

Unaudited Financial Release (Consolidated) for the Third Quarter

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

January 31, 2024

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 Nine-Months ended December 31, 2023 and 2022

(Figures are rounded down to the nearest million yen)

1. Results of Operations

	<u>Nine-Months</u> <u>ended December 31</u>		(Million yen) <u>Change</u>	
	2022	2023	22/21	23/22
Operating Revenues	2,773,136	2,998,064	42.2%	8.1%
Operating Income	-219,325	612,692	—	—
Ordinary Income *	-177,789	639,414	—	—
Net Income attributable to owners of the parent	-124,427	351,035	—	—
Net Income per Share	-139.41 yen	393.31 yen	—	—
Fully Diluted Net Income per Share	—	—	—	—

Comprehensive income

Nine-months ended December 31, 2023: 424,523 million yen

Nine-months ended December 31, 2022: 22,094 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, 2023	December 31, 2023
Total Assets	8,774,425	8,756,949
Net Assets	1,839,782	2,216,813
Equity Ratio	20.4%	24.7%

Notes: Equity capital

As of December 31, 2023: 2,160,112 million yen

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

II. Dividends

	Interim dividend per share	Year-end dividend per share	Annual dividend per share
FY 3/2023	25.00 yen	25.00 yen	50.00 yen
FY 3/2024	25.00 yen	25.00 yen (Forecast)	50.00 yen (Forecast)

III. Financial Forecasts

	(Billion yen) 4/1/2023 – 3/31/2024 (Forecasts)
Operating Revenues	4,050
Operating Income	530
Ordinary Income	570
Net Income attributable to owners of the parent	290
Net Income per Share	324.92 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 December 31, 2023: 938,733,028 shares
 - As of March 31, 2023: 938,733,028 shares
4. Number of Treasury stock
 - As of December 31, 2023: 46,207,267 shares
 - As of March 31, 2023: 46,236,287 shares
5. Number of Average stock
 - As of December 31, 2023: 892,521,684 shares
 - As of December 31, 2022: 892,501,869 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 (413,849 shares as of December 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

(Response to a Business Improvement Order chiefly concerning the fact that our officers and employees received a large amount of money and kind from the former deputy mayor at Takahama Town, Fukui Prefecture)

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.

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.

(Response to a Business Improvement Order concerning the Antimonopoly Law in connection with transactions of special high-voltage and high-voltage electric power)

In connection with transactions of special high-voltage and high-voltage electric power, we was acknowledged that it 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 (March 30, 2023). 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 response to the Business Improvement Order (July 14, 2023) issued under the Electricity Business Act regarding this incident, we formulated a business improvement plan to prevent recurrence and reported the plan to the Minister of Economy, Trade and Industry (August 10, 2023).

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.

(Response to a Business Improvement Order concerning the Electricity Business Act Law, etc. concerning the inappropriate handling of information on Customers of New Electric Power)

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. 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.

In response to the Business Improvement Order (April 17, 2023) issued under the Electricity Business Act regarding this incident, we formulated a business improvement plan to prevent recurrence and reported the plan to the Minister of Economy, Trade and Industry (May 12, 2023).

We will work hard on strengthening internal control and reforming corporate culture as stated in our business improvement plans, while making evaluations from an outside viewpoint by the further involvement of the Board of Directors and the Audit Committee. Through these efforts, we will steadily promote the business improvement plans.

The Group will make utmost efforts across the Group in order to be transformed into a corporate group which will be able to throughout adhere to compliance in fact.

<Reference>

Electricity Sales

			(GWh)
	Nine-months ended Dec. 31, 2022	Nine-months ended Dec. 31, 2023	Change (%)
Total electric sales	93,294	99,173	106.3
Retail electric sales	81,585	86,166	105.6
Residential	21,024	21,342	101.5
Commercial and Industrial	60,561	64,824	107.0
Electricity sales to other non-utility companies	11,709	13,007	111.1

Notes: Total electricity sales to KEPCO in Energy Business. Some rounding errors may be observed.
The amount of electricity sales to other non-utility companies and total electric sales represent the amount of electricity known as of the date of submission (January 31, 2024).

Consolidated Balance Sheets

(Million yen)

Account	As of Mar. 31, 2023	As of Dec. 31, 2023
(Assets)		
Non-current assets	7,509,794	7,449,132
Electric utility plant and equipment	3,591,167	3,852,322
Hydroelectric power production facilities	300,579	301,652
Thermal power production facilities	260,956	271,303
Nuclear power production facilities	903,806	1,147,763
Transmission facilities	750,850	770,957
Transformation facilities	425,872	429,352
Distribution facilities	817,989	815,899
General facilities	113,216	112,414
Other electric utility plant and equipment	17,896	2,979
Other non-current assets	959,936	951,716
Construction in progress	850,237	472,802
Construction and retirement in progress	625,078	247,952
Special account related to nuclear power decommissioning	45,123	39,133
Special account related to reprocessing of spent nuclear fuel	180,035	185,716
Nuclear fuel	494,026	475,574
Loaded nuclear fuel	72,327	82,766
Nuclear fuel in processing	421,698	392,808
Investments and other assets	1,614,426	1,696,715
Long-term investments	510,004	597,438
Long-term investments in subsidiaries and associates	663,358	694,727
Deferred tax assets	347,250	294,289
Other	120,232	136,062
Allowance for doubtful accounts	-26,421	-25,802
Current assets	1,264,630	1,307,817
Cash and deposits	266,961	390,107
Notes and accounts receivable and contract assets	404,623	349,098
Inventories	251,514	281,996
Other	344,811	289,850
Allowance for doubtful accounts	-3,281	-3,235
Total assets	8,774,425	8,756,949

Consolidated Balance Sheets

(Million yen)

Account	As of Mar. 31, 2023	As of Dec. 31, 2023
(Liabilities)		
Non-current liabilities	5,317,416	5,016,346
Bonds payable	1,600,020	1,478,500
Long-term borrowings	2,577,807	2,378,866
Provision for loss on guarantees	1,844	1,938
Liability for retirement benefits	362,293	358,104
Asset retirement obligations	534,566	540,392
Deferred tax liabilities	7,547	16,320
Other	233,336	242,223
Current liabilities	1,592,212	1,501,113
Current maturities of long-term debt	518,324	569,752
Short-term borrowings	155,520	159,457
Commercial papers	162,000	—
Notes and accounts payable	189,699	151,962
Accrued income taxes	40,461	182,756
Other current liabilities	526,206	437,184
Reserves under special laws	25,013	22,676
Reserve for water shortage	25,013	22,676
Total liabilities	6,934,642	6,540,136
(Net Assets)		
Shareholders' equity	1,617,548	1,924,082
Share capital	489,320	489,320
Capital surplus	66,854	66,996
Retained earnings	1,158,895	1,465,267
Treasury shares	-97,522	-97,503
Accumulated other comprehensive income	171,233	236,030
Valuation difference on available-for-sale securities	88,867	112,485
Deferred gains or losses on hedges	34,276	45,277
Foreign currency translation adjustments	48,811	78,153
Defined retirement benefit plans	-722	113
Non-controlling interests	51,001	56,700
Total net assets	1,839,782	2,216,813
Total liabilities and net assets	8,774,425	8,756,949

Consolidated Statements of Operations

(Million yen)

Account	Nine-months ended Dec. 31, 2022	Nine-months ended Dec. 31, 2023
Ordinary revenues and expenses		
Operating revenue and expenses		
Operating revenue	2,773,136	2,998,064
Electric	2,097,565	2,330,959
Other	675,570	667,105
Operating expenses	2,992,461	2,385,372
Electric	2,395,438	1,833,844
Other	597,023	551,527
Operating income or loss	-219,325	612,692
Non-Operating revenues and expenses		
Non-operating revenues	70,301	62,017
Dividend received	13,493	20,759
Interest revenue	864	4,105
Share of profit of entities accounted for using equity method	26,068	16,902
Other	29,874	20,250
Non-operating expenses	28,765	35,295
Interest expenses	17,719	21,628
Other	11,046	13,666
Total ordinary revenue	2,843,437	3,060,082
Total ordinary expenses	3,021,227	2,420,667
Ordinary income or loss	-177,789	639,414
Provision or reversal of reserve for water shortage	-632	-2,337
Reversal of reserve for water shortage	-632	-2,337
Extraordinary losses	—	122,691
Losses due to the cancellation of the power plant construction	—	122,691
Income or loss before income taxes and minority interests	-177,157	519,060
Income taxes-current	5,164	114,838
Income taxes-deferred	-60,770	48,923
Income taxes	-55,606	163,761
Net income or loss	-121,551	355,298
Net income attributable to non-controlling interests	2,876	4,262
Net income or loss attributable to owners of parent	-124,427	351,035

Consolidated Statements of Comprehensive Income

(Million yen)

Account	Nine-months ended Dec. 31, 2022	Nine-months ended Dec. 31, 2023
Net income or loss	-121,551	355,298
Other comprehensive income		
Valuation difference on available-for-sale securities	3,853	20,045
Deferred gains or losses on hedges	92,781	12,578
Foreign currency translation adjustments	22,076	15,672
Defined retirement benefit plans	924	858
Share of other comprehensive income in associates	24,010	20,068
Total other comprehensive income	143,646	69,224
Comprehensive income	22,094	424,523
(Breakdown)		
Attributable to owners of parent	16,642	415,832
Attributable to non-controlling interests	5,451	8,690

(Additional Information)

Recording an Extraordinary losses.

Cancellation of the Wakayama power plant construction project.

Due to the decision to the cancellation of the Wakayama power plant construction project on December 19, 2023, we have recorded extraordinary losses of 122,691 million yen was recorded as losses due to the cancellation of the power plant construction.