

August 26, 2020

KEPCO's handling of the Request to File a Liability Action against a Former Audit & Supervisory Board Member

The Kansai Electric Power Co., Inc. (Code: 9503)

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The Company received a “Request to File a Liability Action against Audit & Supervisory Board Members” from individual shareholders to pursue an action against 1 former Audit & Supervisory Board Member of the Company (as below, “the former Audit & Supervisory Board Member), regarding not reporting to the Board of Directors of the incidents of the receipt of cash and gifts from external person (as below, “the incident”).

[Announcement of July 29, 2020]

The Company commissioned the independent external attorney, who has no interest in the Company to investigate the liability of the former Audit & Supervisory Board Member. The Company received the result of the objective and rigid investigation, and considered whether or not to file the above action to pursue liability against the former Audit & Supervisory Board Member.

As a result of examination, the Company today decided not to file a lawsuit to seek the liability against the former Audit & Supervisory Board Member for the reason that the former Audit & Supervisory Board Member did not have the liability to report the incident at the Board of Directors and did not violate the duty of care.

The notification of this decision shall be sent to the proxy agent of the shareholders based on Article 847, paragraph (4) of the Companies Act.

Attachment: Overview of the investigation regarding the liability of the former Audit & Supervisory Board Member

Overview of the investigation regarding the responsibility of the former Audit & Supervisory Board Member

1. Purport of commissioned investigations

Whether or not that the former Audit & Supervisory Board Member has the liability for the Company based on the delegation contract not to have reported the incident to the Board of Directors.

2. Investigator

Toru Watanabe, Attorney of Kitahama Partners

3. The person to subject to the investigation

Former External Audit & Supervisory Board Member Shigeo Sasaki

4. Period of investigation

From August 3, 2020 to August 21, 2020

5. Overview of the investigation result

After conducting the investigation such as by reviewing the related materials and directly interviewing the former Audit & Supervisory Board Member, the delegated investigators ascertained the following:

(1)History of facts

- In February 2018, the Directors of the Company were interrogated regarding the incident as a part of the national tax investigation. The former Audit & Supervisory Board Member consulted regarding the incident from March 2018 to May 2018 and was reported the responses in July 2018.
- After that, the former Audit & Supervisory Board Member and the Company had not communicated about the incident till the former Audit & Supervisory Board Member was appointed as an Audit & Supervisory Member in June 2019.
- After his appointment of the Audit & Supervisory Member, the incident had not been reported or discussed at the Board of Directors and Audit & Supervisory Board until the incident was reported by the press in September 2019. Also, the former Audit & Supervisory Board Member did not touch the information of the incident whether formally or informally and since the wide range of people, including the Directors, were involved in the incident, the former Audit & Supervisory Board Member recognized that the incident had been raised and discussed at the Board of Directors.

(2)Whether or not the former Audit & Supervisory Board Member had the liability

Subjects to reporting duty at Board of Directors are facts that are found in performing duties of business investigation of the Audit & Supervisory Board Members in principle. The former Audit & Supervisory Board Member had recognized the incident before his appointment, however he had not recognized that

the conditions that the incident had not been reported at the Board of Directors had continued and there were no particular circumstances under which he should have cast doubt on the trust that the incident had been reported to the Board of Directors. Therefore, the reporting duty of the incident at the Board of Directors after his appointment did not occur.

Also, he bore the duty of confidentiality as an attorney regarding the information that he got in consulting about the incident before his appointment. Therefore, the reporting duty of the incident at the Board of Directors, which made him violated the duty of confidentiality, did not occur.

From the above, the former Audit & Supervisory Board Member does not bear the liability to report the incident at the Board of Directors, and does not bear the compensation of damages for the Company based on the delegation contract.