

# Financial results for 1Q of FY ending 3/2016 & Financial forecasts for FY ending 3/2016

July 30, 2015

The Kansai Electric Power Co., Inc.

Financial forecasts are subject to change depending upon the changes of business environments and other conditions.

# Contents

	(Page)
<b>■ Financial highlights for 1Q of FY ending 3/2016</b>	
Financial highlights (consolidated, non-consolidated) -----	2
Major factors (non-consolidated) -----	3
Electricity sales -----	4
<b>■ Financial results for 1Q of FY ending 3/2016</b>	
Financial results (non-consolidated) -----	5
Financial results (consolidated) -----	7
<b>■ Financial forecasts for FY ending 3/2016</b>	
Financial forecasts (consolidated, non-consolidated) -----	9
<b>■ Financial results and forecasts of non-electric business</b>	
Financial highlights of non-electric business -----	12
Financial forecasts of non-electric business -----	13
<b>■ Appendix</b> -----	15

# Financial highlights

(consolidated, non-consolidated)

(billion yen)	Consolidated (a)			Non-consolidated (b)			(a)/(b)	
	4/15-6/15	4/14-6/14	Change	4/15-6/15	4/14-6/14	Change	4/15-6/15	4/14-6/14
<b>Operating revenues</b>	799.1	791.2	+7.8 (+1.0%)	705.7	702.3	+3.3 (+0.5%)	1.13	1.13
<b>Operating income or loss</b>	83.7	-39.8	+123.6 (-)	71.6	-51.3	+123.0 (-)	1.17	-
<b>Ordinary income or loss (*2)</b>	80.7	-32.2	+113.0 (-)	77.7	-37.2	+114.9 (-)	1.04	-
<b>Net income or loss (*3)</b>	52.9	-29.0	+81.9 (-)	53.8	-28.1	+81.9 (-)	0.98	-

(billion yen)	Consolidated			Non-consolidated		
	Jun. 30, 2015	Mar. 31, 2015	Change	Jun. 30, 2015	Mar. 31, 2015	Change
<b>Total assets</b>	7,564.0	7,743.3	-179.3 (-2.3%)	6,602.6	6,768.9	-166.3 (-2.5%)
<b>Interest-bearing debt</b>	4,239.6	4,315.2	-75.6 (-1.8%)	3,782.8	3,875.2	-92.4 (-2.4%)
<b>Equity ratio</b>	14.8%	13.4%	+1.4%	10.6%	9.4%	+1.2%

\*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.

\*3. The consolidated net income or loss means the net income or loss attributable to owners of the parent company.

# Major factors (non-consolidated)

		4/15-6/15	4/14-6/14	Change
<b>Electricity sales (TWh)</b>		30.7 (97.1)	31.6 (97.4)	-0.9
	<b>Residential</b>	9.9 (99.0)	10.0 (95.4)	-0.1
	<b>Commercial and Industrial (*2)</b>	20.7 (96.2)	21.5 (98.3)	-0.8
<b>Nuclear capacity factor (%)</b>		0.0	0.0	0
<b>Water run-off ratio (%)</b>		113.4	84.5	+28.9
<b>All Japan CIF crude oil price (\$/barrel)</b>		60.3	109.5	-49.2
<b>Exchange rate [TTM] (yen/\$)</b>		121	102	+19
<b>Interest rate [long-term prime rate] (%)</b>		1.15	1.20	-0.05

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

\*2. Including the liberalized segment

## <Electricity sales volume>

(GWh, %)

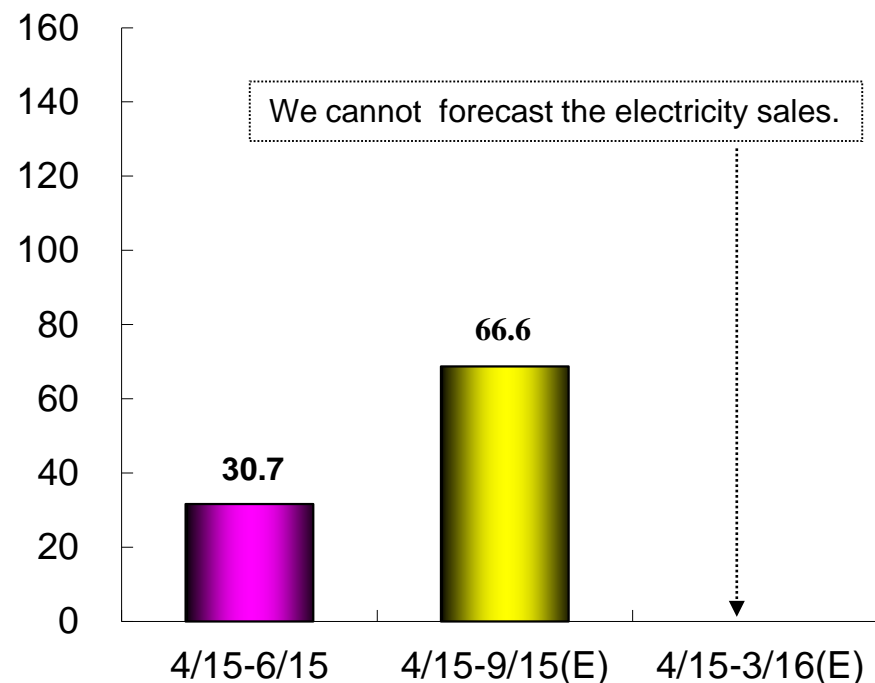
	April	May	June	1Q
<b>Regulated segment (Sub total)</b>	4,241 (104.0)	3,799 (97.8)	3,065 (95.1)	11,105 (99.3)
<b>Residential</b>	3,832 (103.8)	3,409 (97.4)	2,704 (94.9)	9,946 (99.0)
<b>Commercial and Industrial (Sub Total)</b>	409 (105.2)	390 (101.7)	361 (96.7)	1,160 (101.3)
<b>Low Voltage</b>	345 (106.8)	328 (104.6)	314 (97.9)	987 (103.1)
<b>Others</b>	64 (97.4)	62 (88.6)	47 (89.1)	173 (91.8)
<b>Liberalized segment</b>	6,529 (96.8)	6,320 (95.3)	6,706 (95.6)	19,555 (95.9)
<b>Total</b>	10,770 (99.5)	10,119 (96.2)	9,771 (95.5)	30,660 (97.1)

### 【Breakdown of liberalized segment】

<b>Commercial</b>	2,340 (97.3)	2,258 (98.1)	2,428 (95.8)	7,026 (97.0)
<b>Industrial and other</b>	4,189 (96.5)	4,062 (93.8)	4,278 (95.5)	12,529 (95.3)

## <Electricity sales results and forecasts>

(TWh)



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

Total electricity sales for 1Q of FY ending 3/2016 decreased to 30.6 billion kWh (-2.9%) from the previous year for the following reasons.

- Decrease in electricity demand due to the effects produced by the cooperation of saving energy.

We cannot forecast the electricity sales volume for FY ending 3/2016 for the following reason.

- It is difficult to expect electricity sales volume(10/15-3/16) because the effect of saving energy is uncertain.

# Non-consolidated statements of operations

5

(billion yen)	4/15-6/15	4/14-6/14	Change	Breakdown
<b>Ordinary revenues</b> (Operating revenues)	724.5 (705.7)	730.0 (702.3)	-5.5 +3.3	
Electricity sales	637.9	645.4	-7.5	<ul style="list-style-type: none"> <li>• Decrease in electricity sales volume -18.0</li> <li>• Decrease in revenue per kWh due to fuel cost adjustment charges -25.0</li> <li>• Increase in revenue per kWh due to the effects of rate revisions +19.0</li> <li>• Increase in revenue per kWh due to renewable energy power promotion surcharge +17.2</li> </ul>
Others	86.5	84.5	+1.9	
<b>Ordinary expenses</b>	646.8	767.2	-120.4	
Personnel	58.8	55.1	+3.7	
Fuel	186.7	290.2	-103.5	<ul style="list-style-type: none"> <li>• Fossil-fuel costs +103.5</li> </ul>
Backend expenses of nuclear power	9.0	10.0	-1.0	
Maintenance	36.4	42.0	-5.6	
Taxes other than income taxes	36.2	35.6	+0.6	
Depreciation	69.2	73.9	-4.6	
Purchased power	122.2	145.5	-23.2	<ul style="list-style-type: none"> <li>• From other non-utility companies -12.0</li> <li>• From other utility companies -11.1</li> </ul>
Interest expenses	12.0	12.8	-0.7	
Other	115.8	101.7	+14.0	<ul style="list-style-type: none"> <li>• Levy under act on purchase of renewable energy sourced electricity +17.2</li> </ul>
<b>Ordinary income or loss</b>	77.7	-37.2	+114.9	
<b>Net income or loss</b>	53.8	-28.1	+81.9	

(billion yen)	Jun. 30, 2015	Mar. 31, 2015	Change	Breakdown
<b>Assets</b>	6,602.6	6,768.9	-166.3	<ul style="list-style-type: none"> <li>▪ Cash and time deposits (including short term investments) -145.8</li> <li>▪ Capital expenditures +44.0</li> <li>▪ Depreciation and amortization -69.7</li> </ul>
<b>Liabilities</b>	5,902.0	6,130.0	-228.0	<ul style="list-style-type: none"> <li>▪ Other accounts payable and accrued expenses -178.1</li> <li>▪ Interest bearing debt -92.4</li> </ul>
<b>Net assets</b>	700.5	638.8	+61.7	<ul style="list-style-type: none"> <li>▪ Net income +53.8</li> </ul>

# Consolidated statements of operations

7

(billion yen)	4/14-6/14	4/14-6/14	Change	Breakdown
<b>Ordinary revenues</b> (Operating revenues)	810.4 (799.1)	814.0 (791.2)	-3.6 (7.8)	
<b>Electric operating revenues</b>	688.3	682.9	+5.4	
<b>Other operating revenues</b>	110.7	108.3	+2.4	
<b>Non-operating revenues</b>	11.3	22.7	-11.4	• Decrease in revenue by sales of investment securities -10.8
<b>Ordinary expenses</b>	729.6	846.3	-116.6	
<b>Electric operating expenses</b>	621.1	735.0	-113.8	• Fossil-fuel costs -103.5
<b>Other operating expenses</b>	94.1	95.9	-1.8	
<b>Non-operating expenses</b>	14.3	15.2	-0.8	
<b>Ordinary income or loss</b>	80.7	-32.2	+113.0	
<b>Net income or loss(*)</b>	52.9	-29.0	+81.9	
<b>Comprehensive income</b>	85.4	-28.0	+113.5	

\* The consolidated net income or loss means the net income or loss attributable to owners of the parent.

## Consolidated balance sheets

(billion yen)	Jun. 30, 2015	Mar. 31, 2015	Change	Breakdown
<b>Assets</b>	7,564.0	7,743.3	-179.3	• Capital expenditures +87.8 • Depreciation and amortization -90.7 • Cash and time deposits (including short term investments) -175.5
<b>Liabilities</b>	6,418.5	6,683.1	-264.5	• Account payable -201.3 • Interest bearing debt -75.6
<b>Net assets</b>	1,145.4	1,060.2	+85.2	• Net income(*) +52.9



# Segment information

(billion yen)	Reportable segments		Other	Total	Eliminations/ Corporate	Consolidated
	Electric power	IT/communications				
<b>Operating revenues</b>	691.0 (+5.4)	51.0 (-)	121.5 (-0.3)	863.6 (+5.0)	-64.5 (+2.7)	799.1 (+7.8)
<b>Sales to external customers</b>	688.3 (+5.4)	42.3 (+0.1)	68.3 (+2.2)	799.1 (+7.8)	—	799.1 (+7.8)
<b>Operating income or loss</b>	67.3 (+119.3)	4.8 (-)	10.4 (+4.1)	82.6 (+123.4)	1.1 (+0.1)	83.7 (+123.6)

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

## <Financial Forecasts>

We were unable to project second quarter (cumulative) incomes for the year ending March 31, 2016 because the uncertainty of future supply capacity and other factors makes it impossible to forecast performance based on set premises. We are thus announcing our earnings forecast based on recent supply and demand, etc.

As for our annual forecast, we are still unable to project numbers on set premises because the outlook on supply capacity still remains uncertain and it is very difficult to estimate the impact that power conservation requests made to customers in the second half will have on the amount of electricity sales. We will promptly announce forecasts as soon as they can be projected.

## <Dividend Forecast>

As earnings for the full year still cannot be forecast and the business environment remains uncertain, we will not be paying the interim dividend for FY2015 (year ending March 31, 2016). The forecast for the FY2015 year-end dividend also remains undetermined at this point.

(The change from previous term)

(billion yen)	Consolidated			Non-consolidated		
	4/15-9/15 (Forecasts)	4/14-9/14 (Results)	Change	4/15-9/15 (Forecasts)	4/14-9/14 (Results)	Change
Operating revenues	1,670.0	1,677.6	-7.6 (-0.5%)	1,490.0	1,504.8	-14.8 (-1.0%)
Operating income or loss	150.0	4.2	+145.7 (-)	130.0	-16.9	+146.9 (-)
Ordinary income or loss	140.0	1.8	+138.1 (-)	130.0	-11.7	+141.7 (-)
Net income or loss(*)	93.0	2.6	+90.3 (-)	90.0	-4.1	+94.1 (-)

\* The consolidated net income or loss means the net income or loss attributable to owners of the parent.

## <Major factors>

	4/15-9/15 (Forecasts)	4/14-9/14 (Results)
Electricity sales (TWh)	66.6	66.8
Residential	21.0	21.1
Commercial and Industrial	45.6	45.7
Nuclear capacity factor (%)	0.0	0.0
Water run-off ratio (%)	106.6	93.4
All Japan CIF crude oil price (\$/barrel)	Approx. 62	109.5
Exchange rate [TTM] (yen/\$)	Approx. 123	103
Interest rate [long-term prime rate] (%)	Approx. 1.15	1.18

## <Sensitivity of major factors>

(billion yen)	4/15-9/15 (Forecasts)	4/14-9/14 (Results)
Nuclear capacity factor per 1% (*)	4.0	6.2
Water run-off ratio per 1%	0.9	1.2
All Japan CIF crude oil price per \$1/barrel	5.4	4.7
Exchange rate [TTM] per ¥1/\$	3.6	6.3
Interest rate [long-term prime rate] per 1%	2.5	2.4

\* The sensitivity of nuclear capacity factor per 1% for the FY2014 second quarter (cumulative) period (year ending March 31, 2015) was calculated based on the capacity before decommissioning of Mihama Nuclear Power Station Units 1 and 2.

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

## 【Dividend for FY ending 3/16】

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

# Non-electric business

(billion yen)		4/15-6/15	4/14-6/14	Change	Breakdown
Non-electric business (*1)	Sales to non-group companies	109.9	107.5	+2.4	
	Ordinary income or loss	18.2	12.3	+5.8	
Integrated energy supply (*2)	Sales to non-group companies	22.6	23.1	-0.5	• Decrease in sales volume (gas)
	Ordinary income or loss	5.8	1.7	+4.0	• Decrease in material price (gas)
Information and telecommunications	Sales to non-group companies	42.3	42.2	+0.1	
	Ordinary income or loss	4.2	4.2	±0.0	
Lifecycle-related business	Sales to non-group companies	22.7	17.7	+4.9	• Increase in sales volume on real estate business
	Ordinary income or loss	4.1	2.4	+1.6	
Other	Sales to non-group companies	22.2	24.3	-2.1	• Decrease in order amount
	Ordinary income or loss	3.9	3.9	±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.

(billion yen)		Revised (Forecasts)	Previous (Forecasts)	Change	Breakdown
Non-electric business (*1)	Sales to non-group companies	— (*3)	—	—	
	Ordinary income or loss	— (*3)	—	—	
Integrated energy supply (*2)	Sales to non-group companies	99.0	104.0	-5.0	• Decrease in sales volume (gas)
	Ordinary income or loss	12.0	15.0	-3.0	• Increase in material price (gas)
Information and telecommunications	Sales to non-group companies	175.0	175.0	—	
	Ordinary income or loss	12.0	12.0	—	
Lifecycle-related business	Sales to non-group companies	95.0	95.0	—	
	Ordinary income or loss	8.0	8.0	—	
Other	Sales to non-group companies	— (*3)	—	—	
	Ordinary income or loss	— (*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 FY2016(Year ending Mar. 31, 2016) cannot be made at this point.

# Appendix

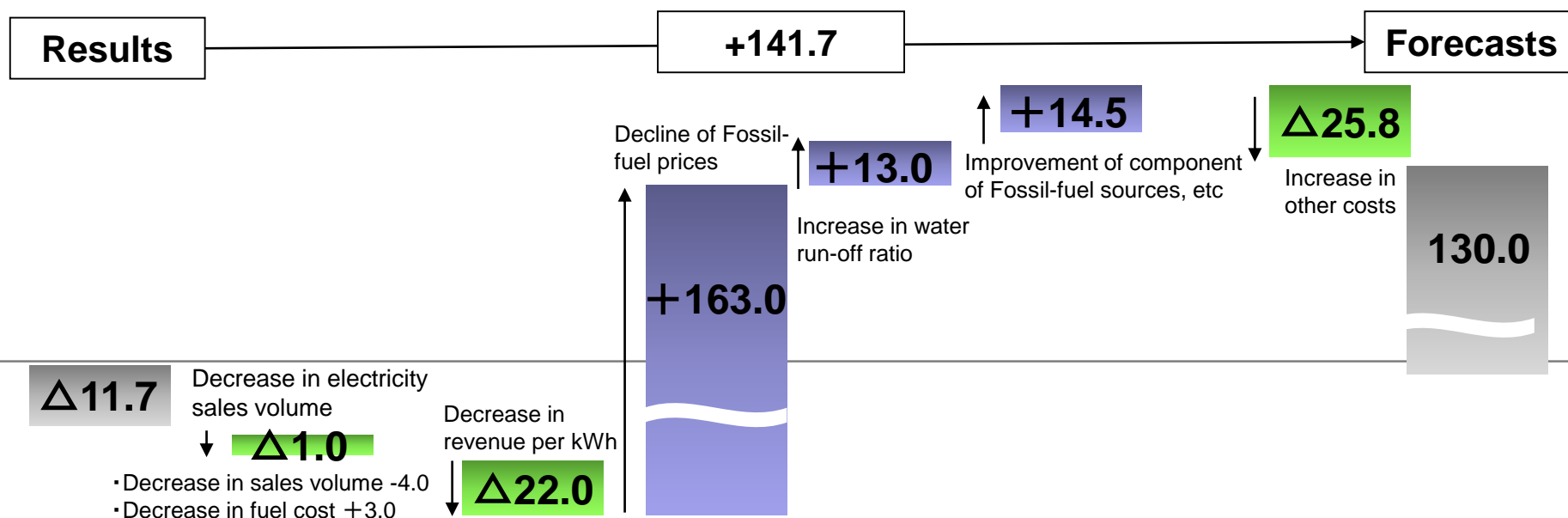
# Details of financial forecasts for the half - year ending 9/2015 (non-consolidated, The change from previous term)

15

(billion yen)	4/15-9/15 (Forecast)	4/14-9/14 (Results)	Change	Breakdown
<b>Operating revenues</b>	1,490.0	1,504.8	-14.8	<ul style="list-style-type: none"> <li>• Decrease in electricity sales volume -4.0</li> <li>• Decrease in revenue per kWh -22.0</li> </ul>
<b>Ordinary income or loss</b>	130.0	-11.7	+141.7	<ul style="list-style-type: none"> <li>• Decrease in electricity sales volume -1.0</li> <li>• Decrease in revenue per kWh -22.0</li> <li>• Decline of Fossil-fuel prices +163.0</li> <li>• Increase in water run-off ratio +13.0</li> <li>• Improvement of component of Fossil-fuel sources, etc +14.5</li> <li>• Increase in other costs -25.8</li> </ul>
<b>Net income or loss</b>	90.0	-4.1	+94.1	

## Breakdown of ordinary income change

(billion yen)





		4/14-6/14	4/15-6/15	4/15-3/16 (Forecast)
Integrated energy supply	Sales volume of gas and heavy oil [equivalent to LNG] (tons)	160 thousand	130 thousand	760 thousand

		Mar.31, 2015	Jun. 30, 2015	Mar.31, 2016 (Forecast)
Information and telecommunications	Number of FTTH subscribers	1,528 thousand	1,545 thousand	1,566 thousand

## For further information

Planning Group (Investor Relations)  
Office of Accounting and Finance  
The Kansai Electric Power Co., Inc.

Telephone	:+81 6 6441 8821 (Operator)
Facsimile	:+81 6 6441 0569
Website	: <a href="http://www.kepc.co.jp">http://www.kepc.co.jp</a>