

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

January 29, 2010

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) | |
|---------------------------------|------------------|------------|-------------------|----------------------|------------|-------------------|------------|------------|
| | 4/09-12/09 | 4/08-12/08 | Change | 4/09-12/09 | 4/08-12/08 | Change | 4/09-12/09 | 4/08-12/08 |
| Operating revenues | 1,898.6 | 2,039.5 | -140.9 (-6.9%) | 1,726.5 | 1,879.2 | -152.7 (-8.1%) | 1.10 | 1.09 |
| Operating income or loss | 207.3 | -81.1 | +288.5 (—) | 175.1 | -111.7 | +286.8 (—) | 1.18 | — |
| Ordinary income or loss | 183.8 | -107.6 | +291.4 (—) | 154.8 | -136.3 | +291.1 (—) | 1.19 | — |
| Net income or loss | 120.2 | -70.1 | +190.3 (—) | 98.6 | -89.9 | +188.6 (—) | 1.22 | — |

| | Consolidated | | | Non-consolidated | | |
|------------------------------|---------------|---------------|------------------|------------------|---------------|------------------|
| | Dec. 31, 2009 | Mar. 31, 2009 | Change | Dec. 31, 2009 | Mar. 31, 2009 | Change |
| Total assets | 7,065.7 | 6,970.1 | +95.6 (+1.4%) | 6,244.7 | 6,243.4 | +1.3 (+0.0%) |
| Interest-bearing debt | 3,427.3 | 3,466.9 | -39.6 (-1.1%) | 2,983.2 | 3,075.3 | -92.1 (-3.0%) |
| Equity ratio | 25.0% | 24.4% | +0.6% | 23.7% | 23.2% | +0.5% |

*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 and Income taxes and Minority interests

Major factors (non-consolidated)

| | 4/09-12/09 | 4/08-12/08 | Change |
|--|---------------|---------------|--------|
| Electricity sales (TWh) | 103.9 (94.6) | 109.9 (99.0) | -5.9 |
| Residential (TWh) | 34.2 (98.7) | 34.6 (98.6) | -0.5 |
| Commercial and industrial (TWh) (*2) | 69.8 (92.7) | 75.2 (99.2) | -5.5 |
| Nuclear capacity factor (%) | 80.3 | 66.0 | +14.3 |
| Water run-off ratio (%) | 96.3 | 84.9 | +11.4 |
| All Japan CIF crude oil price (\$/barrel) | 66.5 | 105.1 | -38.6 |
| Exchange rate [TTM] (yen/\$) | 94 | 103 | -9 |
| Interest rate [long-term prime rate] (%) | 1.94 | 2.33 | -0.39 |

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

*2. Including the liberalized segment

Electricity sales

<Electricity sales volume>

(million kWh, %)

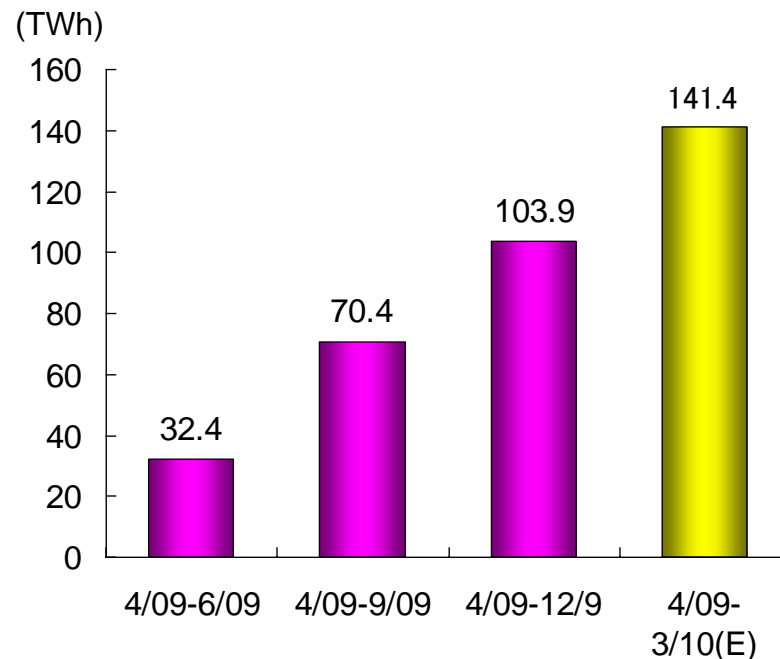
| | | | 4/09-9/09 | Oct. | Nov. | Dec. | 4/09-12/09 |
|---------------------|-----------|-------------|------------------|------------------|------------------|-------------------|-------------------|
| Regulated segment | Lightning | | 23,161 (98.4) | 3,463 (98.1) | 3,667 (99.4) | 3,891 (99.8) | 34,183 (98.7) |
| | Power | Low voltage | 2,845 (93.1) | 417 (92.8) | 336 (93.6) | 347 (96.4) | 3,945 (93.4) |
| | | Others | 421 (96.8) | 57 (95.7) | 68 (95.1) | 72 (93.9) | 618 (96.2) |
| | | Sub total | 3,266 (93.5) | 474 (93.1) | 404 (93.9) | 419 (95.9) | 4,563 (93.7) |
| | Sub total | | 26,428 (97.8) | 3,937 (97.5) | 4,071 (98.8) | 4,310 (99.4) | 38,746 (98.0) |
| Liberalized segment | | | 43,962 (90.8) | 7,323 (93.4) | 6,915 (96.5) | 7,003 (101.0) | 65,202 (92.7) |
| Total | | | 70,390 (93.3) | 11,260 (94.8) | 10,986 (97.3) | 11,313 (100.4) | 103,949 (94.6) |

【Breakdown of liberalized segment】

| | | | | | |
|------------|------------------|-----------------|-----------------|------------------|------------------|
| Commercial | 17,755 (98.4) | 2,775 (97.1) | 2,523 (98.2) | 2,599 (99.0) | 25,652 (98.3) |
| Industrial | 26,207 (86.3) | 4,548 (91.3) | 4,392 (95.5) | 4,404 (102.2) | 39,550 (89.4) |

* () : Changes from the previous term, %

<Electricity sales results and forecasts>



* The figure announced on October 30,2009 has been unchanged.

Total electricity sales for 3Q of FY 3/2010 decreased to 103,949 million kWh (-5.4%) from the same period in the previous year for the following reasons.

- Decrease in electricity demand for air conditioning due to the relatively low temperature in the summer.
- Decrease in industry demand due to reduction of corporate production activities.

Non-consolidated statements of operations (billion yen)

| | 4/09-12/09 | 4/08-12/08 | Change | Breakdown |
|---|----------------------|----------------------|--------------------|--|
| Ordinary revenues (Operating revenues) | 1,747.9 (1,726.5) | 1,903.9 (1,879.2) | -155.9 (-152.7) | |
| Electricity sales | 1,639.0 | 1,763.5 | -124.5 | • Decrease in electricity sales volume -95.0 |
| Others | 108.9 | 140.3 | -31.4 | • Sold power to non-utility companies -16.7 • Non-electric business revenues -11.7 |
| Ordinary expenses | 1,593.1 | 2,040.2 | -447.0 | |
| Personnel | 177.9 | 178.0 | -0.1 | |
| Fuel | 249.2 | 559.9 | -310.6 | • Fossil fuel costs -314.6 • Improvement of nuclear capacity factor -105.0 • Increase in water flow -13.0 • Decrease in fossil-fuel costs due to improvement of fuel efficiency for electric power generation -12.0 • Decline of oil, LNG and coal prices -115.0 • Appreciation of the yen -30.0 • Nuclear fuel costs +3.9 |
| Backend expenses of nuclear power | 77.3 | 86.1 | -8.8 | • Reprocessing cost of irradiated nuclear fuel -15.8 • Reprocessing cost of irradiated nuclear fuel without definite plans +1.8 • Disposal cost of specified radioactive wastes +3.4 • Decommissioning of nuclear power units +1.7 |
| Maintenance | 190.2 | 192.0 | -1.8 | |
| Taxes other than income taxes | 107.1 | 113.8 | -6.7 | • Promotion of power-resources development tax -2.3 • Nuclear fuel tax -2.1 • Property tax -1.1 |
| Depreciation | 234.6 | 227.9 | +6.6 | • Fossil-fired power +6.3 |
| Purchased power | 271.4 | 370.3 | -98.9 | • From other utilities -49.9 • From other non-utility companies -49.0 |
| Interest expenses | 37.7 | 38.5 | -0.8 | |
| Other | 247.5 | 273.3 | -25.7 | • Non-electric business expenses -18.3 |
| Ordinary income or loss | 154.8 | -136.3 | +291.1 | |

Financial forecasts (consolidated, non-consolidated)

(billion yen)

| | 4/09-3/10 (E) | |
|--------------------|---------------|------------------|
| | Consolidated | Non-consolidated |
| Operating revenues | 2,610.0 | 2,350.0 |
| Operating income | 205.0 | 160.0 |
| Ordinary income | 173.0 | 130.0 |
| Net income | 113.0 | 78.0 |

* The figure announced on October 30, 2009 has been unchanged.

<Major factors>

| | Revised (E) | Previous (E) |
|---|-------------|--------------|
| Electricity sales (TWh) | 141.4 | 141.4 |
| Residential | 49.6 | 49.9 |
| Commercial and industrial | 91.8 | 91.5 |
| Nuclear capacity factor (%) | 78.3 | 78.0 |
| Water run-off ratio (%) | 97.1 | 97.2 |
| All Japan CIF crude oil price (\$/barrel) | Approx. 70 | Approx. 66 |
| Exchange rate [TTM] (yen/\$) | Approx. 94 | Approx. 95 |
| Interest rate [long-term prime rate] (%) | Approx. 1.9 | Approx. 2.2 |

<Sensitivity of major factors>

(billion yen)

| | Revised (E) | Previous (E) |
|--|-------------|--------------|
| Nuclear capacity factor per 1% | 7.8 | 8.0 |
| Water run-off ratio per 1% | 1.2 | 1.3 |
| All Japan CIF crude oil price per \$1/barrel | 3.7 | 3.6 |
| Exchange rate [TTM] per ¥1/\$ | 4.2 | 3.9 |
| Interest rate [long-term prime rate] per 1% | 3.7 | 3.7 |

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

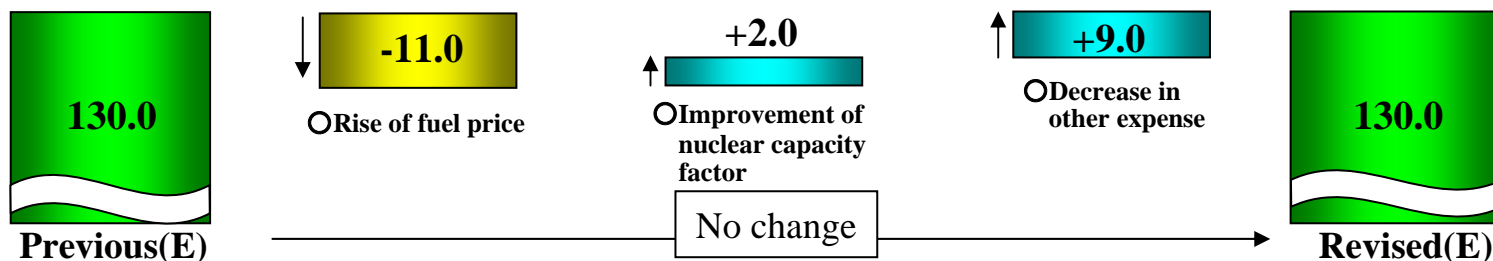
【Dividend forecasts for FY ending 3/10】

| | Interim | Year-end | Annual |
|--------------------|---------|----------|----------|
| Dividend per share | ¥ 30 | ¥30 (E) | ¥ 60 (E) |

Details of financial forecasts (non-consolidated) (billion yen)

| | Revised (E) | Previous (E) | Change | Breakdown | 4/08-3/09 (actual) |
|-------------------------|----------------|-----------------|--------|---|-----------------------|
| Operating revenues | 2,350.0 | 2,350.0 | — | | 2,565.3 |
| Ordinary income or loss | 130.0 | 130.0 | — | <ul style="list-style-type: none"> • Rise of fuel price -11.0 • Decrease in fossil-fuel costs due to nuclear capacity factor improvement +2.0 • Decrease in other expense +9.0 | -51.9 |
| Net income or loss | 78.0 | 78.0 | — | | -41.7 |

Breakdown of ordinary income change (billion yen)



Non-electric business

Financial highlights of non-electric business

(billion yen)

| | | 4/09-12/09 | Change from 4/08-12/08 | Breakdown |
|---|-------------------------------------|------------|---------------------------|---|
| Non-electric business (*1) | Sales to non-group companies | 218.3 | +2.9 | |
| | Ordinary income | 42.2 | +10.0 | |
| Integrated energy supply (*2) | Sales to non-group companies | 48.7 | -3.0 | • Decrease in sales price (gas) |
| | Ordinary income | 3.7 | +4.6 | • Decline of material price |
| Information and telecommunications | Sales to non-group companies | 90.8 | +9.1 | • Increase in FTTH subscribers |
| | Ordinary income | 11.9 | +2.6 | |
| Lifecycle-related business | Sales to non-group companies | 31.5 | +2.1 | • Increase in the number of house sales |
| | Ordinary income | 6.0 | -0.8 | |
| Other business | Sales to non-group companies | 47.1 | -5.3 | • Decrease in order amount |
| | Ordinary income | 20.4 | +3.5 | • 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.

Financial forecasts of non-electric business

(billion yen)

| | | Revised (E) | Change from previous forecast (10/2009) | Breakdown |
|-------------------------------|------------------------------------|------------------------------|---|---|
| Non-electric business (*1) | Sales to non-group companies | 320.0 | -4.0 | |
| | Ordinary income | 56.0 | ±0 | |
| | Integrated energy supply (*2) | Sales to non-group companies | 64.0 | ▪ Increase in sales volume (gas) |
| | | Ordinary income | 2.0 | |
| | Information and telecommunications | Sales to non-group companies | 123.0 | |
| | | Ordinary income | 15.0 | |
| | Lifecycle-related business | Sales to non-group companies | 63.0 | ▪ Decrease in the number of house sales |
| | | Ordinary income | 7.0 | |
| | Other business | Sales to non-group companies | 70.0 | |
| | | Ordinary income | 32.0 | |

*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

Sales performance and objectives

| | | 4/08-12/08 | 4/09-12/09 | Objective |
|-------------------|---------------------------------|-------------|-------------|--|
| Electric business | Increase of all-electric-houses | 82 thousand | 73 thousand | 380 thousand (FY ending 3/2010 ~ FY ending 3/2012) |

| | | |
|-------------------|-------------------------------|---------------|
| (appendix) | | Dec. 31, 2009 |
| Electric business | Number of all-electric-houses | 750 thousand |

| | | 4/08-12/08 | 4/09-12/09 | Forecast |
|--------------------------|--|--------------|--------------|------------------------------------|
| Integrated energy Supply | Sales volume of gas and heavy oil [equivalent to LNG] (tons) | 630 thousand | 570 thousand | 750 thousand (FY ending 3/2010) |

| | | Mar. 31, 2009 | Dec. 31, 2009 | Forecast |
|------------------------------------|--------------------------------|---------------|----------------|----------------------------------|
| Information and telecommunications | Number of individual customers | 904 thousand | 1,011 thousand | 1,050 thousand (as of 3/2010) |
| | Number of FTTH subscribers | 844 thousand | 961 thousand | 1,000 thousand (as of 3/2010) |
| | Number of corporate customers | 30 thousand | 32 thousand | 32 thousand (as of 3/2010) |

For further information

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