

November 26, 2012
The Kansai Electric Power Co., Inc.

Regarding Electricity Rate Increase

The Kansai Electric Power Co., Inc. (Code: 9503)
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Today, the Company submitted a request to the Minister of Economy, Trade and Industry for permission to raise electricity rates for all customers, effective April 1, 2013.

As the Company has been unable to forecast when its nuclear power plants will be allowed to restart following the Great East Japan Earthquake, we have done our utmost to ensure the safe and stable provision of electric power. Our initiatives have included increasing output from our thermal power plants, resuming operations at the Kainan Power Station Unit 2, which has been under long-term planned shutdown, and installing a gas turbine at the Himeji No. 1 Power Station. As a result, the burden of thermal fuel costs has risen substantially. We have done our best to absorb this increase in thermal fuel costs through thorough efforts to bolster management efficiency and by drawing down retained earnings.

However, average thermal fuel costs for the three years from fiscal 2013 through fiscal 2015 are expected to be ¥ 568.9 billion higher than in fiscal 2010, which was before the earthquake. Because of substantial expected rises in these and other costs, at the current rates it will be extremely difficult to prevent our financial condition from worsening further and to avoid damaging our ability to fulfill our topmost mission of supplying electricity in a safe and stable manner.

Consequently, having reduced personnel, advertising and other expenses and done our utmost to boost management efficiency, we have made the difficult decision to request an increase in electricity rates.

Going forward, the Company will continue its efforts to boost overall output, including by restarting our nuclear power facilities. We will also continue working to the best of our abilities to enhance management efficiency still further, pursuing every means to ensure that safe and stable supply of electricity.

(Reference)

We are requesting an increase of 11.88% in rates for regulated industries and 19.23% for liberalized industries.