

Financial results for 1Q FY ending 3/2022 & Financial forecasts for FY ending 3/2022

July 30, 2021

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 for 1Q of FY ending 3/2022

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

■ Financial results for 1Q of FY ending 3/2022

- Major factors ----- 3
- Consolidated statements of income ----- 4
- Segment information ----- 5
- Factors affecting consolidated ordinary income ----- 6
- Segment results (in comparison with the previous term) ----- 7
- Consolidated balance sheets ----- 11

■ Financial forecasts for FY ending 3/2022

- Financial forecasts (in comparison with the previous term) ----- 12

■ Appendix

- Non-consolidated results compared with last year (KEPCO) ----- 13
- Non-consolidated results compared with last year (Kansai TD) ----- 14
- Retail electricity sales ----- 15
- Segment forecasts ----- 16
- Interest-bearing debt (consolidated) ----- 17
- Actual supply and demand (Sending end) ----- 18
- Maintenance costs and depreciation in comparison with the previous term ----- 19
- Time lag from the fuel cost adjustment system ----- 20
- Framework of feed-in tariff scheme for renewable energy ----- 21
- Associated companies ----- 22
- Outline of Gas Business ----- 23
- Outline of International Business ----- 24
- Asset portfolio of International Business ----- 25
- Outline of Kansai Transmission and Distribution, Inc. ----- 26
- Outline of IT/Communications Business ----- 27
- Outline of Life/Business Solutions Business ----- 28
- Kansai Electric Power Group Zero Carbon Vision 2050 ----- 29
- KEPCO's power source composition ----- 31
- Initiatives on climate change issues and CO2 reduction ----- 32
- The Kansai Electric Power Group's introduction and development plan of renewable energy ----- 33
- Efforts to accelerate the digitalization ----- 34
- Kansai Electric Power Group Medium-term Management Plan (2021-2025) ----- 35

<1Q of FY ending 3/2022 Earnings Results >

- **Overview** •Consolidated : **decreased revenue and income**

- **Revenue**
 - In the energy business, **revenue decreased** due to a decline in retail electricity sales affected by the intensifying competition and other factors, as well as a change in accounting treatment for renewable energy related to the application of revenue recognition accounting standards.

- **Cost and Profit**
 - Ordinary expenses decreased** because we strived for efficient management thoroughly and a change in accounting treatment for renewable energy related to the application of revenue recognition accounting standards despite it affected by the decrease of the nuclear capacity factor, the changes in exchange rate/fuel prices and other factors in the energy business.
 - Ordinary income decreased** because the decrease in revenue exceeded the decrease in costs.

- **Perspective**
 - It is in **tough results** because of the decreased income in the energy business due to **the changes in exchange rate/fuel prices, the fall of the nuclear capacity factor, the fall of electricity sales the fall of electricity sales volume** with the intensifying competition and other factors.
 - For FY 3/2022, we forecast tough consolidated ordinary income of 100 billion yen,
We will make group-wide efforts to achieve our goals.

< FY 3/2022 Financial and Dividend Forecasts >

- Financial forecast and dividend forecast have not been changed.**

Financial highlights (Consolidated)

(billion yen)	FY 3/2021-1Q	FY 3/2022-1Q	Change	Ratio
Operating revenues	701.4	568.8	△132.6*	△18.9%
Operating income	48.5	21.6	△26.9	△55.4%
Ordinary income	50.0	23.1	△26.8	△53.7%
The net income attributable to owners of the parent company	35.9	15.2	△20.6	△57.5%

*affected by applying the Accounting Standard for Revenue Recognition △136.4

(billion yen)	Mar. 31, 2021	Mar. 31, 2022	Change
Interest-bearing debt	4,471.6	4,715.2	+243.6
Equity ratio	20.9%	20.6%	△0.3%

Major factors

Major factors	FY 3/2021-1Q	FY 3/2022-1Q	Change
Total electric sales (TWh) *1*2	27.1 (88.5)	26.5 (97.8)	△0.6
Retail electric sales	23.5 (86.4)	22.8 (96.9)	△0.7
Residential	7.5 (94.7)	6.9 (92.2)	△0.6
Commercial and Industrial	16.1 (83.1)	15.9 (99.0)	△0.2
Electricity sales to other non-utility companies	3.6	3.7	+0.1
Electricity demand in Kansai area (TWh)	29.2	30.2	+0.9
Gas sales volume (10,000t)	31	27	△4
Nuclear capacity factor (%)	50.9	44.1	△6.8
Water run-off ratio (%)	89.7	107.3	+17.6
All Japan CIF crude oil price (\$/barrel)	32.3	66.9	+34.6
Exchange rate [TTM] (yen/\$)	108	109	+1

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

*2 Total electricity sales to KEPCO in energy business.

Consolidated statements of income

(billion yen)	FY 3/2021-1Q	FY 3/2022-1Q	Change
Ordinary revenues (Operating revenues)	710.5 (701.4)	580.3 (568.8)	△130.1 (△132.6)
Electric operating revenues	544.9	414.8	△130.0
Other operating revenues	156.5	154.0	△2.5
Non-operating revenues	9.1	11.5	+2.4
Ordinary expenses	660.5	557.2	△103.3
Electric operating expenses	520.6	412.8	△107.8
Other operating expenses	132.2	134.3	+2.1
Non-operating expenses	7.6	10.0	+2.3
Ordinary income	50.0	23.1	△26.8
Provision for or reversal of reserve for fluctuation in water level	△0.6	—	+0.6
Income taxes	14.6	7.2	△7.3
Net income*	35.9	15.2	△20.6
Comprehensive income	46.1	15.4	△30.7

- Sales of external transactions in KEPCO △135.2
- Sales of external transactions in Kansai-TD +5.1

- Sales of external transactions in subsidiaries +1.4
- Sales of external transactions in non-electric business △3.9

- Costs for subsidiaries +3.5
- Costs for non-electric business △1.3

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

Segment information

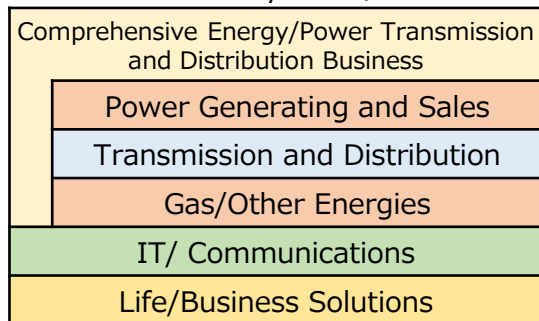
(billion yen)	FY 3/2021-1Q			FY 3/2022-1Q			Change		
	Operating revenues	Operating revenues (external transactions)	Ordinary income or loss	Operating revenues	Operating revenues (external transactions)	Ordinary income or loss	Operating revenues	Operating revenues (external transactions)	Ordinary income or loss
Energy Business	595.6	557.3	33.6	463.8	411.7	13.1	△131.8	△145.5	△20.5
Transmission and Distribution	201.8	65.8	1.7	202.2	72.1	△4.2	+0.3	+6.3	△5.9
IT/ Communications	66.9	53.4	11.2	65.0	51.1	10.5	△1.8	△2.3	△0.6
Life/Business Solutions	36.4	24.8	3.2	44.3	33.7	4.3	+7.8	+8.9	+1.0
Total	900.9	701.4	49.9	775.5	568.8	23.8	△125.4	△132.6	△26.1
Eliminations/Corporate	△199.4	-	+0	△ 206.6	-	△ 0.6	△7.1	-	△0.7
Consolidated	701.4	701.4	50.0	568.8	568.8	23.1	△132.6	△132.6	△26.8

* Due to revision of reporting segments, FY 3/2021-1Q performance results have been rearranged and presented.

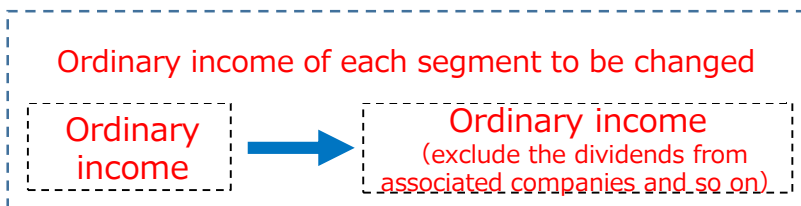
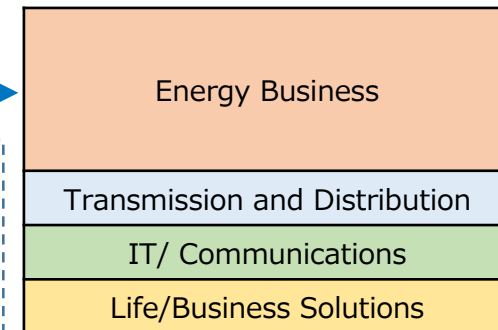
[Ref. : Reporting of reporting segments, etc. in association with the announcement of the medium-term management plan(2021-2025)]

- Integration of the “electric power generation and sales business” and “gas and other energy sources business” as part of our planned “conversion to a service provider” that provides customers with a diversity of solutions
- Segment income to be changed to ordinary income less dividends from consolidated subsidiaries and affiliated companies accounted for by the equity method, in order to report performance results of individual businesses more clearly

(FY 3/2021)



(After FY 3/2022)



6

Factors affecting consolidated ordinary income

Consolidated Ordinary Income : 26.8 Billion Yen Decrease

(billion yen)

50.0

Energy Business
 $\Delta 20.5$

Transmission and Distribution
 $\Delta 5.9$

IT/Communications
 $\Delta 0.6$

Life/Business Solutions
+ 1.0

Eliminations /Corporate
 $\Delta 0.7$

23.1

FY 3/2021-1Q

FY 3/2022-1Q

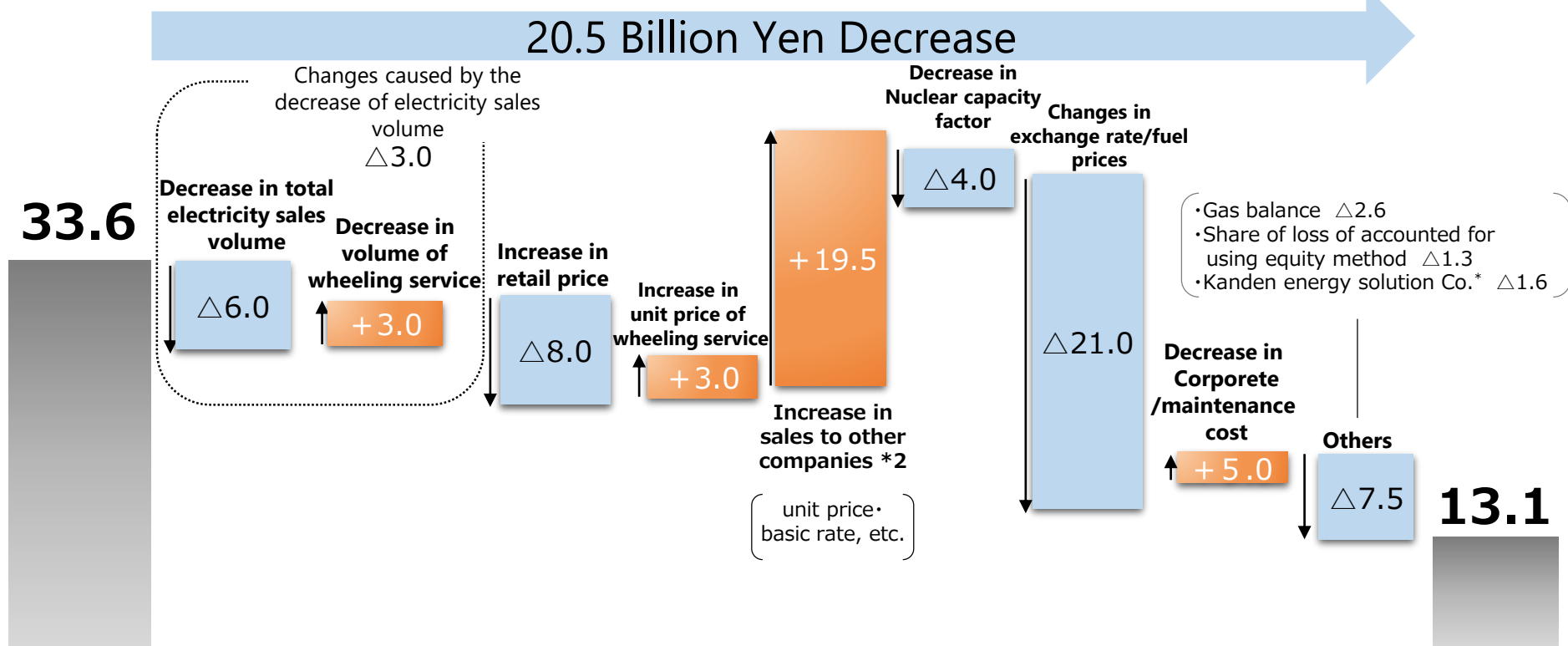
Category	Change (Billion Yen)
Energy Business	-20.5
Transmission and Distribution	-5.9
IT/Communications	-0.6
Life/Business Solutions	+1.0
Eliminations /Corporate	-0.7
Total Change	-26.8

Segment results : Energy Business

<Results>

(billion yen)	FY 3/2021-1Q	FY 3/2022-1Q	Change
Operating revenues	595.6	463.8	△131.8
Operating revenues (external transactions)	557.3	411.7	△145.5
Ordinary income*1	33.6	13.1	△20.5

<Factors affecting ordinary income*1 (in comparison with the previous term) >



FY 3/2021-1Q

* 1 excluding dividends received from consolidated subsidiaries and equity-method affiliates

* 2 Includes sales revenues from the supply and demand adjustment market and non-fossil fuel value trading market.

FY 3/2022-1Q

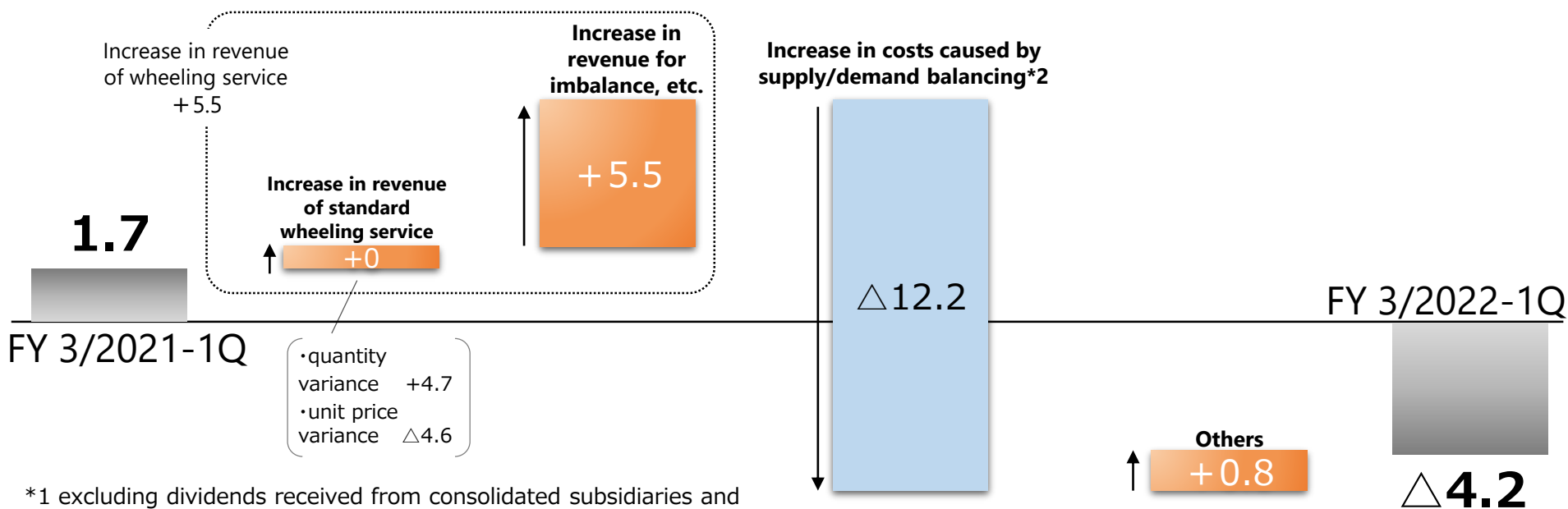
Segment results : Transmission and Distribution

<Results>

(billion yen)	FY 3/2021-1Q	FY 3/2022-1Q	Change
Operating revenues	201.8	202.2	+0.3
Operating revenues (external transactions)	65.8	72.1	+6.3
Ordinary income or loss*1	1.7	△4.2	△5.9

<Factors affecting ordinary income or loss*1 (in comparison with the previous term) >

5.9 Billion Yen Decrease



*1 excluding dividends received from consolidated subsidiaries and equity-method affiliates

*2 including costs of procurement of power supply from the supply and demand adjustment market

Segment results : IT/Communications

<Results>

(billion yen)	FY 3/2021-1Q	FY 3/2022-1Q	Change
Operating revenues	66.9	65.0	△1.8
Operating revenues (external transactions)	53.4	51.1	△2.3
Ordinary income*	11.2	10.5	△0.6
OPTAGE Inc.*	(11.7)	(10.9)	(△0.7)

<Breakdown of changes >

Operating revenues	Decreased revenue because of effects caused by Accounting Standard for Revenue Recognition and so on.
Operating revenues (external transactions)	
Ordinary income*	Costs of eo electricity increased because of higher rates for electricity purchases.

*excluding dividends received from consolidated subsidiaries and equity-method affiliates

<Results>

(billion yen)	FY 3/2021-1Q	FY 3/2022-1Q	Change
Operating revenues	36.4	44.3	+7.8
Operating revenues (external transactions)	24.8	33.7	+8.9
Ordinary income*	3.2	4.3	+1.0
Kanden Realty & Development Co., Ltd.*	(3.4)	(4.1)	(+0.7)

<Breakdown of changes >

Operating revenues	Increased revenue and income because sales increased in the housing business in the Kanden Realty & Development business while lease and rental income from offices and commercial space fell because of the impacts of COVID-19.
Operating revenues (external transactions)	
Ordinary income*	

*excluding dividends received from consolidated subsidiaries and equity-method affiliates

Consolidated balance sheets

(billion yen)	March 31, 2021	June 30, 2021	Change	
Assets	8,075.7	8,169.4	+93.7	Capital expenditures +110.5 Depreciation and amortization Δ 71.4
Liabilities	6,350.1	6,445.4	+95.2	Interest bearing debt +243.6 Accounts payable • Accrued expenses Δ 218.1
Equity	1,725.5	1,724.0	Δ 1.5	Net income* +15.2 Dividend Δ 22.3 (25.00yen per share for FY 3/2020 year-end)

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

FY 3/2022 Financial forecasts (in comparison with the previous term)

12

* FY 3/2022 financial and dividend forecasts have been unchanged.

* Major factors and sensitivity of major factors are as of the announcement on April 28, 2021 for references.

<Financial forecasts>

(billion yen)	FY 3/2021 (results)	FY 3/2022 (forecasts)	Change	Ratio
Operating revenues	3,092.3	2,500.0	△592.3	△19.2%
Operating income	145.7	90.0	△55.7	△38.2%
Ordinary income	153.8	100.0	△53.8	△35.0%
The net income *1 attributable to owners of the parent	108.9	70.0	△38.9	△35.8%

<Financial indicators forecasts>

	FY 3/2021 (results)	FY 3/2022 (forecasts)
FCF (billion yen)	△291.5	Approx. △110.0
Equity Ratio (%)	20.9	Approx. 20
ROA (%)	2.2	Approx. 1.5
(Ref.) ROE (%)	6.6	Approx. 4.1

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

*2 FY 3/2022 financial forecasts are applied to "Accounting Standard for Revenue Recognition" etc., FY 3/2021 financial results are not applied the accounting standard.

<Major factors>

	FY3/2021 (results)	FY 3/2022 (forecasts)	Change
Total Electricity sales (TWh)*	117.6	109.5	△8.1
Retail electric sales	102.3	96.0	△6.3
Residential	34.0	31.5	△2.5
Commercial and Industrial	68.3	64.6	△3.8
Electricity sales to other companies	15.3	13.5	△1.8
Electricity demand in Kansai area (TWh)	131.7	134.4	+2.7
Gas sales volume (10,000t)	157	130	△27
Nuclear capacity factor (%)	28.0	Approx. 50	Approx. +22.0
Water run-off ratio (%)	96.5	Approx. 100	Approx. +3.5
All Japan CIF crude oil price (\$ /barrel)	43.4	Approx. 60	Approx. +16.6
Exchange rate [TTM] (yen/ \$)	106	Approx. 110	Approx. +4

<Sensitivity of expenses by major factors>

(billion yen)	FY 3/2021 (results)	FY 3/2022 (forecasts)
Nuclear capacity factor per 1%	2.5	2.3
Water run-off ratio per 1%	0.9	0.9
All Japan CIF crude oil price per \$1/barrel	3.6	2.2
Exchange rate [TTM] per ¥1/\$	3.8	3.0

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

<Dividend forecast for FY ending 3/2022>

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

* Amount of total electric sales in the energy business provided by KEPCO

Appendix

Non-consolidated results compared with last year (KEPCO)

13

(billion yen)	FY2021-1Q	FY2022-1Q	Change
Ordinary revenues (Operating revenues)	591.4 (551.4)	490.0 (424.7)	△101.4 (△126.6)
Electricity sales	431.5	336.2	△95.3
Grant under act on purchase of renewable energy sourced electricity	47.2	—	△47.2
Others	112.6	153.8	+41.1
Ordinary expenses	532.7	424.4	△108.3
Personnel expenses	26.2	26.0	△0.1
Fuel costs	80.0	76.7	△3.3
Backend expenses of nuclear power	15.4	15.4	+0.0
Maintenance costs	20.2	17.6	△2.6
Taxes other than income taxes	11.5	11.8	+0.2
Depreciation	21.7	26.3	+4.6
Purchased power	95.9	52.4	△43.4
Interest expenses	5.3	4.9	△0.4
Levy under act on purchase of renewable energy sourced electricity	60.1	—	△60.1
Expenses for wheeling service	118.3	116.3	△1.9
Others	77.7	76.3	△1.3
Ordinary income (Operating income)	58.7 (24.7)	65.5 (7.9)	+6.8 (△16.7)
Provision for or reversal of reserve for fluctuation in water level	△0.6	—	+0.6
Income taxes	6.7	2.3	△4.3
Net income	52.6	63.2	+10.6

- Decrease in retail electricity sales volume △11.0
- Decrease in adjusted fuel cost △16.0
- Decrease in the surcharge for promoting renewable energy sourced electricity △60.1
 (Change of accounting practices applying to the ASRR* △627)

- Decrease in retail unit price △8.0

- Change of accounting practices applying to the ASRR* △448

- Dividend income +23.7
- Increase in electricity sales to other non-utility companies +23.5

- Thermal △3.3
- Nuclear +0

- Decrease in retail electricity sales volume △5.0
- Decrease in the increase of Water run-off ratio △4.0
- Increase in Nuclear capacity factor +6.0
- Change of exchange rate and fuel costs +2.0

- Change of accounting practices applying to the ASRR*¹ (*2) △448

- Change of accounting practices applying to the ASRR*¹ △627

*1 ASRR = Accounting Standard for Revenue Recognition

*2 Deduct the amount equivalent to grant under act on purchase of renewable energy sourced electricity from related expenses

Non-consolidated results compared with last year (Kansai-TD)

(billion yen)	FY2021-1Q	FY2022-1Q	Change
Ordinary revenues (Operating revenues)	188.3 (187.5)	201.3 (190.4)	+12.9 (+2.9)
Wheeling service	153.2	158.8	+5.5
Grant under act on purchase of renewable energy sourced electricity	13.6	—	△13.6
Others	21.4	42.4	+21.0
Ordinary expenses	187.4	198.0	+10.6
Personnel expenses	25.1	25.0	△0.0
Maintenance costs	24.9	25.3	+0.3
Taxes other than income taxes	20.9	20.8	△0.1
Depreciation	26.7	26.4	△0.3
Purchased power	41.8	52.7	+10.8
Interest expenses	2.6	2.2	△0.3
Others	45.0	45.4	+0.3
Ordinary income (Operating income or loss)	0.9 (2.8)	3.2 (△5.1)	+2.2 (△8.0)
Income taxes	1.1	△ 0.4	△1.6
Net income or loss	△0.2	3.7	+3.9

• Quantity variance (Increase in demand in Kansai area) +4.7
 • Unit price variance △4.6
 • Increase in revenue for Imbalance, etc. +5.5

• Change of accounting practices applying to the ASRR*1 △17.4

• Electricity sales to other utility and non-utility companies +10.8
 • Dividend income +8.4

• Increase in expenses for dispatchable generators +12.2
 • Increase in expense of purchase of renewable energy +9.8
 • Change of accounting practices applying to the ASRR*1 (*2) △17.4

*1 ASRR = Accounting Standard for Revenue Recognition

*2 Deduct the amount equivalent to grant under act on purchase of renewable energy sourced electricity from related expenses

Retail Electricity sales

<Retail Electricity sales for FY ending 3/2022>

(TWh)	Apr.	May	Jun.
Residential	2.7 (94.1)	2.3 (90.8)	1.9 (91.5)
Commercial and Industrial	5.3 (95.8)	5.1 (102.2)	5.5 (99.4)
Retail Electricity sales*2	8.0 (95.2)	7.5 (98.3)	7.3 (97.3)

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

<Breakdown of retail electricity sales in FY3/2022-1Q>

(TWh)	FY 3/2021-1Q	FY 3/2022-1Q	Change	Meter reading	Temperature	Demand	Others
Residential	7.5	6.9	△0.6	+0.1	△0.2	△0.2	△0.3
Commercial and Industrial	16.1	15.9	△0.2	+0.0	△0.1	△0.8	+0.8
Retail Electricity sales*2	23.5	22.8	△0.7	+0.2	△0.3	△1.0	+0.4

<Average monthly temperature>

(°C)	Apr.	May	Jun.
Actual	15.5	20.0	23.9
Year-on year change	+2.2	△0.8	△0.2
Anomaly	+0.4	+0.3	+0.4

<Breakdown of retail electricity sales in FY3/2022 forecasts>

(TWh)	FY 3/2021	FY 3/2022	Change	Meter reading	Temperature	Demand	Others
Residential	34.0	31.5	△2.5	+0.1	+0.1	△2.5	△0.3
Commercial and Industrial	68.3	64.6	△3.8	+0.0	△0.3	△6.6	+3.1
Retail Electricity sales*2	102.3	96.0	△6.3	+0.1	△0.1	△9.0	+2.7

*2 Amount of retail electric sales in the energy business provided by KEPCO

Ordinary Income by business segment

* FY 3/2022 financial forecasts have been unchanged.

* Ordinary Income by business segment is as of the announcement on Apr. 28, 2021 for references.

(billion yen)	FY 3/2021 (results)		FY 3/2022 (forecasts)		Change	
	Operating revenues (external transactions)	Ordinary income	Operating revenues (external transactions)	Ordinary income	Operating revenues (external transactions)	Ordinary income
Energy	2,358.6	34.1	1,818.0	1.0	△540.6	△33.1
Transmission and Distribution	386.4	68.3	328.0	50.0	△58.4	△18.3
IT/ Communications	219.3	38.6	212.0	36.0	△7.3	△2.6
Life/Business Solutions	127.9	16.5	142.0	9.0	+14.1	△7.5
Total	3,092.3	157.7	2,500.0	96.0	△592.3	△61.7
Eliminations/Corporate	—	△3.8	—	4.0	—	+7.8
Consolidated	3,092.3	153.8	2,500.0	100.0	△592.3	△53.8

*1 Due to revision of reporting segments, FY 3/2021 performance results have been rearranged and presented as on June 30, 2021.

*2 Segment income to be changed to ordinary income less dividends from consolidated subsidiaries and affiliated companies accounted for by the equity method, in order to report performance results of individual businesses more clearly.

Interest-bearing debt (Consolidated)

(billion yen)	March 31, 2021	June 30, 2021	Change
Bonds	1,284.0	1,264.0	△20.0 (△20.0)
Borrowings	2,887.6	2,871.2	△16.3 (+198.1、△218.0)
Long-term	2,740.5	2,721.6	△18.8 (+131.8、△153.0)
Short-term	147.0	149.5	+2.4 (+66.2、△65.0)
Commercial paper	300.0	580.0	+280.0 (+280.0)
Interest-bearing debt	4,471.6	4,715.2	+243.6
Interest rate (%) (as of fiscal year-end)	0.49	0.45	△0.04

*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)

(GWh)	FY2021 -1Q	Composition ratio	FY2022 -1Q	Composition ratio	Change
Hydro	3,839	18%	4,328	21%	+489
Thermal	10,762	50%	10,028	49%	△734
Nuclear	6,985	32%	6,016	30%	△969
Renewable energy	8	0%	5	0%	△3
KEPCO Total	21,593	100%	20,378	100%	△1,216
Other-utility companies	3,478		3,630		+152
Captive use by hydropower	△632		△422		+211
Total	24,439		23,586		△853

*1 Some rounding errors may be observed.

*2 Actual supply and demand to KEPCO in energy business

Maintenance costs and depreciation in comparison with the previous term

<KEPCO>

(billion yen)	FY2021-1Q	FY2022-1Q	Change	Breakdown	
Maintenance costs	20.2	17.6	△2.6	Thermal	△7.8
				Hydro	△0.5
				Nuclear	+5.7
Depreciation	21.7	26.3	+4.6	Nuclear	+5.0
				Thermal	△0.6

<Kansai Transmission and Distribution, Inc.>

(billion yen)	FY2021-1Q	FY2022-1Q	Change	Breakdown	
Maintenance costs	24.9	25.3	+0.3	Transmission	+0.2
				Transformation	+0.2
Depreciation	26.7	26.4	△0.3	Transmission	△0.5
				Transformation	△0.1
				Distribution	+0.1
				General	+0.1

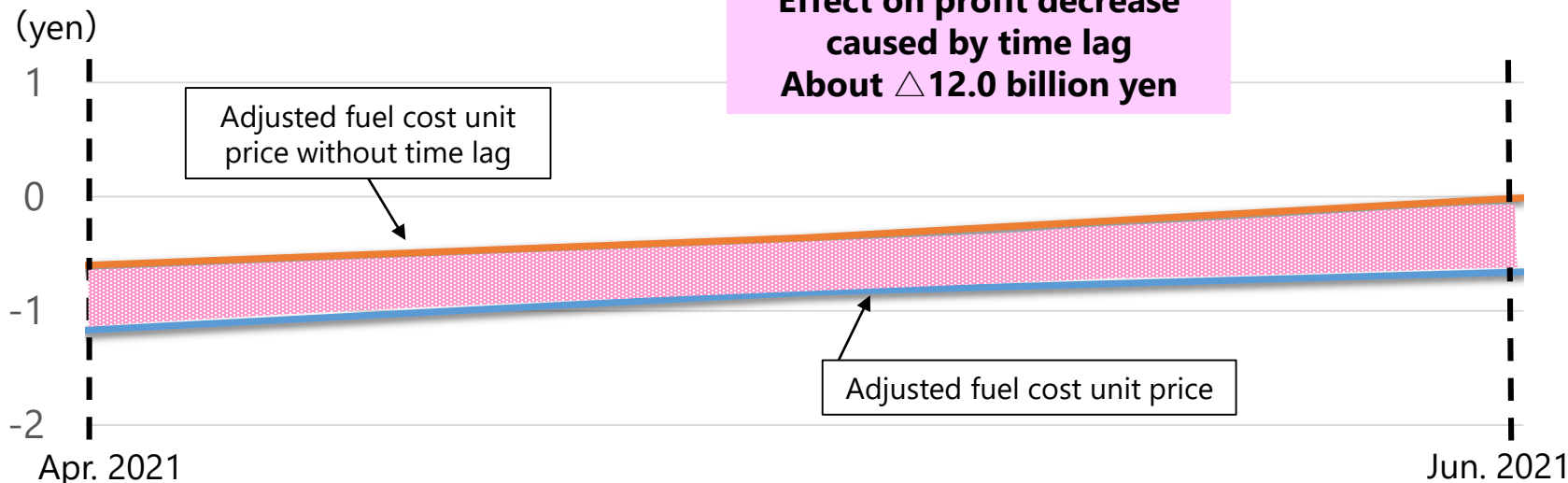
Time lag from the fuel cost adjustment system

- 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 are 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.

【Fuel price (Japan LNG (CIF))】

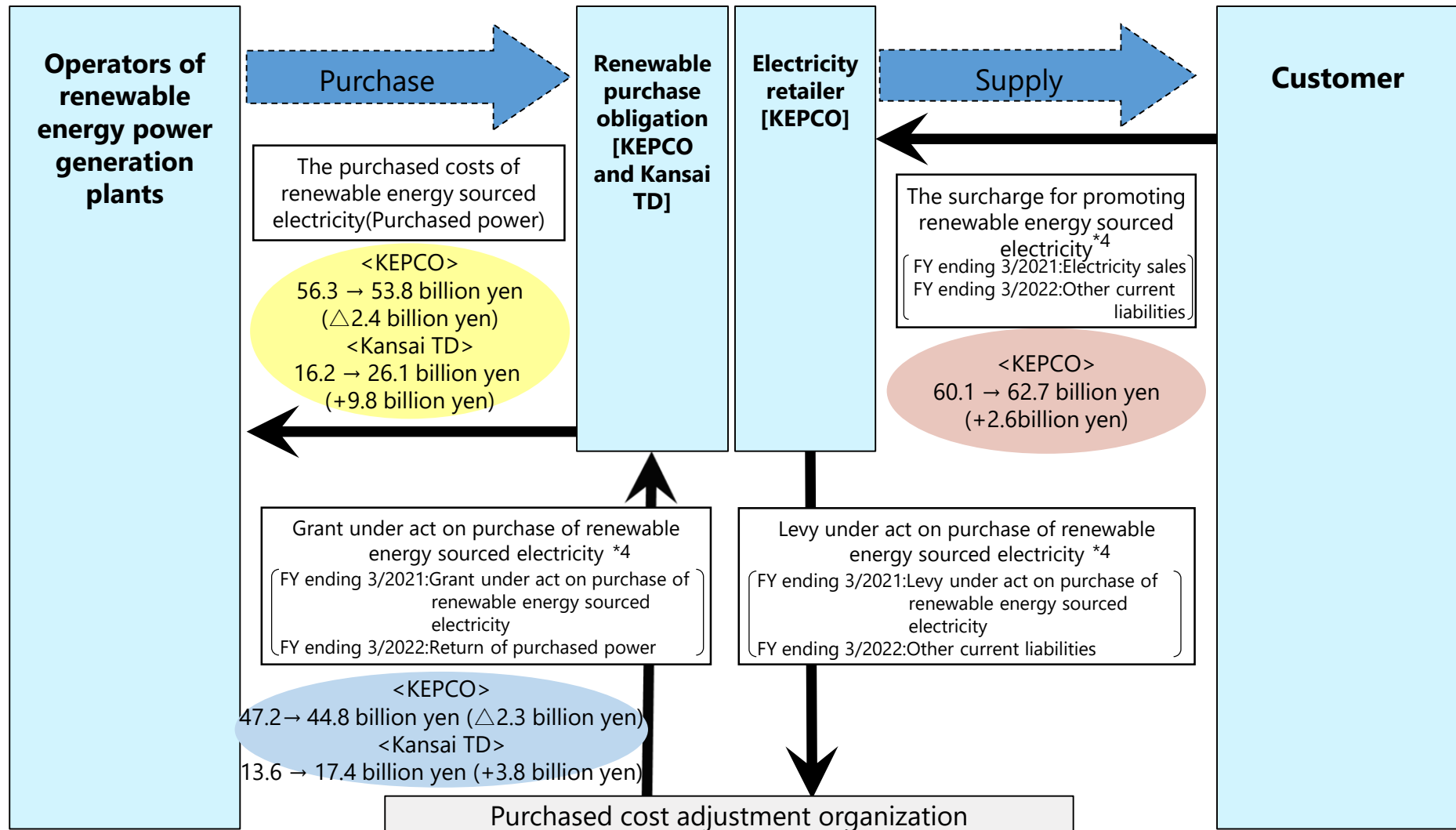


【Time lag from the fuel cost adjustment system】



*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



*1 1Q FY ending 3/2021 → 1Q FY ending 3/2022 (changes from the previous term)

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

*3 "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.

*4 Accounting practices were changed in FY2021 to apply the "Accounting Standard for Revenue Recognition", etc.

Associated companies

(Consolidated Subsidiaries and Affiliates accounted for by equity method)

Energy		Transmission and Distribution	IT/Communications	Life/Business Solution
<p>(Consolidated Subsidiaries)</p> <ul style="list-style-type: none"> •Kanden Energy Solution Co., Inc. •Echizen Eneline Co., Inc. •Fukui City Gas •Nihon Network Support Co., Ltd. •Kanden Plant Corporation •Kanden E-House Co., Ltd. •The Kurobe George Railway Co., Ltd. •Aioi Bioenergy Corporation •Institute of Nuclear Safety System, Inc. •NEWJEC Inc. •Sakai LNG Co., Inc. •Next Power Company •Kanden Power-Tech Corp. •NUCLEAR ENGINEERING, Ltd. •KANSO CO., LTD. •Dshift Inc. •Osaka Bioenergy Co., Ltd. •Kanden Gas Support Co., Inc. •KE Fuel International Co., Ltd. •KPIC Netherlands B.V. •Biopower Kanda •LNG EBISU Shipping Corporation •LNG FUKUROKUJU Shipping Corporation 	<ul style="list-style-type: none"> •LNG JUROJIN Shipping Corporation •LNG SAKURA Shipping Corporation •Kansai Electric Power Holdings Australia Pty Ltd •KPIC USA, LLC •Kansai Electric Power Australia Pty Ltd •Kansai Sojitz Enrichment Investing S.A.S. •Kansai Energy Solutions (Thailand) Co., Ltd. •PT. Kansai Electric Power Indonesia •KE Fuel Trading Singapore Pte Ltd. <p style="text-align: right;">etc.</p> <p style="text-align: right;">Total:45</p> <p>(Affiliates accounted for by equity method)</p> <ul style="list-style-type: none"> •Japan Nuclear Fuel Limited •Kinden Corporation •Enegate Co., Ltd •San Roque Power Corporation <p style="text-align: right;">etc.</p> <p style="text-align: right;">Total:8</p>	<p>(Consolidated Subsidiaries)</p> <ul style="list-style-type: none"> •Kansai Transmission and Distribution, Inc. •Kanden Engineering Corporation •The Kanden Service Co., Ltd. <p style="text-align: right;">Total:3</p>	<p>(Consolidated Subsidiaries)</p> <ul style="list-style-type: none"> •OPTAGE Inc. •Kanden Systems Co., Ltd. •K4 Digital Co., Ltd. <p style="text-align: right;">etc.</p> <p style="text-align: right;">Total:8</p>	<p>(Consolidated Subsidiaries)</p> <ul style="list-style-type: none"> •Kanden Realty & Development Co., Ltd. •Clearpass Co., Ltd. •KANDEN Security of Society, Inc. •KANSAI Medical Net Co, Inc. •KANDEN L-Heart Co., Inc. •Kanden Facilities Co., Ltd. •Kanden Joy Life Co., Ltd •Kanden Life Support Co., Ltd •Kansai Electron Beam Co., Ltd. •Kanden Joinus Co.,LTD •Gekidaniino G.K. •Kanden CS Forum Inc. •Kanden Office Work Co., Ltd. •The Kanden L&A Co., Ltd. •KANDEN AMENIX Corp. •K4 Ventures •Kaiko Yukinoya G.K. etc. <p style="text-align: right;">Total:33</p>

* As of Jun. 30, 2021

Total:97

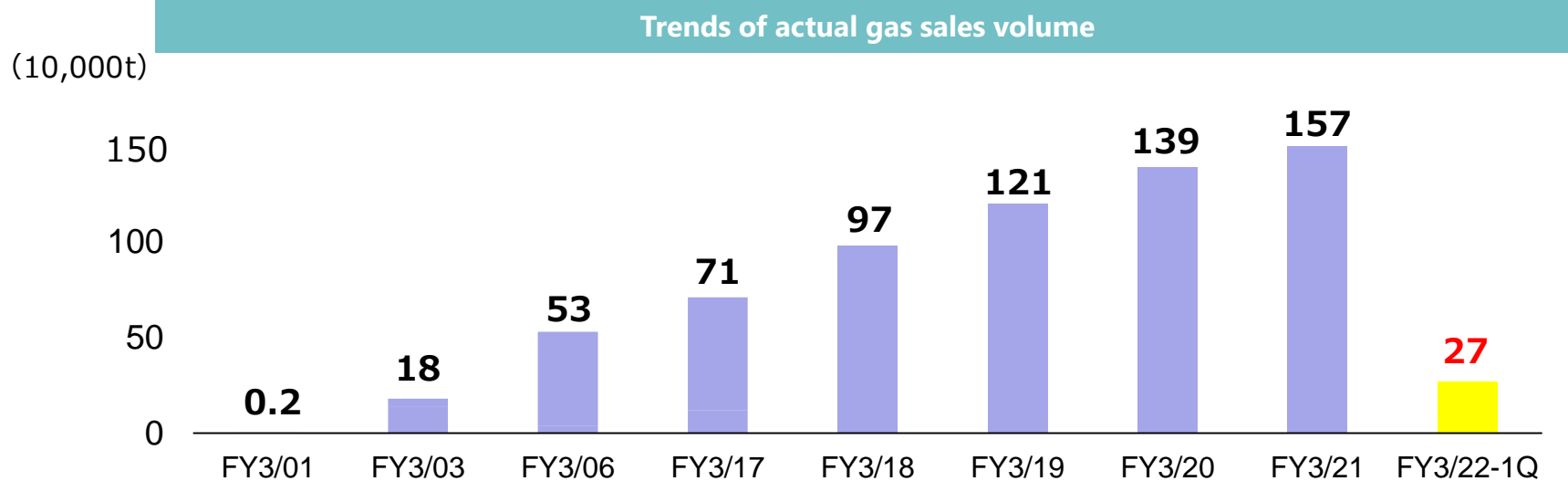
- We got into gas sales businesses in order to propose total energy services that combine electricity and gas services to our customers. Sales of both businesses have expanded consistently.
- FY 3/2022-1Q results show a 2.6 billion yen decrease in income and 0.7 billion yen deficit in comparison with the same period a year ago.
- The gas sales volume results 270,000 t, increasing 40,000 t in comparison with the previous term.

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



Profit and loss for gas business, gas sales, etc. in 1Q of FY ending 3/2022

(billion yen)	FY3/2021-1Q	FY3/2022-1Q	Change
Operating revenues	29.5	25.5	△3.9
Operating expenses	27.6	26.3	△1.3
Operating income	1.8	△0.7	△2.6

(10,000 t)	FY3/2021-1Q	FY3/2022-1Q	Change
gas sales volume	31	27	△4

• Number of contracts for Kanden gas as of June 30, 2021 :approx. 1.50 million

Outline of International Business

- We endeavor to promote energy businesses overseas that contribute to decarbonization, and provide customers with solutions that relate to their energy usage, as well as to aim to improve profitability by making good use of business know-hows and networks we have built to date.
Total output by KEPCO's investment: Approx. 2,737 MW. Of which, total investment amount to 14 projects in operation is approx. 160 billion yen.
(Approx. 34% collected by dividends, etc.)

Project Title			Start of operation, etc.(schedule)	Total output (MW)	KEPCO's investment(%)	Output by KEPCO's investment(MW-equivalent)*2
In operation	Philippines	San Roque Hydropower	2003/05	436	50	218
	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	2014/11	768	17.5	134
		Hickory-Run Thermal power	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	—
	US	Aviator Onshore Wind Farm Project	2020/9	525	48.5	255
Indonesia	Strategic Alliance with PT Medco Power Indonesia	Joined 2021/4	202	36	73	
Under construction	Indonesia	Tanjung Jati B Thermal Power	Scheduled 2021	2,140	25	535
	Finland	Piiparinmäki wind farm project	Scheduled 2021	211	15	32
	UK	Triton Knoll Offshore Wind Power Project	Scheduled 2022	857	16	137
		Moray East Offshore Windfarm project	Scheduled 2022	952	10.02	95
Under development	US	St. Joseph Phase II Thermal power	Scheduled 2023	Approx. 710	20	—
	UK·Germany	NeuConnect Interconnector	Scheduled 2024	—	18.3	—

*1 211.1 billion yen for international business investments is recorded to the consolidated balance sheet as of June 30, 2021, including the eliminations by using the equity method.

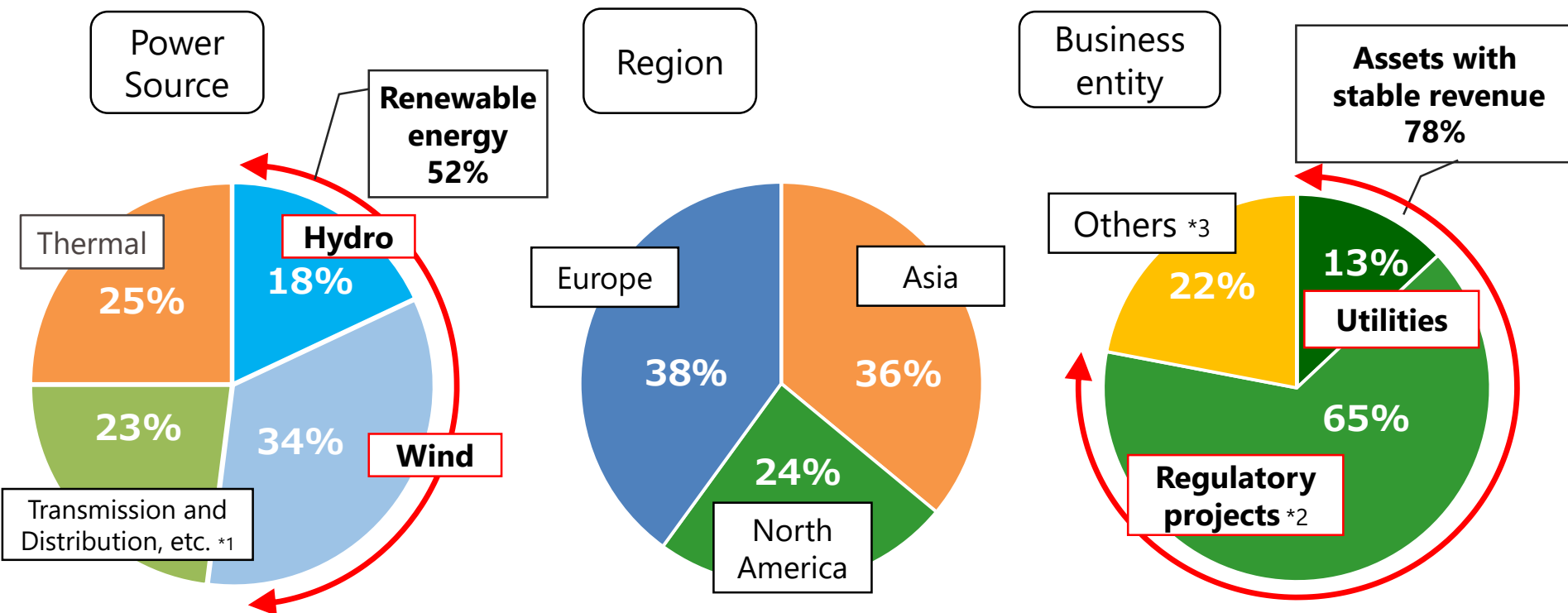
*2 Some rounding errors may be observed.

- By power source, the ratio of renewable energy is expanding up to 50%.
- By region, we disperse assets in Asia, Europe and North America in terms of growth and stability.
- By business entity, assets with stable revenue such as utilities and renewable IPP projects with subsidies are about 80%.

*Excluding projects declared impairment

<Asset portfolio (ratio of the amount we invested*) >

(As of June 30, 2021)



*1 Including developers, etc.

*2 PPA, renewable IPP projects with subsidies and transmission & distribution, etc.

*3 IPP for supplying the markets, etc.

- We aim to realize and provide services that support personal lifestyles and social activities using our advanced engineering and technical capabilities and become a leading business group in the evolution of the power transmission and distribution business both in Japan and abroad, by developing each area of "Power Transmission and Distribution", "Growth" and "Corporate Administration" as well as creating synergies between such areas.

<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 : 8,969 (As of April 1, 2021)
* Excluding transferred employees, persons on leave, etc.
- Group companies : Kanden Engineering Corporation
The Kanden Service Co., Ltd.

Transmission and Distribution business

- Strengthen resilience to natural disasters, promote next generation electric power network toward realizing renewable energy as main energy source and to realize the best cost structure in the industry.



New business

- Use current resources, data and other strengths that we hold to create new businesses that focus to solve social issues and increase profit.
- Aim to progressively expand business by developing overseas investments and increasing sales outside of the KEPCO Group.

International 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.

○ 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 45.0 billion yen of ordinary income by FY 3/2026.

Key Businesses and Accomplishments of IT/Communications Business

FTTH Business

Consumer Service

MVNO

FTTH, etc.

Corporate Service

mineo



暮らしあと押し
eo
eo光 **eo電気**
HIKARI DENKI



House



Condominium

OPTAGE
For Business

OPTAGE 5G



Corporate and local government

OPTAGE

What's next?



Data center

Service operation center
(Watch 24hours 365days)

- 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 Approx. 1.70 million contracts** and stable profits. We have become the first to provide the 10G/5G services to respond the customers' needs for high-speed and large-capacity data communication.
- 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]

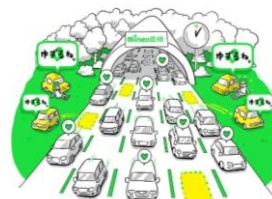


MVNO Business (mineo)

- We have **acquired Approx. 1.2 million contracts**. We started to provide 5G service and plan to renew our fee plans to be more fascinated in February 2021, aiming to acquire more 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]



【Results and target of Medium-term Management Plan】

(billion yen)	FY 3/2021 (Results)	FY 3/2022 -1Q (Results)	FY 3/2022 (Forecasts)	FY 3/2022 ~FY 3/2024 on average (Target)	FY 3/2026 (Target)
Ordinary income*	38.6	10.5	36.0	More than 35.0	More than 45.0

*excluding dividends received from consolidated subsidiaries and equity-method affiliates

Source: Mobile Marketing Data Lab., "Survey of low-cost SIM services satisfaction for November 2020"

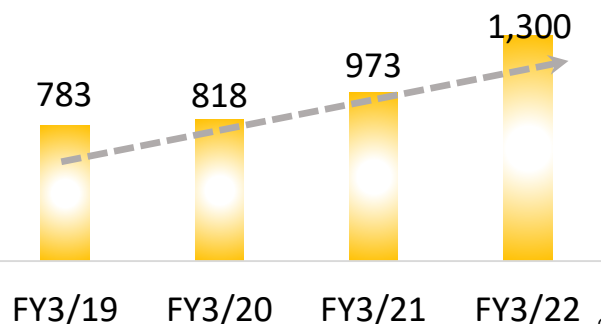
○ As well as consolidated real estate business, such as real estate leasing, sales, management, and leisure, centered on the core company, Kanden Realty & Development Co., Ltd., the Group provides home security, healthcare temporary, staffing and other services that help peoples' life and business. We are proactively expanding business areas and business domains (diversifying revenue sources), aiming to achieve over 30.0 billion yen in ordinary income for FY 3/2026.

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

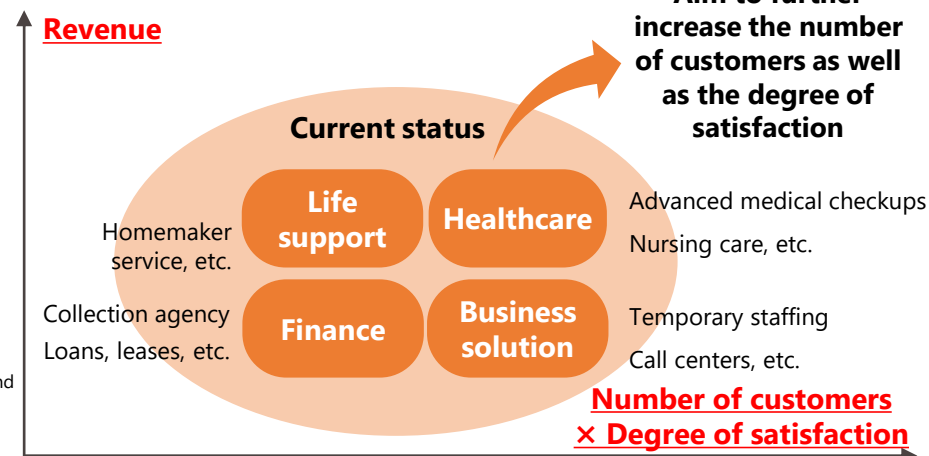
[Results and target of Medium-term Management Plan]

(billion yen)	FY 3/2021 (Results)	FY 3/2021 -1Q (Results)	FY 3/2022 (Forecasts)	FY 3/2022 ~FY 3/2024 on average (Target)	FY 3/2026 (Target)
Ordinary income*	16.5	4.3	9.0	More than 15.0	More than 30.0


*excluding dividends received from consolidated subsidiaries and equity-method affiliates


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.



[Key services]

- Life Support**: Deliver safety and security through home/office security services (Number of contracts as of the end of FY 3/2021 : Approx. 56,000)
 

[Kanden Security of Society]
- Finance**: Support life and business financially through loan, lease and collection agency services
 

[Clearpass]
- 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]

- We address our response to global warming as one of our important management issues, and as a leading company of “low carbon initiatives”, have striven to reduce the environmental load of our business operations using both nuclear power and renewable energy, and have contributed to shape a low carbon society through measures such as maintaining and improving the thermal efficiency of our thermal power plants.
- On top of that, amidst the growing public outcry over climate change, as can be seen from the Japanese government’s declaration to commit to a carbon neutral society by 2050, we felt it necessary to take further positive actions of our own, and adopted a “Zero-Carbon Vision 2050” for the KEPCO Group on February 26, 2021.

The Kansai Electric Power Group Zero Carbon Vision 2050

【Commitments Toward 2050】

In an effort to create a sustainable society, the Kansai Electric Power Group, as **a leading company of zero-carbon energy**, is **aiming for activities including power generation by 2050** in order to combat global warming, while striving to increase energy independence to secure energy supply, with priority given to safety.

In addition, our group will mobilize its resources to support **decarbonization not only in the economic activities of our customers, but also across society as a whole.**

These efforts will be made through active cooperation with various parties, such as customers, business partners, the government, municipalities and research institutes.

[The Kansai Electric Power Group Zero Carbon Vision 2050 Three key approaches]

[1]Zero-carbon emissions on the demand side

As a zero-carbon solution provider, we are pleased to provide customers with the best available solution toward zero-carbon emissions along with supporting its implementation across all sectors such as residential, commercial, industry and transportation.

- Renewal of service menu leading to decarbonization
- System solutions combining distributed renewable energy and battery storage
- Electrification of energy consuming equipment in all sectors (through use of heat pump technology, etc.)
*The residential and commercial sectors will be fully electrified.
- Promoting the use of hydrogen, etc., targeting customers who need to meet heat demand etc.
- Promotion of smart cities contributing to zero-carbon etc.

[2]Zero-carbon emission on the supply side

With priority given to safety, our group will seek to achieve the best energy mix which can lead to full decarbonization, ensure secure stable supply with an increasing energy self-sufficiency ratio, and enhance economic efficiency.

- Promotion of renewable energy sources to the fullest degree such as offshore wind power at home and abroad
- Advanced operational protocols introduced to improve the operation rate, with priority given to safety, and installation, expansion or replacement of facilities, with options including next-generation light-water reactors, high-temperature gas-cooled reactors and SMRs *1
- Shift to power generation using zero-carbon fuels (hydrogen, ammonia, etc.) and Introduction of CCUS technologies
*1. SMR : Small Modular Reactor etc.

[3]Seeking to create a hydrogen based society

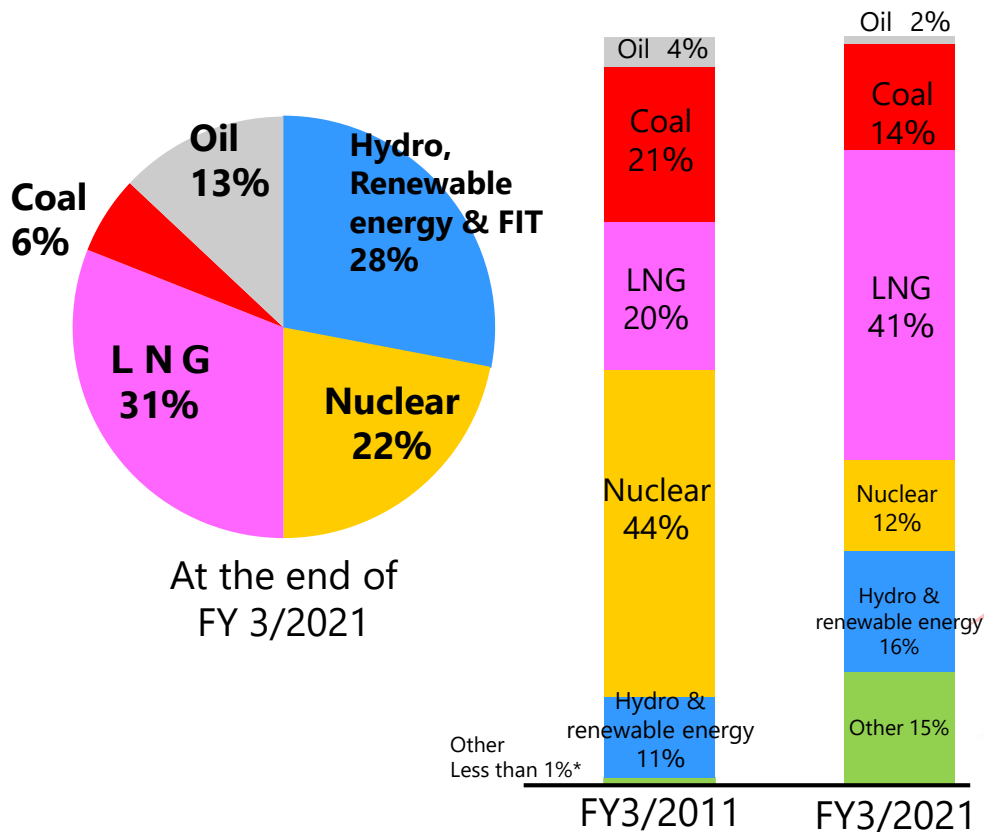
As hydrogen is indispensable for a zero-carbon society, our group, as a key player working toward realizing a hydrogen-based society, will tackle the challenges to produce, transport and supply zero-carbon hydrogen with non-fossil fuels, in addition to using hydrogen for power generation.

- Hydrogen production using electricity produced from renewable and nuclear energy
- Hydrogen production using heat source of nuclear energy
- Use of hydrogen as a fuel for thermal power
- Establishment of a hydrogen supply chain as an energy supplier etc.

KEPCO's power source composition

○ Regarding our power mix, our stance is to maintain a diversity of energy sources because it is important to achieve all elements of "S + 3E" at the same time. We aim to build a power source portfolio for realizing a carbon-neutral society by 2050, by maximizing the use of non-fossil electric power sources such as renewable energies and nuclear power, and decarbonizing our thermal power plants that remain our best option for leveraging supply and demand.

<Total power generation capacity> (Only our company) <Total power source composition> (Including from other electric company)



Thermal

Decarbonization of fossil fuel-fired power plants is a good-choice of leverage needed for installing a large volume of renewable energy

Nuclear

Making most of them, with priority given to safety

Renewable energy

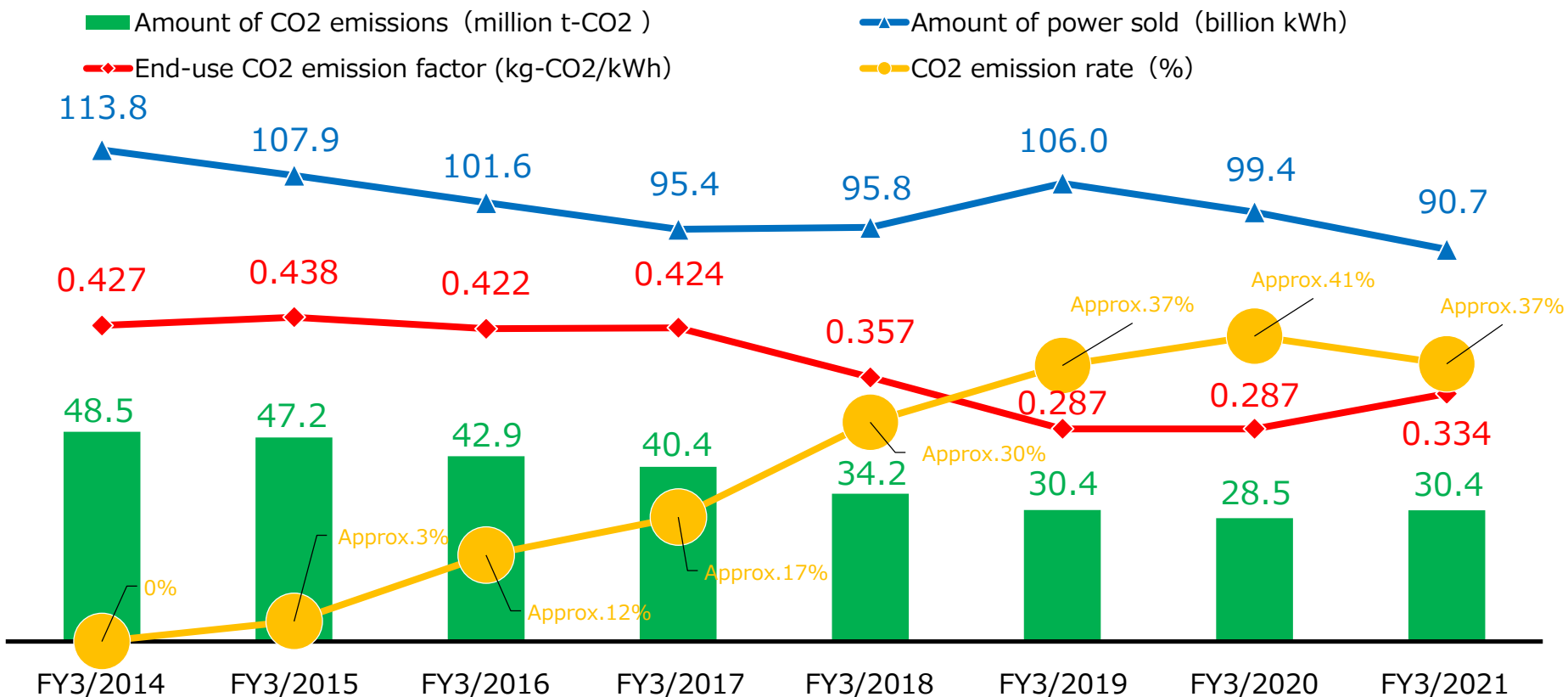
Maximizing the introduction, in light of the various social needs

* Includes electricity whose suppliers cannot be specified, and which are procured in the wholesale power market or from other companies.

* Some rounding errors may be observed.

- In the 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 CO2 emissions from our power generating business in Japan in FY 3/2026 to half that of FY 3/2014. (The goal has been accelerated by five years.)
- In FY 3/2021, we finished No.1 in Japan in zero-carbon electricity generation, and we reduced CO2 emissions from the power generating business by approximate 40% compared to our performance level in FY 3/2014.




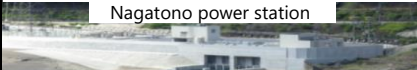
Change of KEPCO Group's power generating business in Japan in CO2 emission factor, etc.



- As a leading company of zero-carbon energy 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. 4,770 MW including power stations before operation. (as of July 30, 2021)

○ Domestic power stations

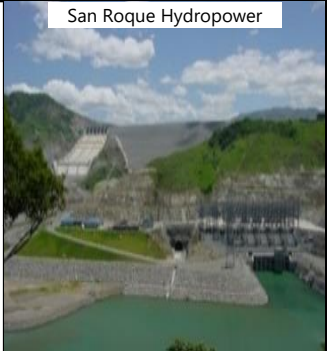
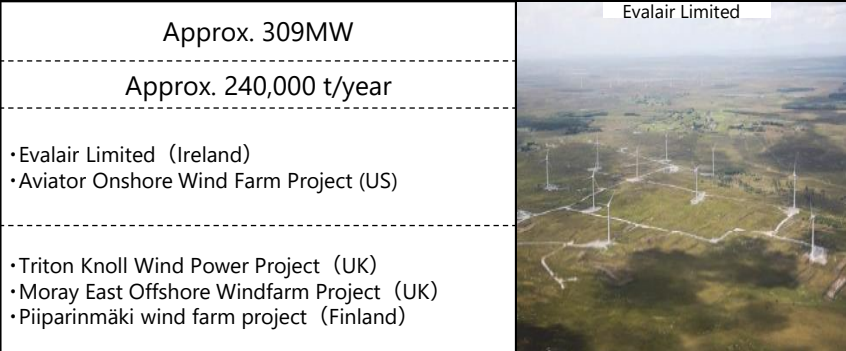
- Power stations in operation (completed): approx. 3,476MW; power stations before operation: approx. 347MW; Total: approx. 3,823MW (as of July 30, 2021)

	Solar Power	Wind Power	Biomass Power	Hydro Power
Power source capacity of power stations in operation	Approx. 99.1MW	Approx. 18MW	Approx. 6MW	Approx. 3,350 MW
CO ₂ emission [*] reduction	Approx. 24,000 t/year	Approx. 15,000 t/year	Approx. 16,000 t/year	Approx. 5,060,000 t/year
Main power stations in operation	• Sakai Solar Power Station • Shizukuishi Solar Power Station etc.	• Awaji Wind Power • Tahara No.4 Wind Power Station	• Asago-shi Biomass Power Generation Business etc.	• Nagatono power station (Upgraded) etc.
Power stations before operation	• Banshu Mega Solar Power Plant	• Akita Noshiro offshore wind power station • Nagasaki Goto offshore wind power station etc.	• Fukuoka Kanda-machi biomass • Fukushima Iwaki-shi biomass etc.	• Shin-Sakagami power station • Shin-Utsubo power station (temporary name) etc.
				

* CO₂ emissions are calculated based on our CO₂ emission coefficient in operation power scale in FY3/2021 with the national average coefficient 0.445kg-CO₂/kWh in FY 3/2020.

○ Overseas power stations

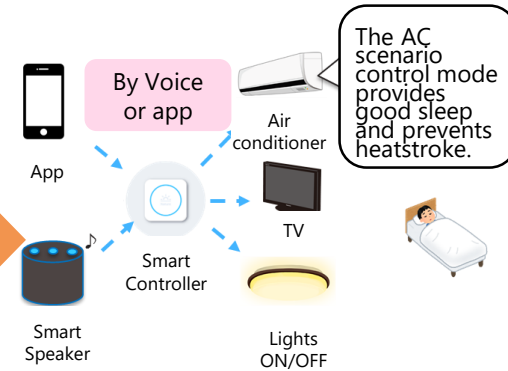
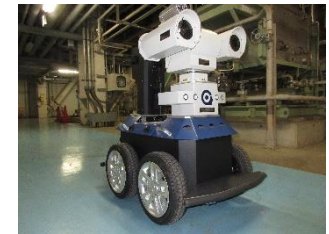
- Power stations in operation (completed): approx. 685MW; power stations before operation: approx. 264MW; Total: approx. 949MW (as of July 30, 2021)

	Hydro Power	Wind Power
Power source capacity of power stations in operation	Approx. 376MW	Approx. 309MW
CO ₂ emission reduction	Approx. 500,000 t/year	Approx. 240,000 t/year
Main power stations in operation	• San Roque Hydropower (Philippines) • Ming Jian Hydropower (Taiwan) • Rajamandala Hydropower (Indonesia) • Nam Ngiep Hydropower (Laos)	• Evalair Limited (Ireland) • Aviator Onshore Wind Farm Project (US)
Power stations before operation	—	• Triton Knoll Wind Power Project (UK) • Moray East Offshore Windfarm Project (UK) • Piiparinmäki wind farm project (Finland)
		

Efforts to accelerate the digitalization

- In order to accelerate the digitalization, ca.70 billion yen is scheduled to be invested during the three years from FY 3/2020 to FY 3/2022.
- Both in terms of “dramatic productivity improvement” and “new value creation”, we are promoting about 400 projects not only in business areas like transmission, distribution and sales but also indirect areas like administration.

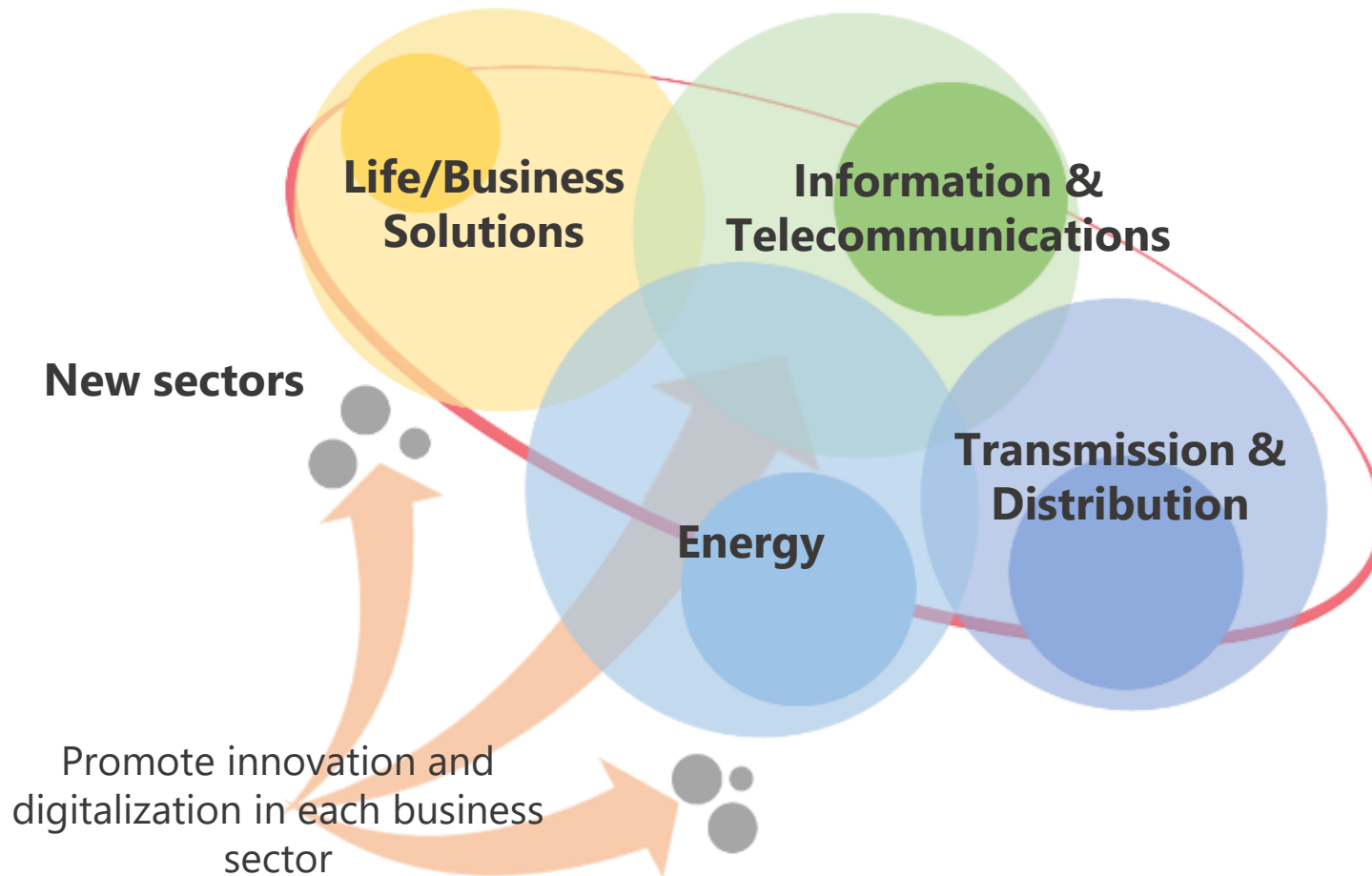
Category		Specific Projects
Dramatic Productivity Improvement (about 360)	Big Data & AI etc. (about 210)	<ul style="list-style-type: none"> • Development of a program that uses AI to automatically detect ice flow/snow at hydropower plants • Automatic discrimination system of the person entering the river by image analysis • K-VaCS, a remote monitoring service of thermal power plants using IoT • Fuel optimization at coal-fired thermal power plants • Automatic response system for outage information using AI, etc.
	Drones & Robots etc. (about 30)	<ul style="list-style-type: none"> • Introduction of the automated tracking inspection technique of overhead wires using drones on a trial basis • Piping and canal inspections at hydropower plants and stack inspections at thermal power plants by using drones • Automatic patrol robot at thermal power plant • Remote support system using smart glasses, etc.
	RPA Robotic Process Automation (about 120)	<ul style="list-style-type: none"> • Automating work for transcribing customer information • Automating entry of accounting slips • Automating acceptance and entry of a customer contract, etc.
New Value Creation (about 40)		<ul style="list-style-type: none"> • New home appliance control services of “Hapi-e Miru Den” working with smart remote controllers and smart speakers • Joint development of “Energy 2.0” next-generation energy platform • “K-VIPs”, an integrated platform system that supports operation of virtual power plants, etc.



(1) What We Aspire to Become

With Energy, Transmission & Distribution, Information & Telecommunications, and Life/Business Solutions positioned as our core businesses, we will keep creating new value in areas around these sectors as well as where they overlap.

As the operator of a platform providing both social infrastructure and services, we aim to continuously serve our customers and communities, while contributing to attaining a sustainable society.



(2) Key Initiatives

Basic premise of our business operations

Firmly establishing governance and promoting compliance

In light of our reflection on the receipt of cash and gifts and other issues, we will do our utmost to restore trust.

Key Initiatives

KX : Kanden Transformation

1

Seeking to achieve
zero-carbon emissions

EX: Energy Transformation

With the accelerating global trend of decarbonization, to meet expectations for contributing to the attainment of a sustainable society, we will promote efforts toward the realization of Kansai Electric Power Group's "Zero Carbon Vision 2050."

2

Transforming
into a service provider

VX: Value Transformation

Beyond our conventional large-scale asset-centered business, we will deal with needs and issues based on the customer's viewpoint, thereby being reborn as a corporate group that continuously provides new value to its customers.

3

Building a robust
corporate constitution

BX: Business Transformation

We will speed up cost structure reform, innovation, digitalization and workstyle innovation.

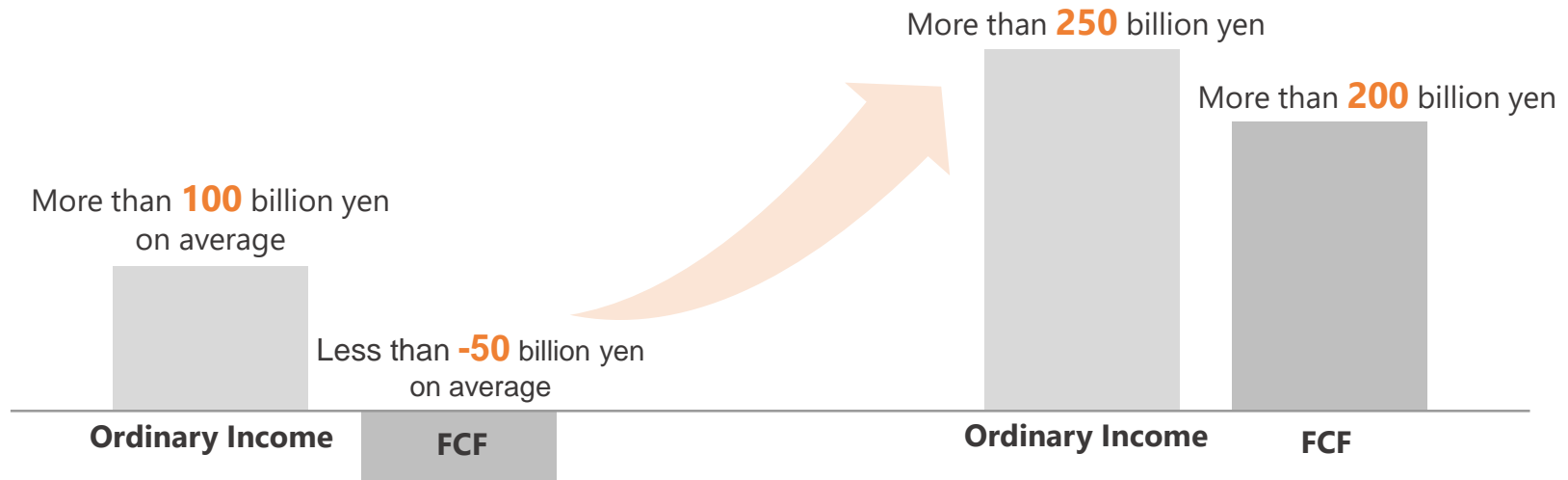
(3) Financial Goals

Over three fiscal years from 2021 to 2023, we will complete business structural reforms while anticipating a decline in profits. We will make investment in growth opportunities as well as construction work to ensure nuclear safety for the future.

In fiscal 2025, we will put our business on a growth track and take another leap forward.

	FY 3/2022 – FY 3/2024	FY 3/2026
Ordinary Income	More than 100 billion yen averaged over three years	More than 250 billion yen
FCF	Less than -50 billion yen averaged over three years	More than 200 billion yen
	Register a surplus across total income booked between FY 2021 and FY 2025	
Equity Ratio	More than 20%	More than 23%
ROA(*)	More than 1.5% averaged over three years	More than 3.5%

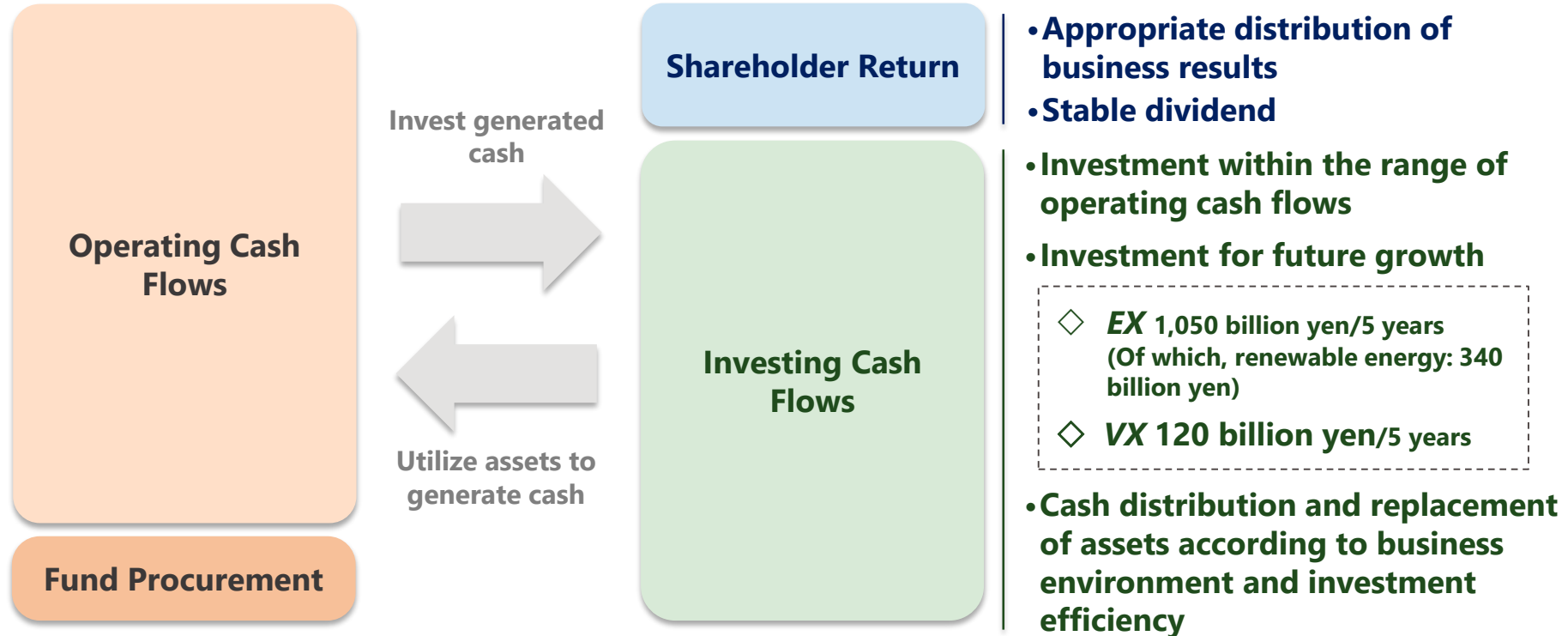
(*) ROA [Return on total assets] = Operating income [Ordinary income + Interest expense] / Total assets [Beginning and ending balance average]



[Reference] ROE (Return on equity = Net income / Shareholders' equity [Beginning and ending balance average]) when the above goals are achieved: about 4% for FY 2021-2023, about 10% for FY 2025

(4) Cash Distribution and Shareholder Return Policy

Concept of cash distribution



Shareholder Return Policy

Our shareholder return policy is that, as the Kansai Electricity Power Group, we seek to improve corporate value and appropriately allocate business results to shareholders. We aim to deliver stable distribution while ensuring financial soundness.

For further information

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

E-mail : finance@kepco.co.jp

Website : <http://www.kepco.co.jp>