

Revision of Financial Forecasts for FY ending March 31, 2008

December 26, 2007

The Kansai Electric Power Co., Inc.

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

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Point of the Revision of Financial Forecasts

The Company revised its financial forecasts for the following reasons.

- Increase in fossil fuel cost due to recent rise of oil price.
- Increase in fossil fuel cost due to more generated power from thermal power plants , resulting largely from covering the influence of the extension of inspection period for Takahama Unit 2.
- Prepare for the extraordinary loss related to Reserve for Decommissioning of Nuclear Power Units according to the revision of government regulations, 25 billion yen, which is estimated based on the total generated power from nuclear power plants until previous FY end.

<Main factor of the revision>

<p>Increase in fossil fuel cost due to rise of oil price</p>	<p>Operating expenses +37 billion yen (consolidated, non-consolidated)</p>	<p>【All Japan CIF crude oil price】 69\$/barrel → 75\$/barrel <small>(Previous)</small> <small>(revised)</small></p>
<p>Increase in fossil fuel cost due to decline of nuclear capacity factor</p>	<p>Operating expenses +24 billion yen (consolidated, non-consolidated)</p>	<p>【Nuclear capacity factor】 78.0% → 74.6% <small>(Previous)</small> <small>(revised)</small></p>
<p>Extraordinary loss</p>	<p>Extraordinary loss +25 billion yen (consolidated, non-consolidated)</p>	<p>Decommissioning costs of nuclear power units (based on generated power until previous FY end)</p>

The Revision of Financial Forecasts

(billion yen)

	Consolidated			Non-consolidated		
	Revised (E)	Previous (E)	Change	Revised (E)	Previous (E)	Change
Operating revenues	2,670	2,670	±0 (±0%)	2,460	2,460	±0 (±0%)
Operating income	160	200	-40 (-20.0%)	130	170	-40 (-23.5%)
Ordinary income	130	170	-40 (-23.5%)	100	140	-40 (-28.6%)
Net income	70	111	-41 (-36.9%)	50	91	-41 (-45.1%)

* () : Changes from the previous estimate, %

<Major factors>

	Revised (E)	Previous (E)
Electricity sales (TWh)	149.5	149.5
Nuclear capacity factor (%)	74.6	78.0
Water run-off ratio (%)	89.4	91.1
All Japan CIF crude oil price (\$/barrel)	Approx. 75	Approx. 69
Exchange rate [TTM] (yen/\$)	Approx. 117	Approx. 117
Interest rate [long-term prime rate] (%)	Approx. 2.5	Approx. 2.5

<Sensitivity of major factors>

(billion yen)

	Revised (E)	Previous (E)
Nuclear capacity factor per 1%	7.4	6.9
Water run-off ratio per 1%	1.2	1.1
All Japan CIF crude oil price per \$1/barrel	6.1	5.3
Exchange rate [TTM] per ¥1/\$	5.7	4.8
Interest rate [long-term prime rate] per 1%	3.8	3.8

【Dividend forecasts for FY ending 3/08】

The forecast announced on October 30, 2007 have been unchanged. (Dividend per share Year-end:30yen(E) Annual:60yen(E))

Details of Financial Forecasts (non-consolidated)

(billion yen)

	Revised (E)	Previous (E)	Change	Breakdown	4/06-3/07 (actual)
Operating revenues	2,460	2,460	±0		2,396.8
Ordinary income	100	140	-40	<ul style="list-style-type: none"> · Increase in fossil-fuel costs due to rise of oil price -37 · Increase in fossil-fuel costs due to decline of nuclear capacity factor -24 · Increase in fossil-fuel costs due to decline of water run-off ratio -2 · Decrease in maintenance costs +5 · Saving on other operating costs +18 	189.3
Net income	50	91	-41	<ul style="list-style-type: none"> · Prepare for the extraordinary loss related to Reserve for Decommissioning of Nuclear Power Units (based on generated power until previous FY end) -25 	117.6

For further information

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