

Unaudited Financial Release (Consolidated) for the First Quarter

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

July 29, 2022

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

6-16 Nakanoshima 3-chome, Kita-ku, Osaka

(URL <https://www.kepco.co.jp/>)

Company Representative: Nozomu Mori, Director, Representative Executive Officer, President

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I. Performance over the Three-Months ended June 30, 2022 and 2021

(Figures are rounded down to the nearest million yen)

1. Results of Operations

	<u>Three-Months</u> <u>ended June 30</u>		(Million yen) <u>Change</u>	
	2021	2022	21/20	22/21
Operating Revenues	568,844	767,567	-18.9%	34.9%
Operating Income	21,645	-43,201	-55.4%	—
Ordinary Income *	23,171	-17,129	-53.7%	—
Net Income attributable to owners of the parent	15,267	-11,434	-57.5%	—
Net Income per Share	17.09 yen	-12.81 yen	—	—
Fully Diluted Net Income per Share	—	—	—	—

Comprehensive income

Three-months ended June 30, 2022: 30,521 million yen

Three-months ended June 30, 2021: 15,418 million yen

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

2. Financial Position

	As of March 31, 2022	(Million yen) As of June 30, 2022
Total Assets	8,656,430	8,619,794
Net Assets	1,705,557	1,724,841
Equity Ratio	19.2%	19.4%

Notes: Equity capital

As of June 30, 2022: 1,672,102 million yen

As of March 31, 2022: 1,659,574 million yen

II. Dividends

	Interim dividend per share	Year-end dividend per share	Annual dividend per share
FY 3/2022	25.00 yen	25.00 yen	50.00 yen
FY 3/2023(Forecasts)	—	—	—

Notes: The interim and year-end dividend forecasts for the fiscal year ending March 31, 2023 have not been determined at this time.

III. Financial Forecasts

	(Billion yen)
	4/1/2022 – 3/31/2023 (Forecasts)
Operating Revenues	3,420
Operating Income	-110
Ordinary Income	-100
Net Income attributable to owners of the parent	-75
Net Income per Share	-84.03 yen

IV. Other

1. Change in major consolidated subsidiaries: None
2. Difference in major accounting methods from the latest consolidated financial year: None
3. Number of shares outstanding (included Treasury stock)

As of June 30, 2022:	938,733,028 shares
As of March 31, 2022:	938,733,028 shares
4. Number of Treasury stock

As of June 30, 2022:	46,242,540 shares
As of March 31, 2022:	46,248,567 shares
5. Number of Average stock

As of June 30, 2022:	892,484,466 shares
As of June 30, 2021:	893,113,404 shares

Notes: We have adopted BIP (Board Incentive Plan) Trust mechanism, and the number of treasury stock at year end includes our shares held by said trust account (503,178 shares as of June 30, 2022). Additionally, our shares held by said trust account are included in treasury stock that is deducted in the calculation of the number of average stock.

Notification

(Report the decision of specific measures and the progress of the business improvement plan)

We offer our most sincere apologies for the inconveniences and concern placed upon our customers, shareholders, investors and other parties involved regarding issues such as company executives and employees receiving cash and gifts from external stakeholder.

In response to the Business Improvement Order issued against The Kansai Electric Power Co., Inc. (KEPCO) on March 29, 2020 under the Electricity Business Act in connection with this issue, KEPCO developed a business improvement plan for recurrence prevention on March 30, 2020 and reported the decision of specific measures to prevent reoccurrences and the progress of them to the Ministry of Economy, Trade and Industry on June 29, October 13, 2020 and March 2, December 27, 2021.

For the detail of the progress of the Business Improvement Plan, please refer our website.

We will ensure the implementation of those measures. And then we will follow up the implementation in light of external objective perspectives and if we need, we will add the improvement measures.

All officers and employees will make best efforts for recovery of trust, with an unwavering resolve to create completely new KEPCO.

(The inspection by the Japan Fair Trade Commission)

We were inspected by the Japan Fair Trade Commission (hereafter the “JFTC”) based on the Antimonopoly Act, on suspicion of the restricting to acquire customers in extra-high voltage and high voltage power service on April 13 and July 13, 2021. On this occasion, we accept the fact that the inspection was conducted in a solemn manner, and we will fully cooperate with the inspection of the JFTC.

Depending on the progress of this matter, this could affect our consolidated financial results. However, it is difficult to estimate the impacts rationally at present, and we do not reflect the impacts to our consolidated financial statements and forecasts.

<Reference >

Electricity Sales

			(GWh)
	Three-months ended June 30, 2021	Three-months ended June 30, 2022	Change (%)
Total electric sales	26,525	28,569	107.7
Retail electric sales	22,769	24,926	109.5
Residential	6,872	6,477	94.3
Commercial and Industrial	15,897	18,448	116.0
Electricity sales to other non-utility companies	3,756	3,643	97.0

Notes: Total electricity sales indicates those in energy business attributable to the parent company.
 Some rounding errors may be observed.

Consolidated Balance Sheets

(Million yen)

Account	As of March 31, 2022	As of June 30, 2022
(Assets)		
Property	7,317,298	7,369,661
Electric utility plant and equipment	3,467,992	3,454,604
Hydroelectric power production facilities	299,252	303,887
Thermal power production facilities	298,890	291,970
Nuclear power production facilities	742,950	728,359
Transmission facilities	760,726	761,387
Transformation facilities	421,617	421,561
Distribution facilities	813,428	817,121
General facilities	112,556	111,919
Other electric utility plant and equipment	18,569	18,398
Other non-current assets	904,567	901,079
Construction in progress	952,357	956,190
Construction and retirement in progress	751,744	750,210
Special account related to nuclear power decommissioning	53,110	51,113
Special account related to reprocessing of spent nuclear fuel	147,502	154,866
Nuclear fuel	510,571	508,686
Loaded nuclear fuel	51,036	61,247
Nuclear fuel in processing	459,535	447,439
Investments and other assets	1,481,810	1,549,100
Long-term investments	440,072	457,647
Long-term investments in subsidiaries and associates	602,006	634,891
Deferred tax assets	351,619	357,017
Other	115,098	126,897
Allowance for doubtful accounts	-26,987	-27,353
Current assets	1,339,131	1,250,132
Cash and equivalents	469,052	264,528
Notes and accounts receivable and contract assets	307,904	300,363
Inventories	199,920	227,758
Other	365,049	460,310
Allowance for doubtful accounts	-2,795	-2,829
Total assets	8,656,430	8,619,794

Consolidated Balance Sheets

(Million yen)

Account	As of March 31, 2022	As of June 30, 2022
(Liabilities)		
Non-current liabilities	5,025,325	5,037,440
Bonds payable	1,613,921	1,704,021
Long-term borrowings	2,277,475	2,205,484
Provision for loss on guarantees	1,893	1,928
Liability for retirement benefits	365,853	367,061
Asset retirement obligations	522,990	523,815
Deferred tax liabilities	6,674	9,167
Other	236,516	225,962
Current liabilities	1,899,697	1,832,084
Current maturities of long-term debt	490,880	418,850
Short-term borrowings	150,635	153,179
Commercial papers	310,000	460,000
Notes and accounts payable	198,065	169,511
Accrued income taxes	51,291	26,263
Other current liabilities	698,823	604,279
Reserves under special laws	25,850	25,427
Reserve for water shortage	25,850	25,427
Total liabilities	6,950,873	6,894,952
(Net Assets)		
Shareholders' equity	1,634,021	1,610,639
Share capital	489,320	489,320
Capital surplus	66,728	66,735
Retained earnings	1,175,509	1,152,113
Treasury shares	-97,536	-97,529
Accumulated other comprehensive income	25,552	61,462
Valuation difference on available-for-sale securities	89,057	91,890
Deferred gains or losses on hedges	-86,307	-71,389
Foreign currency translation adjustments	24,439	42,365
Remeasurements of defined benefit plans	-1,636	-1,403
Non-controlling interests	45,983	52,738
Total net assets	1,705,557	1,724,841
Total liabilities and net assets	8,656,430	8,619,794

Consolidated Statements of Operations

(Million yen)

Account	Three-months ended June 30, 2021	Three-months ended June 30, 2022
Ordinary revenues and expenses		
Operating revenue and expenses		
Operating revenue	568,844	767,567
Electric	414,835	569,797
Other	154,009	197,770
Operating expenses	547,199	810,769
Electric	412,838	635,773
Other	134,361	174,995
Operating income or loss	21,645	-43,201
Non-Operating revenues and expenses		
Non-operating revenues	11,536	33,232
Dividend received	3,952	5,704
Interest revenue	282	243
Share of profit of entities accounted for using equity method	2,465	7,765
Other	4,836	19,518
Non-operating expenses	10,010	7,160
Interest expenses	5,355	5,702
Other	4,654	1,457
Total ordinary revenue	580,381	800,799
Total ordinary expenses	557,209	817,929
Ordinary income or loss	23,171	-17,129
Provision or reversal of reserve for water shortage	—	-423
Reversal of reserve for water shortage	—	-423
Income or loss before income taxes and minority interests	23,171	-16,706
Income taxes-current	2,785	2,123
Income taxes-deferred	4,503	-8,907
Income taxes	7,289	-6,783
Net income or loss	15,882	-9,923
Net income attributable to non-controlling interests	615	1,511
Net income or loss attributable to owners of parent	15,267	-11,434

Consolidated Statements of Comprehensive Income

(Million yen)

Account	Three-months ended June 30, 2021	Three-months ended June 30, 2022
Net income or loss	15,882	-9,923
Other comprehensive income		
Valuation difference on available-for-sale securities	-1,886	2,801
Deferred gains or losses on hedges	-8,205	14,901
Foreign currency translation adjustments	4,543	9,466
Remeasurements of defined benefit plans	370	298
Share of other comprehensive income of entities accounted for using equity method	4,714	12,977
Total other comprehensive income	-463	40,444
Comprehensive income	15,418	30,521
(Breakdown)		
Attributable to owners of parent	13,559	25,849
Attributable to non-controlling interests	1,858	4,671