

Financial results for 1Q of FY ending 3/2009 & Financial forecasts for FY ending 3/2009

July 31, 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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Financial highlights

(billion yen)

	Consolidated (a)			Non-consolidated (b)			(a)/(b)	
	4/08-6/08	4/07-6/07	Change	4/08-6/08	4/07-6/07	Change	4/08-6/08	4/07-6/07
Operating revenue	623.0	596.2	+26.8 (+4.5%)	572.5	553.5	+18.9 (+3.4%)	1.09	1.08
Operating income or loss	-35.5	53.0	-88.6 (—)	-45.1	47.7	-92.8 (—)	—	1.11
Ordinary income or loss	-42.3	43.8	-86.1 (—)	-50.8	39.0	-89.9 (—)	—	1.12
Net income or loss	-27.5	31.4	-59.0 (—)	-33.2	29.3	-62.5 (—)	—	1.07

	Consolidated			Non-consolidated		
	Jun. 30, 2008	Mar. 31, 2008	Change	Jun. 30, 2008	Mar. 31, 2008	Change
Total asset	6,815.6	6,789.6	+26.0 (+0.4%)	6,174.6	6,135.0	+39.6 (+0.6%)
Interest-bearing debt	3,311.6	3,166.4	+145.1 (+4.6%)	2,960.3	2,813.3	+147.0 (+5.2%)
Equity ratio	26.3%	27.1%	-0.8%	25.1%	26.1%	-1.0%

*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)

	4/08-6/08	4/07-6/07	Change
Electricity sales (TWh)	34.4 (100.0)	34.4 (99.9)	—
Residential (TWh)	10.6 (97.8)	10.8 (98.4)	-0.2
Commercial and industrial (TWh) (*2)	23.8(101.0)	23.6(100.7)	+0.2
Nuclear capacity factor (%)	53.6	71.1	-17.5
Water run-off ratio (%)	93.0	75.7	+17.3
All Japan CIF crude oil price (\$/barrel)	109.8	64.7	+45.1
Exchange rate [TTM] (yen/\$)	105	121	-16
Interest rate [long-term prime rate] (%)	2.29	2.30	-0.01

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

*2. Including the liberalized segment

Electricity sales

<Electricity sales volume>

(million kWh, %)

			April	May	June	1Q
Regulated segment	Lightning		3,777 (92.6)	3,735 (99.7)	3,086 (102.5)	10,599 (97.8)
	Power	Low voltage	352 (86.1)	360 (96.0)	354 (96.6)	1,066 (92.7)
		Others	89 (87.2)	90 (90.1)	69 (92.5)	249 (89.7)
		Sub total	442 (86.3)	450 (94.8)	423 (95.9)	1,315 (92.1)
	Sub total		4,219 (91.9)	4,185 (99.1)	3,510 (101.7)	11,914 (97.1)
Liberalized segment			7,275 (99.9)	7,404 (103.3)	7,851 (101.7)	22,531 (101.6)
Total			11,494 (96.8)	11,589 (101.7)	11,361 (101.7)	34,444 (100.0)

【Breakdown of liberalized segment】

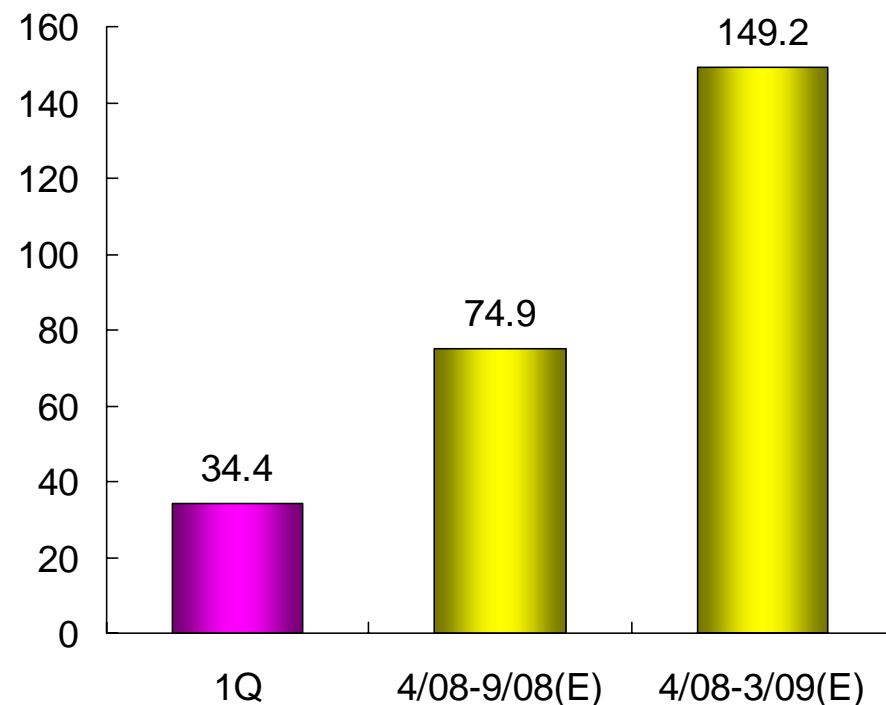
Commercial	2,563 (98.0)	2,536 (99.5)	2,755 (98.5)	7,853 (98.7)
Industrial	4,692 (101.0)	4,840 (105.3)	5,070 (103.5)	14,603 (103.3)

* () : Changes from the previous term, %

- In spite of slowdown in economy, industrial demand increased due to steady corporate production activities according to a modest increase in capital expenditures and exports.
- Meanwhile, electricity demand for heating purposes decreased due to the relatively high-temperature in early spring.
- As a result, total electricity sales for 1Q were 34,444 million kWh, almost the same as the same period in 2007.

<Electricity sales forecasts>

(TWh)



- * The Figures announced on July 28, 2008 have been unchanged.
(The Figures announced on April 30, 2008 also have been unchanged.)

Non-consolidated statement of income

(billion yen)

	4/08-6/08	4/07-6/07	Change	Breakdown
Ordinary revenue (Operating revenue)	580.7 (572.5)	558.6 (553.5)	+22.0 (+18.9)	
Electricity sales	537.1	525.4	+11.6	• Increase in revenue per kWh +11.6
Others	43.5	33.1	+10.3	• Incidental business revenues +3.7 • Sold power to other Utilities and companies +3.3
Ordinary expenses	631.5	519.5	+111.9	
Personnel	59.6	53.4	+6.2	
Fuel	185.9	105.0	+80.9	• Fossil fuel costs +83.5 • Decline in nuclear capacity factor +30.0, • Decrease in purchased power +2.0 • Rise in oil, LNG and coal prices +58.0 • Changes in component of fuel sources +6.0, • Increase in water flow -6.0 • Appreciation of the yen -16.0 • Nuclear fuel costs -2.6
Backend expenses of nuclear power	21.2	23.4	-2.2	• Reprocessing cost of irradiated nuclear fuel -1.0 • Reprocessing cost of irradiated nuclear fuel without definite plans -0.6
Maintenance	49.5	47.8	+1.6	• Fossil-fired power +2.2 (regular inspection units 3→5)
Taxes other than income taxes	35.6	36.7	-1.0	
Depreciation	73.9	76.8	-2.8	• Transmission -0.8, • Fossil-fired power -0.7
Purchased power	107.6	86.0	+21.5	• From other utilities +11.7 • From other non-utility companies +9.8
Interest expenses	12.5	12.9	-0.3	
Other	85.3	77.3	+8.0	• Incidental business expenses +4.3
Ordinary income or loss	-50.8	39.0	-89.9	

Financial forecasts for FY ending 3/2009

(billion yen)

	Consolidated		Non-consolidated	
	4/08-3/09 (E)	4/08-9/08(E)	4/08-3/09 (E)	4/08-9/08(E)
Operating revenue	2,850	1,380	2,620	1,270
Operating income or loss	-52	-85	-90	-100
Ordinary income or loss	-82	-95	-120	-110
Net income or loss	-55	-64	-81	-73

<Major factors>

	4/08-3/09 (E)	4/08-9/08(E)
Electricity sales (TWh)	149.2	74.9
Nuclear capacity factor (%)	71.5	60.6
Water run-off ratio (%)	97.7	96.3
All Japan CIF crude oil price (\$/barrel)	Approx. 121	Approx. 118
Exchange rate [TTM] (yen/\$)	Approx. 109	Approx. 107
Interest rate [long-term prime rate] (%)	Approx. 2.0	Approx. 2.0

<Sensitivity of major factors>

(billion yen)

	4/08-3/09 (E)	4/08-9/08 (E)
Nuclear capacity factor per 1%	10.4	5.2
Water run-off ratio per 1%	1.7	1.0
All Japan CIF crude oil price per \$1/barrel	5.5	3.4
Exchange rate [TTM] per ¥1/\$	8.4	4.7
Interest rate [long-term prime rate] per 1%	6.4	2.1

※ The Figures announced on July 28, 2008 have been unchanged.

Financial highlights of non-electric business

(billion yen)

		4/08-6/08	Change from 4/07-6/07	Breakdown
Non-electric business (*1)	Sales to non-group companies	66.9	+11.5	
	Ordinary income or loss	10.1	+4.6	
Total energy business (*2)	Sales to non-group companies	15.1	+3.7	• Increase in sales price (gas)
	Ordinary income or loss	-0.1	-0.2	
IT/communication business (results of K-Opticom)	Sales to non-group companies	26.2 (21.8)	+3.9 (+2.8)	• Increase in FTTH subscribers
	Ordinary income or loss	2.5 (2.5)	+2.4 (+2.3)	• Increase in FTTH subscribers • Decrease in depreciation cost according to the amendment of Corporate Tax Law
Life support amenity business	Sales to non-group companies	8.4	±0	
	Ordinary income or loss	2.2	-0.1	
Other business	Sales to non-group companies	17.0	+3.8	• Completion of construction projects
	Ordinary income or loss	5.4	+2.5	

*1. Figures in this page are before eliminations.

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

Financial forecasts of non-electric business

(billion yen)

		Revised (E)	Change from previous forecast (4/2008)	Breakdown
Non-electric business (*1)	Sales to non- group companies	309.0	+7.0	
	Ordinary income or loss	35.0	-3.0	
Total energy business (*2)	Sales to non- group companies	81.0	+7.0	• Increase in sales price (gas)
	Ordinary income or loss	-6.0	-6.0	• Increase in material costs
IT/communication business (forecasts of K-Opticom)	Sales to non- group companies	107.0 (89.3)	±0 (±0)	• Decrease in depreciation cost according to the amendment of Corporate Tax Law
	Ordinary income or loss	11.5 (10.4)	+3.0 (+3.0)	
Life support amenity business	Sales to non- group companies	44.0	±0	
	Ordinary income or loss	8.0	±0	
Other business	Sales to non- group companies	77.0	±0	
	Ordinary income or loss	21.5	±0	

*1. Figures in this page are before eliminations.

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

Sales performance and objectives

		4/07-6/07	4/08-6/08	Objective
Electric Business	Increase of all-electric-house	27 thousand	25 thousand	380 thousand (FY ending 3/2009 ~ FY ending 3/2011)

(appendix)		Jun. 30, 2008
Electric Business	Number of all-electric-houses	597 thousand

		4/07-6/07	4/08-6/08	Forecast
Total energy	Sales volume of gas and heavy oil [equivalent to LNG] (tons)	170 thousand	200 thousand	850 thousand (FY ending 3/2009)

		Mar. 31, 2008	Jun. 30, 2008	Objective
IT/communication	Number of individual customers	761 thousand	800 thousand	890 thousand (as of 3/2009)
	Number of FTTH subscribers	682 thousand	727 thousand	830 thousand (as of 3/2009)
	Number of corporate customers	28 thousand	28 thousand	30 thousand (as of 3/2009)

For further information

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