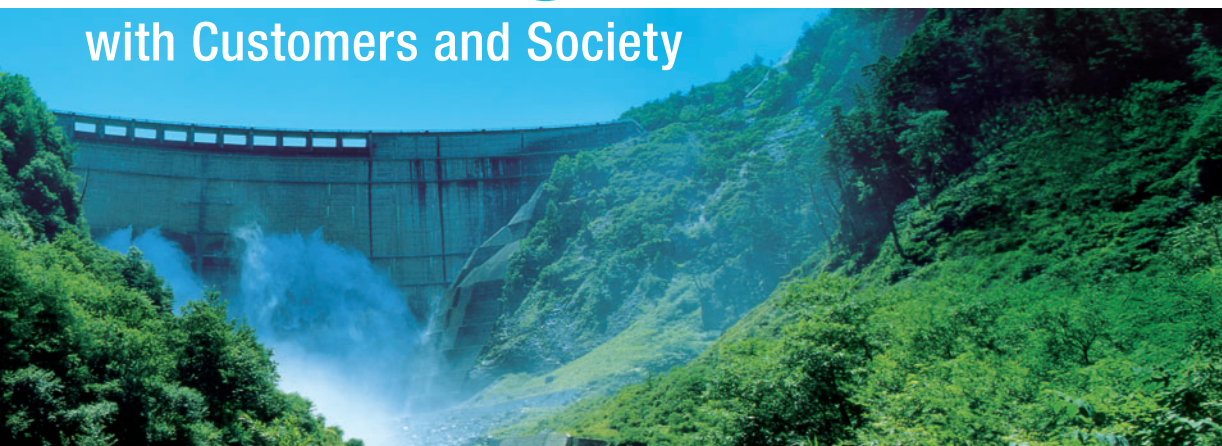


Generating the Future

with Customers and Society



Annual Report
2012

Contents

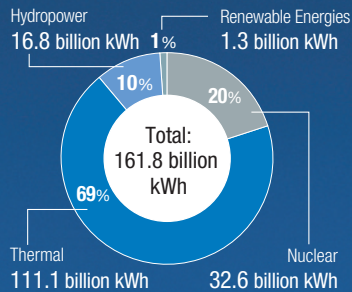
- 1 Corporate Profile
- 2 Consolidated Financial Highlights
- 3 Reference: Characteristics of the Kansai Area
- 4 Reference: Electric Power Business in Japan
- 5 To Our Shareholders and Investors
- 6 An Interview with the President
- 11 Initiatives for the Safety of Nuclear Power Plants and the Stability of Electrical Power Supply and Demand**
- 15 To Fulfill Our Enduring Mission**
 - ㊦ Providing Total Solutions**
 - ㊦ Stable Supply of Electric Power**
 - ㊦ International Business**
- 25 Corporate Social Responsibility
- 27 Corporate Governance
- 29 Directors and Auditors
- 30 Financial Section
- 69 Corporate Information
- 70 Stock Information

Corporate Profile

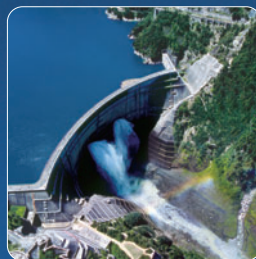
Since Kansai Electric Power was established in 1951, for over half a century we have met electric power demand in the Kansai region. As the times have changed—from high economic growth following the war through two separate oil shocks to the start of electric deregulation—we have worked to develop, operate and maintain an optimal facility configuration in order to maintain safe and stable supplies of electric power.

The Kansai Electric Power Group will provide total solutions, which combine our safety and stable electric supplies with services offered by Group companies, primarily in the three areas of integrated energy supply, information and telecommunications and lifecycle-related business.

Power Source Composition (Fiscal 2012)



Note: Amounts represent total output for company demand. The figures above are rounded off, so the totals may not equal 100%.



Kurobe Dam



Ohi Nuclear Power Station



Maizuru Thermal Power Station



Consolidated Financial Highlights

The Kansai Electric Power Company,
Incorporated and Subsidiaries
Years Ended March 31

	Billions of yen					US\$ Million ¹
	2008	2009	2010	2011	2012	2012
Operating Revenues	¥ 2,689.3	¥ 2,789.5	¥ 2,606.5	¥ 2,769.7	¥ 2,811.4	\$ 34,227
Operating Income	187.1	31.0	227.6	273.8	-229.3	-2,792
Net Income	85.2	-8.7	127.1	123.1	-242.2	-2,949
Total Assets	6,789.6	6,970.1	7,116.6	7,310.1	7,521.3	91,567
Net Assets	1,845.7	1,706.7	1,789.4	1,832.4	1,529.8	18,624
Operating Cash Flows	411.7	281.2	667.1	610.5	43.8	534
Operating Revenues from Group Businesses (external sales) ²	273.2	295.7	321.3	355.6	391.2	47
Ordinary Income from Group Businesses ²	42.0	52.5	62.4	54.8	52.8	6
Per Share Data	Yen					US Dollars
Net Income	92.39	-9.65	140.24	137.66	-271.12	-3.30
Cash Dividends	60.00	60.00	60.00	60.00	60.00	0.73
Net Assets	2,003.91	1,868.08	1,972.44	2,026.53	1,689.73	20.57
Major Indicators	%					
Equity Ratio	27.1	24.4	25.0	24.8	20.1	
Return on Equity	4.6	-0.5	7.3	7.0	-14.6	
Return on Assets ³	3.1	0.6	3.5	4.0	-2.9	
Electricity Sales Volume	Billion kWh					
	150.4	145.9	141.6	151.1	146.0	

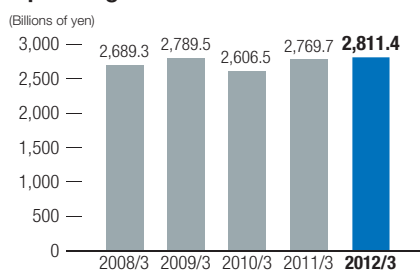
Note 1: The yen-dollar exchange rate of ¥82.14 = US\$1 as of March 31, 2012, is applied.

Note 2: Figures in this table are the simple sums of targets set by consolidated subsidiaries prior to consolidation eliminations.

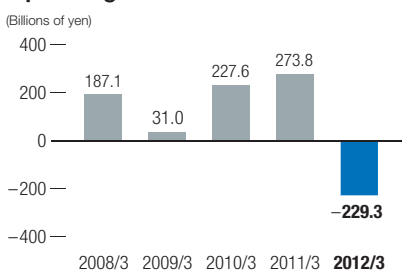
Figures in this table include a portion of gas supply, fuel sales and steam supply businesses, which are part of incidental businesses included in the non-consolidated financial statements. Ordinary income includes the amounts from affiliated companies accounted for by the equity method.

Note 3: ROA = Business profit (ordinary income plus interest expense) divided by total assets (average of period-start and period-end totals)

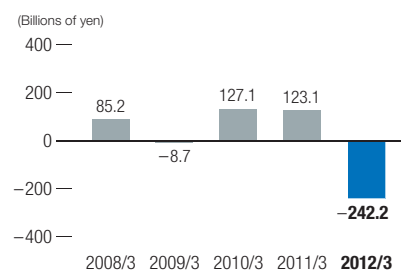
Operating Revenues



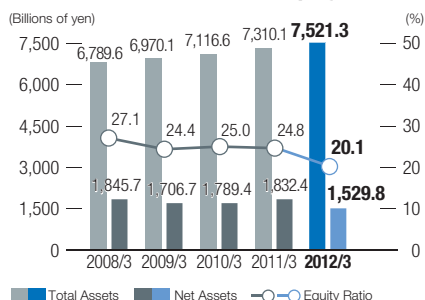
Operating Income



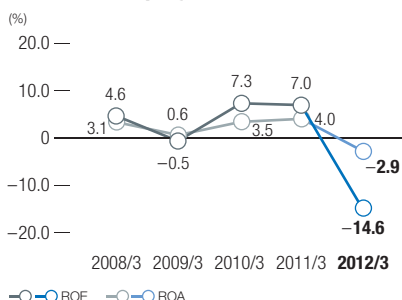
Net Income



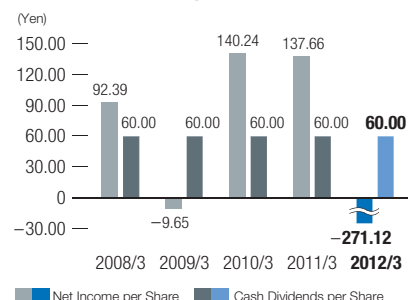
Total Assets, Net Assets, Equity Ratio



Return on Equity, Return on Assets



Net Income per Share/ Cash Dividends per Share



Forward-Looking Statements: Plans, strategies, forecasts and other forward-looking statements regarding Kansai Electric Power and its subsidiaries and affiliates presented in this report are based on information available at the time and are subject to a variety of risks and uncertainties. It is therefore possible that results will differ from statements contained in this report, including actual financial performance and business conditions, due to a variety of factors that could include changes in economic conditions, market trends and revisions to relevant laws and regulations. Your understanding is appreciated.

Regarding fiscal year notation: If a fiscal year is not annotated, it refers to the accounting year beginning in April and ending in March of the following year, and is written in reference to the fiscal year that ends on March 31.

Reference: Characteristics of the Kansai Area

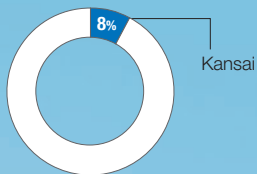
The Kansai area, where we supply electric power, is just about in the middle of the Japanese archipelago and features cities like Osaka, Nara and Kyoto, where politics, economics and culture have flourished for over 1,300 years.

Kansai constitutes just 8% of Japan's total land area, but it boasts a population of over 20 million people, 17% of Japan's total population. The region is home to a wide range of industries, including electrical equipment, machinery, steel, chemicals and textiles, and many of Japan's most well-known companies were established here.

Kansai's steady growth is driven by innovative technologies, then the region accounts are appropriated for 16% of Japan's GDP.

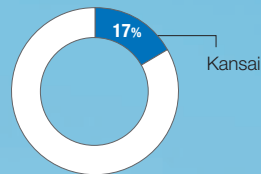
Despite the impact of the recent economic downturn, many large-scale factories have been established along the Osaka waterfront including flat panel production plants, as the area is being transformed into a hotbed of cutting-edge industry. As a locally rooted company, Kansai Electric Power intends to grow in lockstep with the region while contributing to its development and lending vitality to local industry.

Kansai Area Compared with Japan's Total Area



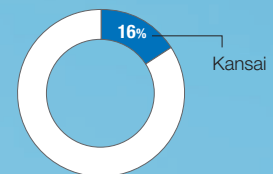
Source: "A Survey on Japan's Land Area by Municipality (as of October 1, 2011)" by the Geographical Survey Institute, Ministry of Land, Infrastructure and Transport.

Kansai's Population Compared with Japan's Total Population



Source: "Japanese Population Estimates (as of October 1, 2011)" by the Statistics Bureau, Ministry of Internal Affairs Communications.

Kansai's GDP Compared with Japan's Total GDP



Source: "Annual Report 2010 on Prefectural Economy Calculations" by the Economic and Social Research Institute, Cabinet Office, Government of Japan.



Skyscrapers and the parkland surrounding the Osaka castle tower



Kyoto Station and Kyoto Tower



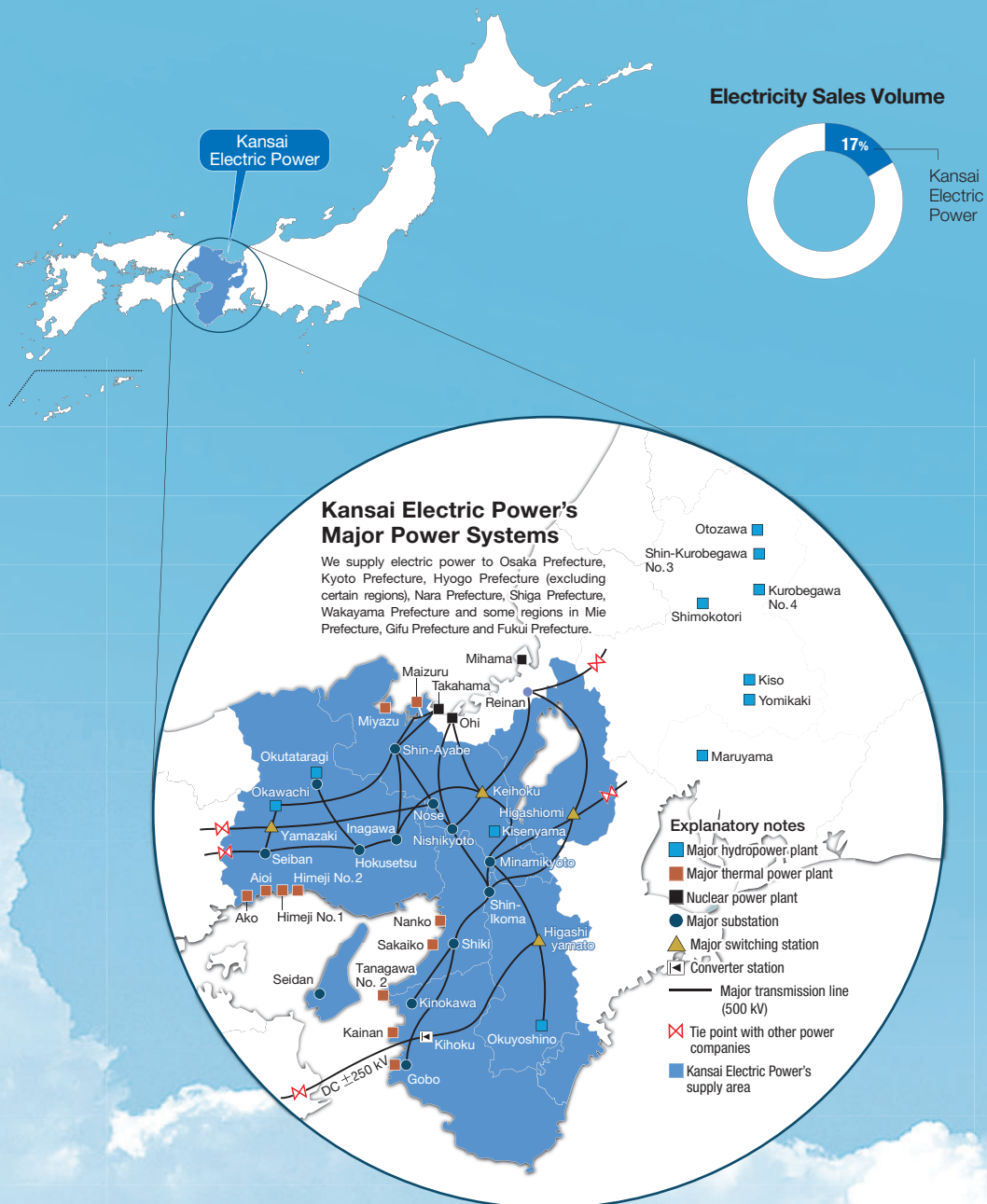
Kobe Port, lined with Kobe Port Tower and Maritime Museum

Reference: Electric Power Business in Japan

Japan's nine electric power companies (10 after Okinawa Electric Power was privatized in 1988) were established in 1951 to manage power generation and distribution in Japan in an integrated manner. They have developed as locally rooted companies while demonstrating distinct characteristics due to differences in regional climates, geography, population distribution, and industrial structure.

The retail power market in Japan was partially liberalized in March 2000, but an integrated power generation

and distribution system was maintained. Customers receiving extra-high voltage power were subject to deregulation, accounting for about 30% of all power sold. The scope of liberalization has been gradually expanded since. In April 2005 it was expanded to include all customers receiving high-voltage electricity, which accounts for around 60% of electric power sold. Currently it should be studied the way of the future energy mix, and a future consideration on the power system.



To Our Shareholders and Investors



Shosuke Mori
Chairman and Director



Masahito Masui
President and Director

We offer our humble and sincere gratitude to you for your constant and exceptional support.

In fiscal 2011, due to the impact of the Great East Japan Earthquake, we faced the toughest state of emergency since the founding of our company. Unable to restart operation of nuclear power plants closed in the wake of the earthquake, to ensure the stability of power supply and demand, we were forced asking for power savings from customers. This, along with the increase in thermal fuel costs and other influences, led to our greatest deficit ever.

Also, although the Kansai Electric Power Group has exerted the greatest effort to ensure its ability to supply power to maintain a stable balance of supply and demand, due to the delay in resuming operations of the Ohi Power Station's Units 3 and 4, we must again ask customers to cooperate in the conservation of electricity this summer.

I would like to again apologize to our shareholders, investors, and customers for the great concern, inconvenience, and upset that they have repeatedly endured due to these circumstances.

The business environment now surrounding the Kansai Electric Power Group has become even stricter, as we face a mountain of issues, such as ongoing concerns over the impact on power supply and demand and fiscal balance due to the delay in restarting operations at our nuclear power plants, and the need to revise the energy policies and electric power business system at the base of our enterprise.

Under such circumstances, in fiscal 2012, we will exert all our effort to resolving the issues of top priority, beginning with the restart of operations at our nuclear power plants, on the premise of safety assurance and the stability of supply and demand for electrical power. Moreover, taking various measures such as enriching and strengthening our business base to maintain the robustness and durability of operations, we will aim to return to a growth path by focusing on our vision of what we want to be, as an enterprise that can grow as a group while providing benefit to customers and society, as announced in the "Kansai Electric Power Group Long-term Growth Strategy 2030."

Thanks to the extraordinary support of the government and local municipalities, we were able to restart operation of the Ohi Power Station's Units 3 and 4 reactors in July, for the first time since the earthquake. We will continue to put our full effort toward resuming operations at other power plants hereafter, based on the main premise that we will ensure the stability and safety of operations.

Additionally, to further improve safety and stability and restore trust in nuclear power, we will carry out our strategy for improving safety which we publicly announced in April, and going forward, while proactively gathering information from both domestic and international sources, we will independently and continuously carry out initiatives to improve safety without confining ourselves only to a regulatory framework, and will aim for safety of the highest international standards.

To achieve stability of supply and demand of electrical power this summer, we will exert every effort to ensure additional power supply, starting with maximum use of thermal power plants and hydropower plants and adjustment of supporting sales from other power companies, and we will also exert the combined efforts of the Group in carrying out measures pertaining to both supply and demand, such as arranging collaborative power conservation efforts with government and regional municipalities and expanding the range of rate offerings in connection with curbing of peak power consumption.

Moreover, in addition to carrying out steady measures in all that we can do for the future growth of the Kansai Electric Power Group, we will also proactively expand our efforts to meet the new needs of customers and society following the earthquake. Additionally, to handle the rise in thermal fuel costs due to the delay in resuming nuclear power plant operations, the Group will work as one, combining its strengths and exerting the maximum effort to achieve greater efficiency in business operations.

The Kansai Electric Power Group will make solid progress in these initiatives and, while accounting for the change in environment after the earthquake, will develop its action plan upon the three pillars of "prioritizing safety," "enrichment and strengthening of the business base," and "creation of new value to benefit customers and society," based around CSR.

We continue to face harsh circumstances, but as a united Group, we will tackle all issues with our full energy and will overcome these difficulties. Additionally, we will earnestly address the new needs and expectations of our customers and society, will faithfully apply our philosophy of "thinking together and building the future together," and will endeavor to fulfill the constant mission of the Kansai Electric Power Group to benefit our customers and society.

To our investors and shareholders, thank you for your continuing guidance and encouragement.

An Interview with the President

Q 1 What is your assessment of economic conditions and business performance in the year under review (ended March 2012) ?

A With regard to revenue, while we did experience a drop in revenue from lighting, thanks to the solid performance of the information and communications business and other businesses, the Group's overall revenue increased. However, with regard to expenditure, because of the reduced operating rate of our nuclear power plants and increased fuel prices, our costs for thermal fuel increased greatly, causing us the greatest ordinary loss we have ever experienced.

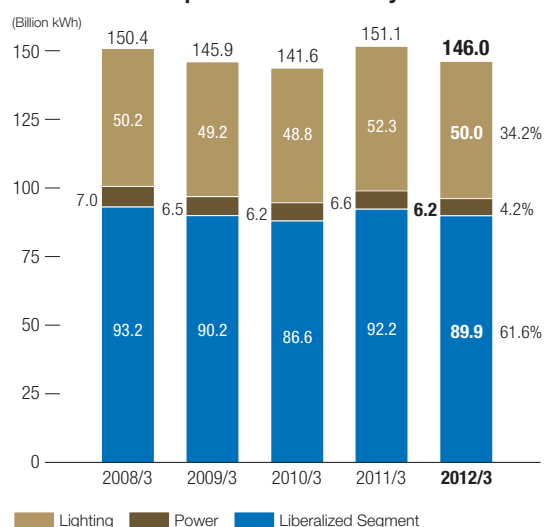
The economic conditions of the Kansai region in this fiscal year were affected by the Great East Japan Earthquake, with an initial drop in exports and manufacturing. Thereafter, the economy began to pick up with the restoration of the manufacturing supply chain, but due to the influence of the rising yen and the slowing of foreign economies in the second half of the fiscal year, the economy again shifted to a generally weak state. Also, in addition to the reduction in use of air-conditioning due to consumer cooperation in power conservation and also as a rebound from last summer's record heat waves, because of a downturn in industrial production activities through the second half of the fiscal year, the amount of electricity sold was less than the previous year.

Under these circumstances, although increased sales in the information and communications business and other businesses led to an increase in revenue in spite of reduced earnings from lighting, nevertheless, despite efforts to cut overhead costs throughout the company, the reduced operating rate

of our nuclear power plants and the rise in fuel prices caused a major increase in expenditure on thermal fuel and power purchases from other power companies, resulting in the greatest operating loss the company has ever experienced.

On the other hand, the overall business of the Kansai Electric Power Group advanced steadily, with the Sakai Solar Power Station—the largest mega-solar power plant in Japan—becoming fully operational in the electric power business, as well as a steady increase in subscribers to FTTH services in our information and communications business and other businesses, and increases in gas sales volume and sales of condominiums.

Growth and Components of Electricity Sales Volume



Note: "Liberalized Segment" refers to the demand subject to the liberalization of Japan's retail power market. (It referred to the demand from customers who receive electricity at high voltages of 6,000 V and use electricity of 50 kW or more.)



Makoto Yagi
President and Director

An Interview with the President

Performance by Business Segment (before inter-segment cancellation)

Business Segment		March 31, 2011	March 31, 2012	Increase/Decrease	
		Amount (¥ Million)	Amount (¥ Million)	Amount (¥ Million)	Percentage (%)
Electric Power	Operating revenues	2,419,890	2,429,937	10,047	0.4
	Operating expenses	2,201,606	2,706,807	505,200	22.9
	Operating income	218,283	-276,870	-495,153	—
IT/Communications	Operating revenues	192,115	206,857	14,742	7.7
	Operating expenses	171,552	182,827	11,274	6.6
	Operating income	20,562	24,030	3,468	16.9
Other	Operating revenues	498,804	521,442	22,637	4.5
	Operating expenses	465,613	496,000	30,387	6.5
	Operating income	33,190	25,441	-7,749	-23.3

Note 1: The above figures exclude consumption taxes.

Note 2: The Accounting Standard for Disclosures about Segments of an Enterprise and Related information (ASBJ Statement No. 17 (March 27, 2009)) and Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related information (ASBJ Guidance No. 20 (March 21, 2008)) have been applied as of the consolidated fiscal year under review. Figures from the previous consolidated fiscal year have been changed to reflect the revised accounting rules.

Independent and Continuous Safety Initiatives for Nuclear Power Plants and Initiatives for Stabilizing Supply and Demand of Electrical Power

Q 2-1 What initiatives will you carry out for restarting operation of nuclear power plants and for independent and continuous safety assurance at nuclear power plants?

A Our company has hitherto taken measures to prevent loss of cooling functions even in the event of an earthquake or tsunami, those being 1) securing of power sources, 2) securing water sources, and 3) flood protection. Going forward, we will continue to put our full strength into implementing and carrying out measures to improve the safety and reliability of our nuclear power plants.

As a company, Kansai Electric Power has reacted with the utmost concern to the accident at Tokyo Electric Power's Fukushima Daiichi Nuclear Power Station, and has firmly resolved to prevent such an accident from ever occurring again by ensuring strict safety measures at our own nuclear power plants. Specifically, in regard to the condition of our response for securing power sources, we have installed emergency air-cooled generators and other equipment to prevent shortage of power supply to main control rooms in the event of a major earthquake or tsunami, and we are striving for the multiplexing of power sources. Furthermore, to properly operate these, we establish an appropriate operation system and conducted training.

Also, in regard to the condition of our response for securing water sources, we have reinforced methods for supplying water to the steam generators and other necessary areas for situations in which we are unable to use exiting seawater pumps. Furthermore,

to properly operate these, we establish an appropriate operation system and conducted training.

Moreover, in regard to the condition of our response for flood protection, we have applied sealing to the doors of the battery rooms that supply electricity to main control rooms and the doors of the pump rooms that supply water to steam generators to prevent flooding from tsunamis, and we have also carried out other flood protection measures for auxiliary building. We are also planning to build new breakwaters and to raise the seawalls.

Going forward, we will steadily carry out our Strategy-performance Plan for Further Improving Safety and Reliability, publicly announced on April 9th, and while proactively gathering information from both domestic and international sources, we will independently and continuously carry out initiatives to improve safety without confining ourselves only to a regulatory framework, and will aim for safety of the highest international standards.

Q 2-2 What measures are you taking to ensure power supply ?

A In addition to making maximum use of our own power plants, we are making every effort to ensure power supply by also obtaining electricity through the accommodation of other power companies, the purchasing of electricity on the wholesale electricity market, and the procurement of electricity from customers with privately owned power generators.

Putting top priority on safety, we are making maximum use of our own power-generating facilities and making every effort to ensure power supply.

Specifically, we are making adjustments of periodic inspections and maintenance processes at thermal power plants and hydropower plants, increasing output operation of thermal power plants, and conducting high-water-level operation of pumped-storage hydropower plants.

Also, we are steadily carrying out construction work to enable resumption of operation of the Kainan Power Station Unit 2, which has been under long-term planned shutdown, and construction work for the installation of a small gas turbine at the Himeji No.1 Power Station, and have now commenced operation.

Furthermore, in regard to thermal fuel, we are securing and supplying the necessary fuel for thermal power plants in a stable and flexible manner, according to their operating conditions, while also keeping financial considerations in mind.

Specifically, we are carrying out maintenance of the necessary system for the stable supply of oil, such as the securing of coastal transportation, conducting stable and flexible supply of coal using

foreign bases, and taking measures to adapt to changes in supply and demand, including entering into more flexible LNG purchasing contracts or agreements with other buyers.

Additionally, we are making flexible adjustments for obtaining electricity through the accommodation of other power companies, the purchasing of electricity on the wholesale electricity market, and the increase of electricity intake or new procurement of electricity from customers with privately owned power generators.

We will continue to take every possible measure to prevent any upset in power supply, including the thorough conduct of basic operations and measures to prevent operating errors, careful inspections and examinations for early detection of signs of irregularity, and establishment of cooperative strategies with partner companies and manufacturers for early recovery in the event of trouble.

From the standpoint of increasing the reliability of power supply, we will take every measure to ensure safe and stable supply, such as adopting flexible procedures pertaining to power cables and other power distribution equipment to account for every imaginable risk.

Q 2-3 What initiatives will you carry out with the cooperation of customers and the public ?

A Although we will make every effort to ensure the supply of electricity, when conditions are tight, we will ask customers and the public to cooperate in conservation of electricity according to conditions of supply and demand, to avoid power cuts. Also, by strengthening measures for the curbing of peak power consumption and load leveling, we will also promote initiatives for stabilizing supply and demand of electrical power.

We will promote measures that will support the stabilization of power supply and demand by supporting customers and communities in energy control through devices, systems, and services that enable curbing of peak power consumption according to conditions of supply and demand.

Specifically, in addition broadly promoting and recommending favorable rate offerings to customers for the curbing of peak power consumption and load leveling, we are advancing efforts to expand the flexible rate selection. For corporate customers, by establishing supply and demand adjustment contracts more extensive than heretofore, and by

further enhancing the rate selection, we are increasing electricity adjustment. Also, for homeowners, we have set a rate selection that will improve restriction of peak power consumption and we are further advancing load leveling.

Responding to the increased interest of customers and society in energy conservation, we are providing the "Hapi e-Miruden" Web-based service to support household energy control by allowing consumers to visualize their power consumption. We will continue to expand our services and promote efforts to increase customer participation in these services.

An Interview with the President

Q 3 What is the situation with initiatives to improve business efficiency ?

A In fiscal 2011, we carried out measures to improve business efficiency by approximately ¥160 billion, comprising an improvement of approximately ¥110 billion in capital investments and an improvement of approximately ¥50 billion in repairs costs and overhead. Also, in April, we established the Subcommittee for Promotion of Business Efficiency, and we will further strengthen our efforts for genuine improvement of efficiency.

In fiscal 2011, in capital investments, we carried out measures to improve business efficiency by approximately ¥110 billion. These measures, based on the major premise of ensuring the safe and stable supply of electrical power, pertained to the revision of the timing and extent of engineering operations in all areas of the company, commencing with revision of the timing of replacement of transformers and power lines.

In terms of repairs, with the major premise of ensuring the safe and stable supply of electrical power, we revised the timing and extent of maintenance operations in all areas of the company, commencing with revision of the timing of repainting anti-rust coating on pylons, etc. As for overhead,

while giving consideration to emergency and necessity, we made careful inspection of overhead in all areas of the company, including a full appraisal of the timing of research and development and system implementation. Through these measures, we improved business efficiency in repairs and overhead by approximately ¥50 billion, which, combined with the improvements in capital investments, amounts to a saving of approximately ¥160 billion.

Moreover, based on the harsh circumstances that we will yet face in regard to the balance of payments, we established the Subcommittee for Promotion of Business Efficiency in April, and we will further strengthen our efforts for genuine improvement of efficiency.

Q 4 In view of debates over the revision of energy policies, what is your long-term direction for business operations ?

A There is much debate throughout Japan regarding general energy policies, including issues of the use of nuclear power, and it is necessary to conduct comprehensive, quantitative, and timeline-based investigation of policy issues from the perspectives of power-supply stability, global environmental preservation, and economics. We take these debates very seriously, and will take measures to properly address such issues. Moreover, while there is no change in our vision for the kind of company we want to be, as stated in our long-term growth strategy, in the measures we take to achieve that vision, we will respond accurately to the changes in the needs and consciousness of customers and society following the Great East Japan Earthquake, steadily implementing initiatives commencing with what we are currently able to do.

With regard to energy policies, the Japanese government intends to implement an “innovative energy and environmental strategy”, which outlines measures for reducing dependency on nuclear power and establishing new energy systems. Currently, debates are being held on the formulation of such a strategy.

General energy policy, including matters regarding use of nuclear power, is an extremely important issue pertaining to the future of the country. Therefore, we believe that it is necessary to conduct comprehensive, quantitative, and timeline-based investigation of policy issues from the perspectives of power-supply stability, global environmental preservation, and economics. We take these debates very seriously, and will take measures to properly address such issues.

Working toward our vision for the type of company we want to be, as announced in the “Kansai

Electric Power Group Long-term Growth Strategy 2030”, we will respond accurately to the changes in the needs and consciousness of customers and society following the Great East Japan Earthquake, and will create new business value.

In particular, responding to the increased interest of customers and society in energy conservation, we are advancing efforts for the curbing of peak power consumption and load leveling through measures to support customers’ energy control and promote more efficient and comfortable use of energy.

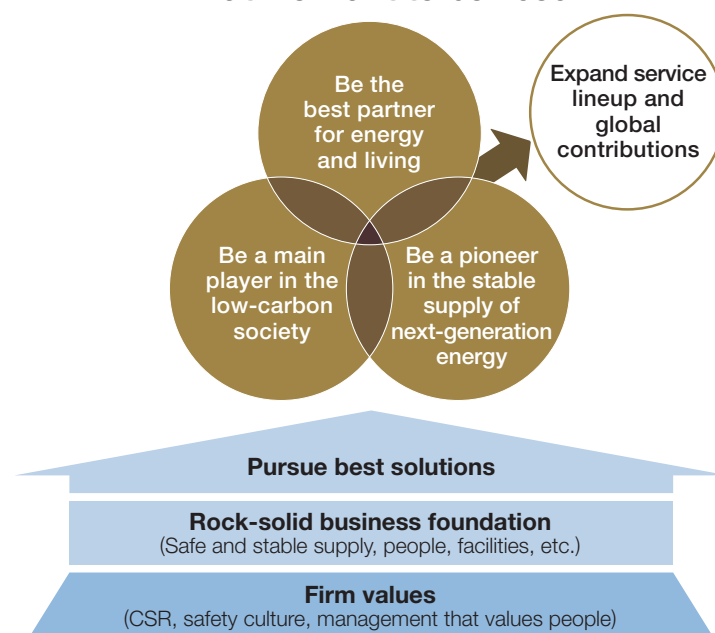
Additionally, in acknowledgement of the increasing expectations for the spread of renewable energy to achieve a low-carbon society, we will continue to proactively engage in the development and implementation of hydropower, solar power, and wind power generation, and construction of the Kanden Smart Grid.

Moreover, we have established the Community Energy Department as the contact for regional energy issues and disaster prevention, and collabo-

ration throughout the company and the Group, we will respond appropriately to the demands of customers and society.

Kansai Electric Power Group
Long-Term Growth Strategy 2030 Established March 2010
 Assuming the specific form of a Group that is "No.1 in customer satisfaction."
 (Medium- and long-term plans and annual management plans will be based on it)

What we want to be 2030



Q 5 What is your policy on future shareholder returns ?

A In order to appropriately divide the results of business operations among shareholders, Kansai Electric Power has determined to make stable payment of dividends as its basic policy for shareholder returns.

In the face of the recent downturn in business performance, we will, for the present, endeavor to continue distribution of dividends, with the premise of ensuring a robust financial state.

Kansai Electric Power had positioned the payment of dividends and acquisition of own shares as shareholder returns and set a goal of around 4% for the rate of total distribution on net assets³ on a consolidated basis for each financial year from fiscal 2007 to fiscal 2012 as the policy for premium redemption to shareholders.

However, because it cannot be foreseen when non-operating power plants will be able to resume operations and the business environment is uncertain, the business performance prediction for this

fiscal year has been left undetermined. Based on these circumstances, it was decided to withdraw the policy for premium redemption to shareholders which had been set using the previously adopted rate of total distribution on net assets as an index.

With the extremely tough business environment following the Great East Japan Earthquake, the priority issue for the present is to undertake initiatives to ensure a robust financial state, and despite the difficulty in acquiring own shares, we will first endeavor to continue stable distribution of dividends.

Note 3: The rate of total distribution on net assets for Fiscal year n =

$$\frac{(\text{total amount of dividend for fiscal year } n) + (\text{total amount of repurchased its own shares for fiscal year } n+1)}{\text{consolidated net assets for fiscal year } n \text{ (average amount of the beginning and end of the fiscal year)}}$$

Initiatives for the Safety of Nuclear Power Plants and the Stability of Electrical Power Supply and Demand

Current Condition of Measures to Improve Safety at Nuclear Power Plants

1 Condition of Response for Securing Power Sources

We have installed emergency air-cooled generators and other equipment to prevent shortage of power supply to main control rooms in the event of an earthquake or other disaster, and we are striving for the diversification of power sources. Furthermore, to properly operate these, we established an appropriate operation system and conducted training.

Hard measures For Ohi Power Station's Units 3 and 4

Power supply to monitoring devices, etc.

- Main control rooms



Deployment of power-supply cars

Improvement of the safety margin through further securing of power sources

- * Securing of powers source also enables operation of M/D (Motor-Driven) Auxiliary Feed Water Pumps.



Additional deployment of power-supply cars

Expansion of methods of reactor core cooling

- Boric acid pump
- Residual heat removal system, etc.



Instillation of emergency air-cooled generators

Diversification of methods of power supply

- Emergency reactor core cooling equipment
- Seawater pumps, etc.



Instillation of additional emergency power generators (To be installed in 2015)

Simplification of connection

Cables are pre-installed to ensure smooth power supply to the main control room and reactor core cooling equipment, etc. from emergency air-cooled generators positioned 30m above sea level, out of danger of tsunamis.

Soft measures Measures for speedy connection of deployed power-supply cars and mobile air-cooled diesel generators to areas in need

Establishment of system

Preparing of manuals

Conducting of training

Training items

- Deployment of mobile air-cooled diesel generators
- Power-supply car driver training
- Connection of power cables
- Supply of fuel to power-supply cars improvement

Feedback on training

- Deployment of headlamps for night work
- Improvement of configuration of connection terminals; Other

Shortening of time taken for connection through hard measures



Power-supply car cable connection training



Night-time training

2 Condition of Response for Securing Water Sources

We have reinforced methods for supplying water to the steam generators and other necessary areas for situations in which we are unable to use exiting seawater pumps. Furthermore, to properly operate these, we established an appropriate operation system and conducted training.

Hard measures For Ohi Power Station's Units 3 and 4

Ensuring cooling measures

- Reactor core cooling (to hot shut down)
- Spent fuel pit



Deployment of fire pump

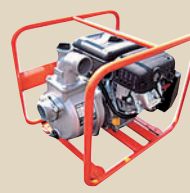
Further cooling of reactor core

Reactor core cooling (to cold shut down)



Diversification of power sources

Diesel generator cooling



Deployment of mobile engine pumps for supplying seawater

Substitute for seawater pumps

Supply of water to reactor component cooling water system



Deployment of large capacity pump

Ability to supply coolant water

Soft measures**Measures for speedy placement of deployed fire pumps, etc. at the necessary positions**

Establishment of system

Preparing of manuals

Conducting of training

Training items

- Deployment of pumps
- Laying out of hoses
- Operation of pumps
- Supply of fuel to pumps

Feedback on training

- Marking placement positions for pumps
- Deployment of wireless devices for better communications; Other

Preparation of equipment and supplies

- Fire pumps
- Hoses



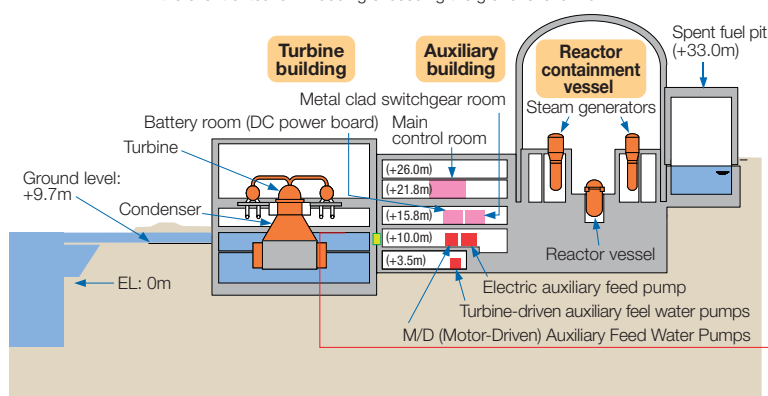
Training for installation of pumps and hoses

3 Condition of Response for Flood Protection

We have applied sealing to the doors of the battery rooms that supply electricity to main control rooms and the doors of the pump rooms that supply water to steam generators to prevent flooding from tsunamis, and we have also carried out other flood protection measures for auxiliary building. We are also planning to build new breakwaters and seawalls and to build up existing ones.

Flood protection through fitting of watertight seals**For Ohi Power Station's Units 3 and 4**

* In the event of tsunami flooding exceeding the grand level of +9.7m

**Flood protection against tsunamis**

Install sealing on doors



Seals on pipe penetrations



Replacement of doors with watertight doors



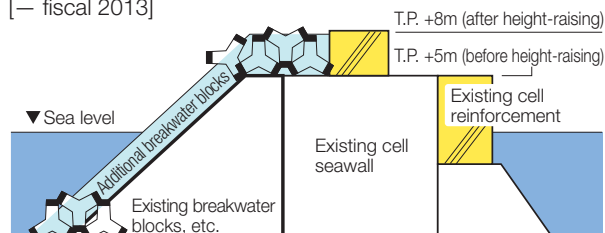
(Scheduled for September 2012)

Necessary facilities for supplying power to main control room (Battery room/Metal clad switchgear room)

Necessary facilities for supplying water to steam generators (Pump room/Metal clad switchgear room)

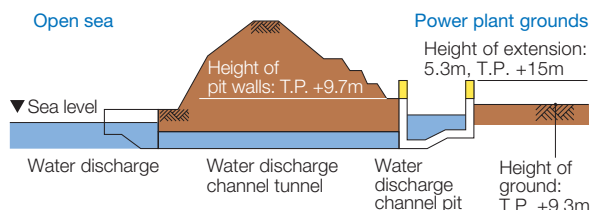
Measures for further improving reliability**Ohi Power Station****Flood protection through building up breakwaters and seawalls****For Ohi Power Station**

- Building up of water discharge channel pit (T.P. +15m) [— fiscal 2013]



- Building up of flood control channel (T.P. +15m) [— fiscal 2013]

Open sea



* T.P.: Tokyo Peil. Sea level used as the national standard for altitude measurement.

Initiatives for the Safety of Nuclear Power Plants and the Stability of Electrical Power Supply and Demand

Measures to Ensure Power Supply

In addition to making maximum use of our own power plants, we are making every effort to ensure power supply by also obtaining electricity through the accommodation of other power companies, the purchasing of electricity on the wholesale electricity market, and the procurement of electricity from customers with privately owned power generators.

We will continue to take every possible measure to prevent any upset in power supply, including the thorough conduct of basic operations and measures to prevent operating errors, careful inspections and examinations for early detection of signs of irregularity, and establishment of cooperative strategies with partner companies and manufacturers for early recovery in the event of trouble.

■ Putting top priority on safety, we are making maximum use of our own power-generating facilities and making every effort to ensure power supply.

- Adjustment of periodic inspections and maintenance processes at thermal power plants and hydroelectric power plants
- Increased output operation of thermal power plants, high-water-level operation of pumped-storage hydroelectric power plants
- We are steadily carrying out construction work to enable resumption of operation of the Kainan Power Station Unit 2, which has been under long-term planned shutdown, and construction work for the installation of a small gas turbine at the Himeji No.1 Power Station, and have now commenced operation.

Resumption of operation of Kainan Power Station Unit 2

We are steadily carrying out construction work to enable resumption of operation following a long-term planned shutdown since 2001, and have now commenced operation.

Outline of Kainan Power Station Unit 2

Address: 260-96 Funao-Aza Nakahama, Kainan, Wakayama, Japan

Start of operation: September 1970

Rated output: 450,000 kW

Fuel: heavy oil, crude oil



■ We are securing the necessary fuel for thermal power plants in a stable and flexible manner, according to their operating conditions, while also keeping financial considerations in mind.

- Maintenance of the necessary system for the stable supply of oil, such as the securing of coastal transportation
- Stable and flexible supply of coal using foreign bases
- Measures to adapt to changes in supply and demand, including entering into more flexible LNG purchasing contracts or agreements with other buyers

■ We are making flexible adjustments for obtaining electricity through the accommodation of other power companies, the purchasing of electricity on the wholesale electricity market, and the increase of electricity intake or new procurement of electricity from customers with privately owned power generators.

■ From the standpoint of increasing the reliability of power supply, we will take every measure to ensure safe and stable supply, such as adopting flexible procedures pertaining to power cables and other power distribution equipment to account for every imaginable risk.

Initiatives for Cooperation of Customers and Society

We are promoting initiatives for the understanding and cooperation of customers regarding load leveling and curbing of peak power consumption.

For corporate customers, we are making efforts to curb peak power consumption by establishing supply and demand adjustment contracts with more extensive options from last summer to this winter, as well as setting extra rate selections.

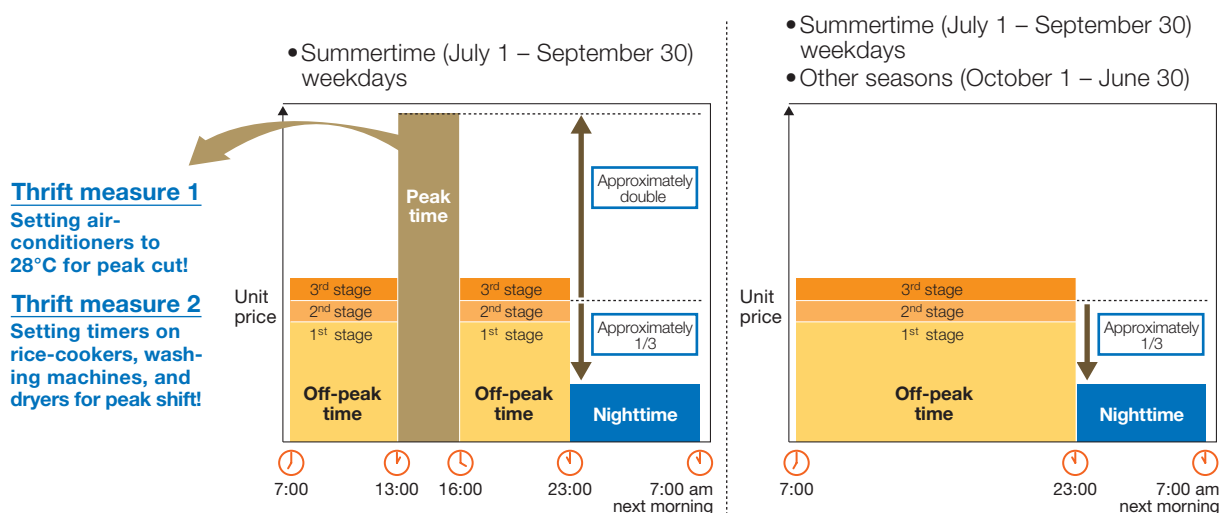
As details of expansion for this summer, in special contracts for plan adjustment, we increased the discount unit for customers who can set a greater number of off days and customers who can carry out sure load adjustment, and also set options for customers to participate in rate agreements for a short-period or with fine adjustments.

Hereafter, we will undertake initiatives to achieve electricity adjustment, to the extent possible.

For homeowners, in addition to requesting power conservation this summer, we provided the new system of “season/time-variable lighting PS” (elective system, commenced on 1 July, 2012), which offers attractive rates for customers able to carefully cut and shift peak time for power usage during the summer. Through this, we can expect to curb peak energy consumption by the energy charge price-induced effect, and will be able to improve load leveling with peak shifts and peak cuts, etc.

Going forward, we will devote our efforts to achieving safe and stable power supply, with the understanding of our customers and society.

New rate selection: Season/time-variable lighting PS



- The peak time unit price is ¥52.82; the off-peak unit price is ¥20.62 for the 1st stage, ¥26.41 for the 2nd stage, and ¥27.94 for the 3rd stage; and the nighttime unit price is ¥8.19.
- The electricity rates for season/time-variable lighting PS require a separate basic charge of ¥1,155 in addition to energy-use charges (charge for amount used in each time period).
- Holidays include on Saturdays, on Sundays and national holidays.
- Costs may vary according to separate fuel cost adjustment systems and renewable energy generation promotion levies, etc.
- Unit prices include equivalent cost of consumption tax, etc.

The Kansai Electric Power Group provides distinctive total solutions to realize even better living and business for our customers.

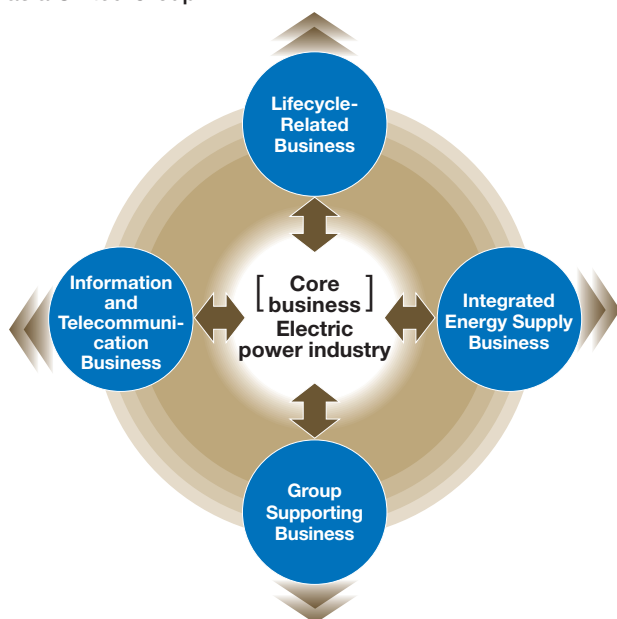
Since its founding, Kansai Electric Power has focused on providing safe and stable supplies of electric power at inexpensive prices and has worked to fulfill its mission of serving its customers.

In addition to the traditional customer need for stable supplies and low costs, in recent years, there has been increasing demand for energy conservation, lower costs and CO₂ reduction to help bring about a low-carbon society.

With increased customer awareness of energy conservation in the wake of the Great East Japan Earthquake, with the development of an information-based society through the advances in IT technology, and with the looming problem of Japan's aging population, there is now an even greater need for services that help make life enriched, secure and comfortable.

In order to accommodate these increasingly diverse customer needs, the Kansai Electric Power Group will offer solutions that enable customers to achieve energy conservation, cost saving and CO₂ reduction operations in all aspects of energy so that they can enjoy efficient and comfortable energy use, as well as total solutions distinctive to the Group, combining group services primarily in the areas of integrated energy supply, information and telecommunications, and the lifecycle-related business.

The Kansai Electric Power Group's Target Image of Growth as a United Group



Development of total solutions combining attractive electricity-centered group services

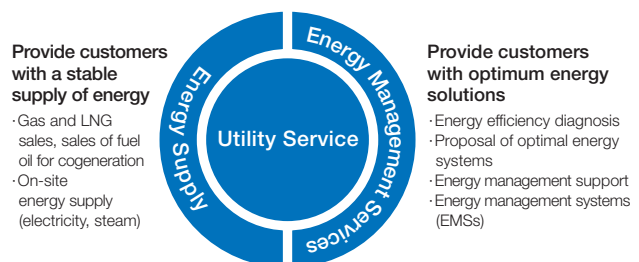
▶ Integrated Energy Supply

Realizing the best possible energy usage for our customers, providing comprehensively a various energies.

Against a backdrop of earthquake-related disaster and accelerating efforts to achieve a low-carbon society, customer needs in the areas of energy safety and reassurance as well as energy conservation, cost saving and CO₂ reduction are growing even greater. Given this situation, the Kansai Electric Power Group will work to grow its integrated energy supply business as the best partner for energy by providing both electricity and optimal solutions in energy, utility services, etc., that are safe and stable, and by achieving the best possible energy usage.

To this end the Kansai Electric Power Group accommodate customer utilities such as substation facilities, boilers, air conditioners and private power generators with our utility service, which offers design, operation, maintenance and operational management for customer utility facilities as a comprehensive package. Furthermore, we combine energy management services such as energy diagnostics, energy management support, and energy management systems (EMSs), with energy supply services for gas, LNG and other energy sources, and other services to accommodate every conceivable customer need related to energy usage. As a result of our efforts in this area, our utility service has been widely adopted not only in the industrial sector by factories and other such facilities but also in a variety of other sectors by office buildings, hospitals and the like.

Additionally, in the area of renewable energy, the Group will actively engage in operations related to the generation of solar power, wind power and biomass power, in accordance with the enforcement of the system for purchasing the full amount of generated power (July 2012) and the circumstances of deregulation, to meet society's low carbon needs to the maximum extent possible.



Provide customers with a stable supply of energy

- Gas and LNG sales, sales of fuel oil for cogeneration
- On-site energy supply (electricity, steam)

Provide customers with optimum energy solutions

- Energy efficiency diagnosis
- Proposal of optimal energy systems
- Energy management support
- Energy management systems (EMSs)

Help with every aspect of customers' utility facilities

A comprehensive service for utility facilities, covering all or partial aspects of their design, construction, operation, maintenance, and operational management in response to customers' needs

Information and Telecommunications

Providing Appealing Services for Business and Everyday Living.

In information and telecommunications, we are working to further raise customer satisfaction and make this segment a second pillar of earnings after our electricity business by utilizing an optical fiber network covering the entire Kansai region to provide a broad lineup of services centering on FTTH that anticipate the needs of customers.

For residential customers, we offer a package of three services—Internet, phone and television via optical fiber—under the eo HIKARI brand and are expanding the eo Mobile¹ service beginning with public Wi-Fi to further promote these services as essential household utilities. The services have received high marks in customer satisfaction surveys administered by multiple outside agencies. FTTH subscriber lines numbered approximately 1.3 million as of March 31, 2012.

For business customers, we offer a variety of communications services under the Business HIKARI brand, including high-speed Internet, dedicated Ethernet lines², VPN services³, mobile communications and optical fiber phone services. We also provide data center solutions in an effort to further contribute to customer businesses.

Going forward, we will continue working to strengthen network services centering on FTTH as well as IT infrastructure and total solutions for corporate customers to provide appealing services for business and everyday living.

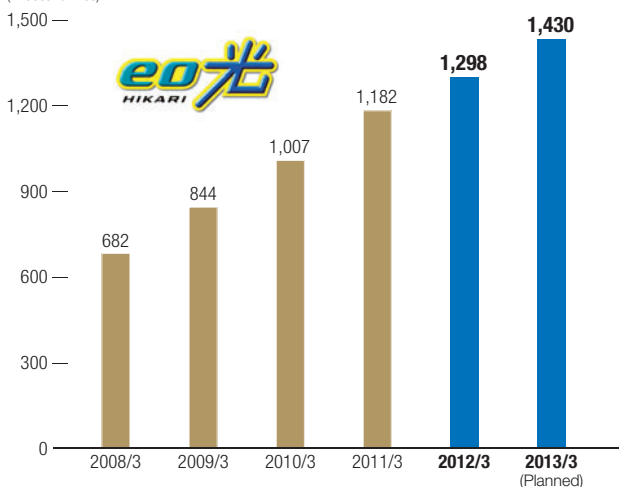
Note 1: Our mobile broadband service consists of a public Wi-Fi service developed throughout the Kansai region and a 3G service offering speeds up to 42 Mbps and other services.

Note 2: Communication line service only for data communication that connects two specific points by an Ethernet method that is highly compatible with the LAN devices used in corporate networks.

Note 3: Virtual private network. A service that connects multiple points on a private network constructed with a virtual dedicated line protected by using encryption and authentication technology.

Number of FTTH Subscriber Lines

(Thousand lines)



Lifecycle-Related Business

Striving to be our customers' best partner for living, we make proposals for safe, secure, comfortable and convenient lifestyles.

In the lifecycle-related business, we will endeavor to be a familiar presence to customers by providing a variety of helpful services related to everyday living for safety, security, comfort and convenience and to have customers perceive us as a best partner by accommodating their wide-ranging needs.

In the area of lifestyle-related services, we are providing services that are closely connected to our customers' day-to-day lives, including home security, nursing care, health management support, food services and house-keeping services.

As the population ages, the birthrate falls and nuclear families come to predominate, we will work to meet increasingly diverse customer needs, expand our menu of helpful services for living, and enhance highly targeted services for different life stages.

In real estate services, we are providing high-quality homes and offices that combine Group products and services, supplying model energy conservation, cost saving, and CO₂ reduction condominiums and buildings appropriate for a low-carbon society. Our homes and buildings are offered with a combination of services, including home performance assessments, sales of housing equipment and remodeling services, in order to help our customers create comfortable living spaces.

In order to continue to provide homes that help customers conserve energy, save on costs and cut CO₂ emissions, we will further strengthen partnerships with developers and other relevant sectors and become actively involved in condominium projects and housing developments.

Grands Logements Toyonaka Shoji (MID Urban Development)





Stable Supply of Electric Power

We will steadily carry out initiatives to help bring about a low-carbon society through the stable supply of electric power.

Electricity has a major role to play in realizing a low-carbon society, and electricity is the area that maximizes the strengths of Kansai Electric Power.

Kansai Electric Power is currently carrying out the “Kansai e-Eco Strategy” to advance regional low-carbon initiative in the mid and long terms. This involves “Low-carbon Electricity Initiative” in regard to power supply, such as maintaining the safe and stable operation of nuclear power plants, improving the efficiency of thermal power plants, and introducing hydropower, solar power, wind power and other forms of renewable energy, as well as initiatives in “Contributing to Energy Conservation, Cost Reductions and CO₂ Reductions by Customers and Society” in regard to consumer demand, such as the popularization of highly efficient machinery incorporating heat pump technology and electric cars. Additionally, Kansai Electric Power will advance “Construction of the Kanden Smart Grid”, a power-distribution system of high efficiency, high quality, and high reliability that links supply initiatives and demand initiatives.

In addition to these initiatives, the Group will also contribute to the creation of a sustainable, low-carbon society by transferring environmental technologies to developing countries, promoting new energy operations and other initiatives overseas, and developing technologies to help customers conserve energy, cut costs and reduce CO₂ emissions.

Low-carbon Electricity Initiatives

In efforts to reduce the amount of CO₂ emission (CO₂ emission factor) relative to the amount of electricity used (sold), Kansai Electric Power has a personal goal of reducing CO₂ emissions to just 0.282 kg/kWh as a 5-year average for the Kyoto Protocol's first commitment period (fiscal 2008 to 2012), and has been advancing a comprehensive strategy to achieve this goal. CO₂ emissions for fiscal 2011 were 0.414kg-CO₂/kwh.* Kansai Electric Power will continue to push forward its efforts for low-carbon electricity along with the safe and stable operation of Nuclear power, to ensure the safety of equipments, further to aim a high efficiency of thermal power, to maintain and expand of hydropower and to develop and introduce of new energy issues.

*This is only a provisional figure. The actual figure will be formerly published by the government based on the law for promotion of strategies to combat global warming and other regulations.

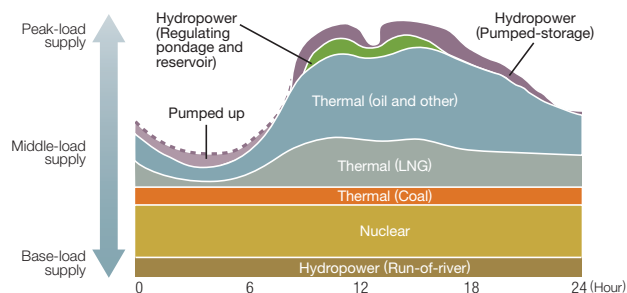
Facility Configuration From the “S + 3E” Perspective

In order to fulfill its mission to provide quality, low-carbon, stable delivery of electricity to its customers, Kansai Electric Power has established a perspective that takes Safety as

the major premise and includes the 3 Es of Energy Security, Economy, and Environmental Conservation (measures to combat global warming). With this “S + 3E” perspective, Kansai Electric Power will make comprehensive considerations on power production and will carry out facility configuration combining nuclear, thermal, hydro, and other forms of power production in proper balance.

Specifically, Kansai Electric Power is carrying out appropriate maintenance and other measures for safe and stable operation of existing power plants, whilst also upgrading the facilities of existing power plants and building new power plants.

Power Source Mix According to Power Demand



Note: The hydropower (Run-of-river) and hydropower (regulating pondage and reservoir) generations are collectively referred to as “conventional hydropower generation.”

Nuclear Power

Nuclear power remains an important power source. Taking careful heed to the lessons learned and knowledge gained from the accident at the Fukushima Daiichi Nuclear Power Station, we will carry out a full-scale strategy to ensure safety of the highest domestic and international standards and will put our full effort into dispelling public fears and regaining the trust of the Japanese people, beginning with the regions in which nuclear power plants are located.

Specifically, we are promptly implementing every possible measure to raise the safety of nuclear power plants based on current knowledge and we will continue to put our full effort into independent and ongoing measures, including implementing adaptations according to new information on the accident and the latest information on the movements of other countries.

In addition, we will continue working to raise safety and reliability levels by conducting sound maintenance activities based on a rigorous implementation of measures to prevent recurrence of the accident that occurred at Mihama Power Station Unit 3, measures to prevent trouble, and measures to address aging facilities. By doing so we will continue to ensure safe and stable nuclear power operations.



The Central Load Dispatch Center monitors fluctuations in power demand and issues instructions to power plants in each region on required output levels.



Inspection of boiler



Sakaiko Thermal Power Station

Thermal Power

Kansai Electric Power has been advancing initiatives to increase thermal efficiency at thermal power plants. In regard to LNG thermal power, Kansai Electric Power is pushing forward the upgrading of facilities to accommodate the combined-cycle power generation method. Specifically, upgrading of facilities at the Sakaiko Thermal Power Station was completed in September 2010, and steady progress of upgrading job is being made toward commencing operation at the Himeji No. 2 Thermal Power Station in 2013. At the Himeji No. 2 Thermal Power Station, it is planned to adopt the combine-cycle power generation system, which incorporates a state-of-the-art 1,600°C gas turbine, and has the highest level of thermal efficiency in the world (approximately

60%). Upgrading facilities at Sakaiko Thermal Power Station and Himeji No. 2 Thermal Power Station will raise thermal efficiency by some 40%, which will enable us to reduce fuel costs and CO₂ emissions per unit of power generated by around 30%. In addition, with regard to coal-based thermal power, operations were commenced at Maizuru Thermal Power Station Unit 2, one of the most thermally efficient coal-fired power plants in Japan, in August 2010.

Going forward, Kansai Electric Power will continue to tackle issues such as stability of fuel prices and development of efficiency-increasing technologies, and will undertake initiatives such as the upgrading of existing thermal power facilities to increase efficiency.



Renewable Energy

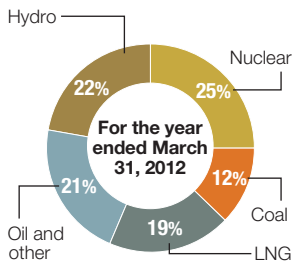
Kansai Electric Power is heavily involved in renewable sources of energy. In the waterfront district of Sakai City, Kansai Electric Power built the 10,000 kW Sakai Solar Power Station (the largest in Japan), which commenced full operation on September 2011. Kansai Electric Power is currently carrying out planning and preparations for construction of a large-scale solar power plant (2 facilities with power output of approximately 500 kW) in the Wakasa region of Fukui prefecture.

In addition, at Maizuru Thermal Power Station, power has been generated with wood pellets—a biomass fuel—in combination with coal since August 2008. This reduces coal consumption and is expected to cut CO₂ emissions by 92,000 tons annually.

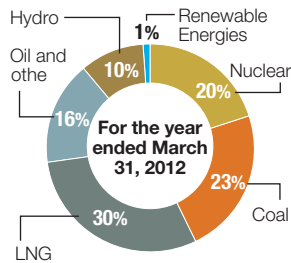
Furthermore, from the perspectives of efficient use of domestic resources and reduction of CO₂ emissions, Kansai Electric Power is conducting appropriate maintenance for the stable operation of hydropower plants, which are a purely domestic source of energy. Also, to enable flexible adaptation to changes in demand and supply, and reduction of environmental impact, Kansai Electric Power is promoting variable speed production at pumped storage power plants and is continuing efforts in the development of small- and medium-scale hydropower using maintenance flow and in the improvement of output at existing facilities.

Power Source Composition

Composition of Power Generation Facilities at Fiscal Year-End



Power Source Composition



Note: Year-end percentages include power transferred from other companies. Amounts represent total output for company demand. Figures are rounded, so totals may not equal 100%.

Contributing to Energy Conservation, Cost Reductions and CO₂ Reductions by Customers and Society

Customers' interest in energy conservation, cost reductions and CO₂ reductions have increased even more since the Great East Japan Earthquake. Kansai Electric Power will take careful note of the opinions of customers and society and will expand activities to benefit customers.

Kansai Electric Power is utilizing the internet to provide its "Hapi e-Miruden" service, which enables customers to verify the amount of electricity they consume. This service provides information to assist in household power saving. Customers can easily compare their monthly power consumption with the previous month or the same month of the previous year and check their power consumption record over the past 24 months, as well as set power-reduction goals for each month, check and record results of power conservation efforts, and compare their energy bills and CO₂ emissions with those of similar households by a ranking system.

Going forward, Kansai Electric Power will contribute to the realization of a low-carbon society by expanding services beneficial to customers and advancing efforts to support the energy management of consumers and society.



Construction of the Kanden Smart Grid

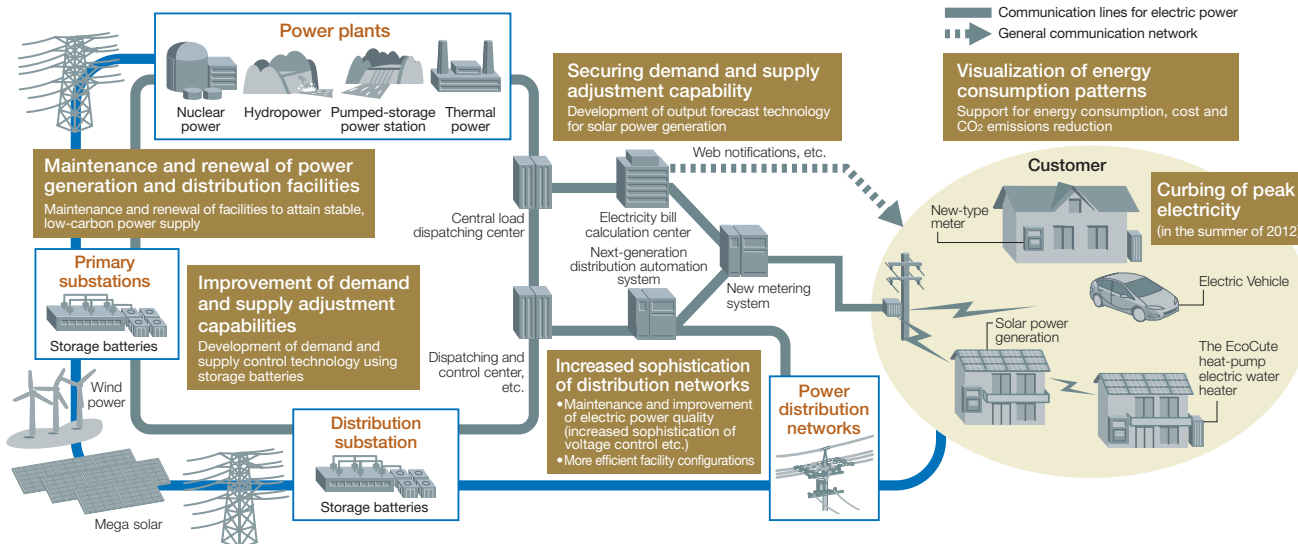
The Kanden Smart Grid

The concept of the smart grid is extremely widespread. The Kansai Electric Power Group has positioned the smart grid as a key to achievement of an electricity transmission system high in efficiency, quality and reliability, employing advanced information, communications and storage cell technology to achieve a low-carbon society and a better energy environment for customers without sacrificing the safety of the basic electric power grid.

Sakai Solar Power Station, a mega solar power plant



Construction of the Kanden Smart Grid



Steady Measures for Large-scale Introduction of New Energy

In the future, should renewable energy sources with unstable output, such as solar power generation, supply power in a large-scale or centralized fashion, there are concerns that it could adversely affect the stability of the electric power grid (in terms of electricity quality factors such as voltage and frequency), and efforts must be undertaken to resolve such issues. To this end, Kansai Electric Power is advancing the development of system operations and control technologies as well as research into systems for controlling demand and supply of electrical power.

Usability Improvement for Customers

In order to provide better usability and support energy-saving for customers, Kansai Electric Power is making efforts to introduce new measurement systems and visualize energy consumption patterns, while also considering other potential services.

• Promotion of Energy Visualization

To enable customers to use electricity with conscientiousness toward the reduction of energy consumption, cost, and CO2 emissions, Kansai Electric Power will expand its “Hapi e-Miruden” service that helps customers visualize and control their energy consumption, and will advance efforts to increase the number of customers using this service.

• Full-scale Implementation of New Measuring System

This system, making use of next-generation meters employing communications technology, optical fiber networks, and other such technologies is intended to provide customers with better service and boost the efficiency of business operations. With this system, customers’ electricity use is measured in 30-minute units, supporting effective equipment configurations tailored to electricity use patterns and more precise energy consulting. Kansai Electric Power will carry out



Unit meter

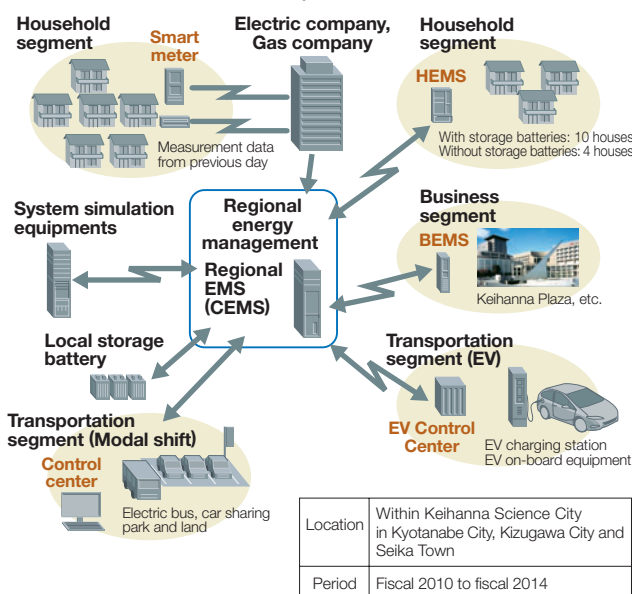
full-scale implementation of the new measuring system and will advance other efforts for the realization of the government-set goal for smart-meter systems to cover 80% of the total demand for electricity within 5 years.

• Keihanna Project

The Keihanna region (Kyoto-Osaka-Nara) is one of 4 regions in Japan that have been selected for a next-generation-energy/social-system demonstration project, which involves large-scale field tests in “smart communities” and of which Kansai Electric Power is a participating member. As well as aiming to achieve the lowest CO2 emissions per unit of power for any town in Japan, the project also aims to verify the benefits of curbing power demands and load leveling, and to utilize business model structuring and demonstrated evidence in earthquake recovery efforts.

From 2012, a large-scale fee induction demand/response demonstration (involving approximately 700 houses) is also being carried out for peak suppression and shifting of power demand.

Fee Induction Demand/Response Demonstration





▶ Stable Supply of Electric Power

Kansai Electric Power will secure stable supplies of thermal and nuclear fuels into the future by acquiring stakes in new upstream fuel projects in anticipation of the low-carbon society and new era of high prices for limited resources.

Stable Procurement of Nuclear Fuels

Kansai Electric Power will earnestly work to restore confidence in nuclear power and will secure stable supplies of nuclear fuels with consideration to economy and regional balance.

In the market for uranium and enrichment services of late, there have been factors pushing prices up, such as increased demand from emerging countries, while there have also been factors pulling prices down, including the accident at Tokyo Electric Power's Fukushima Daiichi Nuclear Power Station, so the market's outlook is uncertain.

Given this climate, Kansai Electric Power is procuring nuclear fuels by working to diversify suppliers while maintaining long-term contracts as a foundation in order to raise the stability and economy of nuclear power. We are also making adjustments to ordering methods and timing.

Moreover, in order to secure long-term uranium supplies, in 2006 we began providing investment and financing for a uranium mine development project being conducted in the Republic of Kazakhstan. We have also been participating in a uranium exploration project and a feasibility study for uranium resources in Australia through the Japan Australia Uranium Resources Development Co., Ltd., in which Kansai Electric Power has a stake from 2008. We continue to work to ensure stable procurement of nuclear fuel into the future.

This has included participation in a new uranium

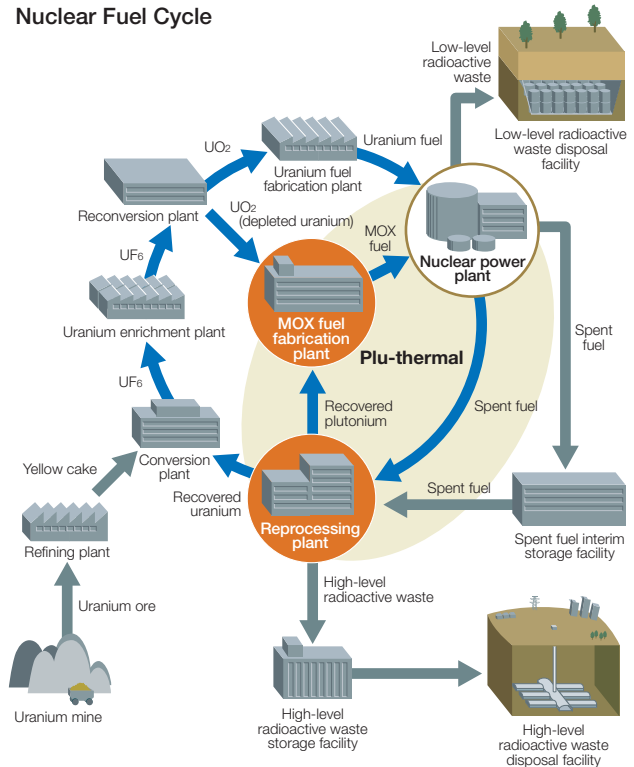
Development site of uranium mine in Australia



enrichment plant project developed by French firm Areva NC in 2009.

Also, Kansai Electric Power considers that it is very important for Japan, which has an energy self-provision rate of just 4%, to have a nuclear fuel cycle involving the reprocessing of spent fuel and the effective use of plutonium, uranium and other fuels recovered, from the perspectives of conserving uranium resources and ensuring environmental compatibility, and Kansai Electric Power is advancing such a system. Regarding pluthermal, we will move forward with ultimate priority on safety while obtaining the understanding of local residents.

Nuclear Fuel Cycle



Strengthening Thermal Fuel Procurement Chains

In the area of thermal fuel procurement, we are making various efforts to further strengthen thermal fuel procurement chains. We are seeking to securely enhance stability, flexibility and economics by leveraging the contractual characteristics of LNG, coal and oil and also by acquiring upstream equity and strengthening fuel transportation systems.

For LNG, we are diversifying suppliers and contract terms, acquiring upstream equity, owning LNG carriers to construct an integrated system that covers from gas development and production to transport and receiving. In 2011, we entered into a contract for the import of CBM-derived LNG, a nonconventional gas, and are also conducting investigations into procuring LNG derived from shale gas as a raw ingredient. Additionally, in May 2012, we commenced acquisition of LNG from the Pluto LNG Project, the first such project in which we have acquired interests. LNG procured from the project is slated for transport by our first LNG carrier, the LNG EBISU. This will help improve transportation

economics and strengthen the resiliency of our transportation system. We also expect that operating revenues derived from the project will become a new source of profits.

For oil, in order to ensure stable procurement of the required amount, we are expanding the range of oil types that can be procured, and are engaged in efforts to expand our procurement chain, such as by re-securing domestic transport vessels and foreign transport vessels for transporting oil from domestic and foreign bases to power plants.

For coal, in order to improve flexibility and economics, we will work to develop optimal combinations of short-term, medium-term and long-term purchase contracts. We have also secured 4 transport vessels, the company-dedicated coal carriers MAIZURU DAIKOKU, MAIZURU BENTEN, MAIZURU BISHAMON, and the specialist vessel MIZUNAGI II, and we are taking measures to not only raise operational safety levels but also help ensure long-term carrier stability and reduce transport costs.

LNG EBISU, Kansai Electric Power's first LNG carrier



Pluto LNG liquefaction facility



MAIZURU DAIKOKU, coal carrier





We are promoting the international business by actively utilizing management resources accumulated in domestic power operations.

In the international business, we help ensure stable power supplies for countries overseas and tackle environmental problems. Knowledge we obtain is incorporated back into the domestic business to further strengthen it and generate growth for the Group.

Promoting the International Business

In 1998, as our first project, we participated in the San Roque Hydropower Project in the Philippines, becoming the first Japanese electric power company to be involved in a power generation project overseas. The project involved constructing a dam and hydropower plant (345 MW). A private-sector consortium including Kansai Electric Power was contracted to build a multi-purpose dam funded by the Philippine government. Completed in 2003, the project is a public-private partnership in which private funds are used to build and operate the dam's power plant.

The project is significant for its contribution to the Philippines' electric power infrastructure and efforts to prevent global warming, and it also provides a stable dividend, as we increased our stake in the project from 25% to 50% in 2009.

In addition, after acquiring shares in Singapore's Senoko Power Limited in 2008, in 2009 we concluded a new electricity sales agreement with the Electricity Generating Authority of Thailand for power generated by the second small power

producer project through Thailand's Rojana Power Co., Ltd.

Moreover, Kansai Electric Power is actively engaged providing technical support for planning projects, and in the projects for Thailand, the Philippines and Singapore, company members reside in those regions and provide technical guidance on power generation facilities, etc. Kansai Electric Power has dispatched technicians to the Senoko thermal power plant in Singapore to conduct repowering operations to raise the efficiency of existing thermal power generation facilities, and the company is taking measures to achieve genuine progress management and quality improvement. Additionally, in the Philippines, we conduct an annual educational program for personnel who operate and maintain the San Roque hydropower plant, with the intent of helping them to acquire Japanese techniques.

In addition to developing projects through direct investment, we are also committed to promoting our own autonomous development projects, starting with the project discovery stage. In terms of current projects, in September 2007 we acquired exclusive development rights from the Indonesian government for the Rajamandala Hydropower Project, and are also involved in Nam Ngiep Hydropower Project, which sells electricity generated in Laos to Thailand. We are currently working hard to commercialize the projects.

Going forward, we will develop exceptional projects in a wide range of fields and expand beyond Asia, where our current projects are located, to the Mideast, North and Central America and other regions. We will bid on and negotiate new IPP projects, acquire existing projects and participate in renewable energy initiatives in developing countries. In March 2011, we merged our subsidiary Kanden Power International and are enhancing project development and management systems with a view to further business expansion in the future.

List of Overseas Projects (As of July 31, 2012)

Project	Partner	Contractual Period	Investment Stake (Capacity share)	Start of Operation
San Roque Hydropower (345MW)	Marubeni	25 Years	50% (172.5MW)	May 2003
Rojana Thermal (281MW)	Rojana Industrial Park, Sumikin Bussan	25 Years	39% (109.6MW)	March 1999
Ming-jian Hydropower (17MW)	Dong-jin	15 Years	26% (4.4MW)	September 2007
Kuokuang thermal (480MW)	CPC Corp. Taiwan Cogeneration	25 Years	20% (96MW)	November 2003
Senoko Power* (3,300MW)	Marubeni, Kyushu Electric Power, JBIC, GDF Suez	—	15% (495MW)	March 1976 Start of Operation (First Unit)

* Updating from 3 units of 250MW Oil-fired Thermal Power to 2 units of 430MW Combined Cycle Thermal Power

Philippines: San Roque Hydropower Project





Singapore: Senoko Thermal Power Project



Tuvalu: Solar Power Project



Fiji: Technology Transfer Workshop

Helping Solve Global Environmental Problems

The Kansai Electric Power Group is leveraging the knowledge, experience and expertise it has accumulated in the electric power industry in Japan in order to carry out initiatives that utilize the Clean Development Mechanism and other Kyoto Protocol mechanisms.

For example, serving as the project leader, we built run-of-river micro hydropower plants in a Bhutanese village that did not have access to electric power as a part of the Bhutan Micro Hydropower Project sponsored by the Global Sustainable Electricity Partnership (formerly the e8, an international organization of representing leading electricity companies from G8 countries.) The project was certified as a Clean Development Mechanism by the United Nations in 2005, the first project involving a Japanese power company to receive the CDM designation, and CO₂ credits have already been issued. We are also participating in hydropower and wind power CDM projects in China and Vietnam and other countries around the world.

In New Zealand, we participated in a project to build 31 wind turbine generators, which received Joint Implementation (JI) certification from the New Zealand government, becoming the first Japanese corporation to participate in a JI project in New Zealand.

In Tuvalu, which is facing the danger of being submerged due to rising ocean levels caused by global warming and other factors, we installed solar power facilities. During the two-year period from February 2008 to February 2010 we conducted facilities monitoring and operational assistance and strove to transfer our technologies and expertise. Also, in regard to software, since 2005 we have continued to hold workshops on renewable energy and energy saving for power companies of Pacific island nations to help train specialists. In June 2012, we held a workshop in Fiji on the topic of energy efficiency improvement.

In this way the Kansai Electric Power Group is making many contributions to preventing global warming through its participation on projects around the world.

Corporate Social Responsibility

To Ensure that Each Employee Faithfully Carries Out Their Daily Duties in an Effort to Restore Public Trust, We Will Strive to Further Enhance Our CSR Activities

Further Promotion of Corporate Social Responsibility

The business activities of the Kansai Electric Power Group have been supported by customers, local communities, business associates, shareholders and investors, employees, and many other community stakeholders. We, through various CSR practices, consider that social trust that we gain by faithfully meeting the various expectations of everyone in fulfilling our mission as a business is what forms the foundation for accomplishing continuous growth.

The Kansai Electric Power Group is therefore working as one to provide (enrich) a corporate environment that encourage each and every employee to autonomously and proactively promote CSR.

Specifically, we established the Kansai Electric Power Group CSR Action Charter, which consists of six action principles, in March 2004, and established CSR Action Standards in May 2005 in order to provide group employees with guidelines at the level of individual behavior.

As a system of CSR promotion, in addition to establishing the CSR Promotion Council, chaired by the president, we work to raise the awareness of all employees by designating, training and communicating with key CSR personnel and others to promote CSR at each workplace.

Through these activities each and every employee of the Kansai Electric Power Group is promoting CSR based on the changes in the relationships between daily operations and customers or society (and with a sound understanding of those relationships). By constantly thinking from the perspectives of stakeholders and faithfully performing their work with a sense of duty, our employees earn the trust of stakeholders, which serves to motivate employees and promote growth. It is our desire as a company to continue this trust-based positive cycle. (The conditions of initiatives are published in the CSR Report).

Kansai Electric Power Group CSR Action Charter

CSR Action Principles

1. Safe, Stable Delivery of Products and Services
2. Progressive Approach to Environmental Problems
3. Proactive Contributions to Development of Local Communities
4. Respect for Human Rights, Development of Favorable Work Environments
5. Highly Transparent and Open Business Activities
6. Strict Enforcement of Compliance

Mission and Duty as a Lifeline Enterprise

• Persistent Effort toward the Development of Safety Culture

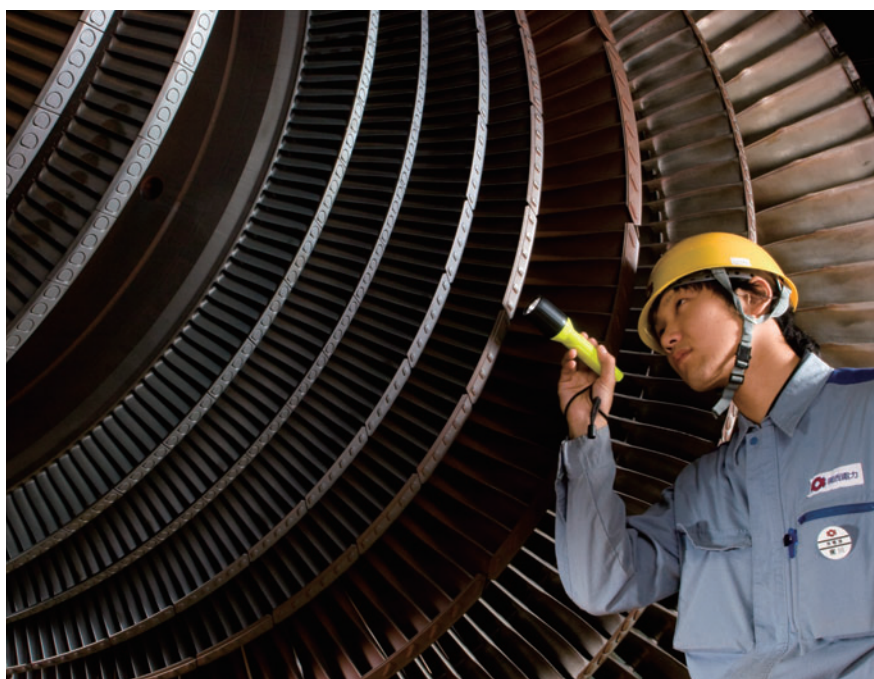
We consider that safety is at the core of all business activities and is the source of the trust that society bestows upon us. Also, as safety is essential to improving quality and achieving future growth in all business, through persistent effort we are continuing business activities that place top priority on safety assurance, and we are accumulating the results of those activities. Through daily mutual communications with partner companies and all our other partners who support the operations of the Group, we are promoting mutual safety awareness and edification, and risk reduction activities, and striving to establish a higher level of firm safety culture, group wide (the Kansai Electric Power safety culture sphere).

• Training of Personnel to Support Safe and Stable Supply

In order to deliver products and services in a safe and stable manner, each year, as well as continuously conducting recruitment, we continually conduct systematic and repetitive education and training to foster expert personnel. We are promoting a range of initiatives to maintain and pass down techniques and skills, including the implementation of an expert technician system and a system for keeping track of the technological strength of individual employees. Through these initiatives, we are ensuring that techniques and skills accumulated to date are faithfully passed on and improved throughout the entire Group.

• Steadily Investing Management Resources

Kansai Electric Power will also steadily invest necessary management resources into facilities in order to ensure safe and stable supply. Particularly, in the area of nuclear power, we will steadily implement further safety measures based on the latest known information as well as carry out construction to address aging facilities and improve earthquake resistance in order to ensure that operations continue to be safe and stable.



Inspecting a turbine at a power plant



Kanden Collabo Art 21 exhibition



Kanden L-Heart opens up the unlimited potential of people with disabilities

Proactive Contributions to Development of Local Communities

The Kansai Electric Power Group recognizes that its development as a locally and life-based company cannot be achieved without the development of local communities. Based on this recognition, we carry out initiatives aimed at lending vitality to regional economies and local communities.

In addition, in order to put our desire into action to help local communities, as a member of those communities, each business location cooperates with their local communities to expand activities that meet the needs of the community, including clean-up campaigns and community event sponsorship.

We also continue to be involved in a range of activities that include holding the Kanden Collabo Art 21 exhibition since 2001 to support the artistic endeavors of people with disabilities, putting on classical music concerts to promote cultural activities in the Kansai region, and supporting American football, a popular school sport in the Kansai region.

The Kansai Electric Power Group is committed to helping local communities through the safe and stable supply of electric power as well as through activities that contribute to local communities and society.

Respect for Human Rights, Development of Favorable Work Environments

The Kansai Electric Power Group recognizes that respect for human rights is an important duty that is shared internationally.

We work to make sure our workplaces are safe, healthy, pleasant and free of discrimination for everyone involved in the Group's business activities.

Specifically, we are further involved in career development initiatives for women employees, promotion of employment for seniors, and promotion of employment for people with disabilities to help them achieve greater independence and social involvement.

We also work to raise employee awareness of safety issues and help employees independently keep themselves healthy, both physically and mentally.

From 2011, we expanded the range of our activities with the newly established Diversity Leveraging Group, which targets all employees and is tasked with embracing and utilizing the differences among the individuals.

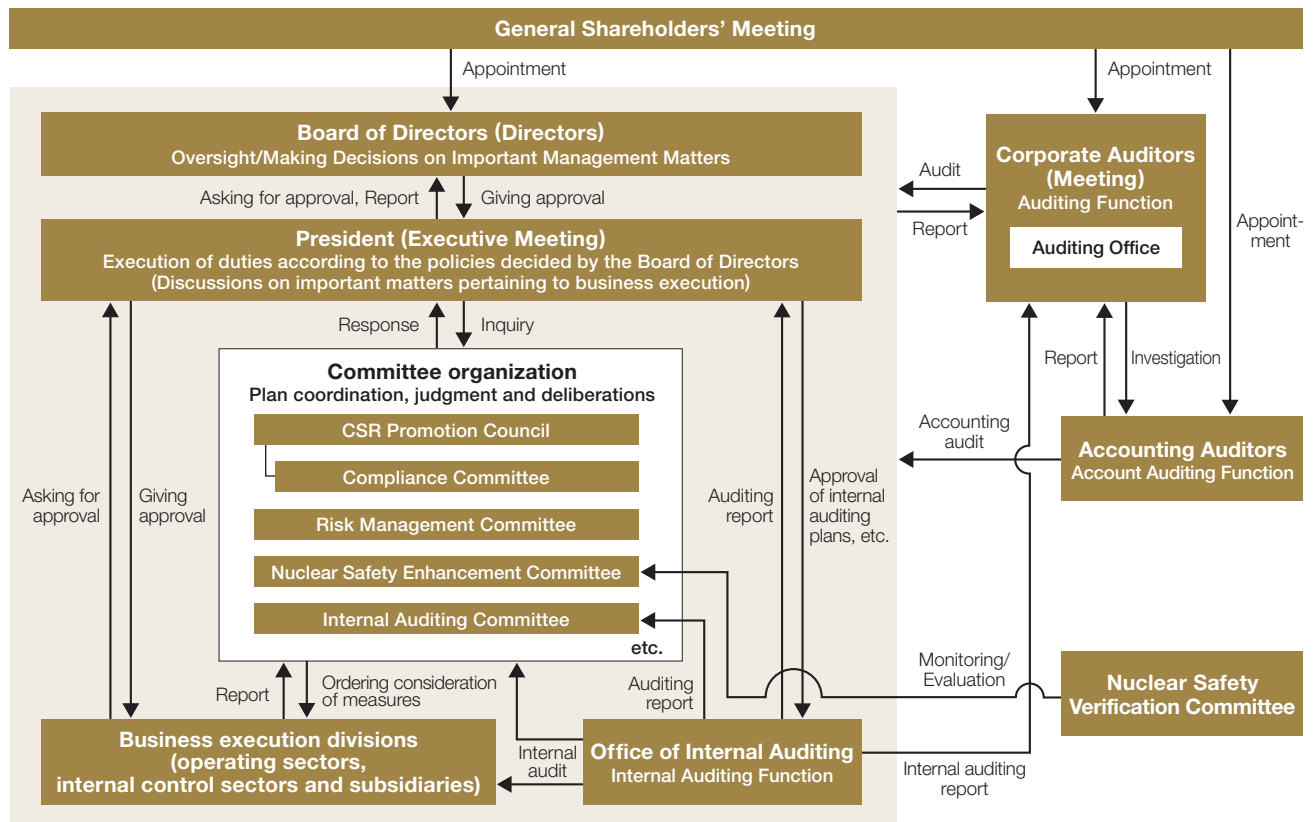
Strict Enforcement of Compliance

We established the Kansai Electric Power Compliance Committee in 2002 to further establish trust and foster a transparent corporate culture. The Group regards compliance as a duty required of corporations to exist in society and positions it as the foundation of all corporate activities. We comply with laws, regulations and all other internal and external rules as a matter of course and have diligently worked to raise awareness of compliance in each and every individual.

The Group will continue to independently and steadily promote compliance activities and further solidify the trust of the general public.

Corporate Governance

To Enhance Its Corporate Value in a Sustainable Manner While Maintaining the Transparency and Soundness of Its Business Operations, the Kansai Electric Power Group Regards Strengthening Corporate Governance as an Important Management Initiative and Is Working Toward that Goal



Basic Framework

Kansai Electric Power's Board of Directors is granted a mandate to manage the Company by the General Shareholders' Meeting. Appropriate business execution is conducted through Executive Meeting and other committees that have been established under the Board of Directors. Corporate auditors, the Board of Corporate Auditors and accounting auditors monitor business execution to ensure that it is legally compliant, appropriate and proper from their respective perspectives. This constitutes Kansai Electric Power's basic framework for corporate governance.

Deliberation and Decision-Making on Important Matters and Appropriate Business Execution

The Board of Directors holds regular meetings once a month and extraordinary meetings as necessary. The board deliberates and makes decisions on important management matters and provides oversight by receiving regular reports from directors on the execution of their duties and other matters.

The Executive Meeting, consisting of directors, meets once a week, in principle, in order to swiftly and appropriately make decisions on important matters pertaining to business execution. This serves to ensure that the Company functions in an efficient and effective manner.

A system of executive officers has also been introduced in order to enhance the speed and efficiency of business execution by separating functions of execution from oversight.

Three of the Company's 18 directors are outside directors with no special stake in the Company. This helps to ensure management transparency.

Assuring Transparency and Soundness of Audits

Kansai Electric Power uses a system of corporate auditors to continuously and effectively audit the compliance, appropriateness and adequateness of directors in the performance of their duties. Corporate auditors attend important meetings, including the Board of Directors and Executive Meetings, state their opinions, receive presentations on important management matters from directors, investigate business and financial matter at major business facilities, and audit directors in the

execution of their duties from the perspective of legal compliance and appropriateness.

The transparency and soundness of business management is ensured through audits. Corporate auditors also meet with representative directors and others on a regular basis in order to discuss pertinent matters.

The Auditing Office (13 members) has been established in order to support the activities of corporate auditors and the Board of Corporate Auditors. The office engages solely in auditing work and administration of the Board of Corporate Auditors, and it is under the direct control of corporate auditors in order to maintain its independence. The office is not involved in any activities pertaining to business execution at the Kansai Electric Power Group.

Four of our seven corporate auditors are outside auditors who have no special stake in the company, which ensures the independence of auditing practices. One of the internal auditors has the experience of being in a chief position in our accounting division, ensuring that this auditor has knowledge of finance and accounting.

Committees Facilitate Appropriate and Smooth Business Execution

Kansai Electric Power has established a number of committees that carry out three main functions, plan coordination, judgment and deliberation, in order to make sure that important operating policies related to all aspects of management, implementation plans and other initiatives are executed in an appropriate and smooth manner. The committees, which are primarily made up of officers, meet on a regular basis, or as necessary, and support decision-making by the Executive Meeting and business execution by the Company's various divisions.

• CSR Promotion Council

The Kansai Electric Power Group CSR Action Charter was established to lay out the Group's basic approach to CSR, and the Kansai Electric Power Group Action Standards was formulated to provide a code of conduct at the level of individuals. The CSR Promotion Council is in charge of devising general policies on the promotion of CSR, and the Group works to promote CSR under this framework.

We are also committed to promoting compliance. The Compliance Committee has been established under the CSR Promotion Council and its membership includes outside attorneys, while the Compliance Consultation Desks take compliance consultations related to Group-wide business activities.

• Risk Management Committee

Risks inherent in business activities are basically managed autonomously by each execution division on the basis of the Kansai Electric Power Group Risk Management Rules. For major risks that cut across divisions, specialized risk management sections are identified for each category of risk as necessary and risk management is reinforced through experts providing advice and instruction to execution divisions.

Risk is coordinated by the Risk Management Committee, which works to keep risks associated with the business activities of the Kansai Electric Power Group at appropriate levels. Under this risk management system, proactive steps are taken to ensure appropriate and reliable financial reporting in accordance with the Financial Instruments and Exchange Law.

• Nuclear Safety Enhancement Committee and Nuclear Safety Verification Committee

The Nuclear Power Integrity Reform Committee established in order to comprehensively promote measures to prevent recurrence of an accident like the one that took place at Mihama Nuclear Power Station Unit 3, and to further foster a safety culture. The committee conducts follow-through on recurrence prevention measures and activities for fostering a safety culture.

From June 2012, the committee has been renamed as the Nuclear Safety Enhancement Committee, and in addition to the activities it has heretofore engaged in, the committee is also promoting autonomous and continuous initiatives for safe nuclear power, a determination expressed in the strategy performance plan for further improving safety and reliability at the Ohi Power Station Units 3 and 4, published in April 2012.

In addition, the Nuclear Power Integrity Reform Verification Committee, which consists mainly of outside members, has provided objective, comprehensive oversight and evaluation related to maintaining recurrence prevention measures and activities to foster a safety culture.

From June 2012, the committee has been renamed as the Nuclear Safety Verification Committee and is now also providing advice and carrying out other duties in regard to autonomous and continuous initiatives for safe nuclear power.

These circumstances are broadly announced on our website to ensure transparency.

• Internal Auditing Committee

The Internal Auditing Committee has been established to widely share and deliberate on management issues related to quality and safety, to stay abreast of outside information and viewpoints, and to maintain the appropriateness of internal group-wide auditing from a fair, expert standpoint.

We have also established the Office of Internal Auditing to serve as a dedicated organization for internal auditing. Its 38-member staff regularly conducts audits of risk management systems and the status of risk management. Internal auditing plans and their findings are put on the agenda of the Executive Meeting and reported to the Executive Meeting. Based on audit findings, each workplace carries out necessary improvement measures and otherwise strives to conduct business operations appropriately.

The Office of Internal Auditing, corporate auditors and accounting auditors all play important roles in corporate governance by conducting audits while coordinating with one another in an appropriate manner. Close coordination is maintained through discussions of auditing plans and findings.

Ensuring the Appropriateness of Group Business

The appropriateness of Group business is ensured by disseminating the basic management policies and action guidelines such as the Kansai Electric Power Group's Management Vision and the Kansai Electric Power Group's CSR Action Charter. We also provide support and instruction related to maintaining management systems that are implemented independently by Subsidiary companies, based on internal rules pertaining to Subsidiary company management.

We participate in the decision-making process on important matters made by Subsidiary companies and regularly monitor management practices in an effort to prevent erosion in the Group's corporate value.

Directors and Auditors

As of July 13, 2012



Shosuke Mori*
Chairman and Director



Makoto Yagi*
President and Director



Masafumi Ikari*
Executive Vice President
and Director



Masao Ikoma*
Executive Vice President
and Director



Hideki Toyomatsu*
Executive Vice President
and Director



Jiroh Kagawa*
Executive Vice President
and Director



Shigeki Iwane*
Executive Vice President
and Director

Managing Directors

Yuzuru Hiroe
Noriaki Hashimoto
Youichi Mukae
Yoshihiro Doi
Ryohei Shirai
Masahiro Iwatani
Yasuhiro Yashima

Directors

Tatsuya Kawabe
Noriyuki Inoue
Akio Tujii
Ryosuke Tamakoshi

Senior Corporate Auditors

Sakae Kanno
Yasunari Tamura
Masahiro Izumi

Corporate Auditors

Takaharu Dohi
Yoichi Morishita
Motoyuki Yoshimura
Hisako Makimura

*Representative Directors

Financial Section

Contents

Financial Results and Analysis (Consolidated)	33
Consolidated Balance Sheets	37
Consolidated Statements of Income	39
Consolidated Statement of Comprehensive Income	40
Consolidated Statements of Changes in Equity	41
Consolidated Statements of Cash Flows	42
Notes to Consolidated Financial Statements	44
Independent Auditors' Report	61
Non-Consolidated Balance Sheets	63
Non-Consolidated Statements of Operations	65
Non-Consolidated Statements of Changes in Equity	66
Five-Year Summary of Selected Operational Data	67

**The Kansai Electric Power Company,
Incorporated and Subsidiaries**

Consolidated Financial Statements
for the Years Ended March 31, 2012, and
Independent Auditor's Report

Financial Results and Analysis (Consolidated)

The Kansai Electric Power Company, Incorporated and Subsidiaries

Overview

Operating Profit

Electric Power

In this fiscal year, while putting maximum priority on appeals for conservation of electricity, the Group has responded fully to the various demands of customers regarding energy conservation, cost reduction and CO₂ reduction. As a result, there were 81,000 homes converted to fully electric homes and 2,429 cases of customers adopting a system of load sharing, low energy consumption and low carbon output.

As for revenue, despite a decrease in revenue from lighting and power due to the reduction in electricity sales volume, because of an increase in revenue from the sale of electrical power to other power companies, operating revenue increased ¥6,898 million, or 0.3%, compared with the previous fiscal year, to ¥2,415,095 million.

On the other hand, with regard to expenditure, despite efforts to reduce costs across all business operations, because of the reduced usage of nuclear power plants and the influence of rising fuel prices, there was an increase in thermal fuel costs and electricity purchases from other companies, and due to these and other factors, there was an operating loss of ¥276,870 million, leading to a decrease in profits by ¥495,153 million compared with the previous fiscal year.

IT/Communications

Leveraging its optical fiber network established throughout the Kansai region, the Group provides comprehensive IT/Communications services for individual and corporate customers with an extensive menu of offerings to meet customer needs.

In this segment, the Group worked to acquire customers through aggressive sales activities in a fiercely competitive climate. For mainstay FTTH services, the Group provided Internet, phone and television services under the eo HIKARI brand, while taking full advantage of its 90% coverage ratio in the six prefectures that comprise the Kinki region. Contracts for these services numbered 1.3 million as of the end of the fiscal year under review, an increase of 9.9% compared with the end of the previous fiscal year.

As a result of these efforts, operating revenues from the IT/Communications segment increased ¥11,820 million, or 8.6%, compared with the previous fiscal year, to ¥148,525 million; operating income totaled ¥24,030 million, a year-on-year increase of ¥3,468 million, or 16.9%.

Other

In the integrated energy supply business, the Group provides customers with optimal energy solutions through sales of gas of other energy sources and solutions such as the utility service. In the lifecycle-related business, the Group provides housing-related services, including totally electric homes, and lifecycle-related services, which include home security and management tools for nursing care and healthcare. These products and services are provided in order to help create living environments with high added value and help make people's lives safe, secure and comfortable.

With regard to revenue, in the integrated energy supply business, in addition to increased operating revenue due to increases in the sales volume and sales price of gas, an increase in the number of condominiums in lifecycle-related business led to an increase in revenue.

As a result, the operating revenue for other business totaled ¥247,803 million, an increase of ¥22,921 million, or 10.2%, compared with the previous fiscal year, but operating profit totaled ¥25,441 million, a decrease of ¥7,749 million, or 23.3%, compared with the previous fiscal year.

Ordinary Loss

Other income amounted to ¥34,307 million, an increase of ¥1,442 million, or 4.4%, compared with the previous fiscal year. The increase is attributable to an increase in interest income and other factors. As a result, total ordinary revenues, which include operating revenues, increased by ¥43,082 million, or 1.5%, to ¥2,845,731 million.

Other expenses amounted to ¥70,456 million, an increase of ¥1,692 million, or 2.5%, compared with the previous fiscal year.

Other expenses increased due to an increase in impairment losses on securities holdings and other factors.

As a result, ordinary expenses, which includes operating expenses, increased by ¥546,606 million, or 21.3%, to ¥3,111,269 million.

As a result of the above, there was an ordinary loss of ¥265,537 million, leading to a decrease in profits by ¥503,524 million, compared with the previous fiscal year.

Net Loss for this Fiscal Year

As water was plentiful this fiscal year, with an outflow rate of 110.05%, a reserve of ¥9,134 million was set aside to offset costs in times of water shortage, in accordance with the Electric Utility Industry Law. Because of this, the net loss for this fiscal year (adjusted for tax and other factors) was ¥242,257 million, leading to a decrease in profits by ¥365,401 million, or 3.2%, compared with the previous fiscal year.

Financial Position

Cash Flow

As for cash flow from business activities, due to increases in thermal fuel costs and payments for purchase of electricity from other companies, revenue was ¥43,869 million, a reduction of ¥566,679 million, or 92.8%, compared with the previous fiscal year.

As for cash flow from investment activities, due to a reduction in capital investments, and loans and investments in other companies, expenditure came to ¥408,357 million, a reduction of ¥139,639 million, or 25.5%, compared with the previous fiscal year.

As for cash flow from financial activities, due to an increase in interest-bearing liabilities and other factors, expenditure from the previous fiscal year contributed to the revenue for this fiscal year, which amounted to ¥399,193 million, an increase of ¥443,516 compared with the previous fiscal year.

As a result, cash and cash equivalents at the end of the fiscal year under review totaled ¥128,514 million, an increase of ¥33,063 million, or 34.6%, compared with the end of the previous fiscal year.

Assets, Liabilities and Net Assets

Assets

Although capital investment decreased by ¥34,886 million, or 7.7%, to ¥420,621 million, due to an increase in reserve funds from reprocessing of spent fuel, etc., total assets increased by ¥211,174 million, or 2.9%, compared with the previous fiscal year, to ¥7,521,352 million.

Liabilities

Due to an increase in interest-bearing liabilities of ¥455,160 million, or 13.3%, in response to increases in expenditure such as for fuel costs, total liabilities came to ¥5,991,508 million, an increase of ¥513,746, or 9.4%, compared with the previous fiscal year.

Net Assets

Due to a net profit for the fiscal year totaling ¥242,257 million and payment of dividends, etc., the total net assets came to ¥1,529,843 million, a decrease of ¥302,752 million, or 16.5%, compared with the end of previous fiscal year.

Due to this, net assets per share were ¥1,689.73, decreasing ¥336.80 compared with the end of the previous fiscal year.

Dividend Policy

The Company had set financial goals for the average amount of dividends for March from the years 2009 to 2013 and the amount for March 2013, and had also set a goal of around 4% for the rate of total distribution on net assets* for March in each fiscal year from 2008 to 2013 on a consolidated basis as the policy for premium redemption to shareholders.

However, because it cannot be foreseen when non-operating power plants will be able to resume operations and the business environment is uncertain, the business performance prediction for this fiscal year has been left undetermined. Based on these circumstances, it was decided to withdraw the policy for premium redemption to shareholders which had been set using the previously adopted financial goals and rate of total distribution on net assets as indices.

* The rate of total distribution on net assets for fiscal year (N) = ((total amount of dividend for fiscal year (N)) + (total amount of repurchased its own shares for fiscal year (N+1))) / consolidated net assets for fiscal year (N) (average amount of the beginning and end of fiscal year)

With the extremely tough business environment following the Great East Japan Earthquake, the priority issue for the present is to undertake initiatives to ensure a robust financial state, and despite the difficulty in acquiring own shares, the Company will first endeavor to continue stable distribution of dividends. Based on this, the Company will operate on the following policy for premium redemption to shareholders hereafter.

In order to appropriately divide the results of business operations among shareholders, the Company has determined to make stable payment of dividends as its basic policy for premium redemption to shareholders,

In the face of the recent downturn in business performance, the Company will, for the present, endeavor to continue distribution of dividends, with the premise of ensuring a robust financial state.

Financial Results and Analysis (Consolidated)

The Kansai Electric Power Company, Incorporated and Subsidiaries

Business and Other Risks

The following is a description of the principal risks that could impact the operating results and financial position of the Kansai Electric Power Group, which is comprised of Kansai Electric Power and its consolidated subsidiaries.

This is based on the Group's judgment as of June 28, 2012. Circumstances may be influenced by future changes in economic conditions or changes in energy policies or environmental policies relating to such things as the Great East Japan Earthquake or Tokyo Electric Power's Fukushima Daiichi Nuclear Power Station.

1) Economic Conditions

Because total electricity sales volume in the electric business changes with fluctuations in the economy, the business performance of the Group could be impacted by economic conditions or conditions of supply and demand.

2) Changes in the Environment Surrounding Electricity Operations

With regard to electrical power business, the direction taken in investigations into the proper state of future energy mix and the proper state of the electrical power system could lead to a great change in the power supply structure and further increase competition with other businesses.

Back-end nuclear power operations have an extremely long time span and are subject to various uncertainties. However, risks faced by power utilities have been mitigated by the government's regulatory measures. Costs related to the nuclear fuel cycle, including intermediate storage and other back-end nuclear power operations, may increase due to future changes in the regulatory regimes, application of new accounting principles, changes in future cost estimates or other factors.

Also, with regard to the nuclear damage compensation facilitation general burden charge, changes in total financial burden and burden assessment rate could lead to an increase in the amount borne by the Company.

Furthermore, in relation to global warming, according to the direction of Japan's environmental policies and the outlook for achievement of the Kyoto Protocol goals, and also the direction of the next international framework, the Company may incur the burden of additional costs in the future.

The business performance of the Group may be impacted by changes in business conditions surrounding the electric power business, such as the aforementioned changes.

3) Other Businesses

The electric power business accounted for 85.9% of the Group's operating revenues in the fiscal year under review, but the Group is also focused on developing business operations in three other areas, information and telecommunications, integrated energy supply, and lifecycle-related business, with a view to ensuring sustained growth. The Group's business performance could be impacted by changes in business conditions in these areas, including technological innovations and heightened competition with other companies.

4) Weather Conditions

Electricity sales volumes in the electric power business are affected by heating and cooling demand, so the Group's business performance is a potentially affected by weather conditions, especially summer and winter temperatures.

Thermal fuel costs fluctuate based on changes in the amount of power generated by hydroelectric power plants, changes caused by variations in annual rainfall and snowfall totals. A reserve for fluctuations in water level has been set up, but the Group's business performance could still be impacted by fluctuations.

5) Fuel Price Fluctuations

The main fuels used in thermal power generation include LNG, crude oil and coal, so the Group's business performance is potentially impacted by fluctuations in fuel costs caused by trends in crude oil prices, foreign exchange rates, price negotiations and other areas.

However, Japan has a system for adjusting fuel costs in which changes in crude oil prices, foreign exchange rates and other factors are incorporated into electricity rates. When fuel cost fluctuations are within a given range, electricity rates may be adjusted to mitigate their impact on the Group's business performance.

6) Interest Rate Fluctuations

The Group's interest-bearing liabilities totaled ¥3,864,991 million as of March 31, 2012 (51.4% of total assets). Future fluctuations in market interest rates have the potential to affect the Group's business performance.

However, 95.2% (¥3,680,644 million) of the Group's interest-bearing liabilities are in the form of long-term debt, specifically long-term loans and bonds, and the interest rates for nearly all of this long-term debt are fixed, so the impact of interest rate fluctuations on the Group's business performance is limited.

7) Operational Risk

The Group, which is primarily involved in the electric power business, possesses a large number of facilities, starting with power distribution facilities. In order to ensure safe and stable supplies of electricity and other products and services, the Group develops and maintains these facilities, ensures that operations are conducted with ultimate priority placed on safety to prevent accidents, and implements robust measures to ensure full compliance. However, in the event of obstruction in the operation of the Company's facilities, or the power plants of other companies from which the Company receives electricity, due to a natural disaster such as a typhoon, earthquake, or tsunami, or due to compliance problems, the business performance of the Group could be affected.

Additionally, in the event that changes in policies and regulations regarding nuclear power causes a significant decline in the rate of operation at nuclear plants, because the Company has a higher ratio of nuclear power production than other power companies, the business performance of the Group could be greatly impacted by the increase in costs for substitute thermal fuel.

8) Information Management

The Group's business performance may be affected in the event customer information possessed by the Group or other important business-related information is divulged outside the Group or is involved in a similar incident. To mitigate this risk, the Group is working to ensure strict and appropriate information management by reinforcing information systems, establishing related Company rules and training employees.

Consolidated Balance Sheets

The Kansai Electric Power Company, Incorporated and Subsidiaries
March 31, 2012

ASSETS

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2012	2011	2012
PROPERTY:			
Utility plant and equipment	¥ 14,023,710	¥ 13,940,068	\$ 170,729,370
Other plant and equipment (Note 6)	1,509,534	1,466,649	18,377,580
Construction in progress	464,973	382,912	5,660,748
Contributions in aid of construction	(456,460)	(455,673)	(5,557,097)
Accumulated depreciation and amortization	(10,872,227)	(10,594,005)	(132,362,160)
Plant and equipment - net (Note 3)	4,669,530	4,739,950	56,848,440
Nuclear fuel, net of amortization (Note 2.d)	527,737	511,157	6,424,848
Property - net	5,197,267	5,251,108	63,273,288
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Notes 4 and 15)	160,408	171,986	1,952,871
Investments in and advances to associated companies	320,940	319,822	3,907,236
Reserve fund for reprocessing of irradiated nuclear fuel (Notes 2.j and 15)	611,762	534,151	7,447,806
Deferred tax assets (Note 11)	386,582	345,812	4,706,389
Other assets	120,489	116,366	1,466,874
Total investments and other assets	1,600,184	1,488,139	19,481,178
CURRENT ASSETS:			
Cash and cash equivalents (Note 15)	128,514	95,450	1,564,573
Accounts receivable (Note 15)	181,966	173,041	2,215,325
Allowance for doubtful accounts	(2,413)	(2,478)	(29,378)
Inventories (Note 5)	166,068	141,480	2,021,768
Deferred tax assets (Note 11)	46,208	30,712	562,552
Other current assets (Notes 4, 14 and 15)	203,556	132,724	2,478,162
Total current assets	723,900	570,930	8,813,003
TOTAL	¥ 7,521,352	¥ 7,310,178	\$ 91,567,471

See notes to consolidated financial statements.

LIABILITIES AND EQUITY

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2012	2011	2012
LONG-TERM LIABILITIES:			
Long-term debt, less current maturities (Notes 6 and 15)	¥ 3,345,156	¥ 2,823,077	\$ 40,725,059
Liability for retirement benefits (Note 7)	365,689	358,103	4,452,030
Reserve for reprocessing of irradiated nuclear fuel (Note 2.j)	699,043	704,413	8,510,385
Asset retirement obligations (Notes 2.k and 8)	437,311	427,284	5,323,978
Deferred tax liabilities (Note 11)	251	266	3,057
Other long-term liabilities	81,290	87,081	989,658
Total long-term liabilities	4,928,742	4,400,228	60,004,169
CURRENT LIABILITIES:			
Current maturities of long-term debt (Notes 6 and 15)	362,093	429,628	4,408,244
Short-term borrowings (Notes 9 and 15)	184,347	185,036	2,244,302
Accounts payable (Notes 6 and 15)	233,518	159,143	2,842,927
Payable to associated companies	21,745	22,858	264,739
Accrued income taxes (Note 15)	14,873	61,600	181,070
Deferred tax liabilities (Note 11)		3	
Accrued expenses and other current liabilities	231,584	213,792	2,819,383
Total current liabilities	1,048,161	1,072,063	12,760,673
RESERVE FOR FLUCTUATIONS IN WATER LEVEL	14,604	5,470	177,801
COMMITMENTS AND CONTINGENCIES (Notes 13 and 17)			
EQUITY (Notes 10 and 19):			
Common stock - authorized, 1,784,059,697 shares; issued, 938,733,028 shares in 2012 and 2011	489,320	489,320	5,957,154
Capital surplus	66,634	66,634	811,232
Retained earnings	1,024,581	1,320,745	12,473,597
Treasury stock - at cost: 45,191,617 shares in 2012 and 45,165,851 shares in 2011	(96,256)	(96,227)	(1,171,853)
Accumulated other comprehensive income:			
Unrealized gain on available-for-sale securities	26,669	25,120	324,688
Deferred gain on derivatives under hedge accounting	4,930	5,617	60,022
Foreign currency translation adjustments	(6,035)	(366)	(73,479)
Total	1,509,845	1,810,844	18,381,362
Minority interests	19,998	21,572	243,464
Total equity	1,529,843	1,832,416	18,624,826
TOTAL	¥ 7,521,352	¥ 7,310,178	\$ 91,567,471

See notes to consolidated financial statements.

Consolidated Statement of Operations

The Kansai Electric Power Company, Incorporated and Subsidiaries
Years Ended March 31, 2012

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2012	2011	2012
OPERATING REVENUES:			
Electric	¥ 2,415,095	¥ 2,408,196	\$ 29,402,181
Other (Note 13)	396,329	361,587	4,825,042
Total operating revenues	2,811,424	2,769,783	34,227,223
OPERATING EXPENSES (Note 12):			
Electric	2,691,455	2,183,073	32,766,687
Other	349,357	312,824	4,253,190
Total operating expenses	3,040,812	2,495,897	37,019,877
OPERATING (LOSS) INCOME	(229,388)	273,885	(2,792,654)
OTHER (INCOME) EXPENSES:			
Interest and dividend income	(12,628)	(11,313)	(153,747)
Interest expense	51,324	52,216	624,842
Equity in earnings of associated companies	(7,514)	(6,260)	(91,484)
Effect of application of the accounting standard for asset retirement obligations		37,105	
Other - net	4,967	1,257	60,474
Total other expenses	36,148	73,004	440,084
(LOSS) INCOME BEFORE PROVISION FOR RESERVE FOR FLUCTUATIONS IN WATER LEVEL, INCOME TAXES AND MINORITY INTERESTS	(265,537)	200,881	(3,232,738)
PROVISION FOR RESERVE FOR FLUCTUATIONS IN WATER LEVEL	9,134	5,470	111,203
(LOSS) INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	(274,671)	195,410	(3,343,942)
INCOME TAXES (Note 11):			
Current	19,592	93,060	238,525
Deferred	(52,889)	(21,317)	(643,889)
Total income taxes	(33,296)	71,742	(405,363)
NET (LOSS) INCOME BEFORE MINORITY INTERESTS	(241,374)	123,668	(2,938,578)
MINORITY INTERESTS IN NET INCOME	882	524	10,745
NET (LOSS) INCOME	¥ (242,257)	¥ 123,143	\$ (2,949,324)
PER SHARE OF COMMON STOCK (Notes 2.r and 18):			
Basic net (loss) income	¥ (271.12)	¥ 137.66	\$ (3.30)
Cash dividends applicable to the year	60.00	60.00	0.73

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

The Kansai Electric Power Company, Incorporated and Subsidiaries
Years Ended March 31, 2012

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2012	2011	2012
NET (LOSS) INCOME BEFORE MINORITY INTERESTS	¥ (241,374)	¥ 123,668	\$ (2,938,578)
OTHER COMPREHENSIVE (LOSS) INCOME (Note 16):			
Unrealized gain (loss) on available-for-sale securities	600	(5,873)	7,307
Deferred loss on derivatives under hedge accounting	(686)	(9,611)	(8,362)
Foreign currency translation adjustments	(6,600)	1,453	(80,362)
Share of other comprehensive (loss) income in associates	942	(1,313)	11,474
Total other comprehensive loss	(5,745)	(15,344)	(69,942)
COMPREHENSIVE (LOSS) INCOME (Note 16)	¥ (247,119)	¥ 108,324	\$ (3,008,521)
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO (Note 16):			
Owners of the parent	¥ (247,063)	¥ 107,455	\$ (3,007,838)
Minority interests	(56)	868	(682)

See notes to consolidated financial statements.

Consolidated Statements of Changes in Equity

The Kansai Electric Power Company, Incorporated and Subsidiaries
Years Ended March 31, 2012

	Millions of Yen										
	Number of Shares of Common Stock Outstanding	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income				Minority Interests	Total Equity
						Unrealized Gain (Loss) on Available-for-Sale Securities	Deferred Gain (Loss) on Derivatives under Hedge Accounting	Foreign Currency Translation Adjustments	Total		
BALANCE, APRIL 1, 2010	946,337,828	¥ 489,320	¥ 66,634	¥ 1,271,959	¥ (95,647)	¥ 32,316	¥ 15,228	¥ (1,483)	¥ 1,778,329	¥ 11,100	¥ 1,789,429
Net income				123,143					123,143		123,143
Cash dividends, ¥60 per share				(53,876)					(53,876)		(53,876)
Change in scope of equity method				(4,177)					(4,177)		(4,177)
Purchase of treasury stock					(17,000)				(17,000)		(17,000)
Disposal of treasury stock			(2)		119				116		116
Retirement of treasury stock	(7,604,800)		(16,301)		16,301						
Transfer to capital surplus from retained earnings			16,303	(16,303)							
Net change in the year						(7,196)	(9,611)	1,116	(15,690)	10,471	(5,219)
BALANCE, MARCH 31, 2011	938,733,028	489,320	66,634	1,320,745	(96,227)	25,120	5,617	(366)	1,810,844	21,572	1,832,416
Net loss				(242,257)					(242,257)		(242,257)
Cash dividends, ¥60 per share				(53,633)					(53,633)		(53,633)
Effect of change of fiscal terms of subsidiaries (Note 2.b)				(266)					(266)		(266)
Purchase of treasury stock					(47)				(47)		(47)
Disposal of treasury stock			(6)		18				12		12
Transfer to capital surplus from retained earnings			6	(6)							
Net change in the year						1,549	(686)	(5,669)	(4,806)	(1,573)	(6,380)
BALANCE, MARCH 31, 2012	938,733,028	¥ 489,320	¥ 66,634	¥ 1,024,581	¥ (96,256)	¥ 26,669	¥ 4,930	¥ (6,035)	¥ 1,509,845	¥ 19,998	¥ 1,529,843

	Thousands of U.S. Dollars (Note 1)										
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income				Minority Interests	Total Equity	
					Unrealized Gain (Loss) on Available-for-Sale Securities	Deferred Gain (Loss) on Derivatives under Hedge Accounting	Foreign Currency Translation Adjustments	Total			
BALANCE, MARCH 31, 2011	\$ 5,957,154	\$ 811,232	\$ 16,079,194	\$ (1,171,502)	\$ 305,823	\$ 68,384	\$ (4,461)	\$ 22,045,826	\$ 262,624	\$ 22,308,450	
Net loss			(2,949,324)					(2,949,324)		(2,949,324)	
Cash dividends, \$0.73 per share			(652,950)					(652,950)		(652,950)	
Effect of change of fiscal terms of subsidiaries (Note 2.b)			(3,243)					(3,243)		(3,243)	
Purchase of treasury stock				(581)				(581)		(581)	
Disposal of treasury stock		(78)		229				150		150	
Transfer to capital surplus from retained earnings		78	(78)								
Net change in the year					18,865	(8,362)	(69,017)	(58,514)	(19,160)	(77,675)	
BALANCE, MARCH 31, 2012	\$ 5,957,154	\$ 811,232	\$ 12,473,597	\$ (1,171,853)	\$ 324,688	\$ 60,022	\$ (73,479)	\$ 18,381,362	\$ 243,464	\$ 18,624,826	

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

The Kansai Electric Power Company, Incorporated and Subsidiaries
Years Ended March 31, 2012

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2012	2011	2012
OPERATING ACTIVITIES:			
(Loss) income before income taxes and minority interests	¥ (274,671)	¥ 195,410	\$ (3,343,942)
Adjustments for:			
Income taxes - paid	(107,124)	(92,025)	(1,304,173)
Depreciation and amortization	401,813	423,564	4,891,814
Effect of application of the accounting standard for asset retirement obligations		37,105	
Decommissioning cost of nuclear power units	6,665	12,225	81,149
Amortization of nuclear fuel	19,383	39,387	235,987
Loss on disposal of property, plant and equipment	13,096	9,833	159,446
Nuclear fuel transferred to reprocessing costs	15,708	13,556	191,241
Provision for reserve for fluctuations in water level	9,134	5,470	111,203
Changes in assets and liabilities:			
Increase in reserve fund for reprocessing of irradiated nuclear fuel	(77,611)	(86,862)	(944,872)
Increase in trade receivable	(15,193)	(14,126)	(184,974)
Decrease in interest and dividends receivable	4,182	4,351	50,918
Increase in trade payable	66,183	2,996	805,737
Increase (decrease) in interest payable	434	(541)	5,291
Increase in liability for retirement benefits	7,586	10,576	92,354
Increase (decrease) in reserve for reprocessing of irradiated nuclear fuel	(5,370)	6,120	(65,385)
Other - net	(20,347)	43,505	(247,715)
Total adjustments	318,540	415,137	3,878,024
Net cash provided by operating activities	43,869	610,548	534,081
INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	(410,242)	(464,078)	(4,994,428)
Payments for investments and advances	(13,408)	(96,752)	(163,238)
Proceeds from sales of investments or collections of advances	7,209	4,710	87,772
Other - net	8,083	8,123	98,416
Net cash used in investing activities	(408,357)	(547,996)	(4,971,478)
FINANCING ACTIVITIES:			
Proceeds from issuance of bonds		199,386	
Proceeds from long-term debt (exclusive of bonds)	885,480	207,789	10,780,139
Proceeds from short-term loans	316,061	282,904	3,847,836
Proceeds from issuance of commercial papers	508,000	670,000	6,184,562
Redemption of bonds	(170,017)	(81,200)	(2,069,850)
Repayments of long-term debt (exclusive of bonds)	(258,485)	(275,583)	(3,146,884)
Repayments of short-term loans	(316,750)	(275,392)	(3,856,228)
Repayments of commercial papers	(508,000)	(710,000)	(6,184,562)
Dividends paid	(53,609)	(53,897)	(652,663)
Other - net (Note 2.t)	(3,485)	(8,330)	(42,437)
Net cash provided by (used in) financing activities - (Continued)	399,193	(44,322)	4,859,911

Consolidated Statements of Cash Flows

The Kansai Electric Power Company, Incorporated and Subsidiaries
Years Ended March 31, 2012

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2012	2011	2012
NET CASH PROVIDED BY OPERATING, INVESTING AND FINANCING ACTIVITIES - (Forward)	¥ 34,705	¥ 18,228	\$ 422,515
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS ...	(805)	(303)	(9,804)
NET INCREASE IN CASH AND CASH EQUIVALENTS	33,900	17,924	412,711
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	95,450	77,525	1,162,050
DECREASE IN CASH AND CASH EQUIVALENTS RESULTING FROM CHANGE OF FISCAL TERMS OF SUBSIDIARIES	(836)		(10,188)
CASH AND CASH EQUIVALENTS, END OF YEAR	¥ 128,514	¥ 95,450	\$ 1,564,573

NONCASH INVESTING AND FINANCING ACTIVITIES:

Increase in assets and liabilities due to applying the new accounting standard for asset retirement obligations in 2011:

	Millions of Yen 2011
Utility plant and equipment	¥ 49,805
Other plant and equipment	1,124
Asset retirement obligations	427,284

The increase of asset retirement obligations included ¥326,670 million transferred from the balance of reserve for decommissioning of nuclear power units.

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

The Kansai Electric Power Company, Incorporated and Subsidiaries
Years Ended March 31, 2012

1. BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act, the Japanese Electricity Utilities Industry Act, and the related accounting regulations and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

Japanese yen figures less than a million yen are rounded down to the nearest million yen, except for per share data.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2011 consolidated financial statements to conform to the classifications used in 2012 consolidated financial statements.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which The Kansai Electric Power Company, Incorporated (the "Company") is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥82.14 to \$1, the approximate rate of exchange at March 31, 2012. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

U.S. dollar figures less than a thousand dollars are rounded down to the nearest thousand dollars, except for per share data.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Principles of Consolidation and Accounting for Investments in Associated Companies

- The consolidated financial statements as of March 31, 2012, include the accounts of the Company and all (58 in 2012 and 59 in 2011) subsidiaries (collectively, the "Companies").

Under the control or influence concept, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Company has the ability to exercise significant influence are accounted for by the equity method.

Investments in four (four in 2011) associated companies are accounted for by the equity method. Investments in the remaining associated companies are stated at cost. Had the equity method been applied to the investments in these companies, the effect on the accompanying

consolidated financial statements would be immaterial.

The excess of the cost of acquisition over the fair value of the net assets of the acquired subsidiary or associated company and business at the date of acquisition is amortized over a period of 5 to 20 years.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Companies is also eliminated.

b. Subsidiaries' Fiscal Year-End - The fiscal year end of four subsidiaries is December 31. The Company consolidates such subsidiaries' financial statements using their financial results for the year ended December 31. The effects of any significant transactions during the period between the subsidiaries' fiscal year-end and the Company's fiscal year end are reflected in the consolidated financial statements.

During the current fiscal year, two subsidiaries changed their year end closing dates from December 31 to March 31. The effect of those changes on retained earnings is presented in the consolidated statement of changes in equity.

c. Business Combination - In October 2003, the Business Accounting Council issued a Statement of Opinion, "Accounting for Business Combinations", and in December 2005, the Accounting Standards Board of Japan (ASBJ) issued ASBJ Statement No. 7, "Accounting Standard for Business Divestitures" and the ASBJ Guidance No. 10, "Guidance for Accounting Standard for Business Combinations and Business Divestitures". The accounting standard for business combinations allows companies to apply the pooling-of-interests method of accounting only when certain specific criteria are met such that the business combination is essentially regarded as a uniting-of-interests. For business combinations that do not meet the uniting-of-interests criteria, the business combination is considered to be an acquisition and the purchase method of accounting is required. This standard also prescribes the accounting for combinations of entities under common control and for joint ventures.

In December 2008, the ASBJ issued a revised accounting standard for business combinations, ASBJ Statement No. 21, "Accounting Standard for Business Combinations". Major accounting changes under the revised accounting standard are as follows: (1) The revised standard requires accounting for business combinations only by the purchase method. As a result, the pooling-of-interests method of accounting is no longer allowed. (2) The previous accounting standard required research and development costs to be charged to income as incurred. Under the revised standard, in-process research and development costs acquired in the business combination is capitalized as an intangible asset. (3) The previous accounting standard provided for a bargain purchase gain (negative goodwill) to be systematically amortized over a period not exceeding

Notes to Consolidated Financial Statements

The Kansai Electric Power Company, Incorporated and Subsidiaries
Years Ended March 31, 2012

20 years. Under the revised standard, the acquirer recognizes the bargain purchase gain in profit or loss immediately on the acquisition date after reassessing and confirming that all of the assets acquired and all of the liabilities assumed have been identified after a review of the procedures used in the purchase allocation. The revised standard was applicable to business combinations undertaken on or after April 1, 2010.

d. Property, Depreciation and Amortization - Property is stated at cost. Contributions in aid of construction, which include certain amounts assessed to and collected from customers, are deducted from the costs of the related assets in accordance with the regulations.

Depreciation is principally computed by the declining-balance method based on the estimated useful lives of the assets.

Amortization of nuclear fuel is computed based on the quantity of heat produced for the generation of electricity. Accumulated amortization of nuclear fuel at March 31, 2012 and 2011, was ¥94,429 million (\$1,149,610 thousand) and ¥93,807 million, respectively.

e. Impairment of Fixed Assets - The Companies review their fixed assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

f. Investment Securities - The Companies' securities are classified and accounted for as follows: (1) held-to-maturity debt securities, which management has the positive intent and ability to hold to maturity, are reported at amortized cost; (2) available-for-sale securities whose fair value is not readily determinable are reported at cost; and (3) available-for-sale securities whose fair value is readily determinable are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported as a separate component of equity.

The cost of securities sold is determined by the moving-average method.

g. Cash Equivalents - Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value.

Cash equivalents include time deposits, certificate of

deposits, commercial paper, and bond funds, all of which mature or become due within three months of the date of acquisition.

h. Inventories - Inventories, mainly fuel, are stated at the lower of cost, determined by the average method or net selling value.

i. Retirement and Pension Plan - The Company and certain consolidated subsidiaries have defined contribution pension plans, unfunded defined benefit pension plan, contributory funded pension plans, and unfunded lump-sum severance payment plans.

The Companies account for the liability for retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date.

Prior service cost is being amortized by the straight-line method over a period of principally three years. Actuarial gains or losses are being recognized by the straight-line method over a period of principally three years.

j. Reserve for Reprocessing of Irradiated Nuclear

Fuel - The Company provided a reserve for the reprocessing of irradiated nuclear fuel at the present value of the amount that would be required to reprocess only the irradiated nuclear fuel actually planned to be reprocessed in accordance with the accounting standard applicable to the electricity industry.

The cumulative effect of the adoption of the accounting standard of ¥312,810 million as of April 1, 2005, which was adjusted in accordance with the Irradiated Nuclear Fuel Reprocessing Fund Act, is being amortized over 15 years. The effect of this adjustment was immaterial. The unrecognized portion of such cumulative effect was ¥165,906 million (\$2,019,797 thousand) and ¥186,644 million at March 31, 2012 and 2011, respectively.

The estimated future reprocessing costs are discounted at 1.6% and 1.5% at March 31, 2012 and 2011, respectively, for the quantity of the irradiated nuclear fuel covered by the definite reprocessing plan.

The unrecognized estimation gain of ¥7,242 million (\$88,170 thousand) and ¥23,436 million at March 31, 2012 and 2011, respectively, resulting from the difference in assumptions for calculations of the reserve, such as expected future cash flows and the discount rate, will be recognized over a period for which irradiated fuel actually planned to be reprocessed is generated.

The Company appropriated ¥132,329 million (\$1,611,028 thousand) and ¥143,026 million for "Reserve fund for reprocessing of irradiated nuclear fuel" at March 31, 2012 and 2011, respectively, in accordance with the Japanese Electricity Utilities Industry Act and related accounting regulations.

Regarding the quantity of the irradiated nuclear fuel not covered by the definite reprocessing plan, the reserve

was established from April 1, 2006, in accordance with the accounting standard applicable to the electricity industry. The estimated future reprocessing costs are discounted at 4% at March 31, 2012 and 2011.

k. Asset Retirement Obligations - In March 2008, the ASBJ published the accounting standard for asset retirement obligations, ASBJ Statement No. 18 "Accounting Standard for Asset Retirement Obligations" and ASBJ Guidance No. 21 "Guidance on Accounting Standard for Asset Retirement Obligations". Under this accounting standard, an asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development and the normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset. The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense in appropriate manners. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an increase or a decrease in the carrying amount of the liability and the capitalized amount of the related asset retirement cost. This standard was effective for fiscal years beginning on or after April 1, 2010.

The Company applied this accounting standard effective April 1, 2010. The Company mainly recognizes an asset retirement obligation with regard to the costs for decommissioning of nuclear power units, which are regulated under the Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors. The amount of this asset retirement obligation is based on the total estimation amount of decommissioning of nuclear power units. The estimated useful life is equal to the operation period of a specific nuclear power unit, which is a basis of calculation of the total estimation amount of electric energy, and a discount rate of 2.3% is used. In addition, in accordance with the ASBJ Guidance No. 21 and the Ministerial Ordinance Concerning Reserve for Decommissioning of Nuclear Power Units, the asset retirement cost is subsequently allocated to expenses along with the actual nuclear power generation.

l. Reserve for Fluctuations in Water Level - A reserve for fluctuations in water level is provided for costs expected

to be incurred from insufficient water levels in accordance with the Japanese Electricity Utilities Industry Act and related accounting regulations.

m. Leases - In March 2007, the ASBJ issued ASBJ Statement No. 13, "Accounting Standard for Lease Transactions", which revised the previous accounting standard for lease transactions issued in June 1993. The revised accounting standard for lease transactions was effective for fiscal years beginning on or after April 1, 2008, with early adoption permitted for fiscal years beginning on or after April 1, 2007.

As lessee

Under the previous accounting standard, finance leases that were deemed to transfer ownership of the leased property to the lessee were capitalized. However, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if capitalized" information was disclosed in the notes to the lessee's consolidated financial statements. The revised accounting standard requires that all finance lease transactions be capitalized by recognizing lease assets and lease obligations in the balance sheet. In addition, the revised accounting standard permits leases which existed at the transition date and do not transfer ownership of the leased property to the lessee to be accounted for as operating lease transactions with certain "as if capitalized" information disclosed in the notes to the lessee's consolidated financial statements.

The Companies applied the revised accounting standard effective April 1, 2008. In addition, the Companies accounted for leases which existed at the transition date and do not transfer ownership of the leased property to the lessee as operating lease transactions. However, the Companies do not disclose "as if capitalized" information because there is an immaterial effect on the consolidated financial statements.

As lessor

Under the previous accounting standard, finance leases that were deemed to transfer ownership of the leased property to the lessee were to be treated as sales. However, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if sold" information was disclosed in the notes to the lessor's consolidated financial statements. The revised accounting standard requires that all finance leases that deem to transfer ownership of the leased property to the lessee should be recognized as lease receivables, and all finance leases that do not deem to transfer ownership of the leased property to the lessee should be recognized as investments in leases.

All other leases are accounted for as operating leases.

Notes to Consolidated Financial Statements

The Kansai Electric Power Company, Incorporated and Subsidiaries
Years Ended March 31, 2012

n. Income Taxes - The provision for income taxes is computed based on the pretax income included in the consolidated statement of operations. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

o. Foreign Currency Transactions - All receivables and payables denominated in foreign currencies are translated into Japanese yen at the current exchange rates as of the balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated statement of operations to the extent that they are not hedged by the forward exchange contracts.

p. Foreign Currency Financial Statements - The balance sheet accounts of the consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rate as of the balance sheet date except for equity, which is translated at the historical rate. Revenue and expense accounts of consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rate as of the balance sheet date. Differences arising from such translation are shown as "Foreign currency translation adjustments" under accumulated other comprehensive income in a separate component of equity.

q. Derivatives and Hedging Activities - The Companies use principally foreign exchange forward contracts, currency swaps, interest rate swaps and commodity swaps, in the normal course of business to manage their exposures to fluctuations in foreign exchange, interest rates, fuel price, and so on. The Companies do not enter into derivatives for trading or speculative purposes. Derivative financial instruments and foreign currency transactions are classified and accounted for as follows: (1) all derivatives are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the consolidated statement of operations and (2) for derivatives used for hedging purposes, if such derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on those derivatives are deferred until maturity of the hedged transactions.

Assets and liabilities denominated in foreign currencies for which foreign exchange forward contracts and currency swaps are used to hedge the foreign currency fluctuations are translated at the contracted rate if the forward contracts and currency swaps qualify for hedge accounting.

The interest rate swaps that qualify for hedge accounting and meet specific matching criteria are not remeasured at

fair value, but the differential paid or received under the swap agreements are recognized and included in interest expense or income.

r. Per Share Information - Basic net income or loss per share is computed by dividing net income or loss available to common shareholders by the weighted-average number of common shares outstanding in each period, retroactively adjusted for stock splits.

Cash dividends per share presented in the accompanying consolidated statements of operations are dividends applicable to the respective years, including dividends to be paid after the end of the year.

s. Accounting Changes and Error Corrections - In December 2009, the ASBJ issued ASBJ Statement No. 24, "Accounting Standard for Accounting Changes and Error Corrections" and ASBJ Guidance No. 24, "Guidance on Accounting Standard for Accounting Changes and Error Corrections". Accounting treatments under this standard and guidance are as follows: (1) Changes in Accounting Policies - When a new accounting policy is applied with revision of accounting standards, the new policy is applied retrospectively unless the revised accounting standards include specific transitional provisions. When the revised accounting standards include specific transitional provisions, an entity shall comply with the specific transitional provisions. (2) Changes in Presentations - When the presentation of financial statements is changed, prior-period financial statements are reclassified in accordance with the new presentation. (3) Changes in Accounting Estimates - A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods. (4) Corrections of Prior-Period Errors - When an error in prior-period financial statements is discovered, those statements are restated. This accounting standard and the guidance are applicable to accounting changes and corrections of prior-period errors which are made from the beginning of the fiscal year that begins on or after April 1, 2011.

t. Changes in Presentations - Purchases of treasury stock was disclosed separately in FINANCING ACTIVITIES section of the consolidated statement of cash flows for the year ended March 31, 2011. Since the amount decreased, such amount is included in the "Other - net" among financing activities of the consolidated statement of cash flows for the year ended March 31, 2012. The amount included in the "Other - net" for the year ended March 31, 2011, was ¥17,000 million.

3. PLANT AND EQUIPMENT

Plant and equipment, at carrying value, at March 31, 2012 and 2011, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Hydroelectric power production facilities	¥ 326,256	¥ 340,705	\$ 3,971,952
Thermal power production facilities	452,128	514,367	5,504,368
Nuclear power production facilities	362,976	374,900	4,419,003
Transmission facilities	1,044,832	1,092,498	12,720,140
Transformation facilities	416,525	423,644	5,070,922
Distribution facilities	853,765	864,029	10,394,034
General facilities	115,780	120,014	1,409,552
Other utility facilities	22,245	23,024	270,826
Other plant and equipment	610,044	603,851	7,426,891
Construction in progress	464,973	382,912	5,660,748
Total	¥ 4,669,530	¥ 4,739,950	\$ 56,848,440

4. INVESTMENT SECURITIES

The information for available-for-sale securities, whose fair values are readily determinable, and held-to-maturity securities at March 31, 2012 and 2011, were as follows:

March 31, 2012	Millions of Yen			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	¥ 33,854	¥ 35,595	¥ 2,175	¥ 67,274
Debt securities	3,539	569	36	4,072
Held-to-maturity debt securities	10,216	270	173	10,313
March 31, 2011				
Securities classified as:				
Available-for-sale:				
Equity securities	¥ 33,924	¥ 37,558	¥ 2,337	¥ 69,145
Debt securities	3,663	670	30	4,304
Held-to-maturity debt securities	11,734	317	131	11,920
March 31, 2012				
	Thousands of U.S. Dollars			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	\$ 412,158	\$ 433,349	\$ 26,486	\$ 819,022
Debt securities	43,096	6,931	446	49,581
Held-to-maturity debt securities	124,382	3,288	2,117	125,554

Notes to Consolidated Financial Statements

The Kansai Electric Power Company, Incorporated and Subsidiaries
Years Ended March 31, 2012

5. INVENTORIES

Inventories at March 31, 2012 and 2011, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Merchandise and finished products	¥ 5,921	¥ 4,504	\$ 72,095
Work in process	4,752	2,952	57,853
Raw materials and supplies	101,498	80,920	1,235,681
Real estate for sale	53,895	53,104	656,137
Total	¥ 166,068	¥ 141,480	\$ 2,021,768

6. LONG-TERM DEBT

Long-term debt at March 31, 2012 and 2011, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Secured bonds:			
0.497% to 3.175%, due serially through 2020	¥ 1,627,690	¥ 1,773,158	\$ 19,816,048
2.75%, due 2012 (payable in Switzerland francs)		24,545	
0.65% to 3.4% secured loans from principally the Development Bank of Japan maturing serially through 2025:			
The Company	338,146	227,893	4,116,709
Subsidiaries	9,954	11,717	121,195
0.18% to 6.0% (0.18% to 6.4% in 2011) unsecured loans from banks, insurance companies and other sources maturing serially through 2036	1,704,852	1,187,479	20,755,453
Obligations under finance leases	26,604	27,911	323,896
Total	3,707,249	3,252,706	45,133,303
Less current maturities	362,093	429,628	4,408,244
Long-term debt, less current maturities	¥ 3,345,156	¥ 2,823,077	\$ 40,725,059

Annual maturities of long-term debt at March 31, 2012, were as follows:

	Millions of Yen	Thousands of U.S. Dollars
Year Ending March 31:		
2013	¥ 362,093	\$ 4,408,244
2014	436,828	5,318,098
2015	401,626	4,889,533
2016	346,833	4,222,471
2017	352,337	4,289,475
2018 and thereafter	1,807,530	22,005,480
Total	¥ 3,707,249	\$ 45,133,303

All of the Company's assets are pledged as collateral for the secured bonds and secured loans from the Development Bank of Japan.

The carrying amounts of subsidiaries' assets pledged as

collateral for accounts payable of ¥1,740 million (\$21,184 thousand) and the above secured loans at March 31, 2012, were as follows:

	Millions of Yen	Thousands of U.S. Dollars
	2012	2012
Property and other	¥ 26,204	\$ 319,022

7. RETIREMENT AND PENSION PLAN

The Company and certain consolidated subsidiaries have retirement benefit plans for employees.

Under most of the circumstances, employees terminating their employment with the Companies, either voluntarily or upon reaching mandatory retirement age, are entitled to retirement benefits based on the rate of pay at the time of

termination, years of service and certain other factors. Such retirement benefits are made in the form of a lump-sum severance payment from the Company or from certain consolidated subsidiaries and annuity payments from a trustee.

The liability for employees' retirement benefits at March 31, 2012 and 2011, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Projected benefit obligation	¥ 350,007	¥ 357,361	\$ 4,261,111
Fair value of plan assets	(3,242)	(4,770)	(39,474)
Unrecognized actuarial gain	18,539	4,720	225,701
Unrecognized prior service cost	377	791	4,596
Prepaid pension cost	7		95
Net liability	¥ 365,689	¥ 358,103	\$ 4,452,030

The components of net periodic retirement benefit costs for the years ended March 31, 2012 and 2011, are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Service cost	¥ 15,638	¥ 16,110	\$ 190,383
Interest cost	6,893	6,695	83,927
Expected return on plan assets	(58)	(101)	(706)
Recognized actuarial gain	(4,579)	(3,589)	(55,750)
Amortization of prior service cost	(51)	(59)	(628)
Other	4,779	4,745	58,191
Net periodic retirement benefit costs	¥ 22,622	¥ 23,801	\$ 275,416

For the years ended March 31, 2012 and 2011, the contributions to the defined contribution pension plan of ¥4,567 million (\$49,566 thousand) and ¥4,536 million, respectively, are included in "Other" in the above table.

Notes to Consolidated Financial Statements

The Kansai Electric Power Company, Incorporated and Subsidiaries
Years Ended March 31, 2012

Principal assumptions used for the years ended March 31, 2012 and 2011, are set forth as follows:

	2012	2011
Discount rate	2.0%	2.0%
Expected rate of return on plan assets	1.25% - 2.5%	1.25% - 2.5%
Allocation method of the retirement benefits expected to be paid at the retirement date	Straight-line method based on years of service	Straight-line method based on years of service
Amortization period of prior service cost	3 years	3 years
Recognition period of actuarial gain/loss	3 years	3 years

In addition, certain consolidated subsidiaries participate in a contributory multiemployer pension plan covering substantially all of their employees.

8. ASSET RETIREMENT OBLIGATIONS

The changes in asset retirement obligations for the years ended March 31, 2012 and 2011, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Balance at beginning of year	¥ 427,284		\$ 5,201,905
Additional provisions	10,068	¥ 427,306	122,583
Reduction	(41)	(22)	(510)
Balance at end of year	¥ 437,311	¥ 427,284	\$ 5,323,978

Additional provisions in 2011 included ¥326,670 million transferred from the balance of reserve for decommissioning of nuclear power units on April 1, 2010.

9. SHORT-TERM BORROWINGS

Short-term borrowings at March 31, 2012 and 2011, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Short-term loans from banks and other sources, weighted-average interest rate of 0.506% and 0.522% at March 31, 2012 and 2011, respectively	¥ 154,347	¥ 155,036	\$ 1,879,072
Commercial paper, weighted-average interest rate of 0.12% and 0.13% at March 31, 2012 and 2011, respectively	30,000	30,000	365,230
Total	¥ 184,347	¥ 185,036	\$ 2,244,302

10. EQUITY

Japanese companies are subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

(a) Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholder's meeting. For companies that meet certain criteria such as (1) having the Board of Directors, (2) having independent auditors, (3) having the Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by the company's articles of incorporation, the Board of Directors may declare dividends (except for dividends in kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. However, the Company cannot do so because it does not meet all the above criteria.

The Companies Act permits companies to distribute dividends-in-kind (noncash assets) to shareholders subject to certain limitation and additional requirements. If the articles of incorporation of the company stipulate, semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

11. INCOME TAXES

The Companies are subject to taxes based on income, such as corporate income tax and inhabitant tax which, in the aggregate, resulted in normal statutory tax rates of approximately 36.2% for the years ended March 31, 2012

(b) Increases/decreases and transfer of common stock, reserve' and surplus

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total aggregate amount of the legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus, and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

(c) Treasury stock and treasury stock acquisition rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders, which is determined by a specific formula. Under the Companies Act, stock acquisition rights are presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

and 2011. The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities at March 31, 2012 and 2011, are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Deferred tax assets:			
Liability for retirement benefits	¥ 113,872	¥ 130,285	\$ 1,386,320
Net operating tax loss carryforwards	83,606	8,365	1,017,850
Depreciation and amortization	77,169	80,675	939,486
Asset retirement obligations	61,249	70,676	745,670
Reserve for reprocessing of irradiated nuclear fuel (with definite plans, Note 2.j) ..	28,820	35,726	350,875
Intercompany profit elimination	27,603	27,935	336,048
Other	133,719	128,645	1,627,943
Less valuation allowance	(58,312)	(63,242)	(709,912)
Total deferred tax assets	¥ 467,728	¥ 419,068	\$ 5,694,283
Deferred tax liabilities:			
Capitalized asset retirement costs	¥ 16,440	¥ 18,305	\$ 200,155
Unrealized gain on available-for-sale securities	10,398	12,605	126,591
Deferred gain on derivatives under hedge accounting	2,355	3,191	28,672
Other	5,995	8,711	72,985
Total deferred tax liabilities	¥ 35,189	¥ 42,814	\$ 428,404
Net deferred tax assets	¥ 432,539	¥ 376,254	\$ 5,265,878

Notes to Consolidated Financial Statements

The Kansai Electric Power Company, Incorporated and Subsidiaries
Years Ended March 31, 2012

A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying

consolidated statement of operations for the year ended March 31, 2012, is as follows:

	2012
Normal effective statutory tax rate	36.2 %
Effect of tax rate reduction	(22.1)
Valuation allowance	(1.3)
Other - net	(0.6)
Actual effective tax rate	12.1 %

A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected for the year ended March 31, 2011, is not disclosed because the difference between the normal effective statutory tax rate and the actual effective tax rate is immaterial.

On December 2, 2011, new tax reform laws were promulgated in Japan, which changed the normal effective statutory tax rate. The effect of this change was decrease in

deferred tax assets in the consolidated balance sheet as of March 31, 2012, by ¥58,525 million (\$712,507 thousand), increase in accumulated other comprehensive income in the consolidated balance sheet as of March 31, 2012, by ¥2,078 million (\$25,302 thousand) and increase in income taxes - deferred in the consolidated statement of operations for the year then ended by ¥60,605 million (\$737,828 thousand).

12. RESEARCH AND DEVELOPMENT COSTS

Research and development costs charged to income were ¥18,188 million (\$221,436 thousand) and ¥18,943 million for the years ended March 31, 2012 and 2011, respectively.

13. RELATED-PARTY DISCLOSURES

Related-party transactions of the Company with an associated company for the years ended March 31, 2012 and 2011, were as follows:

(1) 2012

Category	Name	Address	Capital Stock or Stake	Description of Business
			Millions of Yen	
Associated company	Japan Nuclear Fuel Limited	Rokkasho-mura, Kamikita-gun, Aomori prefecture	¥ 400,000	Uranium enrichment, reprocessing of irradiated nuclear fuel, temporary storage of nuclear fuel materials and wastes, and disposal of low-level radioactive wastes
Voting Right	Relation of Related Party	Detail of Transactions	Transaction Amount	
			Millions of Yen	Thousands of U.S. Dollars
16.6%	Contract on uranium enrichment, reprocessing of irradiated nuclear fuel, temporary storage of nuclear fuel materials and wastes, and disposal of low-level radioactive wastes One director concurrently serves as the Company's director. Three directors were transferred from the Company.	Co-guarantees or guarantees of loans and bonds	¥ 184,641	\$ 2,247,889

(2) 2011

Category	Name	Address	Capital Stock or Stake Millions of Yen	Description of Business
Associated company	Japan Nuclear Fuel Limited	Rokkasho-mura, Kamikita-gun, Aomori prefecture	¥ 400,000	Uranium enrichment, reprocessing of irradiated nuclear fuel, temporary storage of nuclear fuel materials and wastes, and disposal of low-level radioactive wastes

Voting Right	Relation of Related Party	Detail of Transactions	Transaction Amount Millions of Yen
16.6%	Contract on uranium enrichment, reprocessing of irradiated nuclear fuel, temporary storage of nuclear fuel materials and wastes, and disposal of low-level radioactive wastes One director concurrently serves as the Company's director. Four directors were transferred from the Company.	Co-guarantees or guarantees of loans and bonds	¥ 184,044

A consolidated subsidiary sold a condominium to the Company's director for ¥51 million.

14. LEASES**Lessor**

The net investments in lease are summarized as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Gross lease receivables	¥ 9,571	¥ 12,125	\$ 116,521
Residual values	42	38	522
Unearned interest income	(2,128)	(3,461)	(25,915)
Investments in lease, current	¥ 7,485	¥ 8,703	\$ 91,128

Maturities of lease receivables and investments in lease at March 31, 2012, are as follows:

	Lease Receivables		Investments in Lease	
	Millions of Yen	Thousands of U.S. Dollars	Millions of Yen	Thousands of U.S. Dollars
Year Ending March 31				
2013	¥ 2,817	\$ 34,298	¥ 2,963	\$ 36,079
2014	2,806	34,171	2,126	25,887
2015	2,728	33,222	1,327	16,162
2016	2,686	32,710	793	9,666
2017	2,609	31,767	589	7,172
2018 and thereafter	7,859	95,685	1,770	21,553
Total	¥ 21,508	\$ 261,855	¥ 9,571	\$ 116,521

Notes to Consolidated Financial Statements

The Kansai Electric Power Company, Incorporated and Subsidiaries
Years Ended March 31, 2012

15. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

In March 2008, the ASBJ revised ASBJ Statement No. 10 "Accounting Standard for Financial Instruments" and issued ASBJ Guidance No. 19 "Guidance on Accounting Standard for Financial Instruments and Related Disclosures". This accounting standard and the guidance were applicable to financial instruments and related disclosures at for the fiscal years ending on or after March 31, 2010. The Companies applied the revised accounting standard and the guidance effective March 31, 2010.

(1) Policy for Financial Instruments

The Companies use long-term debt including bonds and loans to fund capital expenditures and debt repayments for operating electric power and other businesses if funds on hand are insufficient. Short-term borrowings, mainly commercial papers, are used to fund the ongoing operations.

The Companies raise the capital, mainly denominated in Japanese yen, with fixed interest rates. The redemption periods are decided considering the financial environment and other factors in total.

Investment securities are held principally in relation to the business of electric power.

The reserve fund for reprocessing of irradiated nuclear fuel is reserved and refunded for the reprocessing of irradiated nuclear fuel in accordance with the Irradiated Nuclear Fuel Reprocessing Fund Act and other regulations.

(2) Nature and Extent of Risks Arising from Financial Instruments

Although accounts receivable are exposed to customer credit risk, electricity charges, the major part of accounts receivable, are generally collected within 20 days after reading meters.

(a) Fair value of financial instruments

	Millions of Yen		
	Carrying Amount	Fair Value	Unrealized Gain/Loss
March 31, 2012			
Investment securities	¥ 81,563	¥ 81,660	¥ 96
Reserve fund for reprocessing of irradiated nuclear fuel	611,762	611,762	—
Cash and cash equivalents	128,514	128,514	—
Accounts receivable (exclusive of associated companies)	181,023	181,023	—
Total	¥ 1,002,863	¥ 1,002,960	¥ 96
Long-term debt	¥ 3,680,644	¥ 3,779,122	¥ 98,477
Short-term borrowings	184,347	184,347	—
Accounts payable (exclusive of accrued amount payable)	180,439	180,439	—
Accrued income taxes	14,873	14,873	—
Total	¥ 4,060,304	¥ 4,158,782	¥ 98,477

Investment securities, mainly equity securities, held for operation of electric power business are exposed to the risk of market price fluctuations.

Payment terms of accounts are generally less than one year. Imports of fuels are payable in foreign currencies and are exposed to the market risk of fluctuation in foreign currency exchange rates. Long-term loans with a variable interest rate are exposed to the market risks from changes in interest rates.

Bonds, loans, and commercial papers are exposed to liquidity risk.

(3) Risk Management for Financial Instruments Market Risk Management

Investment securities are managed by reviewing the necessity in the business of electric power, and by monitoring market values and financial position of issuers on a regular basis.

Foreign exchange risk of foreign currency trade payables is hedged principally by forward foreign currency contracts.

Interest rate swaps are used to manage exposure to market risks from changes in interest rates of long-term loans with variable interest rates.

Liquidity Risk Management

The Companies manage liquidity risk by ensuring ready liquidity at the required level, along with financial planning, prepared and updated timely by the Accounting Department of the Company and each subsidiary.

(4) Fair Values of Financial Instruments

Fair values of financial instruments are based on quoted prices in active markets. If a quoted price is not available, other rational valuation techniques are used instead.

A part of investment securities is included in other current assets on the consolidated balance sheets.

Long-term debt includes current maturities of long-term debt on the consolidated balance sheets.

	Millions of Yen		
	Carrying Amount	Fair Value	Unrealized Gain/Loss
March 31, 2011			
Investment securities	¥ 85,413	¥ 85,598	¥ 185
Reserve fund for reprocessing of irradiated nuclear fuel	534,151	534,151	—
Cash and cash equivalents	95,450	95,450	—
Accounts receivable (exclusive of associated companies)	165,829	165,829	—
Total	¥ 880,844	¥ 881,029	¥ 185
Long-term debt	¥ 3,224,795	¥ 3,334,302	¥ 109,507
Short-term borrowings	185,036	185,036	—
Accounts payable (exclusive of accrued amount payable)	113,698	113,698	—
Accrued income taxes	61,600	61,600	—
Total	¥ 3,585,130	¥ 3,694,637	¥ 109,507

	Thousands of U.S. Dollars		
	Carrying Amount	Fair Value	Unrealized Gain/Loss
March 31, 2012			
Investment securities	\$ 992,986	\$ 994,157	\$ 1,171
Reserve fund for reprocessing of irradiated nuclear fuel	7,447,806	7,447,806	—
Cash and cash equivalents	1,564,573	1,564,573	—
Accounts receivable (exclusive of associated companies)	2,203,836	2,203,836	—
Total	\$ 12,209,203	\$ 12,210,374	\$ 1,171
Long-term debt	\$ 44,809,406	\$ 46,008,307	\$ 1,198,900
Short-term borrowings	2,244,302	2,244,302	—
Accounts payable (exclusive of accrued amount payable)	2,196,733	2,196,733	—
Accrued income taxes	181,070	181,070	—
Total	\$ 49,431,513	\$ 50,630,413	\$ 1,198,900

Investment securities

The fair values of investment securities are measured at the quoted market price of the stock exchange for the equity instruments, or at the quoted price obtained from the financial institution. The information related to the fair value of the investment securities by classification is included in Note 4.

Reserve fund for reprocessing of irradiated nuclear fuel

The Company provides a reserve fund for reprocessing of irradiated nuclear fuel in order to carry out properly the plan of reprocessing the irradiated nuclear fuel from practically running the nuclear power unit in accordance with the Irradiated Nuclear Fuel Reprocessing Fund Act. Upon refunding the reserve, the Company needs to follow the plan of refunding the reserve fund for reprocessing of irradiated nuclear fuel that was approved by the Minister of Economy, Trade and Industry. The carrying values of the reserve approximate fair value because the carrying values are determined by discounting the cash flow of future refunding.

Cash and cash equivalents and accounts receivable

The carrying values of cash and cash equivalents and accounts receivable approximate fair value because of their short maturities.

Long-term debt

The fair values of loans are determined by discounting the cash flows related to the debt at the Companies' assumed corporate borrowing rate.

The fair values of corporate bonds approximate market value.

Short-term borrowings, accounts payable, and accrued income taxes

The carrying values of short-term borrowings, accounts payable, and accrued income taxes approximate fair values because of their short maturities.

Notes to Consolidated Financial Statements

The Kansai Electric Power Company, Incorporated and Subsidiaries
Years Ended March 31, 2012

(b) Financial instruments whose fair value cannot be reliably determined

	Carrying Amount		Thousands of U.S. Dollars 2012
	Millions of Yen 2012	2011	
Investments in equity instruments that do not have a quoted market price in an active market	¥ 73,850	¥ 77,347	\$ 899,082
Invested instruments and other	7,219	11,152	87,894

(c) Maturity analysis for financial assets and securities with contractual maturities

	Millions of Yen			
	Due in One Year or Less	Due after One Year through Five Years	Due after Five Years through Ten Years	Due after Ten Years
March 31, 2012				
Investment securities:				
Held-to-maturity securities	¥ 3,000	¥ 3,355	¥ 3,355	¥ 500
Available-for-sale securities with contractual maturities ..	714	713	265	298
Cash and cash equivalents	128,514	—	—	—
Accounts receivable	178,079	2,892	41	9

	Thousands of U.S. Dollars			
	Due in One Year or Less	Due after One Year through Five Years	Due after Five Years through Ten Years	Due after Ten Years
March 31, 2012				
Investment securities:				
Held-to-maturity securities	\$ 36,523	\$ 40,844	\$ 40,844	\$ 6,087
Available-for-sale securities with contractual maturities ..	8,703	8,691	3,227	3,635
Cash and cash equivalents	1,564,573	—	—	—
Accounts receivable	2,167,995	35,209	510	120

The redemption amount from the reserve fund for reprocessing of irradiated nuclear fuel within one year is ¥54,079 million

(\$658,382 thousand).

Please see Note 6 for annual maturities of long-term debt.

16. COMPREHENSIVE INCOME

The components of other comprehensive income for the year ended March 31, 2012, were as follows:

	Millions of Yen	Thousands of U.S. Dollars
	2012	2012
Unrealized gain (loss) on available-for-sale securities:		
Gains (loss) arising during the year	¥ (2,531)	\$ (30,822)
Reclassification adjustments to profit or loss	608	7,411
Amount before income tax effect	(1,922)	(23,410)
Income tax effect	2,523	30,717
Total	¥ 600	\$ 7,307
Deferred gain (loss) on derivatives under hedge accounting:		
Gains (loss) arising during the year	¥ (732)	\$ (8,913)
Reclassification adjustments to profit or loss	(101)	(1,234)
Adjustments to acquisition costs of assets	(690)	(8,400)
Amount before income tax effect	(1,523)	(18,548)
Income tax effect	836	10,186
Total	¥ (686)	\$ (8,362)
Foreign currency translation adjustments:		
Adjustments arising during the year	¥ (6,600)	\$ (80,362)
Share of other comprehensive income in associates:		
Gains arising during the year	¥ 952	\$ 11,590
Reclassification adjustments to profit or loss	(9)	(115)
Total	¥ 942	\$ 11,474
Total other comprehensive income	¥ (5,745)	\$ (69,942)

The corresponding information for the year ended March 31, 2011, was not required under the accounting standard for

presentation of comprehensive income as an exemption for the first year of adopting that standard and not disclosed herein.

17. COMMITMENTS AND CONTINGENCIES

At March 31, 2012, the Companies had firm purchase commitments, principally related to utility plant expansion, of approximately ¥442,363 million (\$5,385,476 thousand). Additionally, the Companies had a number of fuel purchase commitments, most of which specify quantities and terms.

Purchase prices are contingent upon fluctuations of principally market prices.

At March 31, 2012, the Companies had the following contingent liabilities:

	Millions of Yen	Thousands of U.S. Dollars
	2012	2012
Co-guarantees or guarantees of loans and bonds of other companies:		
Japan Nuclear Fuel Limited (Note 13)	¥ 184,641	\$ 2,247,889
Other	15,052	183,252
Total	¥ 199,694	\$ 2,431,142

Notes to Consolidated Financial Statements

The Kansai Electric Power Company, Incorporated and Subsidiaries
Years Ended March 31, 2012

18. NET INCOME PER SHARE

Diluted net income per share (EPS) for the years ended March 31, 2012 and 2011 is not disclosed because the Companies do not issue dilutive securities.

	Millions of Yen	Thousands of Shares Weighted-Average Shares	Yen	Dollars
	Net Income		EPS	
For the year ended March 31, 2012				
Basic EPS:				
Net loss available to common shareholders.....	¥ (242,257)	893,553	¥ (271.12)	\$ (3.30)
For the year ended March 31, 2011				
Basic EPS:				
Net income available to common shareholders...	¥ 123,143	894,566	¥ 137.66	

19. SUBSEQUENT EVENT

On April 27, 2012, the following appropriation of retained earnings at March 31, 2012, was approved at the Company's Board of Directors, which is subject to approval at the

Company's shareholders' meeting planned to be held on June 27, 2012:

	Millions of Yen	Thousands of U.S. Dollars
	2012	2012
Year-end cash dividends, ¥30 (\$0.36) per share.....	¥ 26,816	\$ 326,472

20. SEGMENT INFORMATION

Under ASBJ Statement No. 17, "Accounting Standard for Segment Information Disclosures" and ASBJ Guidance No. 20, "Guidance on Accounting Standard for Segment Information Disclosures", an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

1. Description of reportable segments

The Companies' reportable segments are those for which separate financial information is available and regular evaluation by the Company's management is being performed in order to decide how resources are allocated among the Companies; therefore, the Companies consist of electric power, IT/communications and other.

2. Methods of measurement for the amounts of sales, profit, assets, and other items for each reportable segment

The accounting policies of each reportable segment are consistent to those disclosed in Note 2, "Summary of Significant Accounting Policies".

Information about sales, profit, assets and other items is as follows:

	Millions of Yen						
	2012						
	Reportable Segment			Other	Total	Reconciliations	Consolidated
Electric Power	IT/Communications	Total					
Sales:							
Sales to external customers	¥ 2,415,095	¥ 148,525	¥ 2,563,620	¥ 247,803	¥ 2,811,424		¥ 2,811,424
Intersegment sales or transfers	14,842	58,332	73,174	273,638	346,812	¥ (346,812)	
Total	2,429,937	206,857	2,636,794	521,442	3,158,237	(346,812)	2,811,424
Segment (loss) profit	(276,870)	24,030	(252,839)	25,441	(227,398)	(1,990)	(229,388)
Segment assets	6,330,472	401,115	6,731,588	1,250,358	7,981,947	(460,594)	7,521,352
Other:							
Depreciation	317,076	55,958	373,035	33,242	406,277	(4,463)	401,813
Increase in property and intangible assets	319,133	70,536	389,670	36,299	425,970	(5,348)	420,621

	Millions of Yen						
	2011						
	Reportable Segment			Other	Total	Reconciliations	Consolidated
Electric Power	IT/Communications	Total					
Sales:							
Sales to external customers	¥ 2,408,196	¥ 136,705	¥ 2,544,902	¥ 224,881	¥ 2,769,783		¥ 2,769,783
Intersegment sales or transfers	11,693	55,409	67,103	273,922	341,025	¥ (341,025)	
Total	2,419,890	192,115	2,612,005	498,804	3,110,809	(341,025)	2,769,783
Segment profit	218,283	20,562	238,845	33,190	272,036	1,849	273,885
Segment assets	6,139,291	391,849	6,531,140	1,251,654	7,782,795	(472,616)	7,310,178
Other:							
Depreciation	339,759	51,769	391,529	35,387	426,917	(3,352)	423,564
Increase in property and intangible assets	361,074	71,574	432,648	28,948	461,596	(6,088)	455,508

	Thousands of U.S. Dollars						
	2012						
	Reportable Segment			Other	Total	Reconciliations	Consolidated
Electric Power	IT/Communications	Total					
Sales:							
Sales to external customers	\$ 29,402,181	\$ 1,808,199	\$ 31,210,380	\$ 3,016,843	\$ 34,227,223		\$ 34,227,223
Intersegment sales or transfers	180,692	710,155	890,847	3,331,369	4,222,217	\$ (4,222,217)	
Total	29,582,873	2,518,354	32,101,228	6,348,213	38,449,441	(4,222,217)	34,227,223
Segment (loss) profit	(3,370,710)	292,556	(3,078,153)	309,731	(2,768,422)	(24,231)	(2,792,654)
Segment assets	77,069,302	4,883,316	81,952,618	15,222,290	97,174,909	(5,607,437)	91,567,471
Other:							
Depreciation	3,860,201	681,252	4,541,453	404,701	4,946,155	(54,340)	4,891,814
Increase in property and intangible assets	3,885,243	858,734	4,743,978	441,926	5,185,904	(65,116)	5,120,788

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders of
The Kansai Electric Power Company, Incorporated:

We have audited the accompanying consolidated balance sheet of The Kansai Electric Power Company, Incorporated and subsidiaries as of March 31, 2012, and the related consolidated statements of operations, comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in conformity with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in conformity with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Kansai Electric Power Company, Incorporated and subsidiaries as of March 31, 2012, and the consolidated results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu

June 26, 2012

**The Kansai Electric Power Company,
Incorporated**

Unaudited Non-Consolidated Financial Statements
for the Years Ended March 31, 2012

Non-Consolidated Balance Sheets

The Kansai Electric Power Company, Incorporated
March 31, 2012

ASSETS

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
PROPERTY:			
Plant and equipment	¥ 14,383,604	¥ 14,295,106	\$ 175,110,835
Construction in progress	425,517	344,328	5,180,397
Contributions in aid of construction	(439,519)	(434,535)	(5,350,852)
Accumulated depreciation and amortization	(10,232,810)	(9,991,252)	(124,577,672)
Plant and equipment - net	4,136,792	4,213,647	50,362,708
Nuclear fuel, net of amortization	527,737	511,157	6,424,848
Property - net	4,664,529	4,724,805	56,787,556
INVESTMENTS AND OTHER ASSETS:			
Investment securities	85,932	87,260	1,046,165
Investments in and advances to subsidiaries and associated companies	414,691	391,908	5,048,599
Reserve fund for reprocessing of irradiated nuclear fuel	611,762	534,151	7,447,806
Long-term loans receivable	903	1,287	10,993
Deferred tax assets	333,396	293,027	4,058,880
Other assets	96,303	100,156	1,172,436
Total investments and other assets	1,542,990	1,407,790	18,784,881
CURRENT ASSETS:			
Cash and cash equivalents	92,976	65,624	1,131,921
Accounts receivable	194,625	131,403	2,369,430
Allowance for doubtful accounts	(1,504)	(1,400)	(18,319)
Inventories	94,220	74,341	1,147,073
Deferred tax assets	38,825	22,856	472,671
Other current assets	33,822	32,172	411,765
Total current assets	452,964	324,997	5,514,541
TOTAL	¥ 6,660,484	¥ 6,457,593	\$ 81,086,979

LIABILITIES AND EQUITY

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
LONG-TERM LIABILITIES			
Long-term debt, less current maturities	¥ 2,976,631	¥ 2,437,153	\$ 36,238,507
Liability for retirement benefits	350,728	343,662	4,269,886
Reserve for reprocessing of irradiated nuclear fuel	699,043	704,413	8,510,385
Asset retirement obligations	434,661	424,997	5,291,714
Other long-term liabilities	66,437	72,412	808,826
Total long-term liabilities	4,527,502	3,982,640	55,119,336
CURRENT LIABILITIES:			
Current maturities of long-term debt	297,627	351,303	3,623,417
Short-term borrowings	130,000	130,000	1,582,663
Commercial papers	30,000	30,000	365,230
Accounts payable	178,437	105,264	2,172,352
Payable to subsidiaries and associated companies	113,194	143,185	1,378,063
Accrued income taxes		80,403	
Accrued expenses and other current liabilities	185,617	134,460	2,259,772
Total current liabilities	934,876	974,616	11,381,499
EQUITY			
Common stock, authorized, 1,784,059,697 shares; issued, 938,733,028 shares in 2012 and 2011	489,320	489,320	5,957,154
Capital surplus			
Additional paid-in capital	67,031	67,031	816,060
Other capital surplus			
Retained earnings:			
Legal reserve	122,330	122,330	1,489,288
Unappropriated	576,603	887,900	7,019,760
Unrealized gain on available-for-sale securities	19,465	18,860	236,980
Deferred gain on derivatives under hedge accounting	4,874	5,518	59,344
Treasury stock - at cost 45,191,617 shares in 2012 and 45,165,851 shares in 2011	(96,124)	(96,095)	(1,170,247)
Total equity	1,183,501	1,494,865	14,408,341
TOTAL	¥ 6,660,484	¥ 6,457,593	\$ 81,086,979

U.S. dollar amounts have been translated from yen, for convenience, at the rate of ¥82.14 = U.S.\$1, the approximate rate of exchange at March 31, 2012.

Non-Consolidated Statements of Operations

The Kansai Electric Power Company, Incorporated
Years Ended March 31, 2012

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
OPERATING REVENUES:			
Electricity operating revenues:			
Residential	¥ 1,008,852	¥ 1,028,943	\$ 12,282,114
Commercial and industrial	1,329,826	1,318,674	16,189,752
Other	91,258	72,271	1,111,006
Sub-total	2,429,937	2,419,890	29,582,873
Incidental operating revenues	73,217	56,041	891,380
Total	2,503,155	2,475,931	30,474,254
OPERATING EXPENSES:			
Electricity operating expenses:			
Personnel expenses	236,029	238,790	2,873,496
Fuel	776,842	387,452	9,457,535
Purchased power	530,374	378,220	6,456,951
Maintenance	272,524	275,838	3,317,798
Depreciation and amortization	316,990	339,694	3,859,142
Taxes	144,417	148,463	1,758,181
Other	429,631	433,149	5,230,477
Sub-total	2,706,807	2,201,606	32,953,583
Incidental operating expenses	72,973	49,130	888,400
Total	2,779,780	2,250,737	33,841,984
OPERATING INCOME (LOSS)	(276,625)	225,193	(3,367,730)
OTHER (INCOME) EXPENSES:			
Interest and dividends income	(20,262)	(21,174)	(246,686)
Interest expense	46,331	46,935	564,059
Other - net	(679)	(3,021)	(8,277)
Total	25,388	22,738	309,082
INCOME (LOSS) BEFORE INCOME TAXES	(302,014)	202,454	(3,676,825)
PROVISION FOR RESERVE FOR FLUCTUATIONS IN WATER LEVEL	9,134	5,470	111,203
EFFECT OF APPLICATION OF THE ACCOUNTING STANDARD FOR ASSET RETIREMENT OBLIGATIONS		36,296	
INCOME BEFORE INCOME TAXES	(311,148)	160,686	(3,788,029)
INCOME TAXES			
Current	(53,491)	80,403	(651,223)
Prior periods			
Deferred	(53,491)	(23,046)	(651,223)
Total	(53,491)	57,356	(651,223)
NET INCOME (LOSS)	¥ (257,657)	¥ 103,330	\$ (3,136,805)

U.S. dollar amounts have been translated from yen, for convenience, at the rate of ¥82.14 = U.S.\$1, the approximate rate of exchange at March 31, 2012.

Non-Consolidated Statements of Changes in Equity

The Kansai Electric Power Company, Incorporated
Years Ended March 31, 2012

	Millions of Yen									
	Issued Number of Shares of Common Stock	Common Stock	Capital Surplus		Retained Earnings		Unrealized Gain on Available for- sale Securities	Deferred Gain on Derivatives under Hedge Accounting	Treasury Stock	Total Equity
			Additional Paid-in Capital	Other Capital Surplus	Legal Reserve	Unappropriated				
BALANCE, APRIL 1, 2010	946,337,828	¥ 489,320	¥ 67,031		¥ 122,330	¥ 854,750	¥ 24,649	¥ 15,107	¥ (95,515)	¥ 1,477,673
Net income						103,330				103,330
Cash dividends, ¥60 per share						(53,876)				(53,876)
Purchase of treasury stock									(17,000)	(17,000)
Disposal of treasury stock				(2)					119	116
Retirement of treasury stock	(7,604,800)			(16,301)					16,301	
Transfer to capital surplus from retained earnings				16,303		(16,303)				
Net change in the year							(5,788)	(9,589)		(15,378)
BALANCE, MARCH 31, 2011	938,733,028	¥ 489,320	¥ 67,031		¥ 122,330	¥ 887,900	¥ 18,860	¥ 5,518	¥ (96,095)	¥ 1,494,865
Net loss						(257,657)				(257,657)
Cash dividends, ¥60 per share						(53,633)				(53,633)
Purchase of treasury stock									(47)	(47)
Disposal of treasury stock				(6)					18	12
Transfer to capital surplus from retained earnings				6		(6)				
Net change in the year							605	(643)		(38)
BALANCE, MARCH 31, 2012	938,733,028	¥ 489,320	¥ 67,031		¥ 122,330	¥ 576,603	¥ 19,465	¥ 4,874	¥ (96,124)	¥ 1,183,501

	Thousands of U.S. Dollars									
	Common Stock	Additional Paid-in Capital	Other Capital Surplus	Retained Earnings		Unrealized Gain on Available for- sale Securities	Deferred Gain on Derivatives under Hedge Accounting	Treasury Stock	Total Equity	
				Legal Reserve	Unappropriated					
BALANCE, MARCH 31, 2011	\$ 5,957,154	\$ 816,060		\$ 1,489,288	\$ 10,809,596	\$ 229,613	\$ 67,179	\$ (1,169,896)	\$ 18,198,997	
Net loss					(3,136,805)				(3,136,805)	
Cash dividends, ¥0.73 per share					(652,950)				(652,950)	
Purchase of treasury stock								(580)	(580)	
Disposal of treasury stock			(78)					229	150	
Transfer to capital surplus from retained earnings			78		(78)					
Net change in the year						7,366	(7,835)		(469)	
BALANCE, MARCH 31, 2012	\$ 5,957,154	\$ 816,060		\$ 1,489,288	\$ 7,019,760	\$ 236,980	\$ 59,344	\$ (1,170,247)	\$ 14,408,341	

U.S.dollar amounts have been translated from yen, for convenience, at the rate of ¥82.14 = U.S.\$1, the approximate rate of exchange at March 31, 2012.

Five-Year Summary of Selected Operational Data

The Kansai Electric Power Company, Incorporated and Subsidiaries
Year Ended March 31

	Non-Consolidated Basis					Consolidated Basis				
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012
Operating Revenues (Millions of Yen)	2,478,545	2,565,372	2,347,477	2,475,931	2,503,155	2,689,317	2,789,574	2,606,592	2,769,783	2,811,424
Operating Income (Millions of Yen)	145,532	-13,424	177,182	225,193	-276,625	187,149	31,049	227,661	273,885	-229,388
Ordinary Income (Millions of Yen)	110,988	-51,931	146,550	202,454	-302,014	152,444	-12,581	193,132	237,987	-265,537
Net Income (Millions of Yen)	55,446	-41,775	92,533	103,330	-257,657	85,265	-8,796	127,170	123,143	-242,257
Electricity Operating Revenues (Millions of Yen)										
Residential	1,003,756	1,016,051	965,291	1,028,943	1,008,852					
Commercial and Industrial	1,340,839	1,398,621	1,264,203	1,318,674	1,329,826					
Total	2,344,595	2,414,672	2,229,495	2,347,618	2,338,678					
Electricity Operating Expenses (Millions of Yen)										
Personnel Expenses	211,953	235,845	236,300	238,790	236,029					
Fuel Costs	556,760	638,191	351,434	387,452	776,842					
Costs of Purchased Power	379,313	471,312	352,934	378,220	530,374					
Maintenance Costs	229,571	263,491	286,203	275,838	272,524					
Depreciation	312,772	313,991	322,819	339,694	316,990					
Taxes Other than Income Taxes	147,517	147,331	141,586	148,463	144,417					
Other	436,687	449,234	432,800	433,147	429,627					
Total	2,274,573	2,519,395	2,124,079	2,201,606	2,706,807					
No. of Totally Electric Homes (Thousand Homes)	562	679	774	867	941					
No. of FTTH Contracts (Thousand Lines)	68.2	86.4	100.7	118.2	129.8					
Shares of Kinki Area (%)	28	29	29	30						
Shares of Kinki Area Housing (%)	42	43	43	45						
Gas Sales Volumes (LNG conversion) (Thousand Tons)	84	78	81	81	95					
Interest Expense (Millions of Yen)	52,655	51,408	49,776	46,935	46,331	56,934	55,533	55,109	52,216	51,324
Return on Equity (ROE) (%)	3.4	-2.7	6.3	7.1	-19.2	4.6	-0.5	7.3	7.0	-14.6
Return on Assets (ROA) (%)	2.7	0.0	3.1	3.9	-3.9	3.1	0.6	3.5	4.0	-2.9
Net Income per Share (Yen)	60.05	-45.83	102.00	115.47	-28,825	92.39	-9.65	140.24	137.66	-27,112
Cash Dividends per Share (Yen)	60.00	60.00	60.00	60.00	60.00					
Capital Investments (Millions of Yen)	268,811	343,611	321,600	362,193	319,963	353,994	510,866	430,597	455,508	420,621
Total Assets (Millions of Yen)	6,135,003	6,243,434	6,275,570	6,457,593	6,660,484	6,789,605	6,970,120	7,116,632	7,310,178	7,521,352
Net Assets (Millions of Yen)	1,602,320	1,449,410	1,477,673	1,494,865	1,183,501	1,845,758	1,706,714	1,789,429	1,832,416	1,529,843
Equity Ratio (%)	26.1	23.2	23.5	23.1	17.8	27.1	24.4	25.0	24.8	20.1
Interest-bearing Debt (Millions of Yen)	2,813,317	3,075,394	2,946,618	2,943,697	3,430,159	3,166,453	3,466,989	3,391,673	3,409,831	3,864,991
Net Assets per Share (Yen)	1,743.93	1,591.81	1,638.37	1,672.30	1,324.02	2,003.91	1,868.08	1,972.44	2,026.53	1,689.73
Free Cash Flows (Millions of Yen)						95,741	-229,129	189,394	62,551	-364,487
Operating Cash Flows (Millions of Yen)						411,724	281,289	667,150	610,548	43,869
Operating Revenues from Group Businesses (external sales) (Billions of Yen)						2,732	2,957	3,213	3,556	3,912
Ordinary Income from Group Businesses (Billions of Yen)						420	525	624	548	528

	Non-Consolidated Basis				
	2008	2009	2010	2011	2012
Electricity Sales Volume (Million kWh)					
Residential	50,182	49,227	48,841	52,316	49,991
Commercial and Industrial	100,241	96,641	92,763	98,762	96,036
Total	150,422	145,867	141,604	151,078	146,028
Number of Customers (Thousands)					
Residential	12,183	12,267	12,326	12,394	14,809
Commercial and Industrial (Excluding the liberalized segment)	1,154	1,128	1,105	1,085	1,299
Total	13,337	13,396	13,432	13,479	16,279
Electricity Generation Capacity (MW)					
Nuclear	9,768	9,768	9,768	9,768	9,768
Thermal	16,407	15,907	16,357	16,907	16,907
Hydropower	8,189	8,190	8,196	8,196	8,197
Total	34,364	33,865	34,321	34,871	34,882
System Peak Demand (MW)	30,665	30,835	28,178	30,950	27,844
Load Ratio (%)	60.9	58.8	62.8	60.5	65.4
Power Sources (%)					
Nuclear	42	41	45	44	20
Thermal	49	49	44	45	69
Hydropower	9	9	10	10	10
Renewable Energies	1	1	1	1	1
Total	100	100	100	100	100
CO ₂ Emission (kg-CO ₂ /kWh)	0.366	0.299	0.265	0.281	0.414
Nuclear Capacity Factor (%)	75.0	72.4	77.0	78.2	37.6
Thermal Efficiency of Thermal Power Plants (%)	40.0	40.0	41.8	42.7	42.2
Number of Employees	20,184	20,177	20,217	20,277	20,484

Corporate Information

Company Name:	The Kansai Electric Power Company, Incorporated
Head Office:	6-16, Nakanoshima 3-chome, Kita-ku, Osaka 530-8270, Japan Phone: +81-6-6441-8821 Fax: +81-6-6441-0569
Date of Establishment:	May 1, 1951
Paid-in Capital:	¥489.3 billion
Operating Revenues:	¥2,503.1 billion (consolidated ¥2,811.4 billion)
Total Assets:	¥6,660.4 billion (consolidated ¥7,521.3 billion)
Number of Employees:	20,484 (consolidated 32,961)
URL:	http://www.kepco.co.jp
E-mail:	finance@kepco.co.jp
Rating (Moody's):	A3 (as of May 16, 2012)

Major Consolidated Subsidiaries

Information and Telecommunications (IT) ¹	Issued Share Capital (Millions of yen)	Interest Voting	Principal Business
K-Opticom Corp.	33,000	100.0%	Internet connection service for individual customers, telecommunication business for corporate customers, and lease of telecommunication facilities
K Cable Television Corporation, Inc.	2,418	100.0%	CATV service, internet connection service by CATV
Kanden System Solutions Co., Inc.	90	100.0%	Consulting of information system and telecommunications, development, use, and maintenance of system, design, sales, lease of such as software, design, establishment, and maintenance of information processing facilities and telecommunications facilities.

Integrated Energy Supply²

SAKAI LNG Corp.	1,000	70.0%	Operation of LNG terminal
Kanden Energy Solution Co., Inc.	15,200	100.0%	Gas sales agent and design of optimum systems such as co-generations Integrated management service for electric facilities, air-conditioning, and machineries

Lifecycle-related Business²

KANDEN FUDOSAN CO., LTD.	810	100.0%	Sale, lease and administration of real estate
Clearpass Co., Ltd.	465	100.0%	Billing service and loan business
KANDEN Security of Society, Inc.	400	71.0%	Home security service
Kanden E House Corp.	300	100.0%	Housing design and sale of electric appliances
KANSAI Medical Net Co., Inc.	300	80.0%	Support business of the health care
Kanden Joy Life Co., Ltd.	950	100.0%	Operation of private old people's homes, nursing care business of the visit, home care support business, day service business
MID Urban Development Co., Ltd.	100	98.4%	Building development, sale of house
MID Facility Management Co., Ltd.	100	100.0%	Administration of office building, commerce facility, hospital

Group Business Support²

Kanden Engineering Corp.	786	100.0%	Maintenance and construction of electricity circulation facilities, electric facilities and communication systems
NIHON NETWORK SUPPORT CO., LTD.	412	80.5%	Production and sales of overhead wire hardware, insulator, bushing, steel tube pillars, concrete pillars, material and machine parts which supplies electricity
Kanden Plant Corp.	300	100.0%	Maintenance and construction of fossil-fired and nuclear plant
NEWJEC INC.	200	84.0%	Investigation, designing and construction management of civil engineering and construction
THE GENERAL ENVIRONMENTAL TECHNOS CO., LTD.	80	100.0%	Investigation, analysis and consulting, construction about environment, engineering and architecture
The Kanden L&A Co., Ltd.	30	100.0%	Lease business, car maintenance business and insurance agent

Number of Consolidated subsidiaries: 58 (All of subsidiaries)

Affiliates Accounted for by Equity Method

Other	Issued Share Capital (Millions of yen)	Interest Voting	Principal Business
Japan Nuclear Fuel Limited	400,000	16.7%	Uranium enrichment, reprocessing of irradiated nuclear fuel, temporary storage of nuclear fuel materials and wastes, and disposal of low-level radioactive wastes
KINDEN CORPORATION	26,411	42.2%	Construction and engineering of electric facilities, communication systems, and environmental-related facilities
ENEGATE Co., Ltd.	497	49.0%	Production, sales and maintenance of electric meters and production and sales of electric control machinery
San Roque Power Cooperation	41	50.0%	Hydraulic power business in Philippines

Note 1: Included in "IT/communications" in the industrial segment information

Note 2: Included in "Other" in the industrial segment information

Stock Information

Number of Common Shares Issued: 938,733 thousand

Number of Shareholders: 396 thousand

**Stock Exchange Listings:
(Common Stock)** Tokyo Stock Exchange
Osaka Securities Exchange
Nagoya Stock Exchange

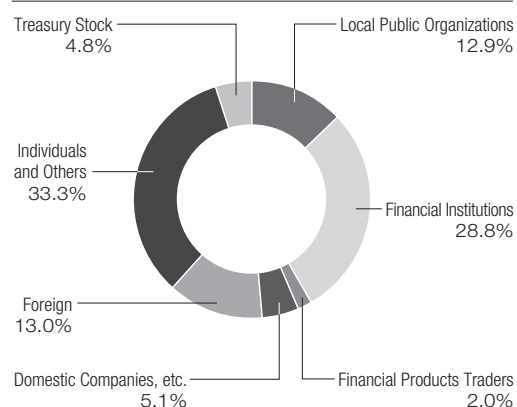
Transfer Agent: Mitsubishi UFJ Trust and Banking Corporation
6-3, Fushimimachi 3-chome, Chuo-ku, Osaka 541-8502, Japan

Major Shareholders

As of March 31, 2012	Number of Shares Held (thousands)	Percentage of Shares Held (%)
Osaka City	83,748	9.37
Nippon Life Insurance Company	42,909	4.80
Japan Trustee Services Bank, Ltd. (Trust Account)	35,573	3.98
Kobe City	27,351	3.06
The Master Trust Bank of Japan, Ltd. (Trust Account)	21,748	2.43
Kansai Electric Power Employee Stockholder Program	19,175	2.15
SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS	16,927	1.89
Mizuho Corporate Bank, Ltd.	12,978	1.45
Sumitomo Mitsui Banking Corporation	11,128	1.24
The Bank of Tokyo-Mitsubishi UFJ	9,472	1.06

Note: The table above excludes 44,837 thousand shares of treasury stock.

Distribution of Shares



Stock Prices and Trading Volume

