

Last Updated: June 26, 2020

The Kansai Electric Power Company, Inc.

Takashi Morimoto, Representative Executive Officer, President

Contact: (+81-6-6441-8821)

Securities Code: 9503

<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

At the General Shareholders' Meeting held on June 25, 2020, the Company transformed to a Company with a Nominating Committee, etc.

The basic concept of our corporate governance under the new governance system is as follows.

Based on the Management Philosophy and Kansai Electric Power Group Vision, 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 Guidelines for Action, the Kansai Electric Power Group CSR Action Charter, and the President's Oath to Stakeholders. 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.

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

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

[Disclosure Based on the Principles of the 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 with related parties

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

Since there is no major shareholder who owns 10% or more of our shares, we have not specified approval procedures to make transactions with major shareholders.

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

<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 our Management Philosophy, our Guidelines for Action, the Kansai Electric Power Group Vision and the Kansai Electric Power Group Medium-term Management Plan (2019–2021) on our website.

<https://www.kepco.co.jp/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 senior management and directors

Remuneration of directors and executive officers is determined by the Compensation Committee in accordance with the provisions of the Companies Act. Remuneration of directors not responsible for execution of business consists only of basic compensation, in consideration of their roles. Remuneration for executive officers responsible for the execution of business consists of basic compensation that takes into account the responsibilities required for each executive officer’s position, etc., and short-term incentives, which are results-based compensation and stock-based compensation as a medium- to long-term incentive, in order to contribute to the sustainable improvement of our corporate performance and corporate value. Proportion of the payment will be set using “basic compensation: results-based compensation: stock-based compensation = 6:3:1” as a guide.

Details of the remuneration system for directors and executive officers are included in our Financial Statements for the (96th term) fiscal year ending in March 2020.

(4) Appointment/dismissal of senior management and policies and procedures for nomination of director candidates

<Policy for finalizing director candidates by the Nominating Committee>

Our directors shall conduct themselves in performing their duties with emphasis on compliance in accordance with the basic orientation of business management and code of conduct specified in our Management Philosophy, our Guidelines for Action, the Kansai Electric Power Group Vision, the Kansai Electric Power Group CSR Action Charter, etc., and be willing to put these into practice.

Regarding the nomination of director candidates, the Nominating Committee makes a decision after deliberating comprehensively on whether the candidate’s ability, experience, personality, insight, and other elements are good enough to take on management of the Company, also in light of diversity, including gender and internationality, from the viewpoint of appropriate decision-making and effective supervision.

As for outside director candidates, we will ensure in particular that they have independence from an outsider’s objective viewpoint and also take into account their role of enhancing the supervisory function of the Board of Directors.

We will assess the independence of outside directors, after confirming that the requirements for independent officers stipulated by the Tokyo Stock Exchange are met, as well as the details of transactions made between our Company and outside director him/herself or any company at which the outside director is/was operating business now or in the past.

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>

Our executive officers shall conduct themselves in performing their duties and be willing to put them into practice with emphasis on compliance in accordance with the basic orientation of business management and code of conduct specified in our Management Philosophy, our Guidelines for Action, the Kansai Electric Power Group Vision, the Kansai Electric Power Group CSR Action Charter, etc., and in adherence to the spirit of the President’s Oath to Shareholders.

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, etc.

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

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

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

<Principle 4-9> Judgement criteria for independency of independent outside directors and their qualifications

In “II 1. Organizational Composition and Operation” of this Report, we have disclosed that our judgement criteria for independency of our independent outside directors fulfills requirements for independent officers specified by the Tokyo Stock Exchange, and that we have confirmed the details of transactions between each outside director personally and each company at which he or she is presently or was an executive officer in the past.

<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 will clearly separate execution and supervision to construct an effective governance system with emphasis on an outsider’s objective viewpoint.

Based on this idea, in light of our business scale, business description, approach to managerial issues, and supervisory function, as well as diversity, including gender and internationality, the Board of Directors is a necessary and appropriate structure comprised of independent outside directors with ample experience and knowledge cultivated as executives or professionals in a wide range of fields and inside directors who have abundant expertise and abilities in our business.

The number of the board members shall be 20 or less, and 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 Convocation to the General Shareholders’ Meeting.”

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

The Board of Directors uses a third-party organization to conduct an annual questionnaire survey targeting all directors on the effectiveness of the Board of Directors. Based on the aggregated results of the questionnaire, the Board of Directors evaluates its effectiveness and takes proper steps to improve corporate governance, including operation of the Board of Directors.

In 2019, a questionnaire survey on the effectiveness of the Board of Directors was not conducted. Regarding the problem of receiving money and gifts, a Third Party Committee has pointed out the failure of our corporate governance. Following this, we formulated a business improvement plan aiming to prevent recurrence and transformed to a company with a nominating committee. In order to further strengthen the supervisory function of the Board of Directors, we will clearly separate execution and supervision, and construct an effective governance system that emphasizes an outsider’s objective viewpoint.

<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 frontline 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 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, 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.

(Concrete efforts)

- Holding financial results briefings by the President, executive officers, etc.
- Meetings with shareholders and investors
- Holding facility tours for shareholders as appropriate
- Information disclosure on our website for shareholders and investors and provision of information in the form of reports (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, we have established insider trading prevention regulations and kept tight control over information so any important facts will not be disclosed in dialogue with shareholders and investors before they are publicly announced.

2. Capital Structure

Foreign Shareholder Ratio	From 20% to less than 30%
---------------------------	---------------------------

[Status of Major Shareholders] Updated

Name	Number of Shares Owned (Shares)	Shareholding Ratio (%)
Osaka City	68,286,880	7.64
The Master Trust Bank of Japan, Ltd. (Trust Account)	52,495,800	5.87
Japan Trustee Services Bank, Ltd. (Trust Account)	36,889,110	4.13
Nippon Life Insurance Company	27,462,182	3.07
Kobe City	27,351,175	3.06
Kansai Electric Power Employee Stockholder Program	19,153,596	2.14
Japan Trustee Services Bank, Ltd. (Trust Account 9)	18,660,500	2.09
Mizuho Bank, Ltd.	17,377,966	1.94
Osaka Metro Co., Ltd.	15,461,086	1.73
Japan Trustee Services Bank, Ltd. (Trust Account 5)	15,445,100	1.73

Controlling Shareholder (except for Parent Company)	----
---	------

Parent Company	None
----------------	------

Shareholding Ratio (%) in Status of Major Shareholders represents the percentage (%) of the number of shares owned against total number of outstanding shares (excluding treasury stock).

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange First Section
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

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.
-------------------	---

[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 Updated	Chairman and Director (Excluding the case of holding concurrent position as President)
Number of Directors Updated	13

[Outside Directors]

Number of Outside Directors Updated	8
Number of Independent Officers Designated from among Outside Directors Updated	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								r			
Takamune Okihara	From another company								r			
Tetsuya Kobayashi	From another company								TM			
Shigeo Sasaki	Lawyer											
Atsuko Kaga	Academic								TM		TM	
Hiroshi Tomono	From another company								r			
Kazuko Takamatsu	From another company											
Fumio Naito	Academic								TM			

* Categories for "Relationship with the Company"

"TM" when the Director presently falls or has recently fallen under the category;

"r" when the Director fell under the category in the past;

"I" when a close relative of the Director presently falls or has recently fallen under the category; and

"P" 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 the 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	TM	TM		TM	<p>Our 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, our company has a business relationship in electric power supply with a company at which Mr. Sakakibara served as an executive officer. However, the annual transaction amount is below 1% of our company's consolidated sales.</p>	<p>He has successively held important posts at Toray Industries, Inc., which operates business globally, and also served as outside director for other companies. With a wealth of experience as a manager, he assumed the post of Chairman of the Japan Business Federation. We believe that he will provide us with appropriate supervision and useful advice on the Company's management as a whole.</p> <p>Additionally, since he meets the requirements for independent officers specified by the Tokyo Stock Exchange, Inc., 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 take on a role in enhancing the supervisory function of the Board of Directors and therefore has been designated as our new outside director.</p>
Takamune Okihara	TM	TM		TM	<p>Our company has a business relationship in fund borrowing, foreign exchange and deposit with MUFG Bank, Ltd. at which Mr. Okihara 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, our company has a business relationship in electric power supply with a company at which Mr. Okihara served as an executive officer in the past. However, the annual transaction amount is below 1% of our company's consolidated sales.</p>	<p>He has a great deal of experience as a manager, having held key positions in the Mitsubishi UFJ Financial Group, Inc., which develops businesses related to financial services globally, and has also been appointed outside director for other companies. Since assuming the post of outside director of the Company, he has provided us with opinions and advice on our business management from his broad management perspective.</p> <p>Additionally, since he meets the requirements for independent officers specified by the Tokyo Stock Exchange, Inc., 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 continue playing a role in enhancing the supervisory function of the Board of Directors and has therefore been designated as our outside director.</p>

Tetsuya Kobayashi	TM	TM	TM	TM	<p>Our company has a business relationship in electric power supply with a company at which Mr. Kobayashi presently serves or served as an executive officer in the past. However, the annual transaction amount is below 1% of our company's consolidated sales.</p>	<p>He has a wealth of experience as a manager of social infrastructure providers, having held senior positions in the Kintetsu Group, which operates diversified business centered on the railway business, and has also taken up the position of outside director for other companies. Since assuming the post of outside director of the Company, he has provided us with opinions and advice on our business management from his broad management perspective. Additionally, since he meets the requirements for independent officers specified by the Tokyo Stock Exchange, Inc., we believe that he has independence with no fear of creating conflict of interest with general shareholders. Based on his abundant experience, insight, and independence, from an outsider's objective viewpoint, we believe that he is able to continue playing a role in enhancing the supervisory function of the Board of Directors and has therefore been designated as our outside director.</p>
Shigeo Sasaki			TM	TM	<p>-----</p>	<p>He is a vastly experienced legal professional having served as Superintending Prosecutor of the Osaka High District Public Prosecutors Office and in other key positions, and is currently playing an active role as a lawyer. Since assuming the post of Outside Audit & Supervisory Board Member of the Company, he has provided us with opinions and advice on our business management from his broad management perspective on compliance and other fields. Additionally, since he meets the requirements for independent officers specified by the Tokyo Stock Exchange, Inc., we believe that he has independence with no fear of creating conflict of interest with general shareholders. Mr. Sasaki has never been involved in the management of a company by any means other than serving as an outside director or 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 take on a role in enhancing the supervisory function of the Board of Directors and therefore has been designated as our new outside director.</p>

Atsuko Kaga		TM	TM	TM	<p>Our company makes donations to Osaka University, at which Ms. Atsuko Kaga serves 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 donations, description of the donation summary is omitted.</p> <p>Additionally, our company has a business relationship in electric power supply with a company at which Ms. Kaga serves an executive officer. However, the annual transaction amount is below 1% of our company's consolidated sales.</p>	<p>Having gained experience in a private company, she is currently playing an active role as a professor at the Graduate School of Osaka University. Since assuming the post of Outside Audit & Supervisory Board Member of the Company, she has provided us with opinions and advice on our business management from her broad perspective as an academic expert.</p> <p>Additionally, since she meets the requirements for independent officers specified by the Tokyo Stock Exchange, Inc., 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 take on a role in enhancing the supervisory function of the Board of Directors and therefore has been designated as our new outside director.</p>
Hiroshi Tomono			TM	TM	<p>Our company has a business relationship in electric power supply with a company at which Mr. Tomono served as an executive officer. However, the annual transaction amount is below 1% of our 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, and has also been appointed as an outside director for other companies. With his rich experience as a manager, we believe that he will provide us with opinions and advice on our business management from his broad management perspective.</p> <p>Additionally, since he meets the requirements for independent officers specified by the Tokyo Stock Exchange, Inc., 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 take on a role in enhancing the supervisory function of the Board of Directors and therefore has been designated as our new outside director.</p>

Kazuko Takamatsu	TM			TM	<p>_____</p>	<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 has also gained experienced as a manager in key positions at Sony Corporation, a global-scale enterprise, and as representative director of a subsidiary of Sony. We believe that she will provide us with opinions and advice on our business management from her broad perspective of diversity management and other fields. Additionally, since she meets the requirements for independent officers specified by the Tokyo Stock Exchange, Inc., 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 take on a role in enhancing the supervisory function of the Board of Directors and therefore has been designated as our new outside director.</p>
Fumio Naito			TM	TM	<p>Our 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 our 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, and we believe that he will provide us opinions and advice on our business management from his broad perspective of finance and accounting. Additionally, since he meets the requirements for independent officers specified by the Tokyo Stock Exchange, Inc., we believe that he has independence with no fear of creating conflict of interest with general shareholders.</p> <p>Mr. Naito has never been involved in the management of a company by any means other than serving 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 take on a role in enhancing the supervisory function of the Board of Directors and therefore has been designated as our new outside director.</p>

[Committees]

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

	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 Updated 14

Concurrently Held Positions Updated

Name	Representative Authority	Concurrent Position as Director			Concurrent Position as Employee
			Nominating Committee Member	Compensation Committee Member	
Takashi Morimoto	Yes	Yes	×	×	No
Toyokazu Misono	Yes	Yes	×	×	No
Koji Inada	Yes	Yes	×	×	No
Takao Matsumura	Yes	No	×	×	No
Mikio Matsumura	No	No	×	×	No
Yasuji Shimamoto	No	No	×	×	No
Nobuhiro Nishizawa	No	No	×	×	No
Naoki Naito	No	No	×	×	No
Hiroshi Ohkawa	No	No	×	×	No
Hitoshi Mizuta	No	No	×	×	No
Nozomi Mori	No	No	×	×	No
Takashi Tada	No	No	×	×	No
Kazumitsu Takanishi	No	No	×	×	No
Nobuyuki Miyamoto	No	No	×	×	No

[Audit Framework]

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

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

The Audit Committee currently consist of six members, all of whom are non-executive directors. Moreover, from the perspective of conducting audits from a more independent standpoint, a majority, or four directors, are outside directors (including one female). 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 Directors as employees to assist the Audit Committee. Along with that, we have also set up an Office of Audit Committee (15 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.

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 Updated 8

Matters relating to Independent Officers

- All of the outside directors are designated as independent officers.
- Regarding transaction, etc., between our company and each independent officer personally or a company at which he or she presently serves or served in the past as an executive officer, description of summary of the transaction, etc. is omitted in cases where it is not considered to be a threat in terms of exerting influence on the decisions of our shareholders and investors in light of its scale and nature, as in the case of a regular transaction as a general consumer, for example.

[Incentives]

Implementation of Measures to Provide Incentives to Directors and Executive Officers Updated Introduction of a performance-based compensation system, etc.

Supplementary Explanation of Relevant Items Updated

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 senior management and directors" of this Report.

Recipients of Stock Options

Supplementary Explanation of Relevant Items

[Remunerations of Directors and Executive Officers]

Disclosure Status (Remuneration of Individual Director) Updated Individual remuneration is partially disclosed.

Disclosure Status (Remuneration of Individual Executive Officer) Updated Individual remunerations are not disclosed.

Supplementary Explanation of Relevant Items Updated

Amounts of remuneration and other compensation for directors and Audit & Supervisory Board Members for fiscal 2019 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) (Note 2)
		Basic compensation	Performance-based compensation	Stock-based compensation (Note 1)	
Directors (excluding Outside Directors)	515	443	44	26	19
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Member)	126	126	–	–	5
Outside Directors	39	39	–	–	4
Outside Audit & Supervisory Board Members	42	42	–	–	6

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

Note 2: The number of directors covered includes four directors and three Audit & Supervisory Board Members who retired at the conclusion of the

95th Ordinary General Shareholders' Meeting, two directors who resigned as of October 9, 2019, and one director resigned as of March 31, 2020.

Additionally, some of the remuneration paid to retired officers (seven directors and two Audit & Supervisory Board Members) as remuneration for part-time officers between April 2019 and October 2019 have been recorded as director's basic compensation (31 million yen) and Audit & Supervisory Board Member's basic compensation (nine million yen), respectively. These directors and Audit & Supervisory Board Members are also included in the number of directors covered (*).

(*) However, officers who retired during the term (one director and one Audit & Supervisory Board Member) and have already been counted are excluded to avoid duplicate counting.

Note 3: Amount of remuneration and other compensation for each director (excluding outside directors) for the current fiscal year

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 *2
Takashi Morimoto	President and Director	59	50	5	3
Yoshihiro Doi	Director, Executive Vice President	58	50	5	2
Toyokazu Misono	Director, Executive Vice President	58	50	5	2
Koji Inada	Director, Executive Vice President	55	48	5	2
Takao Matsumura	Director, Executive Vice President	49	42	4	2
Yasuji Shimamoto	Director, Managing Executive Officer	46	39	4	2

*1 The amounts presented above are the remuneration and other compensation of officers who were in the position of director (excluding outside director) as at the end of the current fiscal year.

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

*3 Takashi Morimoto, Director, moved up to the position of President and Director from Director, Executive Vice President on March 14, 2020, and Koji Inada, Director, to the position of Director, Executive Vice President from Director, Managing Executive Officer on June 21, 2019, and Takao Matsumura, Director, moved to the position of Director, Executive Vice President from Director, Managing Executive Officer on October 9, 2019, respectively.

Policy for Determining Remuneration Amounts or Calculation Methods Thereof **Updated**

Established

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 senior management and directors" of this Report.

[Supporting System for Outside Directors] **Updated**

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	Outside activities at economic organization	Part-time, with compensation	2005/6/29	1 year
Toshiaki Mukai	Advisor	External affairs, etc.	Part-time, with compensation	2011/6/29	1 year

Total Number of Retired President & Representative Directors, etc. Holding Advisory or Any Other Position in the Company **Updated**

2

- From the perspective of ensuring objectivity, when appointing a senior advisor or advisor, etc. 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 will disclose the commissioned duties and the total amount of remuneration of the advisor, etc.
- The senior advisor or advisor, etc. shall contribute to the development of the Company mainly through activities in business communities and external activities, and shall not be involved in the business management of the Company.
- Total amount of remuneration and compensation for the senior advisor, advisor, etc., stated above is ¥13.2 million per year.

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

In our company, the Executive Meeting and various committees are placed under the Board of Directors, which has been charged with management responsibility by the General Shareholders' Meeting. While executing operations appropriately, we supervise the execution of duties by our directors and executive officers through the Board of Directors.

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.

From the viewpoints of business scale, business description, approach to managerial issues and supervisory function of the Company, our Board of Directors is a necessary and appropriate structure chaired by an independent outside director and comprising outside directors with ample experience and knowledge cultivated as executives or professionals (eight persons), inside directors who have expertise and abilities in each field of our businesses (three persons) and inside directors who conduct audit utilizing professional knowledge acquired in the Company (two persons). The Board of Directors meeting is convened regularly once a month, complemented by additional meetings held when deemed necessary, where matters of essential importance in business management, including basic policies, are deliberated and decided. In addition, all directors and executive officers are supervised through regularly issued reports on the execution status of the duties incumbent upon them and other aspects of their performance.

In fiscal 2019, the Board of Directors meeting was held 16 times and the attendance status of respective officers is as follows.

Managerial Position	Name	Attendance numbers
President and Director	Takashi Morimoto	15
Director	Toyokazu Misono	16
Director	Koji Inada	16
Director	Takao Matsumura*	14
Director	Yasuji Shimamoto	15
Outside Director	Noriyuki Inoue	14
Outside Director	Takamune Okihara	16
Outside Director	Tetsuya Kobayashi	15
Outside Director	Hisako Makimura*	14
Audit & Supervisory Board Member	Yasuhiro Yashima	16
Audit & Supervisory Board Member	Yasushi Sugimoto*	14
Audit & Supervisory Board Member	Yukishige Higuchi	16
Outside Audit & Supervisory Board Member	Tsutomu Toichi	16
Outside Audit & Supervisory Board Member	Fumio Ohtsubo	16
Outside Audit & Supervisory Board Member	Shigeo Sasaki*	14
Outside Audit & Supervisory Board Member	Atsuko Kaga*	11

* Mr. Takao Matsumura, Ms. Hisako Makimura, Mr. Yasushi Sugimoto, Mr. Shigeo Sasaki, and Ms. Atsuko Kaga assumed the post of Director/Audit & Supervisory Board Member on June 21, 2019. Since then, the Board of Directors meetings that they have been a part of have been held 14 times.

The Nominating Committee, which consists of only independent outside directors, resolves proposed agenda for General Shareholders' Meeting regarding the appointment and dismissal of directors after establishing the "Policy for nominating director candidates". The Committee also resolves/deliberates on matters related to the appointment of executives.

The composition of the Nominating Committee as at the date of submission of this report is as follows.

Chairperson: Sadayuki Sakakibara

Committee members: Takamune Okihara, Tetsuya Kobayashi and Kazuko Takamatsu

The Compensation Committee, which consists of independent outside directors only, resolves compensation of respective directors and executive officers after establishing the “Policy for determining the compensation of directors and executive officers”. The Committee also resolves/deliberates on other matters related to executive compensation.

The composition of the Compensation Committee as at the date of submission of this report is as follows.

Chairperson: Tetsuya Kobayashi

Committee members: Sadayuki Sakakibara, Takamune Okihara and Atsuko Kaga

The Audit Committee is chaired by the independent outside director and consists of four outside directors and two inside directors. Based on the audit plan, the Committee conducts audit of respective directors and executive officers on their execution of duties from the perspective of legality and appropriateness of execution of duties, and prepares audit reports.

The Committee members are engaged in auditing activities on a daily basis by attending important meetings other than the Board of Directors meeting to audit operations and assess the status of our key business offices.

The composition of the Audit Committee is as follows.

Chairperson: Hiroshi Tomono

Committee members: Shigeo Sasaki, Atsuko Kaga, Fumio Naito, Yasushi Sugimoto and Susumu Yamaji

In fiscal 2019, the Audit & Supervisory Board meeting was held 18 times and the attendance status of respective Audit & Supervisory Board Members is as follows.

Managerial Position	Name	Attendance status
Audit & Supervisory Board Member	Yasuhiro Yashima	18
Audit & Supervisory Board Member	Yukishige Higuchi	18
Audit & Supervisory Board Member	Yasushi Sugimoto*	14
Outside Audit & Supervisory Board Member	Tsutomu Toichi	18
Outside Audit & Supervisory Board Member	Fumio Ohtsubo	18
Outside Audit & Supervisory Board Member	Shigeo Sasaki*	14
Outside Audit & Supervisory Board Member	Atsuko Kaga*	11

* Mr. Yasushi Sugimoto, Mr. Shigeo Sasaki and Ms. Atsuko Kaga assumed the post of Audit & Supervisory Board Member on June 21, 2019. Since then, the Audit & Supervisory Board meetings that they have been a part of have been held 14 times.

We have appointed Deloitte Touche Tohmatsu LLC. as our accounting auditor and the continuous audit period is 52 years. Certified public accountants who performed accounting audit duties as independent third parties for our company are Mr. Wakyu Shinmen, Mr. Takashi Ishii, and Mr. Tomoya Hino. Additionally, nine certified public accountants and 11 others assisted in the accounting audit of our 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.

We appropriately evaluate our accounting auditor by monitoring and verifying its audit quality through daily audits, collecting information from accounting and internal auditing departments of our company, as well as our accounting auditor, in accordance with the evaluation criteria set by the Audit Committee that include the independency and expertise of the auditing firm.

For the purpose of strengthening the Group's function to supervise compliance, we have established a “Compliance Committee” chaired by lawyer Mr. Naoto Nakamura 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.

Moreover, the Committee verifies the implementation status and effectiveness of the business improvement plan, guides, advises, and supervises the President and other executive officers, and then reports 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 Takashi Morimoto, Representative Executive Officer, and consists of all our 14 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.

To address sustainability-related issues, our Group's basic concept and code of conduct that we should strictly observe are stipulated in the Kansai Electric Power Group CSR Action Charter. We have also set up a Sustainability and CSR Promotion Council, which is chaired by Mr. Takashi Morimoto, Representative Executive Officer, and is composed of 19 members, to draw up comprehensive sustainability and CSR measures for the entire Group and check implementation status. At the same time, we perform concrete activities by developing comprehensive CSR measures for the Group to contribute to the sustainable growth of society.

Additionally, 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 take effective measures at their own discretion by requesting the Compliance Committee or Audit Committee to take action.

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

Employees have an obligation to report any illegal or suspected compliance violation as well.

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.

Risks associated with business activities are to be managed autonomously by each operating division in accordance with the Kansai Electric Power Group Risk Management Rules. Risk management for risks considered to have cross-organizational importance is enhanced by the supervision of departments with specialized expertise on such risks that provide advice and guidance to the various operating divisions. Furthermore, a Risk Management Committee comprising 11 members headed by Mr. Toyokazu Misono, Executive Vice President, has been established to put risks under central management. The committee chairperson is appointed as the Risk Management Officer, and the Committee strives to manage risks associated with Group business activities at the appropriate level through this system.

Regarding nuclear safety, our principles associated with nuclear safety to be succeeded to our employees in future generations are clearly stated in our Commitment to Enhancing Nuclear Safety. Based on this, we are making constant efforts to improve safety. A Nuclear Safety Enhancement Committee with 20 members composed of directors from all divisions and other members headed by Mr. Koji Inada, 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 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. Kazuhiro Watanabe 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 will ensure the appropriateness and transparency of procedures of construction orders and donations. Progress of these efforts are widely disclosed through our website and other media to ensure transparency.

Kansai Electric Power has established the Internal Auditing Committee composed of seven members, including outside experts headed by Mr. Koji Inada, 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 established the Office of Internal Auditing (54 members) 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 the auditing results are reported to the Executive Meeting and the Board of Directors.

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

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

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 Updated

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 Convocation Notices of General Shareholders' Meetings	<p>Notice of Convocation is distributed as early as possible and its details are disclosed on the TDnet and our website prior to the distribution of the Notice of Convocation. (Results of 2020)</p> <p>Convocation notice distribution date: June 5 (Friday) (four days or two business days ahead of statutory due date)</p> <p>Convocation notice disclosure date: May 26 (Tuesday). (Disclosed on our website 10 days or eight business days prior to distribution)</p>
Scheduling OGMs Avoiding the Peak Day	The 96th General Shareholders' Meeting was held on June 25, 2020.
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 since the General Shareholders' Meeting held in June 2006.
Participation in Electronic Voting Platform and Other Efforts to Enhance the Voting Environment for Institutional Investors	We have participated in Electronic Voting Platform since the General Shareholders' Meeting held in June 2011.
Providing Convocation Notice in English (Translated Fully or Partially)	We have posted the English version of the Notice of Convocation and reference material from the General Shareholders' Meeting in a narrow sense on the Electronic Voting Platform of ICJ, Inc.
Other	Prior to the distribution of the Notice of Convocation, we posted it on our website and on the Tokyo Stock Exchange.

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 Report, Factbook, 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: Manager of Planning Group, Office of Accounting and Finance	
Other	<p>Kansai Electric Power 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.</p> <p>Additionally, on the occasions of information sessions and visits to investors, our President and other officers have proactive dialogues with investors, thereby facilitating bilateral communication.</p>	

3. Measures to Ensure Due Respect for Stakeholders Updated

Supplementary Explanation	
Provisions to Ensure Due Respect for Stakeholders in Internal Rules, etc.	<p>Stipulated in the Kansai Electric Power Group CSR Action Charter (instituted in March 2004 and partially revised in March 2020).</p> <p>[Basic view] The Kansai Electric Power Group's business activities draw support from customers, regional communities, shareholders, investors, business partners, employees and many other segments of society. This trust the Group gains from all these communities is the very bedrock of the Group's operations, without which it would be unable to maintain sustainable growth and fulfill its mission. At the Kansai Electric Power Group, we would like to fulfill our responsibilities as a member of society, including maintaining compliance and transparency. In addition, by responding sincerely to the expectations of members of society for our group business activities, we would like to contribute to the sustainable development of society and the realization of a bright and affluent future as well as keep the trust that we receive unshakable. Thus, the Kansai Electric Power Group develops all of its business activities and fulfills its social obligations as an enterprise (CSR: Corporate Social Responsibility).</p> <p>[The Kansai Electric Power Group CSR Action Charter] https://www.kepco.co.jp/sustainability/csr/mind/charter/index.html</p>
Implementation of Environmental Activities, CSR Activities, etc.	<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 and CSR Promotion Council, which is chaired by the President of our company, to draw up comprehensive measures to promote CSR for the entire Group and check the implementation status. In addition, we are engaged in concrete activities through developing comprehensive measures to enable the Group to contribute to the sustainable growth of society.</p> <p>Having built an environmental management promotion structure comprising the Environmental Board for the Company and the Kansai Electric Power Group Environmental Management Committee for the Group, we have been engaged in group-wide environmental conservation activities.</p> <p>[Kansai Electric Power Group Report] https://www.kepco.co.jp/sustainability/csr/data/index.html</p> <p>[Environmental initiatives] https://www.kepco.co.jp/sustainability/kankyoku/report/index.html</p>
Development of Policies on Information Provision to Stakeholders	<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>

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 December 2015, we established the Kansai Electric Power Group Diversity 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/csr/diversity/policy.html>

(Kansai Electric Power Group Diversity Promotion Policy)

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

<Initiatives to encourage the further success of 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. More specifically, with the goals set as shown below, in addition to encouraging continuous contributions to the organization by developing abilities and growing independently through work, we are striving to foster young female employees’ awareness of career development and making environments to allow them to continue to work enthusiastically even when their life stages change.

(Goals toward the further success of female employees)

- By the end of fiscal 2030, the ratio of females in managerial positions and number of female 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.

To achieve these goals, we are making concrete efforts as follows.

- Expanding job categories by actively allocating female employees to technical jobs while focusing on recruitment of women.
- Appointing to managerial positions regardless of gender but in a fair and equitable manner based on individual ability and aptitude. Actually, the number of female employees in managerial positions is increasing.
- As part of our efforts in offering training intended for women as a support to step up in their career, we provide female employees with training that will raise their awareness of career development from an early stage. Training is also provided to superiors who foster and instruct subordinates for the purpose of raising their awareness and improving skills.
- Developing a system and mechanism and creating a workplace environment to realize work styles where each female employee can exert their abilities to the maximum extent even when placed under time constraints (due to childrearing, nursing care, etc.).

The results of our initiatives are disclosed here.

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

We were recognized for these initiatives and received the “Leading company for female activity in Osaka City” certification in fiscal 2014 as a company proactively creating an organization in which women can keep playing an active role and supporting them in balancing work and life. In the following year, fiscal 2015, we won the Mayor’s Commendation for Excellence Award. In addition, we received the “Kurumin” certification in July 2016 in accordance with the Act on Advancement of Measures to Support Raising Next-Generation Children as a childrearing-supporting company, followed by the highest “Eruboshi” certification (third level) in September 2016 in accordance with the Act on Promotion of Women’s Participation and Advancement in the Workplace as an excellent company in terms of the empowerment of women. Moreover, in March 2019, our Company was selected the first Semi-Nadeshiko Brand in the selection of Nadeshiko Brand, which is conducted jointly by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange.

IV Matters Related to Internal Control System

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

In our company, the Board of Directors passed a resolution as follows on the arrangement of systems to ensure propriety in execution of business.

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, the chairperson of the Board of Directors and the three statutory committees, respectively, is 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 our Management Philosophy, our Guidelines for Action, the Kansai Electric Power Group Vision, the Kansai Electric Power Group CSR Action Charter, 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 to supervise 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 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 explanation 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 CSR-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, for example, our Management Philosophy, our Guidelines for Action, the Kansai Electric Power Group Vision, and the Kansai Electric Power Group CSR Action Charter, 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 CSR-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, for example, our Management Philosophy, our Guidelines for Action, the Kansai Electric Power Group Vision, and the Kansai Electric Power Group CSR Action Charter, 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 Directors 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 assists 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

Directors, executive officers and employees of the Company, directors, Audit & Supervisory Board Members and employees of our subsidiaries, or those who received reports from any of them at our subsidiaries, if he or she discovers a fact that may cause extensive damage to our 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.

(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.

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

Declaring that "We will not engage in any act that facilitates activities of anti-social forces and organizations" in the Kansai Electric Power Group CSR Action Charter, the Company require 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
---------------------------------------	------

Supplementary Explanation

2. Other Matters Concerning Corporate Governance System Updated

(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.

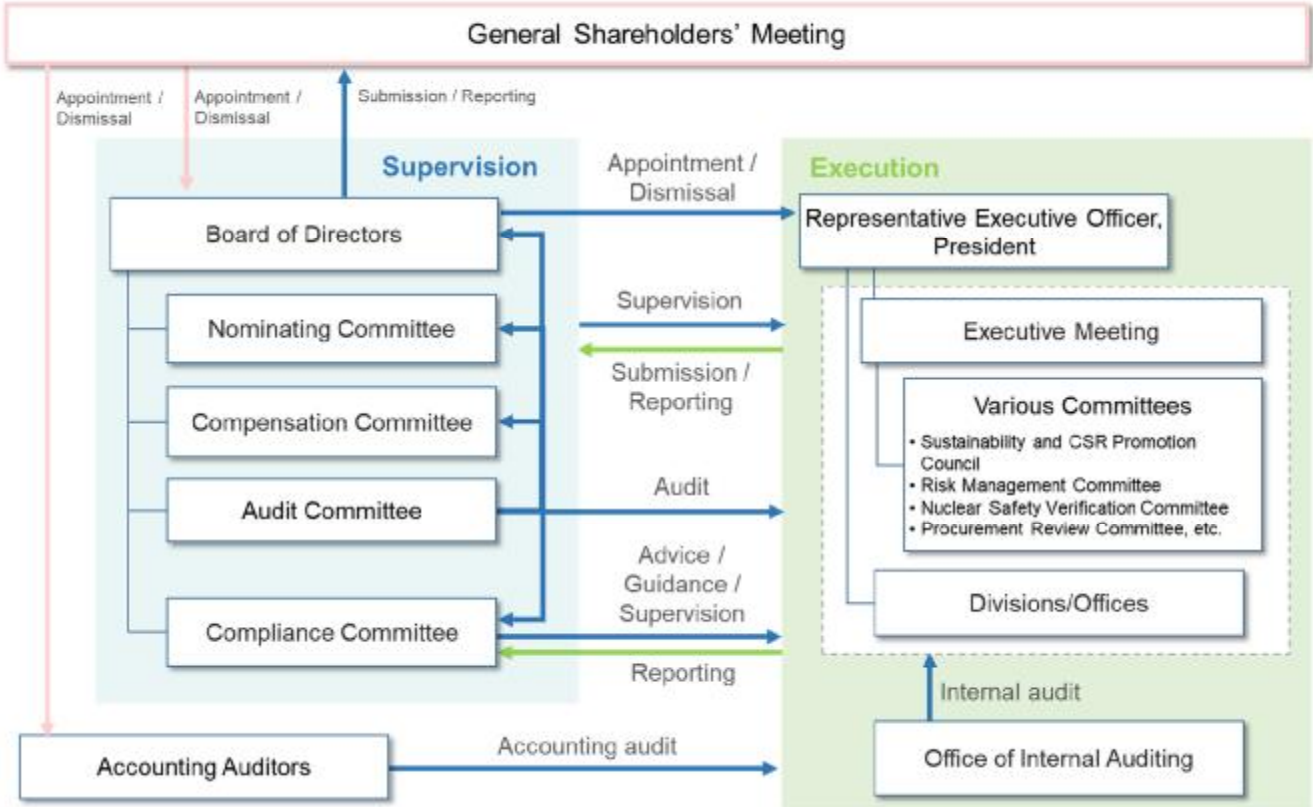
In the above-mentioned internal rules, the General Manager of Office of Accounting and Finance is designated as Information Disclosure Manager.

Chief Managers of respective divisions 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 division that supervises the said subsidiary to the Information Disclosure Manager after receiving a report from the Information Management Manager of the said subsidiary.

The Information Disclosure Manager determines whether or not disclosure is necessary for important information reported from Information Management Managers of respective divisions 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]

