

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 30, 2021

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

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

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

Company Representative: Takashi Morimoto, President and Director

Contact: Takahiro Uenishi, Senior General Manager, Office of Accounting and Finance

Tel: +81-50-7105-9084

I. Performance over the Three-Months ended June 30, 2021 and 2020

(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>	
	2020	2021	20/19	21/20
Operating Revenues	701,449	568,844	-10.7%	-18.9%
Operating Income	48,555	21,645	-17.8%	-55.4%
Ordinary Income *	50,041	23,171	-20.2%	-53.7%
Net Income attributable to owners of the parent	35,921	15,267	-21.2%	-57.5%
Net Income per Share	40.22yen	17.09yen	—	—
Fully Diluted Net Income per Share	—	—	—	—

Comprehensive income

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

Three-months ended June 30, 2020: 46,126 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	(Million yen) As of
	March 31, 2021	June 30, 2021
Total Assets	8,075,755	8,169,467
Net Assets	1,725,557	1,724,046
Equity Ratio	20.9%	20.6%

Notes: Equity capital

As of June 30, 2021: 1,681,462 million yen

As of March 31, 2021: 1,684,528 million yen

II. Dividends

	Interim dividend per share	Year-end dividend per share	Annual dividend per share
FY 3/2021	25.00 yen	25.00 yen	50.00 yen
FY 3/2022(Forecast)	25.00 yen	25.00 yen	50.00 yen

III. Financial Forecasts

	(Billion yen) FY 3/2022(Forecasts)
Operating Revenues	2,500
Operating Income	90
Ordinary Income*	100
Net Income attributable to owners of the parent	70
Net Income per Share	78.38 yen

IV. Other

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

As of June 30, 2021:	938,733,028 shares
As of March 31, 2021:	938,733,028 shares
4. Number of Treasury stock

As of June 30, 2021:	45,619,157 shares
As of March 31, 2021:	45,616,692 shares
5. Number of Average stock

As of June 30, 2021:	893,113,404 shares
As of June 30, 2020:	893,139,012 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 (123,736 shares as of June 30, 2021). 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, 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.

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Electricity sales

	(GWh)		
	Three-months ended Jun. 30, 2020	Three-months ended Jun. 30, 2021	Change (%)
Total electric sales	27,095	26,506	97.8
Retail electric sales	23,503	22,769	96.9
Residential	7,451	6,872	92.2
Commercial and Industrial	16,051	15,897	99.0
Electricity sales to non-utility companies	3,592	3,737	104.0

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 Mar. 31, 2021	As of Jun. 30, 2021
(Assets)		
Property	7,071,768	7,124,833
Utility facilities	3,492,389	3,490,252
Hydroelectric power production facilities	299,140	303,217
Thermal power production facilities	325,142	317,710
Nuclear power production facilities	747,453	737,590
Transmission facilities	773,564	775,574
Transformation facilities	416,558	419,340
Distribution facilities	804,741	813,007
General facilities	106,529	104,726
Other utility facilities	19,257	19,085
Other plant and equipment	834,888	860,670
Construction in progress	862,783	867,772
Construction and retirement in progress	684,652	687,349
Special account related to nuclear power decommissioning	59,074	58,089
Special account related to reprocessing of spent nuclear fuel	119,057	122,333
Nuclear fuel	528,442	525,514
Loaded nuclear fuel	72,593	72,684
Nuclear fuel in processing	455,848	452,829
Investments and other assets	1,353,264	1,380,623
Long-term investments	384,756	388,765
Investments in and advances to subsidiaries and associated companies	550,897	569,092
Deferred tax assets	326,785	325,607
Other	97,237	103,508
Allowance for doubtful accounts	-6,411	-6,349
Current assets	1,003,987	1,044,634
Cash and time deposits	249,281	313,483
Accounts receivable	327,142	-
Notes and accounts receivable - trade and contract assets	-	243,393
Inventory assets	182,899	176,593
Other	266,219	331,787
Allowance for doubtful accounts	-21,556	-20,623
Total assets	8,075,755	8,169,467

Consolidated Balance Sheets

(Million yen)

Account	As of Mar. 31, 2021	As of Jun. 30, 2021
(Liabilities)		
Long-term liabilities and reserves	4,575,034	4,460,715
Bonds	1,214,020	1,193,920
Long-term loans	2,230,511	2,133,623
Liability for retirement benefits	368,047	368,650
Asset retirement obligations	517,672	519,034
Deferred tax liabilities	4,924	4,238
Other	239,858	241,248
Current liabilities	1,749,177	1,958,720
Current maturities of long-term debt and other	585,827	663,916
Short-term borrowings	147,092	149,575
Commercial paper	300,000	580,000
Accounts payable	145,407	110,392
Accrued income taxes	69,381	33,772
Provision for loss on guarantees	1,738	1,712
Other current liabilities	499,730	419,352
Reserves under the special laws	25,985	25,985
Reserve for fluctuation in water levels	25,985	25,985
Total liabilities	6,350,197	6,445,421
(Net Assets)		
Shareholders' Equity	1,587,016	1,586,457
Paid in capital	489,320	489,320
Capital surplus	66,726	66,726
Retained earnings	1,127,814	1,127,256
Treasury stock	-96,845	-96,845
Accumulated other comprehensive income	97,511	95,004
Unrealized gain on available-for-sale securities	85,163	83,300
Deferred gain on derivatives under hedge accounting	11,179	-495
Foreign currency translation adjustments	4,134	14,773
Defined retirement benefit plans	-2,966	-2,572
Non-controlling interests	41,029	42,583
Total net assets	1,725,557	1,724,046
Total liabilities and net assets	8,075,755	8,169,467

Consolidated Statements of Operations

(Million yen)

Account	Three-months ended Jun.30, 2020	Three-months ended Jun.30, 2021
Ordinary revenues and expenses		
Operating revenues and expenses		
Operating revenues	701,449	568,844
Electric	544,927	414,835
Other	156,522	154,009
Operating expenses	652,893	547,199
Electric	520,644	412,838
Other	132,249	134,361
Operating Income	48,555	21,645
Non-Operating revenues and expenses		
Non-operating revenues	9,125	11,536
Dividends received	2,709	3,952
Interest revenue	38	282
Equity in earnings of associated companies	3,809	2,465
Other	2,568	4,836
Non-operating expenses	7,639	10,010
Interest expense	5,817	5,355
Other	1,822	4,654
Total ordinary revenues	710,575	580,381
Total ordinary expenses	660,533	557,209
Ordinary income	50,041	23,171
Provision for or reversal of reserve for fluctuation in water levels	-651	—
Reversal of reserve for fluctuation in water levels	-651	—
Income before income taxes and minority interests	50,693	23,171
Income taxes-current	4,494	2,785
Income taxes-deferred	10,186	4,503
Income taxes	14,681	7,289
Net Income	36,011	15,882
Net Income attributable to non-controlling interests	89	615
Net Income attributable to owners of the parent	35,921	15,267

Consolidated Statements of Comprehensive Income

(Million yen)

Account	Three-months ended Jun.30, 2020	Three-months ended Jun.30, 2021
Net income	36,011	15,882
Other comprehensive income		
Unrealized gain on available-for-sale securities	7,005	△ 1,886
Deferred gain on derivatives under hedge accounting	1,661	△ 8,205
Foreign currency translation adjustments	△ 653	4,543
Defined retirement benefit plans	483	370
Share of other comprehensive income of associates	1,617	4,714
Total other comprehensive income	10,114	△ 463
Comprehensive income	46,126	15,418
(Breakdown)		
Attributable to owners of the parent	45,356	13,559
Attributable to non-controlling interests	769	1,858