

Revision of the financial forecasts and dividend forecasts for FY ending 3/2021

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The Kansai Electric Power Co., Inc.

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

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< FY 3/2021 Financial Forecasts >

- Because the effects in all business activities including the electricity demand caused by the spread of COVID-19 had not been foreseen, the forecasts had been undetermined. We announce that we have calculated the financial forecasts for FY 3/2021 in the certain assumptions including the effects caused by COVID-19.
- Consolidated ordinary income forecast is 130 billion yen because of 43 billion yen of the negative impact on profit caused by COVID-19, the decrease of the retail electricity sales excluding the effects caused by COVID-19 and the decrease of the nuclear capacity factor, decreasing by 81.5 billion yen in comparison with FY 3/2020.

< FY 3/2021 Dividend Forecasts >

- As regards the annual dividend forecasts for FY 3/2021, we plan to pay a dividend of 50.00 yen per share (both the interim and year-end dividend of 25.00 yen), taking comprehensively account of business circumstances including financial forecasts for FY 3/2021.

FY 3/2021 Financial forecasts (in comparison with the previous term)

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(billion yen)	3/2020 (results)	3/2021 (forecasts)	Change	Ratio
Operating revenues	3,184.2	2,980.0	△204.2	△6.4%
Operating income	206.9	120.0	△86.9	△42.0%
Ordinary income	211.5	130.0	△81.5	△38.5%
The net income attributable to owners of the parent	130.0	90.0	△40.0	△30.8%

<Major factors>

	3/2020 (results)	3/2021 (forecasts)	Change
Total Electricity sales (TWh) *1,2	127.3	115.2	△12.2
Retail electric sales	113.0	101.3	△11.7
Residential	34.8	33.6	△1.2
Commercial and Industrial	78.2	67.7	△10.5
Electricity sales to other companies	14.3	13.9	△0.4
Electricity demand in Kansai area (TWh)	134.8	130.6	△4.1
Gas sales volume (10,000t)	139	150	+11
Nuclear capacity factor (%)	48.4	Approx. 42	Approx. △6.4
Water run-off ratio (%)	98.6	Approx. 102	Approx. +3.4
All Japan CIF crude oil price (\$ /barrel)	67.8	Approx. 38	Approx. △29.8
Exchange rate [TTM] (yen/ \$)	109	Approx. 109	—
Interest rate [long-term prime rate](%)	0.96	Approx. 1.0	Approx. +0.04

<Sensitivity of major factors>

(billion yen)	3/2020 (results)	3/2021 (forecasts)
Nuclear capacity factor per 1%	37	22
Water run-off ratio per 1%	11	8
All Japan CIF crude oil price per \$1/barrel	43	30
Exchange rate [TTM] per ¥1/\$	43	30
Interest rate [long-term prime rate] per 1%	87	101

- Sensitivity of major factors denotes sensitivity of expenses.
- Sensitivity of major factors are subject to change if the rapid and drastic changes of major factors happen.

<Dividend forecast for FY ending 3/2021>

	Interim	Year-end	Annual
Dividend per share	25.00yen	25.00yen	50.00yen

*1 Total electricity sales in power generation and sales business

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

Segment forecasts for FY ending 3/2021

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(billion yen)	3/2020 (results)		3/2021 (forecasts)		Change	
	Operating revenues (external transactions)	Ordinary income	Operating revenues (external transactions)	Ordinary income	Operating revenues (external transactions)	Ordinary income
Comprehensive Energy/Power Transmission and Distribution Business	2,839.2	167.8	2,636.0	133.0	△203.2	△34.8
Power Generating and Sales	2,287.1	58.9	1,999.0	48.0	△288.1	△10.9
Transmission and Distribution	248.7	71.7	316.0	57.0	+67.3	△14.7
Gas/Other Energies	303.3	37.1	321.0	28.0	+17.7	△9.1
IT/ Communications	220.3	34.1	220.0	35.0	△0.3	+0.9
Life/Business Solutions	124.7	20.5	124.0	9.0	△0.7	△11.5
Total	3,184.2	222.6	2,980.0	177.0	△204.2	△45.6
Eliminations/Corporate	—	△11.0	—	△47.0	—	△36.0
Consolidated	3,184.2	211.5	2,980.0	130.0	△204.2	△81.5

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

*2 Results for FY 3/2020 have been rearranged as the review of segment information.

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

<References>

(billion yen)	3/2020 (results)	3/2021 (forecasts)	Change
International Business	△25.2	1.5	+26.7

Breakdown of changes in International Business : The reactionary increase due to temporary loss recorded in the previous fiscal year

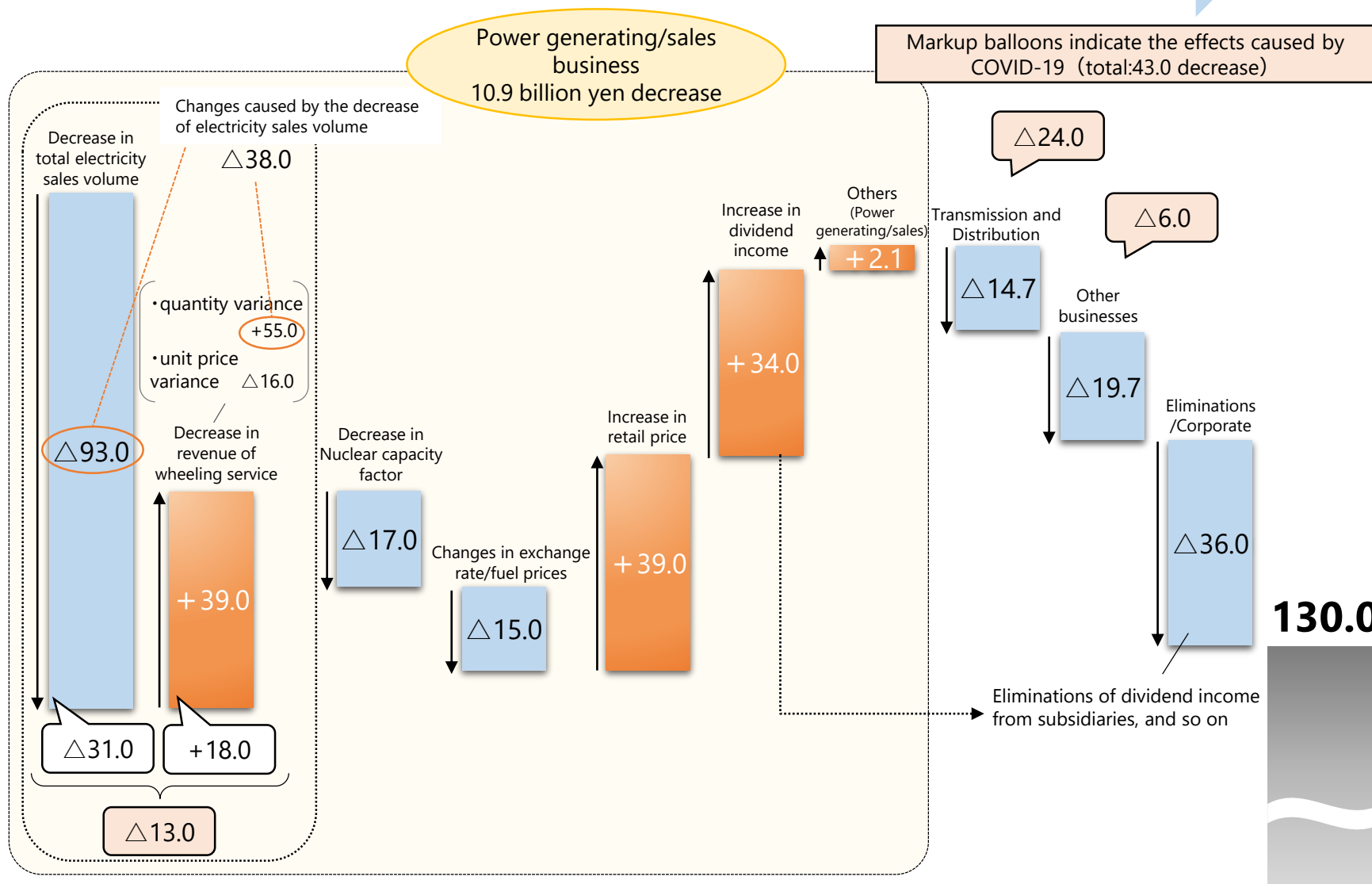
Factors affecting consolidated ordinary income

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Consolidated Ordinary Income : 81.5 billion yen decrease

(billion yen)

211.5



Effects caused by COVID-19

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(billion yen)	※1 Effects on Ordinary income	Breakdown
Comprehensive Energy/ Power Transmission and Distribution Business	△39.0	
Power Generating and Sales	△13.0	<ul style="list-style-type: none"> • Decrease in retail electricity sales △3.9 TWh^{※2} (Decrease in total electricity sales △31.0 Decrease in revenue of wheeling service +18.0)
Transmission and Distribution	△24.0	<ul style="list-style-type: none"> • Decrease in the electricity demand in Kansai area △4.9 TWh^{※2}
Gas/Other Energies	<div>associated companies</div> △2.0	<ul style="list-style-type: none"> • Decrease in the dividend due to the decrease in electricity demand of the area of the investment in International business, etc.
IT/ Communications	<div>△6.0</div> —	—
Life/Business Solutions	△4.0	<ul style="list-style-type: none"> • Decrease in revenues of hotel business, tenant renting business and so on
Total	△43.0	

*1 The effects above are calculated based on the present circumstances, including the figures calculated on the certain assumptions.

*2 Decreases in retail electricity sales volume and electricity demand in Kansai area are calculated by assuming that COVID-19 effects are what excludes the effects that can be calculated such as temperature effects.

Breakdown of changes in financial forecasts for FY 3/2021

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(billion yen)		3/2020 (results)	3/2021 (forecasts)	Change	Breakdown
Transmission and Distribution	Operating revenues (external transactions)	248.7	316.0	+67.3	<ul style="list-style-type: none"> • Increase in the external transactions of revenue of wheeling service • Increase in the grant under the act on purchase of renewable energy sourced electricity
	Ordinary income	71.7	57.0	△14.7	<ul style="list-style-type: none"> • Decrease in revenue of wheeling service due to the decrease in electricity demand in Kansai area • Decrease due to the increase in depreciation and amortization
Gas/Other Energies	Operating revenues (external transactions)	303.3	321.0	+17.7	<ul style="list-style-type: none"> • Increase in electricity sales revenue in power producer and supplier business
	Ordinary income	37.1	28.0	△9.1	<ul style="list-style-type: none"> • Decrease in revenue due to changes in oil price in fuel upstream business
IT/ Communicatio ns	Operating revenues (external transactions)	220.3	220.0	△0.3	<ul style="list-style-type: none"> • Decrease resulting from exclusion of subsidiaries from consolidation
	Ordinary income	34.1	35.0	+0.9	<ul style="list-style-type: none"> • Increase in customers of consumer service
Life/Business Solutions	Operating revenues (external transactions)	124.7	124.0	△0.7	<ul style="list-style-type: none"> • Decrease in revenues of hotel business and tenant renting business caused by COVID-19
	Ordinary income	20.5	9.0	△11.5	<ul style="list-style-type: none"> • Decrease in revenue caused by COVID-19 and increase in costs in housing and renting business

(Appendix) Retail electricity sales forecasts

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<Retail Electricity Sales in FY 3/2021>

(TWh)	April	May	June	July	August	Full-year forecasts
Residential	2.8 (94.2)	2.6 (94.8)	2.1 (95.1)	2.4 (103.2)	3.3 (96.7)	33.6 (96.4)
Commercial and Industrial	5.5 (85.8)	5.0 (79.1)	5.5 (84.2)	6.1 (86.3)	6.5 (86.8)	67.7 (86.6)
Retail Electricity sales	8.4 (88.4)	7.6 (83.8)	7.5 (86.9)	8.4 (90.5)	9.7 (89.9)	101.3 (89.6)

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

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

<Breakdown of retail electricity sales forecasts>

(TWh)	3/2020 (Result)	3/2021 Forecasts	change	Meter reading	Leap day	Temperature	Demand	Others
Residential	34.8	33.6	△1.2	△0.1	△0.1	+0.4	△1.5	△0
Commercial and Industrial	78.2	67.7	△10.5	+0	△0.2	+0	△6.4	△3.9
Retail Electricity sales	113.0	101.3	△11.7	△0	△0.3	+0.4	△7.9	△3.9

"Others" includes the effects caused by COVID-19.

For further information

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