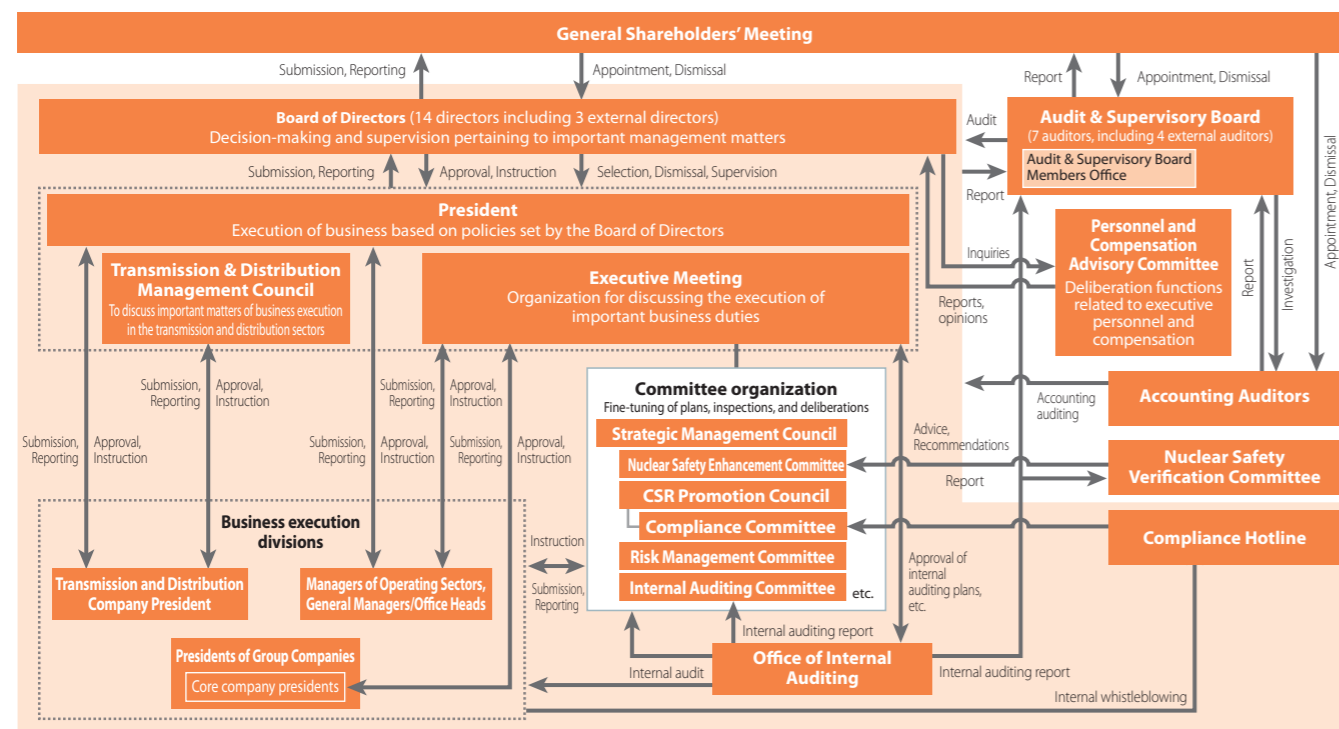


Realizing the sustainable increase of business value

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 view

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.

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 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.

To strengthen the supervisory and advisory functions of management, three of the 14 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 Transmission & Distribution Management Council has been set up to ensure neutrality and fairness in the execution of business duties in the transmission and distribution sectors.

Efforts to raise the effectiveness of the Board of Directors

As previously explained, we are raising the effectiveness of our Board of Directors by appointing three outside directors who are certain to be independent.

The outside directors receive explanations about items on the agenda in advance and actively offer their opinions at Board meetings. They also use opinion exchange meetings and other opportunities to exchange ideas vigorously with the representative directors and others. In addition, for matters related to executive personnel and the remuneration of directors, we have established a Personnel and Compensation Advisory Committee, which has a majority of independent outside directors, with the goal of increasing objectivity and transparency. Such matters are decided by the Board of Directors based on the appropriate participation and advice of this committee.

Moreover, we are evaluating whether effectiveness is being realized by conducting a questionnaire once a year for all directors and auditors on topics such as the functioning of the Board of Directors. Based on the results of this questionnaire, we analyze and evaluate the effectiveness of the Board of Directors. Furthermore, after reporting the results of the questionnaire to the Board of Directors, we implement suitable reforms.

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 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.

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.

Policies related to determining remuneration and other rewards for directors and auditors

The remuneration of directors is decided by the Board of Directors based on the appropriate participation and advice of the Personnel and Compensation Advisory Committee.

In order to make the remuneration of directors a factor that contributes to the continuous improvement of business results and business value, basic compensation takes into account required work responsibilities according to the position and other factors for each director. In addition, results-based compensation is provided as a short-term incentive and company shares are provided as a medium-term and long-term incentive.

Outside directors receive only basic compensation.

Considering that auditors are in positions that examine the execution of work responsibilities by directors, to increase their independence, the remuneration of auditors consists only of monthly basic compensation, the amount of which is determined in negotiation with the auditors.

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: fine-tuning of plans, inspections, and deliberations. 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

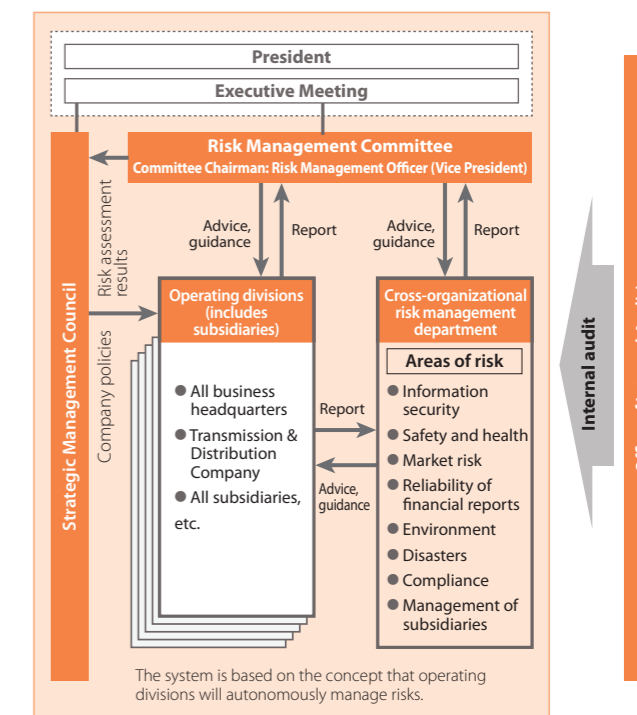
In accordance with the Kansai Electric Power Group Risk Management Rules established in April 2006, risks that have the potential to affect the achievement of organizational goals are to be recognized and identified. Then, an assessment is to be made, followed by implementing necessary measures to deal 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.

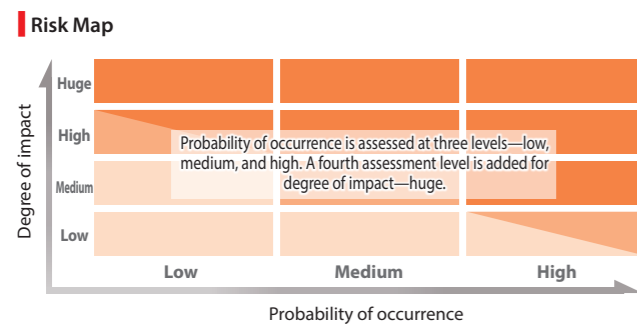
Furthermore, a Risk Management Committee has been established to manage risks associated with Group business activities comprehensively. The committee chairperson is appointed as the Risk Management Officer, and the committee strives to manage risks at the appropriate level through this system.

Risk Management System



The Risk Management Committee periodically identifies and evaluates the status of risk management in our operating divisions from a holistic company perspective and gives instructions for improvement as necessary. In addition, for the major risks that could have large impacts on the business activities of our corporate group, we evaluate their seriousness based on degrees of impact and probabilities of occurrence and indicate them on a risk map. This allows us to understand and manage them with a comprehensive view. We also apply these evaluation results to establishing company policies for the next fiscal year.

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. 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.

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.

Furthermore, we established the Office of Internal Auditing as an organization responsible for internal auditing. This office regularly audits the arrangement and operation of systems for the assurance of business propriety. Plans for internal auditing and their results are submitted and reported to the Executive Meeting after deliberation by the Internal Auditing Committee. Results are also reported to the Board of Directors. In addition, we are endeavoring to ensure business propriety by, for example, each workplace conducting necessary improvement activities based on the results of audits.

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 approaches to management and action standards that are embodied in, for example, our Management Philosophy, our Guidelines for Action, the Kansai Electric Power Group Vision and the Kansai Electric Power Group CSR Action Charter. In addition, we ensure the propriety of our corporate group’s business activities at our subsidiaries by supporting them and providing advice on the arrangement of their autonomous management structures based on our internal regulations related to subsidiary management.

We also strive to prevent any losses to the corporate value of the Group as a whole, or at least keep them to a minimum, by participating in important decision-making by our subsidiaries, and periodically checking on their management status. In addition, our executive meeting deliberates execution directions and plans for important business, particularly for the core companies responsible for businesses that are the pillars for the future growth of the Group.

Directors and Auditors



Makoto Yagi*
Chairman and Director



Shigeki Iwane*
President and Director

As of June 27, 2018
* Indicates status as representative director
** Indicates status as outside director
*** Indicates status as outside auditor



Hideki Toyomatsu*
Director,
Executive Vice President



Yoshihiro Doi*
Director,
Executive Vice President



Takashi Morimoto*
Director,
Executive Vice President



Tomio Inoue*
Director,
Executive Vice President



Toyokazu Misono*
Director,
Executive Vice President

Directors
Managing Executive Officers

Yasushi Sugimoto
Tomihiko Oishi
Yasuji Shimamoto
Koji Inada

Outside Directors

Noriyuki Inoue**
Takamune Okihara**
Tetsuya Kobayashi**

Audit & Supervisory
Board Members

Yasuhiro Yashima
Yasunari Tamura
Yukishige Higuchi

Outside
Audit & Supervisory
Board Members

Takaharu Dohi***
Hisako Makimura***
Tsutomu Toichi***
Fumio Otsubo***

Reasons for outside director appointments

Name	Appointment reason
Noriyuki Inoue	He was appointed as an outside director so that his rich experience and knowledge as a business manager could be applied to the management of our company.
Takamune Okihara	He was appointed as an outside director so that his rich experience and knowledge as a financial institution manager could be applied to the management of our company.
Tetsuya Kobayashi	He was appointed as an outside director so that his rich experience and knowledge as a business manager could be applied to the management of our company.

We designate these directors as independent officers since they meet the requirements for independent officers set by the Tokyo Stock Exchange, Inc. and they are outside directors with no fear of creating conflicts of interest with ordinary shareholders.

Reasons for outside auditor appointments

Name	Appointment reason
Takaharu Dohi	He was appointed as an external auditor so that his rich experience and knowledge as a lawyer could be applied to the auditing of our company.
Hisako Makimura	She was appointed as an external auditor so that her rich experience and knowledge as an academic could be applied to the auditing of our company.
Tsutomu Toichi	He was appointed as an external auditor so that his rich experience and knowledge as a researcher could be applied to the auditing of our company.
Fumio Otsubo	He was appointed as an external auditor so that his rich experience and knowledge as a business manager could be applied to the auditing of our company.

We designate these auditors as independent officers since they meet the requirements for independent officers set by the Tokyo Stock Exchange, Inc. and they are outside auditors with no fear of creating conflicts of interest with ordinary shareholders.

Executive Officers

Managing Executive Officers

Ikuo Morinaka **Takao Matsumura** **Masanori Kataoka** **Susumu Yamaji** **Nozomu Ushiro** **Yukio Tokimasa**
Takashi Fukuda **Susumu Tsukiyama** **Yoshihide Hirota** **Hiroshi Nakajima** **Yukio Kawasaki**

Note: Excludes those serving concurrently as directors and executive officers