

March 16, 2020

**The Receipt of an Order for Business Improvement Based on the Electricity Business Act from
the Minister of Economy, Trade and Industry**

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

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The Company received an order for business improvement based on the Electricity Business Act* from the Minister of Economy, Trade and Industry today.

The Company sincerely accepts the order and its Management Renewal Division, which was set up on March 14 of this year, will develop recurrence prevention measures and submit the business improvement plan by the end of March this year. The Company will also identify and take necessary measures promptly through the holding of a general meeting of shareholders and other actions and report the progress by the end of June this year.

The Company would like to sincerely apologize again for having betrayed the trust of customers and the public and causing a great deal of trouble with the recent matter.

* Paragraph 1 of Article 27 and Article 27-29

Attached material: Contents of the Order from the Minister of Economy, Trade and Industry

Contents of the Order from the Minister of Economy, Trade and Industry

1. Establish and implement specific effective measures to prevent the recurrence of the problem cases (hereinafter referred to as “Recurrence Prevention Measures”), including the following matters, to ensure the soundness and appropriateness of the operation of the electricity business, which is for public interest purposes.
 - (1) Clarification of the responsibility of executives and employees based on the disciplinary action taken this time
 - (2) Fundamental improvement of the legal compliance system to conduct a sound and appropriate business operation, as well as the development of a sound corporate culture that places emphasis on legal compliance (including the matters listed below)
 - Reestablishment of the system to promote measures for legal compliance using external human resources
 - Provision of training to develop and maintain a sense of legal compliance as executives and employees of a company operated for public interest purposes
 - Verification of the adequacy of internal rules concerning gifts, reception and entertainment, etc., development of related internal rules and familiarization of such rules
 - Promotion of the use of the whistle-blowing system, establishment of effective consulting services on legal compliance and development of a reporting system on scandals, etc.
 - (3) Establishment of a business operating system to ensure the appropriateness and transparency of operations to place orders and conclude contracts for commissioned works (including the matters listed below)
 - Clarification of rules on placing orders and concluding contracts for commissioned works (including the prohibition on providing information to specific persons in advance in an obscure manner and clarification of reasons for placing orders on nominated contractors) and transparent application of the rules by the departments in charge of procurement that are independent of the departments involved in commissioned works
 - Establishment of a system to review the placement of orders and conclusion of contracts using external human resources
 - Enhancement of the transparency of placing orders and concluding contracts including group companies
 - Improvement of the transparency of making donations and providing assistance funds (including the prohibition on transmitting money to accounts that can be used by individuals for other purposes, clarification of how they are used and review of the situation of the donations and funds using external human resources)
 - (4) Establishment of a new management control system to steadily implement those mentioned above and work to establish them (including the matters listed below)
 - Establishment of an effective governance system using external human resources including consideration of transition to a company with nominating committee, etc.
 - Establishment of an effective system for the governance of Nuclear Power Division
 - Strengthening of the structure of the audit & supervisory sections and enhancement of the functions of the secretariat

2. For the implementation of the Recurrence Prevention Measures set forth in 1., establish systems to verify the effectiveness of the Recurrence Prevention Measures in an organized manner including a review system using external human resources. If it is considered that the Recurrence Prevention Measures are not effective enough, develop and implement additional measures as necessary.
3. Submit a business improvement plan on 1. and 2. above by the end of March 2020, identify and take necessary measures promptly through the holding of a general meeting of shareholders and other actions and report the decision and progress of the implementation by the end of June of the same year. Continue to respond to the follow-up actions of the Ministry of Economy, Trade and Industry in good faith.