

Financial results for 1Q of FY ending 3/2007 & Financial forecasts for FY ending 3/2007

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The Kansai Electric Power Co., Inc.

Financial forecasts are subject to change depending upon the changes of business environments and other conditions.

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Financial highlights

(billion yen)

	Consolidated (a)			Non-consolidated (b)			(a)/(b)	
	4/06-6/06	4/05-6/05	Increase/ decrease	4/06-6/06	4/05-6/05	Increase/ decrease	4/06-6/06	4/05-6/05
Operating revenue	592.9	577.0	+15.8 (+2.7%)	554.3	537.2	+17.0 (+3.2%)	1.07	1.07
Operating income	70.4	91.9	-21.5 (-23.5%)	64.0	87.3	-23.3 (-26.7%)	1.10	1.05
Ordinary income for 1Q	59.0	73.8	-14.8 (-20.1%)	53.8	70.5	-16.6 (-23.6%)	1.10	1.05
Net income for 1Q	34.9	49.7	-14.8 (-29.8%)	32.0	48.3	-16.2 (-33.7%)	1.09	1.03

	Consolidated			Non-consolidated		
	6/06	3/06	Increase/ decrease	6/06	3/06	Increase/ decrease
Total asset	6,758.4	6,856.4	-98.0 (-1.4%)	6,178.4	6,268.8	-90.4 (-1.4%)
Interest-bearing debt	3,332.8	3,323.9	+8.8 (+0.3%)	2,975.9	2,975.8	+0.1 (+0.0%)
Equity ratio	26.5%	26.0%	+0.5%	25.9%	25.5%	+0.4%

*1. () : Changes from the previous term, %

*2. Ordinary income means Income before Provision for (reversal of) Reserve for Fluctuation in Water Level, special items and Income taxes

Major factors (non-consolidated)

	4/06-6/06	4/05-6/05	Increase/decrease
Electricity sales (TWh)	34.5 (102.6)	33.6 (100.7)	+0.9
Residential (TWh)	11.0 (106.0)	10.4 (103.5)	+0.6
Commercial and industrial (TWh)	23.4 (101.1)	23.2 (99.4)	+0.3
Nuclear capacity factor (%)	73.6	71.5	+2.1
Water run-off ratio (%)	107.6	82.5	+25.1
All Japan CIF crude oil price (\$/barrel)	65.0	49.7	+15.3
Exchange rate [TTM] (yen/\$)	114	108	+6
Interest rate [long-term prime rate] (%)	2.43	1.52	+0.91

* () : Changes from the previous term, %

Electricity sales

<Electricity sales volume>

(million kWh, %)

			April	May	June	1Q
Regulated segment	Lightning		4,371 (106.9)	3,609 (106.7)	3,033 (104.1)	11,013 (106.0)
	Power	Low voltage	462 (94.8)	371 (98.8)	386 (97.1)	1,219 (96.7)
		Others	117 (98.0)	102 (98.8)	79 (93.4)	298 (97.0)
		Sub total	579 (95.4)	473 (98.8)	465 (96.5)	1,517 (96.8)
	Sub total		4,950 (105.4)	4,082 (105.7)	3,498 (103.0)	12,530 (104.8)
Liberalized segment			7,138 (100.6)	7,004 (101.5)	7,791 (102.2)	21,932 (101.4)
Total			12,088 (102.5)	11,086 (103.0)	11,289 (102.4)	34,462 (102.6)

【Breakdown of liberalized segment】

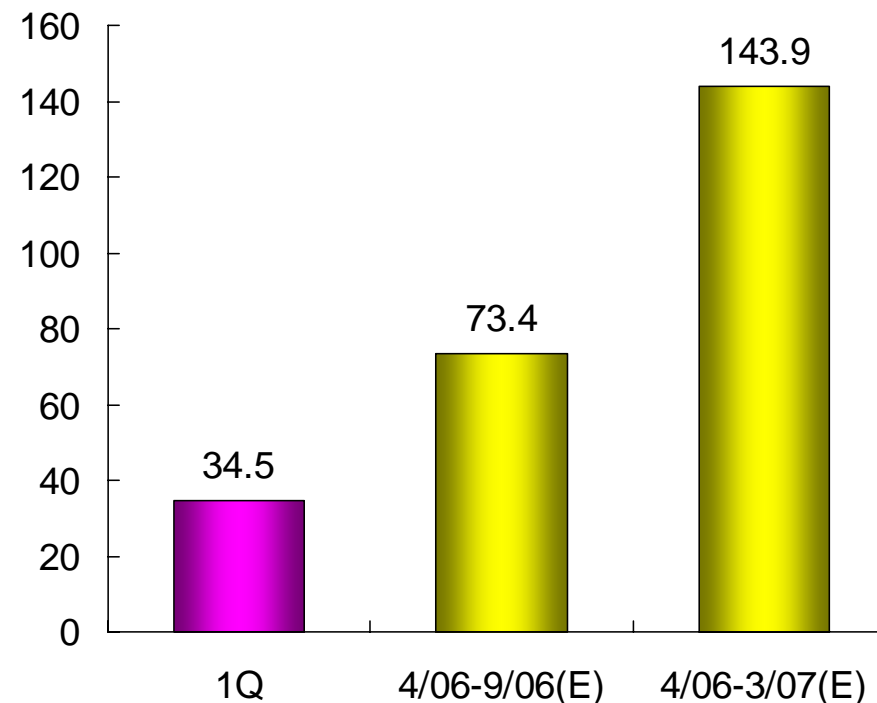
Commercial	2,629 (101.6)	2,539 (102.4)	2,822 (100.4)	7,990 (101.4)
Industrial	4,488 (99.7)	4,438 (101.0)	4,935 (103.3)	13,861 (101.4)

* () : Changes from the previous term, %

Total electricity sales for 1Q increased to 34,462 million kWh (+2.6%) from the same period in 2005, mainly due to an increase of electricity demand for heating purposes according to the relatively low temperature in early Spring and due to continuous economic recovery according to steady increase in capital expenditures, exports and corporate production activities.

<Electricity sales forecasts>

(TWh)



* The Figures as of May 2006 have not been changed.

Non-consolidated statement of income

(billion yen)

	4/06- 6/06	4/05- 6/05	Increase/ Decrease	Breakdown
Ordinary revenue	558.6	540.7	+17.8	
Electricity sales	528.5	518.8	+9.6	<ul style="list-style-type: none"> ▪ Increase in electricity kWh sales +14.0 ▪ Decrease in revenue per kWh mainly due to rate cut -4.0
Others	30.0	21.9	+8.1	<ul style="list-style-type: none"> ▪ Increase in incidental business revenues +4.1
Ordinary expenses	504.7	470.2	+34.4	
Personnel	53.9	58.8	-4.9	<ul style="list-style-type: none"> ▪ Retirement benefit cost -5.1
Fuel	77.4	56.3	+21.1	<ul style="list-style-type: none"> ▪ Fossil fuel costs +21.3 <ul style="list-style-type: none"> ▪ Increase in electricity sales +5.0 ▪ Increase in water flow -6.0 ▪ Increase in nuclear capacity factor -3.0 ▪ Depreciation of yen, rise in oil prices and other factors +25.0 ▪ Nuclear fuel costs -0.1
Maintenance	49.6	41.7	+7.8	<ul style="list-style-type: none"> ▪ Nuclear power +2.1, ▪ Fossil-fired power +2.0
Taxes other than income taxes	37.1	38.3	-1.1	
Depreciation	76.8	81.7	-4.9	<ul style="list-style-type: none"> ▪ Fossil-fired power -1.5, ▪ Nuclear power -0.8, ▪ Distribution -0.7
Purchased power	97.0	87.9	+9.1	<ul style="list-style-type: none"> ▪ From other utilities +2.9 ▪ From other non-utility companies +6.1
Interest expenses	13.4	15.4	-1.9	<ul style="list-style-type: none"> ▪ Decrease in principal amount -0.9 ▪ Fall in interest rate -0.2
Other	99.1	89.7	+9.4	<ul style="list-style-type: none"> ▪ Increase in incidental business expenses +5.2 ▪ Reprocessing cost of irradiated nuclear fuel +5.1
Ordinary income	53.8	70.5	-16.6	

Financial forecasts

(billion yen)

	Consolidated		Non-consolidated	
	4/06-9/06(E)	4/06-3/07(E)	4/06-9/06(E)	4/06-3/07(E)
Operating revenue	1,255.0	2,520.0	1,170.0	2,320.0
Operating income	205.0	260.0	190.0	230.0
Ordinary income	170.0	205.0	160.0	180.0
Net income	106.0	123.0	100.0	110.0

* () : Changes from the previous term, %

<Major factors>

	4/06-9/06(E)	4/06-3/07(E)
Electricity sales (TWh)	73.4	143.9
Nuclear capacity factor (%)	73.7	73.3
Water run-off ratio (%)	100.0	100.0
All Japan CIF crude oil price (\$/barrel)	Approx. 60	Approx. 60
Exchange rate [TTM] (yen/\$)	Approx. 120	Approx. 120
Interest rate [long-term prime rate] (%)	Approx. 2.5	Approx. 2.5

*The Figures as of May 2006 have not been changed

Financial highlights of non-electric business

(billion yen)

		4/06-6/06	Increase/ decrease	Breakdown
Non-electric business (*1)	Sales to non-group companies	51.0	+3.0	
	Ordinary income	6.0	+0.6	
Total energy business (*2)	Sales to non-group companies	10.2	+4.2	▪ Increase in energy sales volume
	Ordinary income	-0.3	-0.1	
IT/communication business (results of K-Opticom)	Sales to non-group companies	19.7 (16.8)	+2.3 (+3.1)	▪ Increase in FTTH subscribers
	Ordinary income	1.2 (1.4)	+1.9 (+2.0)	
Life support amenity business	Sales to non-group companies	8.5	-1.5	▪ Decrease in the number of house sales
	Ordinary income	1.7	-0.9	
Other business	Sales to non-group companies	12.5	-2.0	▪ Decrease in order amount
	Ordinary income	3.4	-0.2	

*1. Figures in this page are before eliminations.

*2. Total energy business includes 'Gas supply business' and 'Fuel supply business' booked as 'Incidental business' in non-consolidated financial statement.

Financial forecasts of non-electric business

(billion yen)

		4/06-3/07(E)	Increase/decrease	Breakdown
Non-electric business (*1)	Sales to non-group companies	238.8	±0	The Figures as of May 2006 have not been changed.
	Ordinary income	23.9	±0	
Total energy business (*2)	Sales to non-group companies	40.2	±0	
	Ordinary income	0.1	±0	
IT/communication business (forecasts of K-Opticom)	Sales to non-group companies	82.7 (69.3)	±0 (±0)	
	Ordinary income	1.8 (0.9)	±0 (±0)	
Life support amenity business	Sales to non-group companies	46.7	±0	
	Ordinary income	6.4	±0	
Other business	Sales to non-group companies	69.1	±0	
	Ordinary income	15.4	±0	

*1. Figures in this page are before eliminations.

*2. Total energy business includes 'Gas supply business' and 'Fuel supply business' booked as 'Incidental business' in non-consolidated financial statement.

Sales performance and objectives

		4/05-6/05	4/06-6/06	Objectives
Electric Business	Net increase of all electric homes	21 thousand	27 thousand	230 thousand (FY ending Mar. 07 ~ FY ending Mar. 08)
Total energy	Sales volume of gas and heavy oil (equivalent to LNG)	120 thousand tons	180 thousand tons	Approx. 650 thousand tons (FY ending Mar. 2007)

		3/06	6/06	Objectives
IT/communication	Number of individual customers	507 thousand	543 thousand	620 thousand (as of March-end 2007)
	Number of FTTH subscribers	379 thousand	423 thousand	530 thousand (as of March-end 2007)
	Number of corporate customers	20.3 thousand	20.6 thousand	21 thousand (as of March-end 2007)

For further information

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