

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 30, 2023

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

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

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

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I. Performance over the Six -Months ended September 30, 2023 and 2022

(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>		22/21	23/22
	2022	2023		
Operating Revenues	1,784,207	2,073,046	41.7%	16.2%
Operating Income	-151,916	488,226	—	—
Ordinary Income *	-111,855	511,152	—	—
Net Income attributable to owners of the parent	-76,382	371,059	—	—
Net Income per Share	-85.58 yen	415.75 yen	—	—
Fully Diluted Net Income per Share	—	—	—	—

Comprehensive income

Six-months ended September 30, 2023: 449,628 million yen

Six-months ended September 30, 2022: -14,318 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	September 30, 2023
Total Assets	8,774,425	8,892,391
Net Assets	1,839,782	2,264,412
Equity Ratio	20.4%	24.8%

Notes: Equity capital

As of September 30, 2023: 2,208,387 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	25.00 yen	25.00 yen (Forecast)	50.00 yen (Forecast)

III. Financial Forecasts

	(Billion yen)
	4/1/2023 – 3/31/2024 (Forecasts)
Operating Revenues	4,050
Operating Income	530
Ordinary Income	570
Net Income attributable to owners of the parent	405
Net Income per Share	453.77 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 September 30, 2023:	938,733,028 shares
As of March 31, 2023:	938,733,028 shares
4. Number of Treasury stock

As of September 30, 2023:	46,196,962 shares
As of March 31, 2023:	46,236,287 shares
5. Number of Average stock

As of September 30, 2023:	892,518,145 shares
As of September 30, 2022:	892,499,308 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 (413,849 shares as of September 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)

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.

In response to the Business Improvement Order (July 14, 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 (August 10, 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 the Electricity Business Act Law, etc. concerning the inappropriate handling of information on Customers of New Electric Power)

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)		
	Six-months ended Sep. 30, 2022	Six-months ended Sep. 30, 2023	Change (%)
Total electric sales	63,681	67,300	105.7
Retail electric sales	55,398	58,697	106.0
Residential	14,423	14,462	100.3
Commercial and Industrial	40,975	44,235	108.0
Electricity sales to other non-utility companies	8,283	8,603	103.9

Notes: Total electricity sales to KEPCO in Energy Business. 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 (October 30, 2023).

Consolidated Balance Sheets

(Million yen)

Account	As of Mar. 31, 2023	As of Sep. 30, 2023
(Assets)		
Non-current assets	7,509,794	7,527,481
Electric utility plant and equipment	3,591,167	3,850,593
Hydroelectric power production facilities	300,579	298,715
Thermal power production facilities	260,956	279,372
Nuclear power production facilities	903,806	1,138,568
Transmission facilities	750,850	772,572
Transformation facilities	425,872	428,278
Distribution facilities	817,989	816,426
General facilities	113,216	113,542
Other electric utility plant and equipment	17,896	3,116
Other non-current assets	959,936	935,666
Construction in progress	850,237	598,390
Construction and retirement in progress	625,078	371,543
Special account related to nuclear power decommissioning	45,123	41,130
Special account related to reprocessing of spent nuclear fuel	180,035	185,716
Nuclear fuel	494,026	481,417
Loaded nuclear fuel	72,327	61,989
Nuclear fuel in processing	421,698	419,427
Investments and other assets	1,614,426	1,661,413
Long-term investments	510,004	562,100
Long-term investments in subsidiaries and associates	663,358	696,937
Deferred tax assets	347,250	290,645
Other	120,232	139,618
Allowance for doubtful accounts	-26,421	-27,888
Current assets	1,264,630	1,364,910
Cash and deposits	266,961	396,594
Notes and accounts receivable and contract assets	404,623	412,949
Inventories	251,514	231,294
Other	344,811	327,820
Allowance for doubtful accounts	-3,281	-3,749
Total assets	8,774,425	8,892,391

Consolidated Balance Sheets

(Million yen)

Account	As of Mar. 31, 2023	As of Sep. 30, 2023
(Liabilities)		
Non-current liabilities	5,317,416	5,101,429
Bonds payable	1,600,020	1,526,200
Long-term borrowings	2,577,807	2,420,037
Provision for loss on guarantees	1,844	1,921
Liability for retirement benefits	362,293	358,288
Asset retirement obligations	534,566	537,196
Deferred tax liabilities	7,547	15,101
Other	233,336	242,683
Current liabilities	1,592,212	1,502,471
Current maturities of long-term debt	518,324	525,881
Short-term borrowings	155,520	157,652
Commercial papers	162,000	60,000
Notes and accounts payable	189,699	159,635
Accrued income taxes	40,461	151,991
Other current liabilities	526,206	447,309
Reserves under special laws	25,013	24,078
Reserve for water shortage	25,013	24,078
Total liabilities	6,934,642	6,627,979
(Net Assets)		
Shareholders' equity	1,617,548	1,966,451
Share capital	489,320	489,320
Capital surplus	66,854	66,992
Retained earnings	1,158,895	1,507,623
Treasury shares	-97,522	-97,484
Accumulated other comprehensive income	171,233	241,935
Valuation difference on available-for-sale securities	88,867	112,669
Deferred gains or losses on hedges	34,276	51,010
Foreign currency translation adjustments	48,811	78,418
Defined retirement benefit plans	-722	-163
Non-controlling interests	51,001	56,024
Total net assets	1,839,782	2,264,412
Total liabilities and net assets	8,774,425	8,892,391

Consolidated Statements of Operations

(Million yen)

Account	Six-months ended Sep. 30, 2022	Six-months ended Sep. 30, 2023
Ordinary revenues and expenses		
Operating revenue and expenses		
Operating revenue	1,784,207	2,073,046
Electric	1,357,929	1,631,229
Other	426,278	441,817
Operating expenses	1,936,124	1,584,820
Electric	1,555,444	1,225,654
Other	380,679	359,165
Operating income or loss	-151,916	488,226
Non-Operating revenues and expenses		
Non-operating revenues	58,726	47,248
Dividend received	8,892	13,753
Interest revenue	429	2,746
Foreign exchange gains	11,171	9,685
Share of profit of entities accounted for using equity method	17,118	9,904
Other	21,114	11,158
Non-operating expenses	18,665	24,322
Interest expenses	11,468	14,146
Other	7,197	10,176
Total ordinary revenue	1,842,934	2,120,295
Total ordinary expenses	1,954,789	1,609,143
Ordinary income or loss	-111,855	511,152
Provision or reversal of reserve for water shortage	-254	-935
Reversal of reserve for water shortage	-254	-935
Income or loss before income taxes and minority interests	-111,600	512,087
Income taxes-current	3,872	87,061
Income taxes-deferred	-40,769	50,864
Income taxes	-36,896	137,926
Net income or loss	-74,704	374,160
Net income attributable to non-controlling interests	1,678	3,100
Net income or loss attributable to owners of parent	-76,382	371,059

Consolidated Statements of Comprehensive Income

(Million yen)

Account	Six-months ended Sep. 30, 2022	Six-months ended Sep. 30, 2023
Net income or loss	-74,704	374,160
Other comprehensive income		
Valuation difference on available-for-sale securities	522	19,916
Deferred gains or losses on hedges	17,093	14,136
Foreign currency translation adjustments	19,736	14,293
Defined retirement benefit plans	611	572
Share of other comprehensive income in associates	22,421	26,548
Total other comprehensive income	60,385	75,467
Comprehensive income	-14,318	449,628
(Breakdown)		
Attributable to owners of parent	-20,745	441,762
Attributable to non-controlling interests	6,427	7,866