

Financial results for 1Q of FY ending 3/2015
&
Financial forecasts for FY ending 3/2015

July 30, 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)

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(billion yen)

	Consolidated (a)			Non-consolidated (b)			(a)/(b)	
	4/14-6/14	4/13-6/13	Change	4/14-6/14	4/13-6/13	Change	4/14-6/14	4/13-6/13
Operating revenues	791.2	717.5	+73.7 (+10.3%)	702.3	634.5	+67.8 (+10.7%)	1.13	1.13
Operating income	-39.8	-27.8	-11.9 (—)	-51.3	-35.7	-15.5 (—)	—	—
Ordinary income (*2)	-32.2	-42.5	+10.2 (—)	-37.2	-17.0	-20.1 (—)	—	—
Net income	-29.0	-33.4	+4.4 (—)	-28.1	-4.7	-23.4 (—)	—	—

	Consolidated			Non-consolidated		
	Jun. 30, 2014	Mar. 31, 2014	Change	Jun. 30, 2014	Mar. 31, 2014	Change
Total assets	7,657.0	7,777.5	-120.4 (-1.5%)	6,813.7	6,916.2	-102.4 (-1.5%)
Interest-bearing debt	4,408.2	4,396.8	+11.4 (+0.3%)	3,969.4	3,954.7	+14.7 (+0.4%)
Equity ratio	15.2%	15.3%	-0.1%	11.5%	11.7%	-0.2%

*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)

	4/14-6/14	4/13-6/13	Change
Electricity sales (TWh)	31.6 (97.4)	32.4 (97.3)	-0.9
<div> <div>Lighting Power</div> <div>(*2)</div> </div>	10.0 (95.4) 21.5 (98.3)	10.5 (97.2) 21.9 (97.3)	-0.5 -0.4
Nuclear capacity factor (%)	0.0	24.8	-24.8
Water run-off ratio (%)	84.5	85.9	-1.4
All Japan CIF crude oil price (\$/barrel)	109.5	107.7	+1.8
Exchange rate [TTM] (yen/\$)	102	99	+3
Interest rate [long-term prime rate] (%)	1.20	1.23	-0.03

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

*2. Including the liberalized segment

<Electricity sales volume> (GWh, %)

	April	May	June	1Q
Regulated segment (Sub total)	4,079 (99.0)	3,884 (90.5)	3,224 (97.1)	11,188 (95.4)
Lightning	3,691 (98.9)	3,501 (90.5)	2,851 (97.5)	10,043 (95.4)
Power (Sub Total)	388 (99.8)	383 (90.7)	373 (94.2)	1,145 (94.8)
Low Voltage	323 (100.8)	314 (92.0)	320 (94.5)	957 (95.7)
Others	66 (95.4)	70 (85.3)	53 (92.6)	188 (90.7)
Liberalized segment	6,746 (99.7)	6,634 (98.5)	7,012 (97.4)	20,392 (98.5)
Total	10,826 (99.4)	10,518 (95.4)	10,236 (97.3)	31,580 (97.4)

【Breakdown of liberalized segment】

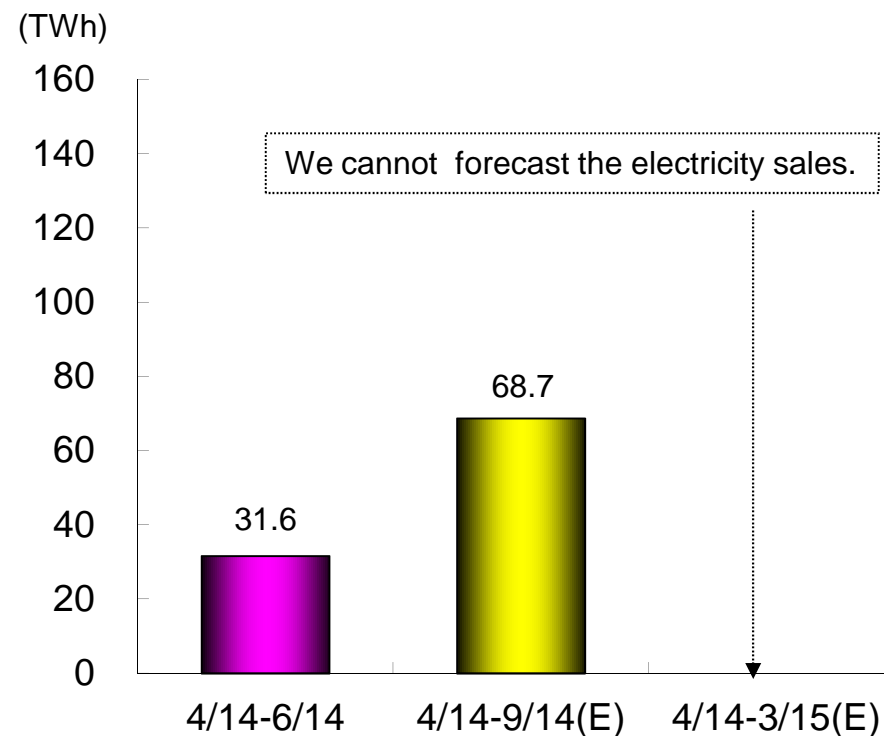
Commercial	2,406 (98.7)	2,302 (96.1)	2,534 (95.4)	7,243 (96.7)
Industrial and other	4,340 (100.2)	4,331 (99.9)	4,478 (98.5)	13,150 (99.5)

* () : Changes from the previous term, %

Total electricity sales for 1Q of FY ending 3/2015 decreased to 31,580 GWh (-2.6%) 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.

<Electricity sales results and forecasts>



We cannot forecast the electricity sales volume for FY ending 3/2015 for the following reason.

- It is difficult to expect electricity sales volume(10/14-3/15) because the effect of saving energy is uncertain.

(billion yen)

	4/14-6/14	4/13-6/13	Change	Breakdown
Ordinary revenues (Operating revenues)	730.0 (702.3)	667.4 (634.5)	+62.5 (+67.8)	
Electricity sales	645.4	588.2	+57.2	<ul style="list-style-type: none"> • Decrease in electricity sales volume - 15.0 • Increase in revenue per kWh due to electricity rate raise +38.0 • Increase in revenue per kWh due to the effects of rate revisions +30.0
Others	84.5	79.2	+5.3	• Grant under act on purchase of renewable energy sourced electricity +8.9
Ordinary expenses	767.2	684.5	+82.7	
Personnel	55.1	56.4	-1.3	
Fuel	290.2	251.6	+38.6	<ul style="list-style-type: none"> • Fossil-fuel costs +41.4 • Nuclear fuel costs - 2.8 <div> <ul style="list-style-type: none"> • Decline of nuclear capacity factor +68.0 • Increase in purchased power volume - 20.0 • Decrease in electricity sales volume - 12.0 • Depreciation of the yen +13.0 • Fluctuation of oil, LNG and coal prices +1.0 • Other - 9.0 </div>
Backend expenses of nuclear power	10.0	12.1	-2.0	
Maintenance	42.0	30.4	+11.6	• Thermal Power +7.8 • Distribution facilities +3.6
Taxes other than income taxes	35.6	35.7	-0.1	
Depreciation	73.9	69.7	+4.2	
Purchased power	145.5	120.2	+25.2	• From other non-utility companies +20.7 • From other utility companies +4.5
Interest expenses	12.8	13.0	-0.2	
Other	101.7	95.0	+6.6	• Levy under act on purchase of renewable energy sourced electricity +7.9
Ordinary income	-37.2	-17.0	-20.1	
Net income	-28.1	-4.7	-23.4	

Non-consolidated balance sheets

(billion yen)

	Jun. 30, 2014	Mar. 31, 2014	Change	Breakdown
Assets	6,813.7	6,916.2	-102.4	<ul style="list-style-type: none"> •Capital expenditures +53.5 •Depreciation and amortization -74.6 •Cash and time deposits (including short term investments) -96.1
Liabilities	6,031.7	6,109.5	-77.8	<ul style="list-style-type: none"> •Interest bearing debt +14.7 •Accounts payable and accrued expenses -110.4
Net assets	782.0	806.6	-24.6	<ul style="list-style-type: none"> •Net income -28.1 •Valuation and translation adjustment +3.5

Consolidated statements of operations

(billion yen)

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	4/14-6/14	4/13-6/13	Change	Breakdown
Ordinary revenues (Operating revenues)	814.0 (791.2)	725.0 (717.5)	+89.0 (+73.7)	
Electric operating revenues	682.9	615.3	+67.6	• Increase in electricity sales revenues +57.2
Other operating revenues	108.3	102.2	+6.0	• Increase in Information and telecommunication revenues +2.6
Non-operating revenues	22.7	7.4	+15.2	• Increase in revenue by sales of investment securities +11.6
Ordinary expenses	846.3	767.5	+78.7	
Electric operating expenses	735.0	650.7	+84.3	• Fuel +38.6 • Purchased power +25.2
Other operating expenses	95.9	94.6	+1.3	
Non-operating expenses	15.2	22.2	-6.9	
Ordinary income	-32.2	-42.5	+10.2	
Net income	-29.0	-33.4	+4.4	
Comprehensive income	-28.0	-22.8	-5.2	

Consolidated balance sheets

(billion yen)

	Jun. 30, 2014	Mar. 31, 2014	Change	Breakdown
Assets	7,657.0	7,777.5	-120.4	• Capital expenditures +73.5 • Depreciation and amortization -95.1 • Cash and time deposits (including short term investments) -101.0
Liabilities	6,472.9	6,564.3	-91.4	• Interest bearing debt +11.4 • Accounts payable and accrued expenses -102.1
Net assets	1,184.0	1,213.1	-29.0	• Net income -29.0

Segment information

(billion yen)

	Reportable segments		Other	Total	Eliminations/ Corporate	Consolidated
	Electric power	IT/communications				
Operating revenues	685.6 (+67.5)	51.0 (+3.0)	121.9 (+9.1)	858.5 (+79.7)	-67.2 (-6.0)	791.2 (+73.7)
Sales to external customers	682.9 (+67.6)	42.2 (+2.6)	66.0 (+3.4)	791.2 (+73.7)	—	791.2 (+73.7)
Operating income	-52.0 (-17.5)	4.9 (+0.6)	6.2 (+4.6)	-40.8 (-12.2)	1.0 (+0.3)	-39.8 (-11.9)

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

<Financial Forecasts>

Based on our recent business results, we has announced our financial forecasts for the half - year ending 9/2014 (consolidated, non-consolidated), which were not announced on April 30, 2014.

A reasonable forecast for FY2015 (Year ending Mar. 31, 2015) cannot be made at this point continuously for the following reasons.

- Supply capacity is uncertain.
- It is difficult to expect electricity sales volume(10/14-3/15) because the effect of saving energy is uncertain.

The forecast for FY2015 will be disclosed as soon as it becomes available.

<Dividend Forecast>

We don't pay our interim dividend of FY 2015, because the balance of payments is difficult and the business environment is uncertain.

Year-end dividend forecast of FY 2015 cannot be made at this point because a reasonable forecast for FY2015 (Year ending Mar. 31, 2015) cannot be made at this point continuously.

(The change from previous term)

(billion yen)	Consolidated			Non-consolidated		
	4/14-9/14 (Forecasts)	4/13-9/13 (Results)	Change	4/14-9/14 (Forecasts)	4/13-9/13 (Results)	Change
Operating revenues	1,700.0	1,611.4	+88.5 (+5.5%)	1,530.0	1,439.7	+90.2 (+6.3%)
Operating income	-40.0	53.9	-93.9(-)	-55.0	33.9	-88.9(-)
Ordinary income	-40.0	31.5	-71.5(-)	-50.0	43.9	-93.9(-)
Net income	-29.0	15.0	-44.0(-)	-30.0	34.7	-64.7(-)

<Major factors>

	4/14-9/14 (Forecasts)	4/13-9/13 (Results)
Electricity sales (TWh)	68.7	70.1
Lightning	21.4	22.7
Power	47.3	47.5
Nuclear capacity factor (%)	0.0	21.7
Water run-off ratio (%)	91.9	97.9
All Japan CIF crude oil price (\$/barrel)	Approx. 110	107.7
Exchange rate [TTM] (yen/\$)	Approx. 105	99
Interest rate [long-term prime rate] (%)	Approx. 1.2	1.28

<Sensitivity of major factors>

(billion yen)	4/14-9/14 (Forecasts)	4/13-9/13 (Results)
Nuclear capacity factor per 1%	6.3	5.9
Water run-off ratio per 1%	1.2	1.1
All Japan CIF crude oil price per \$1/barrel	5.0	4.3
Exchange rate [TTM] per ¥1/\$	6.8	6.0
Interest rate [long-term prime rate] per 1%	2.4	2.0

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

【Dividend for FY ending 3/15】

	Interim	Year-end	Annual
Dividend per share	0.00 yen	—	—

Non-electric business

Financial highlights of non-electric business

(billion yen)

		4/14-6/14	4/13-6/13	Change	Breakdown
Non-electric business (*1)	Sales to non-group companies	107.5	101.2	+6.3	
	Ordinary income	12.3	7.0	+5.2	
	Integrated energy supply (*2)	Sales to non-group companies	23.1	21.9	+1.2
		Ordinary income	1.7	-0.5	+2.2
	Information and telecommunications	Sales to non-group companies	42.2	39.5	+2.6
		Ordinary income	4.2	3.6	+0.6
	Lifecycle-related business	Sales to non-group companies	17.7	22.2	-4.5
		Ordinary income	2.4	3.4	-0.9
	Other	Sales to non-group companies	24.3	17.3	+6.9
		Ordinary income	3.9	0.5	+3.3

*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 (Forecasts)	Previous (Forecasts)	Change	Breakdown	
Non-electric business (*1)	Sales to non-group companies	— (*3)	—	—		
	Ordinary income	— (*3)	—	—		
	Integrated energy supply (*2)	Sales to non-group companies	111.0	116.0	-5.0	・Decrease in sales volumes(gas)
		Ordinary income	7.0	7.0	—	
	Information and telecommunications	Sales to non-group companies	177.0	177.0	—	
		Ordinary income	13.0	13.0	—	
	Lifecycle-related business	Sales to non-group companies	96.0	96.0	—	
		Ordinary income	9.0	9.0	—	
	Other	Sales to non-group companies	— (*3)	—	—	
		Ordinary income	— (*3)	—	—	

*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.

*3. The reasonable forecast for FY2015 (Year ending Mar. 31, 2015) cannot be made at this point.

Appendix

Details of financial forecasts for the half-year ending 9/2014 (non-consolidated, The change from previous term)

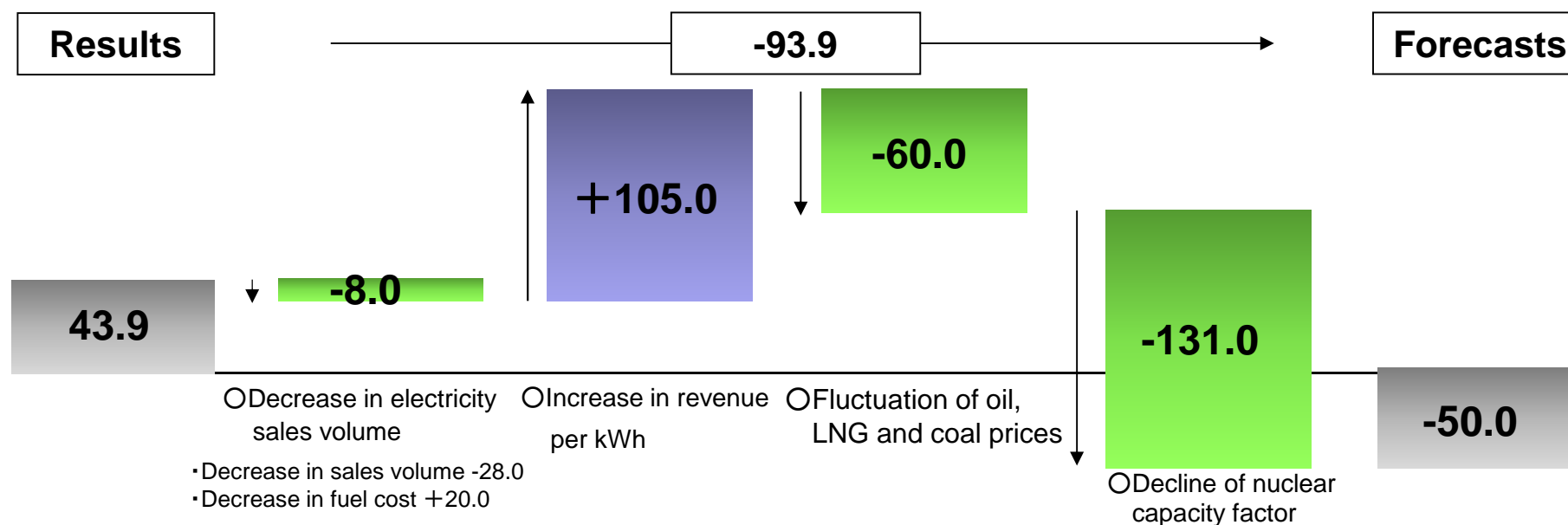
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(billion yen)

	4/14-9/14 (Forecast)	4/13-9/13 (Results)	Change	Breakdown
Operating revenues	1,530.0	1,439.7	+90.2	<ul style="list-style-type: none"> • Decrease in electricity sales volume -28.0 • Increase in revenue per kWh +105.0
Ordinary income	-50.0	43.9	-93.9	<ul style="list-style-type: none"> • Decrease in electricity sales volume -8.0 • Increase in revenue per kWh +105.0 • Fluctuation of oil, LNG and coal prices -60.0 • Decline of nuclear capacity factor -131.0
Net income	-30.0	34.7	-64.7	

Breakdown of ordinary income change

(billion yen)



		4/13-6/13	4/14-6/14	4/14-3/15 (Forecast)
Integrated energy supply	Sales volume of gas and heavy oil [equivalent to LNG] (tons)	190 thousand	160 thousand	800 thousand

		Mar. 31, 2014	Jun. 30, 2014	Mar. 31, 2015 (Forecast)
Information and telecommunications	Number of FTTH subscribers	1,484 thousand	1,504 thousand	1,559 thousand

For further information

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