

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

January 31, 2011

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)	
	4/10-12/10	4/09-12/09	Change	4/10-12/10	4/09-12/09	Change	4/10-12/10	4/09-12/09
Operating revenues	2,037.5	1,898.6	+138.8 (+7.3%)	1,825.3	1,726.5	+98.8 (+5.7%)	1.12	1.10
Operating income	240.1	207.3	+32.8 (+15.8%)	208.2	175.1	+33.1 (+18.9%)	1.15	1.18
Ordinary income	216.2	183.8	+32.4 (+17.6%)	193.3	154.8	+38.5 (+24.9%)	1.12	1.19
Net income	107.7	120.2	-12.4 (-10.3)	96.0	98.6	-2.6 (-2.7)	1.12	1.22

	Consolidated			Non-consolidated		
	Dec.31, 2010	Mar. 31, 2010	Change	Dec.31, 2010	Mar. 31, 2010	Change
Total assets	7,230.2	7,116.6	+113.6 (+1.6%)	6,397.2	6,275.5	+121.7 (+1.9%)
Interest-bearing debt	3,450.8	3,391.6	+59.1 (+1.7%)	3,003.9	2,946.6	+57.2 (+1.9%)
Equity ratio	24.9%	25.0%	-0.1%	23.4%	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)

	4/10-12/10	4/09-12/09	Change
Electricity sales (TWh)	111.7(107.5)	103.9 (94.6)	+7.8
<div> <div>Residential</div> <div>Commercial and industrial</div> <div>(*2)</div> </div>	<div>36.9 (107.8)</div> <div>74.9 (107.3)</div>	<div>34.2 (98.7)</div> <div>69.8 (92.7)</div>	<div>+2.7</div> <div>+5.1</div>
Nuclear capacity factor (%)	77.6	80.3	-2.7
Water run-off ratio (%)	112.4	96.3	+16.1
All Japan CIF crude oil price (\$/barrel)	79.7	66.5	+13.2
Exchange rate [TTM] (yen/\$)	87	94	-7
Interest rate [long-term prime rate] (%)	1.48	1.94	-0.46

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

*2. Including the liberalized segment

Electricity sales

<Electricity sales volume>

(million kWh, %)

			4/10-9/10	Oct.	Nov.	Dec.	4/10-12/10
Regulated segment	Lightning		25,516 (110.2)	3,709 (107.1)	3,551 (96.8)	4,087 (105.0)	36,864 (107.8)
	Power	Low voltage	3,143 (110.5)	470 (112.6)	330 (98.4)	361 (104.0)	4,304 (109.1)
		Others	412 (97.9)	52 (92.5)	61 (89.5)	72 (100.4)	598 (96.8)
		Sub total	3,555 (108.8)	522 (110.2)	391 (96.9)	433 (103.3)	4,902 (107.4)
	Sub total		29,071 (110.0)	4,232 (107.5)	3,943 (96.8)	4,520 (104.9)	41,766 (107.8)
Liberalized segment			47,758 (108.6)	7,782 (106.3)	7,193 (104.0)	7,222 (103.1)	69,955 (107.3)
Total			76,829 (109.1)	12,014 (106.7)	11,135 (101.4)	11,743 (103.8)	111,721 (107.5)

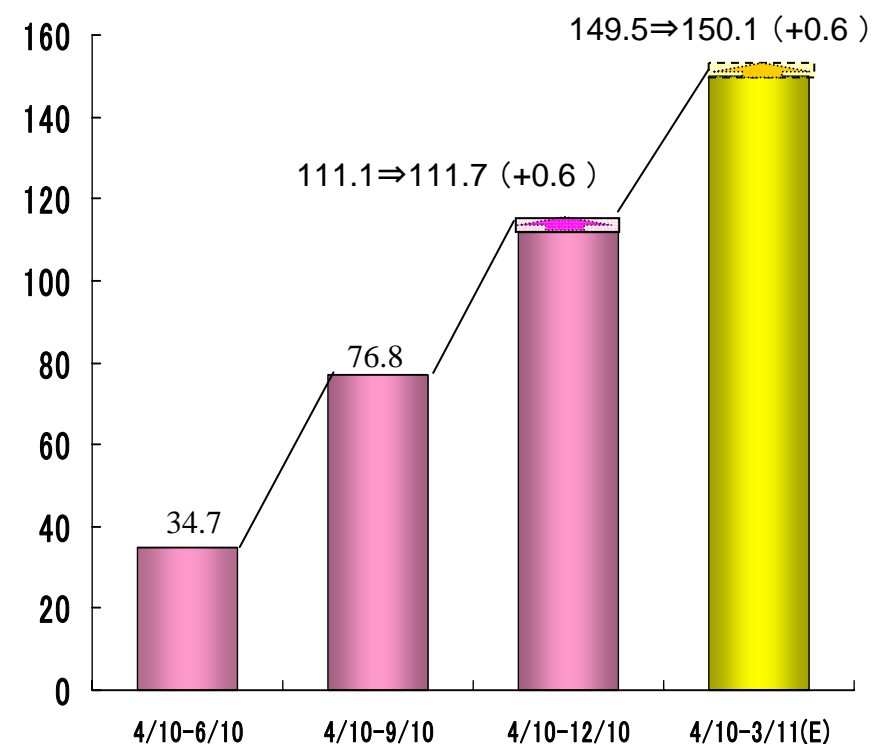
【Breakdown liberalized segment】

Commercial	18,174 (102.4)	2,883 (103.9)	2,531 (100.3)	2,573 (99.0)	26,161 (102.0)
Industrial and other	29,584 (112.9)	4,899 (107.7)	4,662 (106.1)	4,649 (105.6)	43,794 (110.7)

* () : Changes from the previous term, %

<Electricity sales results and forecasts>

(TWh)



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

Total electricity sales for 3Q of FY 3/2011 increased to 111,721 million kWh (+7.5%) from the same period in the previous year for the following reasons.

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

	4/10-12/10	4/09-12/09	Change	Breakdown
Ordinary revenues (Operating revenues)	1,848.6 (1,825.3)	1,747.9 (1,726.5)	+100.7 (+98.8)	
Electricity sales	1,730.8	1,639.0	+91.8	<ul style="list-style-type: none"> •Increase in electricity sales volume +122.0 •Increase in revenue per kWh due to rise of fuel price +12.0 •Decrease in average revenue per kWh mainly due to changes in components of electricity sales volume -42.0
Others	117.7	108.9	+8.8	
Ordinary expenses	1,655.2	1,593.1	+62.1	
Personnel	180.2	177.9	+2.3	
Fuel	271.1	249.2	+21.9	<ul style="list-style-type: none"> •Fossil-fuel costs +23.2 <ul style="list-style-type: none"> •Increase in electricity sales volume +62.0 •Decline in nuclear capacity factor +13.0 •Increase in Purchased power -24.0 •Increase in water flow -11.0 •Rise of oil, LNG and coal prices +30.0 •Appreciation of the yen -15.0 •Changes in component of fuel sources -30.0 •Nuclear fuel costs -1.2
Backend expenses of nuclear power	73.2	77.3	-4.1	<ul style="list-style-type: none"> •Disposal cost of specified radioactive wastes -2.7 •Reprocessing cost of irradiated nuclear fuel-1.9
Maintenance	194.1	190.2	+3.9	<ul style="list-style-type: none"> •Nuclear power +10.3 •Fossil-fired power -7.5
Taxes other than income taxes	113.4	107.1	+6.3	•Promotion of power-resources development tax +3.1
Depreciation	254.3	234.6	+19.6	•Fossil-fired power +20.5
Purchased power	281.6	271.4	+10.2	•From other non-utility companies +12.6 •From other utility companies -2.4
Interest expenses	35.4	37.7	-2.2	
Other	251.6	247.5	+4.0	•Non-electric business expenses +3.8
Ordinary income	193.3	154.8	+38.5	
Net income	96.0	98.6	-2.6	The effect of accounting standards for “Asset Retirement Obligations” (Extraordinary loss) +36.2

Non-consolidated balance sheets

(billion yen)

	Dec. 31, 2010	Mar. 31, 2010	Change	Breakdown
Assets	6,397.2	6,275.5	+121.7	<ul style="list-style-type: none"> • Capital expenditures +242.3 • Depreciation and amortization -257.1 • Additional investment for “JAPAN NUCLEAR FUEL LIMITED ”+72.8 • The effect of accounting standards for “Asset Retirement Obligations ” +50.9
Liabilities	4,902.8	4,797.8	+104.9	<ul style="list-style-type: none"> • The effect of accounting standards for “Asset Retirement Obligations” +97.5
Net assets	1,494.4	1,477.6	+16.7	<ul style="list-style-type: none"> • Net Income +96.0 • Dividend -53.8 <ul style="list-style-type: none"> ¥30 per share for FY3/10 year-end ¥30 per share for FY3/11 interim • Share-buyback -16.9

Consolidated statements of operations

(billion yen)

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	4/10-12/10	4/09-12/09	Change	Breakdown
Ordinary revenues (Operating revenues)	2,064.7 (2,037.5)	1,924.3 (1,898.6)	+140.4 (+138.8)	
Electric operating revenues	1,775.1	1,678.4	+96.6	•Increase in electricity sales revenues +91.8
Other operating revenues	262.4	220.2	+42.1	•Increase in consolidated subsidiaries +33.9
Non-operating revenues	27.2	25.7	+1.5	
Ordinary expenses	1,848.5	1,740.5	+107.9	
Electric operating expenses	1,570.6	1,506.0	+64.5	•Fuel costs +21.9 • Depreciation +19.6
Other operating expenses	226.6	185.1	+41.5	
Non-operating expenses	51.2	49.2	+1.9	
Ordinary income	216.2	183.8	+32.4	
Net income	107.7	120.2	-12.4	The effect of accounting standards for “Asset Retirement Obligations” (Extraordinary loss) +37.1

Consolidated balance sheets

(billion yen)

	Dec. 31, 2010	Mar. 31, 2010	Change	Breakdown
Assets	7,230.2	7,116.6	+113.6	•Capital expenditures +304.3 •Additional investment for “JAPAN NUCLEAR FUEL LIMITED ”+72.8 •The effect of accounting standards for “Asset Retirement Obligations” +51.7 •Depreciation and amortization -316.1
Liabilities	5,409.0	5,327.2	+81.8	•The effect of accounting standards for “Asset Retirement Obligations” +99.3
Net assets	1,821.2	1,789.4	+31.7	•Net Income +107.7 •Dividend -53.8 (¥30 per share for FY3/10 year-end ¥30 per share for FY3/11 interim) •Share-buyback -16.9

Consolidated statements of cash flows

(billion yen)

	4/10-12/10	4/09-12/09	Change	Breakdown
Operating activities	427.8	529.2	-101.4	<ul style="list-style-type: none"> ▪ Increase in income taxes-paid -93.2 ▪ Increase in fossil-fuel costs -66.1 ▪ Increase in electricity sales revenues +70.9
Investing activities	-411.1	-357.0	-54.0	<ul style="list-style-type: none"> ▪ Increase in investments and advances -59.0
(Free cash flows)	(16.6)	(172.1)	(-155.5)	
Financing activities	-1.9	-152.3	+150.3	<ul style="list-style-type: none"> ▪ Increase in net financing of bonds and borrowings +141.1 (04/10-12/10: -81.8 ⇒ 04/09-12/09:+59.2)

Segment information

(billion yen)

	Reportable segments		Other	Total	Eliminations/ corporate	Consolidated
	Electric power	IT/communications				
Operating revenues	1,783.8 (+96.8)	138.3 (+12.5)	343.7 (+27.7)	2,265.9 (+137.1)	-228.4 (+1.7)	2,037.5 (+138.8)
Sales to external customers	1,775.1 (+96.6)	100.4 (+9.6)	161.9 (+32.5)	2,037.5 (+138.8)	—	2,037.5 (+138.8)
Operating income	202.1 (+34.9)	14.7 (+0.3)	21.5 (-1.9)	238.4 (+33.3)	1.7 (-0.5)	240.1 (+32.8)

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

Financial forecasts

(consolidated, non-consolidated)

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(billion yen)

	Consolidated			Non- consolidated		
	Revised (E)	Previous (E)	Change	Revised (E)	Previous (E)	Change
Operating revenues	2,750.0	2,750.0	— (—)	2,460.0	2,450.0	+10.0 (+0.4%)
Operating income	275.0	245.0	+30.0 (+12.2%)	230.0	200.0	+30.0 (+15.0%)
Ordinary income	230.0	200.0	+30.0 (+15.0%)	200.0	170.0	+30.0 (+17.6%)
Net income	123.0	103.0	+20.0 (+19.4%)	105.0	85.0	+20.0 (+23.5%)

<Major factors>

	Revised (E)	Previous (E)
Electricity sales (TWh)	150.1	149.5
Residential	52.3	52.2
Commercial and industrial	97.8	97.4
Nuclear capacity factor (%)	77.5	76.6
Water run-off ratio (%)	110.0	106.6
All Japan CIF crude oil price (\$/barrel)	Approx. 82	Approx. 79
Exchange rate [TTM] (yen/\$)	Approx. 86	Approx. 90
Interest rate [long-term prime rate] (%)	Approx. 1.6	Approx. 1.7

<Sensitivity of major factors>

(billion yen)

	Revised (E)	Previous (E)
Nuclear capacity factor per 1%	4.8	5.1
Water run-off ratio per 1%	0.9	0.9
All Japan CIF crude oil price per \$1/barrel	3.1	3.4
Exchange rate [TTM] per ¥1/\$	5.0	5.1
Interest rate [long-term prime rate] per 1%	4.5	4.7

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

【Dividend forecasts for FY ending 3/11】

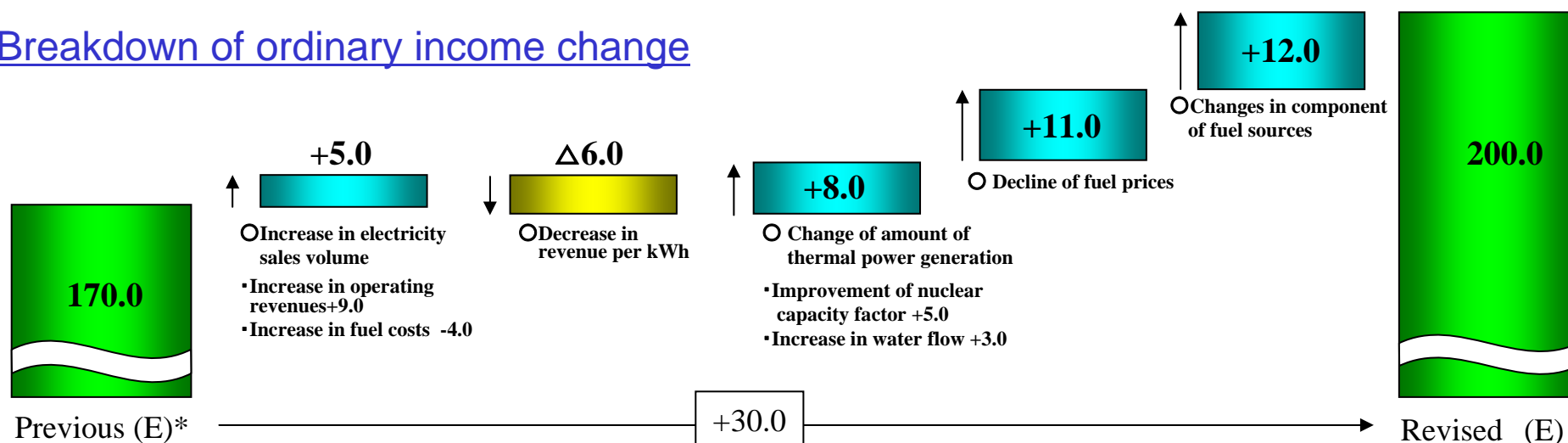
	Interim	Year-end	Annual
Dividend per share	¥ 30	¥30 (E)	¥ 60 (E)

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

	Revised (E)	Previous (E)*	Change	Breakdown	4/09-3/10
Operating revenues	2,460.0	2,450.0	+10.0	<ul style="list-style-type: none"> • Increase in electricity sales volume +9.0 • Decrease in revenue per kWh due to decline of fuel price -6.0 	2,347.4
Ordinary income	200.0	170.0	+30.0	<ul style="list-style-type: none"> • Increase in electricity sales volume +5.0 • Decrease in revenue per kWh due to decline of fuel price -6.0 • Change of amount of thermal power generation +8.0 • Decrease in fuel costs due to decline of fuel prices +11.0 • Changes in component of fuel sources +12.0 	146.5
Net income	105.0	85.0	+20.0		92.5

(billion yen)

Breakdown of ordinary income change



*Previous forecasts were announced on October 28, 2010.

Non-electric business

Financial highlights of non-electric business

(billion yen)

		4/10-12/10	4/09-12/09	Change	Breakdown
Non-electric business (*1)	Sales to non-group companies	257.9	218.3	+39.6	
	Ordinary income	36.8	42.2	-5.4	
Integrated energy supply (*2)	Sales to non-group companies	54.1	48.7	+5.4	▪ Increase in utility service operating revenues
	Ordinary income	5.5	3.7	+1.7	
Information and telecommunications	Sales to non-group companies	100.4	90.8	+9.6	▪ Increase in FTTH subscribers
	Ordinary income	12.3	11.9	+0.4	
Lifecycle-related business	Sales to non-group companies	58.5	31.5	+27.0	▪ Increase in consolidated subsidiaries
	Ordinary income	6.0	6.0	±0	
Other business	Sales to non-group companies	44.7	47.1	-2.4	▪ Decrease in order amount
	Ordinary income	12.9	20.4	-7.4	

*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	355.0	360.0	-5.0		
	Ordinary income	52.0	50.0	+2.0		
	Integrated energy supply (*2)	Sales to non-group companies	72.0	71.0	+1.0	▪Increase in sales volume (gas)
		Ordinary income	5.5	4.5	+1.0	▪Decline of material price
	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	81.0	83.0	-2.0	▪ Decrease in sales of house on real estate business
		Ordinary income	5.5	5.5	±0	
	Other business	Sales to non-group companies	64.0	68.0	-4.0	▪Decrease in external transactions
		Ordinary income	23.5	22.5	+1.0	▪Increase in intragroup transactions

*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

		4/09-12/09	4/10-12/10	Objective
Electric business	Increase of all-electric-houses	73 thousand	77 thousand	380 thousand (FY ending 3/2011 ~ FY ending 3/2013)

(appendix)		Dec. 31, 2010
Electric business	Number of all-electric-houses	844 thousand

		4/09-12/09	4/10-12/10	Forecast
Integrated energy supply	Sales volume of gas and heavy oil [equivalent to LNG] (tons)	570 thousand	610 thousand	780 thousand (FY ending 3/2011)

		Mar. 31, 2010	Dec. 31, 2010	Objective
Information and telecommunications	Number of FTTH subscribers	1,007 thousand	1,137 thousand	1,170 thousand (as of 3/2011)
	Number of corporate customers	33 thousand	35 thousand	33 thousand (as of 3/2011)

For further information

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