

Financial results for 1 Q of FY ending 3/2011
&
Financial forecasts for FY ending 3/2011

July 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)

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(billion yen)

	Consolidated (a)			Non-consolidated (b)			(a)/(b)	
	4/10-6/10	4/09-6/09	Change	4/10-6/10	4/09-6/09	Change	4/10-6/10	4/09-6/09
Operating revenues	618.5	608.1	+10.3 (+1.7%)	553.2	557.7	-4.4 (-0.8%)	1.12	1.09
Operating income	31.1	89.8	-58.7 (-65.4%)	21.7	81.3	-59.6 (-73.3%)	1.43	1.10
Ordinary income	23.8	82.3	-58.4 (-71.0%)	17.9	79.6	-61.6 (-77.5%)	1.33	1.03
Net income or loss	-9.9	52.3	-62.3 (—)	-13.0	52.4	-65.5 (—)	—	1.00

	Consolidated			Non-consolidated		
	Jun. 30, 2010	Mar. 31, 2010	Change	Jun. 30, 2010	Mar. 31, 2010	Change
Total assets	7,097.4	7,116.6	-19.2 (-0.3%)	6,289.8	6,275.5	+14.3 (+0.2%)
Interest-bearing debt	3,461.5	3,391.6	+69.8 (+2.1%)	3,026.8	2,946.6	+80.2 (+2.7%)
Equity ratio	24.2%	25.0%	-0.8%	22.5%	23.5%	-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 and Minority interests.

Major factors (non-consolidated)

	4/10-6/10	4/09-6/09	Change
Electricity sales (TWh)	34.7(106.9)	32.4 (94.2)	+2.2
<div> <div>Residential</div> <div>Commercial and industrial</div> <div>(*2)</div> </div>	<div>11.4 (105.0)</div> <div>23.2 (107.9)</div>	<div>10.9 (103.0)</div> <div>21.5 (90.2)</div>	<div>+0.5</div> <div>+1.7</div>
Nuclear capacity factor (%)	68.1	86.6	-18.5
Water run-off ratio (%)	113.7	87.2	+26.5
All Japan CIF crude oil price (\$/barrel)	81.3	52.6	+28.7
Exchange rate [TTM] (yen/\$)	92	97	-5
Interest rate [long-term prime rate] (%)	1.58	2.18	-0.60

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

*2. Including the liberalized segment

Electricity sales

<Electricity sales volume> (million kWh, %)

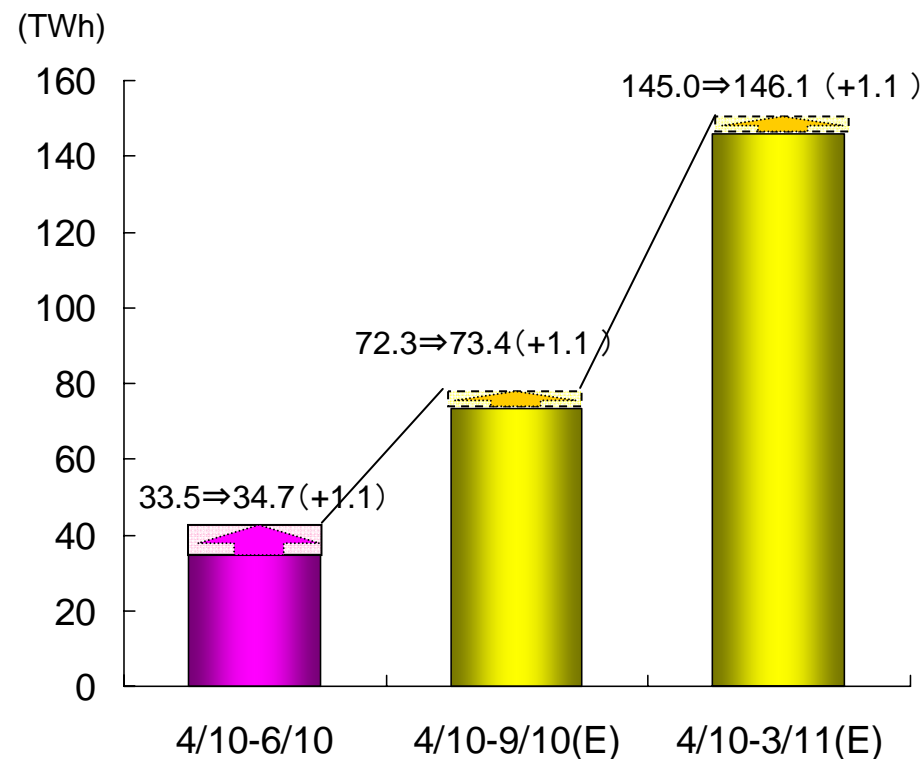
		April	May	June	1Q
Regulated segment	Lightning	4,507 (109.9)	3,860 (102.0)	3,100 (102.2)	11,467 (105.0)
	Power	Low voltage	414 (110.4)	349 (100.8)	1,092 (103.8)
		Others	92 (100.6)	85 (97.5)	242 (98.4)
		Sub total	505 (108.5)	434 (100.1)	1,334 (102.8)
	Sub total	5,012 (109.7)	4,294 (101.8)	3,495 (101.8)	12,801 (104.8)
Liberalized segment		7,137 (108.7)	7,087 (108.6)	7,646 (107.3)	21,870 (108.2)
Total		12,149 (109.1)	11,381 (106.0)	11,141 (105.5)	34,672 (106.9)

【Breakdown of liberalized segment】

Commercial	2,603 (99.6)	2,491 (99.4)	2,729 (99.2)	7,832 (99.4)
Industrial and other	4,534 (114.8)	4,596 (114.4)	4,918 (112.5)	14,047 (113.8)

* (): Changes from the previous term, %

<Electricity sales results and forecasts>



* The figure has been revised up from the figure announced on April 2010.

Total electricity sales for 1Q of FY 3/2011 increased to 34,672 million kWh (+6.9%) from the same period in the previous year for the following reasons.

- Increase in industry demand due to come out of a slump of corporate production activities with the gradual economic recovery.
- Increase in electricity demand due to the effects produced by temperature.

	4/10-6/10	4/09-6/09	Change	Breakdown
Ordinary revenues (Operating revenues)	562.9 (553.2)	569.6 (557.7)	-6.7 (-4.4)	
Electricity sales	524.4	530.1	-5.6	<ul style="list-style-type: none"> • Increase in electricity sales volume +37.0 • Decrease in average revenue per kWh mainly due to changes in components of electricity sales volume -18.0 • Decrease in revenue per kWh due to decline of fuel price -25.0
Others	38.4	39.5	-1.1	
Ordinary expenses	544.9	490.0	+54.9	
Personnel	60.4	59.4	+1.0	
Fuel	90.8	59.3	+31.5	<ul style="list-style-type: none"> • Fossil-fuel costs +34.2 <ul style="list-style-type: none"> • Decline in nuclear capacity factor +27.0 • Increase in electricity sales volume +15.0 • Increase in water flow -7.0 • Rise of oil, LNG and coal prices +23.0 • Appreciation of the yen -6.0 • Nuclear fuel costs -2.7
Backend expenses of nuclear power	24.2	26.2	-1.9	<ul style="list-style-type: none"> • Reprocessing cost of irradiated nuclear fuel -1.3 • Reprocessing cost of irradiated nuclear fuel without definite plans -0.6
Maintenance	64.6	57.9	+6.6	<ul style="list-style-type: none"> • Nuclear power +3.3 • Fossil-fired power +2.2
Taxes other than income taxes	36.5	34.5	+2.0	<ul style="list-style-type: none"> • Nuclear fuel tax +1.2 • Promotion of power-resources development tax +0.9
Depreciation	87.1	80.4	+6.7	• Fossil-fired power +6.8
Purchased power	88.3	84.9	+3.4	• From other non-utility companies +3.7, • From other utilities -0.3
Interest expenses	11.8	12.7	-0.8	
Other	80.7	74.4	+6.3	• Non-electric business expenses +3.1
Ordinary income	17.9	79.6	-61.6	
Net income or loss	-13.0	52.4	-65.5	The effect of accounting standards for “Asset Retirement Obligations” (Extraordinary loss) +36.2

Non-consolidated balance sheets

(billion yen)

	Jun. 30, 2010	Mar. 31, 2010	Change	Breakdown
Assets	6,289.8	6,275.5	+14.3	<ul style="list-style-type: none"> ▪ Capital expenditures +65.7 ▪ Depreciation and amortization -88.1 ▪ The effect of accounting standards for “Asset Retirement Obligation” +53.4
Liabilities	4,877.2	4,797.8	+79.3	<ul style="list-style-type: none"> ▪ The effect of accounting standards for “Asset Retirement Obligations” +92.7
Net assets	1,412.6	1,477.6	-65.0	<ul style="list-style-type: none"> ▪ Dividend (¥30 per share for FY3/10 year-end) -27.0 ▪ Share-buyback -16.0 ▪ Net loss -13.0

Consolidated statements of operations

(billion yen)

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	4/10-6/10	4/09-6/09	Change	Breakdown
Ordinary revenues (Operating revenues)	628.7 (618.5)	615.6 (608.1)	+13.1 (+10.3)	
Electric operating revenues	538.1	542.6	-4.5	•Decrease in electricity sales revenues -5.6
Other operating revenues	80.3	65.4	+14.9	•Increase in consolidated subsidiaries +10.5
Non-operating revenues	10.1	7.4	+2.7	
Ordinary expenses	604.8	533.2	+71.5	
Electric operating expenses	517.1	464.4	+52.6	•Fuel costs +31.5
Other operating expenses	70.2	53.7	+16.4	
Non-operating expenses	17.4	15.0	+2.4	
Ordinary income	23.8	82.3	-58.4	
Net income or loss	-9.9	52.3	-62.3	The effect of accounting standards for “Asset Retirement Obligations” (Extraordinary loss) +37.1

Consolidated balance sheets

(billion yen)

	Jun. 30, 2010	Mar. 31, 2010	Change	Breakdown
Assets	7,097.4	7,116.6	-19.2	•Capital expenditures +85.5 •Depreciation and amortization -107.2
Liabilities	5,371.0	5,327.2	+43.8	•The effect of accounting standards for “Asset Retirement Obligations” +94.2
Net assets	1,726.3	1,789.4	-63.1	•Dividend (¥30 per share for FY3/10 year-end) -27.0 •Share-buyback -16.0 •Net loss -9.9

Consolidated statements of cash flows

(billion yen)

	4/10-6/10	4/09-6/09	Change	Breakdown
Operating activities	61.6	182.4	-120.8	<ul style="list-style-type: none"> ▪ Increase in income taxes-paid -52.6 ▪ Increase in fossil-fuel costs -49.4 ▪ Decrease in electricity sales revenues -18.8
Investing activities	-96.8	-135.8	+39.0	<ul style="list-style-type: none"> ▪ Decrease in capital expenditures +22.0 ▪ Decrease in investments and advances +22.6
(Free cash flows)	(-35.1)	(46.6)	(-81.8)	
Financing activities	29.8	-49.1	+79.0	<ul style="list-style-type: none"> ▪ Increase in net financing of bonds and borrowings +96.9 (04/10-06/10: -26.5 ⇒ 04/09-06/09: +70.4) ▪ Share-buyback -15.9

Segment information

(billion yen)

	Reportable segments		Other	Total	Eliminations/ corporate	Consolidated
	Electric power	IT/communications				
Operating revenues	541.0 (-4.4)	45.3 (+5.7)	103.1 (+9.6)	689.4 (+10.9)	-70.9 (-6)	618.5 (+10.3)
Sales to external customers	538.1 (-4.5)	32.4 (+3.0)	47.9 (+11.8)	618.5 (+10.3)	—	618.5 (+10.3)
Operating income	20.5 (-56.4)	4.8 (+1.2)	4.8 (-4.2)	30.2 (-59.4)	0.8 (+0.6)	31.1 (-58.7)

*() : Changes from the previous term, billion yen

Financial forecasts

(consolidated, non-consolidated)

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(billion yen)

	4/10-3/11(E)	
	Consolidated	Non- consolidated
Operating revenues	2,720.0	2,410.0
Operating income	195.0	150.0
Ordinary income	160.0	120.0
Net income	80.0	55.0

*The figure announced on April 28 ,2010
has been unchanged.

<Major factors>

	Revised (E)	Previous (E)
Electricity sales (TWh)	146.1	145.0
Residential	50.2	49.7
Commercial and industrial	95.9	95.2
Nuclear capacity factor (%)	75.8	75.8
Water run-off ratio (%)	104.4	100
All Japan CIF crude oil price (\$/barrel)	Approx. 84	Approx. 85
Exchange rate [TTM] (yen/\$)	Approx. 94	Approx. 95
Interest rate [long-term prime rate] (%)	Approx. 1.9	Approx. 1.9

<Sensitivity of major factors>

	Revised (E)	Previous (E)
Nuclear capacity factor per 1%	5.4	5.5
Water run-off ratio per 1%	1.0	1.0
All Japan CIF crude oil price per \$1/barrel	3.5	3.5
Exchange rate [TTM] per ¥1/\$	4.9	4.8
Interest rate [long-term prime rate] per 1%	5.0	5.0

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

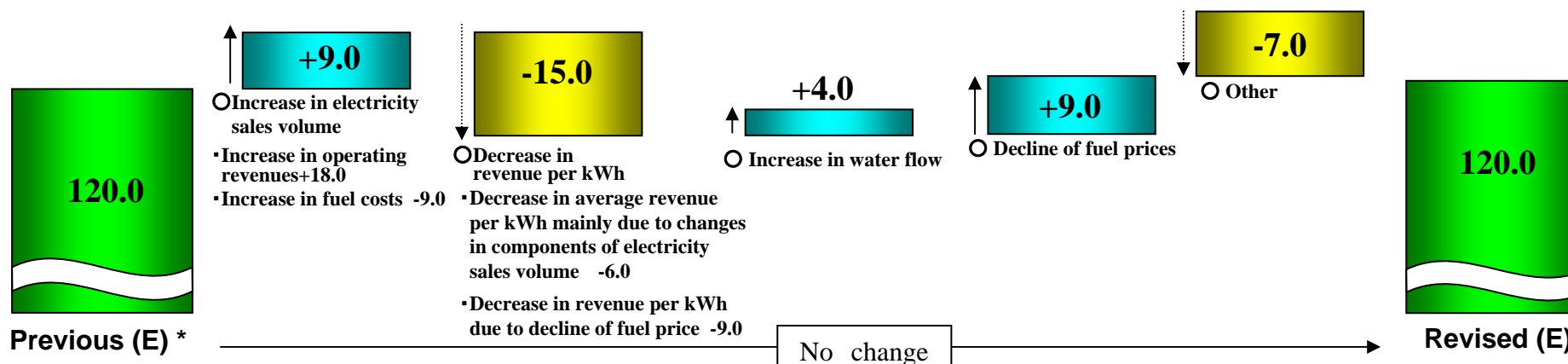
【Dividend forecasts for FY ending 3/11】

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

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

	Revised (E)	Previous (E)*	Change	Breakdown
Operating revenues	2,410.0	2,410.0	±0	<ul style="list-style-type: none"> • Increase in electricity sales volume +18.0 • Decrease in average revenue per kWh mainly due to changes in components of electricity sales volume -6.0 • Decrease in revenue per kWh due to decline of fuel price -9.0
Ordinary income	120.0	120.0	±0	<ul style="list-style-type: none"> • Increase in electricity sales volume +9.0 • Decrease in average revenue per kWh mainly due to changes in components of electricity sales volume -6.0 • Decrease in revenue per kWh due to decline of fuel price -9.0 • Increase in water flow +4.0 • Decrease in fuel costs due to decline of fuel prices +9.0 • Other -7.0
Net income	55.0	55.0	±0	

Breakdown of ordinary income change (billion yen)



*Previous forecasts were announced on April 28, 2010.

Non-electric business

Financial highlights of non-electric business

(billion yen)

		4/10-6/10	4/09-6/09	Change	Breakdown	
Non-electric business (*1)	Sales to non-group companies	78.8	63.9	+14.9		
	Ordinary income	9.7	12.9	-3.2		
	Integrated energy supply (*2)	Sales to non-group companies	16.2	13.5	+2.7	▪ Increase in utility service operating revenues
		Ordinary income	0.9	2.5	-1.6	▪ Decrease in sales price (gas) ▪ Rise of material price (gas)
	Information and telecommunications	Sales to non-group companies	32.4	29.4	+3.0	▪ Increase in FTTH subscribers
		Ordinary income	4.0	2.8	+1.2	
	Lifecycle-related business	Sales to non-group companies	18.8	7.5	+11.3	▪ Increase in consolidated subsidiaries
		Ordinary income	2.2	2.2	±0	
	Other business	Sales to non-group companies	11.3	13.4	-2.1	▪ Decrease in order amount
		Ordinary income	2.4	5.2	-2.8	

*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)	Previous (E)	Change	Breakdown	
Non-electric business (*1)	Sales to non-group companies	365.0	365.0	±0		
	Ordinary income	52.0	52.0	±0		
	Integrated energy supply (*2)	Sales to non-group companies	71.0	71.0	±0	
		Ordinary income	3.0	3.0	±0	
	Information and telecommunications	Sales to non-group companies	138.0	138.0	±0	
		Ordinary income	17.5	17.5	±0	
	Lifecycle-related business	Sales to non-group companies	90.0	90.0	±0	
		Ordinary income	6.5	6.5	±0	
	Other business	Sales to non-group companies	66.0	66.0	±0	
		Ordinary income	25.0	25.0	±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

Financial forecasts for the half-year ending 9/2010

(billion yen) (consolidated, non-consolidated)

	4/10-9/10(E)	
	Consolidated	Non- consolidated
Operating revenues	1,320.0	1,180.0
Operating income,	120.0	100.0
Ordinary income	100.0	90.0
Net income	46.0	38.0

*The figure announced on April 28 ,2010
has been unchanged.

<Major factors>

	Revised (E)	Previous (E)
Electricity sales (TWh)	73.4	72.3
Residential	23.5	23.1
Commercial and industrial	49.9	49.2
Nuclear capacity factor (%)	71.7	70.4
Water run-off ratio (%)	107.1	100
All Japan CIF crude oil price (\$/barrel)	Approx. 83	Approx. 85
Exchange rate [TTM] (yen/\$)	Approx. 94	Approx. 95
Interest rate [long-term prime rate] (%)	Approx. 1.9	Approx. 1.9

<Sensitivity of major factors>

	Revised (E)	Previous (E)
Nuclear capacity factor per 1%	2.7	2.7
Water run-off ratio per 1%	0.6	0.5
All Japan CIF crude oil price per \$1/barrel	1.8	1.8
Exchange rate [TTM] per ¥1/\$	2.4	2.4
Interest rate [long-term prime rate] per 1%	1.9	1.9

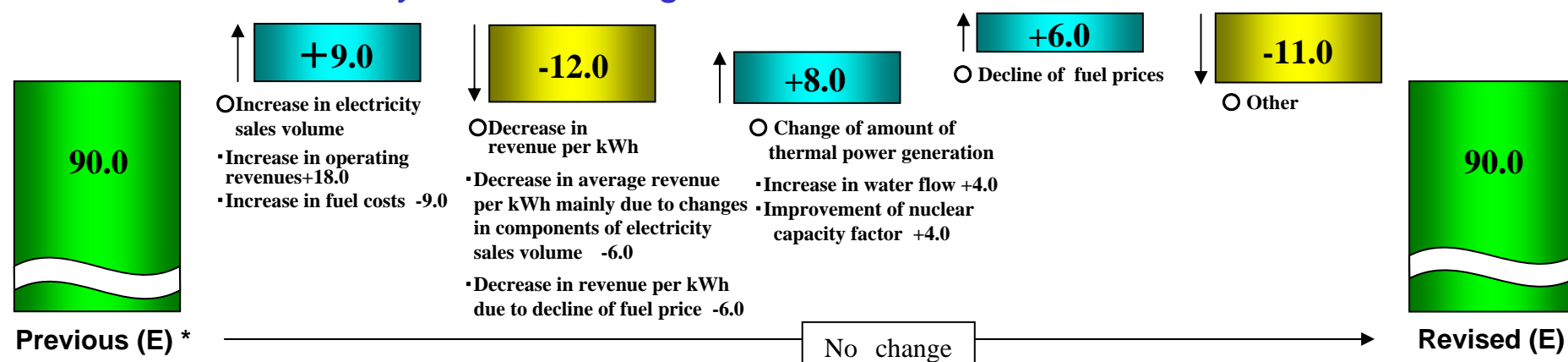
•Sensitivity of major factors are subject to change if the rapid and drastic changes of major factors happen.

Details of Financial forecasts for the half-year ending 9/2010(non-consolidated)

(billion yen)

	Revised (E)	Previous (E)*	Change	Breakdown
Operating revenues	1,180.0	1,180.0	±0	<ul style="list-style-type: none"> • Increase in electricity sales volume +18.0 • Decrease in average revenue per kWh mainly due to changes in components of electricity sales volume -6.0 • Decrease in revenue per kWh due to decline of fuel price -6.0
Ordinary income	90.0	90.0	±0	<ul style="list-style-type: none"> • Increase in electricity sales volume +9.0 • Decrease in average revenue per kWh mainly due to changes in components of electricity sales volume -6.0 • Decrease in revenue per kWh due to decline of fuel price -6.0 • Increase in water flow +4.0 • Improvement of nuclear capacity factor +4.0 • Decrease in fuel costs due to decline of fuel prices +6.0 • Other -11.0
Net income	38.0	38.0	±0	

Breakdown of ordinary income change (billion yen)



*Previous forecasts were announced on April 28, 2010.

Sales performance and objectives

		4/09-6/09	4/10-6/10	Objective
Electric business	Increase of all-electric-houses	23 thousand	24 thousand	380 thousand (FY ending 3/2011 ~ FY ending 3/2013)

(appendix)		Jun. 30, 2010
Electric business	Number of all-electric-houses	798 thousand

		4/09-6/09	4/10-6/10	Forecast
Integrated energy supply	Sales volume of gas and heavy oil [equivalent to LNG] (tons)	140 thousand	180 thousand	750 thousand (FY ending 3/2011)

		Mar. 31, 2010	Jun. 30, 2010	Objective
Information and telecommunications	Number of FTTH subscribers	1,007 thousand	1,052 thousand	1,170 thousand (as of 3/2011)
	Number of corporate customers	33 thousand	33 thousand	33 thousand (as of 3/2011)

For further information

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