

## Unaudited Financial Release (Consolidated) for the Second Quarter

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

October 26, 2018

The Kansai Electric Power Co., Inc. (Code: 9503)  
 6-16 Nakanoshima 3-chome, Kita-ku, Osaka  
 (URL <http://www.kepcoco.jp>)  
 Company Representative: Shigeki Iwane, President and Director  
 Contact: Michiya Sakata, General Manager, Office of Accounting and Finance  
 Tel: +81-6-6441-8821

### I . Performance over the Six-months Ended September 30, 2018 and 2017

(Figures are rounded down to the nearest million yen)

#### 1. Results of Operations

	<u>Six-Months</u>		(Million Yen)	
	<u>Ended September 30</u>		<u>Change</u>	
	2017	2018	17/16	18/17
Operating Revenues	1,548,597	1,610,653	2.2%	4.0%
Operating Income	161,354	108,698	-4.2%	-32.6%
Ordinary Income *	157,852	117,760	-1.9%	-25.4%
Net Income attributable to owners of the parent	115,219	72,760	-3.5%	-36.9%
Net Income per Share	128.97yen	81.45yen	—	—
Fully Diluted Net Income per Share	—	—	—	—

#### Comprehensive income

Six-months ended September 30, 2018: 85,324 million yen  
 Six-months ended September 30, 2017: 128,794 million yen

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

#### 2. Financial Position

	(Million Yen)	
	As of Mar. 31, 2018	As of September. 30, 2018
Total Assets	6,985,088	7,150,076
Net Assets	1,472,797	1,539,846
Equity Ratio	20.8%	21.3%

#### Notes: Equity capital

As of September 30, 2018: 1,521,083 million yen  
 As of March 31, 2018: 1,454,087 million yen

## II. Dividends

	Interim dividend per share	Year-end dividend per share	Annual dividend per share
FY 2017	15.00 yen	20.00yen	35.00 yen
FY 2018	25.00 yen	25.00 yen (Forecast)	50.00 yen (Forecast)

## III. Financial Forecasts

	(Billion Yen)
	4/18-3/19 (Forecasts)
Operating Revenues	3,330
Operating Income	200
Ordinary Income*	200
Net Income attributable to owners of the parent	140
Net Income per Share	156.71yen

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

## IV. Other

1. Change in major consolidated subsidiaries: None
2. Difference in accounting methods from the latest consolidated financial year: None
3. Number of shares outstanding (included Treasury stock)
  - As of September 30, 2018: 938,733,028 shares
  - As of March 31, 2018: 938,733,028 shares
4. Number of Treasury stock
  - As of September 30, 2018: 45,540,058 shares
  - As of March 31, 2018: 45,372,355 shares
5. Number of Average stock
  - Six-months ended September 30, 2018: 893,301,337 shares
  - Six-months ended September 30, 2017: 893,401,288 shares

Notes: We have adopted BIP (Board Incentive Plan) Trust mechanism, and the number of treasury stock at year end includes our shares held by said trust account (147,800 shares As of September 30, 2018). Additionally, our shares held by said trust account are included in treasury stock that is deducted in the calculation of the number of average stock.

< **Reference : Non-consolidated** >

**Financial Forecasts (Non-consolidated)**

	(Billion Yen)
	4/18-3/19 (Forecasts)
Operating Revenues	2,820
Operating Income	140
Ordinary Income *	130
Net Income	90
Net Income per Share	100.71yen

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

**Electricity sales**

	(GWh)		
	Six-months ended September 30, 2017	Six-months ended September 30, 2018	Change (%)
Residential	19,383	18,031	93.0
Commercial and Industrial	37,533	40,773	108.6
Total	56,916	58,804	103.3

Notes: Some rounding errors may be observed.

## Consolidated Balance Sheets

(million yen)

Account	As of Mar. 31, 2018	As of Sep. 30, 2018
<b>(Assets)</b>		
Property	6,252,072	6,309,726
Utility facilities	3,222,279	3,204,714
Hydroelectric power production facilities	294,175	291,436
Thermal power production facilities	414,312	394,039
Nuclear power production facilities	344,032	381,692
Transmission facilities	819,294	801,253
Transformation facilities	416,948	411,154
Distribution facilities	811,479	806,440
General facilities	100,412	97,601
Other utility facilities	21,624	21,094
Other plant and equipment	753,323	761,621
Construction in progress	560,944	610,594
Construction and retirement in progress	457,442	502,609
Special account related to nuclear power decommissioning	78,332	77,018
Special account related to reprocessing of spent nuclear fuel	25,168	30,966
Nuclear fuel	494,124	495,449
Loaded nuclear fuel	64,688	75,599
Nuclear fuel in processing	429,435	419,849
Investments and other assets	1,221,401	1,237,347
Long-term investments	345,422	353,867
Investments in and advances to subsidiaries and associated companies	431,764	456,385
Deferred tax assets	402,874	382,624
Other	44,394	47,471
Allowance for doubtful accounts	-3,054	-3,001
Current assets	733,015	840,350
Cash and time deposits	159,685	165,455
Accounts receivable	270,648	333,937
Inventory assets	129,127	143,268
Other	176,413	200,298
Allowance for doubtful accounts	-2,859	-2,610
<b>Total assets</b>	<b>6,985,088</b>	<b>7,150,076</b>

## Consolidated Balance Sheets

(million yen)

Account	As of Mar. 31, 2018	As of Sep. 30, 2018
<b>(Liabilities)</b>		
Long-term liabilities and reserves	3,852,076	4,010,186
Bonds	949,500	1,010,282
Long-term loans	1,825,525	1,879,081
Liability for retirement benefits	367,875	365,600
Asset retirement obligations	444,302	495,190
Deferred tax liabilities	1,346	1,109
Other	263,526	258,922
Current liabilities	1,631,266	1,570,721
Current maturities of long-term debt and other	664,395	619,992
Short-term borrowings	143,208	144,986
Commercial paper	154,000	215,000
Accounts payable	126,414	108,092
Accrued income taxes	92,214	68,244
Reserve for restoration costs of natural disaster	-	12,396
Other current liabilities	451,034	402,008
Reserves under the special laws	28,948	29,322
Reserve for fluctuation in water levels	28,948	29,322
Total liabilities	5,512,290	5,610,230
<b>(Net Assets)</b>		
Shareholders' Equity	1,364,347	1,418,982
Paid in capital	489,320	489,320
Capital surplus	66,725	66,739
Retained earnings	904,806	959,693
Treasury stock	-96,504	-96,770
Accumulated other comprehensive income	89,740	102,100
Unrealized gain on available-for-sale securities	91,135	98,016
Deferred gain on derivatives under hedge accounting	-3,369	1,776
Foreign currency translation adjustments	11,016	9,492
Defined retirement benefit plans	-9,041	-7,185
Non-controlling interests	18,709	18,762
Total net assets	1,472,797	1,539,846
<b>Total liabilities and net assets</b>	6,985,088	7,150,076

## Consolidated Statements of Operations

(million yen)

Account	Six-months ended Sep 30, 2017	Six-months ended Sep 30, 2018
Ordinary revenues and expenses		
Operating revenues and expenses		
Operating revenues	1,548,597	1,610,653
Electric	1,305,338	1,331,264
Other	243,259	279,389
Operating expenses	1,387,242	1,501,955
Electric	1,174,410	1,252,940
Other	212,832	249,014
Operating Income	161,354	108,698
Non-Operating revenues and expenses		
Non-operating revenues	16,671	35,953
Dividends received	5,248	6,191
Interest revenue	800	1,005
Gain on sales of property, plant, and equipment	734	17,319
Equity in earnings of associated companies	5,540	5,401
Other	4,347	6,035
Non-operating expenses	20,173	26,892
Interest expense	19,470	16,051
Other	702	10,841
Total ordinary revenues	1,565,268	1,646,607
Total ordinary expenses	1,407,416	1,528,847
Ordinary income	157,852	117,760
Provision for or reversal of reserve for fluctuation in water levels	-799	374
Provision for reserve for fluctuation in water levels	—	374
Reversal of reserve for fluctuation in water levels	-799	—
Extraordinary loss	—	12,808
Loss on disaster	—	12,808
Income before income taxes and minority interests	158,651	104,577
Income taxes-current	23,951	14,231
Income taxes-deferred	19,126	17,529
Income taxes	43,078	31,761
Net Income	115,573	72,816
Net Income attributable to non-controlling interests	354	56
Net Income attributable to owners of the parent	115,219	72,760

## Consolidated Statements of Comprehensive Income

(million yen)

Account	Six-months ended Sep 30, 2017	Six-months ended Sep 30, 2018
Income before minority interests	115,573	72,816
Other comprehensive income		
Unrealized gain on available-for-sale securities	6,659	6,134
Deferred gain on derivatives under hedge accounting	1,921	5,158
Foreign currency translation adjustments	-2,396	-1,932
Defined retirement benefit plans	5,123	1,750
Share of other comprehensive income of associates	1,912	1,397
Total other comprehensive income	13,220	12,508
Comprehensive income	128,794	85,324
(Breakdown)		
Attributable to owners of the parent	127,755	85,120
Attributable to non-controlling interests	1,038	204

## Revenues and Expenses (Non-Consolidated)

	Six-months ended September 30		(B) - (A)	(B)/(A)	Percentage of total	
	2017 (A)	2018 (B)			(A)	(B)
	¥ million	¥ million	¥ million	%	%	%
Ordinary revenues (Operating revenues)	1,357,185 (1,342,928)	1,405,089 (1,385,410)	47,903 (42,481)	103.5 (103.2)	100.0 (98.9)	100.0 (98.6)
Residential	468,956	433,682	-35,273	92.5	34.6	30.9
Commercial and industrial	648,579	665,239	16,660	102.6	47.7	47.3
Sub total	1,117,535	1,098,922	-18,613	98.3	82.3	78.2
Grant under act on purchase of renewable energy sourced electricity	88,556	98,362	9,806	111.1	6.5	7.0
Other	151,093	207,804	56,710	137.5	11.2	14.8
Ordinary expenses	1,229,443	1,322,545	93,102	107.6	100.0	100.0
Personnel expenses	108,192	108,685	493	100.5	8.8	8.2
Fuel costs	240,771	256,062	15,291	106.4	19.6	19.4
Backend expenses of nuclear power	25,301	39,311	14,010	155.4	2.1	3.0
Maintenance costs	79,482	80,541	1,058	101.3	6.5	6.1
Taxes other than income Taxes	71,870	73,460	1,590	102.2	5.8	5.6
Depreciation	124,492	119,716	-4,776	96.2	10.1	9.1
Purchased power	251,234	279,740	28,505	111.3	20.4	21.2
Interest expenses	17,547	14,221	-3,326	81.0	1.4	1.1
Levy under act on purchase of renewable energy sourced electricity	126,564	145,793	19,229	115.2	10.3	11.0
Other	183,986	205,012	21,026	111.4	15.0	15.3
Ordinary Income (Operating Income)	127,742 (131,532)	82,543 (78,677)	-45,198 (-52,855)	64.6 ( 59.8)	/	
Provision for or reversal of reserve for fluctuation in water levels	-799	374	1,173	-		
Extraordinary loss	-	10,236	10,236	-		
Income before income taxes	128,541	71,933	-56,608	56.0		
Income taxes	34,833	18,538	-16,295	53.2		
Net Income	93,707	53,394	-40,313	57.0		

Net Income per share	104.86yen	59.75yen
----------------------	-----------	----------