

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

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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)	
	4/14-12/14	4/13-12/13	Change	4/14-12/14	4/13-12/13	Change	4/14-12/14	4/13-12/13
Operating revenues	2,470.9	2,398.5	+72.3 (+3.0%)	2,206.4	2,142.2	+64.2 (+3.0%)	1.12	1.12
Operating income or loss	-66.6	-7.6	-58.9 (-)	-99.6	-36.1	-63.5 (-)	-	-
Ordinary income or loss (*2)	-77.9	-34.1	-43.7 (-)	-104.9	-32.3	-72.5 (-)	-	-
Net income or loss	-66.6	-34.6	-31.9 (-)	-85.5	-22.1	-63.4 (-)	-	-

(billion yen)	Consolidated			Non-consolidated		
	Dec.31, 2014	Mar.31, 2014	Change	Dec.31, 2014	Mar.31, 2014	Change
Total assets	7,622.5	7,777.5	-154.9 (-2.0%)	6,710.7	6,916.2	-205.4 (-3.0%)
Interest-bearing debt	4,285.8	4,396.8	-110.9 (-2.5%)	3,848.2	3,954.7	-106.4 (-2.7%)
Equity ratio	14.7%	15.3%	-0.6%	10.7%	11.7%	-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)

	4/14-12/14	4/13-12/13	Change
Electricity sales (TWh)	98.2 (95.3)	103.0 (98.7)	-4.8
Lighting Power (*2)	31.3 (93.6)	33.4 (97.9)	-2.1
	66.9 (96.2)	69.6 (99.0)	-2.7
Nuclear capacity factor (%)	0.0	14.4	-14.4
Water run-off ratio (%)	100.2	99.1	+1.1
All Japan CIF crude oil price (\$/barrel)	102.5	109.5	-7.0
Exchange rate [TTM] (yen/\$)	107	99	+8
Interest rate [long-term prime rate] (%)	1.16	1.25	-0.09

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

*2. Including the liberalized segment

<Electricity sales volume>

(GWh, %)

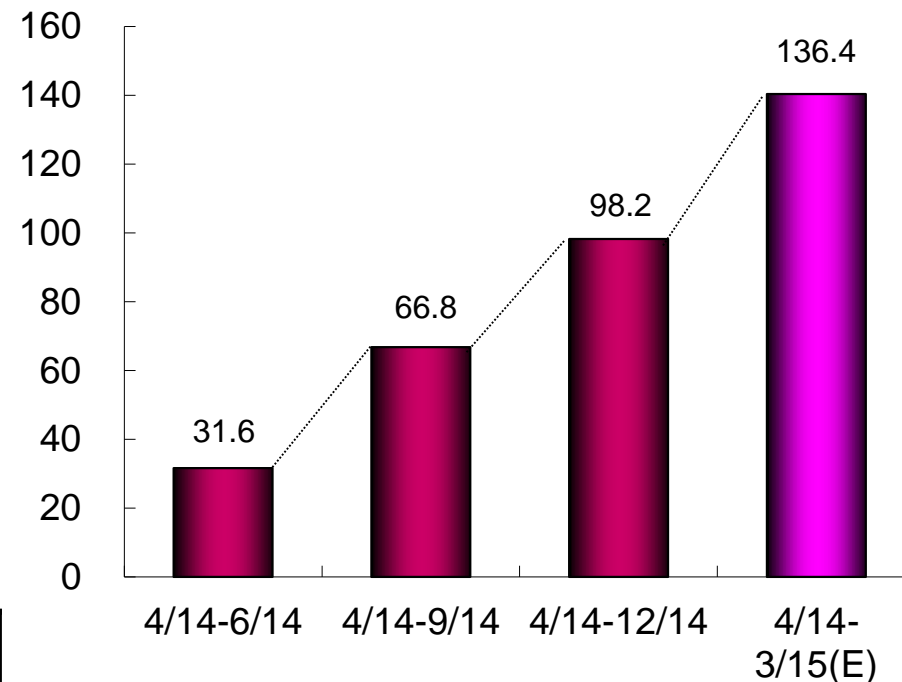
	2Q	Oct.	Nov.	Dec.	4/14-12/14
Regulated segment (Sub total)	23,865 (92.7)	3,507 (97.4)	3,755 (93.3)	4,085 (94.4)	35,212 (93.4)
Lightning	21,066 (92.8)	3,097 (98.1)	3,390 (93.4)	3,702 (94.4)	31,254 (93.6)
Power (Sub Total)	2,799 (91.9)	411 (92.6)	365 (92.1)	383 (93.8)	3,957 (92.2)
Low Voltage	2,471 (91.9)	367 (91.4)	312 (91.9)	327 (94.3)	3,478 (92.0)
Others	328 (92.0)	44 (104.6)	53 (93.5)	56 (91.0)	480 (93.1)
Liberalized segment	42,936 (96.7)	6,935 (94.5)	6,464 (95.7)	6,633 (97.4)	62,969 (96.4)
Total	66,801 (95.2)	10,442 (95.5)	10,219 (94.8)	10,718 (96.2)	98,181 (95.3)

【Breakdown of liberalized segment】

Commercial	16,150 (94.7)	2,511 (92.2)	2,294 (94.7)	2,421 (96.8)	23,375 (94.6)
Industrial and other	26,786 (97.9)	4,424 (95.9)	4,171 (96.2)	4,213 (97.7)	39,594 (97.5)

<Electricity sales results and forecasts> (*2)

(TWh)



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

Total electricity sales for 3Q of FY ending 3/2015 decreased to 98.2 billion kWh (-4.7%) from the previous year for the following reasons.

- Decrease in electricity demand due to a cool summer that translated into decreased use of air conditioning.
- Decrease in electricity demand due to the effects produced by the cooperation of saving energy.

Total electricity sales for this fiscal year are expected to decrease 2.9% year on year to 136.4 billion kWh due to a cool summer that translated into decreased use of air conditioning.

*2. There have not been any changes since the announcement made in December 24, 2014.

(billion yen)	4/14-12/14	4/13-12/13	Change	Breakdown
Ordinary revenues (Operating revenues)	2,244.4 (2,206.4)	2,186.8 (2,142.2)	+57.5 (+64.2)	
Electricity sales	2,021.5	1,991.5	+29.9	<ul style="list-style-type: none"> • Decrease in electricity sales volume -92.0 • Increase in revenue per kWh due to fuel cost adjustment charges +61.0 • Increase in revenue per kWh due to the effects of rate revisions +42.0 • Increase in revenue per kWh due to renewable energy power promotion surcharge +29.2
Others	222.8	195.3	+27.5	• Grant under act on purchase of renewable energy sourced electricity +23.3
Ordinary expenses	2,349.3	2,219.2	+130.0	
Personnel	143.1	144.7	-1.5	
Fuel	877.7	814.1	+63.5	<ul style="list-style-type: none"> • Fossil-fuel costs +68.4 • Nuclear fuel costs -4.8
Backend expenses of nuclear power	30.8	39.7	-8.8	
Maintenance	106.2	126.8	-20.5	• Nuclear power -15.1
Taxes other than income taxes	110.7	111.7	-1.0	
Depreciation	223.0	220.4	+2.6	
Purchased power	446.0	402.4	+43.5	• From other non-utility companies +31.7 • From other utility companies +11.7
Interest expenses	38.4	39.0	-0.5	
Other	373.0	320.0	+52.9	• Levy under act on purchase of renewable energy sourced electricity +29.2
Ordinary income	-104.9	-32.3	-72.5	
Net income	-85.5	-22.1	-63.4	

(billion yen)	Dec.31, 2014	Mar.31, 2014	Change	Breakdown
Assets	6,710.7	6,916.2	-205.4	<ul style="list-style-type: none"> ▪ Capital expenditures +175.4 ▪ Depreciation and amortization -225.1 ▪ Cash and time deposits (including short term investments) -154.3
Liabilities	5,993.4	6,109.5	-116.0	<ul style="list-style-type: none"> ▪ Interest bearing debt -106.4
Net assets	717.3	806.6	-89.3	<ul style="list-style-type: none"> ▪ Net income -85.5

Consolidated statements of operations

(billion yen)	4/14-12/14	4/13-12/13	Change	Breakdown
Ordinary revenues (Operating revenues)	2,510.9 (2,470.9)	2,424.7 (2,398.5)	+86.1 (+72.3)	
Electric operating revenues	2,138.2	2,072.8	+65.4	• Increase in electricity sales revenues +29.9
Other operating revenues	332.6	325.7	+6.9	
Non-operating revenues	40.0	26.2	+13.8	• Increase in revenue by sales of investment securities +11.6
Ordinary expenses	2,588.9	2,458.9	+129.9	
Electric operating expenses	2,241.2	2,114.1	+127.1	• Fuel +63.5 • Purchased power +43.5
Other operating expenses	296.2	292.0	+4.1	
Non-operating expenses	51.4	52.7	-1.3	
Ordinary income	-77.9	-34.1	-43.7	

Net income	-66.6	-34.6	-31.9	
Comprehensive income	-67.1	-4.1	-63.0	

Consolidated balance sheets

(billion yen)	Dec.31, 2014	Mar.31, 2014	Change	Breakdown
Assets	7,622.5	7,777.5	-154.9	• Capital expenditures +267.2 • Depreciation and amortization -287.8 • Cash and time deposits (including short term investments) -138.2
Liabilities	6,477.5	6,564.3	-86.8	• Interest bearing debt -110.9
Net assets	1,145.0	1,213.1	-68.1	• Net income -66.6

Segment information

(billion yen)	Reportable segments		Other	Total	Eliminations/ Corporate	Consolidated
	Electric power	IT/communications				
Operating revenues	2,146.4 (+65.4)	154.7 (+4.2)	381.6 (+21.9)	2,682.8 (+91.6)	-211.9 (-19.2)	2,470.9 (+72.3)
Sales to external customers	2,138.2 (+65.4)	126.3 (+5.2)	206.2 (+1.6)	2,470.9 (+72.3)	—	2,470.9 (+72.3)
Operating income or loss	-101.6 (-63.1)	15.2 (-0.2)	18.1 (+5.4)	-68.2 (-57.9)	1.6 (-0.9)	-66.6 (-58.9)

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

Financial forecasts for FY ending 3/2015

(The change from the previous forecasts on December 24, 2014)

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(billion yen)	Consolidated			Non-consolidated		
	Revised (Forecasts)	Previous (Forecasts)	Change	Revised (Forecasts)	Previous (Forecasts)	Change
Operating revenues	3,440.0	3,440.0	— (-)	3,070.0	3,070.0	— (-)
Operating income or loss	-100.0	-100.0	— (-)	-145.0	-145.0	— (-)
Ordinary income or loss	-135.0	-135.0	— (-)	-170.0	-170.0	— (-)
Net income or loss	-161.0	-126.0	-35.0 (-)	-183.0	-150.0	-33.0 (-)

We have revised the forecasts of consolidated and non-consolidated net income or loss by incorporating the impact of the lowered corporate tax rate resulting from the revision of the taxation system in FY ending 2016.

<Major factors> (*1)

	Previous (Forecasts)
Electricity sales (TWh)	136.4
Lighting	46.7
Power	89.7
Nuclear capacity factor (%)	0.0
Water run-off ratio (%)	96.8
All Japan CIF crude oil price (\$/barrel)	Approx. 94
Exchange rate [TTM] (yen/\$)	Approx. 110
Interest rate [long-term prime rate] (%)	Approx. 1.1

<Sensitivity of major factors> (*1, 2)

(billion yen)	Previous (Forecasts)
Nuclear capacity factor per 1%	11.9
Water run-off ratio per 1%	1.9
All Japan CIF crude oil price per \$1/barrel	11.0
Exchange rate [TTM] per ¥1/\$	12.5
Interest rate [long-term prime rate] per 1%	5.9

<Dividend forecast for FY ending 2015> (*1)

	Interim (Results)	Year-end (Forecasts)	Annual (Forecasts)
Dividend per share	0yen	0yen	0yen

*1. There have not been any changes since the announcement made in December 24, 2014.

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

Non-electric business

(billion yen)		4/14-12/14	4/13-12/13	Change	Breakdown
Non-electric business (*1)	Sales to non-group companies	330.6	323.2	+7.4	
	Ordinary income or loss	38.9	32.9	+6.0	
Integrated energy supply (*2)	Sales to non-group companies	80.1	78.4	+1.7	▪ Increase in sales price (gas)
	Ordinary income or loss	4.9	4.6	+0.2	
Information and telecommunications	Sales to non-group companies	126.3	121.1	+5.2	▪ Increase in FTTH subscribers ▪ Increase in revenue of corporate service ▪ Increase in revenue by starting new service ▪ Increase in cost by starting new service ▪ Increase in cost of depreciation of new security facilities
	Ordinary income or loss	13.2	13.6	-0.4	
Lifecycle-related business	Sales to non-group companies	63.5	69.0	-5.5	▪ Decrease in sales volume on real estate business
	Ordinary income or loss	7.5	8.6	-1.0	
Other	Sales to non-group companies	60.5	54.5	+5.9	▪ Increase in order amount ▪ Increase in sales of LNG project company
	Ordinary income or loss	13.1	5.9	+7.2	

*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 (Forecasts)	Change	Breakdown
Non-electric business (*2)	Sales to non-group companies	466.0	466.0	—	
	Ordinary income or loss	48.0	48.0	—	
Integrated energy supply (*3)	Sales to non-group companies	111.0	111.0	—	
	Ordinary income or loss	6.0	6.0	—	
Information and telecommunications	Sales to non-group companies	171.0	171.0	—	
	Ordinary income or loss	13.0	13.0	—	
Lifecycle-related business	Sales to non-group companies	96.0	96.0	—	
	Ordinary income or loss	10.0	10.0	—	
Other	Sales to non-group companies	88.0	88.0	—	
	Ordinary income or loss	19.0	19.0	—	

*1. There have not been any changes since the announcement made in December 24, 2014.

*2. Figures in this page are before eliminations, and excluding exchange gain or loss unrealized.

*3. ‘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

		4/13-12/13	4/14-12/14	4/14-3/15 (Forecast)
Integrated energy supply	Sales volume of gas and heavy oil [equivalent to LNG] (tons)	660 thousand	570 thousand	800 thousand

		Mar.31, 2014	Dec.31, 2014	Mar.31, 2015 (Forecast)
Information and telecommunications	Number of FTTH subscribers	1,484 thousand	1,520 thousand	1,524 thousand

For further information

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