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Notice Regarding the Establishment of a New Regional Development System

The Kansai Electric Power Company (KEPCO) has been examining and implementing various initiatives in collaboration with host municipalities, subject-matter experts, and national government bodies with respect to the “Co-Creation Council on the Future Vision for the Regions Hosting Nuclear Power Plants in Fukui Prefecture,” which was established in FY2021.

As a concrete initiative, we will specifically establish, as set forth below, a new regional development system with a high degree of objectivity and transparency in order to cooperate in regional development and efforts to address challenges in Fukui Prefecture and the host towns in which seven nuclear reactors of KEPCO are in operation*. We believe that this initiative conforms to the purpose of the Atomic Energy Basic Act, which stipulates the responsibilities of nuclear operators.

* Resolved at the Board of Directors’ Meeting on August 22, 2025

<Outline of the New Regional Development System>

- We will establish a trust for the regional development of Fukui Prefecture and the host towns and plan to contribute, every fiscal year (from FY2025 and for the time being), funds determined in accordance with the operating performance of KEPCO’s nuclear power plants and actual fuel price levels.
- Specific donations will be made by the following procedure: Fukui Prefecture, the host towns and other relevant parties will specify the projects for which donation will be used and the amount of donation; the trust bank will submit such application to a third-party organization

composed of persons who have no interest in this matter; the third-party organization will examine and check the appropriateness of the details of the application and instruct the trust bank to make the donation; and the trust bank will make the donation to Fukui Prefecture, the host towns, etc., in accordance with such instruction.

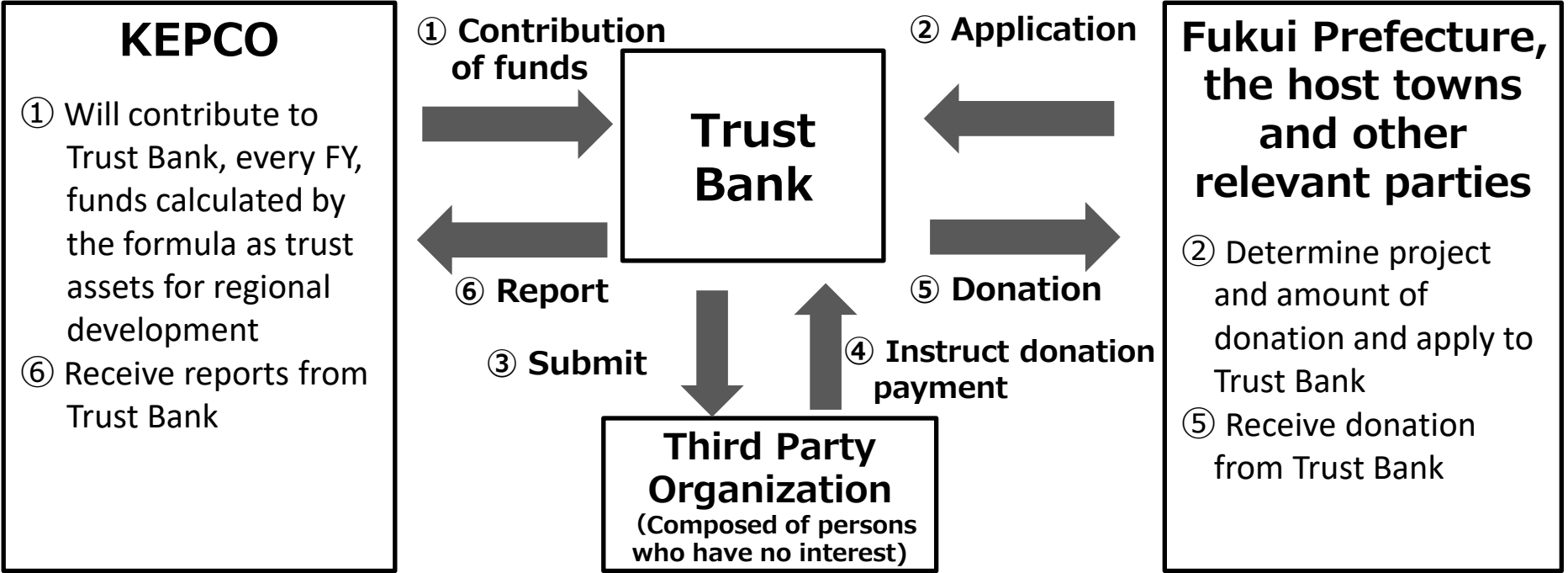
[Future Outlook]

The impact of this matter on the Company's consolidated financial results for the current and subsequent fiscal years is expected to be immaterial.

(Exhibit 1) Relationship Diagram of the New System

(Exhibit 2) Contribution Amount

Relationship Diagram of the New System



- ③ Trust Bank will submit the application from Fukui Prefecture, the host towns, etc., to Third Party Organization
- ④ Will examine and check the appropriateness of the details of the application and instruct payment of donation

Contribution Amount

- The Contribution Amount is calculated by the following formula. The Base Contribution Amount will be 5 billion yen, and the Contribution Amount will be determined by reflecting the trends in the nuclear capacity factor and the average fuel price (thermal fuel price) under the Fuel Cost Adjustment (FCA) system for the baseline fiscal year.
- For FY2025, as the initial basic funds of the trust property, 15 billion yen will be contributed in addition to the Contribution Amount calculated by the formula.

■ Formula

Base
Contribution
Amount

×

Nuclear capacity factor
for the previous FY

—————

Nuclear capacity factor
for the base year

×

Average Fuel Price under the FCA system
for the previous FY

—————

Average Fuel Price under the FCA system
for the base year