

## Unaudited Financial Release (Consolidated) for the Third Quarter

The information below is an English translation of extracts from Unaudited Financial Release (Consolidated) for the third 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.

January 30, 2009

### **Unaudited Financial Release (Consolidated) for the Nine-Months Ended December 31, 2008**

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

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#### I. Performance over the Nine-Months Ended December 31, 2008

(Figures are rounded down to the nearest million yen)

##### 1. Results of Operations (Accumulated)

	(Million yen)	
	<u>Nine-Months</u>	
	<u>Ended December 31</u>	
	2008	2007
Operating Revenues	2,039,588	1,962,018
	(4.0%)	(2.9%)
Operating Income	-81,142	156,308
	—	(-37.3%)
Ordinary Income	-107,674	128,976
	—	(-40.1%)
Net Income	-70,159	86,667
	—	(-36.7%)
Net Income per Share	-76.97yen	93.75yen
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>December 31</u>	<u>2008</u>
	2008	2008
Total Assets	6,952,583	6,789,605
Net Assets	1,655,258	1,845,758
Equity ratio	23.7%	27.1%
Net Assets per share	1,812.90yen	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	2,820	(4.9%)
Operating Income	2	(-98.9%)
Ordinary Income	-38	—
Net Income	-28	—
Net Income per Share	-30.73yen	

Notes:

1. Figures in brackets are changes from the previous year.

2. Major factors for Earnings Forecasts

Electricity Sales	147.1billion kWh
Exchange rate per U.S. dollar	Approx.¥101
CIF crude oil price per barrel	Approx.\$92
Nuclear capacity factor	71.5%
Water run-off ratio	87.9%

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

4. Operating revenues are revised down from the previous forecasts in October mainly due to decrease in electricity sales volume caused by recent economic recession.

Operating income, ordinary income and net income are revised up from the previous forecasts in October mainly due to recent sharp decline of fuel price and appreciation of the yen.

## IV. Other

1, Number of share outstanding (included Treasury stock)

As of December 31, 2008: 954,698,728 As of March 31, 2008: 962,698,728

2, Number of Treasury stock

As of December 31, 2008: 44,449,361 As of March 31, 2008: 44,228,664

3, Number of Average stock

As of December 31, 2008: 911,551,030 As of December 31, 2007: 924,420,285

**Reference: Earnings Forecasts (Non-consolidated)**

	(Billion Yen)	
	<u>Year ending March 31</u>	
	2009	
Operating Revenues	2,590	(4.5%)
Operating Income	-43	—
Ordinary Income	-80	—
Net Income	-56	—
Net Income per Share	-61.43yen	

Notes:

1. Figures in bracket is change from the previous year.
2. Major factors for Earnings Forecasts, Refer to page 2 about major factors.
3. Financial forecasts are subject to change depending upon the changes of business environments and other conditions.
4. Operating revenues are revised down from the previous forecasts in October mainly due to decrease in electricity sales volume caused by recent economic recession.  
Operating income, ordinary income and net income are revised up from the previous forecasts in October mainly due to recent sharp decline of fuel price and appreciation of the yen.

## Consolidated Balance Sheets

(million yen)

Account	As of Dec. 31, 2008	As of Mar. 31, 2008
<b>(Assets)</b>		
Property	6,368,295	6,284,011
Utility facilities	3,802,760	3,906,959
Hydroelectric power production facilities	369,366	383,889
Thermal power production facilities	422,692	455,754
Nuclear power production facilities	325,265	336,448
Transmission facilities	1,193,743	1,232,518
Transformation facilities	437,141	446,684
Distribution facilities	891,455	900,783
General facilities	141,893	128,930
Other utility facilities	21,202	21,950
Other plant and equipment	532,395	481,947
Construction in progress	407,638	359,483
Nuclear fuel	512,435	484,176
Loaded nuclear fuel	88,263	73,909
Nuclear fuel in processing	424,172	410,266
Investments and other assets	1,113,065	1,051,443
Long-term investments	264,795	269,154
Reserve fund for reprocessing of irradiated nuclear fuel	301,886	273,254
Deferred tax assets	314,752	295,402
Other	233,584	215,083
Allowance for doubtful accounts	-1,953	-1,451
Current assets	584,288	505,594
Cash and time deposits	89,760	82,644
Accounts receivable	148,126	161,763
Inventory assets	142,511	121,588
Deferred tax assets	58,417	13,033
Other current assets	147,348	128,539
Allowance for doubtful accounts	-1,875	-1,975
<b>Total assets</b>	<b>6,952,583</b>	<b>6,789,605</b>

## Consolidated Balance Sheets

(million yen)

Account	As of Dec. 31, 2008	As of Mar. 31, 2008
<b>(Liabilities)</b>		
Long-term liabilities and reserves	4,268,604	4,012,177
Bond	1,547,901	1,418,221
Long-term loans	1,303,418	1,214,307
Liability for retirement benefits	338,115	332,083
Reserve for reprocessing of irradiated nuclear fuel	662,965	643,939
Reserve for reprocessing of irradiated nuclear fuel without definite plans	22,717	19,021
Reserve for decommissioning of nuclear power units	306,566	298,914
Deferred tax liabilities	116	136
Other	86,802	85,553
Current liabilities	1,028,721	931,670
Current maturities of long-term debt and other	383,416	429,432
Short-term borrowings	134,900	99,383
Commercial papers	140,000	—
Accounts payable	115,465	144,949
Accrued income tax	30,131	38,121
Deferred tax liabilities	57	380
Other current liabilities	224,749	219,402
<b>Total liabilities</b>	<b>5,297,325</b>	<b>4,943,847</b>

## Consolidated Balance Sheets

(million yen)

Account	As of Dec. 31, 2008	As of Mar. 31, 2008
<b>(Net Assets)</b>		
Shareholders' Equity	1,616,223	1,760,870
Paid in capital	489,320	489,320
Capital surplus	66,634	66,722
Retained earnings	1,156,261	1,298,558
Treasury stock	-95,993	-93,730
Unrealized gains and Adjustment	33,965	79,661
Net unrealized gain on available-for-sale securities	31,482	53,770
Deferred gains and losses on hedges	6,807	25,294
Foreign currency translation adjustments	-4,325	596
Minority interest	5,069	5,225
Total net asset	1,655,258	1,845,758
Total liabilities and net assets	6,952,583	6,789,605

## Consolidated Statements of Income

(million yen)

Account		Nine-Months ended Dec. 31, 2008	
Ordinary revenues and expenses	Operating revenues and expenses	Operating revenues	2,039,588
		Electric	1,819,478
		Other	220,109
		Operating expenses	2,120,731
		Electric	1,928,427
		Other	192,303
		(Operating loss)	-81,142
	Non-operating revenues and expenses	Non-operating revenues	28,520
		Dividends receivable	3,144
		Interests receivable	4,457
		Equity in earnings of associated companies	2,558
		Other	18,359
		Non-operating expenses	55,052
		Interest expense	41,744
	Other	13,308	
Total ordinary revenues		2,068,109	
Total ordinary expenses		2,175,783	
Ordinary loss		-107,674	
Loss before income taxes and minority Interests		-107,674	
Income taxes-current		6,090	
Income taxes-deferred		-43,617	
Income taxes		-37,526	
Minority interest in net income(loss)		11	
Net loss		-70,159	

## Consolidated Statements of Cash Flows

(million yen)

Account	Nine-months ended Dec. 31, 2008
<b>Operating Activities</b>	
Loss before income taxes and minority interest	-107,674
Depreciation and amortization	276,028
Amortization of nuclear fuel	27,722
Loss on disposal of property, plant and equipment	10,668
Nuclear fuel transferred to reprocessing costs	10,171
Increase in liability for retirement benefits	6,031
Provision for reprocessing of irradiated nuclear fuel	19,026
Provision for reprocessing of irradiated nuclear fuel without definite plans	3,695
Provision for decommissioning of nuclear power units	7,652
Interest revenue and dividends received	-7,602
Interest expense	41,744
Reserve fund for reprocessing of irradiated nuclear fuel	-28,631
Decrease in notes and accounts receivable-trade	13,637
Inventory assets	-20,922
Decrease in notes and accounts payable-trade	-30,527
Other	-36,117
Sub total	184,902
Receipt of interest and cash dividends	8,747
Interest paid	-45,209
Income tax paid	-25,527
Net cash provided by operating activities	122,913
<b>Investing activities</b>	
Purchases of property, plant and equipment	-359,614
Payment for investments and advances	-53,303
Proceeds from sales or collections of investments and advances	26,474
Other	5,172
Net cash used in investing activities	-381,270



## Consolidated Statements of Cash Flows

(million yen)

Account	Nine-months ended Dec. 31, 2008
<b>Financing Activities</b>	
Proceeds from issuance of bonds	308,735
Redemption of bonds	-227,200
Proceeds from long-term debt	226,260
Repayments of long-term debt	-133,992
Proceeds from short-term borrowings	221,409
Repayments of short-term borrowings	-188,319
Proceeds from issuance of commercial papers	1,076,000
Repayments of commercial papers	-936,000
Purchases of treasury stock	-19,819
Dividends paid	-54,168
Other	68
Net cash used in financing activities	272,973
Foreign currency translation adjustments on cash and cash equivalents	-7,659
Net increase in cash and cash equivalents	6,956
Cash and cash equivalents, beginning of year	82,913
Cash and cash equivalents, end of Year	89,870

**Reference**

**Consolidated Statements of Income**

(million yen)

Account		Nine-Months ended Dec. 31, 2007	
Ordinary revenues and expenses	Operating revenues and expenses	Operating revenues	1,962,018
		Electric	1,764,818
		Other	197,200
		Operating expenses	1,805,710
		Electric	1,628,497
		Other	177,212
		(Operating income)	156,308
	Non-operating revenues and expenses	Non-operating revenues	17,844
		Dividends receivable	3,664
		Interests receivable	3,161
		Equity in earnings of associated companies	3,612
		Other	7,405
		Non-operating expenses	45,176
		Interest expense	41,629
	Other	3,546	
	Total ordinary revenues	1,979,862	
	Total ordinary expenses	1,850,886	
	Ordinary income	128,976	
Provision for (Reversal of) reserve for fluctuations in water level		-8,541	
Income before income taxes and minority Interests		137,517	
Income taxes-current		41,735	
Income taxes-deferred		8,920	
Minority interest in net income(loss)		194	
Net income		86,667	

## Consolidated Statements of Cash Flows

(million yen)

Account	Nine-months ended Dec. 31, 2007
<b>Operating Activities</b>	
Income before income taxes and minority interest	137,517
Depreciation and amortization	286,285
Amortization of nuclear fuel	33,366
Loss on disposal of property, plant and equipment	8,254
Nuclear fuel transferred to reprocessing costs	10,171
Decrease in liability for retirement benefits	-12,599
Provision for reprocessing of irradiated nuclear fuel	-26,253
Provision for reprocessing of irradiated nuclear fuel without definite plans	4,730
Provision for decommissioning of nuclear power units	7,884
Reversal of reserve for fluctuations in water level	-8,541
Interest revenue and dividends received	-6,825
Interest expense	41,629
Reserve fund for reprocessing of irradiated nuclear fuel	-28,480
Accounts receivable	2,288
Accounts payable	40,377
Other	-51,446
Sub total	438,360
Receipt of interest and cash dividends	7,489
Interest paid	-46,541
Income tax paid	-62,755
Net cash provided by operating activities	336,552
<b>Investing activities</b>	
Purchases of property, plant and equipment	-245,778
Payment for investments and advances	-15,832
Proceeds from sales or collections of investments and advances	2,917
Net increase in time deposits and other	22,855
Other	7,062
Net cash used in investing activities	-228,776

## Consolidated Statements of Cash Flows

(million yen)

Account	Nine-months ended Dec. 31, 2007
<b>Financing Activities</b>	
Proceeds from issuance of bonds	159,167
Redemption of bonds	-72,394
Proceeds from long-term debt	96,115
Repayments of long-term debt	-225,324
Proceeds from short-term borrowings	195,298
Repayments of short-term borrowings	-198,627
Proceeds from issuance of commercial papers	345,000
Repayments of commercial papers	-345,000
Purchases of treasury stock	-20,731
Dividends paid	-54,373
Other	119
Net cash used in financing activities	-120,751
Foreign currency translation adjustments on cash and cash equivalents	79
Net decrease in cash and cash equivalents	-12,896
Cash and cash equivalents, beginning of year	104,691
Cash and cash equivalents, end of Year	91,795