

Unaudited Financial Release (Consolidated) for the Third Quarter

The information below is an English translation of extracts from Unaudited Financial Release (Consolidated) for the third quarter that has been filed with the major Japanese stock exchanges (Tokyo) for public inspection. These financial statements have been prepared in accordance with accounting principles and practices generally accepted in Japan.

January 31, 2018

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I. Performance over the Nine-months Ended December 31, 2017 and 2016

(Figures are rounded down to the nearest million yen)

1. Results of Operations

	<u>Nine-Months</u>		(million Yen)	
	<u>Ended December 31</u>		<u>Change</u>	
	2017	2016	17/16	16/15
Operating Revenues	2,258,661	2,207,133	2.3%	-7.3%
Operating Income	193,220	209,079	-7.6%	15.9%
Ordinary Income *	190,049	196,176	-3.1%	14.4%
Net Income attributable to owners of the parent	138,426	143,809	-3.7%	28.0%
Net Income per Share	154.94yen	160.96yen	—	—
Fully Diluted Net Income per Share	—	—	—	—

Comprehensive income

Nine-months ended December 31, 2017: 166,936 million yen

Nine-months ended December 31, 2016: 147,755 million yen

Notes:

1. Ordinary Income means Income before Provision for/Reversal of Reserve for Fluctuations in Water Level, Special Item and Income Taxes.

2. Financial Position

	(million Yen)	
	As of December 31	As of March 31
	2017	2017
Total Assets	6,940,702	6,853,182
Net Assets	1,471,334	1,344,696
Equity Ratio	20.9%	19.3%

Notes:

1. Equity capital

As of December 31, 2017: 1,451,987 million yen

As of March 31, 2017 : 1,322,663 million yen

II. Dividends

	Interim dividend per share	Year-end dividend per share	Annual dividend per share
Fiscal 2016	0.00 yen	25.00 yen	25.00 yen
Fiscal 2017	15.00 yen		
Fiscal 2017(Forecast)		15.00 yen	30.00 yen

As regards the year-end dividend forecasts for FY ending March 31, 2018, we have determined to pay a dividend of 15.00 yen per share, with business environments including financial forecasts for FY ending March 31, 2018 taken comprehensively into account. The annual dividend forecast will result in 30.00 yen per share, including the interim dividend of 15.00 yen.

III. Financial Forecasts

	(million Yen)		
	4/17-3/18 (Forecasts)	4/16-3/17 (Results)	Change
Operating Revenues	3,080,000	3,011,337	2.3%
Operating Income	200,000	217,747	-8.2%
Ordinary Income*	195,000	196,125	-0.6%
Net Income attributable to owners of the parent	140,000	140,789	-0.6%
Net Income per Share	156.71yen	157.58yen	—

The financial forecasts for FY ending March 31, 2018 were announced as undetermined, as Ohi Units 3 and 4 were not in full scale operation, but with the end of this FY approaching, we have calculated our financial forecasts based on the details described in the pre-operation inspection application form for Ohi Units 3 and 4, recent supply and demand, and other factors.

Notes:

1. Major Factors for Financial Forecasts

	4/17-3/18 (Forecasts)	4/16-3/17 (Results)
Electricity Sales (TWh)	113.5	121.5
Electricity sales to other utility and non-utility companies (TWh)	6.6	3.9
Nuclear capacity factor (%)	*Approx. 18	0.0
Water run-off ratio (%)	Approx. 104	99.1
All Japan CIF Crude Oil Price (\$/barrel)	Approx. 55	47.5
Exchange rate [TTM] (yen/\$)	Approx. 112	108

* Calculated based on outputs before the electric facilities modification application (in response to the decision on when Ohi Units 1 and 2 are decommissioned) was made.

2. Ordinary Income means Income before Provision for/Reversal of Reserve for Fluctuations in Water Level, Special Item and Income Taxes.

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

IV. Other

1. Number of shares outstanding (included Treasury stock)
 As of December 31, 2017: 938,733,028 shares
 As of March 31, 2017 : 938,733,028 shares
2. Number of Treasury stock
 As of December 31, 2017: 45,361,795 shares
 As of March 31, 2017 : 45,317,079 shares
3. Number of Average stock
 Nine-months ended December 31, 2017: 893,392,972 shares
 Nine-months ended December 31, 2016: 893,434,062 shares

< Reference >

Financial Forecasts (Non-consolidated)

	4/17-3/18 (Forecasts)	4/16-3/17 (Results)	(million Yen) Change
Operating Revenues	2,630,000	2,614,440	0.6%
Operating Income	145,000	164,524	-11.9%
Ordinary Income*	130,000	143,720	-9.5%
Net Income	90,000	103,064	-12.7%
Net Income per Share	100.71yen	115.32yen	—

Notes:

1. Ordinary Income means Income before Provision for/Reversal of Reserve for Fluctuations in Water Level, Special Item and Income Taxes.

Electricity sales

	(GWh)		
	Nine-months ended December 31, 2017	Nine-months ended December 31, 2016	Change (%)
Residential	28,597	30,376	94.1
Commercial and Industrial	55,159	59,212	93.2
Total	83,756	89,588	93.5

Notes:

1. Some rounding errors may be observed.
2. Not including either electricity sales to other non-utility companies or electricity interchanged among power companies (transmitted from KEPCO)

Consolidated Balance Sheets

(million yen)

Account	As of Mar. 31, 2017	As of Dec. 31, 2017
(Assets)		
Property	6,081,116	6,153,461
Utility facilities	3,295,474	3,217,801
Hydroelectric power production facilities	290,593	285,444
Thermal power production facilities	452,947	422,983
Nuclear power production facilities	350,749	328,874
Transmission facilities	850,856	827,803
Transformation facilities	402,961	416,812
Distribution facilities	818,171	813,716
General facilities	106,287	100,262
Other utility facilities	22,905	21,904
Other plant and equipment	707,364	736,719
Construction in progress	485,449	527,530
Construction and retirement in progress	458,850	448,540
Special account related to nuclear power decommissioning	26,598	78,989
Nuclear fuel	481,371	493,651
Loaded nuclear fuel	90,556	79,866
Nuclear fuel in processing	390,815	413,784
Investments and other assets	1,111,457	1,177,758
Long-term investments	297,054	371,497
Investments in and advances to subsidiaries and associated companies	401,610	414,446
Deferred tax assets	375,101	350,293
Other	41,105	44,857
Allowance for doubtful accounts	-3,414	-3,336
Current assets	772,065	787,241
Cash and time deposits	133,133	139,371
Accounts receivable	233,169	253,166
Inventory assets	122,818	134,221
Deferred tax assets	72,009	67,409
Other	213,372	195,700
Allowance for doubtful accounts	-2,437	-2,628
Total assets	6,853,182	6,940,702

Consolidated Balance Sheets

(million yen)

Account	As of Mar. 31, 2017	As of Dec. 31, 2017
(Liabilities)		
Long-term liabilities and reserves	3,927,280	3,862,070
Bonds	989,790	949,300
Long-term loans	1,843,524	1,830,019
Liability for retirement benefits	360,362	361,212
Asset retirement obligations	436,483	444,034
Deferred tax liabilities	1,632	5,723
Other	295,487	271,780
Current liabilities	1,553,753	1,579,025
Current maturities of long-term debt and other	752,164	720,149
Short-term borrowings	152,231	144,554
Commercial paper	114,000	154,000
Accounts payable	122,716	108,838
Accrued income taxes	34,353	79,071
Other current liabilities	378,287	372,411
Reserves under the special laws	27,452	28,271
Reserve for fluctuation in water levels	27,452	28,271
Total liabilities	5,508,485	5,469,367
(Net Assets)		
Shareholders' Equity	1,248,297	1,350,908
Paid in capital	489,320	489,320
Capital surplus	66,726	66,726
Retained earnings	788,674	891,351
Treasury stock	-96,424	-96,490
Accumulated other comprehensive income	74,366	101,079
Unrealized loss on available-for-sale securities	81,037	100,225
Deferred loss on derivatives under hedge accounting	-3,894	-1,873
Foreign currency translation adjustments	13,433	11,127
Defined retirement benefit plans	-16,209	-8,400
Noncontrolling interests	22,032	19,347
Total net assets	1,344,696	1,471,334
Total liabilities and net assets	6,853,182	6,940,702

Consolidated Statements of Income

(million yen)

Account	Nine-months ended Dec.31, 2016	Nine-months ended Dec.31, 2017
Ordinary revenues and expenses		
Operating revenues and expenses		
Operating revenues	2,207,133	2,258,661
Electric	1,883,064	1,889,854
Other	324,069	368,807
Operating expenses	1,998,054	2,065,441
Electric	1,716,818	1,740,288
Other	281,235	325,153
Operating Income	209,079	193,220
Non-Operating revenues and expenses		
Non-operating revenues	28,770	28,544
Dividends received	5,722	6,477
Interest revenue	5,237	1,138
Equity in earnings of associated companies	10,134	10,098
Other	7,676	10,830
Non-operating expenses	41,673	31,715
Interest expense	37,535	28,881
Other	4,138	2,834
Total ordinary revenues	2,235,904	2,287,206
Total ordinary expenses	2,039,728	2,097,157
Ordinary Income	196,176	190,049
Provision for or reversal of reserve for fluctuation in water levels	-1,407	819
Provision for reserve for fluctuation in water levels	—	819
Reversal of reserve for fluctuation in water levels	-1,407	—
Income before income taxes	197,584	189,230
Income taxes-current	14,237	25,709
Income taxes-deferred	39,911	24,144
Income taxes	54,148	49,853
Net Income	143,435	139,376
Net (Loss) Income attributable to noncontrolling interests	-373	950
Net Income attributable to owners of the parent	143,809	138,426

Consolidated Statements of Comprehensive Income

(million yen)

Account	Nine-months ended Dec.31, 2016	Nine-months ended Dec.31, 2017
Net Income	143,435	139,376
Other comprehensive income		
Unrealized gain on available-for-sale securities	7,804	15,585
Deferred gain on derivatives under hedge accounting	5,834	2,062
Foreign currency translation adjustments	-17,245	-1,613
Defined retirement benefit plans	6,373	7,525
Share of other comprehensive income of associates	1,552	3,999
Total other comprehensive income	4,320	27,559
Comprehensive income	147,755	166,936
(Breakdown)		
Attributable to owners of the parent	148,720	165,138
Attributable to noncontrolling interests	-964	1,797