

# Financial results for 1Q of FY ending 3/2010 & Financial forecasts for FY ending 3/2010

July 30, 2009

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 (consolidated, non-consolidated)

(billion yen)

	Consolidated (a)			Non-consolidated (b)			(a)/(b)	
	4/09-6/09	4/08-6/08	Change	4/09-6/09	4/08-6/08	Change	4/09-6/09	4/08-6/08
Operating revenues	608.1	623.0	-14.9 (-2.4%)	557.7	572.5	-14.7 (-2.6%)	1.09	1.09
Operating income or loss	89.8	-35.5	+125.4 (—)	81.3	-45.1	+126.4 (—)	1.10	—
Ordinary income or loss	82.3	-42.3	+124.6 (—)	79.6	-50.8	+130.4 (—)	1.03	—
Net income or loss	52.3	-27.5	+79.8 (—)	52.4	-33.2	+85.6 (—)	1.00	—

	Consolidated			Non-consolidated		
	Jun. 30, 2009	Mar. 31, 2009	Change	Jun. 30, 2009	Mar. 31, 2009	Change
Total assets	6,965.2	6,970.1	-4.9 (-0.1%)	6,212.3	6,243.4	-31.0 (-0.5%)
Interest-bearing debt	3,440.7	3,466.9	-26.2 (-0.8%)	3,029.3	3,075.3	-46.0 (-1.5%)
Equity ratio	25.1%	24.4%	+0.7%	23.9%	23.2%	+0.7%

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

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

## Major factors (non-consolidated)

	4/09-6/09	4/08-6/08	Change
<b>Electricity sales (TWh)</b>	32.4 (94.2)	34.4 (100.0)	-2.0
<b>Residential (TWh)</b>	10.9 (103.0)	10.6 ( 97.8)	+0.3
<b>Commercial and industrial (TWh) (*2)</b>	21.5 ( 90.2)	23.8(101.0)	-2.3
<b>Nuclear capacity factor (%)</b>	86.6	53.6	+33.0
<b>Water run-off ratio (%)</b>	87.2	93.0	-5.8
<b>All Japan CIF crude oil price (\$/barrel)</b>	52.6	109.9	-57.3
<b>Exchange rate [TTM] (yen/\$)</b>	97	105	-8
<b>Interest rate [long-term prime rate] (%)</b>	2.18	2.29	-0.11

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

\*2. Including the liberalized segment

# Electricity sales

## <Electricity sales volume>

(million kWh, %)

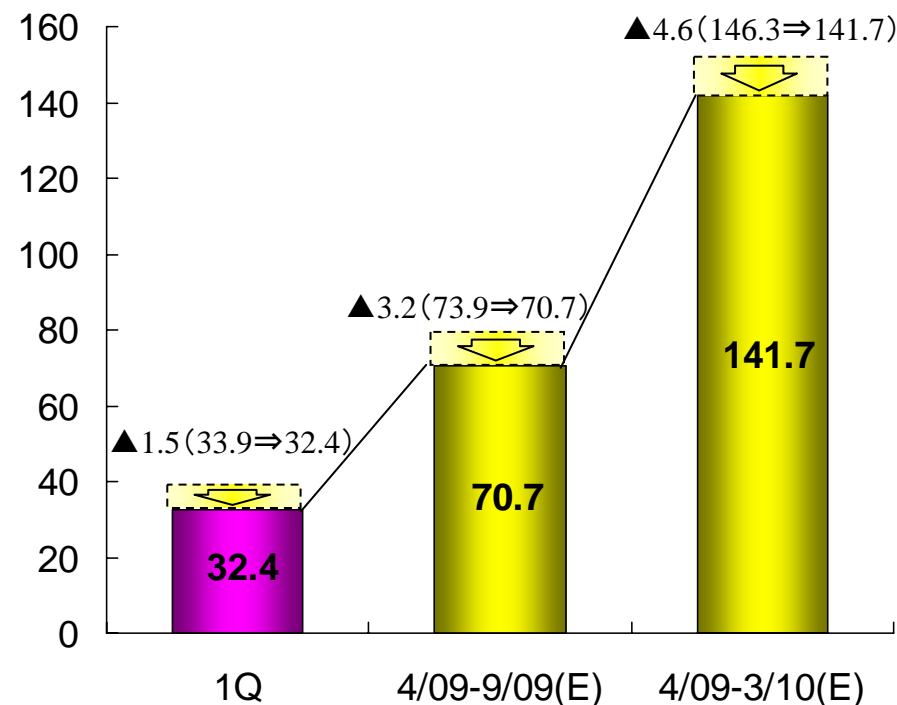
			April	May	June	1Q
Regulated segment	Lightning		4,102 (108.6)	3,784 (101.3)	3,034 (98.3)	10,920 (103.0)
	Power	Low voltage	374 (106.2)	346 (96.1)	331 (93.5)	1,052 (98.7)
		Others	92 (102.5)	87 (96.9)	67 (97.4)	246 (98.7)
		Sub total	466 (105.5)	433 (96.3)	399 (94.1)	1,298 (98.7)
	Sub total		4,568 (108.3)	4,217 (100.8)	3,433 (97.8)	12,218 (102.6)
Liberalized segment			6,564 (90.2)	6,523 (88.1)	7,124 (90.7)	20,212 (89.7)
Total			11,132 (96.8)	10,740 (92.7)	10,557 (92.9)	32,430 (94.2)

### 【Breakdown of liberalized segment】

Commercial	2,614 (102.0)	2,507 (98.9)	2,751 (99.9)	7,872 (100.2)
Industrial	3,929 (83.7)	3,986 (82.3)	4,340 (85.6)	12,255 (83.9)

## <Electricity sales forecasts>

(TWh)



\* The figure has been revised down from the figure announced on April 2009.

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

Total electricity sales for 1Q decreased to 32,430 million kWh (-5.8%) from the same period in the previous year for the following reasons.

- Increase in electricity demand for heating purposes due to the relatively low-temperature in early spring.
- Decrease in industry demand due to severe economic conditions ,although they had recently begun to stop worsening.

# Non-consolidated statements of operations (billion yen)

	4/09-6/09	4/08-6/08	Change	Breakdown
<b>Ordinary revenues (Operating revenues)</b>	569.6 (557.7)	580.7 (572.5)	-11.0 (-14.7)	
<b>Electricity sales</b>	530.1	537.1	-7.0	<ul style="list-style-type: none"> <li>• Decrease in electricity sales volume -31.0</li> <li>• Increase in revenue per kWh +24.0</li> </ul>
<b>Other</b>	39.5	43.5	-3.9	• Non-electric business revenues -2.6
<b>Ordinary expenses</b>	490.0	631.5	-141.5	
<b>Personnel</b>	59.4	59.6	-0.2	
<b>Fuel</b>	59.3	185.9	-126.5	<ul style="list-style-type: none"> <li>• Fossil fuel costs -130.9 <ul style="list-style-type: none"> <li>• Improvement of nuclear capacity factor -88.0</li> <li>• Improvement of fuel efficiency for electric power generation -6.0</li> <li>• Decrease in water flow +3.0</li> <li>• Decline of oil, LNG and coal prices -34.0</li> <li>• Appreciation of the yen -6.0</li> </ul> </li> <li>• Nuclear fuel costs +4.3</li> </ul>
<b>Backend expenses of nuclear power</b>	26.2	21.2	+5.0	<ul style="list-style-type: none"> <li>• Reprocessing cost of irradiated nuclear fuel +1.8</li> <li>• Reprocessing cost of irradiated nuclear fuel without definite plans +1.4</li> <li>• Decommissioning of nuclear power units +1.3</li> </ul>
<b>Maintenance</b>	57.9	49.5	+8.4	• Nuclear power +6.5 (regular inspection units 2→3)
<b>Taxes other than income taxes</b>	34.5	35.6	-1.1	• Promotion of power-resources development tax -0.8
<b>Depreciation</b>	80.4	73.9	+6.4	• Fossil-fired power +6.7
<b>Purchased power</b>	84.9	107.6	-22.6	<ul style="list-style-type: none"> <li>• From other utilities -15.4</li> <li>• From other non-utility companies -7.2</li> </ul>
<b>Interest expense</b>	12.7	12.5	+0.1	
<b>Other</b>	74.4	85.3	-10.9	• Non-electric business expenses -7.3
<b>Ordinary income or loss</b>	79.6	-50.8	+130.4	

# Financial forecasts for FY ending 3/2010

(consolidated, non-consolidated)

(billion yen)

	Consolidated			Non-consolidated		
	Revised (E)	Previous (E)	Change	Revised (E)	Previous (E)	Change
<b>Operating revenues</b>	2,610.0	2,660.0	-50.0 ( -1.9%)	2,360.0	2,410.0	-50.0 ( -2.1%)
<b>Operating income</b>	215.0	235.0	-20.0 ( -8.5%)	170.0	190.0	-20.0 ( -10.5%)
<b>Ordinary income</b>	183.0	200.0	-17.0 ( -8.5%)	140.0	160.0	-20.0 ( -12.5%)
<b>Net income</b>	119.0	129.0	-10.0 ( -7.8%)	84.0	97.0	-13.0 ( -13.4%)

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

## <Major factors>

	Revised (E)	Previous (E)
<b>Electricity sales (TWh)</b>	141.7	146.3
<b>Nuclear capacity factor (%)</b>	80.1	79.7
<b>Water run-off ratio (%)</b>	95.9	100.0
<b>All Japan CIF crude oil price (\$/barrel)</b>	Approx. 58	Approx. 60
<b>Exchange rate [TTM] (yen/\$)</b>	Approx. 100	Approx. 100
<b>Interest rate [long-term prime rate] (%)</b>	Approx. 2.3	Approx. 2.3

## <Sensitivity of major factors(\*)>

(billion yen)

	Revised (E)	Previous (E)
<b>Nuclear capacity factor per 1%</b>	7.8	7.9
<b>Water run-off ratio per 1%</b>	1.3	1.3
<b>All Japan CIF crude oil price per \$1/barrel</b>	3.6	3.6
<b>Exchange rate [TTM] per ¥1/\$</b>	3.5	3.7
<b>Interest rate [long-term prime rate] per 1%</b>	4.4	4.4

\* Sensitivity of major factors are subject to change if the rapid and drastic changes of major factors happen.

## 【Dividend forecasts for FY ending 3/10】

The forecasts announced on April 2009 have been unchanged. (Interim:30yen , Year-end:30yen , Annual:60yen)

# Details of Financial forecasts for FY ending 3/2010

(non-consolidated)

(billion yen)

	Revised (E)	Previous (E)	Change	Breakdown	4/08-3/09 (actual)
<b>Operating revenue</b>	2,360.0	2,410.0	-50.0	<ul style="list-style-type: none"> <li>• Decrease in electricity sales volume -73.0</li> <li>• Increase in revenue per kWh +27.0</li> </ul>	2,565.3
<b>Ordinary income or loss</b>	140.0	160.0	-20.0	<ul style="list-style-type: none"> <li>• Decrease in electricity sales volume -48.0</li> <li>• Increase in revenue per kWh +27.0</li> <li>• Increase in fossil-fuel costs due to decrease in water flow -5.0</li> <li>• Decrease in fossil-fuel costs due to nuclear capacity factor improvement +3.0</li> <li>• Decrease in fossil-fuel costs due to decline of fuel price +3.0</li> </ul>	-51.9
<b>Net income or loss</b>	84.0	97.0	-13.0		-41.7



# Financial highlights of non-electric business

(billion yen)

		4/09-6/09	Change from 4/08-6/08	Breakdown
<b>Non-electric business (*1)</b>	<b>Sales to non-group companies</b>	63.9	-3.0	
	<b>Ordinary income</b>	12.9	+2.8	
<b>Integrated energy supply (*2)</b>	<b>Sales to non-group companies</b>	13.5	-1.6	• Decrease in sales volume (gas)
	<b>Ordinary income</b>	2.5	+2.7	• Decline of material price
<b>Information and telecommunications</b>	<b>Sales to non-group companies</b>	29.4	+3.1	• Increase in FTTH subscribers
	<b>Ordinary income</b>	2.8	+0.2	
<b>Lifecycle-related business</b>	<b>Sales to non-group companies</b>	7.5	-0.9	
	<b>Ordinary income</b>	2.2	±0	
<b>Other business</b>	<b>Sales to non-group companies</b>	13.4	-3.5	• Decrease in order amount
	<b>Ordinary income</b>	5.2	-0.1	

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

\*2. 'Integrated energy supply' 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) 4/09-3/10	Change from previous forecast (4/2009)	Breakdown
Non-electric business (*1)	Sales to non- group companies	310.0	±0	
	Ordinary income	53.0	+4.0	
	Integrated energy supply (*2)	Sales to non- group companies	63.0	±0
		Ordinary income	0	±0
	Information and telecommunications	Sales to non- group companies	123.0	±0
		Ordinary income	15.0	±0
	Lifecycle-related business	Sales to non- group companies	48.0	±0
		Ordinary income	6.0	±0
	Other business	Sales to non- group companies	76.0	±0
		Ordinary income	32.0	• Increase in affiliates accounted for by equity method

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

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

# Appendix

# Financial forecasts for the half-year ending 9/2009 (consolidated, non-consolidated)

(billion yen)

	Consolidated			Non-consolidated		
	Revised (E)	Previous (E)	Change	Revised (E)	Previous (E)	Change
Operating revenue	1,310.0	1,340.0	-30.0 (-2.2%)	1,200.0	1,230.0	-30.0 (-2.4%)
Operating income	180.0	190.0	-10.0 (-5.3%)	160.0	170.0	-10.0 (-5.9%)
Ordinary income	169.0	175.0	-6.0 (-3.4%)	150.0	160.0	-10.0 (-6.3%)
Net income	108.0	110.0	-2.0 (-1.8%)	93.0	99.0	-6.0 (-6.1%)

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

## <Major factors>

	Revised (E)	Previous (E)
Electricity sales (TWh)	70.7	73.9
Nuclear capacity factor (%)	85.3	83.3
Water run-off ratio (%)	93.4	100.0
All Japan CIF crude oil price (\$/barrel)	Approx. 56	Approx. 60
Exchange rate [TTM] (yen/\$)	Approx. 99	Approx. 100
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%	4.3	4.4
Water run-off ratio per 1%	0.9	0.9
All Japan CIF crude oil price per \$1/barrel	1.7	1.6
Exchange rate [TTM] per ¥1/\$	1.6	1.7
Interest rate [long-term prime rate] per 1%	1.8	1.8

\* Sensitivity of major factors are subject to change if the rapid and drastic changes of major factors happen.

# Details of Financial forecasts for the half-year ending 9/2009 (non-consolidated)

(billion yen)

	Revised (E)	Previous (E)	Change	Breakdown	4/08-9/08 (actual)
<b>Operating revenues</b>	1,200.0	1,230.0	-30.0	<ul style="list-style-type: none"> <li>▪ Decrease in electricity sales volume -50.0</li> <li>▪ Increase in revenue per kWh +23.0</li> </ul>	1,284.4
<b>Ordinary income or loss</b>	150.0	160.0	-10.0	<ul style="list-style-type: none"> <li>▪ Decrease in electricity sales volume -38.0</li> <li>▪ Increase in revenue per kWh +23.0</li> <li>▪ Increase in fossil-fuel costs due to decrease in water flow -6.0</li> <li>▪ Decrease in fossil-fuel costs due to nuclear capacity factor improvement +9.0</li> <li>▪ Decrease in fossil-fuel costs due to decline of fuel price +2.0</li> </ul>	-100.2
<b>Net income or loss</b>	93.0	99.0	-6.0		-65.8

## Sales performance and objectives

		4/08-6/08	4/09-6/09	Objective
Electric business	Increase of all-electric-houses	25 thousand	23 thousand	380 thousand (FY ending 3/2010 ~ FY ending 3/2012)

(appendix)		Jun. 30, 2009
Electric business	Number of all-electric-houses	704 thousand

		4/08-6/08	4/09-6/09	Forecast
Integrated energy supply	Sales volume of gas and heavy oil [equivalent to LNG] (tons)	200 thousand	140 thousand	700 thousand (FY ending 3/2010)

		Mar. 31, 2009	Jun. 30, 2009	Objective
Information and telecommunications	Number of individual customers	904 thousand	946 thousand	1,050 thousand (as of 3/2010)
	Number of FTTH subscribers	844 thousand	890 thousand	1,000 thousand (as of 3/2010)
	Number of corporate customers	30 thousand	31 thousand	32 thousand (as of 3/2010)

## For further information

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