

March 30, 2020

Clarification of Liability

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

6-16 Nakanoshima 3-chome, Kita-ku, Osaka

(URL: <https://www.kepco.co.jp>)

Company Representative: Takashi Morimoto, President and Director

Contact: Michiya Sakata, General Manager, Office of Accounting and Finance

Tel: +81-6-6441-8821

As an expression of KEPCO's sincere acceptance of the Business Improvement Order and KEPCO's determined intention to take recurrence prevention measures with responsibility, and based upon the Third-party Panel's Investigation Report, KEPCO clarifies liability for the Incident as follows:

(1) Management Members' Liability (as of March 14, 2020) (Total: 11 members)

[1] Resignation

Shigeki Iwane resigned as KEPCO's President and Member of the Board of Directors, Shosuke Mori (KEPCO's former Executive Chairman,) resigned as KEPCO's Senior Advisor, Makoto Yagi (KEPCO's former Executive Chairman and Director) resigned as KEPCO's Contract Senior Partner, and Hideki Toyomatsu (KEPCO's former Vice President and Executive Director) resigned as KEPCO's Contract Senior Partner.

In addition, one former Director, Managing Executive Officer of KEPCO resigned as post-retirement staff of KEPCO's subsidiary as of March 14, 2020.

[2] Reduction in Remuneration

Yoshihiro Doi, Director, Executive Vice President: 20% of monthly remuneration for 3 months;
Takashi Morimoto, Director, Executive Vice President: 20% of monthly remuneration for 3 months;
Toyokazu Misono, Director, Executive Vice President: 20% of monthly remuneration for 3 months;
Koji Inada, Director, Executive Vice President: 20% of monthly remuneration for 3 months;
Takao Matsumura, Director, Executive Vice President: 20% of monthly remuneration for 3 months;
and

Yasuji Shimamoto, Director, Managing Executive Officer: 20% of monthly remuneration for 3 months.

(2) Appointment of New President (as of March 14, 2020)

Takashi Morimoto was appointed as KEPCO's President and Member of the Board of Directors.

- (3) Officers' and Employees' Liability for Major Misconduct (Total: 78 officers/employees)
(Liability of any individual who engaged in both of misconduct (i) and misconduct (ii) is set forth in (i) below.)

[1] Acceptance of Cash and Gifts and Advance Commitments to Issue Work Orders

a. Resignation

Ikuo Morinaka (KEPCO's former Director and Executive Vice President), and Nozomu Ushiro, Satoshi Suzuki and Shigeki Otsuka (KEPCO's former Managing Executive Officers) will resign as KEPCO's Contract Senior Partner as of March 30, 2020.

b. Reduction in Remuneration

Takashi Fukuda, Managing Executive Officer: 50% of monthly remuneration for 6 months; and two Executive Officers: 10% of monthly remuneration for 3 months or 10% of monthly remuneration for 1 month.

c. Other

Four Executive Officers/employees will be treated in a similar manner.

d. Demand on Retired Officers/Employees

KEPCO will demand voluntary partial repayment of remuneration from the following individuals: 12 former officers (who held positions of or higher than Executive Officer): from 10% of monthly remuneration for 1 month to 50% of monthly remuneration for 6 months.

37 former Executive Officers/employees will be treated in a similar manner.

e. Liability of Subsidiaries' Officers/Employees

If any officer or employee of KEPCO's subsidiary accepted cash and gifts, made an advance commitment to issue work orders, or engaged in any other misconduct, KEPCO will strictly require such subsidiary to clarify liability for such misconduct. (According to the Third-party Panel's Investigation Report, 11 officers/employees of KEPCO's subsidiaries accepted cash and gifts.)

[2] Internal Investigations, Post-Incident Response and Payment of Remuneration to Retired Officers

a. Reduction in Remuneration

Susumu Tsukiyama, Executive Officer (former Managing Director in charge of Office of General Administration): 50% of monthly remuneration for 3 months; and

Yoshihide Hirota, Managing Executive Officer (Internal Investigation Panel member): 20% of monthly remuneration for 3 months.

b. Demand on Retired Officers

KEPCO will demand voluntary partial repayment of remuneration from the following individual: one former Director and Executive Vice President (former Director and Internal Investigation Panel member): 50% of monthly remuneration for 3 months.

[3] Other

Remuneration payable to Managing Executive Officers supervising compliance and/or issuance of work orders and execution of work contracts will be reduced as follows:

Nobuhiro Nishizawa, Managing Executive Officer (General Manager of Sourcing and Procurement Division): 10% of monthly remuneration for 3 months;

Tatsushi Okada, Managing Executive Officer (in charge of Office of General Administration): 10% of monthly remuneration for 3 months;

Hitoshi Mizuta, Managing Executive Officer (Senior Executive Officer of Nuclear Power Division): 10% of monthly remuneration for 3 months; and

Takashi Tada, Managing Executive Officer (in charge of Office of Civil Engineering and Architecture): 10% of monthly remuneration for 3 months.

(4) Remuneration Paid to Contract Senior Partner

The Third-party Panel's Investigation Report found that remuneration paid to one retired officer was not legitimate because it included indemnification for his additional tax burden arising from his revised tax

declaration, and also indemnification for previous remuneration decrease during KEPCO's business slump.

In addition, KEPCO discovered that remuneration paid to 17 former officers while they had worked as KEPCO's post-retirement staff had taken into consideration decrease in their remuneration during KEPCO's business slump and that the total amount of remuneration paid to those 18 former officers during their engagement as post-retirement staff had been JPY 260 million.

All of post-retirement engagement contracts between them and KEPCO terminated in October, 2019. KEPCO will request said 18 former officers to voluntarily and fully repay said remuneration. If any of them refuses to make such repayment, KEPCO will require KEPCO's directors who decided in those days upon a policy on remuneration payable to former officers in their capacity as post-retirement staff to voluntarily bear the remuneration expenses incurred by KEPCO.

(5) Reduction in Statutory Auditors' Remuneration (Total: 4 auditors)

KEPCO has received its Statutory Auditors' notice of a plan of reduction in or partial repayment of their remuneration as follows:

Yasuhiro Yajima, Audit & Supervisory Board Member: 50% of monthly remuneration for 3 months;

Yukishige Higuchi, Audit & Supervisory Board Member: 30% of monthly remuneration for 3 months;

Yasushi Sugimoto, Audit & Supervisory Board Member (since June, 2019): 20% of monthly remuneration for 3 months; and

Demand for voluntary repayment from one former Audit & Supervisory Board Member (retired in June, 2019): 10% of monthly remuneration for 3 months.