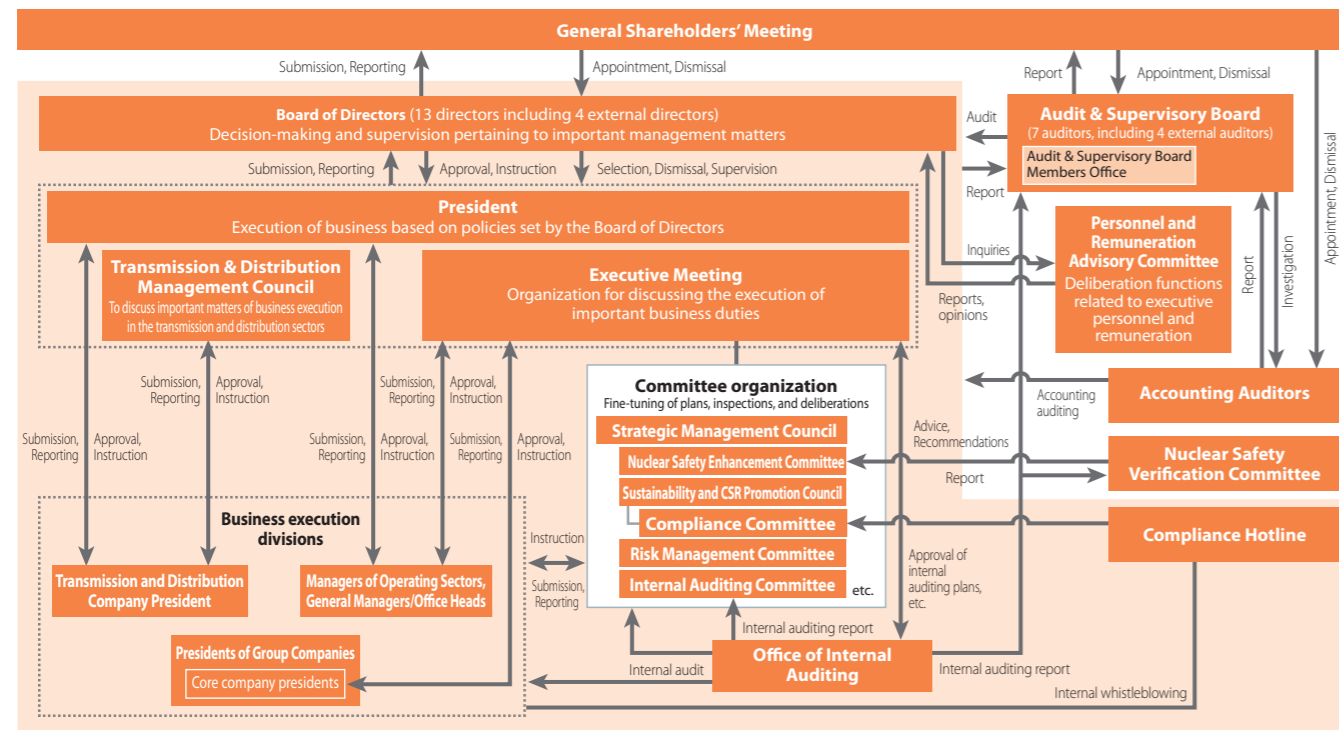


Realizing the sustainable increase of business value

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 auditing functions of the Board of Directors and the Audit & Supervisory Board further, we have placed four outside directors and four 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.

In fiscal 2018, the Board of Directors met 12 times, and the attendance of the individual directors was as follows.

Position	Name	Meetings attended
Chairman and Director	Makoto Yagi	12
President and Director	Shigeki Iwane	12
Director	Hideki Toyomatsu	12
Director	Yoshihiro Doi	12
Director	Takashi Morimoto	12
Director	Tomio Inoue	12
Director	Toyokazu Misono*	10
Director	Yasushi Sugimoto	12
Director	Tomihiko Oishi	12
Director	Yasuji Shimamoto	12
Director	Koji Inada*	10
Outside Director	Noriyuki Inoue	11
Outside Director	Takamune Okihara	12
Outside Director	Tetsuya Kobayashi	12
Audit & Supervisory Board Member	Yasuhiro Yashima	12
Audit & Supervisory Board Member	Yasunari Tamura	12
Audit & Supervisory Board Member	Yukishige Higuchi	12
Outside Audit & Supervisory Board Member	Takaharu Dohi	11
Outside Audit & Supervisory Board Member	Hisako Makimura	11
Outside Audit & Supervisory Board Member	Tsutomu Toichi	12
Outside Audit & Supervisory Board Member	Fumio Otsubo	12

* Toyokazu Misono and Koji Inada were appointed as directors on June 27, 2018. They were therefore eligible to attend only 10 meetings of the Board of Directors during this fiscal year.

To enable the assurance of greater objectivity and transparency in the nomination of candidates for executive positions and in the remuneration of directors, these issues are deliberated by the Personnel and Remuneration Advisory Committee. This is chaired by Makoto Yagi, Chairman of the Board of Directors, and comprised of six members, a majority of whom are independent outside directors.

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 the execution of important business, Executive Meetings are held once a week in principle. These meetings comprised of 22 members, including executive directors and executive officers, with President and Director Shigeki Iwane as the chairperson, are undertaking efficient and effective corporate management.

For the execution of work in the transmission/distribution sector, which requires the assurance of neutrality and fairness, we have established a Transmission & Distribution Management Council comprised of 11 executives, excluding those in retail and power generation divisions, and chaired by President and Director Shigeki Iwane.

Efforts to raise the effectiveness of the Board of Directors

In order to strengthen the auditing functions of the Board of Directors as well as to reflect diverse opinions related to deliberating and making decisions on important management issues, four outside directors with assured independence have been appointed. These outside directors receive explanations in advance about items on agendas and are actively expressing their opinions during Board of Directors meetings and on other occasions.

Moreover, the Board of Directors receives not only regular reports, but also, as necessary, request reports about important issues related to management and otherwise seeks to make the contents of deliberations thorough.

Furthermore, utilizing a third-party agency once a year, questionnaires related to the effectiveness of the Board of Directors are given to all directors and auditors. Based on collecting and analyzing the results of these questionnaires, the effectiveness of the Board of Directors is evaluated, and, as appropriate, the Board implements corporate governance reforms, including the operation of the Board itself.

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. Moreover, members with sufficient expertise related to finance, accounting and law are being employed. 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.

In fiscal 2018, the Audit & Supervisor Board met 15 times, and the attendance of the individual auditors was as follows.

Position	Name	Meetings attended
Audit & Supervisory Board Member	Yasuhiro Yashima	15
Audit & Supervisory Board Member	Yasunari Tamura	15
Audit & Supervisory Board Member	Yukishige Higuchi	15
Outside Audit & Supervisory Board Member	Takaharu Dohi	14
Outside Audit & Supervisory Board Member	Hisako Makimura	14
Outside Audit & Supervisory Board Member	Tsutomu Toichi	15
Outside Audit & Supervisory Board Member	Fumio Otsubo	15

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

With the goal of increasing objectivity and transparency in regard to the remuneration of directors and other matters, we have established the Personnel and Remuneration Advisory Committee, which has a majority of independent outside directors. After deliberations by this committee, the remuneration of directors is decided by the Board of Directors.

In order to make the remuneration of directors a factor that contributes to the continuous improvement of business results and business value, basic remuneration takes into account required work responsibilities according to the position and other factors for each director. In addition, performance-linked incentive is provided as a short-term incentive and stock-based incentive is provided as a medium- and long-term incentive. The ratio of performance-linked incentive is set at about 10% of total remuneration.

Outside directors receive only basic remuneration.

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 remuneration, the amount of which is determined in negotiation with the auditors.

Members of the Personnel and Remuneration Advisory Committee

Member (chairperson)	Chairman and Director	Makoto Yagi
Member	President and Director	Shigeki Iwane
Member	Outside Director	Noriyuki Inoue
Member	Outside Director	Takamune Okihara
Member	Outside Director	Tetsuya Kobayashi
Member	Outside Director	Hisako Makimura

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

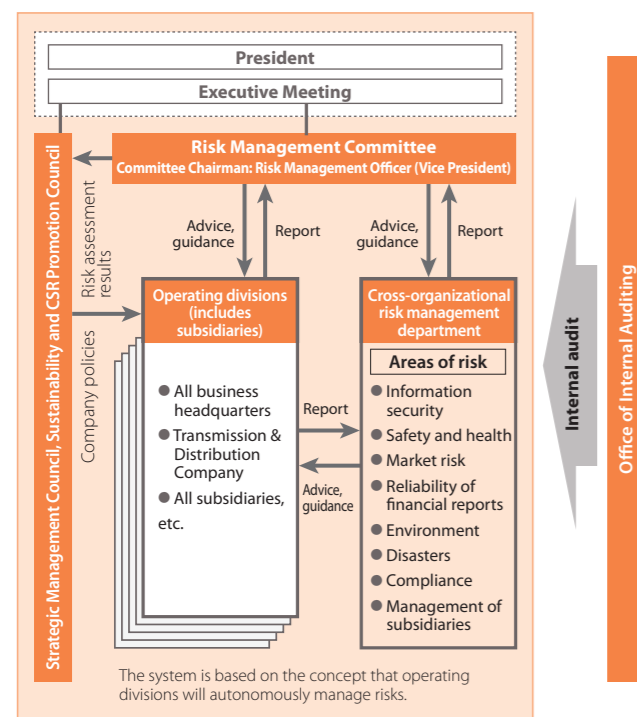
Our fundamental approach to risk management

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.

Risk Management System

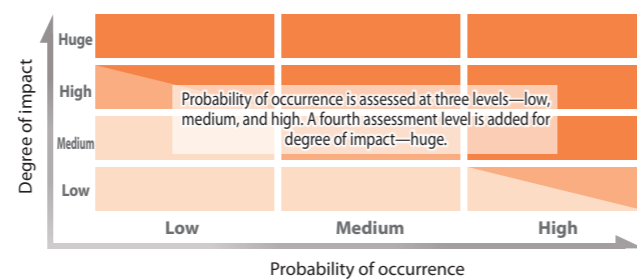


Furthermore, we have established a Risk Management Committee comprised of 15 members with Director and Executive Vice President Koji Inada as the chairperson in order to comprehensively manage risks for our entire corporate group from a company-wide perspective. We are advancing efforts to manage risks at an appropriate level under a system that makes the chairperson of this committee our Risk Management Officer.

The Risk Management Committee identifies key risks that could greatly affect the business activities of our corporate group from the perspectives of establishing business foundations to fulfill our duty to provide a safe and stable power supply and of responding appropriately to changes in the business environment. The Committee also ascertains and evaluates how these risks are being managed from a company-wide perspective to give operating divisions, as necessary, instructions for improvement based on the evaluation results. The gravities of risks are also evaluated in consideration of their degrees of impact and their possibilities of occurrence. By placing them on a map, we obtain an overview of the state of risk management and manage them accordingly. The risk evaluation results are also presented to our Strategic Management Council and our Sustainability and CSR Promotion Council so that necessary risk measures are reflected in plans and policies for the entire group with the aim of realizing sustainable growth into the future.

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.

Risk Map



Growth investment management

We evaluate the appropriateness of growth investments for our group and international businesses. Moreover, we build and operate a coordinated management process that includes post-investment monitoring as well as investigation and execution of disinvestment and replanning. Furthermore, as an organization under the Strategic Management Council, we have established a Growth Investment Committee that is comprised of 14 executive officers from business promotion and corporate divisions with Director and Executive Vice President Takashi Morimoto as its chief investigator, to deliberate and investigate issues based on expert knowledge. In these ways, we support appropriate decision-making for individual projects and take timely measures when risks manifest to manage investment risks suitably. We regularly report these states of growth investment management to the Executive Meeting, and we reform frameworks and methods for evaluation and management as necessary.

Investment appropriateness evaluations

When implementing investments, along with conformity to company-wide policies for investment goals and objectives, with the assurance of profitability as a prerequisite, we are evaluating the appropriateness of each project based on sufficiently examining risks and sustainability.

Monitoring

After making investments, we regularly conduct monitoring of individual projects to confirm their states of achieving investment objectives and profitability. We demand the implementation of necessary countermeasures when profitability decreases or other issues arise.

Investigations on disinvestment and replanning

For projects that have greatly worsened profitability or that have decreased retention value, based on comprehensive consideration of risks and other conditions, we promptly investigate and deliberate disinvestment and replanning, for example, as we strive to appropriately deal with risks.

Nuclear safety

We have clearly documented our nuclear safety ideals that are to be carried on by future generations of employees in our Commitment to Enhancing Nuclear Safety. Based on this, we are working diligently to increase safety.

Nuclear Safety Enhancement Committee

In order to enhance the safety of the nuclear power, we set up the Nuclear Safety Enhancement Committee comprised of 18 members, including Director and Executive Vice President Toyokazu Misono as the chairperson and executives and directors from every division in the company. We are comprehensively advancing measures to prevent recurrence of an accident like the one at Mihama Nuclear Power Station Unit 3, and we are fostering a safety culture through these measures, reforms and other actions. Furthermore, after the accident at Tokyo Electric Power's Fukushima Daiichi Nuclear Power Station, we are checking and deliberating from a wide range of perspectives to promote voluntary and continuous efforts for safety in nuclear power generation. We report the results of these activities to the president.

Nuclear Safety Verification Committee

We have established the Nuclear Safety Verification Committee comprised of eight members and led by lawyer Kazuhiro Watanabe. The members of this committee are experts in their fields, which include law, nuclear power, quality control and safety. In addition to investigating the effectiveness of our measures to prevent the recurrence of an accident like the one at Mihama Nuclear Power Station Unit 3, they also provide opinions and advice from independent perspectives about our activities to foster a safety culture of nuclear power, as well as about our voluntary and continuous efforts for safety in nuclear power generation in consideration of the accident at Tokyo Electric Power Company Fukushima Daiichi Nuclear Power Station. Through continuous improvements based on the Committee's opinions and advices, we will make our best endeavors to ensure retaining safety.

Assurance of internal auditing suitability

We have established the Internal Auditing Committee comprised of eight members, including outside experts, with Director and Executive Vice President Yoshihiro Doi as the chairperson, in order to widely share and deliberate various management issues related to safety and quality, take in views and information from outside the company, and assure the suitability of internal auditing for the entire group from fair and expert perspectives.

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. In addition, our Office of Internal Auditing brings up matters related to its medium- and long-term action policies to the Internal Auditing Committee and receives the opinions of external experts as the Office will make auditing tasks more sophisticated and efficient.

Management of subsidiaries

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.

Moreover, along with advancing management efforts for the entire group, we also strive to prevent, or at least minimize, any losses to the corporate value of the Group as a whole by participating in important decision-making and periodically checking on the states of management at subsidiaries. In addition, our executive meeting deliberates execution policies and plans for important business, particularly for the core companies responsible for the businesses that are pillars for the future growth of the Group.