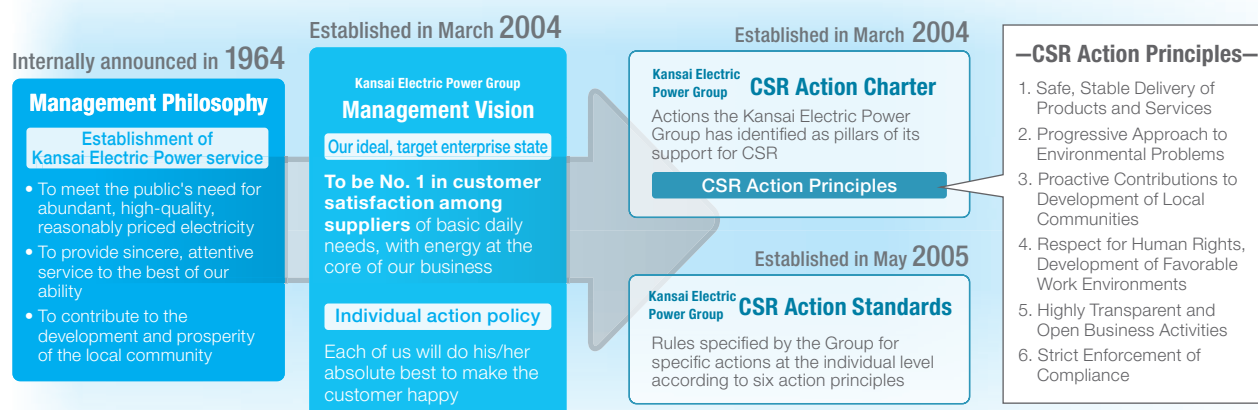


Kansai Electric Power Group Management and CSR

Immediately after Kansai Electric Power was founded in 1951, its first president, Shiro Otagaki, called for it to maintain a “Maedaregake Spirit” (the spirit of consideration for and service to others) as a private-sector company. This policy takes form in our management philosophy and corporate creed, encapsulated in what is now called CSR. Following major changes to the management environment and business structure, the Kansai Electric Power Group Management Vision was formulated in 2004. It specified being “No. 1 in customer satisfaction” as the “ideal enterprise state,” announced the Kansai Electric Power Group CSR Action Charter, which is comprised of six CSR Action Principles for achieving that ideal state, and clarified a management vision centered around CSR. To help the Group continue to fulfill its unchanging mission of “serving customers and communities,” Kansai Electric Power positions CSR, a firmly held value of the entire Group, as a core conviction, reflecting how the Group has in the past and will continue in the future to approach management from a solid foundation of CSR.



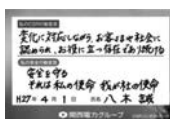
The Kansai Electric Power Group CSR Action Charter

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 earns 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. By fulfilling its responsibilities as a member of the community to observe compliance obligations and maintain transparency, the Group contributes to the sustainable development of society while reinforcing that hard-earned trust. Thus, the Kansai Electric Power Group develops all of its business activities and fulfills its corporate social responsibilities as an enterprise based on its six CSR Action Principles.



Conduct Card



President's Action Declaration

The Kansai Electric Power Group CSR Action Standards

Basic approach

Directors and employees recognize at all times that they are members of the Kansai Electric Power Group, always maintaining the propriety and dignity appropriate to that station and acting in the best interest of society. In carrying out the Group's operations, directors and employees maintain safety as their first priority, strictly comply with all relevant laws, corporate ethics, and social rules, conduct their duties diligently, and make every possible effort to make the customer happy.

Sharing the standards and checking action

The Kansai Electric Power Group has established CSR Action Standards based on the CSR Action Principles. These Action Standards, along with the Kansai Electric Power Group Management Vision, are printed on the portable Conduct Cards that are distributed to all employees. We recognize that safety is the basis for all business activities. The Kansai Electric Power Group Safe Action Charter and Safe Action Declaration are also printed on the card through which we aim to raise awareness toward safety and practice safe conduct. Employees write their own action goals on the back of the card, and use this information to track their own actions and goals in their everyday work lives.

CSR procurement policy

Aiming at the best-suited configuration, maintenance, and operation of our equipment, the Purchasing Department of Kansai Electric Power timely and ecologically procures equipment, materials and services that excel in safety, quality, and price.

As our procurement activities are supported by all our valued business partners, we believe that working to build mutual trust, conducting business in an open and transparent manner, and carrying out thoroughgoing compliance in our procurement activities are vital in our promotion of CSR.

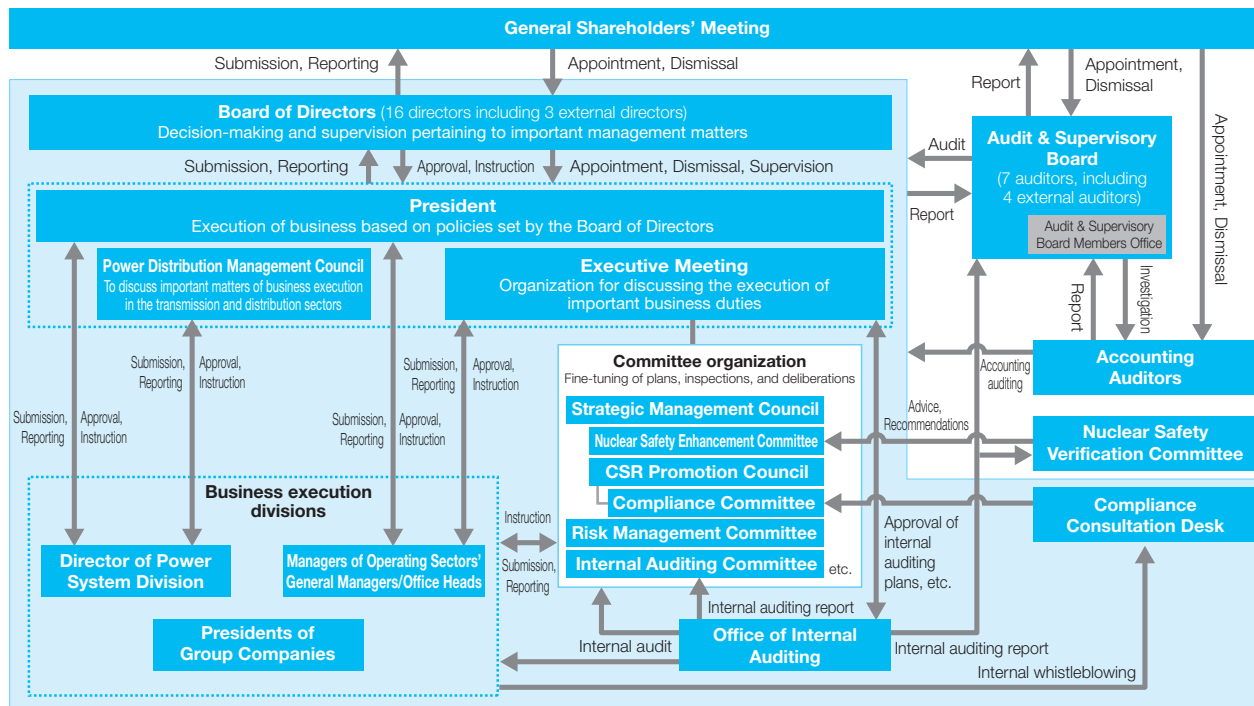
Kansai Electric Power defines and practices the five items outlined below as our Action Standards for Procurement Activities. We furthermore utilize business negotiations, plant visits, and the like to explain and promulgate our CSR Procurement Policy to partners.

— Action Standards for Procurement Activities —

1. Highest priority to the safety, maintenance, and improvement of quality and technical strength
2. Being environmentally-friendly
3. Establishment of fiduciary partnership
4. Transparent, open business activities
5. Strict enforcement of compliance

Corporate Governance

To ensure the continuous improvement of its corporate value while maintaining the transparency and soundness of its business management, the Kansai Electric Power Group views its commitment to improving corporate governance as a key management initiative. We are always striving to make effective improvements in this area.



Basic framework

Kansai Electric Power operates a system by which an Executive Meeting and a number of committees oversee and ensure the appropriate execution of duties. These committees operate under the supervision of the Board of Directors, which is appointed by the General Shareholders' Meeting. The Company also makes use of Audit & Supervisory Board Members, an Audit & Supervisory Board, and Accounting Auditors. From each of their professional perspectives, these auditors confirm that executive officers execute their duties in a lawful, appropriate, and reasonable manner. This system constitutes the foundation of Kansai Electric Power's corporate governance system.

Deliberation and decision-making on essential matters, and appropriate business execution

The Board of Directors is convened regularly once a month, complemented by additional meetings when deemed necessary, where matters of essential importance to Group management are deliberated and decided. In addition, all directors are supervised through regularly issued reports on the execution status of the duties incumbent upon them and other aspects of their performance. To strengthen the supervisory and advisory functions of management, three of the 16 directors are outside directors with no vested interests in the Company, whose presence helps to ensure management transparency.

In addition, the system of executive officers was introduced to separate the executive and supervisory functions of management and to boost the speed and efficiency of business execution. To ensure prompt and appropriate decision-making regarding important business matters, the Company convenes regular Executive Meetings of the executive directors and executive officers—in principle once a week—facilitating efficient and effective corporate management.

A Power Distribution Management Council has been set up to ensure neutrality and fairness in the execution of business duties in the transmission and distribution sectors.

Ensuring audit independence, transparency, and soundness

Kansai Electric Power uses an Audit & Supervisory Board system working in tandem with the Board of Directors to continuously and effectively ensure that directors are performing their duties in a way that is lawful, appropriate, and reasonable. At present, three of the seven Audit & Supervisory Board members are full-time auditors, and the four in the majority are external auditors (including one female auditor) with no vested interests in the Company, and who therefore serve as independent officers. One full-time member is selected from among those who have served successive high-ranking posts in the Accounting Division, ensuring that at least one member has a thorough knowledge of finance and accounting.

A full-time Audit & Supervisory Board Members Office (with 13 members) has been established to support the duties of the Audit & Supervisory Board members and extend auditing functions. To ensure the Office's independence, it functions directly under the jurisdiction of the Audit & Supervisory Board members and does not perform any other duties relating to the business execution functions of the Group.

The auditors attend the Board of Directors' meetings, where they express their opinions and listen to explanations by the directors pertaining to matters of importance to Company management. They examine the status of the corporate governance system and audit to ensure that the directors are performing their duties appropriately and reasonably. Full-time Auditors attend not only the Board of Directors meetings, but also other important meetings such as Executive Meetings, and examine the status of the business and assets of the Company's main operating locations as part of their auditing. They report regularly to the outside auditors at meetings of the Audit & Supervisory Board. The auditors also meet regularly with the representative directors to exchange opinions.

Appropriate and seamless execution of duties by each committee

To ensure the appropriate and seamless execution of policies and action plans related to important affairs that affect the entire business, we have established committees centered around three functions: planning and coordination, investigation, and deliberation. We convene meetings of these committees periodically and as needed, as they support the decision-making of the managing directors and the business activities of respective divisions.

●Risk Management Committee

Our Approach to Risk Management

In accordance with the Kansai Electric Power Group Risk Management Rules established in April 2006, risks that have the potential to affect the achievement of organizational goals are to be recognized and assessed, after which necessary measures are to be taken. Then, an assessment is to be made, followed by implementing necessary improvements to reduce the risk. The impact of risk on the Group is to be managed at an appropriate level through this series of processes.

The Risk Management System

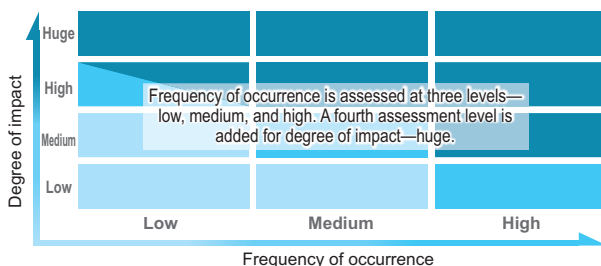
The risk associated with business activities is to be managed autonomously by each business execution division. In cases of risk deemed to be of cross-organizational importance, risk management is strengthened by the presence of risk management bodies with specialized expertise that provide advice and guidance to the various business execution divisions.

In addition, a Risk Management Committee has been formed to manage risk comprehensively; the committee's chairman is the Risk Management Officer. The committee strives to manage risk associated with Group business activities at the level deemed appropriate in each case based on this system.

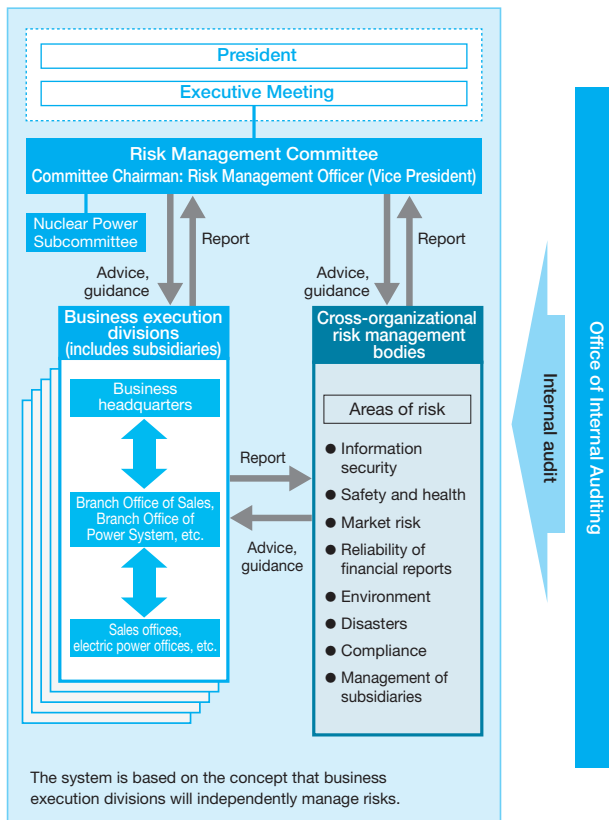
The Risk Management Committee identifies and assesses the risk management of the various business execution divisions periodically from a company-wide perspective. As necessary it will assess the risk management mechanisms and system and give improvement instructions. In addition, the Committee assesses the extent of impact and frequency of occurrence of 33 principal risks on a risk map, taking into consideration the degree of effectiveness of risk countermeasures and the consequent impact on other risks, thereby determining the level of importance in business management. The Committee periodically reports its risk management findings to the Executive Meeting.

To assess efforts related to managing the risk of releasing radioactive substances, an especially serious risk, we established the Nuclear Power Subcommittee under the Risk Management Committee, which is building a system of deliberations under the watch of the Risk Management Officer.

◆Risk Map



◆Risk Management System



●Nuclear Safety Enhancement Committee

The Nuclear Safety Enhancement Committee, composed of directors and representatives from all divisions, was set up to enhance the safety of nuclear power and to deliberate on our recurrence prevention measures of the accident that occurred at Mihama Nuclear Power Station Unit 3 and activities to foster a safety culture.

After the accident at Tokyo Electric Power's Fukushima Daiichi Nuclear Power Station, two items, our voluntary and continuous initiatives for nuclear power generation with safety and nuclear power risk management, were added in this Committee in order to enhance nuclear power plant safety.

●Nuclear Safety Verification Committee

The Nuclear Safety Verification Committee, composed mainly of outside experts, examines the validity of the measures taken to prevent a recurrence of the type of accident that occurred at Mihama Nuclear Power Station Unit 3 from an independent perspective. It also provides advice for improving activities to cultivate our safety culture.

The Committee additionally provides advice regarding our voluntary and continuous safety initiatives for safe nuclear power generation in response to the accident at Tokyo Electric Power's Fukushima Daiichi Nuclear Power Station. We will continue pursuing even more reliable safety based on these continuous improvements.

Internal Auditing Committee

Kansai Electric Power has established an Internal Auditing Committee whose functions are to share and deliberate a broad range of management issues relating to quality and safety, 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.

An Office of Internal Auditing, consisting of 38 members, has been established as an organization specially assigned to perform internal auditing. The Office conducts regular audits of the appropriateness and effectiveness of systems as they are designed and run to assure their appropriate administration. The Office also submits proposals and reports to the Executive Meeting concerning internal auditing plans and their results. Moreover, it strives to achieve appropriate business management by ensuring that individual workplaces undertake necessary improvements based on the auditing results.

As the vital overseers of corporate governance, the Office of Internal Auditing, Audit & Supervisory Board Members, and accounting auditors consult with one another, at their discretion,

in the performance of their auditing duties. They also maintain close ties to facilitate the exchanging of views regarding auditing plans, audit results, and other issues.

Ensuring business soundness as a corporate group

We try to instill in our subsidiaries the basic approach to management and action standards that are embodied in the Kansai Electric Power Group Management Vision and the Kansai Electric Power Group CSR Action Charter. We ensure the propriety of our corporate group's business activities by supporting and providing advice on the development of autonomous management structures by our subsidiaries based on our internal regulations related to subsidiary management.

We strive to prevent any losses to the corporate value of the Group as a whole by participating in important decision-making by our subsidiaries, and periodically checking on their management status.

Directors and Auditors

As of June 25, 2015

* Indicates status as representative director



Shosuke Mori*
Chairman and Director



Makoto Yagi*
President and Director



Masao Ikoma*
Director,
Executive Vice President



Hideki Toyomatsu*
Director,
Executive Vice President



Jiro Kagawa*
Director,
Executive Vice President



Shigeki Iwane*
Director,
Executive Vice President

Directors
Managing Executive Officers

Yoshihiro Doi
Masahiro Iwatani
Yasuhiro Yashima
Yasushi Sugimoto
Hironori Katsuda
Hidehiko Yukawa

Directors

Ryohei Shirai
Noriyuki Inoue**
Takamune Okihara**
Tetsuya Kobayashi**

** Outside director

Audit & Supervisory
Board Members

Sakae Kanno
Yasunari Tamura
Masahiro Izumi

Outside
Audit & Supervisory
Board Members

Takaharu Doi***
Yoichi Morishita***
Hisako Makimura***
Tsutomu Toichi***

*** Outside auditor

Executive Officers

Managing Executive Officers

Note: Excludes those serving concurrently as directors and executive officers

Masahiko Okada Tomio Inoue Ikuo Morinaka Tomihiko Oishi Takashi Morimoto Toyokazu Misono Masanori Kataoka

CSR Promotion System and Activities



From the CSR Tree to a CSR Forest

The CSR tree represented by each individual grows into a CSR forest.

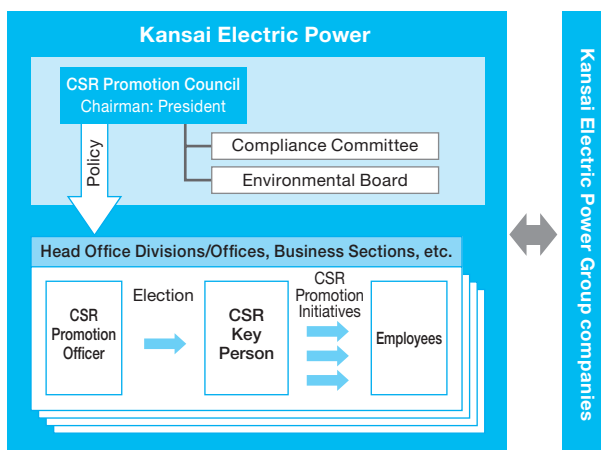
Every employee in the Group, carrying out his or her duties conscientiously on a daily basis in consideration of the changes taking place with customers and society, represents CSR in practice. The habituation of such action leads to CSR promotion throughout the Group.

Based on this way of thinking, various measures are being taken to encourage each employee at his or her workplace to consider the position of stakeholders and act with thoughtfulness and a sense of mission.

CSR Promotion Council at the heart of the CSR promotion system

Headed by the president of Kansai Electric Power, the CSR Promotion Council establishes the general policies that guide the entire Group in promoting CSR, and provides general coordination of specific activities. Issues of a specialized nature are sent to committees, such as the Compliance Committee and the Environmental Board, for deliberation. The policies formulated by the CSR Promotion Council are communicated to each operating division and business location, which then develop their own activities. CSR promotion initiatives are led by the person in charge in each division and location acting as the CSR Promotion Officer, who assigns a CSR Key Person at each workplace. Each Group company also develops its own CSR promotion activities independently, while staying in communication with Kansai Electric Power.

◆CSR Promotion System

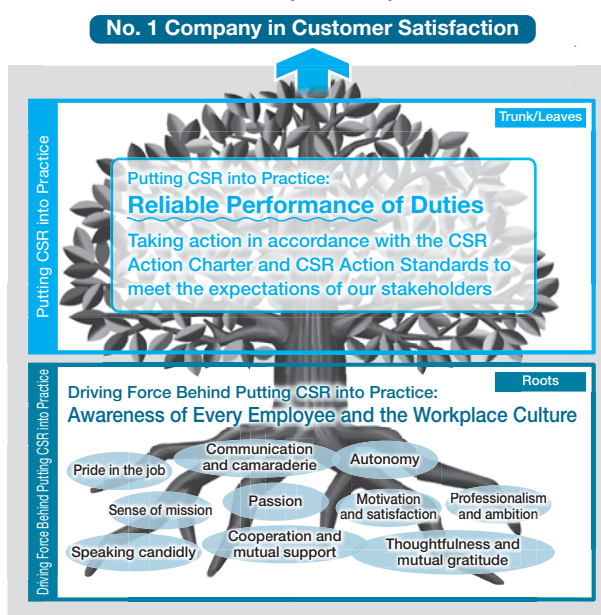


CSR promotion initiatives for employees

The Group continuously carries out initiatives to help employees put CSR into practice and to improve the workplace culture. We are implementing promotion initiatives to reinforce the awareness that carrying out one's duties conscientiously on a daily basis (putting CSR into practice) builds the trust of customers and the public.

Using the analogy of a tree, improving the workplace culture is an initiative that gives nourishment to and strengthens the roots of the tree (raising the awareness of every employee/workplace culture), which are not visible to the naked eye. Putting CSR into practice (carrying out one's duties conscientiously on a daily basis) makes the trunk and leaves and other visible parts of the tree grow (six CSR Action Principles). Based on this approach, promotion initiatives for all employees are taken independently, led by the CSR Key Person elected to promote CSR at each workplace. Also, a company-wide employee questionnaire on CSR is conducted annually for analyzing and assessing CSR activities for employees and for providing feedback to each workplace.

◆CSR Promotion Activities (CSR Tree)



■ Results of questionnaire for employees on CSR (conducted in November 2014)

Were you able to perform your duties over the last year with an awareness of the six CSR Action Principles?

Yes ... 85.6%

Communication between executives and frontline workplaces

The Company creates various opportunities for the president and other executives to visit frontline workplaces. Through such dialogues, the president is able to communicate directly his views about safety and the importance of safety, and to promote and promulgate an understanding of CSR. Through an exchange of views, the president also gains an immediate understanding of issues and problems being faced by each workplace, which is later reflected in management policy.



Dialogues with President Yagi have taken place at over 200 locations at the Sanda Sales Office (as of March 2015)