

Unaudited Financial Release (Consolidated) for the Second Quarter

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

October 29, 2020

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I. Performance over the Six-Months ended September 30, 2020 and 2019

(Figures are rounded down to the nearest million yen)

1. Results of Operations

	(Million Yen)			
	<u>Six-Months</u>		<u>Change</u>	
	<u>ended September 30</u>		19/18	20/19
	2019	2020		
Operating Revenues	1,634,197	1,502,795	1.5%	-8.0%
Operating Income	145,381	149,518	33.7%	2.8%
Ordinary Income *	155,369	154,363	31.9%	-0.6%
Net Income attributable to owners of the parent	113,173	110,409	55.5%	-2.4%
Net Income per Share	126.71yen	123.62yen	—	—
Fully Diluted Net Income per Share	—	—	—	—
Comprehensive income				
Year ended September 30, 2020:	117,831 million yen			
Year ended September 30, 2019:	114,961 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 March 31, 2020	As of September 30, 2020
Total Assets	7,612,729	7,758,317
Net Assets	1,641,754	1,737,104
Equity Ratio	21.0%	21.9%

Notes: Equity capital
 As of September 30, 2020: 1,696,262 million yen
 As of March 31, 2020: 1,600,793 million yen

II. Dividends

	Interim dividend per share	Year-end dividend per share	Annual dividend per share
FY 3/2020	25.00 yen	25.00yen	50.00 yen
FY 3/2021	25.00 yen	25.00yen(Forecast)	50.00 yen(Forecast)

III. Financial Forecasts

	(billion yen) 4/20-3/21 (Forecasts)
Operating Revenues	2,980
Operating Income	120
Ordinary Income*	130
Net Income attributable to owners of the parent	90
Net Income per Share	100.56 yen

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, 2020:	938,733,028 shares
As of March 31, 2020:	938,733,028 shares
4. Number of Treasury stock

As of September 30, 2020:	45,598,876 shares
As of March 31, 2020:	45,589,484 shares
5. Number of Average stock

Six-months ended September 30, 2020:	893,137,663 shares
Six-months ended September 30, 2019:	893,169,094 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 the said trust account (127,857 shares as of September 30, 2020). Additionally, our shares held by the said trust account are included in treasury stock that is deducted in the calculation of the number of average stock.

Notification

(Report of the decision of specific measures and the progress of the business improvement plan)

We offer our most sincere apologies for the inconveniences and concern placed upon our customers, shareholders, investors and other parties involved regarding issues such as company executives and employees receiving cash and gifts from external stakeholder.

In response to the Business Improvement Order issued against The Kansai Electric Power Co., Inc. (KEPCO) on March 29, 2020 under the Electricity Business Act in connection with this issue, KEPCO developed a business improvement plan for recurrence prevention on March 30, 2020 and reported the decision of specific measures to prevent reoccurrences and the progress of them to the Ministry of Economy, Trade and Industry on June 29 and October 13.

For the detail of the progress of the Business Improvement Plan, please refer to our website.

We will ensure the implementation of those measures. And then we will follow on the implementation in light of external objective perspectives and if we need, we will add the improvement measures. All officers and employees will make best efforts for recovery of trust, with an unwavering resolve to create completely new KEPCO.

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Electricity Sales

	(GWh)		
	Six-months ended Sep. 30, 2019	Six-months ended Sep. 30, 2020	Change (%)
Total electric sales	65,118	59,304	91.1
Retail electric sales	57,569	51,263	89.0
Residential	16,499	16,116	97.7
Commercial and Industrial	41,070	35,146	85.6
Electricity sales to other non- utility companies	7,549	8,041	106.5

Notes: Total electricity sales indicates those in power generation and sales business.
 Figures in 2Q of FY 3/2021 are after adjusting of the impacts of spin-off the transmission and distribution business.
 Some rounding errors may be observed.

Consolidated Balance Sheets

(million yen)

Account	As of Mar. 31, 2020	As of Sep. 30, 2020
(Assets)		
Property	6,692,993	6,786,035
Utility facilities	3,149,339	3,117,210
Hydroelectric power production facilities	302,006	300,565
Thermal power production facilities	345,217	339,955
Nuclear power production facilities	387,506	416,398
Transmission facilities	779,561	779,217
Transformation facilities	407,537	413,385
Distribution facilities	806,399	805,122
General facilities	101,170	102,966
Other utility facilities	19,939	19,597
Other plant and equipment	835,160	851,817
Construction in progress	925,344	958,258
Construction and retirement in progress	772,345	803,324
Special account related to nuclear power decommissioning	65,038	61,045
Special account related to reprocessing of spent nuclear fuel	87,960	93,888
Nuclear fuel	509,313	506,385
Loaded nuclear fuel	65,873	56,230
Nuclear fuel in processing	443,439	450,155
Investments and other assets	1,273,835	1,292,364
Long-term investments	339,759	362,806
Investments in and advances to subsidiaries and associated companies	511,136	527,920
Deferred tax assets	348,883	326,403
Other	79,547	81,132
Allowance for doubtful accounts	-5,491	-5,898
Current assets	919,736	972,281
Cash and time deposits	279,542	244,617
Accounts receivable	286,481	329,007
Inventory assets	172,764	172,102
Other	183,096	240,569
Allowance for doubtful accounts	-2,148	-14,016
Total assets	7,612,729	7,758,317

Consolidated Balance Sheets

(million yen)

Account	As of Mar. 31, 2020	As of Sep. 30, 2020
(Liabilities)		
Long-term liabilities and reserves	4,257,078	4,389,009
Bonds	1,114,147	1,074,120
Long-term loans	2,014,195	2,198,636
Liability for retirement benefits	367,095	366,709
Asset retirement obligations	508,279	510,430
Deferred tax liabilities	3,440	3,126
Other	249,920	235,986
Current liabilities	1,686,464	1,605,211
Current maturities of long-term debt and other	544,846	558,424
Short-term borrowings	144,521	146,103
Commercial paper	296,000	311,000
Accounts payable	129,739	108,845
Accrued income taxes	65,546	76,774
Provision for loss on guarantees	14,876	1,560
Other current liabilities	490,933	402,502
Reserves under the special laws	27,431	26,990
Reserve for fluctuation in water levels	27,431	26,990
Total liabilities	5,970,974	6,021,212
(Net Assets)		
Shareholders' Equity	1,522,687	1,610,800
Paid in capital	489,320	489,320
Capital surplus	66,678	66,721
Retained earnings	1,063,517	1,151,586
Treasury stock	-96,828	-96,828
Accumulated other comprehensive income	78,106	85,461
Unrealized gain on available-for-sale securities	59,615	71,353
Deferred gain on derivatives under hedge accounting	14,173	12,645
Foreign currency translation adjustments	7,309	5,309
Defined retirement benefit plans	-2,992	-3,847
Non-controlling interests	40,960	40,842
Total net assets	1,641,754	1,737,104
Total liabilities and net assets	7,612,729	7,758,317

Consolidated Statements of Operations

(million yen)

Account	Six-months ended Sep.30, 2019	Six-months ended Sep.30, 2020
Ordinary revenues and expenses		
Operating revenues and expenses		
Operating revenues	1,634,197	1,502,795
Electric	1,297,788	1,183,608
Other	336,408	319,186
Operating expenses	1,488,816	1,353,276
Electric	1,199,943	1,083,175
Other	288,873	270,101
Operating Income	145,381	149,518
Non-Operating revenues and expenses		
Non-operating revenues	25,910	18,952
Dividends received	6,525	4,436
Interest revenue	925	207
Equity in earnings of associated companies	8,128	8,079
Other	10,331	6,228
Non-operating expenses	15,921	14,107
Interest expense	13,155	11,741
Other	2,766	2,365
Total ordinary revenues	1,660,108	1,521,747
Total ordinary expenses	1,504,738	1,367,384
Ordinary income	155,369	154,363
Provision for or reversal of reserve for fluctuation in water levels	-1,285	-441
Reversal of reserve for fluctuation in water levels	-1,285	-441
Income before income taxes and minority interests	156,655	154,805
Income taxes-current	23,925	23,947
Income taxes-deferred	19,399	20,299
Income taxes	43,325	44,246
Net Income	113,329	110,558
Net Income attributable to non-controlling interests	156	148
Net Income attributable to owners of the parent	113,173	110,409

Consolidated Statements of Comprehensive Income

(million yen)

Account	Six-months ended Sep.30, 2019	Six-months ended Sep.30, 2020
Income before minority interests	113,329	110,558
Other comprehensive income		
Unrealized gain on available-for-sale securities	-6,784	8,951
Deferred gain on derivatives under hedge accounting	8,808	-1,938
Foreign currency translation adjustments	-3,525	-1,475
Defined retirement benefit plans	1,091	-924
Share of other comprehensive income of associates	2,042	2,660
Total other comprehensive income	1,631	7,273
Comprehensive income	114,961	117,831
(Breakdown)		
Attributable to owners of the parent	117,436	117,765
Attributable to non-controlling interests	-2,475	66