

Unaudited Financial Release (Consolidated) for the First Quarter

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

July 28, 2023

The Kansai Electric Power Co., Inc. (Code: 9503)

6-16 Nakanoshima 3-chome, Kita-ku, Osaka

(URL <https://www.kepco.co.jp/>)

Company Representative: Nozomu Mori, Director, Representative Executive Officer, President

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I. Performance over the Three-Months ended June 30, 2023 and 2022

(Figures are rounded down to the nearest million yen)

1. Results of Operations

	(Million yen)			
	<u>Three-Months</u>		<u>Change</u>	
	<u>ended June 30</u>		22/21	23/22
	2022	2023		
Operating Revenues	767,567	966,593	34.9%	25.9%
Operating Income	-43,201	256,367	—	—
Ordinary Income *	-17,129	268,302	—	—
Net Income attributable to owners of the parent	-11,434	193,181	—	—
Net Income per Share	-12.81 yen	216.45 yen	—	—
Fully Diluted Net Income per Share	—	—	—	—

Comprehensive income

Three-months ended June 30, 2023: 239,828 million yen

Three-months ended June 30, 2022: 30,521 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	As of
	March 31, 2023	June 30, 2023
Total Assets	8,774,425	8,701,349
Net Assets	1,839,782	2,056,818
Equity Ratio	20.4%	23.0%

Notes: Equity capital

As of June 30, 2023: 2,000,172 million yen

As of March 31, 2023: 1,788,781 million yen

II. Dividends

	Interim dividend per share	Year-end dividend per share	Annual dividend per share
FY 3/2023	25.00 yen	25.00 yen	50.00 yen
FY 3/2024(Forecasts)	25.00 yen	25.00 yen	50.00 yen

III. Financial Forecasts

	(Billion yen)
	4/1/2023 – 3/31/2024 (Forecasts)
Operating Revenues	4,300
Operating Income	410
Ordinary Income	425
Net Income attributable to owners of the parent	305
Net Income per Share	341.73 yen

IV. Other

1. Change in major consolidated subsidiaries: None
2. Difference in major accounting methods from the latest consolidated financial year: None
3. Number of shares outstanding (included Treasury stock)

As of June 30, 2023:	938,733,028 shares
As of March 31, 2023:	938,733,028 shares
4. Number of Treasury stock

As of June 30, 2023:	46,221,832 shares
As of March 31, 2023:	46,236,287 shares
5. Number of Average stock

As of June 30, 2023:	892,499,344 shares
As of June 30, 2022:	892,484,466 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 (451,218 shares as of June 30, 2023). 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.

Notification

(Response to a Business Improvement Order chiefly concerning the fact that our officers and employees received a large amount of money and kind from the former deputy mayor at Takahama Town, Fukui Prefecture)

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, October 13, 2020 and March 2, December 27, 2021.

We will ensure the implementation of those measures. And then we will follow up 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.

(Response to a Business Improvement Order concerning the Antimonopoly Law)

In connection with transactions of special high-voltage and high-voltage electric power, we was acknowledged that it had conducted acts against Article 3 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, which prohibits unreasonable restriction of trade (March 30, 2023). We had received neither the cease and desist order nor the payment order for a surcharge.

As for this case, we sincerely apologize to our customers, shareholders, investors and relevant persons for great concern and trouble.

We received an order for business improvement based on the Electricity Business Act (July 14, 2023).

In the future, we will throughout adhere to measures to prevent recurrence and work to nurture corporate culture with an emphasis on compliance, so as not to bring about these situations again. Through these initiatives, we will devote ourselves to recover trust from the general public.

(Response to a Business Improvement Order concerning inappropriate cases, etc. which may significantly impact competition among electricity retailers)

With respect to issues that The Kansai Electric Power Co., Inc. (KEPCO) browsed and used information on customers of other power producers and suppliers and that Kansai Transmission and Distribution, Inc. leaked the information on the customers, we sincerely apologize because we inappropriately handled the information on the customers and brought about situations shaking fair competitions among power producers and suppliers.

In response to the Business Improvement Order (April 17, 2023) issued under the Electricity Business Act regarding this incident, we formulated a business improvement plan to prevent recurrence and reported the plan to the Minister of Economy, Trade and Industry (May 12, 2023).

We will work hard on strengthening internal control and reforming corporate culture as stated in our business improvement plans, while making evaluations from an outside viewpoint by the further involvement of the Board of Directors and the Audit Committee. Through these efforts, we will steadily promote the business improvement plans.

The Group will make utmost efforts across the Group in order to be transformed into a corporate group which will be able to throughout adhere to compliance in fact.

< **Reference** >

Electricity Sales

	(GWh)		
	Three-months ended Jun. 30, 2022	Three-months ended Jun. 30, 2023	Change (%)
Total electric sales	28,536	30,174	105.7
Retail electric sales	24,926	26,165	105.0
Residential	6,477	6,320	97.6
Commercial and Industrial	18,448	19,846	107.6
Electricity sales to other non-utility companies	3,610	4,009	111.1

Notes: Total electricity sales indicates those in energy business attributable to the parent company.

Some rounding errors may be observed.

The amount of electricity sales to other non-utility companies and total electric sales represent the amount of electricity known as of the date of submission (July 28, 2023).

Consolidated Balance Sheets

(Million yen)

Account	As of Mar. 31, 2023	As of Jun. 30, 2023
(Assets)		
Non-current assets	7,509,794	7,501,537
Electric utility plant and equipment	3,591,167	3,613,599
Hydroelectric power production facilities	300,579	299,015
Thermal power production facilities	260,956	254,440
Nuclear power production facilities	903,806	928,053
Transmission facilities	750,850	751,417
Transformation facilities	425,872	431,157
Distribution facilities	817,989	817,972
General facilities	113,216	113,811
Other electric utility plant and equipment	17,896	17,730
Other non-current assets	959,936	955,495
Construction in progress	850,237	818,321
Construction and retirement in progress	625,078	589,477
Special account related to nuclear power decommissioning	45,123	43,127
Special account related to reprocessing of spent nuclear fuel	180,035	185,716
Nuclear fuel	494,026	488,602
Loaded nuclear fuel	72,327	64,814
Nuclear fuel in processing	421,698	423,787
Investments and other assets	1,614,426	1,625,519
Long-term investments	510,004	536,678
Long-term investments in subsidiaries and associates	663,358	683,366
Deferred tax assets	347,250	300,419
Other	120,232	132,949
Allowance for doubtful accounts	-26,421	-27,895
Current assets	1,264,630	1,199,811
Cash and deposits	266,961	237,849
Notes and accounts receivable and contract assets	404,623	368,728
Inventories	251,514	235,148
Other	344,811	361,356
Allowance for doubtful accounts	-3,281	-3,271
Total assets	8,774,425	8,701,349

Consolidated Balance Sheets

(Million yen)

Account	As of Mar. 31, 2023	As of Jun. 30, 2023
(Liabilities)		
Non-current liabilities	5,317,416	5,227,410
Bonds payable	1,600,020	1,560,020
Long-term borrowings	2,577,807	2,511,888
Provision for loss on guarantees	1,844	1,915
Liability for retirement benefits	362,293	362,343
Asset retirement obligations	534,566	535,614
Deferred tax liabilities	7,547	12,302
Other	233,336	243,325
Current liabilities	1,592,212	1,392,107
Current maturities of long-term debt	518,324	454,883
Short-term borrowings	155,520	156,758
Commercial papers	162,000	167,000
Notes and accounts payable	189,699	138,517
Accrued income taxes	40,461	73,324
Other current liabilities	526,206	401,623
Reserves under special laws	25,013	25,013
Reserve for water shortage	25,013	25,013
Total liabilities	6,934,642	6,644,531
(Net Assets)		
Shareholders' equity	1,617,548	1,788,546
Share capital	489,320	489,320
Capital surplus	66,854	66,988
Retained earnings	1,158,895	1,329,744
Treasury shares	-97,522	-97,506
Accumulated other comprehensive income	171,233	211,626
Valuation difference on available-for-sale securities	88,867	106,871
Deferred gains or losses on hedges	34,276	43,569
Foreign currency translation adjustments	48,811	61,625
Defined retirement benefit plans	-722	-439
Non-controlling interests	51,001	56,645
Total net assets	1,839,782	2,056,818
Total liabilities and net assets	8,774,425	8,701,349

Consolidated Statements of Operations

(Million yen)

Account	Three-months ended Jun.30, 2022	Three-months ended Jun. 30, 2023
Ordinary revenues and expenses		
Operating revenue and expenses		
Operating revenue	767,567	966,593
Electric	569,797	753,586
Other	197,770	213,007
Operating expenses	810,769	710,226
Electric	635,773	540,681
Other	174,995	169,544
Operating income or loss	-43,201	256,367
Non-Operating revenues and expenses		
Non-operating revenues	33,232	24,679
Dividend received	5,704	7,117
Interest revenue	243	919
Foreign exchange gains	5,175	7,833
Share of profit of entities accounted for using equity method	7,765	5,184
Other	14,342	3,623
Non-operating expenses	7,160	12,743
Interest expenses	5,702	6,906
Other	1,457	5,837
Total ordinary revenue	800,799	991,272
Total ordinary expenses	817,929	722,970
Ordinary income or loss	-17,129	268,302
Provision or reversal of reserve for water shortage	-423	—
Reversal of reserve for water shortage	-423	—
Income or loss before income taxes and minority interests	-16,706	268,302
Income taxes-current	2,123	30,694
Income taxes-deferred	-8,907	41,813
Income taxes	-6,783	72,507
Net income or loss	-9,923	195,794
Net income attributable to non-controlling interests	1,511	2,613
Net income or loss attributable to owners of parent	-11,434	193,181

Consolidated Statements of Comprehensive Income

(Million yen)

Account	Three-months ended Jun.30, 2022	Three-months ended Jun. 30, 2023
Net income or loss	-9,923	195,794
Other comprehensive income		
Valuation difference on available-for-sale securities	2,801	14,829
Deferred gains or losses on hedges	14,901	10,230
Foreign currency translation adjustments	9,466	5,126
Defined retirement benefit plans	298	286
Share of other comprehensive income in associates	12,977	13,561
Total other comprehensive income	40,444	44,033
Comprehensive income	30,521	239,828
(Breakdown)		
Attributable to owners of parent	25,849	233,573
Attributable to non-controlling interests	4,671	6,254