

Financial results for 3Q of FY ending 3/2014
&
Financial forecasts for FY ending 3/2014

January 31, 2014

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)	
	4/13-12/13	4/12-12/12	Change	4/13-12/13	4/12-12/12	Change	4/13-12/13	4/12-12/12
Operating revenues	2,398.5	2,081.9	+316.5 (+15.2%)	2,142.2	1,849.1	+293.1 (+15.9%)	1.12	1.13
Operating loss	-7.6	-197.5	+189.9 (—)	-36.1	-229.5	+193.3 (—)	—	—
Ordinary loss	-34.1	-221.4	+187.2 (—)	-32.3	-249.0	+216.6 (—)	—	—
Net loss	-34.6	-151.9	+117.3 (—)	-22.1	-170.1	+148.0 (—)	—	—

(billion yen)	Consolidated			Non-consolidated		
	Dec. 31, 2013	Mar. 31, 2013	Change	Dec. 31, 2013	Mar. 31, 2013	Change
Total assets	7,569.8	7,635.1	-65.3 (-0.9%)	6,709.4	6,757.6	-48.2 (-0.7%)
Interest-bearing debt	4,214.2	4,210.2	+3.9 (+0.1%)	3,782.7	3,774.1	+8.6 (+0.2%)
Equity ratio	16.5%	16.5%	—	13.2%	13.2%	—

*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)

	4/13-12/13	4/12-12/12	Change
Electricity sales (TWh)	103.0(98.7)	104.4(97.2)	-1.4
<div> <div>Lightning Power</div> <div>(*2)</div> </div>	33.4(97.9) 69.6(99.0)	34.1(98.2) 70.3(96.6)	-0.7 -0.7
Nuclear capacity factor (%)	14.4	15.3	-0.9
Water run-off ratio (%)	99.1	90.7	+8.4
All Japan CIF crude oil price (\$/barrel)	109.5	114.0	-4.5
Exchange rate [TTM] (yen/\$)	99	80	+19
Interest rate [long-term prime rate] (%)	1.25	1.27	-0.02

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

*2. Including the liberalized segment

<Electricity sales volume>

(GWh, %)

	2Q	Oct.	Nov.	Dec.	4/13-12/13
Regulated segment (Sub total)	25,739 (98.3)	3,600 (101.2)	4,024 (104.0)	4,329 (89.0)	37,692 (98.0)
Lightning	22,693 (98.4)	3,157 (100.9)	3,628 (103.8)	3,920 (89.1)	33,398 (97.9)
Power (Sub Total)	3,046 (97.9)	443 (103.2)	396 (105.9)	408 (88.6)	4,294 (98.1)
Low Voltage	2,690 (98.0)	402 (103.8)	340 (107.6)	347 (89.1)	3,779 (98.5)
Others	356 (96.5)	42 (97.1)	56 (96.6)	61 (86.0)	515 (95.2)
Liberalized segment	44,407 (98.6)	7,335 (100.9)	6,756 (99.9)	6,813 (99.0)	65,310 (99.1)
Total	70,146 (98.5)	10,935 (101.0)	10,780 (101.4)	11,142 (94.9)	103,002 (98.7)

【Breakdown of liberalized segment】

Commercial	17,052 (100.4)	2,723 (100.0)	2,422 (100.3)	2,501 (97.6)	24,698 (100.0)
Industrial and other	27,355 (97.6)	4,612 (101.4)	4,334 (99.7)	4,312 (99.9)	40,613 (98.5)

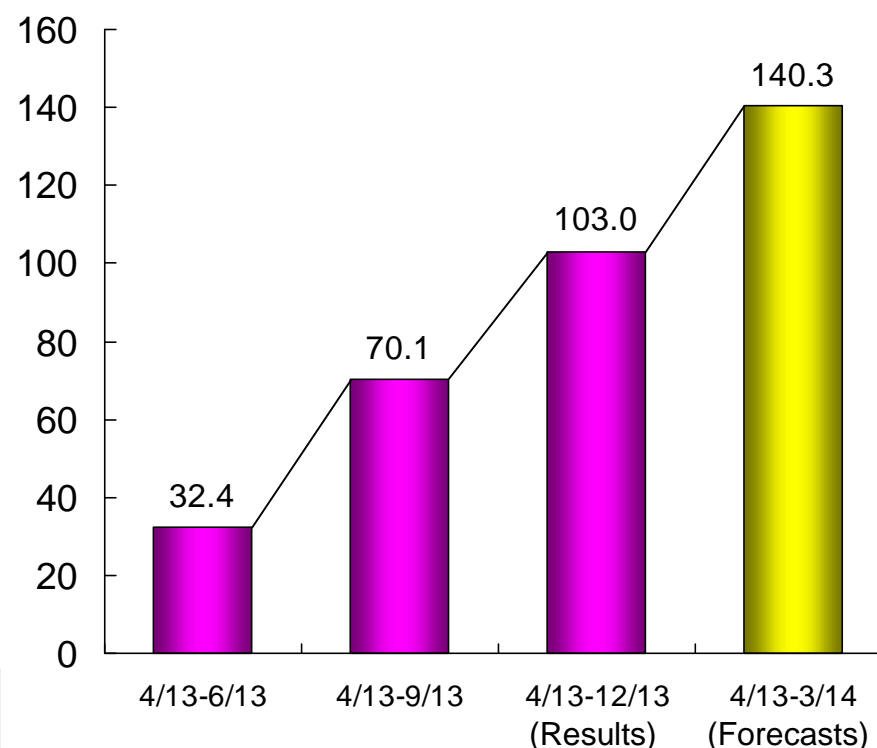
* (): Changes from the previous term, %

Electricity sales volumes for 3Q of FY ending 3/2014 decreased to 103,002 GWh(-1.3%) from the previous year for the following reasons.

- Decrease in electricity demand due to the effects produced by the cooperation of saving energy.
- Decrease in industry demand due to downturn in industrial production activities.

<Electricity sales results and forecasts>

(TWh)



Electricity sales volume for FY 2014 will decrease to 140.3TWh(-1.0%) from the previous year due to mainly the effects produced by the cooperation of saving energy.

(billion yen)	4/13-12/13	4/12-12/12	Change	Breakdown
Ordinary revenues (Operating revenues)	2,186.8 (2,142.2)	1,869.4 (1,849.1)	+317.3 (+293.1)	
Electricity sales	1,991.5	1,726.3	+265.1	<ul style="list-style-type: none"> • Decrease in electricity sales volume -23.0 • Increase in revenue per kWh due to electricity rate raise +190.0 • Increase in revenue per kWh mainly due to change of fuel price +77.0
Others	195.3	143.0	+52.2	<ul style="list-style-type: none"> • Grant under act on purchase of renewable energy sourced electricity +23.3
Ordinary expenses	2,219.2	2,118.5	+100.6	
Personnel	144.7	174.5	-29.7	<ul style="list-style-type: none"> • salaries -26.6
Fuel	814.1	667.9	+146.2	<ul style="list-style-type: none"> • Fossil-fuel costs +147.4 • Nuclear fuel costs -1.1 <div> <ul style="list-style-type: none"> • Decrease in purchased power volume +32.0 • Decline in nuclear capacity factor +6.0 • Decrease in electricity sales volume -16.0 • Increase in water flow -6.0 • Depreciation of the yen +142.0 • Fluctuation of oil, LNG and coal prices -27.0 • Changes in component of fossil-fuel sources +16.0 </div>
Backend expenses of nuclear power	39.7	38.8	+0.8	
Maintenance	126.8	134.8	-7.9	
Taxes other than income taxes	111.7	108.4	+3.2	
Depreciation	220.4	218.7	+1.6	
Purchased power	402.4	458.1	-55.6	<ul style="list-style-type: none"> • From other utility companies -85.4 • From other non-utility companies +29.7
Interest expenses	39.0	37.3	+1.6	
Other	320.0	279.6	+40.4	<ul style="list-style-type: none"> • General contribution (Nuclear Damage Liability Facilitation Fund) +23.6 • Levy under act on purchase of renewable energy sourced electricity +19.3
Ordinary loss	-32.3	-249.0	+216.6	
Net loss	-22.1	-170.1	+148.0	

Non-consolidated balance sheets

(billion yen)	Dec. 31, 2013	Mar. 31, 2013	Change	Breakdown
Assets	6,709.4	6,757.6	-48.2	<ul style="list-style-type: none"> • Capital expenditures +191.5 • Depreciation and amortization -222.7
Liabilities	5,823.0	5,862.6	-39.5	<ul style="list-style-type: none"> • Asset retirement obligations (Change accounting standard) -51.3 • Interest bearing debt +8.6
Net assets	886.3	894.9	-8.6	<ul style="list-style-type: none"> • Net loss -22.1 • Valuation and translation adjustment +13.5

Consolidated statements of operations

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(billion yen)	4/13-12/13	4/12-12/12	Change	Breakdown
Ordinary revenues (Operating revenues)	2,424.7 (2,398.5)	2,108.0 (2,081.9)	+316.7 (+316.5)	
Electric operating revenues	2,072.8	1,780.3	+292.4	• Increase in electricity sales revenues +265.1
Other operating revenues	325.7	301.6	+24.0	• Increase in Lifecycle-related business revenues +7.7
Non-operating revenues	26.2	26.0	+0.1	
Ordinary expenses	2,458.9	2,329.5	+129.4	
Electric operating expenses	2,114.1	2,017.0	+97.0	• Fuel costs +146.2 • Purchased power - 55.6
Other operating expenses	292.0	262.5	+29.5	• Increase in integrated energy supply costs +5.8
Non-operating expenses	52.7	49.9	+2.8	
Ordinary loss	- 34.1	- 221.4	+187.2	
Net loss	- 34.6	- 151.9	+117.3	
Comprehensive loss	- 4.1	- 154.2	+150.0	

Consolidated balance sheets

(billion yen)	Dec. 31, 2013	Mar. 31, 2013	Change	Breakdown
Assets	7,569.8	7,635.1	- 65.3	• Capital expenditures +252.7 • Depreciation and amortization - 283.2
Liabilities	6,295.7	6,357.0	- 61.2	• Asset retirement obligations (Change accounting standard) - 51.0
Net assets	1,274.0	1,278.1	- 4.0	• Net loss - 34.6 • Valuation and translation adjustment +27.0

Segment information

(billion yen)	Reportable segments		Other	Total	Eliminations/ corporate	Consolidated
	Electric power	IT/communications				
Operating revenues	2,080.9 (+291.6)	150.5 (-2.8)	359.7 (-0.7)	2,591.1 (+288.0)	-192.6 (+28.4)	2,398.5 (+316.5)
Sales to external customers	2,072.8 (+292.4)	121.1 (+5.8)	204.5 (+18.2)	2,398.5 (+316.5)	—	2,398.5 (+316.5)
Operating income or loss	-38.4 (+197.5)	15.5 (-4.2)	12.6 (-4.6)	-10.2 (+188.7)	2.5 (+1.1)	-7.6 (+189.9)

*() : Changes from the previous term,

Financial forecasts

(consolidated, non-consolidated)

(The change from FY ended 3/2013)

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(billion yen)	Consolidated			Non-consolidated		
	4/13-3/14 (Forecasts)	4/12-3/13 (Results)	Change	4/13-3/14 (Forecasts)	4/12-3/13 (Results)	Change
Operating revenues	3,310.0	2,859.0	+450.9 (+15.8%)	2,950.0	2,520.7	+429.2 (+17.0%)
Operating loss	-85.0	-314.0	+229.0 (-)	-125.0	-363.3	+238.3 (-)
Ordinary loss	-125.0	-353.1	+228.1 (-)	-130.0	-392.5	+262.5 (-)
Net loss	-98.0	-243.4	+145.4 (-)	-95.0	-272.9	+177.9 (-)

<Major factors>

	4/13-3/14 (Forecasts)	4/12-3/13 (Results)
Electricity sales (TWh)	140.3	141.8
Lightning	48.4	49.0
Power	92.0	92.7
Nuclear capacity factor (%)	10.9	17.7
Water run-off ratio (%)	99.3	95.3
All Japan CIF crude oil price (\$/barrel)	Approx. 110	113.9
Exchange rate [TTM] (yen/\$)	Approx. 100	83
Interest rate [long-term prime rate] (%)	Approx. 1.3	1.24

<Sensitivity of major factors>

(billion yen)	4/13-3/14 (Forecasts)	4/12-3/13 (Results)
Nuclear capacity factor per 1%	11.4	9.5
Water run-off ratio per 1%	1.9	1.6
All Japan CIF crude oil price per \$1/barrel	9.9	7.9
Exchange rate [TTM] per ¥1/\$	13.2	13.4
Interest rate [long-term prime rate] per 1%	5.3	6.3

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

【Dividend forecasts
for FY ending 3/14】

	Interim	Year-end	Annual
Dividend per share	¥0	¥0(Forecast)	¥0(Forecast)

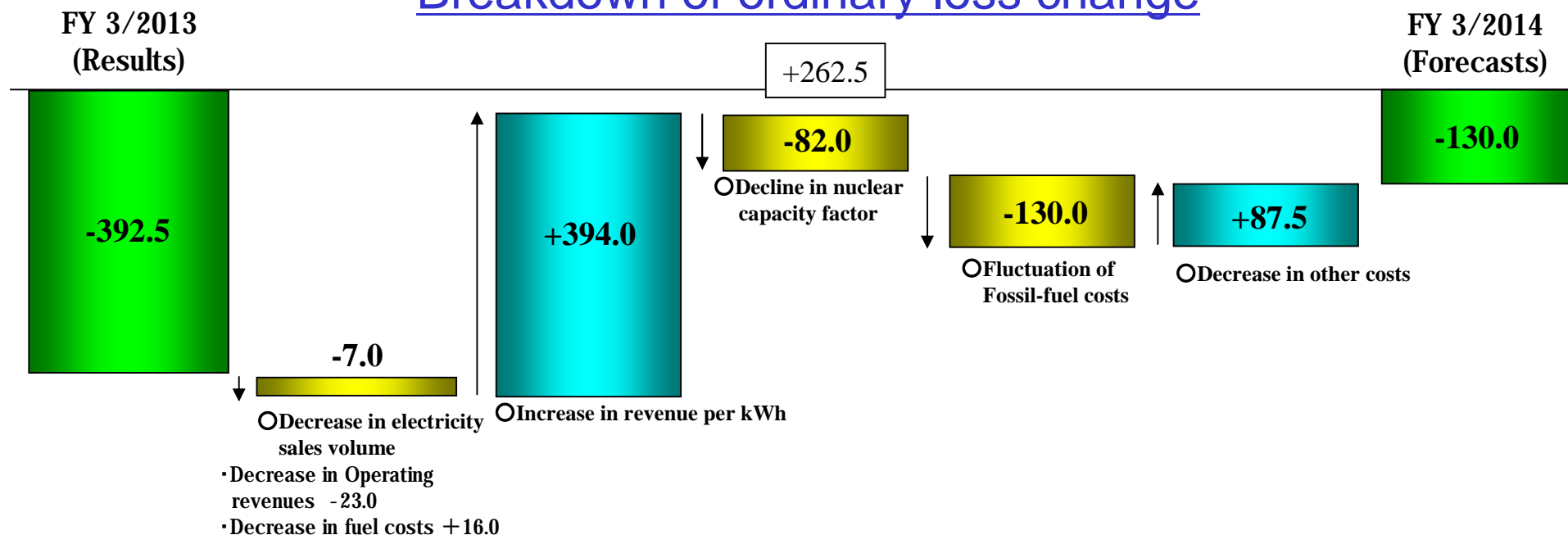
Details of financial forecasts for FY ending 3/2014

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(Non-consolidated, The change from FY ended 3/2013)

(billion yen)	4/13-3/14 (Forecasts)	4/12-3/13 (Results)	Change	Breakdown
Operating revenues	2,950.0	2,520.7	+429.2	<ul style="list-style-type: none"> • Decrease in electricity sales volume -23.0 • Increase in revenue per kWh +394.0
Ordinary loss	-130.0	-392.5	+262.5	<ul style="list-style-type: none"> • Decrease in electricity sales volume -7.0 • Increase in revenue per kWh +394.0 • Decline in nuclear capacity factor -82.0 • Fluctuation of Fossil-fuel costs -130.0 • Decrease in other costs +87.5
Net loss	-95.0	-272.9	+177.9	

Breakdown of ordinary loss change



Non-electric business

(billion yen)

		4/13-12/13	4/12-12/12	Change	Breakdown	
Non-electric business (*1)	Sales to non-group companies	323.2	298.4	+24.7		
	Ordinary income	32.9	44.2	-11.3		
	Integrated energy supply (*2)	Sales to non-group companies	78.4	74.9	+3.4	・Increase in sales price (gas)
		Ordinary income	4.6	8.3	-3.6	・Increase in material price (gas)
	Information and telecommunications	Sales to non-group companies	121.1	115.2	+5.8	・Increase in FTTH subscribers
		Ordinary income	13.6	18.1	-4.4	・Increase in selling expenses (FTTH) ・Decrease in operating revenues by decline of sales price for corporate clients ・Decrease in intragroup service
	Lifecycle-related business	Sales to non-group companies	69.0	61.2	+7.7	・Increase in sales volume on real estate business
		Ordinary income	8.6	5.7	+2.8	
	Other business	Sales to non-group companies	54.5	46.9	+7.6	・Increase in order amount ・Increase in sales of LNG project company
		Ordinary income	5.9	11.9	-6.0	・Decrease in intragroup transaction

*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.

(billion yen)

		Revised Forecasts	Previous Forecast (Oct.31,2013)	Change	Breakdown	
Non-electric business (*1)	Sales to non-group companies	459.0	457.0	+2.0		
	Ordinary income	42.0	—	—		
	Integrated energy supply (*2)	Sales to non-group companies	109.0	110.0	-1.0	•Decrease in sales volumes (gas)
		Ordinary income	4.0	5.0	-1.0	•Increase in material price (gas)
	Information and telecommunications	Sales to non-group companies	164.0	165.0	-1.0	•Decrease in operating revenues for corporate clients
		Ordinary income	15.0	15.0	—	
	Lifecycle-related business	Sales to non-group companies	106.0	105.0	+1.0	•Increase in sales volume on real estate business
		Ordinary income	12.0	12.0	—	
	Other business	Sales to non-group companies	80.0	77.0	+3.0	•Increase in order amount •Increase in sales of LNG project company
		Ordinary income	11.0	—	—	

*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

		4/12-12/12	4/13-12/13	4/13-3/14 (Forecast)
Integrated energy supply	Sales volume of gas and heavy oil [equivalent to LNG] (tons)	710 thousand	660 thousand	920 thousand

		Mar. 31, 2013	Dec. 31, 2013	Mar. 31, 2014 (Forecast)
Information and telecommunications	Number of FTTH subscribers	1,396 thousand	1,465 thousand	1,490 thousand

For further information

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