

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

January 30, 2009

The Kansai Electric Power Co., Inc.

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

Contents

■ Financial results for 3Q of FY ending March 31, 2009	(Page)
Financial highlights (consolidated, non-consolidated) -----	2
Major factors (non-consolidated) -----	3
Electricity sales -----	4
Non-consolidated statement of income -----	5
 ■ Revision of financial forecasts for FY ending March 31, 2009	
Point of the revision of financial forecasts -----	6
Financial forecasts (consolidated, non-consolidated) -----	7
Details of financial forecasts (non-consolidated) -----	8
 ■ Financial results and forecasts of non-electric business	
Financial highlights of non-electric business -----	9
Financial forecasts of non-electric business -----	10
 ■ Appendix	
Sales performance and objectives -----	11

Financial highlights (consolidated, non-consolidated)

(billion yen)

	Consolidated (a)			Non-consolidated (b)			(a)/(b)	
	4/08-12/08	4/07-12/07	Change	4/08-12/08	4/07-12/07	Change	4/08-12/08	4/07-12/07
Operating revenue	2,039.5	1,962.0	+77.5 (+4.0%)	1,879.2	1,813.2	+66.0 (+3.6%)	1.09	1.08
Operating income or loss	-81.1	156.3	-237.4 (—)	-111.7	133.2	-245.0 (—)	—	1.17
Ordinary income or loss	-107.6	128.9	-236.6 (—)	-136.3	105.6	-241.9 (—)	—	1.22
Net income or loss	-70.1	86.6	-156.8 (—)	-89.9	70.8	-160.8 (—)	—	1.22

	Consolidated			Non-consolidated		
	Dec. 31, 2008	Mar. 31, 2008	Change	Dec. 31, 2008	Mar. 31, 2008	Change
Total asset	6,952.5	6,789.6	+162.9 (+2.4%)	6,254.0	6,135.0	+119.0 (+1.9%)
Interest-bearing debt	3,514.1	3,166.4	+347.7 (+11.0%)	3,137.2	2,813.3	+323.8 (+11.5%)
Equity ratio	23.7%	27.1%	-3.4%	22.4%	26.1%	-3.7%

*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)

	4/08-12/08	4/07-12/07	Change
Electricity sales (TWh)	109.9 (99.0)	110.9 (100.8)	-1.1
Residential (TWh)	34.6 (98.6)	35.1 (101.3)	-0.5
Commercial and industrial (TWh)	75.2 (99.2)	75.8 (100.5)	-0.6
Nuclear capacity factor (%)	66.0	76.7	-10.7
Water run-off ratio (%)	84.9	86.4	-1.5
All Japan CIF crude oil price (\$/barrel)	105.1	73.5	+31.6
Exchange rate [TTM] (yen/\$)	103	117	-14
Interest rate [long-term prime rate] (%)	2.33	2.36	-0.03

* () : Changes from the previous term, %

Electricity sales

<Electricity sales volume>

(million kWh, %)

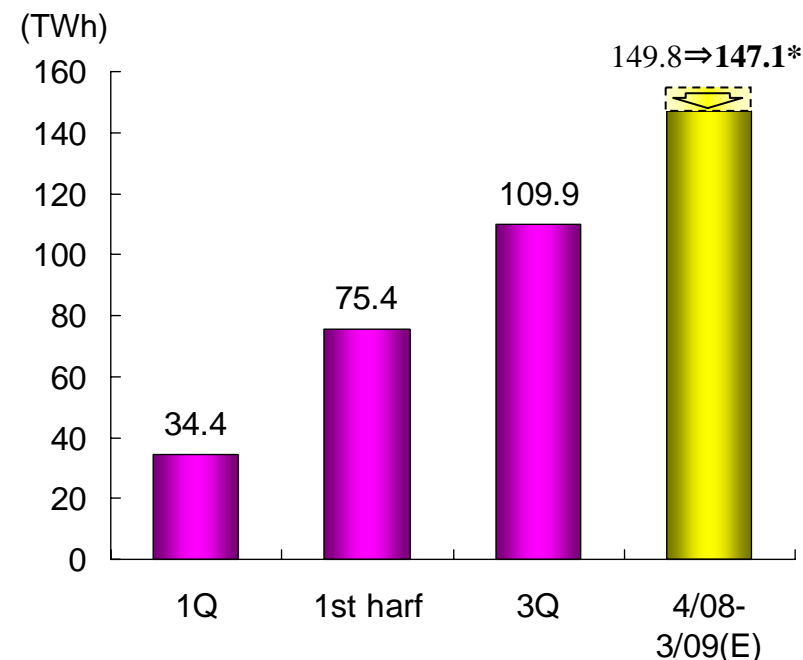
			1 st half	Oct.	Nov.	Dec.	3Q
Regulated segment	Lightning		23,531 (98.7)	3,529 (101.0)	3,689 (103.6)	3,900 (91.8)	34,650 (98.6)
	Power	Low voltage	3,057 (94.8)	450 (87.4)	359 (99.1)	360 (87.5)	4,225 (93.6)
		Others	435 (91.3)	59 (106.9)	72 (96.4)	77 (85.1)	643 (92.3)
		Sub total	3,492 (94.3)	509 (89.3)	430 (98.7)	437 (87.1)	4,868 (93.4)
	Sub total		27,024 (98.1)	4,038 (99.3)	4,119 (103.0)	4,337 (91.3)	39,518 (97.9)
Liberalized segment			48,421 (101.3)	7,838 (97.5)	7,166 (97.6)	6,934 (93.7)	70,360 (99.7)
Total			75,445 (100.1)	11,875 (98.1)	11,286 (99.5)	11,271 (92.8)	109,877 (99.0)

【Breakdown of liberalized segment】

Commercial	18,052 (99.1)	2,859 (93.9)	2,568 (99.2)	2,626 (100.2)	26,105 (98.6)
Industrial	30,193 (102.6)	4,951 (99.8)	4,576 (96.8)	4,287 (90.1)	44,008 (100.3)

* () : Changes from the previous term, %

<Electricity sales results and forecasts>



* The figure has been revised down from the figure announced on October 2008.

Total electricity sales for 3Q decreased to 109,877 million kWh (-1.0%) from the same period in the previous year for the following reasons.

- in spite of reduction of corporate production activities caused by recent sharp economic recession, industrial demand increased due to rising amount of capital expenditures and exports in the 1st half.
- Decrease in electricity demand for air conditioning due to the relatively low-temperature from mid-August to early October.

Non-consolidated statement of income

(billion yen)

	4/08-12/08	4/07-12/07	Change	Breakdown
Ordinary revenue (Operating revenue)	1,903.9 (1,879.2)	1,827.1 (1,813.2)	+76.7 (+66.0)	
Electricity sales	1,763.5	1,713.3	+50.2	• Increase in revenue per kWh +67.0 • Decrease in electricity sales volume -17.0
Others	140.3	113.8	+26.5	• Non-electric business revenues +11.2、 • Other non-operating revenues +9.0
Ordinary expenses	2,040.2	1,721.5	+318.6	
Personnel	178.0	159.6	+18.4	• Retirement benefit cost +18.2
Fuel	559.9	370.7	+189.1	• Fossil fuel costs +194.8 • Decline of nuclear capacity factor +65.0 • Decrease in electricity sales volume -11.0 • Rise of oil, LNG and coal prices +203.0 • Appreciation of the yen -45.0 • Nuclear fuel costs -5.6
Backend expenses of nuclear power	86.1	72.5	+13.6	• Reprocessing cost of irradiated nuclear fuel +16.1
Maintenance	192.0	165.0	+26.9	• Nuclear power +32.6, • Fossil-fired power -2.4
Taxes other than income taxes	113.8	113.3	+0.5	
Depreciation	227.9	233.5	-5.5	• Transmission -2.3 、 • Distribution -1.4
Purchased power	370.3	294.0	+76.3	• From other non-utility companies +49.4 • From other utilities +26.9
Interest expenses	38.5	38.3	+0.2	
Other	273.3	274.3	-1.0	
Ordinary income or loss	-136.3	105.6	-241.9	

Point of the revision of financial forecasts

The Company revised its financial forecasts for the following reasons.

- Decrease in operating revenues due to decline of electricity sales volume caused by recent economic recession.
- Decrease in fossil-fuel costs due to recent sharp decline of fuel price and appreciation of the yen.

<Main factor of the revision>

(1) Operating revenues

Decrease in electricity revenue mainly due to decline of electricity sales volume	Operating revenues -20 billion yen (consolidated, non-consolidated)	【Electricity sales volume】 149.8TWh → 147.1TWh <small>(previous)</small> <small>(revised)</small>
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(2) Operating expenses

Decrease in fossil-fuel costs due to decline of fuel price	Operating expenses -45 billion yen (consolidated, non-consolidated)	【All Japan CIF crude oil price】 110\$/barrel → 92\$/barrel <small>(previous)</small> <small>(revised)</small> 【Exchange rate】 106yen/\$ → 101yen/\$ <small>(previous)</small> <small>(revised)</small>
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Financial forecasts (consolidated, non-consolidated)

(billion yen)

	Consolidated			Non-consolidated		
	Revised (E)	Previous (E)	Change	Revised (E)	Previous (E)	Change
Operating revenues	2,820.0	2,840.0	-20.0 (-0.7%)	2,590.0	2,610.0	-20.0 (-0.8%)
Operating income or loss	2.0	-62.0	+64.0 (—)	-43.0	-105.0	+62.0 (—)
Ordinary income or loss	-38.0	-95.0	+57.0 (—)	-80.0	-135.0	+55.0 (—)
Net income or loss	-28.0	-64.0	+36.0 (—)	-56.0	-91.0	+35.0 (—)

* () : Changes from the previous estimate, %

<Major factors>

	Revised (E)	Previous (E)
Electricity sales (TWh)	147.1	149.8
Nuclear capacity factor (%)	71.5	71.6
Water run-off ratio (%)	87.9	92.3
All Japan CIF crude oil price (\$/barrel)	Approx. 92	Approx. 110
Exchange rate [TTM] (yen/\$)	Approx. 101	Approx. 106
Interest rate [long-term prime rate] (%)	Approx. 2.3	Approx. 2.3

<Sensitivity of major factors>

(billion yen)

	Revised (E)	Previous (E)
Nuclear capacity factor per 1%	9.0	9.8
Water run-off ratio per 1%	1.5	1.6
All Japan CIF crude oil price per \$1/barrel	5.1	5.6
Exchange rate [TTM] per ¥1/\$	7.8	8.4
Interest rate [long-term prime rate] per 1%	5.9	6.2

【Dividend forecasts for FY ending 3/09】

The forecast announced on October 2008 have been unchanged. (Dividend per share Year-end:30yen(E) Annual:60yen(E))

Details of financial forecasts (non-consolidated)

(billion yen)

	Revised (E)	Previous (E)	Change	Breakdown	4/07-3/08 (actual)
Operating revenues	2,590	2,610	-20	<ul style="list-style-type: none"> • Decrease in electricity sales volume -44.0 • Increase in average revenue per kWh mainly due to changes in components of electricity sales volume +25.0 	2,478.5
Ordinary income or loss	-80	-135	+55	<ul style="list-style-type: none"> • Decrease in electricity sales volume -6.0 • Increase in average revenue per kWh mainly due to changes in components of electricity sales volume +25.0 • Decrease in fossil-fuel costs due to decline of fuel price +45.0 • Decrease in fossil-fuel costs due to increase in purchased power volume +6.0 • Increase in fossil-fuel costs due to decrease in water flow -7.0 • Increase in fossil-fuel costs due to decline of nuclear capacity factor -1.0 • Increase in loss on revaluation of securities -7.0 	110.9
Net income or loss	-56	-91	+35		55.4

Financial highlights of non-electric business

(billion yen)

		4/08-12/08	Change from 4/07-12/07	Breakdown
Non-electric business (*1)	Sales to non- group companies	215.3	+21.9	
	Ordinary income or loss	32.2	+8.1	
Total energy business (*2)	Sales to non- group companies	51.8	+10.0	▪ Increase in sales price (gas)
	Ordinary income or loss	-0.8	+0.7	▪ Decrease in material costs
IT/communication business (results of K-Opticom)	Sales to non- group companies	81.6 (67.5)	+9.9 (+6.8)	▪ Increase in FTTH subscribers
	Ordinary income or loss	9.3 (8.5)	+5.6 (+5.7)	▪ 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	29.4	-2.2	▪ Decrease in the number of house sales
	Ordinary income or loss	6.8	±0	
Other business	Sales to non- group companies	52.4	+4.1	▪ Increase in order amount
	Ordinary income or loss	16.8	+1.6	▪ Increase in income according to application of the new accounting method for lease transactions and other

*1. Figures in this page are before eliminations, and excluding exchange gain or loss unrealized.

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

Financial forecasts of non-electric business

(billion yen)

		Revised (E)	Change from previous forecast (10/2008)	Breakdown
Non-electric business (*1)	Sales to non- group companies	298.0	-9.0	
	Ordinary income or loss	49.0	+6.5	
Total energy business (*2)	Sales to non- group companies	69.0	-8.0	▪ Decrease in sales volume (gas) ▪ Decrease in sales price (gas)
	Ordinary income or loss	1.0	+2.0	▪ Decrease in material costs
IT/communication business (results of K-Opticom)	Sales to non- group companies	112.0 (92.1)	+4.0 (+2.8)	▪ Increase in FTTH subscribers ▪ Increase in sales for corporate customers
	Ordinary income or loss	12.0 (10.8)	+0.5 (+0.4)	
Life support amenity business	Sales to non- group companies	39.0	-1.0	
	Ordinary income or loss	8.0	±0	
Other business	Sales to non- group companies	78.0	-4.0	▪ Decrease in order amount
	Ordinary income or loss	28.0	+4.0	▪ Effect of excluding exchange loss unrealized and other

*1. Figures in this page are before eliminations, and excluding exchange gain or loss unrealized.

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

Sales performance and objectives

		4/07-12/07	4/08-12/08	Objective
Electric Business	Increase of all-electric-house	80 thousand	82 thousand	380 thousand (FY ending 3/2009 ~ FY ending 3/2011)

(reference)		Dec. 31, 2008
Electric Business	Number of all-electric-houses	658 thousand

		4/07-12/07	4/08-12/08	Forecast
Total energy	Sales volume of gas and heavy oil [equivalent to LNG] (tons)	620 thousand	630 thousand	800 thousand (FY ending 3/2009)

		Mar. 31, 2008	Dec. 31, 2008	Forecast
IT/communication	Number of individual customers	761 thousand	866 thousand	900 thousand (as of 3/2009)
	Number of FTTH subscribers	682 thousand	802 thousand	840 thousand (as of 3/2009)
	Number of corporate customers	28 thousand	30 thousand	30 thousand (as of 3/2009)

For further information

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