

Message from the Outside Director

Takamune Okihara

Director
Member of the Nominating
Committee
Member of the Audit
Committee



A review and prospects for the future

Since the cash/gift receiving incident and other problems, the Company has been taking various actions, including governance reforms, under a new business management system that incorporates an objective, external perspective. Amidst these circumstances, there have been instances of compliance-related improprieties. To ensure that such incidents never occur again, we at the Kansai Electric Power Group will resolutely reform our organizational culture to assure thorough compliance and will work together to prevent any recurrences. We are also focusing on a number of company-wide initiatives to restore confidence in our operations in a challenging business environment underpinned by societal changes such as the deregulation of the electricity market and the shift to decarbonization and digitalization.

As a member of the Nominating Committee, I have expressed my opinions on such matters as the operation of the succession plan for the president and the development of successor candidates and succession planning for candidates for outside directors. In addition, as a member of the Audit Committee, I have clarified the mission of the Audit Committee to conduct more effective audits and to improve governance. In Board of Directors meetings, I have made efforts to strengthen the management system, such as by giving my opinions on the status of the execution of duties by directors and executive officers as well as on the legality and appropriateness of matters brought before the Board of Directors.

Furthermore, I have worked to ensure the soundness of management by utilizing information obtained through dialogue with employees in the front-line workplaces and by making suggestions and offering opinions to executive officers and others as needed.

Looking ahead, I intend to continue to play a role in strengthening the supervisory function of the Board of Directors from an objective, external standpoint.

Expectations for the Kansai Electric Power Group

The electric power business is the bedrock of the economic activity of households and businesses, and by extension, a critical public infrastructure that is linked to national security, and therefore is required to provide a safe, inexpensive, and stable supply of electric power.

In order to reconstruct ourselves as a corporate group that is needed by our customers and society, it is essential that we continue to innovate technologically and reform our

management, and that we nurture an energetic organizational culture, a prerequisite for such innovation and reform. We are also expected to play a role in achieving carbon neutrality, a goal that is accelerating on a global scale.

Our Company has a spirit of initiative, having pioneered nuclear power generation and large-scale hydroelectric power generation in Kurobe. It is important to build on these foundations to cultivate a free and open corporate climate that allows for the free flow of ideas and the ability to voice any problems that may arise.

Meanwhile, the employees of the Group are highly talented. In the reforms at hand, it is crucial to clarify and convey to all employees a free and open corporate culture that respects this spirit of initiative. At the same time, if everyone in the Company, from the president to new employees, works in unity with a shared positive mindset and sense of crisis and tackles everything proactively and persistently, I believe we can achieve the reforms we are seeking.

Every one of our employees doing their best and excelling in their respective positions will make the entire Kansai Electric Power Group shine brighter and will further serve to create a new Kansai Electric Power Group, which, considering our role as the most important infrastructure for society, will shine a light on the economy and society of the entire Kansai region, and possibly even the entire nation and world. With such awareness, passion, and pride, I look forward to working persistently with all of our employees to make the Group robust and capable of sustainable development.

Message from the Outside Director



Atsuko Kaga

Director
Member of the
Compensation Committee

Efforts as a member of the Compensation Committee and future prospects

Since June 2020, when the Compensation Committee was established as a legally required part of the Company's shift to being a company with a nominating committee, etc., all members in the Compensation Committee have devoted themselves to developing and operating a compensation system that is commensurate with the responsibilities and achievements of each member, under a system in which all members are outside directors, based on the fundamental premise of ensuring objectivity and transparency.

Over the past year, taking into consideration social trends and the opinions of our shareholders and investors, we have introduced ESG-related indices into performance-based compensation and held discussions on various indices to ensure that targets are set to achieve the goals of the Medium-Term Management Plan. Moreover, in clarifying management responsibility in response to a series of scandals, the Compensation

Committee discussed and reviewed the details of disciplinary actions against those involved to ensure that they are appropriate, and the final decision was made by the Board of Directors. The Compensation Committee will continue to discuss and improve the quality of management to ensure that the compensation system and its level are appropriate in the future.

The majority of our Board of Directors is made up of outside directors, who engage in very lively discussions, and I think governance that values an objective viewpoint from an external perspective is taking root in the Company.

Last year, responding to requests from outside directors that they want to take more time to discuss important management issues with all directors, we held the Group's first joint training session for all directors and executive officers, where they spent two days in spirited discussion and deliberation on management issues and the direction of our growth strategies. My participation in the workshop deepened my understanding of the Company's business operations and I find that it enhanced the quality of the Board of Directors' discussions on medium- to long-term management policies, including the business portfolio of the entire Group.

In response to the series of improprieties, I will continue to put all of my energy into making the Board of Directors function better, with organizational climate reform and drastic reinforcement of internal controls being the major issues to be addressed.

Expectations for the Kansai Electric Power Group

After graduating from university, I was involved in the start-up of a university-launched venture company, which was rare in Japan at the time. Later, I was engaged in consensus building for an urban development project utilizing ICT at a railroad company and in the study of new urban development projects, and have been active in establishing and managing new businesses and organizations

since I was young. After becoming a researcher at a university, I did research and education on urban planning and development, and also worked on the establishment of a new department with the aim of training engineers and researchers to have an understanding of management. Among the many lessons I have learned from these experiences, one that I consider very important is to have an objective perspective. This is because when I was young, I was scolded by someone outside the company who was involved in a project with me, saying, "You are thinking only in terms of your company's internal logic, and you are only looking internally." This made me realize that I had become so entrenched in the organization to which I belonged and that my thinking was biased from an external perspective, and it also made me keenly aware of the need to have an objective point of view.

As the energy business is facing a major turning point, our Group is promoting new initiatives, including not only further expansion of renewable energy but also conversion to zero-carbon thermal power generation using hydrogen, as well as taking on the challenge of entering diverse business domains. In order to promote these efforts, it is necessary for us to always keep an objective point of view, to fully understand our own words, actions, and thoughts, as well as the conditions and challenges of our work within the organization and society, and to make appropriate decisions.

I would like everyone in the Group to listen to the voices of people in various positions and with different ideas so that they may broaden their perspectives through exposure to diverse values, and to constantly update their objective perspectives by visualizing their own actions and thoughts so that they can meet the expectations of customers and society, which change with the times.

I will continue to fulfill my role and responsibility in the Board of Directors, which is to make sound decisions and provide effective supervision while maintaining an objective and external perspective. I will do my utmost, respecting perspectives of various stakeholders, to help the Group achieve transformation and sustainable growth.