

# Revision of Financial Forecasts for FY ending March 31, 2009

July 28, 2008

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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# Point of the Revision of Financial Forecasts

The Company revised its financial forecasts for the following reasons.

- Increase in fossil fuel cost due to recent sharp rise of fuel price.
- Increase in fossil fuel cost due to more generated power from thermal power plants, resulting largely from covering the influence of the extension of inspection period for Ohi Unit 3.

## <Main factor of the revision>

Increase in fossil fuel cost due to rise of fuel price	Operating expenses +210 billion yen (consolidated, non-consolidated)	<p>【All Japan CIF crude oil price】</p> <p>95\$/barrel (previous) → 121\$/barrel (revised)</p> <p>【Exchange rate】</p> <p>105yen/\$ (previous) → 109yen/\$ (revised)</p>
Increase in fossil fuel cost due to decline of nuclear capacity factor	Operating expenses +35 billion yen (consolidated, non-consolidated)	<p>【Nuclear capacity factor】</p> <p>75.8% (previous) → 71.5% (revised)</p>
Other	Operating revenues +50 billion yen (consolidated, non-consolidated)	<p>【Increase in Electricity sales】</p> <p>+ 39 billion yen</p>

# The Revision of Financial Forecasts

(billion yen)

	Consolidated			Non-consolidated		
	Revised (E)	Previous (E)	Change	Revised (E)	Previous (E)	Change
Operating revenues	2,850.0	2,800.0	+50.0 (+1.8%)	2,620.0	2,570.0	+50.0 (+1.9%)
Operating income or loss	-52.0	145.0	-197.0 (—)	-90.0	110.0	-200.0 (—)
Ordinary income or loss	-82.0	115.0	-197.0 (—)	-120.0	80.0	-200.0 (—)
Net income or loss	-55.0	69.0	-124.0 (—)	-81.0	46.0	-127.0 (—)

\* ( ) : Changes from the previous estimate, %

## <Major factors>

	Revised (E)	Previous (E)
Electricity sales (TWh)	149.2	149.2
Nuclear capacity factor (%)	71.5	75.8
Water run-off ratio (%)	97.7	100.0
All Japan CIF crude oil price (\$/barrel)	Approx. 121	Approx. 95
Exchange rate [TTM] (yen/\$)	Approx. 109	Approx. 105
Interest rate [long-term prime rate] (%)	Approx. 2.0	Approx. 2.0

## <Sensitivity of major factors>

(billion yen)

	Revised (E)	Previous (E)
Nuclear capacity factor per 1%	10.4	8.2
Water run-off ratio per 1%	1.7	1.4
All Japan CIF crude oil price per \$1/barrel	5.5	4.9
Exchange rate [TTM] per ¥1/\$	8.4	6.5
Interest rate [long-term prime rate] per 1%	6.4	5.6

## 【Dividend forecasts for FY ending 3/09】

The forecast announced on April 30, 2008 have been unchanged. (Interim:30yen , Year-end:30yen , Annual:60yen)

# Details of Financial Forecasts (non-consolidated)

(billion yen)

	Revised (E)	Previous (E)	Change	Breakdown	4/07-3/08 (actual)
<b>Operating revenues</b>	2,620	2,570	+50	• Increase in electricity sales +39	2,478.5
<b>Ordinary income or loss</b>	-120	80	-200	<ul style="list-style-type: none"> <li>• Increase in fossil-fuel costs due to rise of fuel price -210</li> <li>• Increase in fossil-fuel costs due to decline of nuclear capacity factor -35</li> <li>• Increase in fossil-fuel costs due to decrease in water flow -3</li> <li>• Increase in electricity sales +39</li> <li>• Saving on other operating costs and other +9</li> </ul>	110.9
<b>Net income or loss</b>	-81	46	-127		55.4

# Appendix

# The Revision of Financial Forecasts for the half-year ending Sep. 2008

(billion yen)

	Consolidated			Non-consolidated		
	Revised (E)	Previous (E)	Change	Revised (E)	Previous (E)	Change
Operating revenues	1,380.0	1,380.0	—	1,270.0	1,270.0	—
Operating income or loss	-85.0	33.0	-118.0 (—)	-100.0	20.0	-120.0 (—)
Ordinary income or loss	-95.0	23.0	-118.0 (—)	-110.0	10.0	-120.0 (—)
Net income or loss	-64.0	11.0	-75.0 (—)	-73.0	4.0	-77.0 (—)

\* ( ) : Changes from the previous estimate, %

## <Major factors>

	Revised (E)	Previous (E)
Electricity sales (TWh)	74.9	74.9
Nuclear capacity factor (%)	60.6	67.3
Water run-off ratio (%)	96.3	100.0
All Japan CIF crude oil price (\$/barrel)	Approx. 118	Approx. 95
Exchange rate [TTM] (yen/\$)	Approx. 107	Approx. 105
Interest rate [long-term prime rate] (%)	Approx. 2.0	Approx. 2.0

## <Sensitivity of major factors>

(billion yen)

	Revised (E)	Previous (E)
Nuclear capacity factor per 1%	5.2	4.4
Water run-off ratio per 1%	1.0	0.9
All Japan CIF crude oil price per \$1/barrel	3.4	3.0
Exchange rate [TTM] per ¥1/\$	4.7	3.7
Interest rate [long-term prime rate] per 1%	2.1	2.1

# Details of Financial Forecasts for the half-year ending Sep. 2008 (non-consolidated)

(billion yen)

	Revised (E)	Previous (E)	Change	Breakdown	4/07-9/07 (actual)
<b>Operating revenues</b>	1,270	1,270	—		1,232.6
<b>Ordinary income or loss</b>	-110	10	-120	<ul style="list-style-type: none"> <li>▪ Increase in fossil-fuel costs due to rise of fuel price -100</li> <li>▪ Increase in fossil-fuel costs due to decline of nuclear capacity factor -29</li> <li>▪ Increase in fossil-fuel costs due to decrease in water flow -3</li> <li>▪ Delaying the timing of payment of other operating costs Saving on other operating costs, and other } +12</li> </ul>	128.1
<b>Net income or loss</b>	-73	4	-77		85.2



## For further information

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