevant employees

Employees and a dedicated organization that assist the duties of Audit Committee members and the Audit Committee are placed directly under the Audit Committee. Employees of said organization are expected to follow the instructions of the Audit Committee; however, such employees are not under the command of executive officers and do not assume any concurrent posts related to the execution of the Group's business. Intentions of the Audit Committee shall be respected in allocation, transfer and appraisal of such employees.

(9) System concerning reporting to Audit Committee

Any director, executive officer and employee of the Company, any director, auditor and employee of our subsidiaries, or anyone who received a report from any of them at our subsidiaries, if he or she discovers a fact that may cause extensive damage to the Group, shall immediately report to the Audit Committee. Important matters relating to our business management and performance, internal/external disclosure items, facts of serious violation of laws, etc. should also be reported to the Audit Committee.

(10) System to ensure not suffering detrimental treatment because of reporting to Audit Committee

Based on the internal rules, executive officers shall ensure and also have our subsidiaries ensure that those who report on any fact as stated in the preceding item to the Audit Committee will never receive detrimental treatment.

(11) Matters concerning policies on the treatment of expenses or liabilities incurred by the execution of duties by Audit Committee

Executive officers take appropriate measures for the treatment of expenses or liabilities incurred by the execution of duties by the Audit Committee based on our internal rules.

(12) Other systems to ensure effective audit implementation by Audit Committee

Directors, executive officers, and employees cooperate with audits by the Audit Committee and ensure the effectiveness of audits by providing reference materials and information requested by the Audit Committee without delay.

The Audit Committee can, when it deems necessary in an incident of fraud, etc. in which the direct involvement of directors and executive officers is suspected, request the internal audit department, etc. to investigate or give specific instructions regarding the execution of its duties.

(13) Matters related to checking the arrangement and operation status of systems to ensure business propriety

For periodically auditing the propriety and effectiveness of the arrangement and operation status of systems to ensure business propriety, we set up an internal audit organization. A committee for internal audit should also be established with the participation of outside experts to deliberate the propriety and effectiveness of internal audit from their fair and professional standpoints.

Overview of the operational status of said system

(1) System to ensure that the execution of duties by directors and executive officers comply with laws and regulations and Articles of Incorporation

The Company has adopted the institutional design of a company with a nominating committee, etc., in which execution and supervision are clearly separated. Also, with an emphasis on an outsider's objective viewpoint, the Board of Directors, which has a mandate of the Company's business management from the General Shareholders' Meeting, and the three statutory committees—the Nominating Committee, the Compensation Committee and the Audit Committee—are respectively composed of independent outside directors who account for the majority of the constituent members. Additionally, chairpersons of the Board of Directors and the three statutory committees, respectively, are selected from among independent outside directors. Furthermore, with the Executive Meeting and various committees established, the appropriate execution of duties by directors and executive officers has been ensured.

In performing their duties, our directors and executive officers take the initiative to conduct themselves in accordance with the basic orientation of business management and code of conduct.

The Board of Directors meeting was held 15 times during fiscal 2023. The Board deliberates and determines basic policies for business management, such as management plans. In principle, the Board entrusts executive officers with decision-making in the execution of duties based on the basic policies for business management, receives reports from them, and supervises them. For the purpose of strengthening the function of supervising compliance, under the direct control of the Board of Directors we have established a Compliance Committee chaired by an outside expert and outside members of which account for the majority. The Committee meeting was held eight times during fiscal 2023. The Committee deliberates and approves particularly important matters such as basic policies concerning compliance and policies for addressing problematic events associated with directors and executive officers. When necessary, the Committee also directly guides, advises, and supervises the President and other executive officers, and reports periodically to the Board of Directors.

In addition, in order for directors and executive officers to improve themselves and hold firm to an exceptionally high-level code of conduct toward management renewal, we are enhancing training based on recommendations from the Compliance Committee and implementing training on compliance and governance. For those taking office as directors or executive officers, training on the knowledge and legal responsibilities for taking office is provided.

Directors and executive officers have an obligation to report any illegal act or suspected violation of compliance and report said event to the Compliance Committee and Chairperson of the Board of Directors.

In light of the series of inappropriate incidents, including the receipt of cash and gifts, and based on the recognition that there are problems in reliable response to environmental changes and risks and in the organizational climate, the Company is promoting measures for both fundamental reinforcement of internal controls and organizational climate reform. To manage risks associated with the Group's business activities at an appropriate level and realize sustainable growth, the Internal Control Board has been established to evaluate the status of the establishment and operation of the internal control system, consider comprehensive measures for improvement, issue instructions for improvement of deficiencies, and confirm and support improvement. To comprehensively promote measures to prevent recurrence, including fundamental reinforcement of internal controls and organizational climate reform, the Organizational Climate Reform Committee has been established to identify and analyze company-wide issues related to the series of inappropriate incidents to formulate comprehensive measures to prevent recurrence.

The Audit Committee conducts an audit of directors and executive officers on their execution of duties from the perspective of legality and appropriateness, and reports on the status and results of the audit to the Board of Directors. When necessary, the Committee provides advice and recommendations to executive officers, etc. 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.

Furthermore, the accounting auditor conducts accounting audits from the viewpoint of legal and adequate preparation of financial statements, from a position independent from the Company.

(2) System concerning storage and management of information on the execution of duties by executive officers

In accordance with the laws and regulations and internal rules, executive officers properly create, store, and manage minutes from the Board of Directors meeting and other meeting structures, as well as information on the execution of duties, such as documents relating to the determination of business.

(3) Regulation on the management of risk of loss and other systems

Risks associated with business activities are autonomously evaluated and necessary measures are taken by each operating division. For cross-organizational risks, departments with specialized expertise on each risk category formulate policies, plans, etc. related to risk management. With these, executive officers analyze and evaluate the risk management status of operating divisions, and provide daily support. Additionally, in accordance with the Kansai Electric Power Group Risk Management Rules, the Risk Management Committee meeting was held once and the Internal Control Board meeting was held 12 times during fiscal 2023 to understand and evaluate the risk management status from a company-wide perspective, subsequently reported at the Organizational Climate Reform Committee and the Board of Directors.

(4) System to ensure efficient execution of duties by executive officers

Executive officers have clarified a responsibility system for business operation in accordance with the Rules for Office Organization stipulating the Company's organization, structure, division of duties, job position, and operation thereof, as well as the Rules for Duties and Authority stipulating the responsibilities and authority of each job position and operation thereof, and built an efficient system by appropriately allocating and exercising authority within a proper range.

Executive officers held Executive Meetings 52 times during fiscal 2023 where decision-making has been made efficiently through deliberation of matters of importance in business execution and by making necessary reports.

(5) System to ensure that the execution of duties by employees comply with laws and regulations and Articles of Incorporation

Executive officers held the Sustainability Promotion Council meeting four times during fiscal 2023 in accordance with the Sustainability Promotion Council Regulations to deliberate and formulate sustainability activity plans. Based on these meetings, autonomous initiatives are promoted and how well sustainability has been instilled is checked in each organization. In addition, executive officers and related officials convey the ideas laid out in the President's Oath to all stakeholders, our Management Philosophy, etc. in their own words when communicating with employees and at other opportunities to instill the ideas in their minds, and act according to the President's Oath. Executive officers have also set up an organization equipped with a function to promote compliance in the Group and, by receiving guidance, advice, and supervision from a Compliance Committee, they have ensured that our employees execute their duties in compliance with laws and regulations. Additionally, for the purpose of fostering and maintaining strict awareness of legal compliance, discussion-based training, which encourages proactive thinking about compliance, is provided under the supervision of an outside director who is a member of the Compliance Committee and a corporate ethics expert.

Furthermore, a whistleblower system has been put in place to receive internal reporting from employees and outsiders on any acts suspected of violating law or compliance, with a Compliance Hotline set up inside and outside the Company. Our employees are obliged to report any act suspected of violating the law or compliance. In the operation of this system, the whistleblower's confidentiality is securely protected to prevent him or her from suffering detrimental treatment.

(6) System to ensure business propriety in our corporate group comprising the Company and its subsidiaries

Executive officers of the Company communicate with the management of its subsidiaries on their business management status and other matters through periodical meetings, and receive reports on their quarterly financial results.

Regarding risks associated with business activities of our subsidiaries, executive officers participate beforehand in important decision-making by subsidiaries, periodically examine their business management status, check their risk management status, and receive reports at the Internal Control Board. Departments with specialized expertise on each risk category provide advice and guidance to the subsidiaries on a routine basis through periodically held meetings, etc.

Through activities of a sustainability-related committee, etc., executive officers have been establishing and instilling in our subsidiaries a basic orientation in business management and code of conduct, and requiring subsidiaries to comply with them. In addition to this, executive officers have been checking the maintenance of regulations related to compliance, organization, and authority that are necessary to ensure the appropriateness of business execution.

Furthermore, any acts suspected of violations of law or compliance are reported to the Compliance Hotline, which has been set up inside and outside the Company. In the operation of this system, executive officers ensure and also have our subsidiaries' directors and employees ensure that the whistleblower's confidentiality is securely protected to prevent detrimental treatment of the whistleblower.

(7) Matters concerning employees who are to assist the duties of Audit Committee

Executive officers have set up an Office of Audit Committee as an organization independent from the executive side. The Office comprises 14 staff members and takes charge of audit practices, operation of the Audit Committee, and other activities. Additionally, two Audit Mission Officers have been appointed to assist the duties of the Audit Committee.

(8) Matters concerning ensuring independency of (employees who are to assist the duties of the Audit Committee from executive officers, as well as effectiveness of Audit Committee's instructions to relevant employees

Dedicated audit staff members, directly belonging to the Audit Committee, are not under the command of executive officers and intentions of the Audit Committee are respected in appraisal, transfer, etc. of said staff members. In this way, the Company has ensured their independence from executive officers.

(9) System concerning reporting to Audit Committee

Based on the Regulations for Ensuring Effectiveness of Audit by the Audit Committee, the Company reports important matters relating to our business management and performance, internal/external disclosure items, etc. to the Audit Committee.

(10) System to ensure not suffering detrimental treatment because of reporting to Audit Committee

Executive officers have developed internal rules and ensured that such reporters will never receive detrimental treatment, and have also confirmed that regulations prohibiting detrimental treatment of such reporters have been developed by all subsidiaries.

(11) Matters concerning policies on the treatment of expenses or liabilities incurred by the execution of duties by Audit Committee

Executive officers have secured expenses necessary for auditing.

(12) Other systems to ensure effective audit implementation by Audit Committee

Based on the Regulations for Ensuring Effectiveness of Audit by the Audit Committee and other internal rules, the Company cooperates with investigations related to audits by (staff members of) the Audit Committee.

For major committee meetings, etc., the Office of Audit Committee sends a convocation notice to the full-time Audit Committee members, etc. each time, and appropriately provides materials and minutes of the committee meetings, etc. Full-time Audit Committee members and others attend the committee meeting each time, hear deliberation, and give their opinions as necessary.

In addition, they request the internal audit department, etc. to investigate, as necessary, incidents of fraud, etc. in which the direct involvement of directors and executive officers is suspected, giving specific instructions regarding the execution of its duties.

(13) Matters related to checking the arrangement and operation status of systems to ensure business propriety

With the Office of Internal Auditing set up as a dedicated internal auditing organization, executive officers conduct audits of the propriety and effectiveness of the arrangement and operation status of systems to ensure business propriety. The audit results are deliberated by the Internal Auditing Committee, whose members include outside experts, and are then reported to the Executive Meeting and the Board of Directors.

2. Basic Concept of the Exclusion of Anti-social Forces and the Development Thereof

Declaring "Resolutely refuse inappropriate demands from antisocial (criminal) forces and organizations. Respond to such demands with the fortitude of the organization rather than as an individual. Maintain no relations with such forces and organizations" in the Kansai Electric Power Group Code of Conduct, the Company requires all of its directors, executive officers, and employees to strictly observe this principle. We will continue to take a resolute attitude toward antisocial forces and organizations.

Additionally, our internal rules stipulate thoroughgoing implementation of compliance, establishment of a department responsible for anti-social forces, appointment of personnel in charge of unreasonable claim prevention and cooperation with police and other external professional organizations. Instruction manuals containing detailed descriptions on how to deal with such forces has also been developed.

Moreover, we are stepping up our efforts to cut off relationships with such forces with the Covenant Concerning Elimination of Anti-Social Forces included in our standard material procurement contract terms.

V Other

1. Adoption of Takeover Defense Measures

Adoption of Takeover Defense Measures	None
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Supplementary Explanation

2. Other Matters Concerning Corporate Governance System

(Overview of our timely disclosure system)

The Company adopts the institutional design of a company with a nominating committee, etc., in which execution and supervision are clearly separated. Also, with an emphasis on an outsider's objective viewpoint, the Board of Directors, which has a mandate of the Company's business management from the General Shareholders' Meeting, and the three statutory committees—the Nominating Committee, the Compensation Committee and the Audit Committee—are respectively composed of independent outside directors who account for the majority of its constituent members. Additionally, chairpersons of the Board of Directors and the three statutory committees, respectively, are selected from among independent outside directors. Furthermore, we establish the Executive Meeting and various committees to ensure appropriate execution of duties. We also appoint an accounting auditor to build a system under which the legality, propriety, and appropriateness in the execution of our duties are confirmed from respective positions of these organizations.

Under these systems to supervise our business management, we have included a "Notification on Timely Disclosure of the Company Information" in our internal rules, through which we carry out thorough disclosure of the Company information to investors in a timely and appropriate manner.

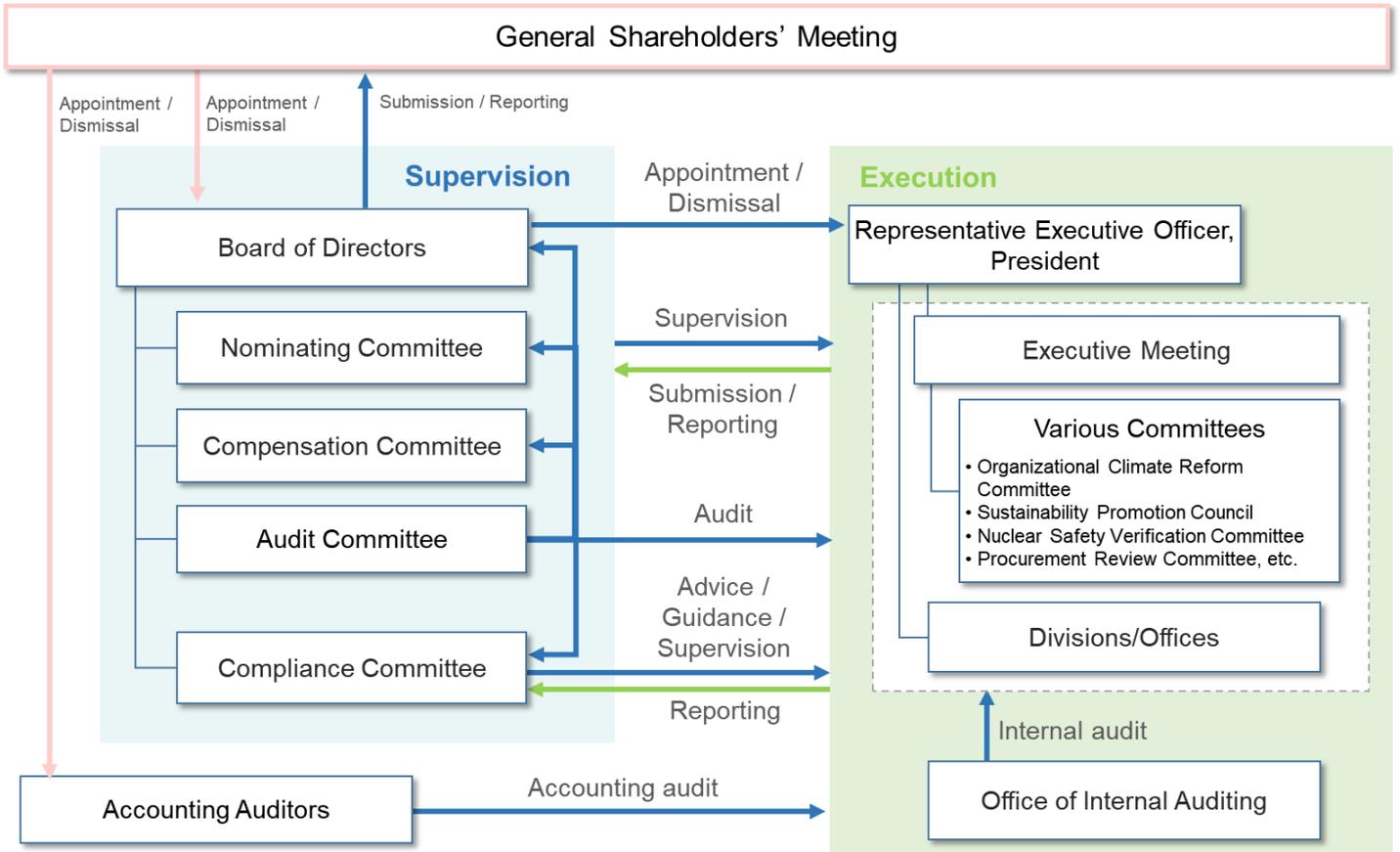
In the above-mentioned internal rules, the General Manager of Office of Accounting and Finance is designated as Information Disclosure Manager.

Chief Managers of respective departments are designated as Information Management Managers who are required to report important information subject to timely disclosure to the Information Disclosure Manager. Regarding information on financial closing, etc., the Chief Manager of the Planning Group, Office of Accounting and Finance is designated as the Information Management Manager for information aggregation. Important information on our subsidiaries subject to timely disclosure is to be reported by the Information Management Manager of the department that supervises said subsidiary to the Information Disclosure Manager after receiving a report from the Information Management Manager of said subsidiary.

The Information Disclosure Manager determines whether or not disclosure is necessary for important information reported from Information Management Managers of respective departments and inspects the timeliness, appropriateness and usefulness of information subject to disclosure, and then discloses such information to the financial instruments exchange in a timely manner.

The Information Disclosure Manager reports the implementation status of timely disclosure to the Executive Meeting, which comprises all of our executive officers.

[Reference: Schematic Diagram of Corporate Governance System]



[Reference: Schematic Diagram of Timely Disclosure System]

