

CSR Action Principles

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Strict Enforcement of Compliance

In all aspects of its business activities, the Kansai Electric Power Group will comply with all laws and regulations, internal rules and business ethics and will ensure strict enforcement of compliance as the basis of our management. The Group as a whole will build the structure that should ensure these actual practices and will strive to maintain and improve its structure.

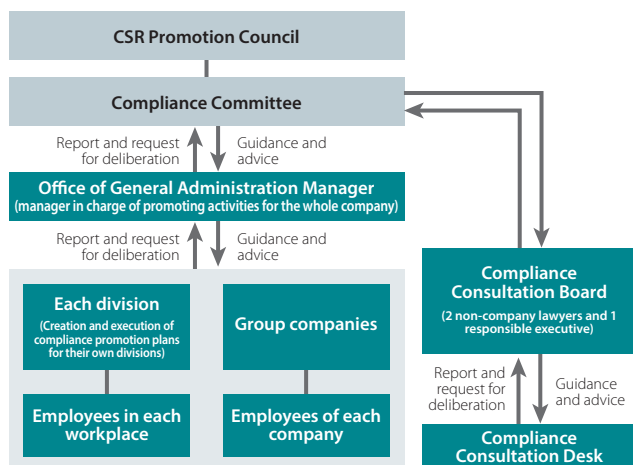
Promoting compliance activities with the entire group

Promoting compliance activities

In our corporate group, the Office of General Administration (legal), acting as our compliance headquarters, oversees compliance promotion for the entire group with guidance from the Compliance Committee, which is chaired by our company president.

Every division in our company has established a "compliance promotion plan for their own division" that is based on the characteristics of their businesses. They are undertaking independent compliance promotion activities under the leadership of their division chiefs and others. Moreover, our group companies, led by their presidents, are also undertaking independent compliance promotion activities based on the characteristics and sizes of their businesses, as well as other actual conditions.

Kansai Electric Power Group Compliance System



Promoting compliance in the entire group

In fiscal 2017, we have raised two fundamental policies for compliance promotion. "Renew consciousness of compliance as the great prerequisite in the advancement of our business and work." "Promote compliance independently according to the characteristics of each division and group company." Moreover, we have selected four major themes for compliance activities that we should think about and pursue as a whole corporate group. They are "strict observation of laws and rules in the active development of each business," "execution of appropriate business management," "thoroughness of conduct that demonstrates understanding of good social sense during and outside work," and "assurance of appropriate working environments."

Keeping in mind these fundamental policies and major activity themes, we will cultivate the awareness of all group employees. As group-wide efforts, this fiscal year, our company president will deliver a message to the entire group, expressing anew our attitude towards thoroughness in compliance. In addition, we will revise our compliance manual and work to make all employees understand it fully.

Results of questionnaire given to all employees on CSR (executed November 2016)

Are you acting with awareness of compliance on a daily basis? (responses from just our company)

"Yes."

95.1%

Promoting compliance independently according to the characteristics of each division and group company

Promoting compliance in each division of our company

By having each division actively facilitate the functioning of PDCA cycles and promote compliance, we seek to have the idea that “compliance is a foundation of business” permeate and become established throughout the entire company.

Specifically, each division has created their “own compliance promotion plans” and is striving to implement, evaluate and improve their efforts. When doing so, they are considering our fundamental policies and major activity themes, the business and work characteristics of their divisions, compliance risks that could occur in the future along with changes in the business environment, unacceptable incidents that occurred in the past both inside and outside the company, and other factors.

Promoting compliance in each group company

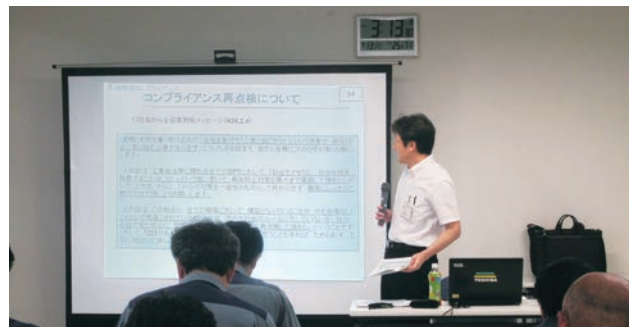
Our group companies are undertaking independent compliance promotion activities based on the characteristics and sizes of their businesses, as well as other real conditions. Moreover, considering our fundamental policies and major activity themes, these activities are being carried out with contents that respond to the issues of each company.

Supporting the efforts of each division and group company

In addition to guiding the efforts of the group as a whole, our compliance headquarters is supporting the efforts of each division and group company.

Specifically, the headquarters is preparing tools, including educational discussion materials, with a focus on content related to our major activity themes to contribute to the activities of

each division and group company. It is also conducting group trainings focused on content related to the major activity themes, as well as trainings according to the needs of each division and group company.



Compliance training

Global compliance efforts

In the “Establishment of new pillars for growth” of our Medium-term Management Plan, one of the pillars presented is “the dramatic growth of international businesses,” and our corporate group will continue to proactively develop international business in the future.

While pursuing this goal, we believe that we must also further deepen our compliance practices overseas in following local laws and rules and responding to the demands of societies, for example. Specifically, we will keep our minds on achieving thorough compliance as we continue striving to expand our businesses overseas. For example, we are undertaking efforts with the theme of preventing foreign corruption in our divisions and group companies that conduct business overseas and international transactions.

Compliance Consultation Desk

The Compliance Consultation Desk established by our company is available not only to employees of our group companies but also to our contractors. This system enables us to collect a wider range of risk information. We are working to create an improved environment offering a more approachable service that can accept anonymous consultations and that allocates female consultants, for example.

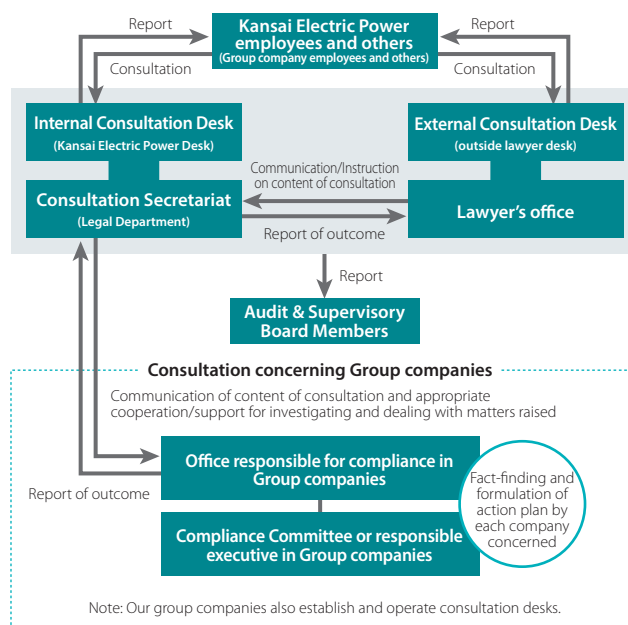
No serious violations have been confirmed from consultations with the Compliance Consultation Desk. The consultations tend to be related to issues such as harassment, workplace operations and labor conditions.

Number of cases handled by the Compliance Consultation Desk

Fiscal 2015 **75**
Fiscal 2016 **74**

Note: This excludes consultations received by desks established in group companies (58 cases in fiscal 2016).

Kansai Electric Power Group Compliance Consultation Desks



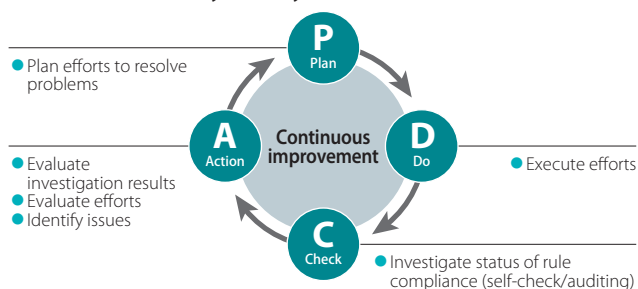
6 Strict Enforcement of Compliance

Information security initiatives

Policies

We believe that one duty of our company is to steadily advance information security efforts to ensure the safe and stable supply of power and to protect the customer information that we possess. While further strengthening countermeasures against cyber attacks, which have been growing in threat in recent years, we will continue promoting information security management based on PDCA cycles.

Information security PDCA cycle



Efforts for cyber security measures

As a major infrastructure operator in the electrical power business, our company is executing a variety of efforts against cyber attacks, which are increasing in extent. We are working to strengthen our arrangements of communication systems and response systems when cyber attacks occur, while also enhancing our monitoring systems and technical countermeasures. Moreover, we are preparing for attacks by implementing, for example, trainings related to cyber attacks and practices with targeted threat emails for employees.

Initiatives for protecting personal information

The Amended Personal Information Protection Law, which was enacted in May 2017, directs review of in-house rules, conduct of training for every employee as soon as possible, and renewed thorough personal information protection. In the future, we will continue to conduct trainings for employees. In addition, we will keep strengthening our technical safety measures considering the personal information leaks that have occurred and other concerns of society.

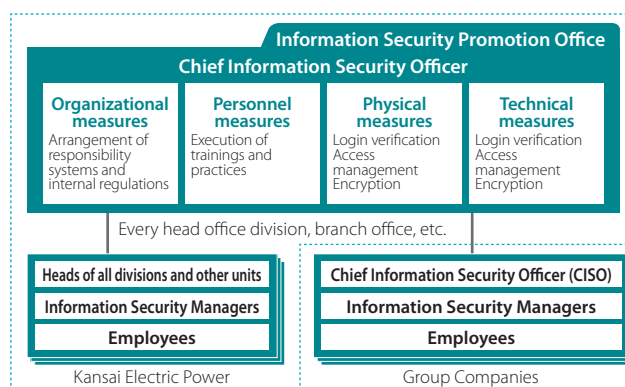
Information security promotion system for the entire group

In the promotion system of our company, the Managing Executive Officer in charge of the IT division fills the role of Chief Information Security Officer, and we deploy Information Security Managers who promote efforts in each workplace. In addition, our group companies are undertaking independent efforts based on the Kansai Electric Power Group Information Security Guidelines, which are the information security guidelines for the entire group. With this and other guidance and support from our company, we are raising the security level of the entire group.

Number of information security training participants
(conducted November–December 2016)

17,883

Information security promotion system



Efforts for thorough information management

In April 2017, our company announced that a DVD with saved customer information had been lost. In response to this incident of information loss, we will pursue strict information management in order to prevent the same kind of incident from ever occurring again. The recurrence prevention countermeasures we are conducting include comprehensive inspections of external storage media throughout the entire company.

[illegible]

In our company, the Executive Meeting and various committees are placed under the Board of Directors, which has been charged with management responsibility by the General Shareholders' Meeting. As they execute their duties appropriately, the Board of Directors and others supervise the execution of duties by Directors. Moreover, auditors continuously and efficiently audit the execution of duties by directors to make certain that they are legal, reasonable and appropriate. Furthermore, in addition to strengthening the supervision functions of the Board of Directors and the auditing functions of the Audit & Supervisory Board even more, we have also placed several outside directors and external auditors who are sure to be independent on each of these boards in order to provide advice related to the execution of duties by directors.

The Board of Directors is convened regularly once a month, complemented by additional meetings held 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.

In addition, the system of executive officers was introduced to separate the executive and supervisory functions of

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.

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 fulltime 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 12 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.

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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 identified. Then, an assessment is to be made, followed by implementing necessary measures to deal with the risks. The impact of risk on the Group is to be managed at an appropriate level through this series of processes.

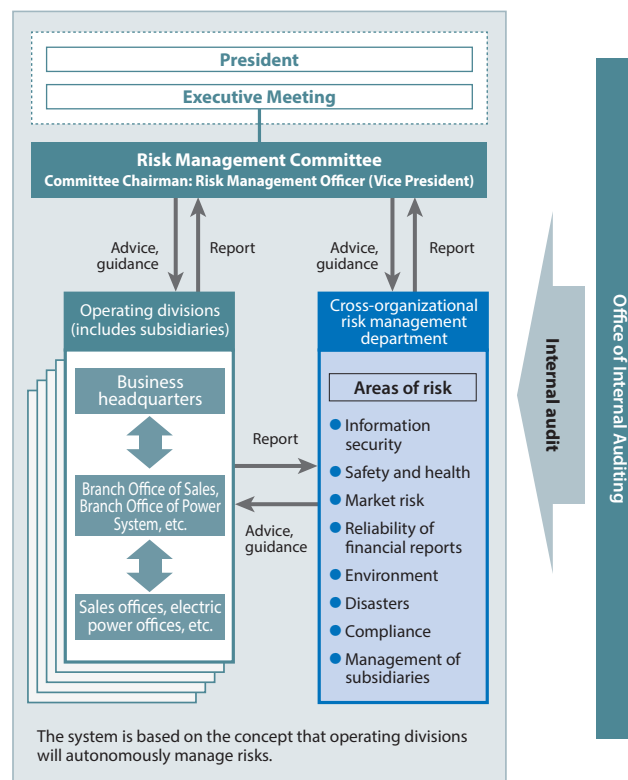
Risk Management System

The risks associated with business activities are to be managed autonomously by each operating division including subsidiaries. Risk management for risks considered to have cross-organizational importance is enhanced by the supervision of departments with specialized expertise on such risks that provide advice and guidance to the various operating divisions.

Furthermore, a Risk Management Committee has been established to manage risks associated with Group business activities comprehensively. The committee chairperson is appointed as the Risk Management Officer, and the committee strives to manage risks at the appropriate level through this system.

The Risk Management Committee periodically identifies and assesses the current state of risk management conducted by each operating division from a group-wide perspective, and gives improvement instructions as necessary. In addition, the Committee ascertains the whole risk management situation by evaluating the levels of seriousness of 34 principal risks that have

Risk Management System



great impacts on Group business activities, considering both their degrees of impact and probabilities of occurrence and indicating them on a risk map.

The Committee periodically reports its risk management findings to the Executive Meeting and the Board of Directors. If necessary, it improves the structure and system of risk management.

Nuclear Safety Enhancement Committee

The Nuclear Safety Enhancement Committee, composed of directors of all divisions, was set up to enhance the safety of nuclear power on a company-wide basis. The Committee has evaluated situation of implementation on the recurrence prevention measures of the accident 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, the function of the Committee was extended to evaluate voluntary and continuous activities for safety in nuclear power generation and nuclear power risk management. These have been discussed from a wide range of perspectives. The conclusion on the Committee has reported to the president.

Nuclear Safety Verification Committee

The Nuclear Safety Verification Committee, composed mainly of outside experts, has validated situation of implementation on the recurrence prevention measures of the accident at Mihama Nuclear Power Station Unit 3. It also has provided opinions and advice about our activities to foster a safety culture, as well as our voluntary and continuous activities for safety in nuclear power generation considering the accident at Tokyo Electric Power's Fukushima Daiichi Nuclear Power Station from an independent perspective. Through continuous improvements based on the Committee's opinions and advices, we will make best effort to ensure retaining nuclear safety.

Risk Map

