

Financial results for 3Q of FY ending 3/2017  
&  
Financial forecasts for FY ending 3/2017

January 31, 2017

The Kansai Electric Power Co., Inc.

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

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## **[ 3Q of FY ending 3/2017 Earnings Results ]**

**: Both consolidated and non-consolidated financial results were decreased in sales and increased in profits.**

**(Remained in surplus for the second consecutive year.)**

- Income: Decreased electricity sales, falling adjusted fuel cost unit price and other factors pushed down revenues.
- Expenses: Thorough streamlining of business, coupled with falling fuel prices and stronger yen, pushed down thermal fuel cost.

→Severe business environment is still continuing as electricity sales have declined in addition to the fact that resumption of operation of nuclear power plants has not been achieved.

We will continue to strive for the thorough streamlining of business and resumption of operations at our nuclear power plants safety of which has been confirmed as soon as possible, even a day sooner.

## **[FY2016 Earnings forecast] : Not yet determined**

- Both operating revenues and incomes remain “Not yet determined” at this point, mainly because a specific time of resuming operations at our nuclear power plants is nowhere in sight.

# Financial highlights

(billion yen)	Consolidated (a)			Non-consolidated (b)			(a)/(b)	
	4/16-12/16	4/15-12/15	Change	4/16-12/16	4/15-12/15	Change	4/16-12/16	4/15-12/15
<b>Operating revenues</b>	2,207.1	2,380.3	-173.2 (-7.3%)	1,925.5	2,115.7	-190.2 (-9.0%)	1.15	1.13
<b>Operating income</b>	209.0	180.3	+28.7 (+15.9%)	173.4	149.6	+23.8 (+15.9%)	1.21	1.21
<b>Ordinary income (*2)</b>	196.1	171.4	+24.7 (+14.4%)	158.9	145.7	+13.2 (+9.1%)	1.23	1.18
<b>Net income (*3)</b>	143.8	112.3	+31.5 (+28.0%)	115.9	95.8	+20.1 (+21.0%)	1.24	1.17

(billion yen)	Consolidated			Non-consolidated		
	Dec.31, 2016	Mar.31, 2016	Change	Dec.31, 2016	Mar.31, 2016	Change
<b>Interest-bearing debt</b>	3,854.9	3,938.2	-83.3 (-2.1%)	3,446.9	3,496.5	-49.6 (-1.4%)
<b>Equity ratio</b>	19.5%	15.9%	+3.6%	15.0%	11.5%	+3.5%

\*1 ( ): Changes from the previous term, %

\*2. Ordinary income means income before provision for (reversal of) reserve for fluctuation in water level, special items and income taxes and minority interests.

\*3. The consolidated net income means the net income attributable to owners of the parent company.

# Major factors (non-consolidated)

	4/16-12/16		4/15-12/15		Change
<b>Electricity sales (TWh)</b>	(95.4)	89.6	(95.6)	93.9	-4.3
<b>Residential</b>	(99.8)	30.4	(97.4)	30.4	-0.1
<b>Commercial and Industrial</b>	(93.3)	59.2	(94.8)	63.4	-4.2
<b>Nuclear capacity factor (%)</b>		0.0		0.0	0
<b>Water run-off ratio(%)</b>		98.3		111.3	-13.0
<b>All Japan CIF crude oil price (\$/barrel)</b>		44.9		54.6	-9.7
<b>Exchange rate [TTM] (yen/\$)</b>		107		122	-15
<b>Interest rate [long-term prime rate] (%)</b>		0.94		1.13	-0.19

\*() : Changes from the previous term, %

# Non-consolidated statements of operations

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(billion yen)	4/16-12/16	4/15-12/15	Change	Breakdown
<b>Ordinary revenues (Operating revenues)</b>	1,946.0 (1,925.5)	2,148.6 (2,115.7)	-202.5 (-190.2)	
<b>Electricity sales</b>	1,686.6	1,910.4	-223.7	<ul style="list-style-type: none"> <li>•Decrease in electricity sales volume -82.0</li> <li>•Decrease in revenue per kWh due to fuel cost adjustment charges -258.0</li> <li>•Increase in revenue per kWh due to the effects of rate revisions +70.0</li> <li>•Increase in revenue per kWh due to renewable energy power promotion surcharge +47.5</li> </ul>
<b>Others</b>	259.4	238.2	+21.1	<ul style="list-style-type: none"> <li>• Grant under act on purchase of renewable energy sourced electricity +25.4</li> </ul>
<b>Ordinary expenses</b>	1,787.1	2,002.9	-215.8	
<b>Personnel</b>	150.0	144.9	+5.0	
<b>Fuel</b>	362.5	551.5	-188.9	<ul style="list-style-type: none"> <li>•Fossil-fuel costs -188.9</li> </ul>
<b>Backend expenses of nuclear power</b>	24.5	27.2	-2.6	
<b>Maintenance</b>	125.3	118.9	+6.3	<ul style="list-style-type: none"> <li>•Power distribution +6.6</li> </ul>
<b>Taxes other than income taxes</b>	112.1	110.4	+1.6	
<b>Depreciation</b>	202.6	209.4	-6.7	
<b>Purchased power</b>	349.5	384.2	-34.6	<ul style="list-style-type: none"> <li>•From other utility companies -23.3</li> <li>•From other non-utility companies -11.2</li> </ul>
<b>Interest expenses</b>	33.6	35.4	-1.8	
<b>Other</b>	426.5	420.5	+5.9	<ul style="list-style-type: none"> <li>•Levy under act on purchase of renewable energy sourced electricity +47.5</li> </ul>
<b>Ordinary income</b>	158.9	145.7	+13.2	
<b>Provision for or reversal of reserve for fluctuation in water levels</b>	-1.4	13.2	-14.6	
<b>Income taxes</b>	44.4	36.6	+7.8	
<b>Net Income</b>	115.9	95.8	+20.1	

•Decrease in electricity sales volume -40.0  
 •Decrease in water run-off ratio +12.0  
 •Fluctuation of Fossil-fuel prices -104.0  
 •Appreciation of yen -43.0  
 •Improvement of composition of fuel types etc. -14.0

# Consolidated statements of operations

(billion yen)	4/16- 12/16	4/15- 12/15	Change	Breakdown
<b>Ordinary revenues (Operating revenues)</b>	2,235.9 (2,207.1)	2,414.1 (2,380.3)	-178.2 (-173.2)	
<b>Electric operating revenues</b>	1,883.0	2,061.3	-178.3	•Decrease in electricity sales revenues -223.7 •Grant under act on purchase of renewable energy sourced electricity +25.4
<b>Other operating revenues</b>	324.0	318.9	+5.1	•External sales of information & communication business +7.6
<b>Non-operating revenues</b>	28.7	33.7	-5.0	
<b>Ordinary expenses</b>	2,039.7	2,242.6	-202.9	
<b>Electric operating expenses</b>	1,716.8	1,921.9	-205.0	•Fuel costs -188.9
<b>Other operating expenses</b>	281.2	278.0	+3.1	•Expenses of information & communication business +5.0
<b>Non-operating expenses</b>	41.6	42.7	-1.0	
<b>Ordinary income</b>	196.1	171.4	+24.7	
<b>Provision for or reversal of reserve for fluctuation in water levels</b>	-1.4	13.2	-14.6	
<b>Income taxes</b>	54.1	45.7	+8.4	
<b>Net income (*)</b>	143.8	112.3	+31.5	
<b>Comprehensive income</b>	147.7	132.0	+15.6	

\*The consolidated net income means the net income attributable to owners of the parent.

# Segment information

( ):Changes from the previous term

(billion yen)	Reportable segments				Other	Total	Eliminations/ Corporate	Consolidated
	Comprehensive Energy/Power transmission and distribution business			IT/ commu- nications				
	Electric power	Gas/ Other energies	Subtotal					
<b>Operating revenues</b>	1,892.4 (-176.7)	82.5 (-9.0)	1,974.9 (-185.8)	163.6 (+5.7)	270.7 (+2.4)	2,409.3 (-177.6)	-202.1 (+4.4)	2,207.1 (-173.2)
<b>Operating revenues (external transactions)</b>	1,883.0 (-178.3)	66.0 (-12.2)	1,949.1 (-190.6)	135.7 (+7.6)	122.2 (+9.7)	2,207.1 (-173.2)	—	2,207.1 (-173.2)
<b>Operating income</b>	169.7 (+28.1)	9.2 (-3.1)	178.9 (+24.9)	14.1 (+0.6)	13.5 (+3.3)	206.6 (+28.9)	2.3 (-0.2)	209.0 (+28.7)

Breakdown of changes in Gas/Other energies  
Operating revenues(external transactions)  
Operating income  
: Decrease in sales price(gas)

Breakdown of changes in IT/communications  
Operating revenues(external transactions)  
Operating income  
: Increase in FTTH and MVNO subscribers

[Changes in Segmentation after 1Q of 2016]

- Segment has been changed from "Other" to "Gas/Other energies" for KEPCO's gas supply business and Kanden Energy Solution, etc.
- Total sum of "Electric power" and "Gas/Other energies" is represented as "Comprehensive Energy/Power transmission and distribution business."



# Consolidated balance sheets

(billion yen)	Dec.31, 2016	Mar.31, 2016	Change	Breakdown
<b>Assets</b>	6,820.7	7,412.4	-591.7	<ul style="list-style-type: none"> <li>•Capital expenditures +207.8</li> <li>•Depreciation and amortization -270.4</li> <li>•Decrease of reserve fund for reprocessing of irradiated nuclear fuel (*1) -526.0</li> </ul>
<b>Liabilities</b>	5,471.2	6,210.6	-739.4	<ul style="list-style-type: none"> <li>•Interest bearing debt -83.3</li> <li>•Accounts payable and accrued expenses -116.6</li> <li>•Decrease of reserve for reprocessing of irradiated nuclear fuel (*1) -558.2</li> </ul>
<b>Net assets</b>	1,349.5	1,201.8	+147.6	<ul style="list-style-type: none"> <li>•Net income(*2) +143.8</li> </ul>

(\*1)Due to withdrawal of reserve fund for reprocessing of irradiated nuclear fuel and reserve for reprocessing of irradiated nuclear fuel in the 3<sup>rd</sup> quarter because reserve fund for reprocessing of irradiated nuclear fuel was funded to Nuclear Reprocessing Organization of Japan following the enforcement of "Act to Amend a Part of Irradiated Nuclear Fuel Reprocessing Fund Act" and "Ordinance to Amend a Part of Electricity Business Accounting Regulation, etc." on October 1, 2016.

(\*2)The consolidated net income means the net income attributable to owners of the parent.

## <Earnings Forecast>

Regarding earnings forecast for FY 2016, both operating revenues and income are still left undetermined because currently we can't forecast our performance based on certain assumptions, as a specific time of resuming operations at our nuclear power plants is nowhere in sight.

The forecasts for FY 2016 will be disclosed as soon as it becomes available.

## <Dividend Forecast>

Year-end dividends forecast for FY 2016 is "not yet determined" as we are in a situation where we have to leave our earnings forecast undetermined.

# Appendix

# Electricity sales

[FY2016 comparison with the same period of previous year]

(GWh)

	4/16-6/16	7/16-9/16	10/16-12/16	4/16-12/16	Explanation of increase and decrease for 3Q ending 12/16
Residential	9,585 (96.4)	11,165 (102.1)	9,626 (100.7)	30,376 (99.8)	The decrease is attributable to a decline in contract power, effects of energy saving and other factors although cooling demand increased because of higher temperatures in summer compared to a year ago.
Commercial and Industrial	18,958 (91.5)	21,692 (94.0)	18,562 (94.4)	59,212 (93.3)	
Total	28,543 (93.1)	32,856 (96.6)	28,189 (96.5)	89,588 (95.4)	

\* Figures in ( ) are year-on-year %.

[Average monthly temperature]

(°C)

	Apr.	May.	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
Actual	16.6	21.2	23.3	28.0	29.5	25.8	20.3	13.4	9.4
Year-on-year change	+0.7	-0.3	+0.4	+1.0	+0.9	+2.6	+1.3	-1.8	-0.7
Anomaly	+1.5	+1.5	-0.2	+0.6	+0.7	+0.8	+1.3	-0.2	+0.8

[Outlook for FY 2016 electricity sales]

Outlook for FY 2016 electricity sales are still left undetermined at this point.

# Non-consolidated balance sheets

(billion yen)	Dec. 31, 2016	Mar. 31, 2016	Change	Breakdown
<b>Assets</b>	5,824.5	6,433.0	-608.5	<ul style="list-style-type: none"> <li>•Capital expenditures +135.3</li> <li>•Depreciation and amortization -204.0</li> <li>•Decrease of reserve fund for reprocessing of irradiated nuclear fuel (*)-526.0</li> </ul>
<b>Liabilities</b>	4,949.9	5,691.0	-741.1	<ul style="list-style-type: none"> <li>•Interest bearing debt -49.6</li> <li>•Accounts payable and accrued expenses -127.9</li> <li>•Decrease of reserve for reprocessing of irradiated nuclear fuel (*)-558.2</li> </ul>
<b>Net assets</b>	874.6	742.0	+132.5	<ul style="list-style-type: none"> <li>•Net income +115.9</li> </ul>

(\*)Due to withdrawal of reserve fund for reprocessing of irradiated nuclear fuel and reserve for reprocessing of irradiated nuclear fuel in the 3<sup>rd</sup> quarter because reserve fund for reprocessing of irradiated nuclear fuel was funded to Nuclear Reprocessing Organization of Japan following the enforcement of "Act to Amend a Part of Irradiated Nuclear Fuel Reprocessing Fund Act" and "Ordinance to Amend a Part of Electricity Business Accounting Regulation, etc." on October 1, 2016.

# Interest-bearing debt (non-consolidated)

(billion yen)	Dec. 31, 2016	Mar. 31, 2016	Change (*)
<b>Bonds</b>	1,342.6	1,402.6	-59.9 (+ 180.0,-240.0)
<b>Borrowings</b>	1,966.2	2,093.8	-127.6 (+ 364.3,-491.9)
<b>Long-term</b>	1,836.2	1,963.8	-127.6 (+ 169.3,-296.9)
<b>Short-term</b>	130.0	130.0	– (+ 195.0,-195.0)
<b>Commercial paper</b>	138.0	–	+138.0 (+ 236.0,-98.0)
<b>Interest-bearing debt</b>	3,446.9	3,496.5	-49.6
<b>Interest rate (%)</b> (as of fiscal year-end)	1.09	1.23	-0.14

(\*) +(plus) in the bracket means financing, -(minus) in the bracket means repayment.

# Actual supply and demand (Sending end)

(GWh)		4/16-12/16	Composition ratio	4/15-12/15	Composition ratio	Change
<b>KEPCO</b>	<b>Hydro</b>	10,473	15%	11,589	16%	-1,116
	<b>Thermal</b>	59,514	85%	61,647	84%	-2,133
	<b>Nuclear</b>	-332	0%	-328	0%	-4
	<b>New energy sources</b>	63	0%	68	0%	-5
	<b>KEPCO Total</b>	69,718	100%	72,975	100%	-3,257
<b>Other-utility companies</b>			26,098		27,536	-1,438
<b>Captive use by hydropower</b>			-1,364		-954	-410
<b>Total</b>			94,452		99,557	-5,105

\* Some rounding errors may be observed.

\*"Other-utility companies" does not include imbalance electric energy, which is not yet determined as at the end of the term.

## Maintenance costs and depreciation in comparison with the previous year 15

### [Maintenance Costs]

(Billion yen)	4/16-12/16	4/15-12/15	Change	Breakdown
<b>Power sources</b>	53.9	55.7	-1.8	Increase in thermal +2.7 Decrease in nuclear -5.2
<b>Distribution</b>	70.2	61.8	+8.3	Increase in power distribution +6.6
<b>Other</b>	1.1	1.3	-0.1	

### [Depreciation]

(Billion yen)	4/16-12/16	4/15-12/15	Change	Breakdown
<b>Power sources</b>	93.3	97.3	-4.0	Decrease in thermal -5.1 Increase in nuclear +1.4
<b>Distribution</b>	98.1	100.3	-2.2	Decrease in power transmission -1.4 Decrease in power distribution -0.6
<b>Other</b>	11.2	11.6	-0.4	



# Profit and loss by business segment

(billion yen)			4/16-12/16	4/15-12/15	Change	Breakdown
Comprehensive Energy / Power Transmission and Distribution	Electric Power	Sales to non-group companies	1,883.0	2,061.3	-178.3	
		Ordinary income	155.2	137.6	+17.5	
	Gas/ Other energies	Sales to non-group companies	66.0	78.3	-12.2	•Decrease in sales price(gas)
		Ordinary income	14.8	16.1	-1.3	•The increase is attributable to the completion of photovoltaic power plant.
	Total	Sales to non-group companies	1,949.1	2,139.7	-190.6	
		Ordinary income	170.0	153.8	+16.1	
IT/Communications	Sales to non-group companies	135.7	128.0	+7.6	•Increase in FTTH,MVNO subscribers •The increase is attributable to the start of retail electricity sales service.	
	Ordinary income	13.3	11.9	+1.4		
Real Estate/Life	Sales to non-group companies	69.3	61.3	+7.9	•Increase in the number of housing units sold	
	Ordinary income	10.7	7.8	+2.9		
Other	Sales to non-group companies	53.1	51.5	+1.6	•Increase in construction order receipt •Decrease of regular inspection at power stations	
	Ordinary income	10.0	11.0	-0.9		

Figures in this page are before eliminations, and excluding exchange gain or loss unrealized.

<Reference>

(billion yen)			4/16-12/16	4/15-12/15	Change	Breakdown
International Business	Profit		-1.1	2.3	-3.4	•Decrease in dividend income, etc. •Increase of development expense, etc.

# Prospective profit and loss by business segment

(billion yen)			4/16-3/17 (Forecasts)	4/15-3/16 (Results)	Change	Breakdown	
Comprehensive Energy / Power Transmission and Distribution	Electric Power	Sales to non-group companies	-	2,795.7	-		
		Ordinary income	-	190.2	-		
	Gas/ Other energies	Sales to non-group companies	90.0	104.2	-14.2		•Decrease in sales price(gas)
		Ordinary income	11.0	17.9	-6.9		
	Total	Sales to non-group companies	-	2,900.0	-		
		Ordinary income	-	208.1	-		
IT/Communications	Sales to non-group companies	185.0	174.8	+10.2	•Increase in FTTH,MVNO subscribers •The increase is attributable to the start of retail electricity sales service.		
	Ordinary income	16.0	15.1	+0.9			
Real Estate/Life	Sales to non-group companies	96.0	95.6	+0.4			
	Ordinary income	12.0	11.0	+1.0			
Other	Sales to non-group companies	-	75.8	-			
	Ordinary income	-	25.4	-			

Figures in this page are before eliminations, and excluding exchange gain or loss unrealized.

<Reference>

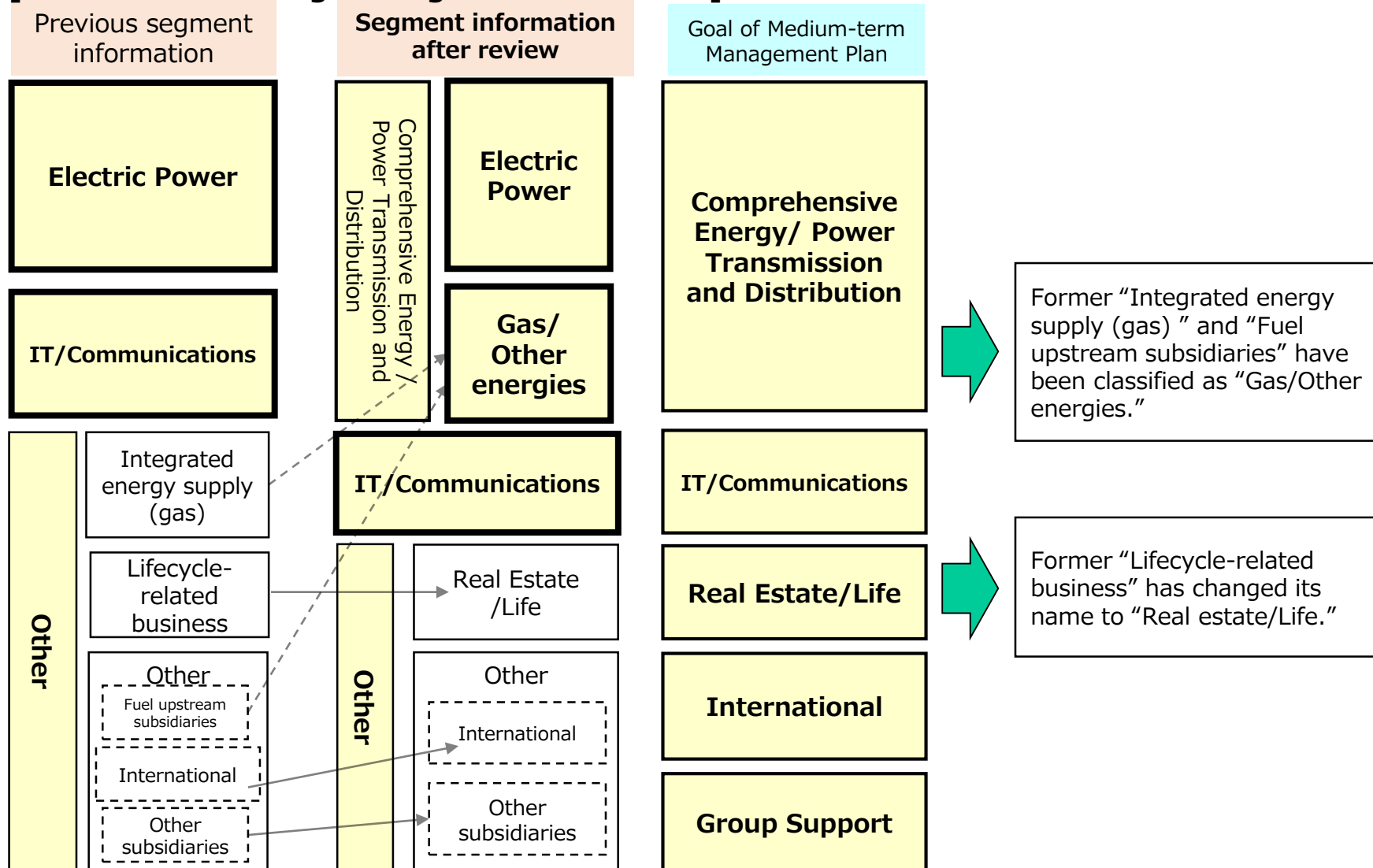
(billion yen)			4/16-3/17 (Forecasts)	4/15-3/16 (Results)	Change	Breakdown
International Business	Profit	-1.0	2.5	-3.5	•Decrease in dividend income, etc. •Increase of development expense, etc.	

# Comparison list of old and new reporting segments

## [Reason of the change of segment information]

- Segment information has been changed since the 1Q of FY 2016 as business managerial unit was reviewed to promote our Medium-term Management Plan.

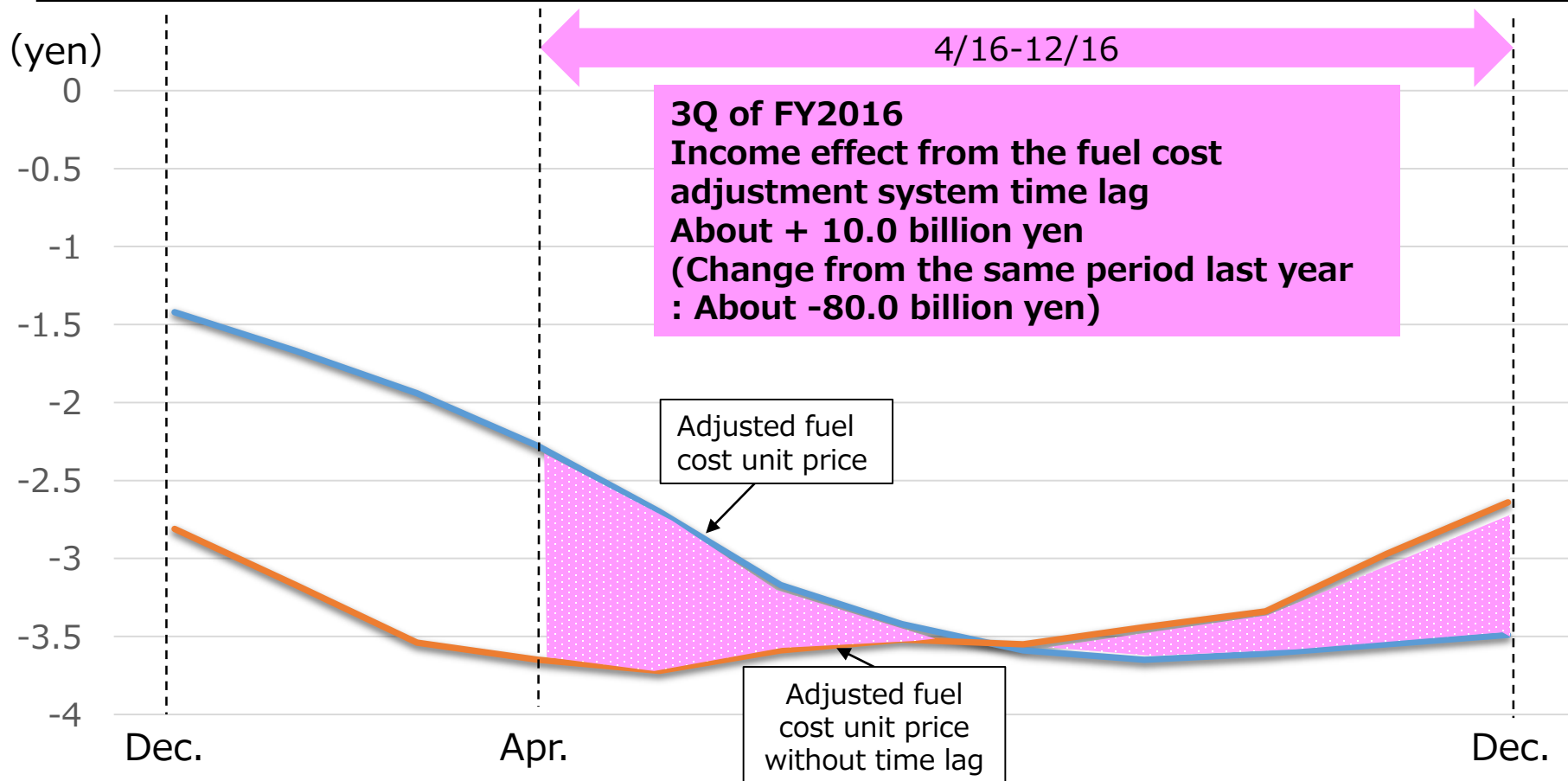
## [Outline of the change of segment information]

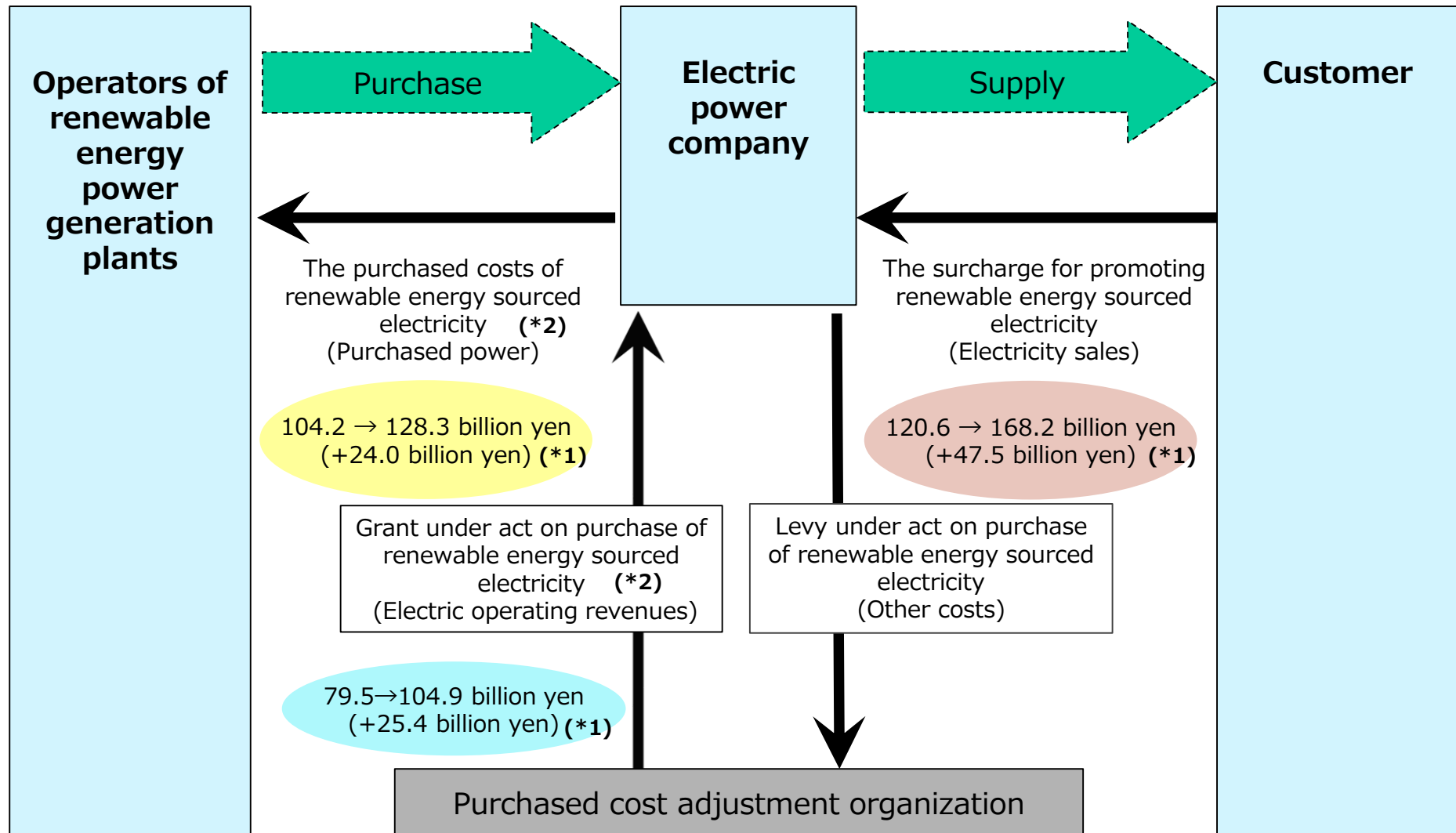


\*Thick-bordered boxes are reporting segments.

# Time lag from the fuel cost adjustment system

- The fuel cost adjustment system is a mechanism utilized to reflect, in the electricity rates, the impact of fluctuations in the exchange rate and the market price of fuel on thermal fuel costs.
- The fluctuation in each month's fuel price is reflected in the adjusted fuel cost unit price with a 3 to 5 month time lag. A disparity (time lag) will therefore occur in the timing at which the fuel costs and the adjusted fuel cost unit price are reflected, and can thus be a factor in a temporary increase or decrease in income.

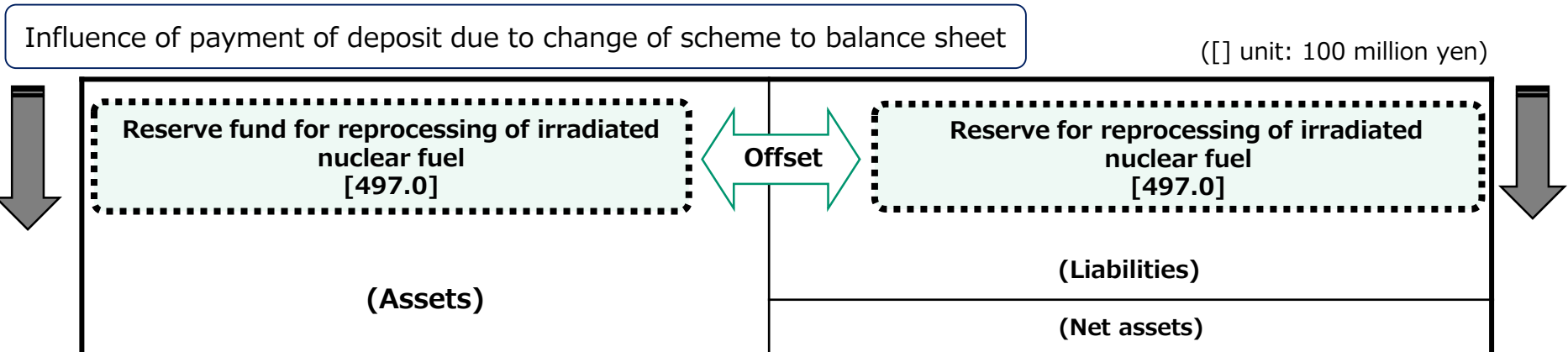
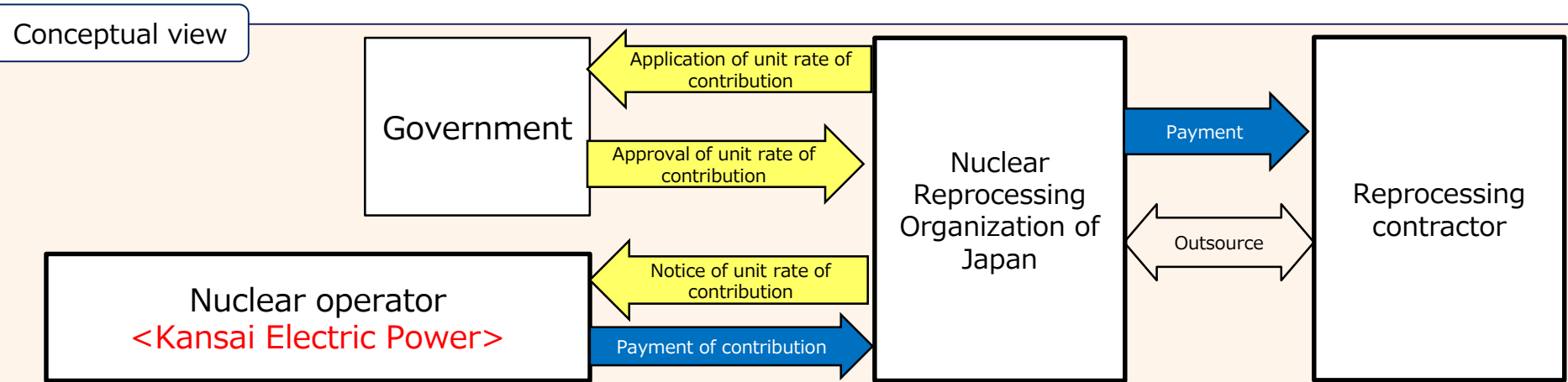




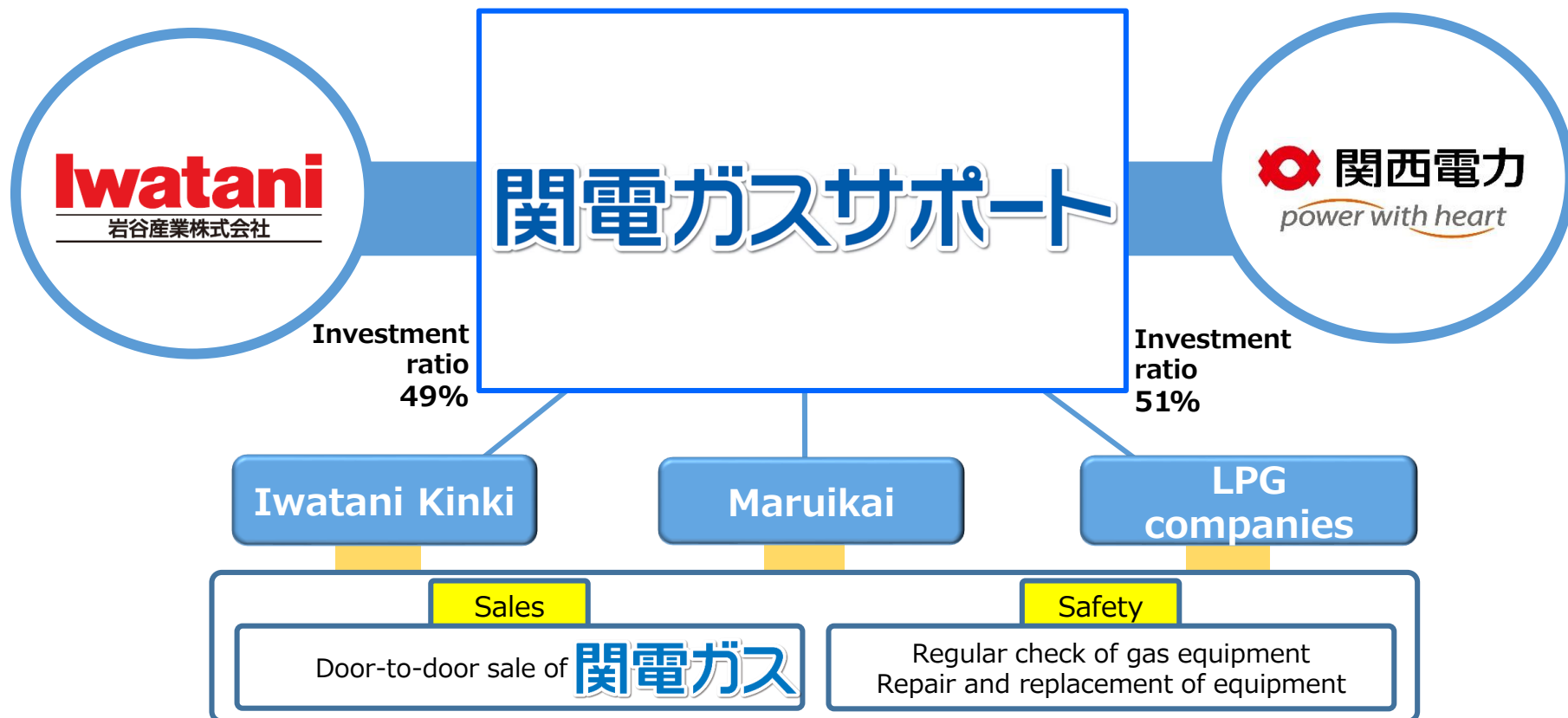
\*1. 3Q of FY ending 3/2016 → 3Q of FY ending 3/2017 (changes from the previous term)

\*2. Difference between purchased costs of renewable energy sourced electricity and grant under act on purchase of renewable energy sourced electricity is subtracting avoidable costs.

- On October 1, 2016, “Act to Amend a Part of Irradiated Nuclear Fuel Reprocessing Fund Act” was enforced and traditional deposit scheme was shifted to contribution scheme.
- A nuclear operator shall pay contribution of fund required for reprocessing, etc. to Nuclear Reprocessing Organization of Japan according to amount of irradiated nuclear fuels from power generation.
- Nuclear Reprocessing Organization of Japan shall perform reprocessing of irradiated nuclear fuels, etc. against contribution paid by a nuclear operator.



On December 27, 2016, we agreed on establishment of "Kanden Gas Support Inc." with Iwatani Corporation. Kanden Gas Support Inc. will, in cooperation with Iwatani Kinki Co., Ltd., perform door-to-door sale of "Kanden Gas" and safety works including repair and replacement of equipment. Furthermore, it will expand cooperation with members of Maruikai" organized by LP gas dealers of Iwatani Corporation and other LP gas companies in respective districts.



50 sales front offices of 関電ガス shall be developed, aiming at organizational structure with 250 sales staffs.

• In addition to companies which were announced on September 13, 2016, we made new business alliance agreement with 10 companies and organizations.  
 We will also make efforts to expand business alliance for further enhancement of sales structure. As soon as the sales structure is put into place, we will announce it on our website and commence sales activity one by one.

Name of companies and organizations	Founded	Head Office Address	Main Business
Iwatani Corporation 	February 1945	Osaka City, Osaka Prefecture	Energy, industrial gas, machinery, materials, etc.
KDDI Corporation 	June 1984	Chiyoda-Ku, Tokyo	Mobile communications, fixed communications, content business, etc.
Chuo Electric Power Co., Ltd. 	November 1994	Osaka City, Osaka Prefecture	Electric power supply for collective housing, electric power retail service, etc.
K-Opticom Corporation* 	April 1988	Osaka City, Osaka Prefecture	Telecommunications, electric power retail service, etc.
Osaka Prefecture Electric Products Association 	August 1961	Osaka City, Osaka Prefecture	Support of sales, business operation, etc. of regional electric products shops which locate in Osaka Prefecture, Kyoto Prefecture, Shiga Prefecture, Nara Prefecture, Hyogo Prefecture and Wakayama Prefecture and engage in sales of home appliances, etc..
Kyoto Prefecture Electric Products Association 	December 1961	Kyoto City, Kyoto Prefecture	
Electrical Products Association of Shiga 	January 1962	Moriyama City, Shiga Prefecture	
Nara Prefecture Electric Products Association 	December 1961	Tenri City, Nara Prefecture	
Hyogo Prefecture Electric Products Association 	March 1960	Kobe City, Hyogo Prefecture	
Wakayama Prefecture Electric Products Association 	June 1962	Wakayama City, Wakayama Prefecture	
Toyo Tec Co., Ltd. 	January 1966	Osaka City, Osaka Prefecture	
Kanden E House Corporation* 	July 2000	Osaka City, Osaka Prefecture	Sales and lease of household equipment, sales and renovation of office equipment, etc.
Kandden Community Co., Ltd.* 	April 1979	Osaka City, Osaka Prefecture	Apartment house administration, renovation of interiors, renovation of building, etc.
Kanden Security of Society, Inc.* 	September 2001	Osaka City, Osaka Prefecture	Provision of home security service, remote monitoring information delivery service, etc.

\* Kepco's group company

\* Excerpt from documents published on December 27, 2016



Toward full liberalization of retail sales of gas starting in April 2017, Our company **announced “Nattoku Plan”, “Nattoku Plan M” and “Nattoku Plan L”** as gas price plan for customers of new liberalization targets including household customers on December 27, 2016.

Please note that basic charge and a part of energy charge were revised and discounted and discount rate of “Electricity Set Discount” was increased from 2% to 3% on January 12, 2017.

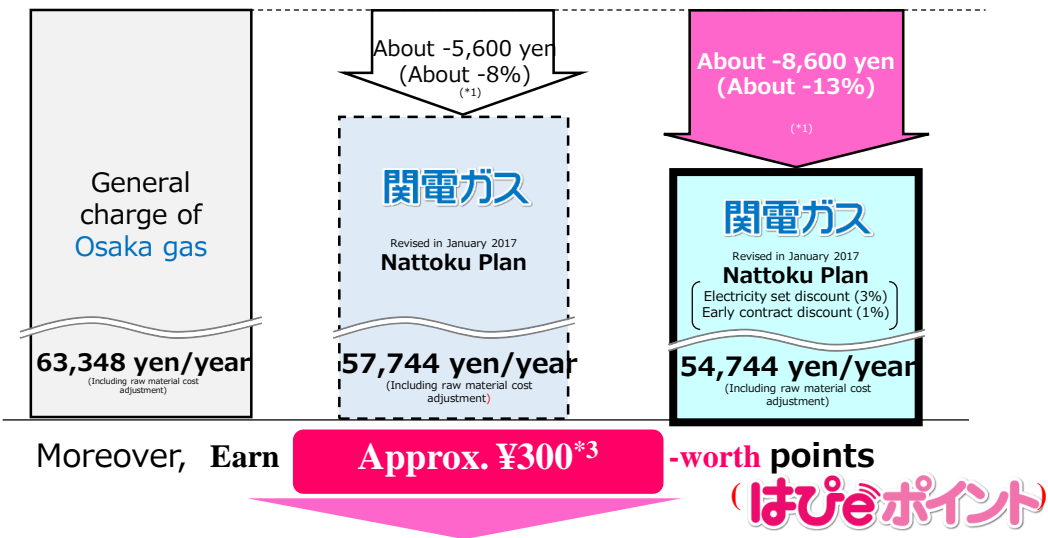
## Outline of [Nattoku Plan], Price Plans for Household and Corporate Customers

In the case of monthly consumption of 33 m<sup>3</sup>

Unit Price etc.

Electricity set discount and early contract discount apply

(Yen/Month, Yen/m<sup>3</sup>, tax inclusive)



	Monthly consumption	Basic charge	Energy Charge	After raw material cost adjustment (As of Jan. 2017)
A	0 m <sup>3</sup> to 20 m <sup>3</sup>	745.10	175.15	133.07
B	No less than 20 m <sup>3</sup> to 50 m <sup>3</sup>	1,243.70	150.22	108.14
C	No less than 50 m <sup>3</sup> to 100 m <sup>3</sup>	1,249.20	150.11	108.03
D	No less than 100 m <sup>3</sup> to 200 m <sup>3</sup>	1,658.20	146.02	103.94
E	No less than 200 m <sup>3</sup> to 350 m <sup>3</sup>	3,004.20	139.29	97.21
F	No less than 350 m <sup>3</sup> to 500 m <sup>3</sup>	3,308.70	138.42	96.34
G	No less than 500 m <sup>3</sup> to 1,000 m <sup>3</sup>	6,263.70	132.51	90.43
H	No less than 1,000 m <sup>3</sup>	6,573.70	132.20	90.12

Electricity set discount (-3%) <sup>(*)2</sup>	Discount for a customer who contracts electricity as a set with our company
Early contract discount (-1%) <sup>(*)2</sup>	Discount for a customer who subscribes gas no later than the end of January 2018 (Discount of charge up to April 2019)

\*1 (Computational conditions)  
 • The monthly consumption, 33 m<sup>3</sup> is monthly consumption of a standard household customer of Osaka Gas in reference to (Average Monthly Consumption of 1 Household for 5 years [April 2006–end of March 2011]).  
 • Both prices of Osaka Gas (General charge [effective as from April 8, 2015]) and Kanden Gas (Nattoku Plan) include amount equivalent to consumption tax and raw material cost adjustment pursuant to raw material cost adjustment scheme (January 2017). Price of Kanden Gas (Nattoku plan) was computed tentatively as charge for January 2017 based on basic supply condition of gas.  
 • Actual amount of advantage varies depending on gas consumption, contract timing, raw material cost adjustment, etc.

\*2 Amount to which discount applies is total of basic charge and energy charge (raw material cost adjustment is not included). Discount rate represents discount rate against amount to which discount applies. Electricity set discount is discount from gas charge but not electricity charge.

\*3 HAPI-e-point equivalent to about 300 yen a year can be saved if gas charge exceeds about 4,500 yen/month throughout the year and log-in “HAPI-e-MIRUDEN” is made every month.

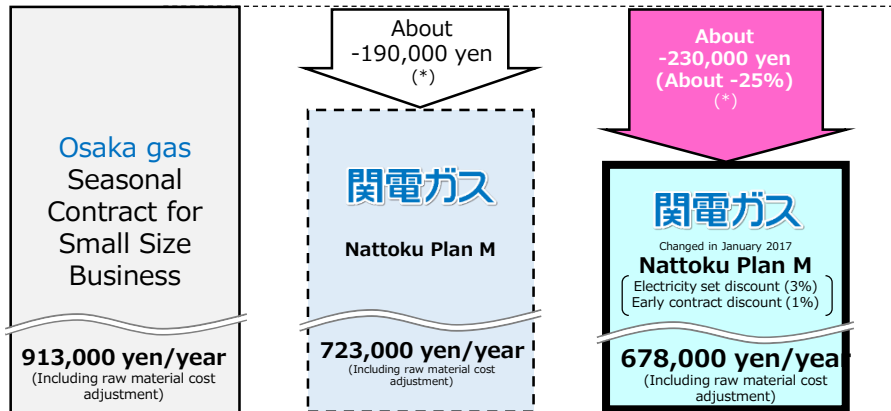
## Outline of Price Plan for Corporate Customers

### Nattoku Plan M

In the case of consumption of 800 m<sup>3</sup>/Month

Model: A customer who consume gas at a restaurant etc. throughout the year

Electricity set discount (-3%) and early contract discount (-1%) apply



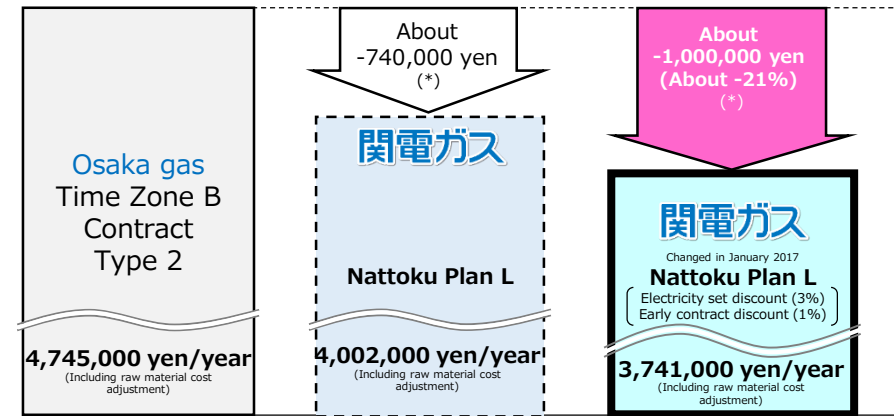
Save about **230,000 yen a year!** (\*)

### Nattoku Plan L

In the case of consumption of 5,000 m<sup>3</sup>/Month

Model: A customer who consumes gas at a small and medium size factory, etc.

Electricity set discount (-3%) and early contract discount (-1%) apply



Save about **1,000,000 yen a year!** (\*)

\* Computational conditions

- Monthly consumption of Nattoku Plan M is average annual consumption of customers at restaurants etc. (researched by our company) divided by 12. Maximum contract consumption is assumed to be 10 m<sup>3</sup>.
- Monthly consumption of Nattoku Plan L is average annual consumption of customers at factories, etc. (researched by our company) divided by 12. Maximum contract consumption is assumed to be 64 m<sup>3</sup>.
- Breakdown into consumption in summer (May–December) and winter (January–April) of Nattoku Plan M is calculated by prorating number of months of the year (summer: 67%, winter: 33%).
- Breakdown into daytime (07:00–22:00) and night time (22:00–07:00) is calculated by prorating number of hours of the day (daytime: 62.5%, night time: 37.5%).
- Above prices include amount equivalent to consumption tax and raw material cost adjustment pursuant to raw material cost adjustment scheme (January 2017).
- Amount to which electricity set discount and early contract discount apply is total of basic charge and energy charge (raw material cost adjustment is not included). The discount ratio represents discount ratio against amount to which discounts apply. Electricity set discount is discount from gas charge but not electricity charge.
- Actual amount of advantage varies depending on gas consumption, contract timing, raw material cost adjustment, etc.

\* Conditions of trial calculation are as of January 12, 2017 when they were published.

\* Excerpt from documents published on January 12, 2017

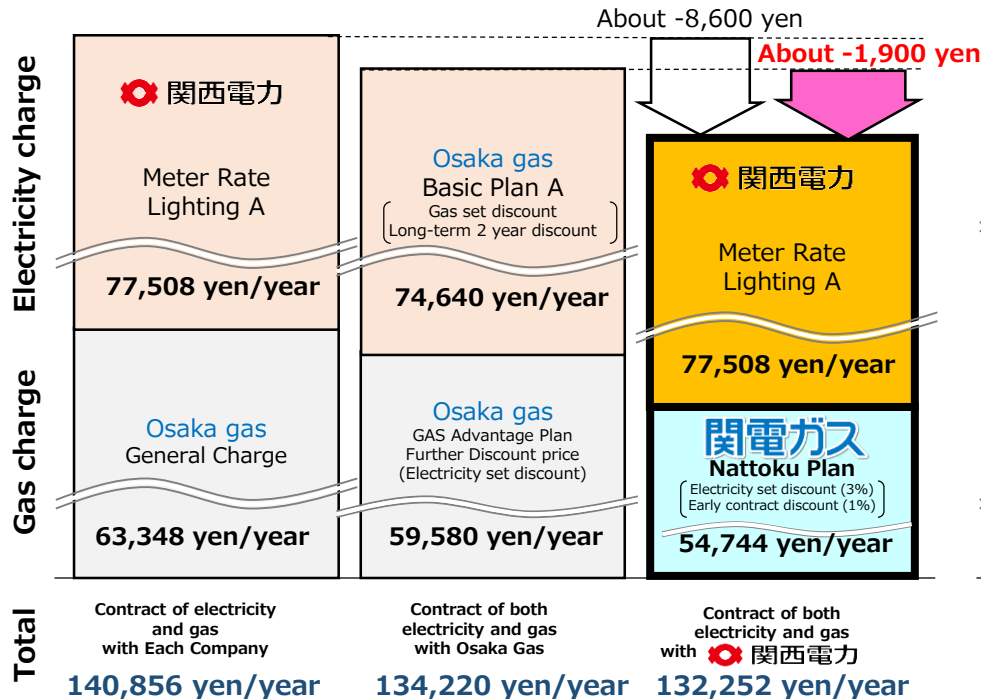
## Advantage in the case of contract of electricity and gas of our company as a set

### Customer with average consumption of electricity and gas

(Monthly consumption: Electricity 260 kWh, Gas 33 m<sup>3</sup>)

As compared with the case that contract of both electricity and gas is made with Osaka Gas

**Save electricity and gas charges by about 1,900 yen a year! (\*)**

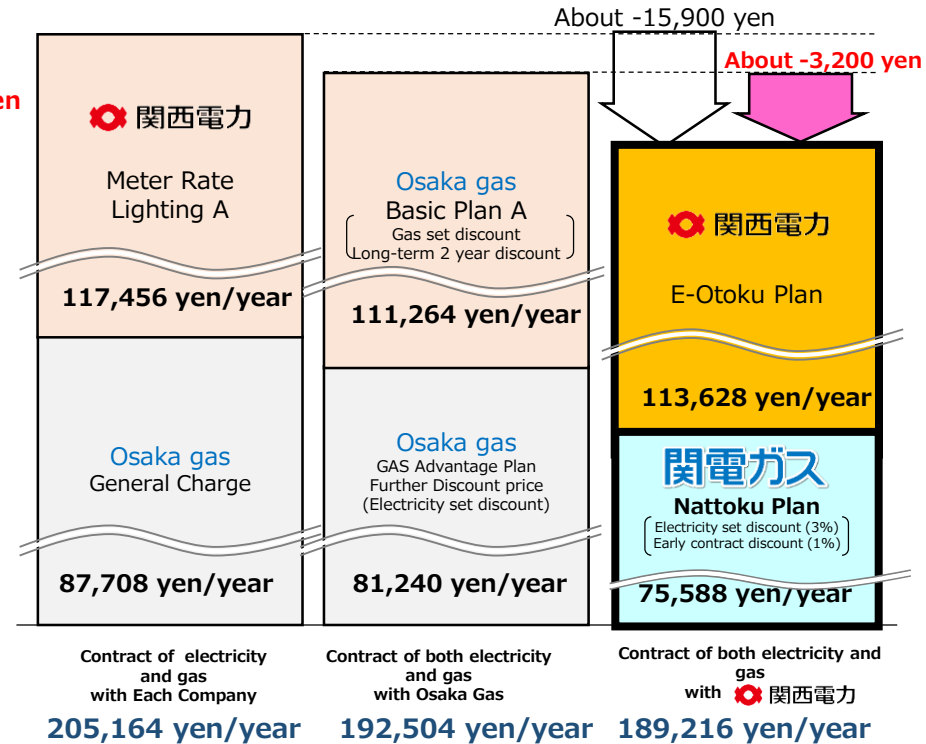


### A customer who consumes relatively large amount of electricity and gas

(Monthly consumption: Electricity 370 kWh, Gas 50 m<sup>3</sup>)

As compared with the case that contract of both electricity and gas is made with Osaka Gas

**Save electricity and gas charges by about 3,200 yen a year! (\*)**



\* Computational conditions

- Monthly consumption of electricity, 260 kWh is monthly consumption of an average model customer of meter rate lighting A of our company.
- Monthly consumption of gas, 33 m<sup>3</sup> is monthly consumption at a standard household customer of Osaka Gas in reference to (Average Monthly Consumption of 1 Household for 5 years [April 2006-End of March 2011]).
- Monthly consumption of electricity, 370 kWh and monthly consumption of gas, 50 m<sup>3</sup> are obtained in reference to the model case announced by Osaka Gas on January 5, 2017. (Annual consumption: Electricity 4,440 kWh, Gas 600 m<sup>3</sup>) e-Otoku Plan of Kansai Electric is a price plan which brings about economical advantage to a customer who consumes more than 300 kWh/month.
- The electricity charge includes amount equivalent to consumption tax and raw material cost adjustment pursuant to raw material cost adjustment scheme. The gas charge includes amount equivalent to consumption tax and fuel cost adjustment pursuant to fuel cost adjustment scheme (January 2017).
- Actual amount of advantage varies depending on gas consumption, timing of contract, raw material cost adjustment, etc.
- Electricity set discount is discount of gas charge but not electricity charge.

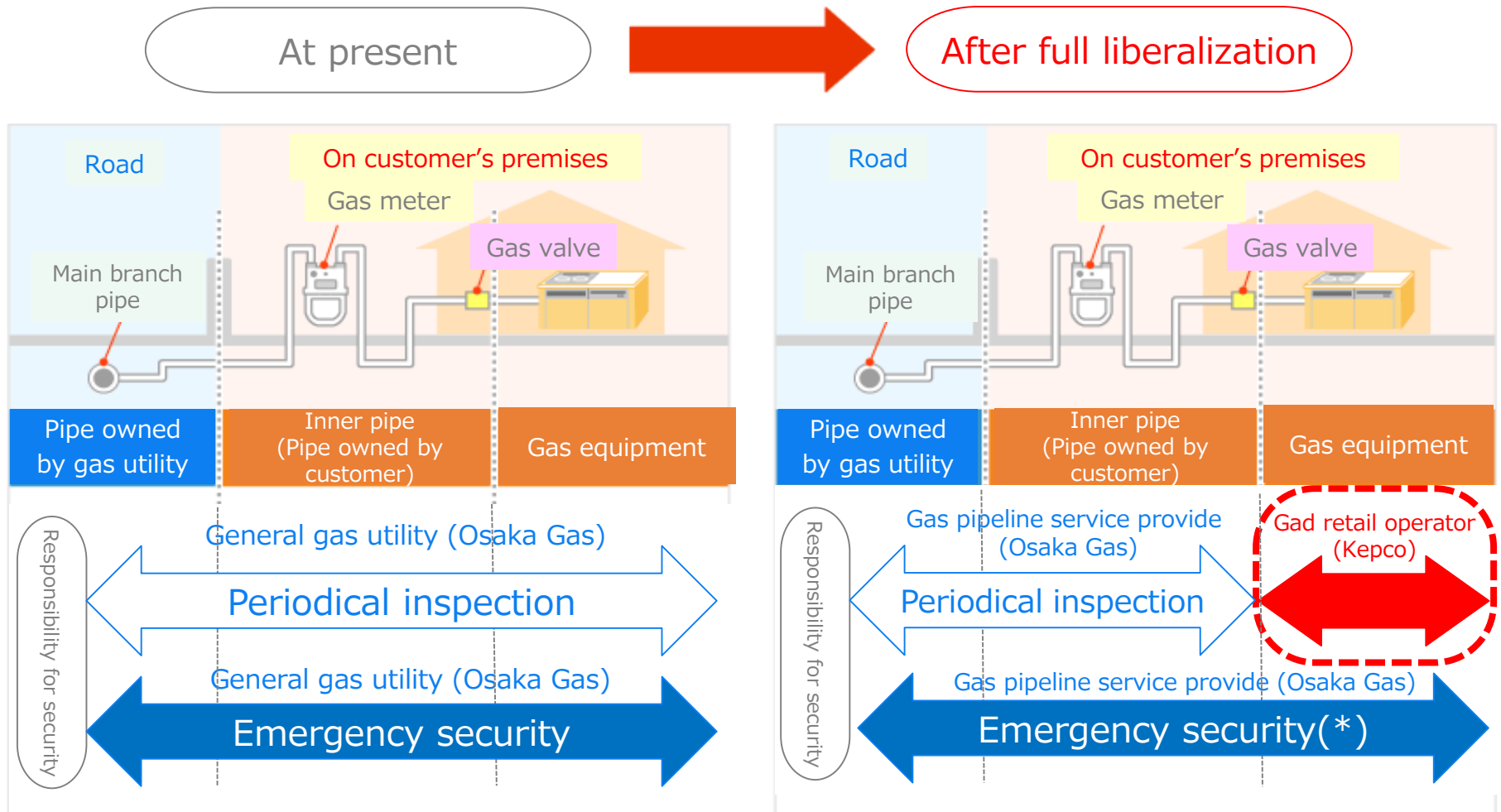
\* Conditions of trial calculation are as of January 12, 2017 when they were published.

\* Excerpt from documents published on January 12, 2017

# Outline of the scope of gas security

(for customers in the household and other areas to be newly liberalized)

- After the full liberalization of gas retail market of April 2017, Kepeco and other gas retail operators will be responsible for periodical check of gas cooker, gas powered hot-water heater and other gas equipment. Kepeco will strive to ensure safe and secured use of gas for customers in cooperation with its business partners.



\* In case of emergency such as gas leakage, Osaka Gas will respond as usual, and Kepeco will cooperate and work with them.

# New electricity rate menu in Kansai Area “e-Money Saving Plan”

- Kepeco has set a new electricity rate menu to expand our customers’ choice and continue to be chosen by more customers in a competitive market after full liberalization of electricity retail sales business (Contract will start in October 2016).
- This is a rate menu offering attractive discount especially for customers using electricity of roughly 300 kWh and more.

## Unit prices

(Yen/Contract, Yen/ kW, Yen/ kWh, including tax)

Basic rate	Up to first 6 kW	1,188.00
	Per 1 kW after 6 kW	388.80
Electricity volume-based rate	Per 1 kW up to first 300 kWh	22.01
	Per 1 kW after 300 kWh	32.29

### ★ Limited-time-only campaign ★

Your electricity bill until March 2017 will be reduced **further 1%!**

\*1 (Conditions of trial calculation)

- Fuel cost adjustment amount, amount of charge to promote renewable energy generation and consumption tax equivalent amount for August 2016 are included. Bank transfer discount is not applied.
- Amount of savings on electric bill for full year is obtained by annualizing monthly charge calculated based on the above condition (Amount of savings on electric bill for full year in consideration of the limited-time-only campaign is calculated by applying discount to electric rate for 5 months), and actual amount of savings will vary depending on how electricity is used.

\*2 Hapi e-Points worth approx. ¥1,100/year are earned when your electric rate is ¥8,000-11,999/month throughout the year, you log in to “Hapi e-Miruden” every month and use energy-saving advice service, etc.

## When used 350 kWh per month



\* Conditions of trial calculation are as of July 27, 2016 when they were published.

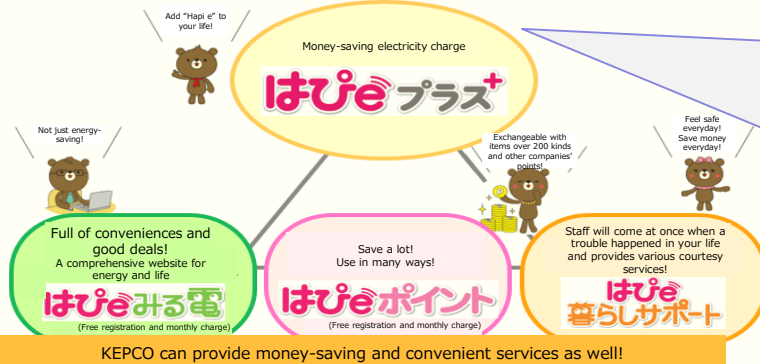
\* Excerpt from documents published on July 27, 2016

# New electricity rate menu and services in Tokyo Metropolitan area 29

- We started sales of electricity to customers with low-pressure supply contract such as households in the Tokyo metropolitan area on July 1, 2016.
- In the Tokyo metropolitan area, we have been selling electricity in the already liberated special high-pressure and high-pressure corporate sectors mainly through "Kanden Energy Solutions (Kenes)," one of our group companies. Many of electricity users have chosen us.
- From now on, we will deliver money-saving price menu and convenient services as shown below to low-pressure supply customers including households.

**Aiming to be chosen by 100,000 household customers in three years until the end of FY 2018, we will step up efforts toward "Sales of 10 billion kWh mainly in the Tokyo metropolitan area in 10 years (until 2025)" as stated in the "KEPCO Group Medium-term Management Plan."**

## New price menu and services in the Tokyo metropolitan area



KEPCO can provide money-saving and convenient services as well!

## About はぴえプラス<sup>+</sup>

<Unit prices>

(Yen/Contract, Yen/kW, Yen/kWh, including tax)

Basic rate	Up to first 6 kW	1,188.00
	Per 1 kW after 6 kW	388.80
Electricity volume-based rate	Per 1 kWh up to first 300 kWh	21.78
	Per 1 kWh after 300 kWh	30.24

Save approx. **¥4,800 (-4%)** a year!

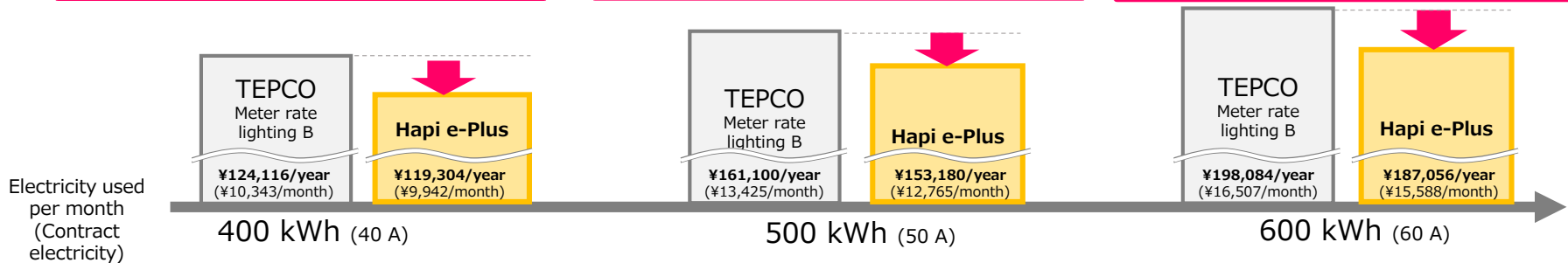
**はぴえポイント** Earn **¥1,000**-worth points!

Save approx. **¥7,900 (-5%)** a year!

**はぴえポイント** Earn **¥1,000**-worth points!

Save approx. **¥11,000 (-6%)** a year!

**はぴえポイント** Earn **¥1,000**-worth points!



Trial calculation includes fuel cost adjustment amount for July 2016, amount of charge to promote renewable energy generation calculated with a unit price effective May 2016 onward and consumption tax equivalent amount.

Regarding prices of TEPCO Energy Partner, amount of savings on electric bill after June 1, 2016, which reflects tax increase as a measure to cope with global warming, is calculated with a unit price applied to electricity used and does not include bank transfer discount.

"Hapi e-Points" worth ¥1,000/year are earned when your electric rate is ¥8,000-15,999/month throughout the year and you log in to "Hapi e-Miruden" every month.

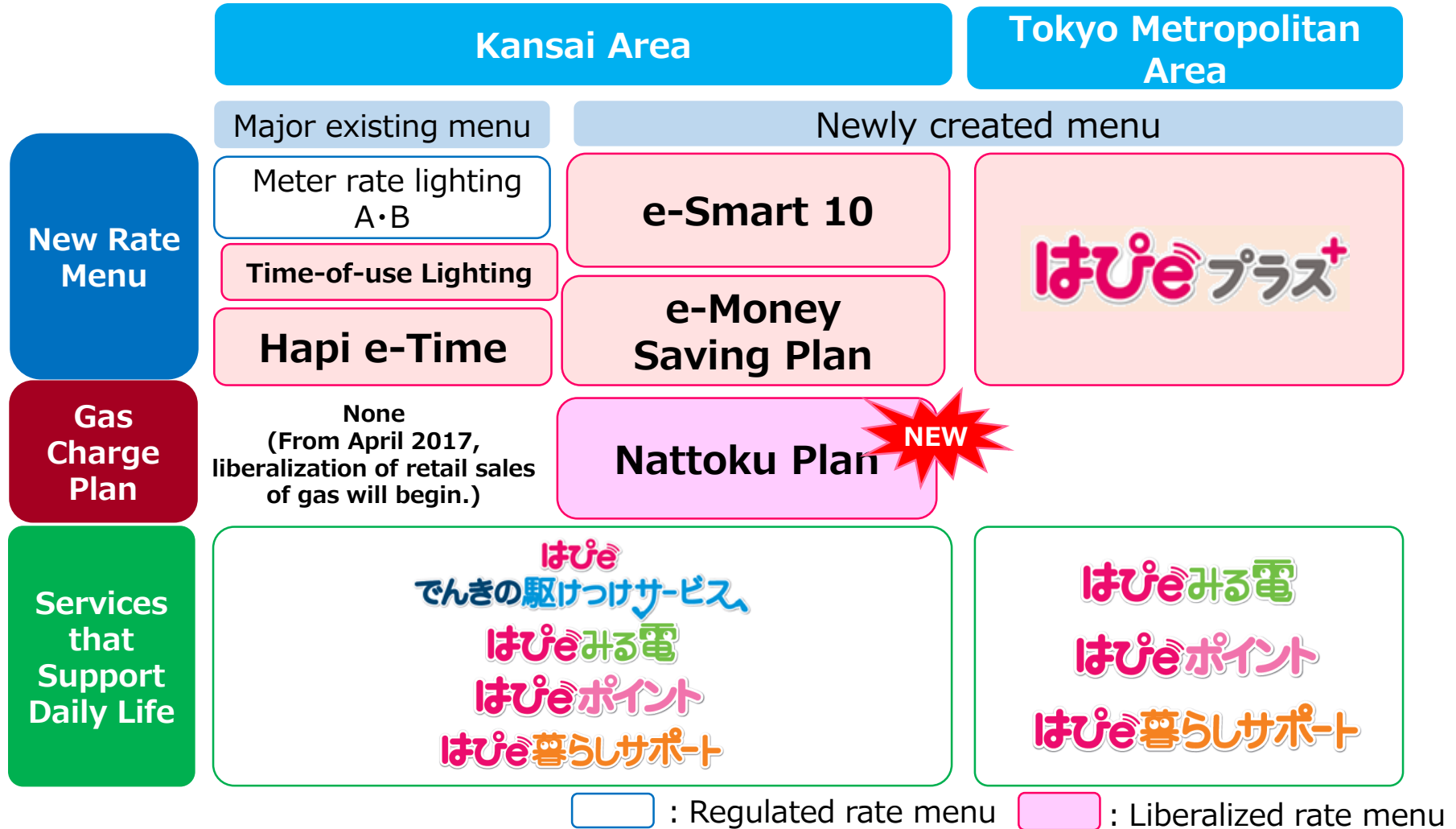
"Hapi e-Kurashi Support" shows a rate when monthly charge of ¥300 (without tax) becomes free of charge for 9 months by using the campaign benefits.

\* Conditions of trial calculation are as of May 30, 2016 when they were published.

\* Excerpt from documents published on May 30, 2016

# Kepeco Group's efforts in competitive markets (household)

In addition to the efforts shown below, Kepeco will continue to consider bundled sale of electricity and gas and other attractive rate menus and services for its customers toward full liberalization of gas retail business starting in April 2017.



Furthermore, Kepeco offers "eo DENKI" through its group company, K-Opticom, and "au Denki" through business alliance with KDDI.

# Overseas investment projects

- Total output by KEPCO's investment: Approx. 2.22 million kW. (including those under acquisition procedures)
- Of which, total investment amount to 7 projects in operation is approx. 70 billion yen. (60% collected by dividends, etc.)

Project Title		Start of operation, etc. (schedule)	Total output (MW)	KEPCO's investment (%)	Output by KEPCO's investment (MW-equivalent)	
In operation	Philippines	San Roque Hydropower	2003/05	436	50	218
	Thailand	Rojana Electricity and Heat Supply	1999/05	505 (including those under development)	39	197 (including those under development)
	Taiwan	Ming Jian Hydropower	2007/09	16.7	24	4
		Kuo Kuang Thermal Power	2003/11	480	20	96
	Singapore	Senoko Thermal Power	Established 1995/10	3,300	15	495
	Australia	Bluewaters Thermal power	2009/12	459	50	229
	USA	West Deptford Thermal power generation business	2014/11	768	17.5	134
Under acquisition procedures	USA	Empire Thermal power generation business	2010/9	635	25	159
Under development	Indonesia	Rajamandala Hydropower	Scheduled in 2019	47	49	23
		Tanjung Jati B Thermal Power	Scheduled in 2021	2,140	25	535
	Laos	Nam Ngiep Hydropower	Scheduled in 2019	290	45	131



	Himeji No. 2 Power Plant		Aioi Power Plant (Unit 1, 3)		Ako Power Plant (Unit 1, 2)		
	before	after	before	after	before	initial plan	after change of plan
Approach	Upgrading to a combined-cycle power generation system		Conversion to dual fuel fired thermal power station (Oil and LNG)		Retrofitting fossil-fuel power stations for coal		-
Capacity	2,550MW (250~600MW×6)	2,919MW(*) (486.5MW×6)	750MW (375MW×2)	750MW (375MW×2)	1,200MW (600MW×2)	1,200MW (600MW×2)	Continue to use heavy/crude oil
Fuel	LNG		Heavy oil and Crude oil	Heavy oil, Crude oil and LNG	Heavy oil and Crude oil	Coal	
Commencement of operation	#1 : 1963/10 ~ #6 : 1973/11	#1 : 2013/8 ~ #6 : 2015/3	#1 : 1982/9 #3 : 1983/1	#1 : 2016/5 #3 : 2016/8	#1 : 1987/9 #2 : 1987/12	#1 : FY2020 #2 : FY2021	

\* Installation of a pressure plate after emergency countermeasures were implemented has resulted in an output of 2,886 MW (481 MW × 6 units).

## ○ Reviewing the fuel conversion plan at Ako Power Station

On March 26, 2015, we announced a plan to modify the boiler and fuel facility of Ako Power Station to convert the fuel from heavy/crude oil to coal and, since then, have been making preparations such as the environmental assessment. However, after the announcement of the plan, the power demand in the Kansai area has dropped and is not expected to make a significant recovery any time soon due to the wide-spread trend of saving electricity and energy. In addition, there is an increased pressure to further reduce the CO<sub>2</sub> emission including the 2030 energy mix target, the government's target for the reduction of greenhouse gases established in July 2015.

Considering these factors, we decided to abolish the fuel conversion plan for Ako Power Station and continue to use heavy/crude oil.

We will continue our efforts to achieve the S+3E (Safety, Energy Security, Economy and Environment) plan for the "enhancement of power source competitiveness" provided in the Kanden Group Medium-term Management Plan.

## Management Direction

1. Become a highly profitable business group.



2. Expand business fields.

3. Build a robust management base.

## Pillars of Approach and Prioritized Measures

(1) Enhancement of competitiveness in comprehensive energy business

(2) Establishment of new pillars for growth

(3) Strengthening Group Management Foundation

## 【Business Portfolio after 10Years】

After 10 years (2025)

International/  
Group business

**1**

Comprehensive energy/  
Power Transmission and distribution business

:

**2**

Before the Earthquake

International/  
group businesses

**1**

:

**4**

Comprehensive energy/  
Power Transmission and  
distribution business

Real Estate/Life business

**30** billion yen

Group Support Business

**20** billion yen

Comprehensive energy/  
Power Transmission and  
distribution business

**200** billion yen or more

Information and Communication business  
(IT/communication)

**30** billion yen

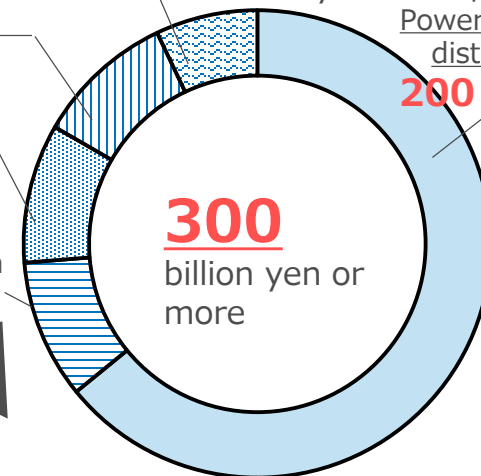
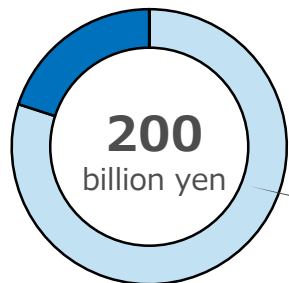
International business **30** billion yen

**300**

billion yen or  
more

**1.5** times or more

Investment of **1,500** billion yen  
in international/Group businesses  
over 10 years



## □ Financial goals〔Consolidated base〕

Item	2018 fiscal year (3 years later)	2025 fiscal year (10 years later)
Ordinary income	<b>200</b> billion Yen	<b>300</b> billion Yen
Equity ratio	Approx. <b>20%</b>	Approx. <b>30%</b>
ROA (※)	Approx. <b>3.5%</b>	Approx. <b>4%</b>

(※) Business Profit〔Ordinary income+interest expense〕 ÷ Total Assets〔Average of beginning and end of term〕

## □ Policy of return to shareholders

Our Policy of return to shareholders is to secure sound financial strength and maintain stable dividends in order to distribute surplus to all shareholders appropriately as the Kansai Electric Power group.

Currently, we are making efforts to restart our nuclear power plants and streamline management for the early resumption of dividends.

## For further information

Planning Group (Investor Relations)  
Office of Accounting and Finance  
The Kansai Electric Power Co., Inc.

Telephone            : +81 6 6441 8821 (Operator)  
Facsimile            : +81 6 6441 0569  
Website              : <http://www.kepco.co.jp>