

Summary of Press Conference Comments Made by Makoto Yagi, FEPC Chairman, on March 16, 2012

I am Makoto Yagi, Chairman of FEPC. Thank you for taking the time to be here today.

Today, I would like to look back on the past year as this month marks the one-year anniversary since the Great East Japan Earthquake. I will also report on the electricity demand in this winter and the change in the FEPC board of directors.

1. One year since the Great East Japan Earthquake

One year has passed since the Great East Japan Earthquake that caused unprecedented damage. I sincerely pray for the repose of the souls of the victims and the quick recovery of the afflicted people.

As a member of the electric power business, I once again deeply apologize for the serious concern and inconvenience caused by the Fukushima Daiichi nuclear accident, not only to the people of Fukushima Prefecture but to all of Japan.

Looking back, the past year has been marked by a series of emergencies which the electric power utilities have never experienced before. In particular, the earthquake inflicted enormous damage to electric power facilities near the Pacific Coast in the Tohoku and Kanto regions, but the electric power industry managed to recover quickly by pooling its resources, sending materials and equipment to the affected power facilities and closely cooperating in power interchange and fuel procurement.

However, the electric power companies are truly sorry that, in the aftermath of the earthquake and damage to facilities, we had to ask customers to accept planned outages and restrictions on electricity usage. Furthermore, despite the inconvenience of these restrictions last summer, we had to ask customers to again cut back on electricity this winter due to the suspension of nuclear power plants. I once again thank all of our customers for their cooperation in saving electricity.

Determined to prevent a repetition of the March 11 accident, the electric power companies have taken thorough safety measures for emergencies by multiplying and diversifying power supplies and core-cooling functions further. They have also performed stress tests to quantitatively demonstrate that the plants have an adequate safety margin even if incidents of unforeseeable intensity occur.

We will continue to strive toward the highest level of safety in the world by establishing a

new organization to promote further safety measures and by constantly and thoroughly improving both facilities and operations.

Even one year after the earthquake, the power companies still face many problems to restore public trust in the electricity industry and nuclear power. Above all, we must steadily work to bring an end to the accident, including decontaminating the area around the nuclear power station so that residents can return as soon as possible, removing the fuel from the reactor vessels, and decommissioning the plants. FEPC will continue to provide assistance to the power station by sending decontamination experts from the electric power companies.

Meanwhile, we continue to face extremely tight supply and demand, with only two nuclear power plants currently in operation. Further delays in restarting these plants could cause power shortages that significantly affect people's daily lives, and the economy and industry of Japan.

Thus, we are making utmost efforts to secure the necessary supply capacity while keeping demand under control, while ensuring nuclear safety, and are determined to regain the trust of the residents of nuclear plant-hosting communities and the entire society so that the plants can be restarted as soon as possible.

Currently, various discussions are ongoing concerning the electric power business, energy policy, nuclear policy and reforms of the electric power system.

We will listen to the opinions of customers and society, and continue working on solving each challenge, while remembering that the fundamental duty of the electric power companies is to provide high quality and inexpensive electricity to customers in a stable manner.

2. Electricity demand this winter

Next, I would like to report on the electricity demand this winter.

This winter, the average temperatures nationwide were lower than in previous years in general, due to the strong cold weather system and lingering winter atmospheric pressure.

Despite such natural conditions, the maximum peak load in total of the ten power companies remained approximately 155.19 million kW recorded on February 2, approximately 2 million kW lower than last year, or 98.7% of the previous year.

While the details of the electricity demand are yet to be analyzed by each company, the fact that the maximum peak load remained lower than the year before despite the increase in

demand for heating with the average nationwide temperature on February 2 hitting a season low of 0.4 degrees Celsius (weighted average of ten cities), reflects the efforts of the industrial and residential sectors to save electricity.

Currently, Kansai Electric is asking customers to cut back on electricity by at least 10% till March 23, while other power companies are also asking customers to save power but without economic activities and daily lives being affected. Thanks to the cooperation of our customers, we are likely to get through this winter without a power cut.

Meanwhile, in the early morning of February 3, a trouble at the Shin-Oita Power Station of Kyushu Electric Power Company caused 2.3 million kilowatt power generators to stop. Six power companies including Kansai Electric provided Kyushu Electric with a total of 2.1 million kilowatts of electricity from the day's capacity to stabilize the electricity supply in the Kyushu area, despite the significant expected tightening of power supply in their responsible areas.

While the electric power companies are still working on their supply-demand outlooks for the upcoming term, it is extremely important to secure an adequate reserve capacity to deal with sudden supply shortages caused by unforeseen troubles like this one.

Further, regarding the fuel consumption during the three winter months, the output of the thermal power plants of the power companies increased 40.5% year-on-year. As a result, the consumption of crude oil almost tripled, and that of LNG increased by 34%.

This increased usage of fossil fuel is worsening the financial situation of the power companies, and any deterioration of the situation in Iran could cause further increases in oil prices and possibly affect the procurement of Japan, which relies on imports for most of its energy resources.

3. Change in the FEPC board of directors

Lastly, I would like to report a change in the FEPC board of directors, which was decided at today's General Policy Meeting, as reported in the attached document. Mr. Manabe, President of Kyushu Electric Power Company, will retire as president of the company as of April 1 and hence resign as Vice Chairman of FEPC, and will be replaced by Mr. Chiba, President of Shikoku Electric Power Company. There are no other changes in the board of directors.

This is all for today. Thank you for your kind attention.

Document

March 16, 2012

FEPC

Replacement of FEPC Directors

We hereby announce the replacement of FEPC directors decided by the General Policy Meeting held today.

Regarding the vice-chairmanship, Mr. Toshio Manabe, the President of Kyushu Electric Power Company, will be taken by Mr. Akira Chiba, the President of Shikoku Electric Power Company, on April 1, 2012.

Until March 31, 2012	From April 1, 2012
Vice Chairman Toshio Manabe (President of Kyushu Electric Power Co., Inc.; will be appointed as a board member of the Company on April 1, 2012)	Vice Chairman Akira Chiba (President and Director of Shikoku Electric Power Co., Inc.)

(No changes were made to the positions of the other directors.)

Reference:

New Board of Directors of FEPC (from June 29, 2011)

Chairman	Makoto Yagi (President and Director of Kansai Electric Power Co., Inc.)
Vice Chairmen	Yoshitaka Sato (President and Director of Hokkaido Electric Power Co., Inc.) Akira Chiba (President and Director of Shikoku Electric Power Co., Inc.) Shigeru Kimura (Director of Tokyo Electric Power Company)

Senior Managing Director, Fukushima Support Headquarters

Yuji Kume (Director of Chubu Electric Power Co., Inc.)

Director, Secretary General

Yutaka Inada (Director of Kansai Electric Power Co., Inc.)

Director, Deputy Secretary General

Yasuhiro Tejima (Director of Tokyo Electric Power
Company)

Director, Nuclear Fuel Cycle Promotion Headquarters

Susumu Tanuma (Kansai Electric Power Co., Inc.)

Director, Geological Repository Promotion Headquarters

Kazuya Sugiyama (Tokyo Electric Power Company)