

Unaudited Financial Release (Consolidated) for the Year ended March 31, 2018

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.

April 27, 2018

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I . Performance for the Years ended March 31, 2018 and 2017

(Figures are rounded down to the nearest million yen)

1. Results of Operations

	Year ended March 31		(Million Yen) Change	
	2018	2017	18/17	17/16
Operating Revenues	3,133,632	3,011,337	4.1%	-7.2%
Operating Income	227,551	217,747	4.5%	-15.2%
Ordinary Income *	217,104	196,125	10.7%	-18.8%
Net Income attributable to owners of the parent	151,880	140,789	7.9%	-0.0%
Net Income per Share	170.01yen	157.58yen	—	—
Fully Diluted Net Income per Share	—	—	—	—
Net Income/ Net Assets	10.9%	11.3%		
Ordinary Income * / Total Assets	3.1%	2.7%		
Operating Income / Operating Revenues	7.3%	7.2%		

Comprehensive income

Year ended March 31, 2018: 168,413 million yen (17.6%)

Year ended March 31, 2017: 143,177 million yen (0.8%)

Equity in earnings of associated companies

Year ended March 31, 2018: 11,704 million yen

Year ended March 31, 2017: 11,397 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)	
	2018	<u>As of March 31</u> 2017
Total Assets	6,985,088	6,853,182
Net Assets	1,472,797	1,344,696
Equity Ratio	20.8%	19.3%
Net Assets per Share	1,627.66 yen	1,480.46 yen

Notes: Equity capital

As of March 31, 2018: 1,454,087 million yen

As of March 31, 2017: 1,322,663 million yen

3. Statements of Cash Flows

	(Million Yen)	
	2018	<u>As of March 31</u> 2017
Net cash provided by Operating Activities	623,266	485,669
Net cash used in Investing Activities	-447,237	-345,749
Net cash provided by Financing Activities	-162,277	-130,359
Cash and Cash Equivalents, End of year	144,176	130,820

II. Dividends

	Interim dividend per share	Year-end dividend per share	Annual dividend per share
Fiscal 2016	0.00 yen	25.00yen	25.00 yen
Fiscal 2017	15.00 yen	20.00yen	35.00 yen
Fiscal 2018 (Forecast)	—	—	—

Payment of dividends for FY 2018 is not yet determined as we are in a situation where we have to leave our earnings forecast undetermined.

III. Financial Forecasts

	(Billion Yen)		
	4/18-3/19 (Forecasts)	4/17-3/18 (Results)	<u>Change</u>
Operating Revenues	—	3,133	—
Operating Income	—	227	—
Ordinary Income*	—	217	—
Net Income attributable to owners of the parent	—	151	—
Net Income per Share	—	170.01 yen	—

Regarding earnings forecast for FY 2018, both operating revenues and income are left undetermined because we cannot forecast our earnings based on certain assumptions due to Ohi Unit 4 have not fully operated and for other reason.

The forecasts for FY 2018 will be disclosed as soon as it becomes available.

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 March 31, 2018: 938,733,028 shares

As of March 31, 2017: 938,733,028 shares

4. Number of Treasury stock

As of March 31, 2018: 45,372,355 shares

As of March 31, 2017: 45,317,079 shares

5. Number of Average stock

Year ended March 31, 2018: 893,385,607 shares

Year ended March 31, 2017: 893,430,169 shares

< Reference : Non-consolidated >

Performance for the Years ended March 31, 2018 and 2017

(Figures are rounded down to the nearest million yen)

1. Results of Operations

	(Million Yen)			
	<u>Year ended March 31</u>		<u>Change</u>	
	2018	2017	18/17	17/16
Operating Revenues	2,683,945	2,614,440	2.7%	-8.9%
Operating Income	165,421	164,524	0.5%	-21.1%
Ordinary Income *	145,506	143,720	1.2%	-28.2%
Net Income	103,036	103,064	-0.0%	-13.1%
Net Income per Share	115.30yen	115.32yen		
Fully Diluted Net Income per Share	—	—		

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)	
	<u>As of March 31</u>	
	2018	2017
Total Assets	5,946,115	5,834,912
Net Assets	933,942	858,486
Equity Ratio	15.7%	14.7%
Net Assets per Share	1,045.09yen	960.60yen

Notes: Equity capital

As of March 31, 2018: 933,942 million yen

As of March 31, 2017: 858,486 million yen

Financial Forecasts

	(Billion Yen)		
	4/18-3/19 (Forecasts)	4/17-3/18 (Results)	<u>Change</u>
Operating Revenues	—	2,683	—
Operating Income	—	165	—
Ordinary Income*	—	145	—
Net Income	—	103	—
Net Income per Share	—	115.30 yen	—

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

Sales and power generation

[Electricity sales]

	(GWh)		
	Year-ended Mar. 31, 2018	Year-ended Mar. 31, 2017	Change (%)
Residential	41,767	43,689	95.6
Commercial and Industrial	73,477	77,811	94.4
Total	115,244	121,500	94.9

[Power generation] (Sending end)

	(GWh)		
	Year ended Mar. 31, 2018	Year ended Mar. 31, 2017	Change (%)
Kansai Electric			
Hydroelectric	13,761	13,362	103.0
Fossil Fuel	67,787	81,523	83.1
Nuclear	12,867	-440	—
Renewable energies	80	93	85.9
Purchased (sold) power from other companies	27,503	34,898	78.8
Power used for pumped storage	-1,490	-1,653	90.2
Total	120,508	127,783	94.3
Water run-off ratio (%)	107.2	99.1	—

Consolidated Balance Sheets

(million yen)

Account	As of Mar. 31, 2017	As of Mar. 31, 2018
(Assets)		
Property	6,081,116	6,183,799
Utility facilities	3,295,474	3,222,279
Hydroelectric power production facilities	290,593	294,175
Thermal power production facilities	452,947	414,312
Nuclear power production facilities	350,749	344,032
Transmission facilities	850,856	819,294
Transformation facilities	402,961	416,948
Distribution facilities	818,171	811,479
General facilities	106,287	100,412
Other utility facilities	22,905	21,624
Other plant and equipment	707,364	753,323
Construction in progress	485,449	560,944
Construction and retirement in progress	458,850	457,442
Special account related to nuclear power decommissioning	26,598	78,332
Special account related to reprocessing of spent nuclear fuel	—	25,168
Nuclear fuel	481,371	494,124
Loaded nuclear fuel	90,556	64,688
Nuclear fuel in processing	390,815	429,435
Investments and other assets	1,111,457	1,153,128
Long-term investments	297,054	345,422
Investments in and advances to subsidiaries and associated companies	401,610	431,764
Deferred tax assets	375,101	334,601
Other	41,105	44,394
Allowance for doubtful accounts	-3,414	-3,054
Current assets	772,065	801,288
Cash and time deposits	133,133	159,685
Accounts receivable	233,169	270,648
Inventory assets	122,818	129,127
Deferred tax assets	72,009	68,272
Other	213,372	176,413
Allowance for doubtful accounts	-2,437	-2,859
Total assets	6,853,182	6,985,088

Consolidated Balance Sheets

(million yen)

Account	As of Mar. 31, 2017	As of Mar. 31, 2018
(Liabilities)		
Long-term liabilities and reserves	3,927,280	3,852,076
Bonds	989,790	949,500
Long-term loans	1,843,524	1,825,525
Liability for retirement benefits	360,362	367,875
Asset retirement obligations	436,483	444,302
Deferred tax liabilities	1,632	1,346
Other	295,487	263,526
Current liabilities	1,553,753	1,631,266
Current maturities of long-term debt and other	752,164	664,395
Short-term borrowings	152,231	143,208
Commercial paper	114,000	154,000
Accounts payable	122,716	126,414
Accrued income taxes	34,353	92,214
Other current liabilities	378,287	451,034
Reserves under the special laws	27,452	28,948
Reserve for fluctuation in water levels	27,452	28,948
Total liabilities	5,508,485	5,512,290
(Net Assets)		
Shareholders' Equity	1,248,297	1,364,347
Paid in capital	489,320	489,320
Capital surplus	66,726	66,725
Retained earnings	788,674	904,806
Treasury stock	-96,424	-96,504
Accumulated other comprehensive income	74,366	89,740
Unrealized gain on available-for-sale securities	81,037	91,135
Deferred gain on derivatives under hedge accounting	-3,894	-3,369
Foreign currency translation adjustments	13,433	11,016
Defined retirement benefit plans	-16,209	-9,041
Non-controlling interests	22,032	18,709
Total net assets	1,344,696	1,472,797
Total liabilities and net assets	6,853,182	6,985,088

Consolidated Statements of Operations

(million yen)

Account	Year ended Mar.31,2017	Year ended Mar.31,2018
Ordinary revenues and expenses		
Operating revenues and expenses		
Operating revenues	3,011,337	3,133,632
Electric	2,556,591	2,596,114
Other	454,745	537,518
Operating expenses	2,793,589	2,906,081
Electric	2,394,719	2,430,106
Other	398,870	475,975
Operating Income	217,747	227,551
Non-Operating revenues and expenses		
Non-operating revenues	56,823	35,869
Dividends received	8,567	9,293
Interest revenue	5,688	1,633
Equity in earnings of associated companies	11,397	11,704
Other	31,170	13,238
Non-operating expenses	78,446	46,316
Interest expense	48,391	37,219
Other	30,054	9,097
Total ordinary revenues	3,068,161	3,169,502
Total ordinary expenses	2,872,035	2,952,398
Ordinary income	196,125	217,104
Provision for or reversal of reserve for fluctuation in water levels	-1,034	1,495
Provision for reserve for fluctuation in water levels	—	1,495
Reversal of reserve for fluctuation in water levels	-1,034	—
Income before income taxes and minority interests	197,160	215,608
Income taxes-current	17,832	24,387
Income taxes-deferred	38,519	38,699
Income taxes	56,351	63,087
Net Income	140,808	152,520
Net Income attributable to non-controlling interests	18	639
Net Income attributable to owners of the parent	140,789	151,880

Consolidated Statements of Comprehensive Income

(million yen)

Account	Year ended Mar. 31, 2017	Year ended Mar. 31, 2018
Income before minority interests	140,808	152,520
Other comprehensive income		
Unrealized gain on available-for-sale securities	-5,256	7,566
Deferred gain on derivatives under hedge accounting	4,265	583
Foreign currency translation adjustments	-5,124	-1,519
Defined retirement benefit plans	7,541	6,091
Share of other comprehensive income of associates	943	3,171
Total other comprehensive income	2,369	15,892
Comprehensive income	143,177	168,413
(Breakdown)		
Attributable to owners of the parent	144,108	167,254
Attributable to non-controlling interests	-930	1,158

Consolidated Statements of Changes in Shareholders' Equity and other Net Assets (1)

[Year ended March 31, 2017]

(million yen)

Account	Shareholders' Equity				
	Paid in capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at Mar.31, 2016	489,320	66,634	648,154	-96,492	1,107,617
Change during the period					
Dividend of surplus			—		—
Net Income attributable to owners of the parent			140,789		140,789
Change of scope of consolidation			-269		-269
Changes in the parent's ownership interest due to transactions with non-controlling interests		92			92
Purchase of treasury stock				-41	-41
Disposal of treasury stock		—		109	108
Transfer to capital surplus from retained earnings		—	—		—
Changes in fiscal 2016 other than shareholders' equity					
Total	—	92	140,519	67	140,679
Balance at Mar. 31, 2017	489,320	66,726	788,674	-96,424	1,248,297

[Year ended March 31, 2017]

(million yen)

Account	Accumulated other comprehensive income					Minority interests	Total net assets
	Unrealized gain on available-for-sale securities	Deferred gain on derivatives Under hedge accounting	Foreign currency translation adjustments	Defined retirement benefit plans	Total accumulate other comprehensive income		
Balance at Mar.31, 2016	85,930	-8,244	17,726	-24,365	71,047	23,165	1,201,831
Change during the period							
Dividend of surplus							—
Net Income attributable to owners of the parent							140,789
Change of scope of consolidation							-269
Changes in the parent's ownership interest due to transactions with non-controlling interests							92
Purchase of treasury stock							-41
Disposal of treasury stock							108
Transfer to capital surplus from retained earnings							—
Changes in fiscal 2016 other than shareholders' equity	-4,893	4,349	-4,292	8,155	3,319	-1,133	2,186
Total	-4,893	4,349	-4,292	8,155	3,319	-1,133	142,865
Balance at Mar. 31, 2017	81,037	-3,894	13,433	-16,209	74,366	22,032	1,344,696

Consolidated Statements of Changes in Shareholders' Equity and other Net Assets (2)

[Year ended March 31, 2018]

(million yen)

Account	Shareholders' Equity				
	Paid in capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at Mar.31, 2017	489,320	66,726	788,674	-96,424	1,248,297
Change during the period					
Dividend of surplus			-35,747		-35,747
Net Income attributable to owners of the parent			151,880		151,880
Change of scope of consolidation			—		—
Changes in the parent's ownership interest due to transactions with non-controlling interests		—			—
Purchase of treasury stock				-83	-83
Disposal of treasury stock		-1		3	2
Transfer to capital surplus from retained earnings		1	-1		—
Capital increase of consolidated subsidiaries		-1			-1
Changes in fiscal 2017 other than shareholders' equity					
Total	—	-1	116,132	-80	116,050
Balance at Mar. 31, 2018	489,320	66,725	904,806	-96,504	1,364,347

[Year ended March 31, 2018]

(million yen)

Account	Accumulated other comprehensive income					Minority interests	Total net assets
	Unrealized gain on available-for-sale securities	Deferred gain on derivatives Under hedge accounting	Foreign currency translation adjustments	Defined retirement benefit plans	Total accumulate other comprehensive income		
Balance at Mar.31, 2017	81,037	-3,894	13,433	-16,209	74,366	22,032	1,344,696
Change during the period							
Dividend of surplus							-35,747
Net Income attributable to owners of the parent							151,880
Change of scope of consolidation							—
Changes in the parent's ownership interest due to transactions with non-controlling interests							—
Purchase of treasury stock							-83
Disposal of treasury stock							2
Transfer to capital surplus from retained earnings							—
Capital increase of consolidated subsidiaries							-1
Changes in fiscal 2017 other than shareholders' equity	10,097	525	-2,417	7,168	15,373	-3,322	12,050
Total	10,097	525	-2,417	7,168	15,373	-3,322	128,101
Balance at Mar. 31, 2018	91,135	-3,369	11,016	-9,041	89,740	18,709	1,472,797

Consolidated Statements of Cash Flows

(million yen)

Account	Year ended Mar. 31, 2017	Year ended Mar. 31, 2018
Operating Activities		
Income before income taxes and minority interests	197,160	215,608
Depreciation and amortization	368,768	340,287
Decommissioning cost of nuclear power units	10,120	13,275
Amortization of special account related to nuclear power decommissioning	748	1,845
Amortization of nuclear fuel	—	11,795
Loss on disposal of property, plant and equipment	10,719	10,325
Nuclear fuel transferred to reprocessing costs	6,781	—
Provision for reprocessing of irradiated nuclear fuel	-17,446	—
Provision for reprocessing of irradiated nuclear fuel without definite plans	1,063	—
Increase (decrease) net defined benefit liability	13,405	15,941
Increase (decrease) in reserve for fluctuation in water levels	-1,034	1,495
Interest revenue and dividends received	-14,255	-10,927
Interest expense	48,391	37,219
Reserve fund for reprocessing of irradiated nuclear fuel	29,009	—
Increase (decrease) in notes and accounts receivable-trade	-10,691	-36,245
Increase (decrease) in notes and accounts payable-trade	2,293	3,202
Increase(decrease) in consumption taxes receivable/ payable	-56,151	60,782
Other	-43,755	-3,375
Sub total	545,125	661,231
Receipt of interest and cash dividends	21,257	15,700
Interest paid	-49,534	-38,455
Income tax paid (returned)	-31,179	-15,210
Net cash provided by operating activities	485,669	623,266
Investing Activities		
Purchases of property, plant and equipment	-338,126	-398,028
Payment for investments and advances	-37,630	-58,829
Proceeds from sales or collections of investments and advances	8,437	14,355
Payments for investments in subsidiaries resulting in change in scope of consolidation	—	-20,492
Other	21,569	15,757
Net cash used in investing activities	-345,749	-447,237
Financing Activities		
Proceeds from issuance of bonds	179,436	249,465
Redemption of bonds	-259,700	-331,100
Proceeds from long-term debt	237,010	326,092
Repayments of long-term debt	-401,861	-390,337
Proceeds from short-term borrowings	303,512	273,282
Repayments of short-term borrowings	-297,435	-282,667
Proceeds from issuance of commercial papers	380,000	404,000
Redemption of commercial papers	-266,000	-364,000
Dividends paid	-93	-35,674
Other	-5,228	-11,337
Net cash provided by financing activities	-130,359	-162,277
Foreign currency translation adjustments on cash and cash equivalents	-1,765	-394
Net increase (decrease) in cash and cash equivalents	7,795	13,356
Cash and cash equivalents, beginning of year	123,025	130,820
Cash and cash equivalents	130,820	144,176

(Segment information)

[Year ended March 31, 2017]

(million yen)

	Reportable segments					Other	Total	Eliminat ions/ Corporat e	Consolidat ed
	Comprehensive Energy/Power transmission and distribution business			IT/ Commu nications	Subtotal				
	Electric Power	Gas/ Other energies	Subtotal						
Sales and operating Income									
Sales									
(1) Sales to external customers	2,556,591	93,220	2,649,811	185,660	2,835,472	175,864	3,011,337	—	3,011,337
(2) Intersegment sales or transfers	12,895	24,218	37,114	41,196	78,310	230,046	308,357	-308,357	—
Total	2,569,487	117,438	2,686,925	226,857	2,913,783	405,910	3,319,694	-308,357	3,011,337
Income by business segment	165,279	6,014	171,293	19,484	190,778	25,395	216,173	1,573	217,747
Identifiable assets by business segment	5,441,042	496,295	5,937,337	357,621	6,294,959	1,068,598	7,363,557	-510,375	6,853,182
Other items									
Depreciation	277,553	21,565	299,119	63,856	362,975	11,863	374,839	-6,071	368,768
Increase of property, plant, equipment and intangible assets	227,956	28,417	256,373	43,535	299,908	48,981	348,890	-4,791	344,098

[Year ended March 31, 2018]

(million yen)

	Reportable segments					Other	Total	Eliminat ions/ Corporat e	Consolidat ed
	Comprehensive Energy/Power transmission and distribution business			IT/ Commu nications	Subtotal				
	Electric Power	Gas/ Other energies	Subtotal						
Sales and operating Income									
Sales									
(3) Sales to external customers	2,596,114	141,240	2,737,354	203,167	2,940,522	193,110	3,133,632	—	3,133,632
(4) Intersegment sales or transfers	16,864	32,918	49,782	40,242	90,025	230,122	320,148	-320,148	—
Total	2,612,979	174,158	2,787,137	243,410	3,030,548	423,232	3,453,781	-320,148	3,133,632
Income by business segment	170,335	941	171,276	26,269	197,545	30,431	227,977	-425	227,551
Identifiable assets by business segment	5,493,197	523,395	6,016,592	343,927	6,360,520	1,246,340	7,606,860	-621,772	6,985,088
Other items									
Depreciation	250,752	25,309	276,061	58,015	334,077	12,067	346,145	-5,857	340,287
Increase of property, plant, equipment and intangible assets	294,503	25,443	319,947	41,091	361,039	50,886	411,926	-4,914	407,012

Revenues and Expenses (Non-Consolidated)

	Year ended March 31		(B) - (A)	(B)/(A)	Percentage of total	
	2017 (A)	2018 (B)			(A)	(B)
	¥ million	¥ million	¥ million	%	%	%
Ordinary revenues (Operating revenues)	2,653,410 (2,614,440)	2,704,940 (2,683,945)	51,530 (69,505)	101.9 (102.7)	100.0 (98.5)	100.0 (99.2)
Residential	999,811	995,959	-3,851	99.6	37.7	36.8
Commercial and industrial	1,296,832	1,240,661	-56,170	95.7	48.9	45.9
Sub total	2,296,643	2,236,621	-60,022	97.4	86.6	82.7
Grant under Act on Purchase of Renewable Energy Sourced Electricity	130,582	148,621	18,039	113.8	4.9	5.5
Other	226,184	319,697	93,513	141.3	8.5	11.8
Ordinary expenses	2,509,690	2,559,433	49,743	102.0	100.0	100.0
Personnel expenses	204,685	217,222	12,537	106.1	8.2	8.5
Fuel costs	523,544	520,117	-3,426	99.3	20.9	20.3
Backend expenses of nuclear power	32,203	59,959	27,756	186.2	1.3	2.3
Maintenance costs	189,583	184,106	-5,477	97.1	7.6	7.2
Taxes other than income Taxes	148,428	144,796	-3,631	97.6	5.9	5.7
Depreciation	277,485	250,710	-26,774	90.4	11.1	9.8
Purchased power	461,657	466,719	5,061	101.1	18.4	18.2
Interest expenses	42,956	33,380	-9,575	77.7	1.7	1.3
Levy under Act on Purchase of Renewable Energy Sourced Electricity	230,631	260,067	29,436	112.8	9.2	10.2
Other	398,513	422,353	23,839	106.0	15.7	16.5
Ordinary Income (Operating Income)	143,720 (164,524)	145,506 (165,421)	1,786 (896)	101.2 (100.5)	/	
Provision for or reversal of reserve for fluctuation in water levels	-1,034	1,495	2,530	-		
Income before income taxes	144,755	144,010	-744	99.5		
Income taxes	41,690	40,974	-716	98.3		
Net Income	103,064	103,036	-28	100.0		

Net Income per share	115.32yen	115.30yen
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