

Unaudited Financial Release (Consolidated) for the Second Quarter

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

October 31, 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 Six-Months ended September 30, 2022 and 2021

(Figures are rounded down to the nearest million yen)

1. Results of Operations

	<u>Six-Months</u> <u>ended September 30</u>		<u>Change</u>	
	2021	2022	21/20	22/21
Operating Revenues	1,258,894	1,784,207	-16.2%	41.7%
Operating Income	111,131	-151,916	-25.7%	—
Ordinary Income *	127,012	-111,855	-17.7%	—
Net Income attributable to owners of the parent	93,187	-76,382	-15.6%	—
Net Income per Share	104.36 yen	-85.58 yen	—	—
Fully Diluted Net Income per Share	—	—	—	—

Comprehensive income

Six-months ended September 30, 2022: - 14,318 million yen

Six-months ended September 30, 2021: 42,541 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</u> <u>March 31, 2022</u>	<u>As of</u> <u>September 30, 2022</u>
Total Assets	8,656,430	8,834,735
Net Assets	1,705,557	1,678,390
Equity Ratio	19.2%	18.4%

Notes: Equity capital

As of September 30, 2022: 1,625,533 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	25.00 yen	—	—

Notes: The 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	4,150
Operating Income	-250
Ordinary Income	-200
Net Income attributable to owners of the parent	-145
Net Income per Share	-162.46 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 September 30, 2022:	938,733,028 shares
As of March 31, 2022:	938,733,028 shares
4. Number of Treasury stock

As of September 30, 2022:	46,221,519 shares
As of March 31, 2022:	46,248,567 shares
5. Number of Average stock

As of September 30, 2022:	892,499,308 shares
As of September 30, 2021:	892,982,144 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 September 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)
	Six-months ended Sep. 30, 2021	Six-months ended Sep. 30, 2022	Change (%)
Total electric sales	59,177	63,803	107.8
Retail electric sales	48,837	55,398	113.4
Residential	14,552	14,423	99.1
Commercial and Industrial	34,285	40,975	119.5
Electricity sales to other non-utility companies	10,340	8,405	81.3

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, 2022	As of Sep. 30, 2022
(Assets)		
Non-current assets	7,317,298	7,460,720
Electric utility plant and equipment	3,467,992	3,559,214
Hydroelectric power production facilities	299,252	303,555
Thermal power production facilities	298,890	279,328
Nuclear power production facilities	742,950	852,806
Transmission facilities	760,726	757,979
Transformation facilities	421,617	419,942
Distribution facilities	813,428	817,613
General facilities	112,556	109,761
Other electric utility plant and equipment	18,569	18,227
Other non-current assets	904,567	906,247
Construction in progress	952,357	863,350
Construction and retirement in progress	751,744	659,366
Special account related to nuclear power decommissioning	53,110	49,117
Special account related to reprocessing of spent nuclear fuel	147,502	154,866
Nuclear fuel	510,571	496,282
Loaded nuclear fuel	51,036	78,311
Nuclear fuel in processing	459,535	417,970
Investments and other assets	1,481,810	1,635,625
Long-term investments	440,072	478,332
Long-term investments in subsidiaries and associates	602,006	655,803
Deferred tax assets	351,619	391,739
Other	115,098	137,121
Allowance for doubtful accounts	-26,987	-27,372
Current assets	1,339,131	1,374,015
Cash and deposits	469,052	336,300
Notes and accounts receivable and contract assets	307,904	403,147
Inventories	199,920	231,918
Other	365,049	406,373
Allowance for doubtful accounts	-2,795	-3,723
Total assets	8,656,430	8,834,735

Consolidated Balance Sheets

(Million yen)

Account	As of Mar. 31, 2022	As of Sep. 30, 2022
(Liabilities)		
Non-current liabilities	5,025,325	5,249,675
Bonds payable	1,613,921	1,641,021
Long-term borrowings	2,277,475	2,482,852
Provision for loss on guarantees	1,893	1,933
Liability for retirement benefits	365,853	363,125
Asset retirement obligations	522,990	526,041
Deferred tax liabilities	6,674	10,703
Other	236,516	223,996
Current liabilities	1,899,697	1,881,073
Current maturities of long-term debt	490,880	508,767
Short-term borrowings	150,635	155,427
Commercial papers	310,000	410,000
Notes and accounts payable	198,065	183,295
Accrued income taxes	51,291	32,223
Other current liabilities	698,823	591,359
Reserves under special laws	25,850	25,596
Reserve for water shortage	25,850	25,596
Total liabilities	6,950,873	7,156,345
(Net Assets)		
Shareholders' equity	1,634,021	1,545,719
Share capital	489,320	489,320
Capital surplus	66,728	66,738
Retained earnings	1,175,509	1,087,165
Treasury shares	-97,536	-97,505
Accumulated other comprehensive income	25,552	79,814
Valuation difference on available-for-sale securities	89,057	88,954
Deferred gains or losses on hedges	-86,307	-66,879
Foreign currency translation adjustments	24,439	58,818
Defined retirement benefit plans	-1,636	-1,078
Non-controlling interests	45,983	52,856
Total net assets	1,705,557	1,678,390
Total liabilities and net assets	8,656,430	8,834,735

Consolidated Statements of Operations

(Million yen)

Account	Six-months ended Sep. 30, 2021	Six-months ended Sep. 30, 2022
Ordinary revenues and expenses		
Operating revenue and expenses		
Operating revenue	1,258,894	1,784,207
Electric	941,920	1,357,929
Other	316,974	426,278
Operating expenses	1,147,763	1,936,124
Electric	867,535	1,555,444
Other	280,227	380,679
Operating income or loss	111,131	-151,916
Non-Operating revenues and expenses		
Non-operating revenues	30,517	58,726
Dividend received	6,557	8,892
Interest revenue	573	429
Share of profit of entities accounted for using equity method	4,440	17,118
Other	18,946	32,286
Non-operating expenses	14,636	18,665
Interest expenses	10,463	11,468
Other	4,172	7,197
Total ordinary revenue	1,289,412	1,842,934
Total ordinary expenses	1,162,400	1,954,789
Ordinary income or loss	127,012	-111,855
Provision or reversal of reserve for water shortage	—	-254
Reversal of reserve for water shortage	—	-254
Income or loss before income taxes and minority interests	127,012	-111,600
Income taxes-current	21,067	3,872
Income taxes-deferred	12,028	-40,769
Income taxes	33,096	-36,896
Net income or loss	93,916	-74,704
Net income attributable to non-controlling interests	728	1,678
Net income or loss attributable to owners of parent	93,187	-76,382

Consolidated Statements of Comprehensive Income

(Million yen)

Account	Six-months ended Sep. 30, 2021	Six-months ended Sep. 30, 2022
Net income or loss	93,916	-74,704
Other comprehensive income		
Valuation difference on available-for-sale securities	7,941	522
Deferred gains or losses on hedges	-69,644	17,093
Foreign currency translation adjustments	4,282	19,736
Defined retirement benefit plans	740	611
Share of other comprehensive income in associates	5,305	22,421
Total other comprehensive income	-51,374	60,385
Comprehensive income	42,541	-14,318
(Breakdown)		
Attributable to owners of parent	39,823	-20,745
Attributable to non-controlling interests	2,718	6,427