

# **Financial results for 1Q of FY ending 3/2021 & Financial forecasts for FY ending 3/2021**

July 31, 2020

The Kansai Electric Power Co., Inc.

Financial forecasts are subject to change depending upon the changes of business environments and other conditions.

# Contents

## ■ Financial highlights of FY ending 3/2021

|                                       |         |
|---------------------------------------|---------|
| • Overview                            | ----- 1 |
| • Financial highlights (consolidated) | ----- 2 |

## ■ Financial highlights of 1Q of FY ending 3/2021

|   |          |
|---|----------|
| • Major factors   | ----- 3  |
| • Consolidated statements of income                       | ----- 4  |
| • Segment information                                     | ----- 5  |
| • Factors Effecting Consolidated Ordinary Income          | ----- 6  |
| • Segment results (in comparison with the previous term ) | ----- 7  |
| • Consolidated balance sheets                             | ----- 12 |

## ■ Financial forecasts for FY ending 3/2022

|                       |          |
|-----------------------|----------|
| • Financial forecasts | ----- 13 |
|-----------------------|----------|

## ■ Appendix

|  |          |
|--|----------|
| • Progress of business improvement plan  | ----- 14 |
| • COVID-19 measures  | ----- 15 |
| • Non-consolidated results compared against last year  | ----- 16 |
| • Retail electricity sales   | ----- 17 |
| • Interest-bearing debt (Consolidated)   | ----- 18 |
| • Actual supply and demand (Sending end)   | ----- 19 |
| • Maintenance costs and depreciation in comparison with the previous term  | ----- 20 |
| • Time lag from the fuel cost adjustment system  | ----- 21 |
| • Framework of feed-in tariff scheme for renewable energy  | ----- 22 |
| • Electricity and gas sales efforts in the Kansai area   | ----- 23 |
| • Advantages when choosing "Nattoku Pack"  | ----- 24 |
| • Associated companies   | ----- 25 |
| • Outline of Kansai Transmission and Distribution, Inc.  | ----- 26 |
| • Outline of gas business  | ----- 27 |
| • Outline of International Business  | ----- 28 |
| • Outline of IT/Communications business  | ----- 29 |
| • Outline of Life/Business Solutions business  | ----- 30 |
| • KEPCO's power source composition   | ----- 31 |
| • Initiatives on climate change issues and CO2 reduction   | ----- 32 |
| • The KEPCO Group's introduction and development plan of renewable energy  | ----- 33 |
| • Fuel change plan, suspension and decommission of operation for KEPCO's power plant                             | ----- 34 |
| • Efforts to realize DX (digital transformation)   | ----- 35 |
| • Kansai Electric Power Group Medium-term Management Plan "Going a step ahead with eye on the future" FORWARD!!! | ----- 36 |
| ※Published on March 26,2019  |          |

## < 1Q of FY ending 3/2021 Earnings Results >

- **Overview**      • Consolidated : **decreased revenue and income**
- **Revenue**
  - In the spreading of COVID-19 infection, the decrease of electricity sales with the reduction of retail electric sales volume in Power Generating/Sales Business and the decrease of operating revenues in Life/Business Solution Business led to **decrease in revenue.**
- **Cost and Profit**
  - **Ordinary expenses decreased** because of the decrease of retail sales volume, the decrease of fossil fuel costs associated with the changes in fuel price in Power Generating/Sales Business and the decrease of operating revenue and costs with refraining from sales activities in Life/Business Solution Business.
  - **Ordinary income decreased** because the decrease in revenue exceeded the decrease in costs.
- **Perspective**
  - It is in **seriously tough results** with the fall of retail electricity sales volume of 1Q by the largest amount since Heisei era in Power Generating/Sales Business, and decreased income in Life/Business Solution Business by the spread of COVID-19.
  - **The uncertainty is increasing** in light of the impacts on business generally such as electricity demand by the spread of COVID-19.

## < FY 3/2021 Financial and Dividend Forecasts >

- Financial forecasts, **the operating revenue and income, are not decided.**
- Because it is difficult situation to forecast the business outlook, **the dividend forecasts is also undecided.**

# Financial highlights (Consolidated)

| (billion yen)   | FY2020-1Q | <b>FY2021-1Q</b> | Change | Rate of Change |
|---|-----------|------------------|--------|----------------|
| Operating revenues  | 785.8     | <b>701.4</b>     | △84.3  | △10.7%         |
| Operating income  | 59.0      | <b>48.5</b>      | △10.5  | △17.8%         |
| Ordinary income   | 62.7      | <b>50.0</b>      | △12.6  | △20.2%         |
| The net income attributable to owners of the parent company | 45.5      | <b>35.9</b>      | △9.6   | △21.2%         |

| (billion yen)         | Mar. 31, 2020 | <b>Jun. 30, 2020</b> | Change  |
|-----------------------|---------------|----------------------|---------|
| Interest-bearing debt | 4,096.6       | <b>4,289.7</b>       | + 193.0 |
| Equity ratio          | 21.0%         | <b>21.2%</b>         | +0.2%   |

# Major factors

| Major factors                                    | FY2020-1Q    | FY2021-1Q          | Change |
|--|--------------|--------------------|--------|
| Total electric sales (TWh) *1*2*3                | 30.6         | <b>27.0</b> (88.1) | △3.6   |
| Retail electric sales                            | 27.2 (102.6) | <b>23.5</b> (86.4) | △3.7   |
| Residential                                      | 7.9 (98.2)   | <b>7.5</b> (94.7)  | △0.4   |
| Commercial and Industrial                        | 19.3 (104.5) | <b>16.1</b> (83.1) | △3.3   |
| Electricity sales to other non-utility companies | 3.4          | <b>3.5</b>         | +0.1   |
| Electricity demand in Kansai area (TWh)          | 31.6         | <b>29.2</b>        | △2.4   |
| Gas sales volume (10,000t)                       | 29           | <b>31</b>          | +2     |
| Nuclear capacity factor (%)                      | 48.6         | <b>50.9</b>        | +2.3   |
| Water run-off ratio (%)                          | 80.2         | <b>89.7</b>        | +9.5   |
| All Japan CIF crude oil price ( \$ /barrel)      | 71.5         | <b>32.2</b>        | △39.3  |
| Exchange rate [TTM] (yen/ \$ )                   | 110          | <b>108</b>         | △2     |
| Interest rate [long-term prime rate] (%)         | 1.00         | <b>1.06</b>        | +0.06  |

\*1 (    ) : Changes from the previous term, %

\*2 Total electricity sales in power generation and sales business

\*3 Figures in 1Q of FY 3/2020 are after adjusting of the impacts of spin-off the transmission and distribution business.

# Consolidated statements of income

| (billion yen)   | FY2020-1Q        | FY2021-1Q                      | Change           |
|---|------------------|--------------------------------|------------------|
| Ordinary revenues<br>(Operating revenues)                                 | 797.6<br>(785.8) | <b>710.5</b><br><b>(701.4)</b> | △87.0<br>(△84.3) |
| Electric operating revenues   | 612.3            | <b>544.9</b>                   | △67.4            |
| Other operating revenues  | 173.4            | <b>156.5</b>                   | △16.9            |
| Non-operating revenues  | 11.7             | <b>9.1</b>                     | △2.6             |
| Ordinary expenses   | 734.8            | <b>660.5</b>                   | △74.3            |
| Electric operating expenses   | 578.6            | <b>520.6</b>                   | △58.0            |
| Other operating expenses  | 148.1            | <b>132.2</b>                   | △15.8            |
| Non-operating expenses  | 8.1              | <b>7.6</b>                     | △0.4             |
| Ordinary income   | 62.7             | <b>50.0</b>                    | △12.6            |
| Provision for or reversal of<br>reserve for fluctuation in<br>water level | △1.3             | △ <b>0.6</b>                   | +0.7             |
| Income taxes  | 18.3             | <b>14.6</b>                    | △3.6             |
| Net income  | 45.5             | <b>35.9</b>                    | △9.6             |
| Comprehensive income  | 45.7             | <b>46.1</b>                    | +0.4             |

• Sales of external transactions in subsidiaries △18.5  
 • Sales of external transactions in non-electric business +1.5

• Costs for subsidiaries △16.8  
 • Costs for non-electric business +1.0

\* The consolidated net income means the net income attributable to owners of the parent company.

# Segment Information

5

| (billion yen)  | FY2020-1Q          |  |                 | FY2021-1Q          |  |                 | Change             |  |                 |
|--|--------------------|--|-----------------|--------------------|--|-----------------|--------------------|--|-----------------|
|  | Operating revenues | Operating revenues (external transactions) | Ordinary income | Operating revenues | Operating revenues (external transactions) | Ordinary income | Operating revenues | Operating revenues (external transactions) | Ordinary income |
| <b>Comprehensive Energy/Power Transmission and Distribution Business</b> | 914.6              | 694.4                                      | 48.7            | <b>836.8</b>       | <b>623.1</b>                               | <b>70.0</b>     | △77.8              | △71.2                                      | +21.2           |
| Power Generating and Sales   | 602.1              | 564.3                                      | 27.7            | <b>520.1</b>       | <b>484.6</b>                               | <b>55.9</b>     | △81.9              | △79.6                                      | +28.1           |
| Transmission and Distribution  | 200.2              | 54.1                                       | 11.3            | <b>201.8</b>       | <b>65.8</b>                                | <b>1.8</b>      | +1.5               | +11.6                                      | △9.4            |
| Gas/Other Energies   | 112.3              | 75.9                                       | 9.6             | <b>114.8</b>       | <b>72.7</b>                                | <b>12.2</b>     | +2.5               | △3.1                                       | +2.5            |
| <b>IT/ Communications</b>  | 68.4               | 54.5                                       | 8.4             | <b>66.9</b>        | <b>53.4</b>                                | <b>11.2</b>     | △1.4               | △1.0                                       | +2.7            |
| <b>Life/Business Solutions</b>   | 48.3               | 36.9                                       | 9.4             | <b>36.4</b>        | <b>24.8</b>                                | <b>3.8</b>      | △11.9              | △12.1                                      | △5.5            |
| <b>Total</b>   | 1,031.5            | 785.8                                      | 66.6            | <b>940.2</b>       | <b>701.4</b>                               | <b>85.1</b>     | △91.2              | △84.3                                      | +18.4           |
| Eliminations/Corporate   | △245.6             | —  | △3.8            | △238.8             | —  | △35.0           | +6.8               | —  | △31.1           |
| <b>Consolidated</b>  | 785.8              | 7,858                                      | 62.7            | <b>701.4</b>       | <b>701.4</b>                               | <b>50.0</b>     | △84.3              | △84.3                                      | △12.6           |

\*1 We rearranged the segment due to the spin-off of the power transmission and distribution business on April 1, 2020.

\*2 Results for 1Q of FY 3/2020 have been rearranged as the transmission and distribution business was split off from KEPCO.

\*3 Power generating and sales business includes operating holding company.

## <References>

| (billion yen)          | FY2020-1Q | FY2021-1Q | Change |
|------------------------|-----------|-----------|--------|
| International Business | △1.1      | 1.5       | +2.6   |

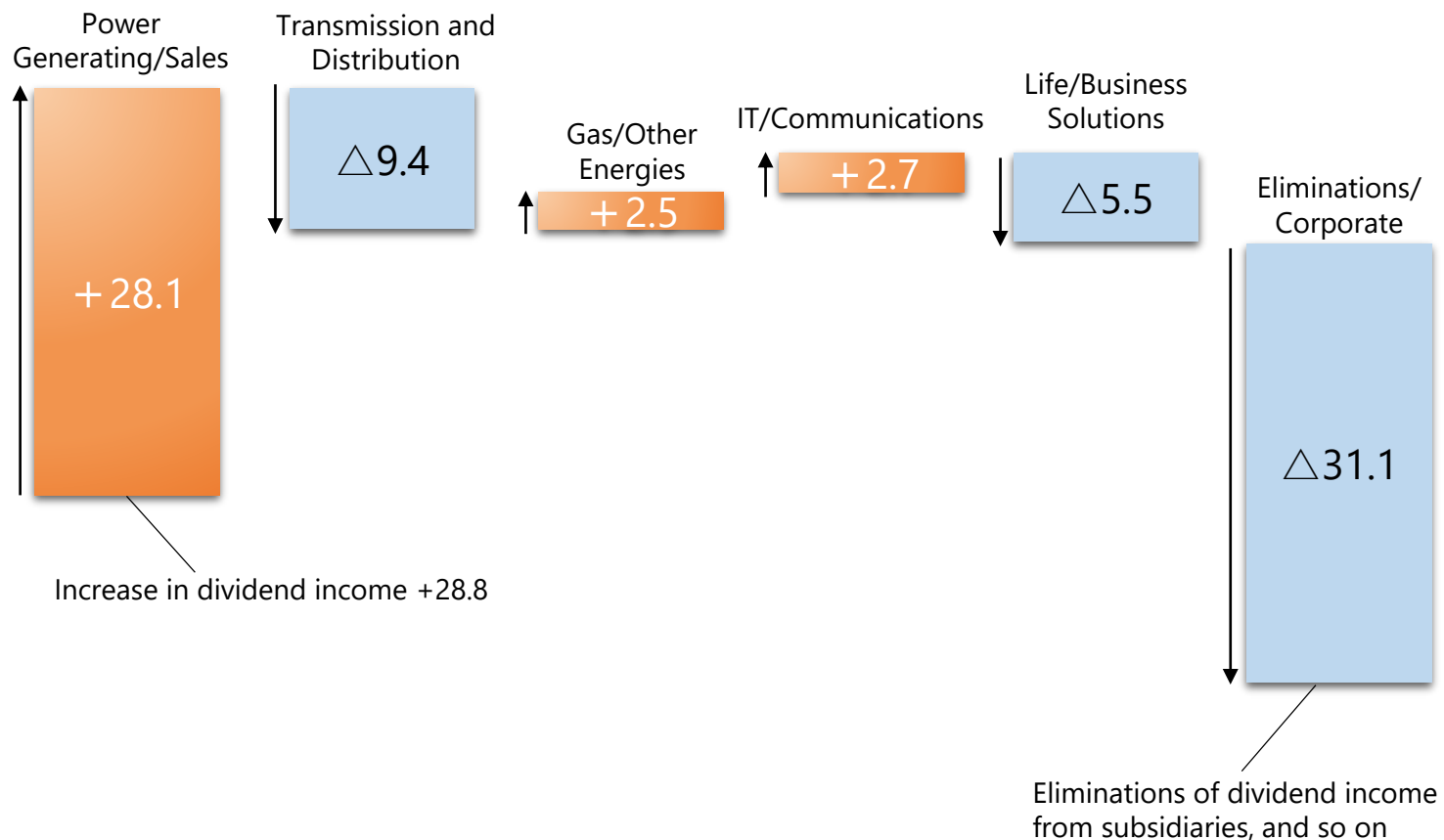
Breakdown of changes in International Business : Increase due to increase in dividend income, etc.

# Factors Effecting Consolidated Ordinary Income

Consolidated Ordinary Income : 12.6 Billion Yen Decrease

(billion yen)

Comprehensive Energy/Power Transmission and Distribution Business : 21.2 Billion Yen Increase



62.7

Increase in dividend income +28.8

△31.1

Eliminations of dividend income from subsidiaries, and so on

50.0

FY2020-1Q

FY2021-1Q



# Segment Results : Power Generating/Sales

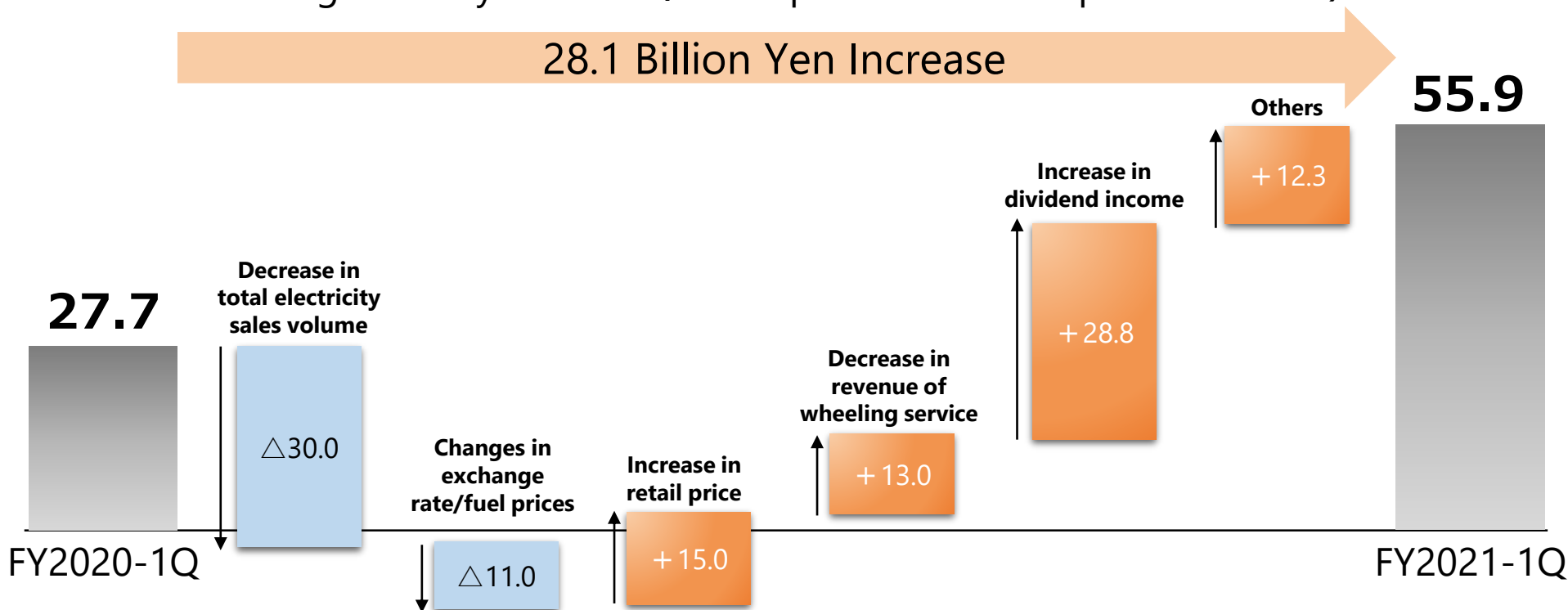
7

## <Results>

| (billion yen)                                 | FY2020-1Q | FY2021-1Q    | Change |
|---|-----------|--------------|--------|
| Operating revenues                            | 602.1     | <b>520.1</b> | △81.9  |
| Operating revenues<br>(external transactions) | 564.3     | <b>484.6</b> | △79.6  |
| Ordinary income                               | 27.7      | <b>55.9</b>  | +28.1  |

## <Factors effecting ordinary income (in comparison with the previous term) >

28.1 Billion Yen Increase



# Segment Results : Transmission and Distribution

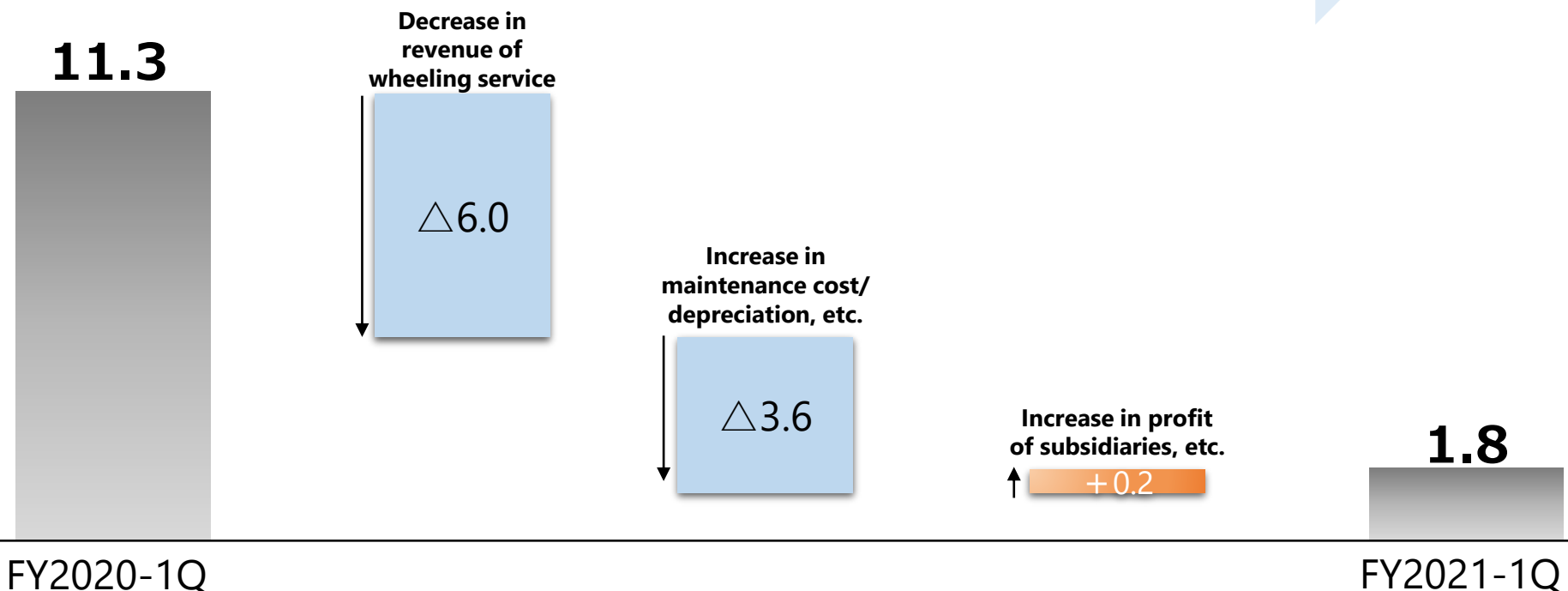
8

## <Results>

| (billion yen)                                 | FY2020-1Q | FY2021-1Q    | Change |
|---|-----------|--------------|--------|
| Operating revenues                            | 200.2     | <b>201.8</b> | +1.5   |
| Operating revenues<br>(external transactions) | 54.1      | <b>65.8</b>  | +11.6  |
| Ordinary income                               | 11.3      | <b>1.8</b>   | △9.4   |

## <Factors effecting ordinary income (in comparison with the previous term) >

9.4 Billion Yen Decrease



# Segment Results : Gas/Other Energies

9

## <Results>

| (billion yen)                                 |  | FY2020-1Q | <b>FY2021-1Q</b> | Change |
|---|--|-----------|------------------|--------|
| Operating revenues                            |  | 112.3     | <b>114.8</b>     | +2.5   |
| Operating revenues<br>(external transactions) |  | 75.9      | <b>72.7</b>      | △3.1   |
| (Breakdown)                                   | Ordinary income  | 9.6       | <b>12.2</b>      | +2.5   |
|   | KEPCO's non-electricity<br>business                                    | 2.0       | <b>2.7</b>       | +0.6   |
|   | Share of gain/loss of entities<br>accounted for using equity<br>method | 4.1       | <b>3.8</b>       | △0.3   |
|   | Subsidiaries, etc.   | 3.4       | <b>5.6</b>       | +2.2   |

## <Breakdown of changes >

|   |  |  |
|---|--|--|
| Operating revenues                            |  | Increased revenue because of the increase in constructions for KEPCO, etc.                                       |
| Operating revenues<br>(external transactions) |  | Decreased revenue because of decrease in electricity sales revenue in power producer and supplier business, etc. |
| Ordinary<br>Income                            | KEPCO's non-<br>electricity business                                   | Increased income because of the increase in gas sales volume in gas business, etc.                               |
|   | Share of gain/loss of<br>entities accounted for<br>using equity method | Decreased income because of the decreased income of affiliated company accounted for using the equity method     |
|   | Subsidiaries, etc.   | Increased income because of the increase in constructions for KEPCO, etc.  |

# Segment Results : IT/Communications

10

## <Results>

| (billion yen )                                | FY2020-1Q | <b>FY2021-1Q</b> | Change |
|---|-----------|------------------|--------|
| Operating revenues                            | 68.4      | <b>66.9</b>      | △1.4   |
| Operating revenues<br>(external transactions) | 54.5      | <b>53.4</b>      | △1.0   |
| Ordinary income                               | 8.4       | <b>11.2</b>      | +2.7   |

## <Breakdown of changes >

|   |  |
|---|--|
| Operating revenues                            | Decreased revenue because of the exclusion of a subsidiary in consolidation                      |
| Operating revenues<br>(external transactions) |  |
| Ordinary income                               | Increased income because of the increase in subscriber of consumer service and decrease in costs |

# Segment Results : Life/Business Solution

11

## <Results>

| (billion yen )                                | FY2020-1Q | <b>FY2021-1Q</b> | Change |
|---|-----------|------------------|--------|
| Operating revenues                            | 48.3      | <b>36.4</b>      | △11.9  |
| Operating revenues<br>(external transactions) | 36.9      | <b>24.8</b>      | △12.1  |
| Ordinary income                               | 9.4       | <b>3.8</b>       | △5.5   |

## <Breakdown of changes >

|   |   |
|---|---|
| Operating revenues                            | Decreased revenue because of the decrease in revenue in housing business and decrease in revenue in hotel business due to impacts of COVID-19, etc. |
| Operating revenues<br>(external transactions) |   |
| Ordinary income                               | Decreased income because of the decrease in operating revenues  |

# Consolidated balance sheets

12

| (billion yen) | Mar. 31,<br>2020 | <b>Jun. 30,<br/>2020</b> | Change |  |
|---------------|------------------|--------------------------|--------|--|
| Assets        | 7,612.7          | <b>7,669.5</b>           | +56.8  | Depreciation and amortization $\triangle 68.9$<br>Capital expenditures +103.0                |
| Liabilities   | 5,970.9          | <b>6,004.2</b>           | +33.2  | Accounts payable and accrued expenses $\triangle 163.5$<br>Interest bearing debt +193.0      |
| Equity        | 1,641.7          | <b>1,665.2</b>           | +23.5  | Net income * +35.9<br>Dividend $\triangle 22.3$<br>(25.00yen per share for FY 3/20 year-end) |

\* The consolidated net income means the net income attributable to owners of the parent company.

## < FY 3/2021 Financial Forecasts >

Because the effects in all business activities including the electricity demand caused by the spread of COVID-19 are not foreseen financial forecasts, the operating revenue and income are not decided.

The forecasts will be disclosed promptly when we could calculate them.

## < FY 3/2021 Forecasts>

Because it is difficult situation to forecast the business outlook, the dividend forecasts are also undecided.

# Appendix



# Progress of business improvement plan

14

|   | Description   | Implementation Timeline   |
|---|---|---|
| 1 | Drastic enhancement of a Compliance regime toward sound and appropriate corporate management, and creation of a Compliance-oriented and sound organizational climate  |   |
|   | <b>( 1 ) Re-establishment of a Compliance regime utilizing external human resources</b><br>[1] Creation of a Compliance Committee and Compliance Promotion Division<br>[2] Establishment of an Incident Reporting System  | [1] Compliance Committee :<br>Established on April 28, 2020<br>Compliance Promotion Division :<br>Established on April 10, 2020<br>[2] Implemented on June 29, 2020 |
|   | <b>( 2 ) Creation and maintenance of Compliance awareness</b><br>[1] Officers' initiatives, and establishment of a code of conduct to be observed by officers and employees<br>[2] Comprehensive revision of basic policies and internal regulations relating to promotion of Compliance<br>[3] Enhancement of Compliance training  | [1] Implemented on March 30, 2020<br>[2] Implemented on June 22, 2020<br>[3] Partially implemented on June 22, 2020   |
| 2 | Establishment of an operation system for ensuring reasonableness and transparency in procedures relating to issuance of work orders and execution of work contracts   |   |
|   | <b>( 1 ) Revision of procedures relating to issuance of work orders and execution of work contracts</b><br>[1] Separation of an implementation authority and a contracting authority<br>[2] Creation of the Procurement Review Committee  | [1] Implemented on June 25, 2020<br>[2] Established on April 28, 2020   |
|   | <b>( 2 ) Prohibition of deviating procedures for issuance of work orders and execution of work contracts</b><br>[1] Prohibition of advance provision to particular individuals or entities of information relating to work order or contract<br>[2] Prohibition of disclosure of prices of particular orders or contracts leading to advance commitments to issue work orders<br>[3] Prohibition of inappropriate involvement in prime contractors' order issuance to subcontractors or contracts with subcontractors<br>[4] Prohibition of unreasonable sole-source procurement with particular individuals or entities<br>[5] Prohibition of non-transparent payment of donations and cooperative contributions | (2)[1] to [4] implemented on April 24, 2020 and amended on June 23, 2020<br>[5] Implemented on April 24 and 28, 2020 and amended on June 23, 2020                   |
|   | ( 3 ) Ensuring of transparency in KEPCO's subsidiaries' work order issuance   | (3) Implemented on June 19, 2020 and checked by the Procurement Review Committee  |
|   | ( 4 ) Strict punishment against business partners whose malpractice has been detected   | (4) Implemented on March 30, 2020 and henceforth the reoccurrence prevention measures will be assessed  |
| 3 | Development of a new corporate management regime  |   |
|   | <b>( 1 ) Development of an effective corporate governance regime attaching greater importance to external objective perspective</b><br>[1] Revision of a corporate governance framework<br>[2] Enhancement of supervisory functions attaching importance to external objective perspectives<br>[3] Enhancement of audit functions   | (1) Implemented on June 25, 2020  |
|   | <b>( 2 ) Development of a system for effective governance over Nuclear Power Division</b><br>[1] Enhancement of control over and support to Nuclear Power Division<br>[2] Measures for creation of an open organization   | [1] Implemented on June 25, 2020<br>[2] Partially implemented on June 25, 2020  |

✓ As a social infrastructure operator, we will make utmost efforts to provide electricity, gas and communication services safely and stably, which are necessary for the livelihoods and businesses of the communities, by protecting the health and lives of all persons involved in business activities of the KEPCO Group and ensuring business continuity.

## Efforts to prevent infection and business interruption

### **(Infection prevention)**

- Flexible working styles
  - Working from home and providing the IT tools to support it
  - Self-restraint from unnecessary business trip
- Activities promoted in the workplace and by supporting companies
  - Monitoring, managing and logging health condition on a daily basis
  - Wearing masks and providing hand sanitizers (contain alcohol)
  - Avoiding the 3 C's (Closed spaces, Crowded places and Close-contact settings) in the office, meetings, etc., using online meeting systems/services

### **(Business contingencies)**

- Securing manpower
  - Rotating shifts amongst personnel engaged in the same kind of work
  - Ensuring backup systems integrated into operations of central transmission command center and grid power stations (If personnel becomes infected)
  - Reviewing operation of shuttle bus services to business sites, body temperature checks prior to site access
- Maintenance of supply chains
  - Ensuring alternative suppliers as a precaution against protracted chaos

## Countermeasures to impacts on KEPCO Group business

- Analysis and actions to counter impacts on business during the current fiscal year (e.g.: changes in electric power demand and fuel prices)
- Analysis of impacts on Medium-Term Management Plan (2019 – 2021)

# Non-consolidated results compared against last year

16

| (billion yen)  | FY2020-1Q        | FY2021-1Q                      | Change           |
|--|------------------|--------------------------------|------------------|
| Ordinary revenues<br>(Operating revenues)                              | 642.9<br>(631.7) | <b>591.4</b><br><b>(551.4)</b> | △51.4<br>(△80.3) |
| Electricity sales  | 506.8            | <b>431.5</b>                   | △75.2            |
| Grant under act on purchase of<br>renewable energy sourced electricity | 49.0             | <b>47.2</b>                    | △1.7             |
| Others   | 86.9             | <b>112.6</b>                   | +25.6            |
| Ordinary expenses  | 613.0            | <b>532.7</b>                   | △80.2            |
| Personnel expenses   | 29.3             | <b>26.2</b>                    | △3.1             |
| Fuel costs   | 110.1            | <b>80.0</b>                    | △30.0            |
| Backend expenses of nuclear power                                      | 20.7             | <b>15.4</b>                    | △5.3             |
| Maintenance costs  | 16.3             | <b>20.2</b>                    | +3.9             |
| Taxes other than income taxes  | 12.8             | <b>11.5</b>                    | △1.2             |
| Depreciation   | 20.7             | <b>21.7</b>                    | +0.9             |
| Purchased power  | 115.8            | <b>95.9</b>                    | △19.8            |
| Interest expenses  | 5.9              | <b>5.3</b>                     | △0.5             |
| Levy under act on purchase of renewable<br>energy sourced electricity  | 69.3             | <b>60.1</b>                    | △9.2             |
| Expenses for wheeling service  | 131.3            | <b>118.3</b>                   | △13.0            |
| Others   | 80.4             | <b>77.7</b>                    | △2.7             |
| Ordinary income<br>(Operating income)                                  | 29.8<br>(25.2)   | <b>58.7</b><br><b>(24.7)</b>   | +28.8<br>(△0.5)  |
| Provision for or reversal of reserve for<br>fluctuation in water level | △1.3             | △ <b>0.6</b>                   | +0.7             |
| Income taxes   | 7.9              | <b>6.7</b>                     | △1.2             |
| Net income   | 23.3             | <b>52.6</b>                    | +29.3            |

- Decrease in retail electricity sales volume  
△59.0
- Decrease in adjusted fuel cost  
△22.0
- Decrease in the surcharge for promoting  
renewable energy sourced electricity  
△9.2
- Increase in retail price  
+15.0

- Dividend income  
+28.8

- Fossil-fuel costs  
△29.7
- Nuclear-fuel costs  
△0.3

- Decrease in retail electricity sales  
volume  
△29.0
- Decrease in the increase of Water run-  
off ratio  
△3.0
- Increase in Nuclear capacity factor  
△3.0
- Decrease in purchased electricity to  
other utility and non-utility companies  
+11.0
- Change of exchange rate and fuel  
costs  
△9.0

\*Results for 1Q of FY 3/2020 have been rearranged as the transmission and distribution business was split off from KEPCO.

## 【Retail Electricity sales for FY ending 3/2021】

| (GWh)                    |                           | April           | May             | June            | 1Q Total         |
|--------------------------|---------------------------|-----------------|-----------------|-----------------|------------------|
|                          | Residential               | 2,822<br>(94.2) | 2,576<br>(94.8) | 2,054<br>(95.1) | 7,451<br>(94.7)  |
|                          | Commercial and Industrial | 5,546<br>(85.8) | 5,014<br>(79.1) | 5,492<br>(84.2) | 16,051<br>(83.1) |
| Retail Electricity sales |                           | 8,367<br>(88.4) | 7,590<br>(83.8) | 7,546<br>(86.9) | 23,503<br>(86.4) |

\*1 Figures in ( ) are year-on-year %

\*2 Retail electricity sales in Power generation/Sales business

## 【Average monthly temperature】

| (°C)                | April | May   | June  |
|---------------------|-------|-------|-------|
| Actual              | 13.7  | 20.8  | 24.9  |
| Year-on year change | △0.4  | △0.2  | + 2.0 |
| Anomaly             | △1.4  | + 1.1 | + 1.4 |

# Interest-bearing debt (Consolidated)

18

| (billion yen)  | Mar. 31, 2020 | Jun. 30, 2020  | Change                     |
|--|---------------|----------------|----------------------------|
| <b>Bonds</b>   | 1,314.0       | <b>1,254.2</b> | △59.8<br>(△59.8)           |
| <b>Borrowings</b>                                    | 2,486.6       | <b>2,672.4</b> | +1,85.8<br>(+373.0、△186.8) |
| <b>Long-term</b>                                     | 2,342.0       | <b>2,526.6</b> | +184.5<br>(+306.6、△121.8)  |
| <b>Short-term</b>                                    | 144.5         | <b>1,45.8</b>  | +1.3<br>(+66.4、△65.0)      |
| <b>Commercial paper</b>                              | 296.0         | <b>363.0</b>   | +67.0<br>(+132.0、△65.0)    |
| <b>Interest-bearing debt</b>                         | 4,096.6       | <b>4,289.7</b> | +193.0                     |
| <b>Interest rate (%)<br/>(as of fiscal year-end)</b> | 0.57          | <b>0.54</b>    | △0.03                      |

\*1 +(plus) in the bracket means financing, △(minus) in the bracket means repayment.

\*2 Change includes foreign exchange loss/gain, and total in the bracket may not be congruent.

# Actual supply and demand (Sending end)

19

| (GWh)                            |                         | FY2020-1Q | Composition ratio | FY2021-1Q     | Composition ratio | Change |
|----------------------------------|-------------------------|-----------|-------------------|---------------|-------------------|--------|
|                                  | <b>Hydro</b>            | 3,347     | 14%               | <b>3,839</b>  | 18%               | +492   |
|                                  | <b>Thermal</b>          | 13,375    | 57%               | <b>10,762</b> | 50%               | △2,613 |
|                                  | <b>Nuclear</b>          | 6,672     | 29%               | <b>6,985</b>  | 32%               | +313   |
|                                  | <b>Renewable energy</b> | 4         | 0%                | <b>8</b>      | 0%                | +4     |
|                                  | <b>KEPCO Total</b>      | 23,398    | 100%              | <b>21,593</b> | 100%              | △1,805 |
| <b>Other-utility companies</b>   |                         | 4,951     |                   | <b>3,438</b>  |                   | △1,514 |
| <b>Captive use by hydropower</b> |                         | △460      |                   | <b>△632</b>   |                   | △173   |
| <b>Total</b>                     |                         | 27,890    |                   | <b>24,399</b> |                   | △3,491 |

\* Some rounding errors may be observed.

\* Figures in 1Q of FY 3/2020 are after adjusting of the impacts of spin-off the transmission and distribution business.

\* Actual supply and demand in Power generating/sales business

# Maintenance costs and depreciation in comparison with the previous year

20

## <KEPCO>

| (billion yen)            | FY2020-1Q | FY2021-1Q   | Change | Breakdown                     |
|--------------------------|-----------|-------------|--------|-------------------------------|
| <b>Maintenance costs</b> | 16.3      | <b>20.2</b> | + 3.9  | Thermal +8.3<br>Nuclear △4.2  |
| <b>Depreciation</b>      | 20.7      | <b>21.7</b> | + 0.9  | Business +0.5<br>Nuclear +0.2 |

## <Kansai Transmission and Distribution, Inc.>

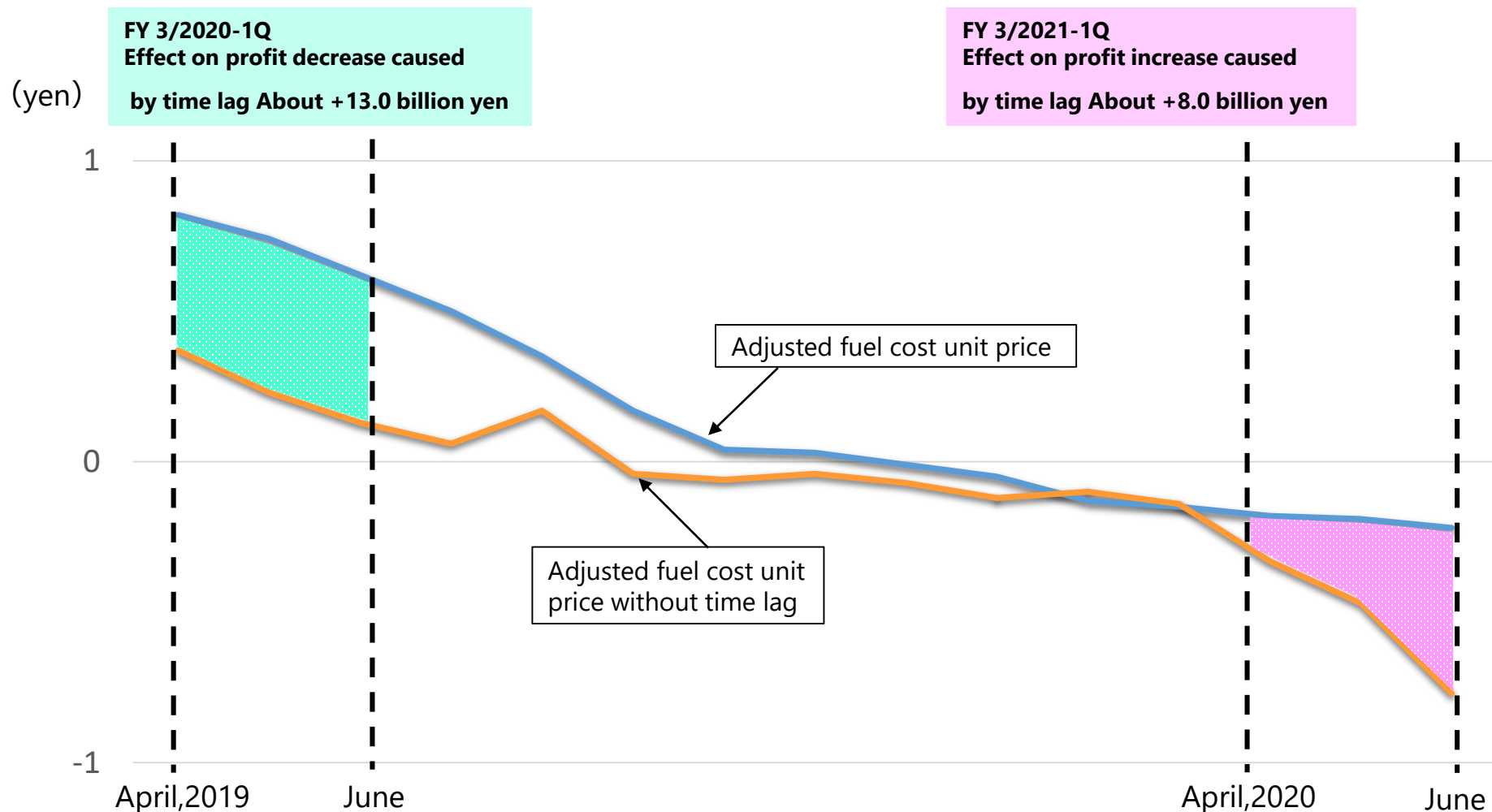
| (billion yen)            | FY2020-1Q | FY2021-1Q   | Change | Breakdown   |
|--------------------------|-----------|-------------|--------|---|
| <b>Maintenance costs</b> | 23.8      | <b>24.9</b> | + 1.1  | Distribution +1.4<br>Transmission △0.1                    |
| <b>Depreciation</b>      | 25.4      | <b>26.7</b> | + 1.3  | Business +0.4<br>Transformation +0.3<br>Transmission +0.3 |

\* Figures in 1Q of FY 3/2020 are after adjusting of the impacts of spin-off the transmission and distribution business.

# Time lag from the fuel cost adjustment system

21

- The fuel cost adjustment system is a mechanism utilized to reflect, in the electricity rates, the impact of fluctuations in the exchange rate and the market price of fuel on thermal fuel costs.
- Fluctuations in fuel prices of each month is reflected in fuel cost adjustment unit price 3–5 months later. This generates a gap (time lag) between the fluctuations in fuel prices and the timing of reflecting them in fuel cost adjustment unit price.

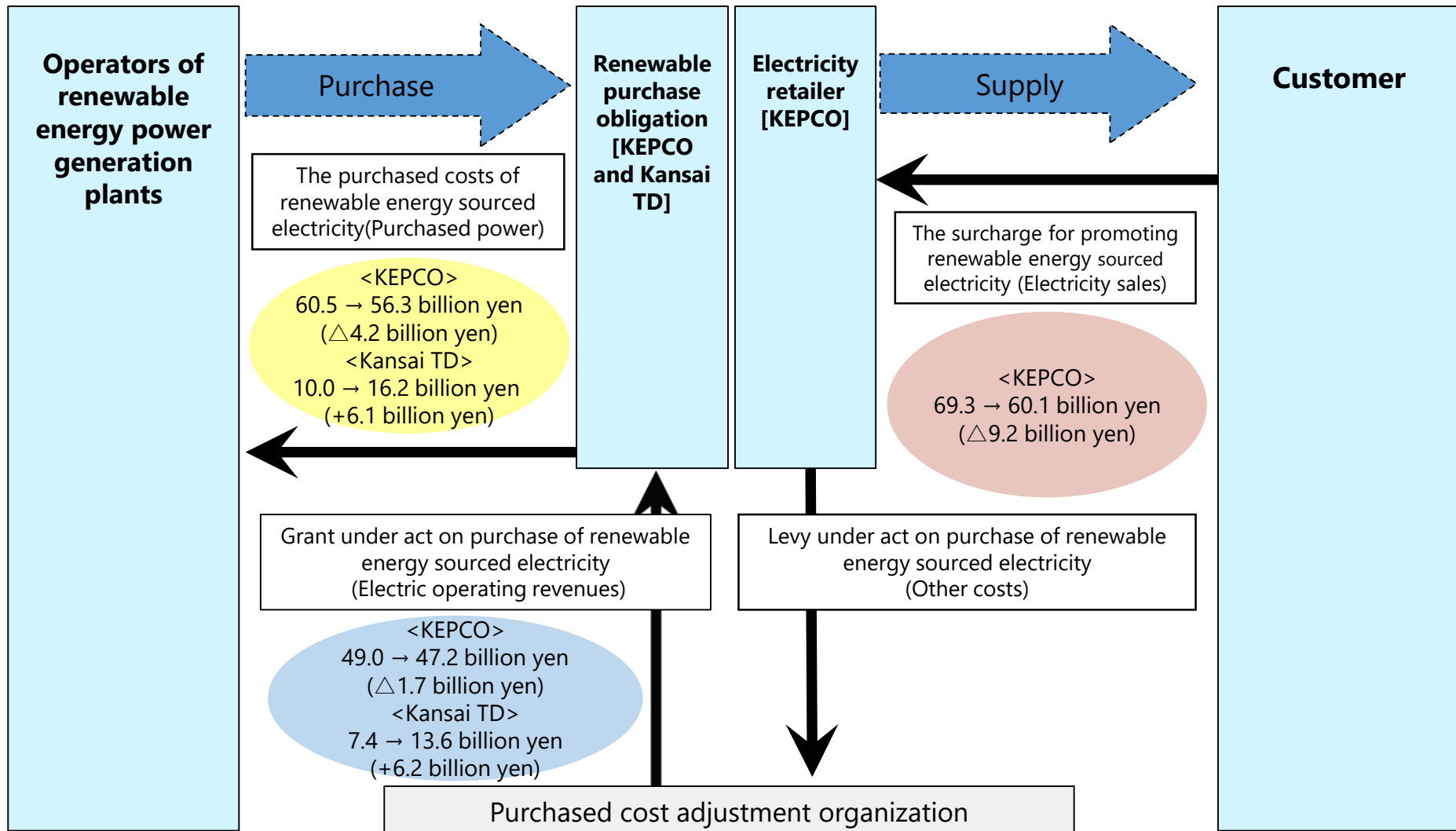


\*The above-mentioned time lag indicates time gap on the income front in each accounting period, and differs from the income and expenditure effect calculated based on actual thermal power fuel cost etc.



# Framework of feed-in tariff scheme for renewable energy

22



\* 1Q of FY ending 3/2020 → 1Q of FY ending 3/2021 (changes from the previous term)

\* Due to the spin-off of the power transmission and distribution business, 1Q of FY ending 3/2020 results have been reclassified.

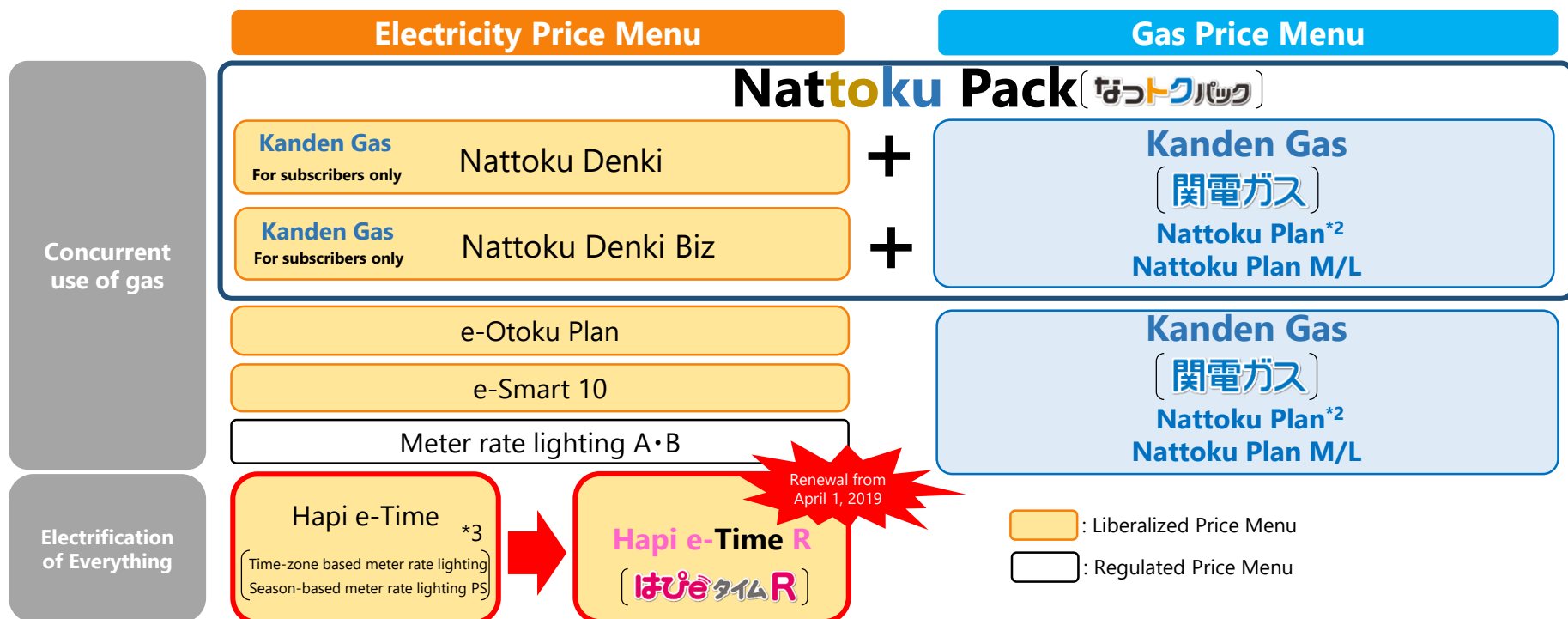
\* Difference between purchased costs of renewable energy sourced electricity and grant under act on purchase of renewable energy sourced electricity is subtracting avoidable costs.

\* "Law for partial amendment to the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities (Feed-in Tariff) and other laws" (enforced April 1, 2017) stipulates that, regarding contracts of purchase on and after April 1, 2017, the definition of businesses obliged to purchase electricity was changed to general electricity transmission and distribution businesses and others.

# Electricity and gas sales efforts in the Kansai area

23

- KEPCO has made efforts so our “electricity” will be chosen by customers in terms of both price and service through proposals of Electrification of Everything, “Kanden Gas” and liberalized price menu. Additionally, **we have stepped up efforts so our electricity and gas will be chosen by as many customers as possible, by launching Kanden Gas “Nattoku Pack”.**
- And, in May 2018, **“Nattoku Denki Biz,” an adjusted electricity rate menu mainly for shops, offices and restaurants was added to “Nattoku Denki,” an electricity rate menu mainly for residential customers, as an option for the enriched “Nattoku Pack.”** The **“e-Otoku Plan”** was also adjusted to offer a better deal to a broader range of customers.
- From April 1 in 2019, the “Hapi e-Time” service will be renamed to **“Hapi e-Time R”** service. **“Hapi e-Time R”** service is available by customers using Eco Cute equipment. **The electricity rate unit price depends on the season and time zone the service is used, and the rate can be reduced by shifting the use of electricity to the time zone of the lower rate.** Furthermore, **“Electrification discount”** <sup>\*1</sup> may be applied by the introduction of IH Cooking Heaters, and the rate is **additionally lowered by 5%.**



\*1: The electrification discount may be applied, and 5% of the amount subject to discount (total amount of base rate and energy charge, fuel cost adjustment amount excluded) is deducted from the electricity charge, in the event that the customers using “Hapi e-Time R” service who already have electric hot water suppliers, including Eco Cute.

\*2: Nattoku Plan (eo Discount) and Nattoku Plan for Chuo Electric Power are excluded.

\*3: For customers that contracted or applied for the service until March 31 of 2019, “Hapi e-Time,” “Time-zone based meter rate lamp,” and “Season-based meter rate lamp PS” may be continuously available on and after April 1 of 2019, provided that no modification is made in the contents of the contract of the electricity service (except for the change in the user’s name and capacity, limited to cases where the coverage is satisfied).

# Advantages when choosing Nattoku Pack ( なっとくパック )

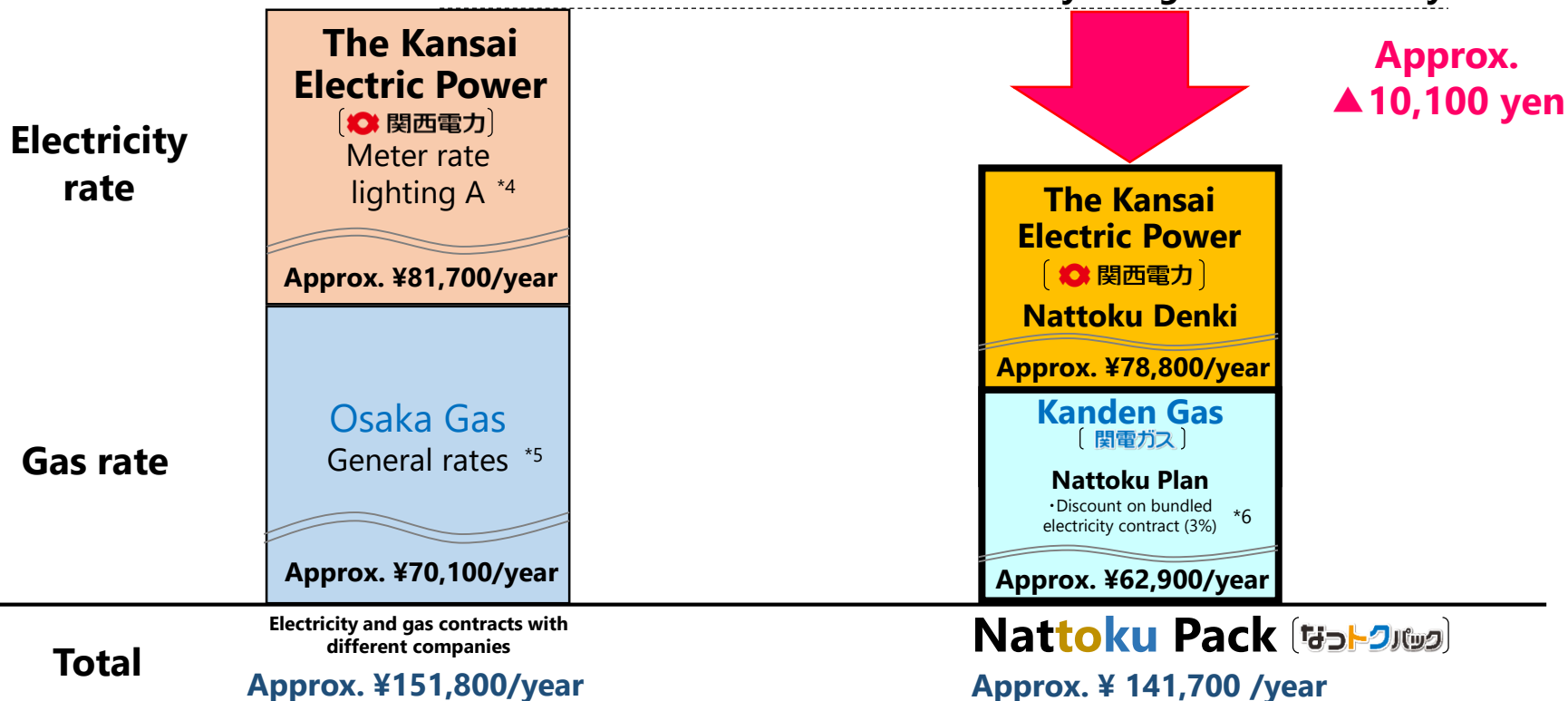
24

- **"Nattoku Pack" is a service where customers receive advantages regardless of their use amount because of the discounted rate of both the electricity charge and the gas charge irrespective of the use amount, provided that "Meter-rate lighting A" and "Ordinary rate service" of Osaka Gas are applied to the customers.**<sup>\*1</sup>

Customer with average consumption of electricity and gas

(Monthly consumption:  
Electricity 260 kWh, Gas 31 m<sup>3</sup>)<sup>\*2</sup>

**Approx. 10,100 yen<sup>\*3</sup> discount  
on electricity and gas rates annually!**



<sup>\*1</sup>: Except for the cases of no amount used.

<sup>\*2</sup>: (Computational condition) Monthly electricity consumption (260kWh) and monthly gas consumption (31m<sup>3</sup>) refer to a model case publicly announced by Osaka Gas.

<sup>\*3</sup>: Electricity rate includes consumption tax and renewable energy surcharges (applicable between May 2020 and April 2021), and it doesn't include fuel cost adjustment. Gas rate includes consumption tax and it doesn't include raw material cost adjustment calculated with the unit price of raw material cost adjustment. Actual amount of price reduction varies depending on electricity/gas usage, timing of contract signing, fuel and raw material cost adjustments and other factors.

<sup>\*4</sup>: Bank transfer discount is applied to Meter-Rate Lighting A.

<sup>\*5</sup>: General Rates are based on the General Gas Supply Provisions of Osaka Gas (implemented on October 1, 2019).

<sup>\*6</sup>: Discount on bundled electricity contract is applied to a gas rate, not electricity rate. Discount is applied to the sum of basic rate and metered rate (excluding any raw material cost adjustments).

# Associated companies

(Consolidated Subsidiaries and Affiliates accounted for by equity method)

25

| Comprehensive Energy /<br>Power Transmission and Distribution   |                    |  | IT/Communications | Life/Business<br>Solution |
|---|--------------------|--|-------------------|---------------------------|
| Electric Power  | Gas/Other Energies |  |                   |                           |
| (Consolidated Subsidiaries)<br>• Kansai Transmission and Distribution, Inc.<br>• Kanden Engineering Corporation<br>• The Kanden Service Co., Ltd.<br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br> |                    |  |                   |                           |

\*1 As of Jun. 30, 2020

\*2 The GENERAL ENVIRONMENT TECHNOS CO., LTD. changed its name as KANSO CO., LTD. on July 1, 2020.

**Total:84**

- Kansai Transmission and Distribution, Inc. (Kansai TD), which took over the electricity transmission and distribution business from KEPCO to ensure greater neutrality of that business, was established in April 2020.
- As KEPCO did, Kansai TD will work for customers and communities based on giving the highest priority to safety and meeting our CSR.

## <Overview>

- Name : Kansai Transmission and Distribution, Inc.
- Capital : 40 billion yen
- Service areas : Osaka, Kyoto, Hyogo (some exclusions), Nara, Shiga, Wakayama, and parts of Mie, Gifu and Fukui
- Employees : 9,055 (As of April 1, 2020)  
\* Excluding transferred employees, persons on leave, etc.
- Group companies : Kanden Engineering Corporation  
The Kanden Service Co., Ltd.

## Transmission and Distribution business

- In order to deliver electricity from power stations to customers, the business operates and manages the power system and plans and constructs power transmission and distribution plants.



## New business

- Kansai TD will proactively engage in the operation of new businesses and international businesses by cooperating with group companies and other businesses as well as using the technical strengths, know-how and the infrastructure across Kansai area which have been developed through the power transmission and distribution business in Japan.

## International business

We got into gas sales businesses in order to propose total energy services that combine electricity and gas services to our customers. Sales of both businesses have expanded consistently. We will continue to work proactively and do our utmost to achieve the goals established in our Medium-term Management Plan: target sales volume of 1.5 million tons in FY 3/2022 and 1.7 million tons in FY 3/2026.

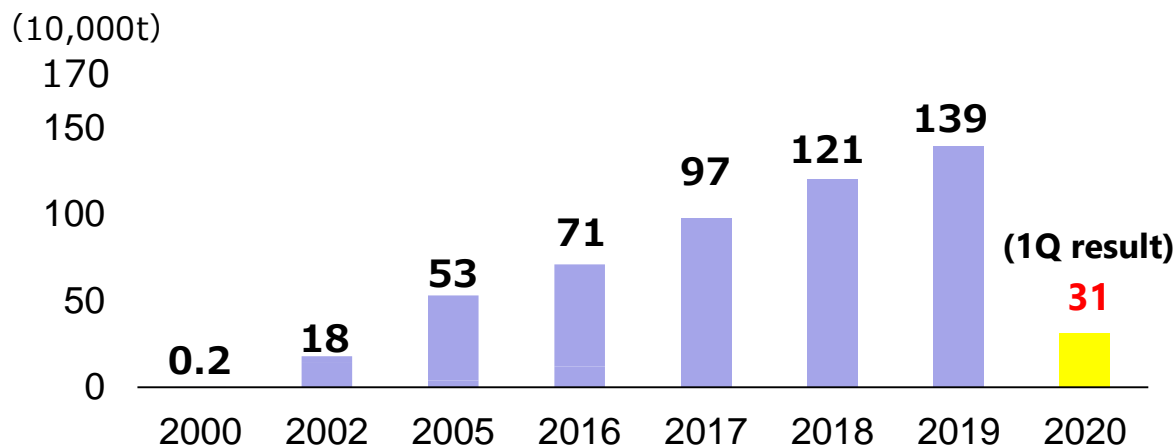
2000- Sale of LNG (Sale by tank lorry)

2002- Sales of gas (wheeling service)

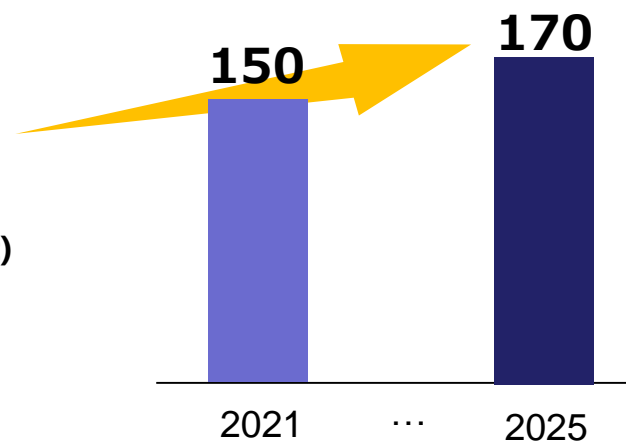
2005- Sales of gas (Independent pipeline)

2017- Full liberalization of retail gas sales

## Trends of actual gas sales volume



## Sales target in the Medium-term Management Plan



## Profit and loss for gas business, gas sales, etc. in 1Q of FY ending 3/2021

| (billion yen)      | FY2020-1Q | FY2021-1Q | Change |
|--------------------|-----------|-----------|--------|
| Operating revenues | 28.0      | 29.5      | +1.4   |
| Operating expenses | 26.8      | 27.6      | +0.7   |
| Operating income   | 1.1       | 1.8       | +0.6   |

| (10,000t)        | FY2020-1Q | FY2021-1Q | Change |
|------------------|-----------|-----------|--------|
| gas sales volume | 29        | 31        | +2     |

• Number of contracts for KEPCO gas as of Jun. 30, 2020 :approx. 1.29 million

# Outline of International Business

28

We will capture changes quickly and accurately in the global energy business, create high added value, and expand our business globally, while putting down roots in areas where we operate. We aim to achieve over 30 billion yen in profit of international business in FY 3/2029.  
Total output by KEPCO's investment: Approx. 2,861 MW. Of which, total investment amount to 13 projects in operation is approx. 140 billion yen.  
(40% collected by dividends, etc.)

| Project Title      |             |   | Start of operation, etc.(schedule) | Total output (MW) | KEPCO's investment(%) | Output by KEPCO's investment(MW-equivalent) |
|--------------------|-------------|---|------------------------------------|-------------------|-----------------------|---|
| In operation       | Philippines | San Roque Hydropower                                  | 2003/05                            | 436               | 50                    | 218   |
|                    | Thailand    | Rojana Electricity and Heat Supply                    | 1999/05                            | 505               | 39                    | 197   |
|                    | Taiwan      | Ming Jian Hydropower                                  | 2007/09                            | 17                | 24                    | 4   |
|                    |             | Kuo Kuang Thermal Power                               | 2003/11                            | 480               | 20                    | 96  |
|                    | Singapore   | Senoko Thermal Power                                  | Established 1995/10                | 2,807             | 15                    | 421   |
|                    | Australia   | Bluewaters Thermal power                              | 2009/12                            | 459               | 50                    | 229   |
|                    | US          | West Deptford Thermal power generation business       | 2014/11                            | 768               | 17.5                  | 134   |
|                    |             | Hickory-Run Thermal power generation business         | 2020/5                             | 1,000             | 30                    | 300   |
|                    | Ireland     | Evalair Limited                                       | 2013/12 other                      | 223               | 24                    | 54  |
|                    | Indonesia   | Rajamandala Hydropower                                | 2019/5                             | 47                | 49                    | 23  |
|                    | Laos        | Nam Ngiep Hydropower                                  | 2019/9                             | 290               | 45                    | 131   |
|                    | UK          | Electricity North West Limited                        | Joined 2019/7                      | —                 | 22.04                 | —   |
|                    | Philippines | Power Distribution and Retail Sales in New Clark City | 2019/11                            | —                 | 9                     | —   |
| Under construction | US          | Aviator Onshore Wind Farm Project                     | Scheduled 2020/8                   | 525               | 48.5                  | 255   |
|                    | Indonesia   | Tanjung Jati B Thermal Power                          | Scheduled 2021                     | 2,140             | 25                    | 535   |
|                    | UK          | Triton Knoll Offshore Wind Power Project              | Scheduled 2022                     | 857               | 16                    | 137   |
|                    |             | Moray East Offshore Windfarm project                  | Scheduled 2022                     | 952               | 10.02                 | 95  |
|                    | Finland     | Piiparinmäki wind farm project                        | Scheduled 2021                     | 211               | 15                    | 32  |
| Under development  | UK・Germany  | NeuConnect Interconnector                             | Scheduled 2022                     | —                 | 18.3                  | —   |
|                    | US          | St. Joseph Phase II Thermal power generation business | Scheduled 2023                     | Approx. 710       | 20                    | —   |



Working mainly with OPTAGE, Inc., a core company, we are conducting consumer business (FTTH, energy) centering around the Kansai region, in addition to mobile phone services targeting the whole country, as well as solution business, aiming to achieve over 35.0 billion yen of ordinary income by FY 3/2029.

## Key Businesses and Accomplishments of IT/Communications Business

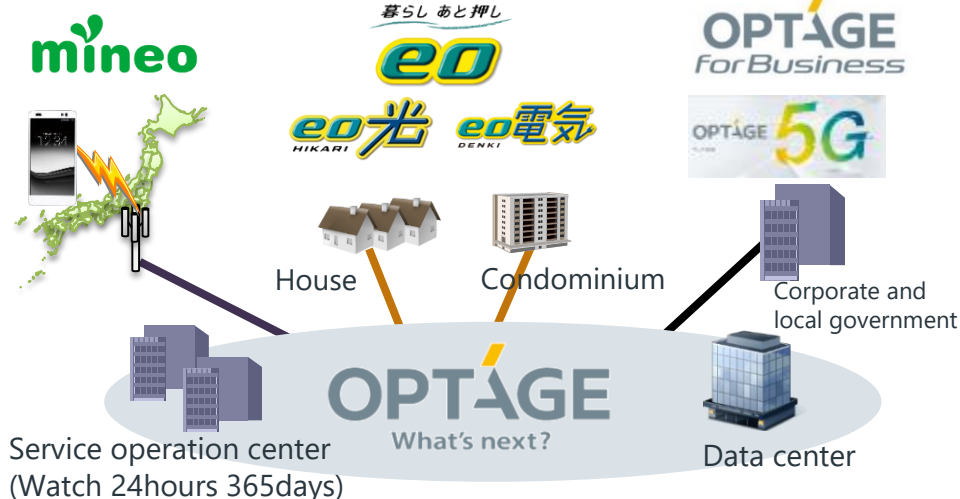
## FTTH Business

### Consumer Service

#### MVNO

#### FTTH, etc.

### Corporate Service



- We have been providing the optical fiber-based network, telephone and TV by the set in step with the diffusion of broadband. We have **acquired more than 1.65 million contracts** and stable profits.
- We have started to offer privileges for long-term subscribers and sell electricity and gas by the set in addition to providing high-quality support, **with the result of high commendation from customers.**

[Privileges for long-term subscribers]

[External evaluation of customer satisfaction]



## MVNO Business (mineo)

- In addition to au's and docomo's lines, **provision of services using Softbank's lines have started in September 2018.** We have **acquired more than 1.2 million contracts.**
- Co-creation of services with customers** such as community site, "Yuzurune", **are resulting in high customer satisfaction.**

[Co-creation services Yuzurune]

[External evaluation of customer satisfaction]



Source: Mobile Marketing Data Lab., "Survey of low-cost SIM services satisfaction for September 2019"

## 【Results and target of Medium-term Management Plan】

| (billion yen)   | FY2019<br>(Results) | FY2020<br>(Results) | FY2020<br>~FY2022<br>on average<br>(Target) | FY2029<br>(Aspired level) | FY2021-1Q<br>(Results) |
|-----------------|---------------------|---------------------|---|---------------------------|------------------------|
| Ordinary income | 32.0                | 34.1                | More than 30.0                              | More than 35.0            | 11.2                   |



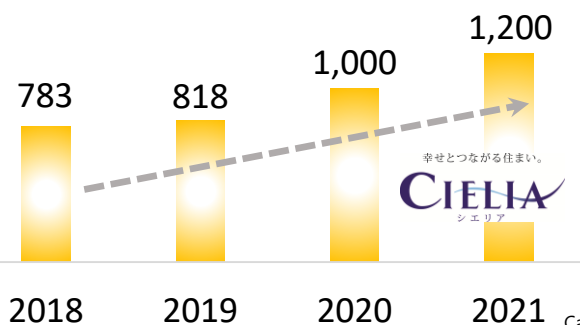
As well as consolidated real estate business, such as real estate leasing, sales, management, and leisure, centered on the core company, Kanden Realty & Development Co., Ltd., the Group provides home security, healthcare temporary, staffing and other services that help peoples' life and business. We are proactively expanding business areas and business domains (diversifying revenue sources), aiming to achieve over 35.0 billion yen in ordinary income for FY 3/2029.

## Real estate business

- In addition to the two pillars of housing sales and leasing, we will focus on asset management business for institutional investors as a third pillar, thereby creating a well-balanced portfolio that can withstand major market volatility.

[ Results/planned number of units for sale ]

[Overseas business]



Capital injection to Australian building fund

Housing sales and lease business mainly in the Kansai area

Area: Tokyo Metropolitan area, core cities nationwide, and overseas

Domain: Strengthen asset management business for institutional investors

## 【Results and target of Medium-term Management Plan】

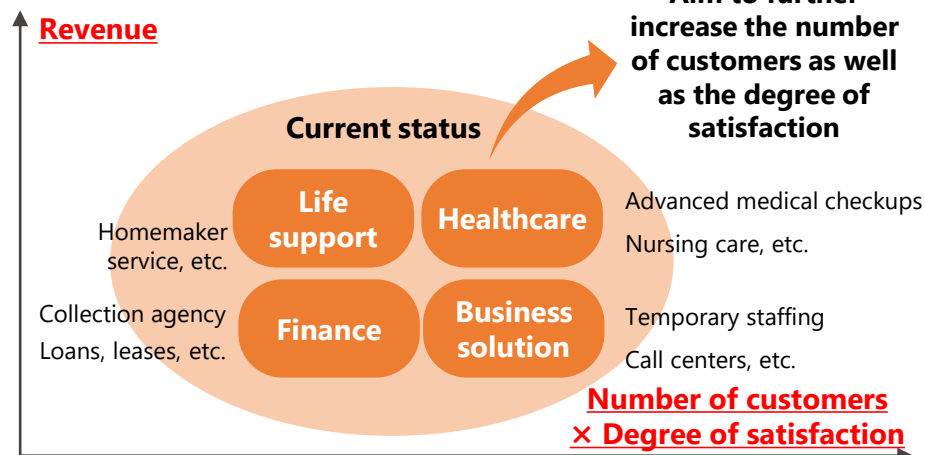
| (billion yen)   | FY2019<br>(Results) | FY2020<br>(Results) | FY2020<br>~FY2022<br>on average<br>(Target) | FY2029<br>(Aspired level) |
|-----------------|---------------------|---------------------|---|---------------------------|
| Ordinary income | 22.0                | 23.7                | More than 20.0                              | More than 35.0            |

※Extraordinary profit/loss on real estate business is included.

## Businesses other than real estate

- Through provision of quality services that please customers, we will steadily increase the number of customers and customer satisfaction. At the same time, we will proactively work to develop new services and businesses with the use of digital technology.

**Aim to further increase the number of customers as well as the degree of satisfaction**



## 【Key services】

### Life Support

Deliver safety and security through home/office security services  
(Number of contracts as of the end of 2019: Approx. 54,000)



### Finance

Support life and business financially through loan, lease and collection agency services



### Health care

In addition to advanced medical checkups and fine-tuned nursing care services, provide services that contribute to extended healthy life spans in the future.



[Kansai Medical Net]

# KEPCO's power source composition

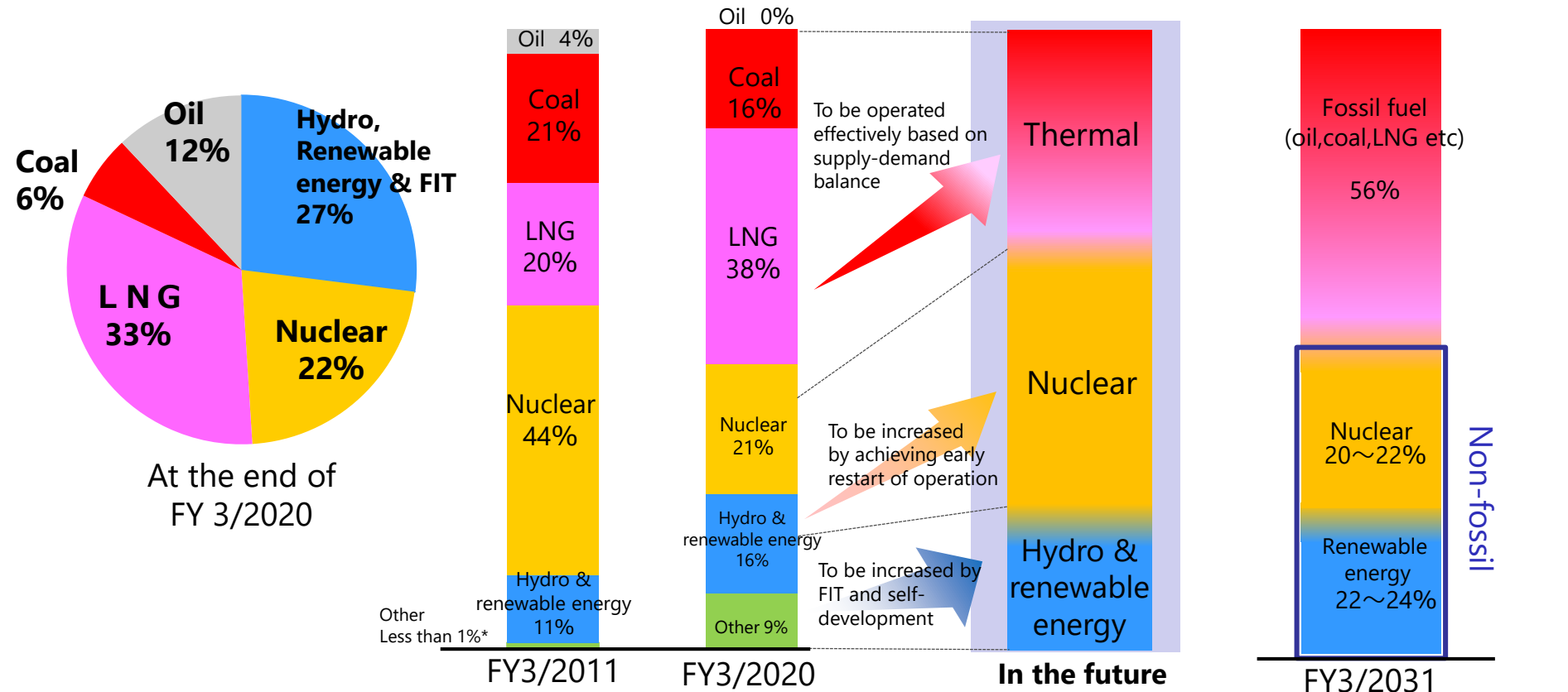
31

- As a leading company of low carbon initiatives, KEPCO will move forward with the safe and stable operation of nuclear power plants, the development and utilization of renewable energies, and combining thermal power and pumped-storage hydropower generation as well, to achieve an optimal power source composition in light of "S+3E."

<Total power generation capacity>  
(Only our company)

<Total power source composition>  
(Including from other electric company)

<Fifth Basic Energy Plan>



- \* Includes electricity whose suppliers cannot be specified. Procured in the wholesale power market or from other companies.
- Some rounding errors may be observed.
- includes imbalance electric energy, which is not yet determined as at the end of the term.

"The Fifth Basic Energy Plan" defined by the government

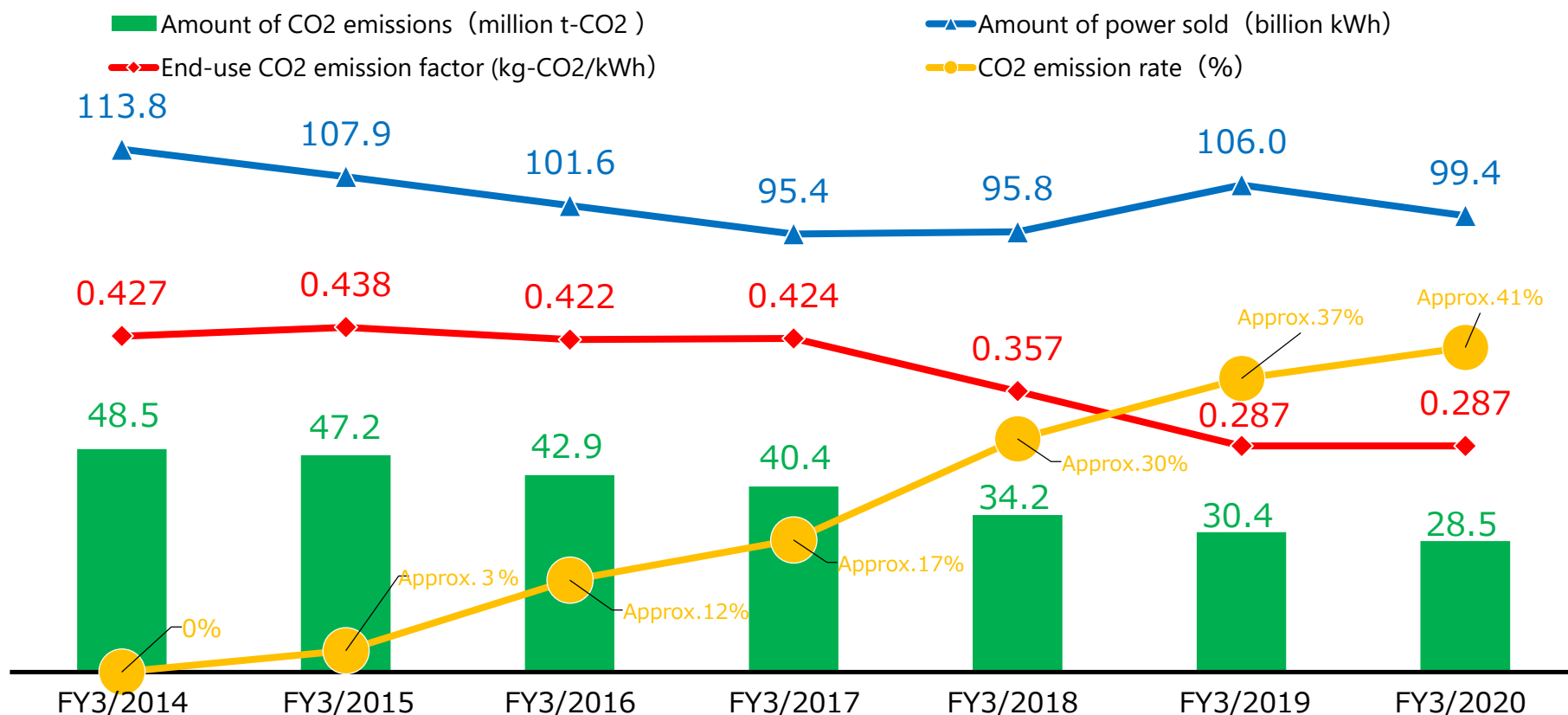
→ The goal is stable supply, economical efficiency and environmentally balanced mix on the premise of safety.

# Initiatives on climate change issues and CO2 reduction

32

- In KEPCO Group's medium-term management plan, we, as the leading company of "low carbon initiatives", set a goal of keeping the number-one position as a CO2-free electric power producer in Japan and reducing by half the CO2 emissions from the power generating business in Japan in FY 3/2031, compared with that of FY 3/2014.
- As the leading company of "low carbon initiatives", we have restarted Takahama units 3 and 4 and Ohi units 3 and 4, and worked to continue their safe and stable operation. We also have worked to develop and install renewable power plants. These efforts contributed to reduce by approximate 40% of the CO2 emissions from the power generating business in Japan compared with that of FY 3/2014.

## Change of KEPCO Group's power generating business in Japan in CO2 emission factor, etc.



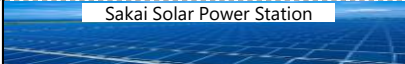


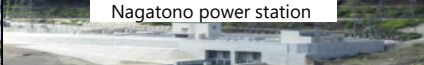
# The KEPCO Group's introduction and development plan of renewable energy

33

- As a leading company of low carbon initiatives, the Group has been engaged in new power source development of more than 2 million kW, and aims to increase equipment capacity to 6 million kW for renewable energy sources in Japan and overseas by 2030s. We will continue to contribute to spreading and expanding renewable energy while at the same time gaining the understanding of local communities.
- Equipment capacity for renewable energy sources in Japan and overseas: Approx. 4.72 million kW including power stations before operation. (as of July 31, 2020)

## Domestic power stations

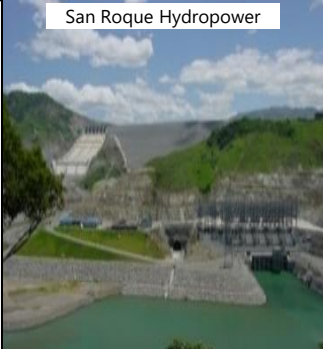
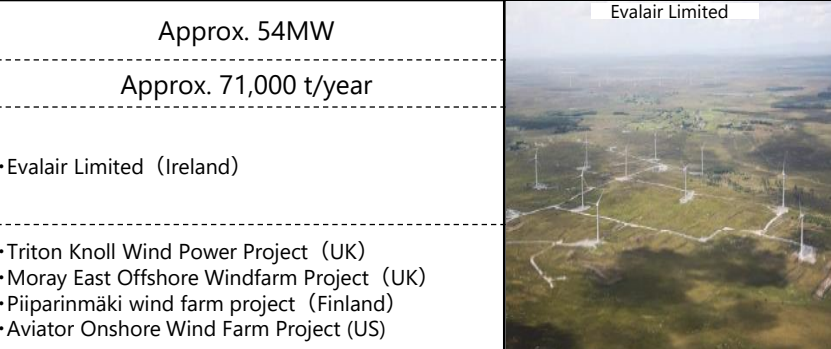
Power stations in operation (completed): approx. 3,456MW; power stations before operation: approx. 317MW; Total: approx. 3,773MW (as of July 31, 2020)

|  | Solar Power   | Wind Power   | Biomass Power   | Hydro Power  |
|--|---|--|---|--|
| Power source capacity of power stations in operation | Approx. 81.7MW  | Approx. 18MW   | Approx. 6MW   | Approx. 3,350 MW※2   |
| CO <sub>2</sub> emission reduction                   | Approx. 25,000 t/year   | Approx. 16,000 t/year  | Approx. 17,000 t/year   | Approx. 5,500,000 t/year   |
| Main power stations in operation                     | <ul style="list-style-type: none"> <li>Sakai Solar Power Station (KEPCO)</li> <li>Arida Solar Power Station (Kenex) etc.</li> </ul> | <ul style="list-style-type: none"> <li>Awaji Wind Power (Kenex)</li> <li>Tahara No.4 Wind Power Station (Kenex)</li> </ul>                           | <ul style="list-style-type: none"> <li>Asago-shi Biomass Power Generation Business (Kenex) etc.</li> </ul>  | <ul style="list-style-type: none"> <li>Nagatono power station (Upgraded) (KEPCO) etc.</li> </ul>   |
| Power stations before operation                      | —   | <ul style="list-style-type: none"> <li>Akita Noshiro offshore wind power station</li> <li>Northern Akita offshore wind power station etc.</li> </ul> | <ul style="list-style-type: none"> <li>Fukuoka Kanda-machi biomass (Bio-power Kanda)</li> <li>Fukushima Iwaki-shi biomass (Able Energy Limited Liability Company) etc.</li> </ul> | <ul style="list-style-type: none"> <li>Yamaguchi flow maintenance power station (KEPCO)</li> <li>Yatazoudani power plant (KEPCO) etc.</li> </ul> |
|  |    |    |    |   |

\* CO<sub>2</sub> emissions are calculated based on our CO<sub>2</sub> emission coefficient in operation power scale in FY3/2020 with the national average coefficient 0.462kg-CO<sub>2</sub>/kWh in FY 3/2019.

## Overseas power stations

- Overseas power stations: Utilizing the experience of the development of the Kurobegawa power station unit 4 and others, we are working on the development of hydropower generation in Southeast Asia. Furthermore, we aim to engage in the investment in renewable energy as represented by our first-ever participation in the wind power generation business.
- Power stations in operation (completed): approx. 430MW; power stations before operation: approx. 519MW; Total: approx. 949MW (as of July 31, 2020)

|  | Hydro Power  | Wind Power  |
|--|--|---|
| Power source capacity of power stations in operation | Approx. 376MW  | Approx. 54MW  |
| CO <sub>2</sub> emission reduction                   | Approx. 460,000 t/year   | Approx. 71,000 t/year   |
| Main power stations in operation                     | <ul style="list-style-type: none"> <li>San Roque Hydropower (Philippines)</li> <li>Ming Jian Hydropower (Taiwan)</li> <li>Rajamandala Hydropower (Indonesia)</li> <li>Nam Ngiep Hydropower (Laos)</li> </ul> | <ul style="list-style-type: none"> <li>Evalair Limited (Ireland)</li> </ul>   |
| Power stations before operation                      | —  | <ul style="list-style-type: none"> <li>Triton Knoll Wind Power Project (UK)</li> <li>Moray East Offshore Windfarm Project (UK)</li> <li>Piiparinmäki wind farm project (Finland)</li> <li>Aviator Onshore Wind Farm Project (US)</li> </ul> |
|  |    |    |

# Fuel change, decommission and suspension of operation for KEPCO's power plant

34

## <Fuel Change> [Announced on October 30, 2018]

|                                   | Aioi Power Plant        |                            |
|-----------------------------------|-------------------------|----------------------------|
|                                   | Unit 2                  |                            |
| Capacity                          | 375MW                   | ⇒ <b>About 200 MW</b>      |
| Fuel                              | Heavy oil and Crude oil | ⇒ <b>Woody biomass</b>     |
| Commencement of operation         | 1982/11                 | ⇒ <b>Scheduled in 2023</b> |
| Period of suspension of operation | <b>2018/4/1</b>         |                            |

### <Reason for review of fuel change>

Actively promoting the development of renewable energy sources in light of S + 3E, we have decided to establish "Aioi Bioenergy Corporation" jointly with Mitsubishi Corporation Power Ltd., and to proceed with the review of fuel change in Unit 2 of Aioi Power Plant, in order to contribute to the diffusion and expansion of renewable energy and increase the rate of renewable energy.

### <Reason for suspension of operation>

We have decided to suspend operation of Unit 2 due to preparations for a fuel switchover to wood biomass.

## <Suspension and Decommission of Operation>

[Announced on March 1, 2019]

|                                     | Kainan Power Plant (Thermal) |        |            |        | Gobo Power Plant (Thermal) | Okutataragi Power Plant (Hydro) |
|-------------------------------------|------------------------------|--------|------------|--------|----------------------------|---------------------------------|
|                                     | Unit 1                       | Unit 2 | Unit 3     | Unit 4 | Unit 2                     | Unit 3                          |
| Capacity                            | Each 450MW                   |        | Each 600MW |        | 600MW                      | 303MW                           |
| Fuel                                | Heavy oil and Crude oil      |        |            |        | Heavy oil and Crude oil    | —                               |
| Commencement of operation           | 1970/5                       | 1970/9 | 1974/4     | 1973/6 | 1984/11                    | 1975/6                          |
| Period of decommission of operation | 2019/4/1 (Decommission)      |        |            |        | 2019/4/1 (Suspension)      | 2019/4/1 (Suspension)           |

[Announced on December 13, 2019]

| Tanagawa No.2 Power Plant (Thermal)               |         |
|---|---------|
| * long-term planned suspension from April in 2005 |         |
| Unit 1  | Unit 2  |
| 600MW   |         |
| Heavy oil and Crude oil                           |         |
| 1977/7  | 1984/11 |
| <b>2020/3/31 (Decommission)</b>                   |         |

### <Reason for suspension of operation/abolition of power station>

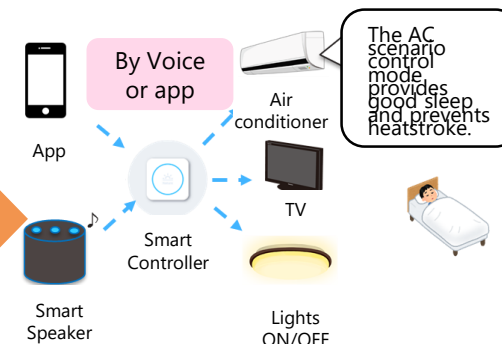
Considering the downward trend in demand for Kepco's electricity against a backdrop of established power-saving practices and progress in energy conservation, a stable outlook of future supply-demand balance, and the situation of aging facilities, we have decided to decommission our Kainan Power Plant and Tanagawa No.2 Power Plant. We have also decided to suspend operation of Unit No. 2 at the Gobo Power Plant and Unit No. 3 at the Okutataragi Power Plant.

# Efforts to realize DX (Digital Transformation)

35

- In the medium-term management plan issued in March 2019, we've placed realization of DX as the driving power to promote efforts in a new "medium-term management plan", and in order to realize DX, ca.70 billion yen is scheduled to be invested during the three years from FY 3/2020 to FY 3/2022.
- To realize our DX plans both in terms of "dramatic productivity improvement" and "new value creation", we are promoting about 450 projects not only in business areas like transmission, distribution and sales but also indirect areas like administration.

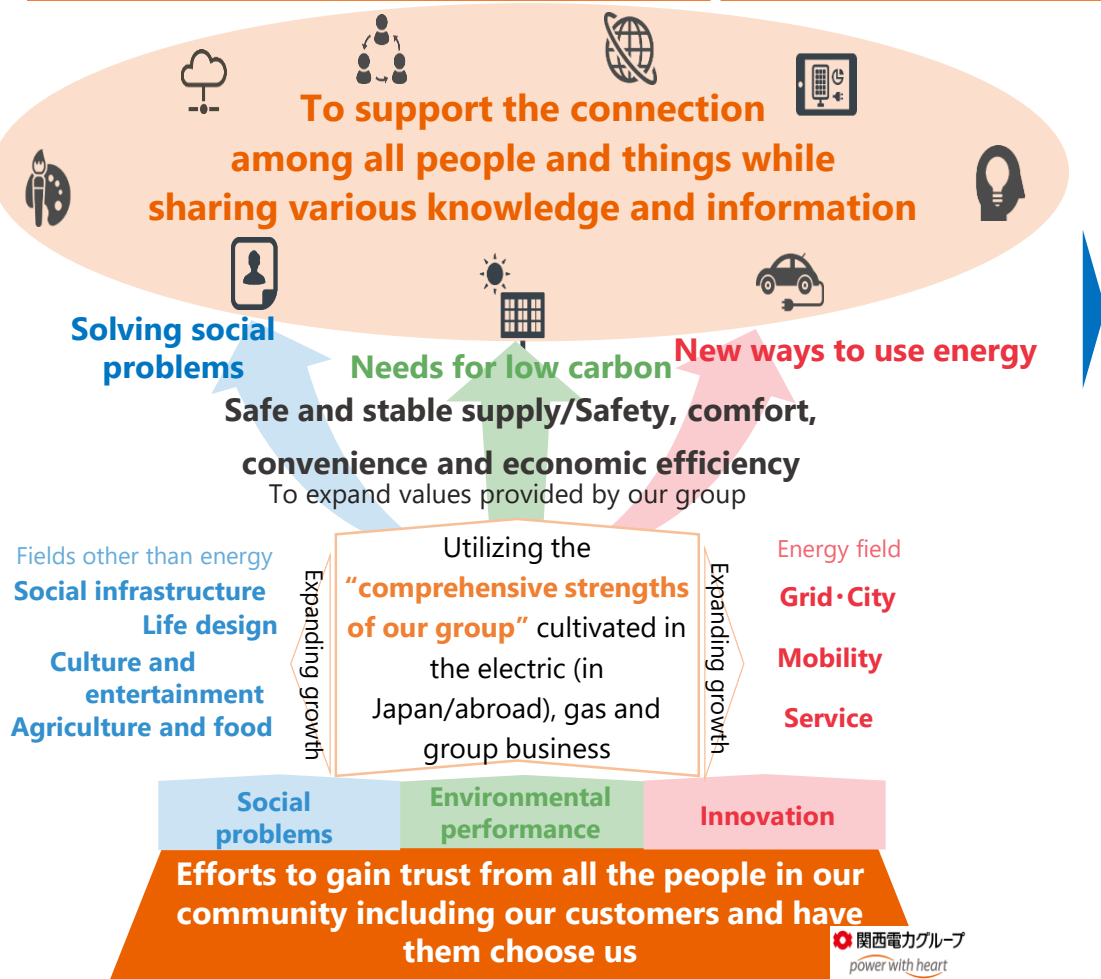
| Category   |  | Specific Projects   |
|--|--|---|
| Dramatic Productivity Improvement<br>(about 410) | Big Data & AI etc.<br>(about 160)                | <ul style="list-style-type: none"> <li>• Development of a program that uses AI to automatically detect ice flow/snow at hydropower plants</li> <li>• Making efforts on early detection of equipment trouble at thermal power plants using AI</li> <li>• K-VaCS, a remote monitoring service of thermal power plants using IoT</li> <li>• Fuel optimization at coal-fired thermal power plants</li> <li>• Automatic response system for outage information using AI, etc.</li> </ul> |
|  | Drones & Robots etc.<br>(about 50)               | <ul style="list-style-type: none"> <li>• Introduction of the automated tracking inspection technique of overhead wires using drones on a trial basis</li> <li>• Piping inspections at hydropower plants using drones, etc.</li> </ul>   |
|  | RPA<br>Robotic Process Automation<br>(about 200) | <ul style="list-style-type: none"> <li>• Automating work for transcribing customer information</li> <li>• Automating employment insurance operations</li> <li>• Automating entry of accounting slips</li> <li>• Automating acceptance and entry of a customer contract, etc.</li> </ul>   |
| New Value Creation<br>(about 40)                 |  | <ul style="list-style-type: none"> <li>• New home appliance control services of "Hapi-e Miru Den" working with smart remote controllers and smart speakers</li> <li>• Joint development of "Energy 2.0" next-generation energy platform</li> <li>• "K-VIPs", an integrated platform system that supports operation of virtual power plants, etc.</li> </ul>   |





Keeping up with the new trends in **social issues**, **ecology** and **technological innovation**, the Kansai Electric Power Group will deliver new values that only it can create, thereby playing the role of a “foundation that supports the realization of a sustainable future society” and continuously contributing to customers and society.

<Image on “a shared infrastructure supporting the realization of a sustainable society in the future”>



### Direction of efforts

#### “Safety as Our Top Priority” and “Fulfilling Corporate Social Responsibilities”

- Fulfilling our responsibilities to provide electricity power safely and stably
- Making efforts to enhance our business foundation

- ① To make efforts to reduce environmental load, including tackling climate change as a **leading company of “decarbonization”**
- ② To provide **“safe, comfortable, convenient” and economical** energy services using the problem-solving power which we have cultivated
- ③ To create new business and services using the comprehensive strengths of our Group in order to **help solve a range of issues of our customers and communities”**

**Motive power for promoting above efforts**

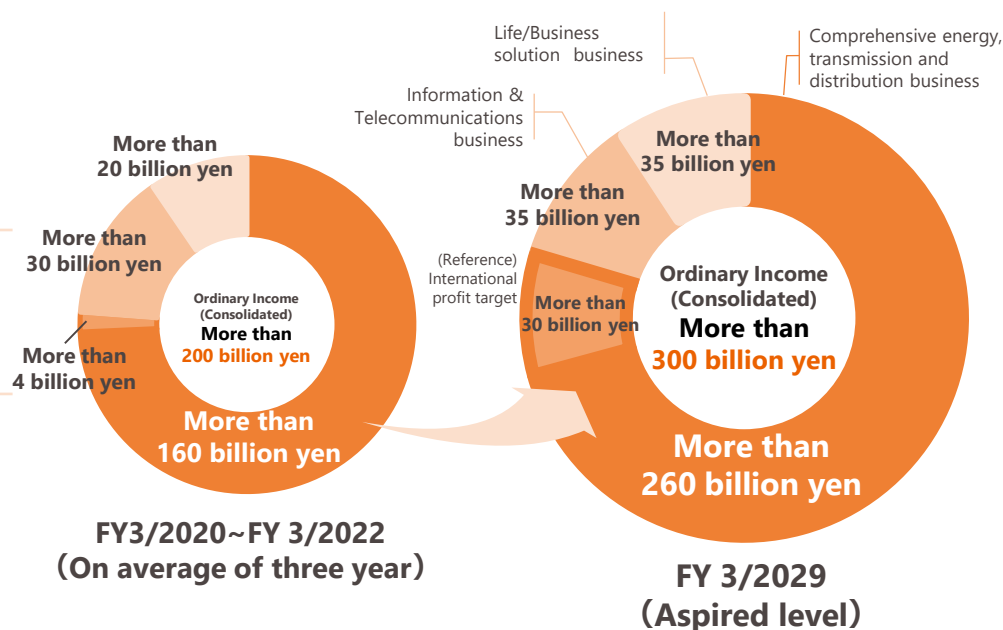
- ④ To realize **digital transformation** for creating new values

## Financial Goals

|                 | FY3/2020<br>~FY 3/2022                                       | FY 3/2029                        |
|-----------------|--|----------------------------------|
| Ordinary Income | on average of three year<br><b>More than 200 billion yen</b> | <b>More than 300 billion yen</b> |
| Equity Ratio    | <b>More than 20%</b>   | <b>More than 30%</b>             |
| ROA             | on average of three year<br><b>More than 3.0%</b>            | <b>More than 4.0%</b>            |

## Image of Business Portfolio

To achieve our profit level targeted for FY 3/2029, we will invest **550.0 billion yen** in growth of the group business and international business over the three years from FY 3/2020 to FY 3/2022.



\*We will allocate resources properly and according to changes in the business environment to ensure investment efficiency, and review the flexibility of our business portfolio.

## Shareholder Return Policy

Our shareholder return policy is that, as the Kansai Electricity Power Group, we basically seek to improve corporate value and appropriately allocate business results to shareholders in the form of stable and sustainable dividends while ensuring financial soundness.



## For further information

Planning Group (Investor Relations)  
Office of Accounting and Finance  
The Kansai Electric Power Co., Inc.

|           |  |
|-----------|--|
| Telephone | : +81 6 6441 8821 (Operator)                                   |
| Facsimile | : +81 6 6441 0569  |
| E-mail    | : <a href="mailto:finance@kepco.co.jp">finance@kepco.co.jp</a> |
| Website   | : <a href="http://www.kepco.co.jp">http://www.kepco.co.jp</a>  |