

Revision of financial forecasts and dividend forecasts for FY ending 3/2017

March 28, 2017

The Kansai Electric Power Co., Inc.

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

■ Revision of financial forecasts and dividend forecasts for FY ending 3/2017	(Page)
•Revision of financial forecasts and dividend forecasts	----- 2
•Financial forecasts for FY ending 3/2017 (The change from FY ended 3/2016)	----- 3
•Individual description of increase/decrease in FY ending 3/2017 financial forecasts (The change from FY ended 3/2016)	----- 4
•Estimated time lag of the fuel cost adjustment system	----- 5
 ■ Appendix	
•Prospective profit and loss by business segment (The change from FY ended 3/2016)	----- 7

【 Financial Forecasts 】

Our full-year financial forecasts for the year ending March 31, 2017 was undetermined, because a specific time of resuming operations at our nuclear plants was nowhere in sight and we had to assess the impact of full liberalization of retail electricity market on our electricity sales. On March 28, 2017, however, Osaka High Court decided to cancel the provisional disposition prohibiting operations at Takahama Units 3 and 4. As the end of this fiscal year comes around, and in view of the recent supply-demand situation and other factors, we announce that we have prepared our financial forecasts.

【 Dividend Forecast 】

Our Policy of return to shareholders is to secure sound financial strength and maintain stable dividends in order to distribute surplus to all shareholders appropriately as the Kansai Electric Power group. We therefore intend to make a decision on dividend payments taking into comprehensive consideration the managerial environment including profit and loss of this fiscal year and the next fiscal year onward.

As for our year-end dividend forecast for the year ending March 31, 2017, today we decided to pay 25.00 yen per share taking into comprehensive consideration the managerial environment, including our full-year earnings forecast for the same period, which is expected to record a surplus for the second consecutive year, and profit and loss of the next fiscal year onward.

Financial forecasts for FY ending 3/2017

(The change from FY ended 3/2016) ³

(billion yen)	Consolidated			Non-consolidated		
	4/16-3/17 (Forecasts)	4/15-3/16 (Results)	Change	4/16-3/17 (Forecasts)	4/15-3/16 (Results)	Change
Operating revenues	3,010.0	3,245.9	-235.9 (-7.3%)	2,610.0	2,868.2	-258.2 (-9.0%)
Operating income	205.0	256.7	-51.7 (-20.1%)	160.0	208.5	-48.5 (-23.3%)
Ordinary income	185.0	241.6	-56.6 (-23.4%)	140.0	200.1	-60.1 (-30.0%)
Net income (*)	133.0	140.8	-7.8 (-5.5%)	100.0	118.5	-18.5 (-15.6%)

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

<Major factors>

	4/16-3/17 (Forecasts)	4/15-3/16 (Results)
Electricity sales (TWh)	121.2	127.5
Residential	43.5	44.1
Commercial and Industrial	77.8	83.5
Nuclear capacity factor (%)	0.0	1.0
Water run-off ratio (%)	Approx. 102	112.9
All Japan CIF crude oil price (\$/barrel)	Approx. 48	48.8
Exchange rate [TTM] (yen/\$)	Approx. 110	120
Interest rate [long-term prime rate] (%)	Approx. 1.0	1.11

<Sensitivity of major factors>

(billion yen)	4/16-3/17 (Forecasts)	4/15-3/16 (Results)
Nuclear capacity factor per 1%	4.6	6.2
Water run-off ratio per 1%	0.9	1.2
All Japan CIF crude oil price per \$1/barrel	6.7	9.8
Exchange rate [TTM] per ¥1/\$	5.3	6.6
Interest rate [long-term prime rate] per 1%	6.7	5.3

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

【Dividend forecast for FY ending 3/17】

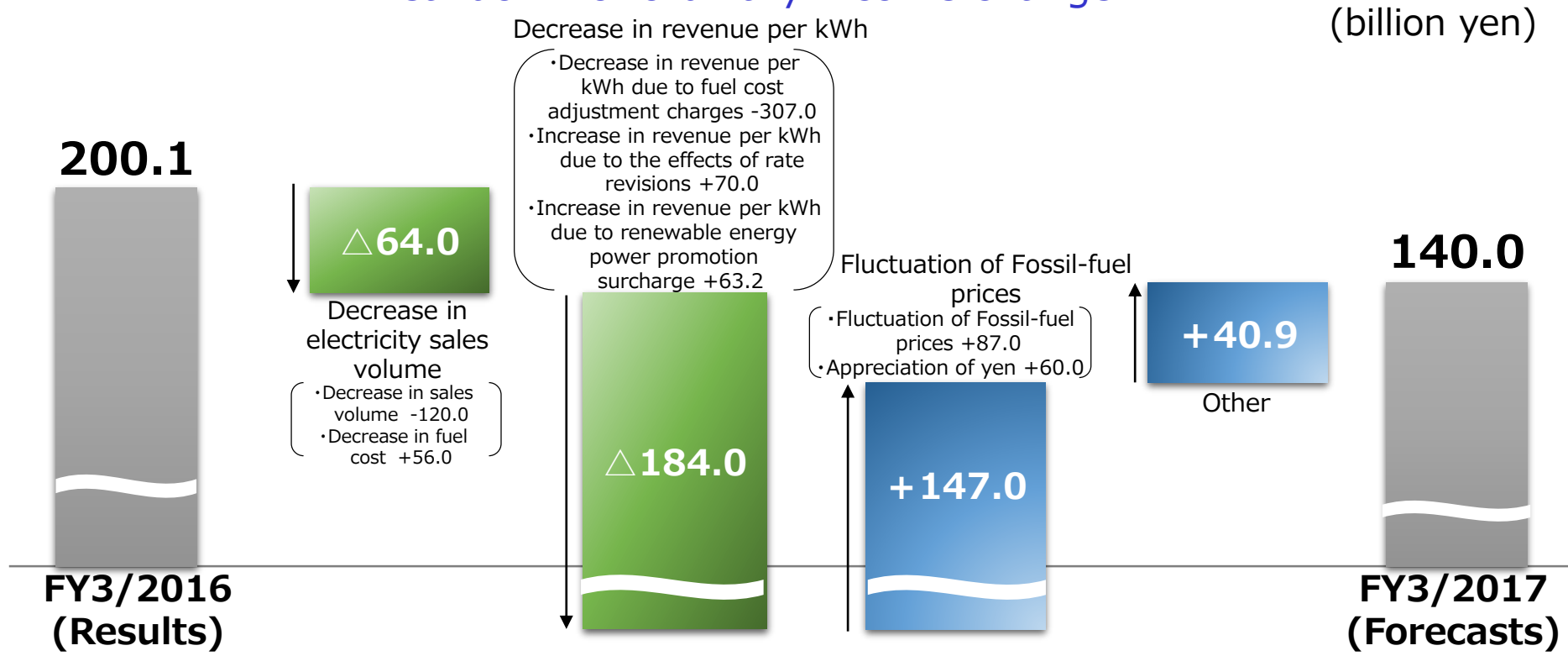
	Interim	Year-end	Annual
Dividend per share	0.00 yen	25.00yen	25.00yen

Individual description of increase/decrease in FY ending 3/2017 financial forecasts (The change from FY ended 3/2016)

4

(billion yen)	4/16-3/17 (Forecasts)	4/15-3/16 (Results)	Change	Breakdown
Operating revenues	2,610.0	2,868.2	-258.2	<ul style="list-style-type: none"> • Decrease in electricity sales volume -120.0 • Decrease in revenue per kWh -184.0
Ordinary income	140.0	200.1	-60.1	<ul style="list-style-type: none"> • Decrease in electricity sales volume -64.0 • Decrease in revenue per kWh -184.0 • Fluctuation of Fossil-fuel prices +147.0 • Other +40.9
Net income	100.0	118.5	-18.5	

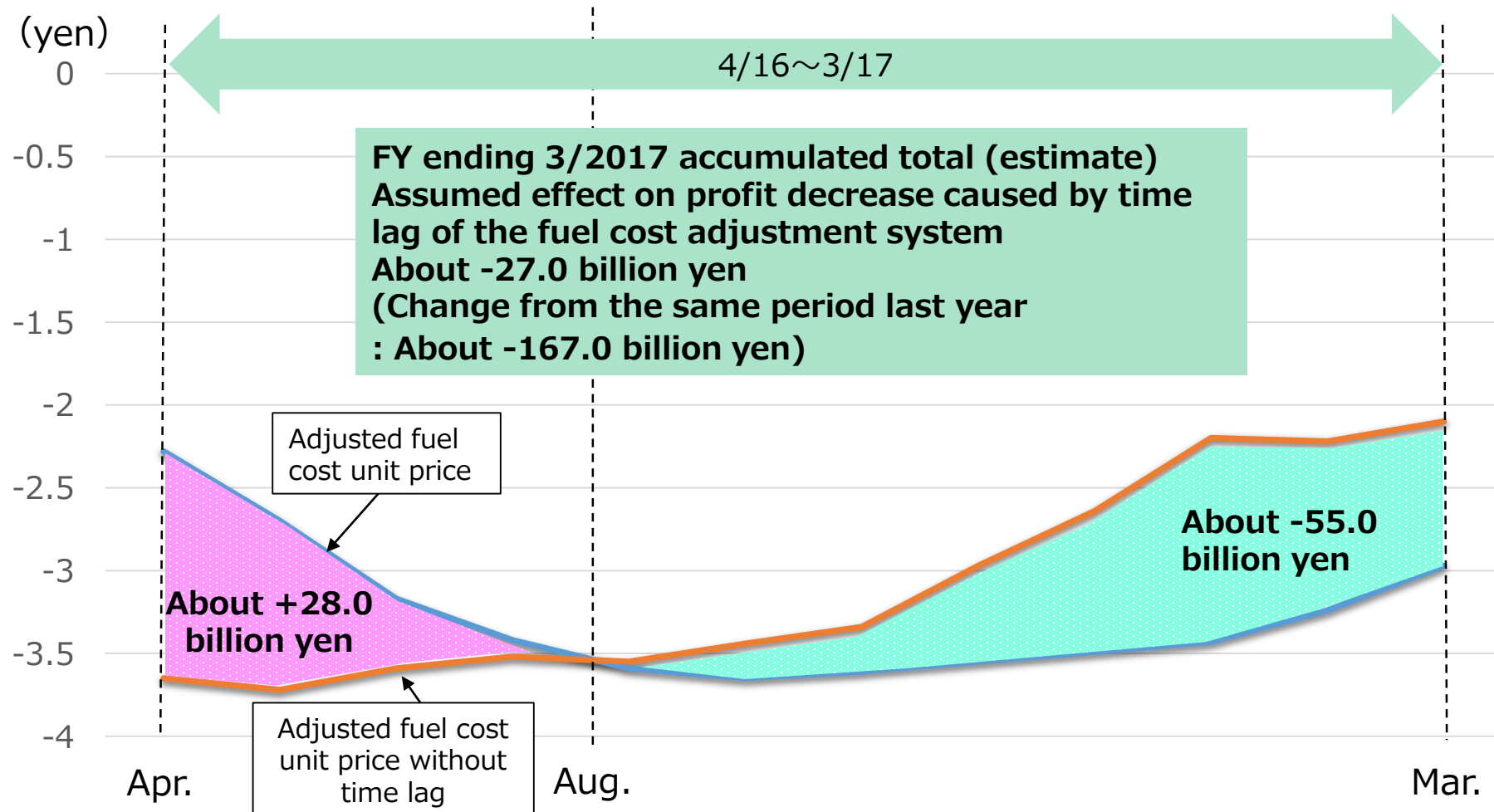
Breakdown of ordinary income change



Estimated time lag of the fuel cost adjustment system

5

- The fuel cost adjustment system is a mechanism utilized to reflect, in the electricity rates, the impact of fluctuations in the exchange rate and the market price of fuel on thermal fuel costs.
- The fluctuation in each month's fuel price is reflected in the adjusted fuel cost unit price with a 3 to 5 month time lag. A disparity (time lag) will therefore occur in the timing at which the fuel costs and the adjusted fuel cost unit price are reflected, and can thus be a factor in a temporary increase or decrease in income.



Appendix

Prospective profit and loss by business segment

(The change from FY ended 3/2016)

7

(billion yen)			4/16-3/17 (Forecasts)	4/15-3/16 (Results)	Change	Breakdown
Comprehensive Energy / Power Transmission and Distribution	Electric Power	Sales to non-group companies	2,550.0	2,795.7	-245.7	
		Ordinary income	140.0	190.2	-50.2	
	Gas/ Other energies	Sales to non-group companies	90.0	104.2	-14.2	•Decrease in sales price(gas)
		Ordinary income	6.0	17.9	-11.9	
	Total	Sales to non-group companies	2,640.0	2,900.0	-260.0	
		Ordinary income	146.0	208.1	-62.1	
IT/Communications		Sales to non-group companies	185.0	174.8	+10.2	•Increase in FTTH,MVNO subscribers •The increase is attributable to the start of retail electricity sales service.
		Ordinary income	16.0	15.1	+0.9	
Real Estate/Life		Sales to non-group companies	96.0	95.6	+0.4	
		Ordinary income	12.0	11.0	+1.0	
Other		Sales to non-group companies	81.0	75.8	+5.2	•Increase in construction order receipt
		Ordinary income	20.0	25.4	-5.4	•Decrease of regular inspection at power stations

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

<Reference>

(billion yen)			4/16-3/17 (Forecasts)	4/15-3/16 (Results)	Change	Breakdown
International Business	Profit		-1.0	2.5	-3.5	<ul style="list-style-type: none"> •Decrease in dividend income, etc. •Increase of development expense, etc.

* Prospective profit/loss figures of IT/Communication, Real Estate/Life and International Business have not been changed since the official announcement of 3Q results.

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 : <http://www.kepco.co.jp>