

July 22, 2020

New Case of Unreported Receipt of Cash and Gifts by KEPCO Group Company Executives

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

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Kansai Electric Power Co., Inc. (hereinafter, “the Company”) has newly learned that former executives of group company KANSO CO., LTD. received previously unreported cash and gifts from the former Deputy Mayor of Takahama Town, Eiji Moriyama (hereinafter, “Mr. Moriyama”).

After receiving a tip through its Compliance Hotline, the Company engaged the cooperation of the Compliance Committee to investigate the facts, from which it was verified that the former president and an executive officer had received unreported cash and gifts.

The findings of the investigation were reported to the Compliance Committee today and were earlier provided to a Third-party Committee for review.

The Company recognizes the gravity of this new case of unreported cash and gifts and sincerely apologizes for any harm or embarrassment it has caused.

At the advice and recommendation of the Compliance Committee, the Company will promptly launch separate investigations into the five group companies named in the report of the Third-party Committee in addition to KANSO CO., LTD. and have those investigations reviewed by the Compliance Committee.

The Company will additionally report any similar cases of improper cash and gifts being received to the Third-party Committee for their verification and will take corrective actions as appropriate.

Attached Document: Circumstances of This Case and Corrective Action Taken by KEPCO

Circumstances of This Case and Corrective Action Taken by KEPCO

<Background>

- On June 26, 2020, a letter delivered to the external law office that is acting as the Compliance Hotline for Kansai Electric Power Co., Inc. (hereinafter, “the Company”) claimed that former presidents of group company KANSO CO., LTD.*, Takeshi Imai (hereinafter, “Former President Imai”) and Takashi Nakayama (hereinafter, “Former President Nakayama), periodically entertained the former deputy mayor of Takahama Town, Eiji Moriyama (hereinafter, “Mr. Moriyama) and received cash and gifts from Mr. Moriyama. It additionally called for an investigation as to why these matters were not included in the report of the Third-party Committee.

* Formerly General Environmental Technos Co., Ltd. The company name was changed to KANSO CO., LTD., in July 2020.

- The following explanations were received from Former President Imai and Former President Nakayama, and corporate officers A and B, in hearings conducted on or after July 6, 2020 and later by Compliance Committee Chair Naoto Nakamura and the Company.

- Former President Imai received about ¥4 million in gift certificates from Mr. Moriyama during his tenure as president from June 2003 to June 2012.
- Former President Imai donated several hundreds of thousands of yen on three occasions to causes associated with the Great East Japan Earthquake and, when he retired from the company, returned ¥1 million worth of gift certificates and objects worth several hundreds of thousands of yen that he had purchased to Mr. Moriyama. He left the remaining gift certificates, valued at about ¥1 million, to then incoming-president Nakayama.
- Former President Nakayama returned the roughly ¥1 million in gift certificates he had been left by his predecessor, to Mr. Moriyama.
- Former President Nakayama and both corporate officers A and B knew of these matters, but did not report them to the Third-party Committee.