

Unaudited Financial Release (Consolidated) for the Second 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 (Osaka, Tokyo and Nagoya) for public inspection. These financial statements have been prepared in accordance with accounting principles and practices generally accepted in Japan.

October 31, 2008

Unaudited Financial Release (Consolidated) for the Six-Months Ended September 30, 2008

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

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I. Performance over the Six-Months Ended September 30, 2008

(Figures are rounded down to the nearest million yen)

1. Results of Operations (Accumulated)

	(Million yen)	
	<u>Six-Months</u>	
	<u>Ended September 30</u>	
	2008	2007
Operating Revenues	1,392,014	1,334,193
	(4.3%)	(1.9%)
Operating Income	-73,126	162,769
	—	(-23.1%)
Ordinary Income	-80,467	142,873
	—	(-23.4%)
Net Income	-52,488	94,917
	—	(-19.1%)
Net Income per Share	-57.54yen	102.49yen
Fully Diluted Net Income per Share	—	—

Notes:

Figures in brackets are changes from the same period of the previous year.

2. Financial Position

	(Million yen)	
	<u>As of</u>	<u>As of March 31</u>
	<u>September 30</u>	<u>2008</u>
	2008	2008
Total Assets	6,898,751	6,789,605
Net Assets	1,736,262	1,845,758
Equity ratio	25.1%	27.1%
Net Assets per share	1,901.74yen	2,003.91yen

II. Dividends

	<u>Interm dividend per share</u>	<u>Year-end dividend per share</u>	<u>Annual dividend per share</u>
Fiscal 2008	30.00 yen	30.00 yen	60.00 yen
Fiscal 2009	30.00 yen	—	—
Fiscal2009 (Forecast)	—	30.00 yen	60.00 yen

III. Earnings Forecasts

(Billion Yen)

Year ending March 31
2009

Operating Revenues	2,840
Operating Income	-62
Ordinary Income	-95
Net Income	-64
Net Income per Share	-70.23yen

Notes:

1. Major factors for Earnings Forecasts

Electricity Sales	149.8 billion kWh
Exchange rate per U.S. dollar	Approx. ¥106
CIF crude oil price per barrel	Approx. \$110
Nuclear capacity factor	71.6%
Water run-off ratio	92.3%

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

3. Operating revenues are revised down from the previous forecasts in July mainly due to the reduction of fuel cost adjustment to electricity rates from January 1 to March 31, 2009.

Operating income, ordinary income and net income are revised down from the previous forecasts in July mainly due to the decrease in purchased power volume and the increase in maintenance costs on utility facilities for safe and stable power supplies.

IV. Other

1, Number of share outstanding (included Treasury stock)
As of September 30, 2008: 954,698,728 As of March 31, 2008: 962,698,728

2, Number of Treasury stock
As of September 30, 2008: 44,373,512 As of March 31, 2008: 44,228,664

3, Number of Average stock
As of September 30, 2008: 912,180,094 As of September 30, 2007: 926,118,529

Reference: Earnings Forecasts (Non-consolidated)

	(Billion Yen)
	<u>Year ending March 31</u>
	2009
Operating Revenues	2,610
Operating Income	-105
Ordinary Income	-135
Net Income	-91
Net Income per Share	-99.83yen

Notes:

1. Major factors for Earnings Forecasts, Refer to page 2 about major factors.
2. Financial forecasts are subject to change depending upon the changes of business environments and other conditions.
3. Operating revenues are revised down from the previous forecasts in July mainly due to the reduction of fuel cost adjustment to electricity rates from January 1 to March 31, 2009.
Operating income, ordinary income and net income are revised down from the previous forecasts in July mainly due to the decrease in purchased power volume and the increase in maintenance costs on utility facilities for safe and stable power supplies.

Consolidated Balance Sheets

(million yen)

Account	As of Sep. 30, 2008	As of Mar. 31, 2008
(Assets)		
Property	6,325,581	6,284,011
Utility facilities	3,842,442	3,906,959
Hydroelectric power production facilities	374,132	383,889
Thermal power production facilities	438,757	455,754
Nuclear power production facilities	329,864	336,448
Transmission facilities	1,206,336	1,232,518
Transformation facilities	438,597	446,684
Distribution facilities	894,899	900,783
General facilities	138,479	128,930
Other utility facilities	21,373	21,950
Other plant and equipment	467,869	481,947
Construction in progress	411,076	359,483
Nuclear fuel	501,001	484,176
Loaded nuclear fuel	73,374	73,909
Nuclear fuel in processing	427,626	410,266
Investments and other assets	1,103,190	1,051,443
Long-term investments	279,753	269,154
Reserve fund for reprocessing of irradiated nuclear fuel	279,733	273,254
Deferred tax assets	308,230	295,402
Other	237,407	215,083
Allowance for doubtful accounts	-1,934	-1,451
Current assets	573,170	505,594
Cash and time deposits	70,170	82,644
Accounts receivable	175,264	161,763
Inventory assets	141,144	121,588
Deferred tax assets	39,033	13,033
Other current assets	149,709	128,539
Allowance for doubtful accounts	-2,152	-1,975
Total assets	6,898,751	6,789,605

Consolidated Balance Sheets

(million yen)

Account	As of Sep. 30, 2008	As of Mar. 31, 2008
(Liabilities)		
Long-term liabilities and reserves	4,136,412	4,012,177
Bond	1,447,940	1,418,221
Long-term loans	1,278,202	1,214,307
Liability for retirement benefits	335,385	332,083
Reserve for reprocessing of irradiated nuclear fuel	664,813	643,939
Reserve for reprocessing of irradiated nuclear fuel without definite plans	21,004	19,021
Reserve for decommissioning of nuclear power units	303,621	298,914
Deferred tax liabilities	132	136
Other	85,311	85,553
Current liabilities	1,026,076	931,670
Current maturities of long-term debt and other	379,657	429,432
Short-term borrowings	134,300	99,383
Commercial papers	141,000	—
Accounts payable	140,147	144,949
Accrued income tax	31,146	38,121
Deferred tax liabilities	149	380
Other current liabilities	199,676	219,402
Total liabilities	5,162,489	4,943,847

Consolidated Balance Sheets

(million yen)

Account	As of Sep. 30, 2008	As of Mar. 31, 2008
(Net Assets)		
Shareholders' Equity	1,661,410	1,760,870
Paid in capital	489,320	489,320
Capital surplus	66,634	66,722
Retained earnings	1,201,242	1,298,558
Treasury stock	-95,786	-93,730
Unrealized gains and Adjustment	69,787	79,661
Net unrealized gain on available-for-sale securities	43,392	53,770
Deferred gains and losses on hedges	25,110	25,294
Foreign currency translation adjustments	1,284	596
Minority interest	5,063	5,225
Total net asset	1,736,262	1,845,758
Total liabilities and net assets	6,898,751	6,789,605

Consolidated Statements of Income

(million yen)

Account		Six-Months ended Sep. 30, 2008	
Ordinary revenues and expenses	Operating revenues and expenses	Operating revenues	1,392,014
		Electric	1,244,177
		Other	147,837
		Operating expenses	1,465,141
		Electric	1,333,921
		Other	131,219
		(Operating loss)	-73,126
	Non-operating revenues and expenses	Non-operating revenues	23,813
		Dividends receivable	2,414
		Interests receivable	2,923
		Equity in earnings of associated companies	2,223
		Other	16,251
		Non-operating expenses	31,154
		Interest expense	27,348
	Other	3,805	
Total ordinary revenues		1,415,828	
Total ordinary expenses		1,496,296	
Ordinary loss		-80,467	
Loss before income taxes and minority Interests		-80,467	
Income taxes-current		5,424	
Income taxes-deferred		-33,412	
Income taxes		-27,988	
Minority interest in net income(loss)		9	
Net loss		-52,488	

Consolidated Statements of Cash Flows

(million yen)

Account	Six-months ended Sep. 30, 2008
Operating Activities	
Loss before income taxes and minority interest	-80,467
Depreciation and amortization	180,043
Amortization of nuclear fuel	16,952
Loss on disposal of property, plant and equipment	6,078
Nuclear fuel transferred to reprocessing costs	6,781
Increase in liability for retirement benefits	3,301
Provision for reprocessing of irradiated nuclear fuel	20,874
Provision for reprocessing of irradiated nuclear fuel without definite plans	1,983
Provision for decommissioning of nuclear power units	4,706
Interest revenue and dividends received	-5,338
Interest expense	27,348
Gain on sales of securities	-11,135
Reserve fund for reprocessing of irradiated nuclear fuel	-6,478
Increase in notes and accounts receivable-trade	-13,500
Inventory assets	-19,555
Decrease in notes and accounts payable-trade	-6,075
Other	-39,007
Sub total	86,510
Receipt of interest and cash dividends	6,196
Interest paid	-27,483
Income tax paid	-7,071
Net cash provided by operating activities	58,152
Investing activities	
Purchases of property, plant and equipment	-222,791
Payment for investments and advances	-46,293
Proceeds from sales or collections of investments and advances	22,162
Other	3,524
Net cash used in investing activities	-243,398

Consolidated Statements of Cash Flows

(million yen)

Account	Six-months ended Sep. 30, 2008
Financing Activities	
Proceeds from issuance of bonds	189,103
Redemption of bonds	-167,200
Proceeds from long-term debt	135,660
Repayments of long-term debt	-114,292
Proceeds from short-term borrowings	149,389
Repayments of short-term borrowings	-115,004
Proceeds from issuance of commercial papers	774,000
Repayments of commercial papers	-633,000
Purchases of treasury stock	-19,518
Dividends paid	-27,559
Other	-3
Net cash used in financing activities	171,574
Foreign currency translation adjustments on cash and cash equivalents	1,050
Net decrease in cash and cash equivalents	-12,621
Cash and cash equivalents, beginning of year	82,913
Cash and cash equivalents, end of Year	70,292

Reference

Consolidated Statements of Income

(million yen)

Account		Six-Months ended Sep. 30, 2007	
Ordinary revenues and expenses	Operating revenues and expenses	Operating revenues	1,334,193
		Electric	1,200,630
		Other	133,562
		Operating expenses	1,171,424
		Electric	1,052,291
		Other	119,132
		(Operating income)	162,769
	Non-operating revenues and expenses	Non-operating revenues	10,545
		Dividends receivable	2,353
		Interests receivable	1,972
		Equity in earnings of associated companies	1,892
		Other	4,327
		Non-operating expenses	30,441
		Interest expense	27,751
	Other	2,689	
Total ordinary revenues		1,344,739	
Total ordinary expenses		1,201,865	
Ordinary income		142,873	
Provision for (Reversal of) reserve for fluctuations in water level		-8,541	
Income before income taxes and minority Interests		151,415	
Income taxes-current		51,371	
Income taxes-deferred		4,935	
Minority interest in net income(loss)		189	
Net income		94,917	

Consolidated Statements of Cash Flows

(million yen)

Account	Six-months ended Sep. 30, 2007
Operating Activities	
Income before income taxes and minority interest	151,415
Depreciation and amortization	190,614
Amortization of nuclear fuel	22,567
Loss on disposal of property, plant and equipment	4,687
Nuclear fuel transferred to reprocessing costs	6,781
Decrease in liability for retirement benefits	-9,177
Provision for reprocessing of irradiated nuclear fuel	-26,284
Provision for reprocessing of irradiated nuclear fuel without definite plans	3,262
Provision for decommissioning of nuclear power units	5,327
Provision for (Reversal of) reserve for fluctuations in water level	-8,541
Interest revenue and dividends received	-4,326
Interest expense	27,751
Reserve fund for reprocessing of irradiated nuclear fuel	-6,272
Accounts receivable	-28,895
Accounts payable	14,536
Other	-25,800
Sub total	317,645
Receipt of interest and cash dividends	4,941
Interest paid	-28,858
Income tax paid	-27,758
Net cash provided by operating activities	265,969
Investing activities	
Purchases of property, plant and equipment	-157,827
Payment for investments and advances	-9,037
Proceeds from sales or collections of investments and advances	1,797
Net increase in time deposits and other	17,065
Other	4,379
Net cash used in investing activities	-143,623

Consolidated Statements of Cash Flows

(million yen)

Account	Six-months ended Sep. 30, 2007
Financing Activities	
Proceeds from issuance of bonds	109,407
Redemption of bonds	-62,394
Proceeds from long-term debt	53,700
Repayments of long-term debt	-175,617
Proceeds from short-term borrowings	136,653
Repayments of short-term borrowings	-139,184
Proceeds from issuance of commercial papers	340,000
Repayments of commercial papers	-340,000
Purchases of treasury stock	-489
Dividends paid	-27,777
Other	75
Net cash used in financing activities	-105,625
Foreign currency translation adjustments on cash and cash equivalents	61
Net increase in cash and cash equivalents	16,782
Cash and cash equivalents, beginning of year	104,691
Cash and cash equivalents, end of Year	121,473

Revenues and Expenses(Non-Consolidated)

	Six-Months ended Sep. 30		(B) - (A)	(B)/(A)	Percentage of total	
	2007 (A)	2008 (B)			(A)	(B)
	¥ million	¥ million	¥ million	%	%	%
Ordinary revenues (Operating revenues)	1,241,390 (1,232,687)	1,305,667 (1,284,482)	64,276 (51,795)	105.2 (104.2)	100.0 (99.3)	100.0 (98.4)
Residential	476,625	483,658	7,032	101.5	38.4	37.0
Commercial and industrial	688,094	723,130	35,035	105.1	55.4	55.4
Sub total	1,164,720	1,206,788	42,068	103.6	93.8	92.4
Other	76,670	98,878	22,208	129.0	6.2	7.6
Ordinary expenses	1,113,232	1,405,875	292,642	126.3	100.0	100.0
Personnel expenses	106,379	118,391	12,011	111.3	9.6	8.4
Fuel	232,046	417,624	185,577	180.0	20.8	29.7
Back-end expenses of nuclear power	48,299	64,867	16,567	134.3	4.3	4.6
Maintenance	107,950	126,083	18,133	116.8	9.7	9.0
Taxes other than income Taxes	76,533	75,867	-665	99.1	6.9	5.4
Depreciation	155,706	149,303	-6,402	95.9	14.0	10.6
Purchased power	193,373	248,893	55,519	128.7	17.4	17.7
Interest expenses	25,557	25,371	-186	99.3	2.3	1.8
Other	167,385	179,472	12,087	107.2	15.0	12.8
Ordinary income or loss (Operating income or loss)	128,157 (146,674)	-100,208 (-93,730)	-228,365 (-240,405)	—	/	
Provision for/reversal of reserve for fluctuations in water level	-8,541	—	8,541	—		
Income or loss before income taxes	136,699	-100,208	-236,907	—		
Current income taxes	46,277	92	-46,185	0.2		
Deferred income taxes	5,132	-34,416	-39,549	—		
Net income or loss	85,289	-65,883	-151,173	—		

Net income or loss per share	92.06yen	-72.20yen
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