

Unaudited Financial Release (Consolidated) for the Second Quarter

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.

October 28, 2019

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

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

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I . Performance over the Six-months Ended September 30, 2019 and 2018

(Figures are rounded down to the nearest million yen)

1. Results of Operations

	<u>Six-Months</u> <u>Ended September 30</u>		(Million Yen) <u>Change</u>	
	2018	2019	18/17	19/18
Operating Revenues	1,610,653	1,634,197	4.0%	1.5%
Operating Income	108,698	145,381	-32.6%	33.7%
Ordinary Income *	117,760	155,369	-25.4%	31.9%
Net Income attributable to owners of the parent	72,760	113,173	-36.9%	55.5%
Net Income per Share	81.45yen	126.71yen	—	—
Fully Diluted Net Income per Share	—	—	—	—

Comprehensive income

Six-months ended September 30, 2019: 114,961 million yen

Six-months ended September 30, 2018: 85,324 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)
	March 31, 2019	As of September 30, 2019
Total Assets	7,257,363	7,261,141
Net Assets	1,532,946	1,638,923
Equity Ratio	20.9%	22.1%

Notes: Equity capital

As of September 30, 2019: 1,608,001 million yen

As of March 31, 2019: 1,514,244 million yen

II. Dividends

	Interim dividend per share	Year-end dividend per share	Annual dividend per share
FY 2019	25.00 yen	25.00yen	50.00 yen
FY 2020	25.00 yen	25.00yen(Forecast)	50.00 yen(Forecast)

III. Financial Forecasts

	(Billion Yen) 4/19-3/20 (Forecasts)
Operating Revenues	3,250
Operating Income	200
Ordinary Income*	200
Net Income attributable to owners of the parent	140
Net Income per Share	156.75yen

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

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 September 30, 2019:	938,733,028 shares
As of March 31, 2019:	938,733,028 shares
4. Number of Treasury stock

As of September 30, 2019:	45,566,385 shares
As of March 31, 2019:	45,561,730 shares
5. Number of Average stock

Six-months ended September 30, 2019:	893,169,094 shares
Six-months ended September 30, 2018:	893,301,337 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 (137,733 shares as of September 30, 2019). 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

(Establishment of Third- party Committee)

We offer our most sincere apologies for the inconveniences and concern placed upon our customers, shareholders, investors and other parties involved, especially those of the region, regarding issues such as company executives receiving monetary gifts, etc., from parties outside the company.

It was decided to establish a third-party commission consisting of only neutral and unbiased members outside the company.

The third- party commission shall be established and operated in compliance with “third-party commission guidelines involving corporate scandals, etc.” of the Japan Federation of Bar Associations.

Along with conducting an objective and thorough investigation, the third party commission will find the cause of the problems and carefully consider how to prevent reoccurrence and report the findings to us. We will let you know the results as soon as we find out.

We will address the findings of the third-party commission in a serious manner and do whatever it takes to ensure it does not happen again.

< Reference : Non-consolidated >

Financial Forecasts (Non-consolidated)

	(Billion Yen) 4/19-3/20 (Forecasts)
Operating Revenues	2,710
Operating Income	130
Ordinary Income *	130
Net Income	95
Net Income per Share	106.33yen

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

Electricity sales

			(GWh) Change (%)
	Six-months ended September 30, 2018	Six-months ended September. 30, 2019	
Total electric sales	65,229	62,296	-4.5
Retail electric sales	58,804	57,569	-2.1
Residential	18,031	16,499	-8.5
Commercial and Industrial	40,773	41,070	0.7
Electricity sales to other utility and non-utility companies	6,425	4,727	-26.4

Notes: Some rounding errors may be observed.

Not including imbalance electric energy, which is not yet determined as at the end of the term.

Consolidated Balance Sheets

(million yen)

Account	As of Mar. 31, 2019	As of Sep. 30, 2019
(Assets)		
Property	6,426,676	6,458,472
Utility facilities	3,175,092	3,155,493
Hydroelectric power production facilities	287,637	297,619
Thermal power production facilities	374,364	358,098
Nuclear power production facilities	390,501	386,086
Transmission facilities	790,303	784,893
Transformation facilities	407,612	408,016
Distribution facilities	803,893	804,983
General facilities	100,211	95,509
Other utility facilities	20,567	20,285
Other plant and equipment	827,236	818,757
Construction in progress	709,077	743,370
Construction and retirement in progress	579,917	611,547
Special account related to nuclear power decommissioning	73,025	69,031
Special account related to reprocessing of spent nuclear fuel	56,134	62,791
Nuclear fuel	506,278	498,824
Loaded nuclear fuel	69,576	72,710
Nuclear fuel in processing	436,702	426,113
Investments and other assets	1,208,991	1,242,026
Long-term investments	337,233	329,158
Investments in and advances to subsidiaries and associated companies	456,672	508,058
Deferred tax assets	372,906	353,740
Other	44,650	53,903
Allowance for doubtful accounts	-2,471	-2,834
Current assets	830,687	802,669
Cash and time deposits	180,628	118,722
Accounts receivable	312,519	322,484
Inventory assets	163,937	167,449
Other	176,133	196,344
Allowance for doubtful accounts	-2,531	-2,331
Total assets	7,257,363	7,261,141

Consolidated Balance Sheets

(million yen)

Account	As of Mar. 31, 2019	As of Sep. 30, 2019
(Liabilities)		
Long-term liabilities and reserves	4,062,102	4,212,904
Bonds	1,060,282	1,174,100
Long-term loans	1,864,563	1,906,201
Liability for retirement benefits	369,472	365,000
Asset retirement obligations	501,354	503,841
Deferred tax liabilities	1,831	992
Other	264,598	262,769
Current liabilities	1,633,925	1,382,209
Current maturities of long-term debt and other	532,364	556,291
Short-term borrowings	146,096	145,440
Commercial paper	270,000	110,000
Accounts payable	125,429	102,703
Accrued income taxes	66,875	69,564
Reserve for restoration costs of natural disaster	2,104	807
Other current liabilities	491,055	397,402
Reserves under the special laws	28,389	27,104
Reserve for fluctuation in water levels	28,389	27,104
Total liabilities	5,724,417	5,622,218
(Net Assets)		
Shareholders' Equity	1,438,839	1,528,198
Paid in capital	489,320	489,320
Capital surplus	66,656	66,658
Retained earnings	979,669	1,069,028
Treasury stock	-96,806	-96,810
Accumulated other comprehensive income	75,404	79,803
Unrealized gain on available-for-sale securities	82,937	75,648
Deferred gain on derivatives under hedge accounting	-9,514	1,435
Foreign currency translation adjustments	9,015	5,783
Defined retirement benefit plans	-7,034	-3,064
Non-controlling interests	18,702	30,921
Total net assets	1,532,946	1,638,923
Total liabilities and net assets	7,257,363	7,261,141

Consolidated Statements of Operations

(million yen)

Account	Six-months ended Sep.30, 2018	Six-months ended Sep.30, 2019
Ordinary revenues and expenses		
Operating revenues and expenses		
Operating revenues	1,610,653	1,634,197
Electric	1,331,264	1,297,788
Other	279,389	336,408
Operating expenses	1,501,955	1,488,816
Electric	1,252,940	1,199,943
Other	249,014	288,873
Operating Income	108,698	145,381
Non-Operating revenues and expenses		
Non-operating revenues	35,953	25,910
Dividends received	6,191	6,525
Interest revenue	1,005	925
Equity in earnings of associated companies	5,401	8,128
Other	23,354	10,331
Non-operating expenses	26,892	15,921
Interest expense	16,051	13,155
Other	10,841	2,766
Total ordinary revenues	1,646,607	1,660,108
Total ordinary expenses	1,528,847	1,504,738
Ordinary income	117,760	155,369
Provision for or reversal of reserve for fluctuation in water levels	374	-1,285
Provision for reserve for fluctuation in water levels	374	—
Reversal of reserve for fluctuation in water levels	—	-1,285
Extraordinary loss	12,808	—
Loss on disaster	12,808	—
Income before income taxes and minority interests	104,577	156,655
Income taxes-current	14,231	23,925
Income taxes-deferred	17,529	19,399
Income taxes	31,761	43,325
Net Income	72,816	113,329
Net Income attributable to non-controlling interests	56	156
Net Income attributable to owners of the parent	72,760	113,173

Consolidated Statements of Comprehensive Income

(million yen)

Account	Six-months ended Sep.30, 2018	Six-months ended Sep.30, 2019
Income before minority interests	72,816	113,329
Other comprehensive income		
Unrealized gain on available-for-sale securities	6,134	-6,784
Deferred gain on derivatives under hedge accounting	5,158	8,808
Foreign currency translation adjustments	-1,932	-3,525
Defined retirement benefit plans	1,750	1,091
Share of other comprehensive income of associates	1,397	2,042
Total other comprehensive income	12,508	1,631
Comprehensive income	85,324	114,961
(Breakdown)		
Attributable to owners of the parent	85,120	117,436
Attributable to non-controlling interests	204	-2,475

Revenues and Expenses (Non-Consolidated)

	Six-months ended September 30		(B) - (A)	(B)/(A)	Percentage of total	
	2018 (A)	2019 (B)			(A)	(B)
	¥ million	¥ million	¥ million	%	%	%
Ordinary revenues (Operating revenues)	1,405,089 (1,385,410)	1,383,447 (1,369,554)	-21,641 (-15,856)	98.5 (98.9)	100.0 (98.6)	100.0 (99.0)
Residential	433,682	396,578	-37,104	91.4	30.9	28.7
Commercial and industrial	665,239	679,752	14,512	102.2	47.3	49.1
Sub total	1,098,922	1,076,330	-22,591	97.9	78.2	77.8
Grant under act on purchase of renewable energy sourced electricity	98,362	105,159	6,796	106.9	7.0	7.6
Other	207,804	201,957	-5,846	97.2	14.8	14.6
Ordinary expenses	1,322,545	1,277,634	-44,911	96.6	100.0	100.0
Personnel expenses	108,685	104,270	-4,414	95.9	8.2	8.2
Fuel costs	256,062	233,074	-22,987	91.0	19.4	18.2
Backend expenses of nuclear power	39,311	41,333	2,021	105.1	3.0	3.2
Maintenance costs	80,541	83,584	3,043	103.8	6.1	6.5
Taxes other than income Taxes	73,460	71,070	-2,389	96.7	5.6	5.6
Depreciation	119,716	92,678	-27,038	77.4	9.1	7.3
Purchased power	279,740	255,631	-24,109	91.4	21.2	20.0
Interest expenses	14,221	11,621	-2,600	81.7	1.1	0.9
Levy under act on purchase of renewable energy sourced electricity	145,793	148,332	2,538	101.7	11.0	11.6
Other	205,012	236,038	31,025	115.1	15.3	18.5
Ordinary Income (Operating Income)	82,543 (78,677)	105,812 (104,983)	23,269 (26,306)	128.2 (133.4)		
Provision for or reversal of reserve for fluctuation in water levels	374	-1,285	-1,659	—		
Extraordinary loss	10,236	—	-10,236	—		
Income before income taxes	71,933	107,098	35,165	148.9		
Income taxes	18,538	29,465	10,927	158.9		
Net Income	53,394	77,632	24,238	145.4		
Net Income per share	59.75yen	86.89yen				