

Unaudited Financial Release (Consolidated) for the Third Quarter

The information below is an English translation of extracts from Unaudited Financial Release (Consolidated) for the second quarter that has been filed with the major Japanese stock exchanges (Tokyo) for public inspection. These financial statements have been prepared in accordance with accounting principles and practices generally accepted in Japan.

January 30, 2015

The Kansai Electric Power Co., Inc. (Code: 9503)

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I . Performance over the Nine-months Ended December 31, 2014 and 2013

(Figures are rounded down to the nearest million yen)

1. Results of Operations

	<u>Nine-Months</u>		(Million Yen)	
	<u>Ended December 31</u>		<u>Change</u>	
	2014	2013	14/13	13/12
Operating Revenues	2,470,903	2,398,539	3.0%	15.2%
Operating Income	-66,622	-7,675	—	—
Ordinary Income *	-77,972	-34,178	—	—
Net Income	-66,631	-34,652	—	—
Net Income per Share	-74.57yen	-38.78yen	—	—
Fully Diluted Net Income per Share	—	—	—	—

Comprehensive income

Nine-months ended December 31, 2014: -67,157 million yen

Nine-months ended December 31, 2013: -4,143 million yen

Notes:

1. Ordinary Income means Income before Provision for/Reversal of Reserve for Fluctuations in Water Level, Special Item and Income Taxes.

2. Financial Position

	As of December 31	(Million Yen)
	2014	As of March 31 2014
Total Assets	7,622,577	7,777,519
Net Assets	1,145,020	1,213,158
Equity Ratio	14.7%	15.3%

Notes:

1. Equity capital

As of December 31, 2014: 1,119,012 million yen

As of March 31, 2014: 1,188,835 million yen

II. Dividends

	Interim dividend per share	Year-end dividend per share	Annual dividend per share
Fiscal 2014	0.00 yen	0.00yen	0.00 yen
Fiscal 2015	0.00 yen	0.00yen(Forecast)	0.00yen(Forecast)

III. Financial Forecasts

	4/14-3/15 (Forecasts)	4/13-3/14 (Results)	(Billion Yen) Change
Operating Revenues	3,440	3,327	3.4%
Operating Income	-100	-71	—
Ordinary Income*	-135	-111	—
Net Income	-161	-97	—
Net Income per Share	-180.18yen	-109.01yen	—

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 fiscal 2016.

Notes:

1. Major Factors for Financial Forecasts

	4/14-3/15 (Forecasts)	4/13-3/14 (Results)
Electricity Sales (TWh)	136.4	140.4
Nuclear capacity factor (%)	0.0	10.9
Water run-off ratio (%)	96.8	100.1
All Japan CIF Crude Oil Price (\$/barrel)	Approx. 94.0	110.0
Exchange rate [TTM] (yen/\$)	Approx. 110	100

2. Ordinary Income means Income before Provision for/Reversal of Reserve for Fluctuations in Water Level, Special Item and Income Taxes.

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

IV. Other

1. Number of shares outstanding (included Treasury stock)

As of December 31, 2014: 938,733,028 shares

As of March 31, 2014: 938,733,028 shares

2. Number of Treasury stock

As of December 31, 2014: 45,220,832 shares

As of March 31, 2014: 45,193,049 shares

3. Number of Average stock

Nine-months ended December 31, 2014: 893,526,420 shares

Nine-months ended December 31, 2013: 893,565,613 shares

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Financial Forecasts (Non-consolidated)

	4/14-3/15 (Forecasts)	4/13-3/14 (Results)	(Billion Yen) <u>Change</u>
Operating Revenues	3,070	2,958	3.8%
Operating Income	-145	-116	—
Ordinary Income*	-170	-122	—
Net Income	-183	-93	—
Net Income per Share	-204.75yen	-104.15yen	—

Notes:

1. Ordinary Income means Income before Provision for/Reversal of Reserve for Fluctuations in Water Level, Special Item and Income Taxes.

Electricity sales

	(GWh)		
	Nine-months Ended December 31, 2014	Nine-months Ended December 31, 2013	Change (%)
Regulated Segment	35,212	37,692	93.4
Lightning	31,254	33,398	93.6
Power	3,957	4,294	92.2
Low Voltage	3,478	3,779	92.0
Other	480	515	93.1
Liberalized Segment	62,969	65,310	96.4
Total	98,181	103,002	95.3

Consolidated Balance Sheets

(million yen)

Account	As of Mar.31, 2014	As of Dec.31, 2014
(Assets)		
Property	6,819,828	6,777,904
Utility facilities	3,496,232	3,456,102
Hydroelectric power production facilities	307,627	298,481
Thermal power production facilities	507,988	526,885
Nuclear power production facilities	334,775	332,239
Transmission facilities	956,098	922,928
Transformation facilities	404,546	401,415
Distribution facilities	841,050	834,410
General facilities	116,750	113,580
Other utility facilities	27,395	26,160
Other plant and equipment	640,979	660,232
Construction in progress	457,784	423,309
Nuclear fuel	528,955	542,171
Loaded nuclear fuel	81,470	81,470
Nuclear fuel in processing	447,484	460,701
Investments and other assets	1,695,875	1,696,088
Long-term investments	262,621	263,968
Reserve fund for reprocessing of irradiated nuclear fuel	574,553	550,027
Deferred tax assets	514,509	525,989
Other	346,274	358,287
Allowance for doubtful accounts	-2,082	-2,184
Current assets	957,691	844,672
Cash and time deposits	109,508	131,222
Accounts receivable	232,295	242,402
Inventory assets	159,000	155,083
Deferred tax assets	48,178	54,314
Other	411,034	264,253
Allowance for doubtful accounts	-2,326	-2,602
Total assets	7,777,519	7,622,577

Consolidated Balance Sheets

(million yen)

Account	As of Mar.31, 2014	As of Dec.31, 2014
(Liabilities)		
Long-term liabilities and reserves	5,358,236	5,225,276
Bonds	1,430,943	1,300,855
Long-term loans	2,324,607	2,291,506
Reserve for reprocessing of irradiated nuclear fuel	616,756	599,209
Reserve for reprocessing of irradiated nuclear fuel without definite plans	48,097	49,540
Liability for retirement benefits	360,292	367,888
Asset retirement obligations	402,803	409,788
Deferred tax liabilities	225	451
Other	174,509	206,037
Current liabilities	1,199,193	1,246,490
Current maturities of long-term debt and other	432,311	488,465
Short-term borrowings	208,862	203,955
Accounts payable	199,538	201,467
Accrued income taxes	37,069	51,621
Other current liabilities	321,411	300,981
Reserves under the special laws	6,930	5,789
Reserve for fluctuation in water levels	6,930	5,789
Total liabilities	6,564,361	6,477,556
(Net Assets)		
Shareholders' Equity	1,116,572	1,048,942
Paid in capital	489,320	489,320
Capital surplus	66,634	66,634
Retained earnings	656,909	589,307
Treasury stock	-96,292	-96,320
Accumulated other comprehensive income	72,263	70,069
Unrealized gain on available-for-sale securities	50,301	62,503
Deferred gain or loss on derivatives under hedge accounting	5,031	-4,301
Foreign currency translation adjustments	9,434	8,614
Defined retirement benefit plans	7,495	3,253
Minority interests	24,322	26,008
Total net assets	1,213,158	1,145,020
Total liabilities and net assets	7,777,519	7,622,577

Consolidated Statements of Operations

(million yen)

Account	Nine-months ended Dec.31, 2013	Nine-months ended Dec.31, 2014
Ordinary revenues and expenses		
Operating revenues and expenses		
Operating revenues	2,398,539	2,470,903
Electric	2,072,834	2,138,279
Other	325,704	332,624
Operating expenses	2,406,215	2,537,526
Electric	2,114,134	2,241,273
Other	292,080	296,252
(Operating Income)	-7,675	-66,622
Non-Operating revenues and expenses		
Non-operating revenues	26,245	40,056
Dividends received	2,964	3,231
Interest revenue	6,822	6,970
Equity in earnings of associated companies	7,706	9,269
Other	8,752	20,584
Non-operating expenses	52,748	51,406
Interest expense	43,315	42,448
Other	9,432	8,958
Total ordinary revenues	2,424,785	2,510,960
Total ordinary expenses	2,458,963	2,588,932
Ordinary Income	-34,178	-77,972
Provision for or reversal of reserve for fluctuation in water levels	-3,125	-1,141
Reversal of reserve for fluctuation in water levels	-3,125	-1,141
Income before income taxes and minority interests	-31,052	-76,831
Income taxes-current	5,875	3,980
Income taxes-deferred	-2,095	-14,076
Income taxes	3,779	-10,095
Income before minority interests	-34,832	-66,735
Minority interests in net Income	-179	-104
Net Income	-34,652	-66,631

Consolidated Statements of Comprehensive Income

(million yen)

Account	Nine-months ended Dec.31, 2013	Nine-months ended Dec.31, 2014
Net income before minority interests	-34,832	-66,735
Other comprehensive income		
Unrealized gain on available-for-sale securities	15,053	9,988
Deferred gain or loss on derivatives under hedge accounting	2,056	-8,182
Foreign currency translation adjustments	9,291	-2,164
Defined retirement benefit plans	-	-4,501
Share of other comprehensive income of associates	4,288	4,439
Total other comprehensive income	30,689	-421
Comprehensive income	-4,143	-67,157
(Breakdown)		
Attributable to owner of the parent	-7,649	-68,824
Attributable to Minority interests	3,506	1,667