

Unaudited Financial Release (Consolidated) for the Year ended March 31, 2023

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

April 27, 2023

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

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

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

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I. Performance over the Years ended March 31, 2023 and 2022

(Figures are rounded down to the nearest million yen)

1. Results of Operations

	<u>Year ended March 31</u>		<u>(Million yen)</u> <u>Change</u>	
	2022	2023	22/21	23/22
Operating Revenues	2,851,894	3,951,884	-7.8%	38.6%
Operating Income	99,325	-52,056	-31.9%	—
Ordinary Income *	135,955	-6,666	-11.6%	—
Net Income attributable to owners of the parent	85,835	17,679	-21.2%	-79.4%
Net Income per Share	96.14 yen	19.81 yen	—	—
Fully Diluted Net Income per Share	—	—	—	—

Comprehensive income

Year ended March 31, 2023: 170,672 million yen

Year ended March 31, 2022: 23,061 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

	<u>As of March 31</u>		<u>(Million yen)</u>
	2022	2023	
Total Assets	8,656,430	8,774,425	
Net Assets	1,705,557	1,839,782	
Equity Ratio	19.2%	20.4%	
Net Assets per Share	1,859.50 yen	2,004.24 yen	

Notes: Equity capital

As of March 31, 2023: 1,788,781 million yen

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

3. Statements of Cash Flows

	(Million yen)	
	<u>Year ended March 31</u>	
	2022	2023
Net cash provided by Operating Activities	410,315	128,038
Net cash used in Investing Activities	-532,630	-417,884
Net cash provided by Financing Activities	318,769	117,104
Cash and Cash Equivalents, End of year	490,491	322,235

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	25.00 yen	25.00 yen	50.00 yen
FY 3/2024(Forecasts)	25.00 yen	25.00 yen	50.00 yen

III. Financial Forecasts

	(Billion yen)
	<u>4/1/2023 – 3/31/2024 (Forecasts)</u>
Operating Revenues	4,300
Operating Income	410
Ordinary Income	425
Net Income attributable to owners of the parent	305
Net Income per Share	341.74 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 March 31, 2023:	938,733,028 shares
As of March 31, 2022:	938,733,028 shares
4. Number of Treasury stock

As of March 31, 2023:	46,236,287 shares
As of March 31, 2022:	46,248,567 shares
5. Number of Average stock

As of March 31, 2023:	892,501,269 shares
As of March 31, 2022:	892,826,254 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 (474,378 shares as of March 31, 2023). 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.

(Issues regarding Antimonopoly Violations)

With respect to the transactions of special high voltage electric power and high voltage electric power, we underwent an on-site inspection by the Fair Trade Commission on April 13, 2021 and July 13, 2021, alleging that there had been facts against the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade. We were acknowledged by the said commission on March 30, 2023 that we had conducted acts against Article 3 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, which prohibits unreasonable restriction of trade. We had received neither the cease and desist order nor the payment order for a surcharge.

As for this case, we sincerely apologize to our customers, shareholders, investors and relevant persons for great concern and trouble.

In the future, we will throughout adhere to measures to prevent recurrence and work to nurture corporate culture with an emphasis on compliance, so as not to bring about these situations again. Through these initiatives, we will devote ourselves to recover trust from the general public.

(Issues concerning the inappropriate handling of information on customers of other power producers and suppliers and the leakage of the information on the customers)

With respect to issues that The Kansai Electric Power Co., Inc. (KEPCO) browsed and used information on customers of other power producers and suppliers and that Kansai Transmission and Distribution, Inc. (Kansai Transmission and Distribution) leaked the information on the customers, we sincerely apologize because we inappropriately handled the information on the customers and brought about situations shaking fair competitions among power producers and suppliers.

Responding to this case, KEPCO established on January 31, 2023 the “Emergency Response Committee,” chaired by the president, and resolved on February 24, 2023 to exercise complete self-restraint in aggressive sales activities upon sales of electricity and gas, as well as proposals for solutions, to make concerted efforts towards full inspections for business operations and systems, etc. After that, KEPCO received an order for business improvement based on the Electricity Business Act on April 17, 2023. Kansai Transmission and Distribution established on January 30, 2023 the “Investigation and Reform Committee,” chaired by its President, and received an order for business improvement based on the Electricity Business Act on April 17, 2023. These Headquarters and Committees will identify causes in light of the investigation of facts relating to this case, and specify and promote measures for improvement, as well as work for additional measures for improvement mainly based on the result of the investigations at KEPCO’s Compliance Committee as well.

The Kansai Electric Power Group will make utmost efforts across the Group to recover trust with resolute determination in order to be transformed into a corporate group which throughout adheres to compliance.

< Reference : Non-consolidated >

Performance for the Years ended March 31, 2023 and 2022

(Figures are rounded down to the nearest million yen)

1. Results of Operations

			(Million yen)	
	<u>Year ended March 31</u>		<u>Change</u>	
	2022	2023	22/21	23/22
Operating Revenues	2,177,650	3,158,856	-6.6%	45.1%
Operating Income	23,568	-107,652	—	—
Ordinary Income *	113,478	-20,045	214.2%	—
Net Income	104,536	33,564	164.6%	-67.9%
Net Income per Share	117.05 yen	37.59 yen	—	—
Fully Diluted Net Income per Share	—	—	—	—

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

2. Financial Position

			(Million yen)
	<u>As of March 31</u>		
	2022	2023	
Total Assets	7,396,364	7,474,872	
Net Assets	972,577	1,071,013	
Equity Ratio	13.1%	14.3%	
Net Assets per Share	1,089.37 yen	1,199.61 yen	

Notes: Equity capital

As of March 31, 2023: 1,071,013 million yen

As of March 31, 2022: 972,577 million yen

Sales and power generation

[Electricity Sales]

	(GWh)		
	Year-ended March 31, 2022	Year-ended March 31, 2023	Change (%)
Total electric sales	121,463	127,287	104.8
Retail electric sales	100,657	111,565	110.8
Residential	32,326	30,904	95.6
Commercial and Industrial	68,331	80,661	118.0
Electricity sales to other non-utility companies	20,806	15,722	75.6

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

[Power generation] (Sending end)

	(GWh)		
	Year-ended March 31, 2022	Year-ended March 31, 2023	Change (%)
Kansai Electric			
Hydroelectric	13,531	13,443	99.3
Fossil Fuel	46,961	45,394	96.7
Nuclear	33,553	26,544	79.1
Renewable energies	26	21	81.2
Purchased (sold) power from other companies	34,105	49,106	144.0
Power used for pumped storage	-1,915	-2,130	111.2
Total	126,262	132,377	104.8
Retail electric sales	121,463	127,287	104.8
Water run-off ratio (%)	100.7	97.0	—

Notes: Actual supply and demand 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 March 31, 2023
(Assets)		
Non-current assets	7,317,298	7,509,794
Electric utility plant and equipment	3,467,992	3,591,167
Hydroelectric power production facilities	299,252	300,579
Thermal power production facilities	298,890	260,956
Nuclear power production facilities	742,950	903,806
Transmission facilities	760,726	750,850
Transformation facilities	421,617	425,872
Distribution facilities	813,428	817,989
General facilities	112,556	113,216
Other electric utility plant and equipment	18,569	17,896
Other non-current assets	904,567	959,936
Construction in progress	952,357	850,237
Construction and retirement in progress	751,744	625,078
Special account related to nuclear power decommissioning	53,110	45,123
Special account related to reprocessing of spent nuclear fuel	147,502	180,035
Nuclear fuel	510,571	494,026
Loaded nuclear fuel	51,036	72,327
Nuclear fuel in processing	459,535	421,698
Investments and other assets	1,481,810	1,614,426
Long-term investments	440,072	510,004
Long-term investments in subsidiaries and associates	602,006	663,358
Deferred tax assets	351,619	347,250
Other	115,098	120,232
Allowance for doubtful accounts	-26,987	-26,421
Current assets	1,339,131	1,264,630
Cash and deposits	469,052	266,961
Notes and accounts receivable and contract assets	307,904	404,623
Inventories	199,920	251,514
Other	365,049	344,811
Allowance for doubtful accounts	-2,795	-3,281
Total assets	8,656,430	8,774,425

Consolidated Balance Sheets

(Million yen)

Account	As of Mar. 31, 2022	As of March 31, 2023
(Liabilities)		
Non-current liabilities	5,025,325	5,317,416
Bonds payable	1,613,921	1,600,020
Long-term borrowings	2,277,475	2,577,807
Provision for loss on guarantees	1,893	1,844
Liability for retirement benefits	365,853	362,293
Asset retirement obligations	522,990	534,566
Deferred tax liabilities	6,674	7,547
Other	236,516	233,336
Current liabilities	1,899,697	1,592,212
Current maturities of long-term debt	490,880	518,324
Short-term borrowings	150,635	155,520
Commercial papers	310,000	162,000
Notes and accounts payable	198,065	189,699
Accrued income taxes	51,291	40,461
Other current liabilities	698,823	526,206
Reserves under special laws	25,850	25,013
Reserve for water shortage	25,850	25,013
Total liabilities	6,950,873	6,934,642
(Net Assets)		
Shareholders' equity	1,634,021	1,617,548
Share capital	489,320	489,320
Capital surplus	66,728	66,854
Retained earnings	1,175,509	1,158,895
Treasury shares	-97,536	-97,522
Accumulated other comprehensive income	25,552	171,233
Valuation difference on available-for-sale securities	89,057	88,867
Deferred gains or losses on hedges	-86,307	34,276
Foreign currency translation adjustments	24,439	48,811
Defined retirement benefit plans	-1,636	-722
Non-controlling interests	45,983	51,001
Total net assets	1,705,557	1,839,782
Total liabilities and net assets	8,656,430	8,774,425

Consolidated Statements of Operations

(Million yen)

Account	Year ended March 31, 2022	Year ended March 31, 2023
Ordinary revenues and expenses		
Operating revenue and expenses		
Operating revenue	2,851,894	3,951,884
Electric	2,109,511	2,993,385
Other	742,383	958,498
Operating expenses	2,752,569	4,003,940
Electric	2,083,958	3,176,154
Other	668,610	827,785
Operating income or loss	99,325	-52,056
Non-Operating revenues and expenses		
Non-operating revenues	75,531	96,340
Dividend received	13,193	18,793
Interest revenue	1,148	2,145
Share of profit of entities accounted for using equity method	10,312	23,331
Other	50,876	52,069
Non-operating expenses	38,901	50,949
Interest expenses	20,168	24,324
Other	18,733	26,625
Total ordinary revenue	2,927,426	4,048,224
Total ordinary expenses	2,791,471	4,054,890
Ordinary income or loss	135,955	-6,666
Provision or reversal of reserve for water shortage	-134	-837
Reversal of reserve for water shortage	-134	-837
Extraordinary losses	10,773	-
Loss on return of imbalance charge	10,773	-
Income or loss before income taxes and minority interests	125,316	-5,828
Income taxes-current	23,575	10,793
Income taxes-deferred	12,053	-37,436
Income taxes	35,628	-26,643
Net income or loss	89,688	20,814
Net income attributable to non-controlling interests	3,852	3,134
Net income or loss attributable to owners of parent	85,835	17,679

Consolidated Statements of Comprehensive Income

(Million yen)

Account	Year ended March 31, 2022	Year ended March 31, 2023
Net income or loss	89,688	20,814
Other comprehensive income		
Valuation difference on available-for-sale securities	3,985	-69
Deferred gains or losses on hedges	-91,820	114,979
Foreign currency translation adjustments	9,995	15,324
Defined retirement benefit plans	1,002	1,227
Share of other comprehensive income in associates	10,210	18,396
Total other comprehensive income	-66,626	149,858
Comprehensive income	23,061	170,672
(Breakdown)		
Attributable to owners of parent	14,675	164,735
Attributable to non-controlling interests	8,386	5,936