

Messages from Outside Directors



As Chairman of the Nominating Committee

Chairman Sakakibara, Nominating Committee

The Nominating Committee is composed entirely of outside members and its responsibilities include the appointment and dismissal of directors, as well as formulating plans for the successor to the President. Retired executives' part-time engagements, etc., which has become a problem, shall be rigorously and objectively deliberated by this Committee regarding their necessity.

Changes in top management and appointment of a successor are important decisions that greatly affect corporate value. It is necessary to anticipate various scenarios and timelines, and to make a successor plan so that we can respond to changes in the future situation. With an emphasis on a transparent selection process and objective selection, I would like to draw up a plan so the most suitable successor will be selected, even following an unpredictable event.

The Committee also plays a role in examining the optimal composition of members for the Board of Directors. It is

important that the Board of Directors is composed of diverse human resources with different backgrounds, in terms of expertise, experience, gender, etc. From this point of view, I will strive to realize a well-balanced composition of the Board through visualizing the qualities of each director.

Along with the above, this Committee shall also provide directors with the knowledge and information necessary to fulfill their responsibilities. By also utilizing external organizations to conduct training, I will seek to increase the effectiveness of governance.

As Chairman of the Compensation Committee

Chairman Kobayashi, Compensation Committee



With the establishment of a policy for determining compensation for directors and executive officers, the Compensation Committee resolves compensation for individual directors and executive officers, and also plays a role in resolving and examining other matters related to compensation for officers.

For those who work for a company, compensation must include self-appraisal as well as encouragement to take the next steps. In particular, officer's compensation is an incentive for employees to make efforts. For these reasons, transparency and

objectivity are required to be incorporated in this content and system. As Chairman of the Compensation Committee, in determining compensation for officers, I would like to aim for a system that enables open discussions, always taking into account the balance among three parties: employees, officers and shareholders. Rebuilding the corporate governance system is also important. The issue of retired executives' compensation for part-time services, etc. is that those amounts were decided without the knowledge of employees and shareholders. From now on, post-retirement treatment and status-based compensation shall be regulated in order to improve objectivity and transparency.

Moreover, in recent years the compensation system for officers has been required to function properly not only in the short term but also over the medium to long term as an incentive. Changes in these trends are also gaining speed. Under these circumstances, I would like to build an appropriate compensation system at the appropriate level, by making thorough discussions at the Committee while constantly checking the general corporate trends and referring to concrete examples of other companies.

As Chairman of the Audit Committee

Chairman Tomono, Audit Committee



Based on the audit plan, the Audit Committee shall audit the execution of duties by directors and executive officers from the perspective of legality and appropriateness, and then prepare audit reports. The Audit Committee members attend board and other important meetings and conduct audits on a routine basis, for instance, investigation of the status of operations and property for our major business locations. In this context, each Audit Committee member is given voting rights as a member of the Board of Directors and is thus required to utilize various information obtained through audit activities for deliberation at

the Board of Directors in order to exert a more effective supervisory function.

As Chairman of the Audit Committee, by establishing good communication with everyone involved in audit activities, I will be fully committed to developing an environment in which the Audit Committee can collect and share sufficient information to fulfill its responsibilities and for the expertise of each Audit Committee member to be effectively used. In addition, by linking collated information to concrete actions, I would like to create a structure that facilitates understanding of related parties about the need for reporting information so that related parties can move autonomously.

Kansai Electric Power Company is an organization like a huge flywheel, so it will not start rotating with just a little push. Presently I feel that it has begun rotating, driven by management's strong determination to change themselves after the Company came under fire from society. If we keep pushing together, the huge flywheel will rotate strongly. The driving force for rotating the flywheel is to accurately grasp what's actually happening on the ground. I want to do my bit to rotate the flywheel.