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Overview

Operating Income (Segment Results)

Electric Power

In terms of revenue, while total electricity sales volume decreased, revenue from lighting and power increased due partly to an increase in per-unit price based on the fuel cost adjustment system. As a result, operating revenue increased to ¥2,939,651 million, up ¥79,764 million (2.8%) from the previous fiscal year.

Meanwhile, in terms of expenditures, all-out cost reduction efforts have been made through streamlining of business management, but the suspension of operations at our nuclear power plants caused thermal fuel costs to rise. As a result, we posted an operating loss of ¥133,969 million, a deterioration of ¥16,039 million compared to the previous fiscal year.

IT/Communications

Leveraging the optical fiber network it has established throughout the Kansai region, the Group provides comprehensive IT/Communications services for household and corporate customers with an extensive lineup of offerings to meet customer needs.

As for mainstay FTTH services, the Group is offering three kinds of service comprising “optical internet, optical telephone and optical television” under the “eo HIKARI” brand name taking advantage of its area coverage ratio which exceeds 90% in six prefectures of the Kinki region. In June 2014, contracts for these services surpassed 1.5 million.

On the revenue front, operating revenue increased ¥6,819 million (4.2%) from the previous fiscal year to ¥170,840 million, primarily driven by the increase in contracts for FTTH services which amounted to 1.53 million (up 3.0% from a year earlier). Meanwhile, operating income decreased ¥1,257 million (6.4%) from the previous fiscal year to ¥18,417 million due partly to increases in the cost of new product release and the cost of measures to improve consumer confidence.

Other

In the comprehensive energy supply business, the Group provides customers with optimal energy solutions through sales of gas and other energy sources as well as utility services. In the amenity services in daily life business, the Group provides real estate-related services such as the development of energy-saving apartment houses and buildings, as well as lifestyle-related services that help make customers feel more safe, secure, comfortable and convenient in the fields of home security, health care, and nursing care.

On the revenue front, operating revenue of this segment decreased ¥8,038 million (2.6%) from the previous fiscal year to ¥295,538 million due mainly to a decline in the number of houses for sale in the amenity services in daily life business. Meanwhile, operating income increased ¥11,050 million (43.9%) from the previous fiscal year to ¥36,226 million; this increase is mainly attributable to the increased gas sales price reflecting the rise in gas material prices in the comprehensive energy supply business, as well as increases in operating revenue and profits recorded by LNG project participants companies.

Ordinary Loss

Non-operating revenue increased ¥15,928 million (49.9%) compared to the previous fiscal year to ¥47,818 million. This is due partly to an increase in gain from the sale of marketable securities. As a result, total ordinary revenue combined with operating revenue was up ¥94,473 million (2.8%) from the previous year to ¥3,453,848 million.

Non-operating expenses increased ¥10,746 million (15.1%) compared to the previous fiscal year to ¥82,270 million. This is due partly to an increase in impairment loss for fixed assets. As a result, the total combined operating expenses and ordinary expenses increased ¥96,199 million (2.8%) from the previous fiscal year to ¥3,566,901 million.

As a result of the above, ordinary losses amounted to ¥113,052 million, a deterioration of ¥1,726 million from the previous fiscal year.

Net Loss for this Fiscal Year

This fiscal year, since the Group used ¥1,760 million of its reserve for fluctuations in water level pursuant to the Electric Utility Industry Law, the net loss for this fiscal year (before adjusting for tax and other factors) amounted to ¥114,812 million. The net loss for the current fiscal year, after subtracting corporate taxes and minority interests in subsidiaries, was ¥148,375 million, a deterioration of ¥50,967 million over the previous fiscal year.

Financial Position

Cash Flow

As for cash flow from business activities, although the amount paid for thermal fuel costs increased because of the suspension of the operations at our nuclear power plants, the increase in per-unit price based on the fuel cost adjustment system pushed up revenue from lighting and power, and the amount paid for corporate taxes decreased. Consequently, income increased ¥99,894 million (28.7%) from the previous fiscal year to ¥447,666 million.

Regarding cash flow from investment activities, increased expenditures on capital investments and other factors caused expenditures to increase ¥37,676 million (10.7%) over the previous fiscal year to ¥388,662 million.

As to cash flow from financial activities, the Group saw a net outflow of ¥86,672 million, an increase of ¥266,081 million in expenditures compared with the previous fiscal year; this is because the Group applied funds on hand in conjunction with free cash flow, which was generated from the above-mentioned developments, to the repayment of interest-bearing liabilities.

As a result, the balance of cash and cash equivalents at the end of the fiscal year under review totaled ¥303,399 million, a decrease of ¥29,062 million (8.7%) compared with the end of the previous fiscal year.

Assets, Liabilities, and Net Assets

Assets

Total assets decreased ¥34,141 million (0.4%) as compared with the end of the previous fiscal year to ¥7,743,378 million due partly to a decrease in short-term investments (certificates of deposit).

Liabilities

Although interest-bearing liabilities decreased ¥81,582 million (1.9%) as compared with the end of the previous fiscal year, an increase in accounts payable and other factors pushed up total liabilities ¥118,797 million (1.8%) from the end of the previous fiscal year to ¥6,683,158 million.

Net Assets

Due to the net loss of ¥148,375 million posted for the current fiscal year and other factors, total net assets fell ¥152,938 million (12.6%) to ¥1,060,219 million from the end of the previous fiscal year.

The capital adequacy ratio dropped 1.9% from the end of the previous fiscal year to 13.4%.

Also, net assets per share were ¥1,159.53, down ¥170.95 compared with the end of the previous fiscal year.

Financial Results and Analysis (Consolidated)

The Kansai Electric Power Company, Incorporated and Subsidiaries

Dividend Policy

To appropriately divide the results of business operations among all of its shareholders, the Company has made the stable payment of dividends a core part of its basic policy for returning profits to shareholders.

However, despite our all-out efforts in realizing early restart of our nuclear plants and achieving thorough operational efficiency, we incurred a large loss again in FY2014 and remain in extremely severe imbalance between revenue and expenditures. And the outlook for the business environment is still unclear. Amid such circumstances, we have given priority to ensure a sound financial standing and, much to our regret, decided not to pay a year-end dividend for the current period.

Given the uncertain business conditions ahead, the question of whether a dividend will be paid next year is yet to be decided.

We will remain committed to achieve restart of our nuclear plants, stable supply and demand and maximum operational efficiency, thereby recovering balance between revenue and expenditures.

Business and Other Risks

The following is a description of the principal risks that could impact the operating results and financial position of the Kansai Electric Power Group (which is comprised of Kansai Electric Power and its consolidated subsidiaries).

The information shown here is based on the Group's estimate as of June 26, 2015. Circumstances may be influenced by future changes in economic conditions or changes in energy policies or environmental policies related to nuclear power generation, particularly given the situation that resulted from the Great East Japan Earthquake and the subsequent accident at TEPCO's Fukushima Daiichi Nuclear Power Plant.

(1) Economic Conditions

Because the total electricity sales volume in the electric power industry varies depending on economic trends and energy-saving efforts, the Group's business performance can be impacted by economic conditions and conditions of supply and demand.

(2) Changes in the Environment Surrounding the Electric Power Business

In the electrical power business, the shape of future energy mix and the direction taken in reviewing the details of the future electrical power system, such as full liberalization of retail sale and legal separation of electrical power production from power distribution and transmission, could end up leading to massive changes in the power supply structure and further increases in competition with other companies.

Back-end nuclear power operations, such as the reprocessing of spent fuel, have an extremely long time span and are subject to various uncertainties. However, risks faced by power utilities have been mitigated by the government's regulatory measures. Costs related to the nuclear fuel cycle, including back-end nuclear power operations, may increase due to future institutional changes, the application of new accounting principles, changes in future cost estimates, and other factors.

Also, our general contribution to the Nuclear Damage Compensation and Decommissioning Facilitation Corporation could increase, depending on future changes in the total amount of the allocation and fluctuations in the burden ratio.

Furthermore, in our global warming policies, we may be held liable for additional costs in the future, depending on the environmental policies adopted in Japan and the trends in international frameworks.

These changes in the environment facing the electric power business could have an impact on the Group's performance.

(3) Other Businesses

The electric power business accounted for 86.3% of the Group's operating revenue for the fiscal year under review, but the Group is also focused on developing business operations in three other areas with a view toward ensuring sustained growth: IT/communications, comprehensive energy supply, and amenity services in daily life. The Group's business performance could be impacted by changes in the business conditions in these areas, including technological innovations and heightened competition with other companies.

(4) Climate Conditions

Because total electricity sales volumes in the electric power business are affected by heating and cooling demand, the Group's performance is potentially affected by climate conditions (particularly temperature), especially in summer and winter.

Thermal fuel costs fluctuate based on changes in the amount of power generated by hydroelectric power plants due to variations in annual rainfall and snowfall totals. Some adjustments can be made using the reserve for fluctuations in water level system, but the Group's business performance can still be affected by these fluctuations.

(5) Fuel Price Fluctuations

The main thermal fuels used in the electric power business are LNG, crude oil, and coal. Thus, the Group's business performance is potentially impacted by fluctuations in fuel costs caused by trends in crude oil prices, foreign exchange rates, price negotiations, and other factors.

However, Japan has a fuel cost adjustments system such that changes in crude oil prices, foreign exchange rates, and other factors are reflected in electricity rates. When fuel cost fluctuations are within a given range, electricity rates can be adjusted to mitigate their impact on the Group's business performance.

(6) Interest Rate Fluctuations

The Group's interest-bearing liabilities (consolidated) totaled ¥4,315,256 million as of the end of March 2015 (55.7% of total assets), suggesting that the Group's performance could be impacted by future fluctuations in market interest rates.

However, 95.1% (¥4,103,577 million) of those interest-bearing liabilities are in the form of long-term loans and bonds, most of which have fixed interest rates. Thus, the impact of interest rate fluctuations on the Group's business performance is limited.

(7) Operational Risk

The Group, which is primarily involved in the electric power business, possesses a large number of facilities, including power distribution facilities. To ensure safe and stable supplies of electricity and other products and services, the Group develops and maintains facilities including nuclear power-related facilities, ensures that operations are conducted with safety as the highest priority, and implements robust measures to ensure full compliance. However, if a natural disaster such as a typhoon, earthquake, or tsunami were to strike, or if an equipment failure or compliance problem were to in some way impede the operation of the Company's facilities or the power supply facilities of other companies from which the Company receives electricity, the business performance of the Group could be affected.

In addition, in the event that compliance with new nuclear power regulatory requirements, lawsuits and other factors result in a prolonged suspension of operations at our nuclear power plants, because of the Company's higher ratio of nuclear power production than other power companies, the Group's business performance could be greatly impacted by an increase in costs for substitute thermal fuel and other factors.

(8) Information Management

The Group is working to ensure strict and appropriate management of the customer information and other important business-related information in its possession by reinforcing information systems, establishing internal rules, and training employees on related issues, but the Group's business performance may be affected in the event that such information is divulged outside the Group.

Consolidated Balance Sheets

The Kansai Electric Power Company, Incorporated and its Subsidiaries
March 31, 2015

ASSETS

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	**2015**
PROPERTY:			
Utility plant and equipment	**¥ 14,586,865**	¥ 14,373,359	**$ 121,284,320**
Other plant and equipment (Note 7)	**1,780,141**	1,668,362	**14,801,212**
Construction in progress	**405,822**	457,784	**3,374,263**
Contributions in aid of construction	**(476,240)**	(471,200)	**(3,959,759)**
Accumulated depreciation and amortization	**(11,724,465)**	(11,433,308)	**(97,484,539)**
Plant and equipment - net (Note 4)	**4,572,123**	4,594,997	**38,015,497**
Nuclear fuel, net of amortization (Note 2.d)	**530,065**	528,955	**4,407,296**
Property - net	**5,102,189**	5,123,952	**42,422,794**
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Notes 5 and 16)	**202,542**	191,377	**1,684,062**
Investments in and advances to associated companies	**321,478**	306,787	**2,672,969**
Reserve fund for reprocessing of irradiated nuclear fuel (Note 16)	**551,395**	574,553	**4,584,649**
Special account related to nuclear power decommissioning (Notes 2.n and 3)	**28,095**		**233,606**
Deferred tax assets (Note 12)	**496,791**	514,509	**4,130,634**
Other assets (Note 7)	**127,051**	108,648	**1,056,384**
Total investments and other assets	**1,727,354**	1,695,875	**14,362,307**
CURRENT ASSETS:			
Cash and cash equivalents (Notes 7 and 16)	**303,399**	332,461	**2,522,650**
Accounts receivable (Note 16)	**231,991**	233,398	**1,928,924**
Allowance for doubtful accounts	**(2,087)**	(2,326)	**(17,359)**
Inventories (Notes 6 and 7)	**148,614**	159,000	**1,235,672**
Deferred tax assets (Note 12)	**50,353**	48,178	**418,667**
Other current assets (Notes 5, 7 and 16)	**181,563**	186,979	**1,509,634**
Total current assets	**913,834**	957,691	**7,598,189**
TOTAL	**¥ 7,743,378**	¥ 7,777,519	**$ 64,383,291**

See notes to consolidated financial statements.

LIABILITIES AND EQUITY

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	**2015**
LONG-TERM LIABILITIES:			
Long-term debt, less current maturities (Notes 7 and 16)	**¥ 3,547,143**	¥ 3,782,894	**$ 29,493,169**
Liability for retirement benefits (Note 8)	**412,507**	360,292	**3,429,845**
Reserve for reprocessing of irradiated nuclear fuel (Note 2.j)	**643,985**	664,854	**5,354,496**
Asset retirement obligations (Notes 2.k and 9)	**414,425**	402,803	**3,445,794**
Deferred tax liabilities (Note 12)	**380**	225	**3,165**
Other long-term liabilities	**196,730**	147,166	**1,635,744**
Total long-term liabilities	**5,215,173**	5,358,236	**43,362,215**
CURRENT LIABILITIES:			
Current maturities of long-term debt (Notes 7 and 16)	**580,254**	428,869	**4,824,597**
Short-term borrowings (Notes 10 and 16)	**211,679**	210,783	**1,760,035**
Accounts payable (Notes 7 and 16)	**305,782**	268,974	**2,542,469**
Payable to associated companies	**22,715**	24,094	**188,867**
Accrued income taxes (Note 16)	**2,997**	2,339	**24,924**
Accrued expenses and other current liabilities	**335,864**	264,133	**2,792,587**
Total current liabilities	**1,459,294**	1,199,193	**12,133,483**
RESERVE FOR FLUCTUATIONS IN WATER LEVEL	**8,690**	6,930	**72,259**
COMMITMENTS AND CONTINGENCIES (Notes 14 and 19)			
EQUITY (Note 11):			
Common stock - authorized, 1,784,059,697 shares; issued, 938,733,028 shares in 2015 and 2014	**489,320**	489,320	**4,068,518**
Capital surplus	**66,634**	66,634	**554,041**
Retained earnings	**507,562**	656,909	**4,220,191**
Treasury stock - at cost: 45,215,808 shares in 2015 and 45,193,049 shares in 2014	**(96,330)**	(96,292)	**(800,952)**
Accumulated other comprehensive income:			
Unrealized gain on available-for-sale securities	**71,293**	50,301	**592,779**
Deferred gain on derivatives under hedge accounting	**1,696**	5,031	**14,102**
Foreign currency translation adjustments	**16,393**	9,434	**136,304**
Defined retirement benefit plans	**(20,531)**	7,495	**(170,710)**
Total	**1,036,038**	1,188,835	**8,614,274**
Minority interests	**24,181**	24,322	**201,057**
Total equity	**1,060,219**	1,213,158	**8,815,332**
TOTAL	**¥ 7,743,378**	¥ 7,777,519	**$ 64,383,291**

See notes to consolidated financial statements.

Consolidated Statements of Operations

The Kansai Electric Power Company, Incorporated and its Subsidiaries
Year Ended March 31, 2015

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
OPERATING REVENUES:			
Electric	¥ 2,939,651	¥ 2,859,887	$ 24,442,099
Other	466,378	467,597	3,877,764
Total operating revenues	3,406,030	3,327,484	28,319,864
OPERATING EXPENSES (Note 13):			
Electric	3,072,016	2,981,770	25,542,666
Other	412,614	417,425	3,430,734
Total operating expenses	3,484,630	3,399,196	28,973,400
OPERATING LOSS	(78,600)	(71,711)	(653,536)
OTHER (INCOME) EXPENSES:			
Interest and dividend income	(15,691)	(12,537)	(130,470)
Interest expense	55,373	56,621	460,414
Equity in earnings of associated companies	(10,061)	(8,896)	(83,660)
Other—net	4,831	4,428	40,172
Total other expenses	34,451	39,615	286,455
LOSS BEFORE PROVISION FOR (REVERSAL OF) RESERVE FOR FLUCTUATIONS IN WATER LEVEL, INCOME TAXES, AND MINORITY INTERESTS	(113,052)	(111,326)	(939,991)
PROVISION FOR (REVERSAL OF) RESERVE FOR FLUCTUATIONS IN WATER LEVEL	1,760	(3,184)	14,635
LOSS BEFORE INCOME TAXES AND MINORITY INTERESTS	(114,812)	(108,142)	(954,626)
INCOME TAXES (Note 12):			
Current	5,102	5,252	42,421
Deferred	28,142	(16,151)	233,996
Total income taxes	33,244	(10,899)	276,418
NET LOSS BEFORE MINORITY INTERESTS	(148,057)	(97,242)	(1,231,044)
MINORITY INTERESTS IN NET INCOME	317	165	2,643
NET LOSS	¥ (148,375)	¥ (97,408)	$ (1,233,687)

	Yen		U.S. Dollars
	2015	2014	2015
PER SHARE OF COMMON STOCK (Notes 2.s and 20):			
Basic net loss	¥ (166.06)	¥ (109.01)	$ (1.38)

See notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income

The Kansai Electric Power Company, Incorporated and its Subsidiaries
Year Ended March 31, 2015

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	**2015**
NET LOSS BEFORE MINORITY INTERESTS	**¥ (148,057)**	¥ (97,242)	**$ (1,231,044)**
OTHER COMPREHENSIVE (LOSS) INCOME (Note 18):			
Unrealized gain on available-for-sale securities	**16,508**	6,084	**137,264**
Deferred (loss) gain on derivatives under hedge accounting	**(2,517)**	848	**(20,932)**
Foreign currency translation adjustments	**3,681**	15,877	**30,607**
Defined retirement benefit plans	**(29,878)**		**(248,428)**
Share of other comprehensive income in associates	**8,317**	2,131	**69,153**
Total other comprehensive (loss) income	**(3,888)**	24,941	**(32,333)**
COMPREHENSIVE LOSS	**¥ (151,946)**	¥ (72,300)	**$ (1,263,378)**
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:			
Owners of the parent	**¥ (151,787)**	¥ (75,393)	**$ (1,262,054)**
Minority interests	**(159)**	3,092	**(1,323)**

See notes to consolidated financial statements.

Consolidated Statements of Changes in Equity

The Kansai Electric Power Company, Incorporated and its Subsidiaries
Year Ended March 31, 2015

		Millions of Yen										
						Accumulated Other Comprehensive Income						
	Number of Shares of Common Stock Outstanding	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Gain on Available-for-Sale Securities	Deferred Gain on Derivatives under Hedge Accounting	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans	Total	Minority Interests	Total Equity
BALANCE, APRIL 1, 2013	938,733,028	¥ 489,320	¥ 66,634	¥ 754,319	¥ (96,270)	¥ 43,411	¥ 4,611	¥ (5,269)		¥ 1,256,757	¥ 21,349	¥ 1,278,106
Net loss				(97,408)						(97,408)		(97,408)
Purchase of treasury stock					(51)					(51)		(51)
Disposal of treasury stock			(1)		29					27		27
Transfer to capital surplus from retained earnings			1	(1)								
Net change in the year						6,890	420	14,703	¥ 7,495	29,510	2,973	32,483
BALANCE, MARCH 31, 2014 (APRIL 1, 2014, as previously reported)	938,733,028	489,320	66,634	656,909	(96,292)	50,301	5,031	9,434	7,495	1,188,835	24,322	1,213,158
Cumulative effects of accounting change (Note 2.i)				(970)						(970)	32	(937)
BALANCE, APRIL 1, 2014 (as restated)		489,320	66,634	655,939	(96,292)	50,301	5,031	9,434	7,495	1,187,865	24,355	1,212,221
Net loss				(148,375)						(148,375)		(148,375)
Purchase of treasury stock					(40)					(40)		(40)
Disposal of treasury stock			(1)		3					1		1
Transfer to capital surplus from retained earnings			1	(1)								
Net change in the year						20,991	(3,335)	6,958	(28,027)	(3,411)	(174)	(3,586)
BALANCE, MARCH 31, 2015	938,733,028	¥ 489,320	¥ 66,634	¥ 507,562	¥ (96,330)	¥ 71,293	¥ 1,696	¥ 16,393	¥ (20,531)	¥ 1,036,038	¥ 24,181	¥ 1,060,219

	Thousands of U.S. Dollars (Note 1)										
					Accumulated Other Comprehensive Income						
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Gain on Available-for-Sale Securities	Deferred Gain on Derivatives under Hedge Accounting	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans	Total	Minority Interests	Total Equity
BALANCE, MARCH 31, 2014 (APRIL 1, 2014, as previously reported)	$ 4,068,518	$ 554,041	$ 5,461,959	$ (800,638)	$ 418,240	$ 41,834	$ 78,443	$ 62,323	$ 9,884,723	$ 202,235	$ 10,086,959
Cumulative effects of accounting change (Note 2.i)			(8,067)						(8,067)	272	(7,794)
BALANCE, APRIL 1, 2014 (as restated)	4,068,518	554,041	5,453,892	(800,638)	418,240	41,834	78,443	62,323	9,876,656	202,508	10,079,165
Net loss			(1,233,687)						(1,233,687)		(1,233,687)
Purchase of treasury stock				(339)					(339)		(339)
Disposal of treasury stock		(13)		25					12		12
Transfer to capital surplus from retained earnings		13	(13)								
Net change in the year					174,538	(27,732)	57,861	(233,034)	(28,366)	(1,450)	(29,817)
BALANCE, MARCH 31, 2015	$ 4,068,518	$ 554,041	$ 4,220,191	$ (800,952)	$ 592,779	$ 14,102	$ 136,304	$ (170,710)	$ 8,614,274	$ 201,057	$ 8,815,332

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

The Kansai Electric Power Company, Incorporated and its Subsidiaries
Year Ended March 31, 2015

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	**2015**
OPERATING ACTIVITIES:			
Loss before income taxes and minority interests	**¥ (114,812)**	¥ (108,142)	**$ (954,626)**
Adjustments for:			
Income taxes - refund (paid)	**843**	(20,075)	**7,015**
Depreciation and amortization	**385,350**	382,821	**3,204,040**
Decommissioning cost of nuclear power units	**9,407**	6,021	**78,215**
Amortization of nuclear fuel		4,802	
Loss on disposal of property, plant, and equipment	**9,370**	8,807	**77,913**
Nuclear fuel transferred to reprocessing costs	**18,240**	15,805	**151,663**
Changes in assets and liabilities:			
Decrease in reserve fund for reprocessing of irradiated nuclear fuel	**23,157**	18,977	**192,544**
Decrease (increase) in accounts receivable	**1,674**	(44,960)	**13,920**
Decrease in interest and dividends receivable	**10,160**	8,160	**84,478**
(Decrease) increase in accounts payable	**(24,284)**	19,540	**(201,917)**
Decrease in interest payable	**(924)**	(475)	**(7,690)**
Increase in liability for retirement benefits	**9,086**	2,981	**75,547**
Increase (decrease) in reserve for fluctuations in water level	**1,760**	(3,184)	**14,635**
Decrease in reserve for reprocessing of irradiated nuclear fuel	**(20,868)**	(19,275)	**(173,516)**
Other - net	**139,508**	75,966	**1,159,956**
Total adjustments	**562,479**	455,914	**4,676,806**
Net cash provided by operating activities	**447,666**	347,772	**3,722,179**
INVESTING ACTIVITIES:			
Purchases of property, plant, and equipment	**(415,859)**	(397,991)	**(3,457,716)**
Payments for investments and advances	**(8,267)**	(5,201)	**(68,740)**
Proceeds from sales of investments or collections of advances	**30,608**	34,005	**254,497**
Other - net	**4,856**	18,201	**40,380**
Net cash used in investing activities	**(388,662)**	(350,985)	**(3,231,579)**
FINANCING ACTIVITIES:			
Proceeds from issuance of bonds	**99,429**	159,201	**826,719**
Proceeds from long-term debt (exclusive of bonds)	**250,412**	398,158	**2,082,084**
Proceeds from short-term loans	**446,853**	446,137	**3,715,417**
Redemption of bonds	**(149,905)**	(220,007)	**(1,246,408)**
Repayments of long-term debt (exclusive of bonds)	**(282,094)**	(218,442)	**(2,345,513)**
Repayments of short-term loans	**(445,975)**	(381,362)	**(3,708,123)**
Other - net	**(5,391)**	(4,275)	**(44,828)**
Net cash (used in) provided by financing activities	**(86,672)**	179,408	**(720,652)**
NET CASH (USED IN) PROVIDED BY OPERATING, INVESTING, AND FINANCING ACTIVITIES	**(27,668)**	176,195	**(230,052)**
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(1,393)**	814	**(11,587)**
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(29,062)**	177,010	**(241,640)**
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**332,461**	155,451	**2,764,290**
CASH AND CASH EQUIVALENTS, END OF YEAR	**¥ 303,399**	¥ 332,461	**$ 2,522,650**

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

The Kansai Electric Power Company, Incorporated and its Subsidiaries
Year Ended March 31, 2015

1. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act, the Electricity Utilities Industry Act, and the related accounting regulations and in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

Japanese yen figures less than a million yen are rounded down to the nearest million yen, except for per-share data.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which The Kansai Electric Power Company, Incorporated (the "Company") is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥120.27 to $1, the approximate rate of exchange at March 31, 2015. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

U.S. dollar figures less than a thousand dollars are rounded down to the nearest thousand dollars, except for per-share data.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Principles of Consolidation and Accounting for Investments in Associated Companies - The consolidated financial statements as of March 31, 2015, include the accounts of the Company and all (62 in 2015 and 59 in 2014) subsidiaries (collectively, the "Companies").

Under the control and influence concepts, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Company has the ability to exercise significant influence are accounted for by the equity method.

Investments in four (four in 2014) associated companies are accounted for by the equity method. Investments in the remaining associated companies are stated at cost. Had the equity method been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would be immaterial.

The excess of the cost of acquisition over the fair value of the net assets of the acquired subsidiary or associated company and business at the date of acquisition is amortized over a period of five to 20 years.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Companies is also eliminated.

b. Subsidiaries' Fiscal Year End - The fiscal year end of six subsidiaries is December 31. The Company consolidates such subsidiaries' financial statements using their financial results for the year ended December 31. The effects of any significant transactions during the period between the subsidiaries' fiscal year end and the Company's fiscal year end are reflected in the consolidated financial statements.

c. Business Combination - In October 2003, the Business Accounting Council issued a Statement of Opinion, "Accounting for Business Combinations," and in December 2005, the Accounting Standards Board of Japan (ASBJ) issued ASBJ Statement No. 7, "Accounting Standard for Business Divestitures," and ASBJ Guidance No. 10, "Guidance for Accounting Standard for Business Combinations and Business Divestitures." The accounting standard for business combinations allowed companies to apply the pooling-of-interests method of accounting only when certain specific criteria are met such that the business combination is essentially regarded as a uniting-of-interests. For business combinations that do not meet the uniting-of-interests criteria, the business combination is considered to be an acquisition and the purchase method of accounting is required. This standard also prescribes the accounting for combinations of entities under common control and for joint ventures.

In December 2008, the ASBJ issued a revised accounting standard for business combinations, ASBJ Statement No. 21, "Accounting Standard for Business Combinations." Major accounting changes under the revised accounting standard are as follows: (1) The revised standard requires accounting for business combinations only by the purchase method. As a result, the pooling-of-interests method of accounting is no longer allowed. (2) The previous accounting standard required research and development costs to be charged to income as incurred. Under the revised standard, in-process research and development costs acquired in the business combination are capitalized as an intangible asset. (3) The previous accounting standard provided for a bargain purchase gain (negative goodwill) to be systematically amortized over a period not exceeding 20 years. Under the revised standard, the acquirer recognizes the bargain purchase gain in profit or loss immediately on the acquisition date after reassessing and confirming that all of the assets acquired and all of the liabilities assumed have been identified after a review of the procedures used in the purchase price allocation. The revised standard was applicable to business combinations undertaken on or after April 1, 2010.

d. **Property, Depreciation, and Amortization** - Property is stated at cost. Contributions in aid of construction, which include certain amounts assessed to and collected from customers, are deducted from the costs of the related assets in accordance with the regulations.

Depreciation is principally computed by the declining-balance method based on the estimated useful lives of the assets.

Amortization of nuclear fuel is computed based on the quantity of heat produced for the generation of electricity. Accumulated amortization of nuclear fuel at March 31, 2015 and 2014, was ¥108,314 million ($900,596 thousand) and ¥108,314 million, respectively.

e. **Impairment of Fixed Assets** - The Companies review their fixed assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

f. **Investment Securities** - The Companies' securities are classified and accounted for as follows: (1) held-to-maturity debt securities, for which management has the positive intent and ability to hold to maturity, are reported at amortized cost; (2) available-for-sale securities whose fair value is not readily determinable are reported at cost; and (3) available-for-sale securities whose fair value is readily determinable are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported as a separate component of equity.

The cost of securities sold is determined by the moving-average method.

g. **Cash Equivalents** - Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value.

Cash equivalents include time deposits, certificates of deposit, commercial paper, and bond funds, all of which mature or become due within three months of the date of acquisition.

h. **Inventories** - Inventories, mainly fuel, are stated at the lower of cost, determined by the average method or net selling value.

i. **Retirement and Pension Plan** - The Company and certain of its consolidated subsidiaries have defined contribution pension plans, unfunded defined benefit pension plans, contributory funded pension plans, and unfunded lump-sum severance payment plans.

The Companies account for the liability for retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date.

Prior service cost is being amortized by the straight-line method over a period of principally three years. Actuarial gains or losses are being recognized by the straight-line method over a period of principally three years.

In May 2012, the ASBJ issued ASBJ Statement No. 26, "Accounting Standard for Retirement Benefits" and ASBJ Guidance No. 25, "Guidance on Accounting Standard for Retirement Benefits," which replaced the accounting standard for retirement benefits that had been issued by the Business Accounting Council in 1998 with an effective date of April 1, 2000, and the other related practical guidance, and were followed by partial amendments from time to time through 2009.

(a) Under the revised accounting standard, actuarial gains and losses and past service costs that are yet to be recognized in profit or loss are recognized within equity (accumulated other comprehensive income), after adjusting for tax effects, and any resulting deficit or surplus is recognized as a liability (liability for retirement benefits) or asset (asset for retirement benefits).

(b) The revised accounting standard does not change how to recognize actuarial gains and losses and past service costs in profit or loss. Those amounts are recognized in profit or loss over a certain period no longer than the expected average remaining service period of the employees. However, actuarial gains and losses and past service costs that arose in the current period and have not yet been recognized in profit or loss are included in other comprehensive income, and actuarial gains and losses and past service costs that were recognized in other comprehensive income in prior periods and then recognized in profit or loss in the current period, are treated as reclassification adjustments (see Note 18).

(c) The revised accounting standard also made certain amendments relating to the method of attributing expected benefit to periods, the discount rate, and expected future salary increases.

This accounting standard and the guidance for (a) and (b) above are effective for the end of annual periods beginning on or after April 1, 2013, and for (c) above are effective for the beginning of annual periods beginning on or after April 1, 2014, or for the beginning of annual periods beginning on or after April 1, 2015, subject to certain disclosure in March 2015, all with earlier application being permitted from the beginning of annual periods beginning on or after April 1, 2013. However, no retrospective application of this accounting standard to consolidated financial statements in prior periods is required.

The Companies applied the revised accounting standard and guidance for retirement benefits for (a) and (b) above, effective March 31, 2014, and for (c) above, effective April 1, 2014.

With respect to (c) above, the Companies did not change the method of attributing the expected benefit to periods from a straight-line basis, while the Companies changed the method of determining the discount rate from using the period which approximates the expected average remaining service period to using a single weighted-average discount rate reflecting the estimated timing and amount of benefit payment, and recorded the effect of (c) above as of April 1, 2014, in retained earnings.

It is expected that the effects of applying the revised method for (c) are immaterial.

j. **Reserve for Reprocessing of Irradiated Nuclear Fuel** - The Company provided a reserve for the reprocessing of irradiated nuclear fuel at the present value of the amount that would be required to reprocess only the irradiated nuclear fuel actually planned to be reprocessed in accordance with the accounting standard applicable to the electricity industry.

The cumulative effect of the adoption of the accounting standard of ¥312,810 million as of April 1, 2005, which was adjusted in accordance with the Irradiated Nuclear Fuel Reprocessing Fund Act, is being amortized over 15 years. The unrecognized portion of such cumulative effect was ¥103,691 million ($862,154 thousand) and ¥124,429 million at March 31, 2015 and 2014, respectively.

The estimated future reprocessing costs are discounted at 1.5% at March 31, 2015 and 2014, for the quantity of the irradiated nuclear fuel covered by the definite reprocessing plan.

The unrecognized estimation gain of ¥181,271 million ($1,507,202 thousand) and gain of ¥27,294 million at March 31, 2015 and 2014, respectively, resulting from the difference in assumptions for calculations of the reserve, such as expected future cash flows and the discount rate, will be recognized over a period for which irradiated fuel actually planned to be reprocessed is generated.

Regarding the quantity of the irradiated nuclear fuel not covered by the definite reprocessing plan, the reserve was established from April 1, 2006, in accordance with the accounting standard applicable to the electricity industry. The estimated future reprocessing costs are discounted at 4% at March 31, 2015 and 2014.

k. **Asset Retirement Obligations** - In March 2008, the ASBJ issued ASBJ Statement No. 18, “Accounting Standard for Asset Retirement Obligations,” and ASBJ Guidance No. 21, “Guidance on Accounting Standard for Asset Retirement Obligations.” Under this accounting standard, an asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development, and the normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset. The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense in the appropriate manner. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an adjustment to the carrying amount of the liability and the capitalized amount of the related asset retirement cost. This standard was effective for fiscal years beginning on or after April 1, 2010.

The Company applied this accounting standard effective April 1, 2010. The Company mainly recognizes an asset retirement obligation with regard to the costs for decommissioning of nuclear power units, which are regulated under the Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material, and Reactors. The amount of this asset retirement obligation is based on the total estimation amount of decommissioning of nuclear power units. The estimated useful life is equal to the expected safe storage period and the expected operating period of a specific nuclear power unit, and a discount rate of 2.3% is used. In addition, in accordance with the ASBJ Guidance No. 21 and the Ministerial Ordinance Concerning Reserve for Decommissioning of Nuclear Power Units, the asset retirement cost is subsequently allocated to expenses based on the straight-line method throughout the expected safe storage period and the expected operating period.

On October 1, 2013, the “Ministry Order Relating to Reserves for Decommissioning of Nuclear Power Plants” following the enforcement of the “Ministry Order Relating to the Partial Revision of Ordinance on Accounting at Electricity Utilities” (Ordinance of the Ministry of Economy, Trade and Industry No. 52, 2013; “Revised Ordinance”) was revised.

As a result of the revision, effective October 1, 2013, the estimated useful life used in the calculation of asset retirement obligations was changed from the expected operating period that was previously used to the period for which the expected safe storage period has been added to the expected operating period.

The allocation of asset retirement obligations was also changed from the past method, in which the allocation is proportional to the amount of nuclear power produced, to a method in which the allocation is based on the straight-line method throughout a period for which the expected safe storage period has been added to the expected operating period.

l. **Reserve for Fluctuations in Water Level** - A reserve for fluctuations in water level is provided for costs expected to be incurred from insufficient water levels in accordance with the Electricity Utilities Industry Act and Ordinance on Accounting at Electricity Utilities.

m. **Leases** - In March 2007, the ASBJ issued ASBJ Statement No. 13, “Accounting Standard for Lease Transactions,” which revised the previous accounting standard for lease transactions issued. The revised accounting standard for lease transactions was effective for fiscal years beginning on or after April 1, 2008, with early adoption permitted for fiscal years beginning on or after April 1, 2007.

As lessee

Under the previous accounting standard, finance leases that were deemed to transfer ownership of the leased property to the lessee were capitalized. However, other finance leases were permitted to be accounted for as operating lease transactions if certain “as-if capitalized” information was disclosed in the notes to the lessee’s consolidated financial statements. The revised accounting standard requires that all finance lease transactions be capitalized by recognizing lease assets and lease obligations in the balance sheet. In addition, the revised accounting standard permits leases which existed at the transition date and do not transfer ownership of the leased property to the lessee to be accounted for as operating lease transactions with certain “as-if capitalized” information disclosed in the notes to the lessee’s consolidated financial statements.

The Companies applied the revised accounting standard effective April 1, 2008. In addition, the Companies accounted for leases that existed at the transition date and do not transfer ownership of the leased property to the lessee as operating lease transactions. However, the Companies do not disclose “as-if capitalized” information because there is an immaterial effect on the consolidated financial statements.

As lessor

Under the previous accounting standard, finance leases that were deemed to transfer ownership of the leased property to the lessee were to be treated as sales. However, other finance leases were permitted to be accounted for as operating lease transactions if certain “as-if sold” information was disclosed in the notes to the lessor’s consolidated financial statements. The revised accounting standard requires that all finance leases that deem to transfer ownership of the leased property to the lessee should be recognized as lease receivables, and all finance leases that do not deem to transfer ownership of the leased property to the lessee should be recognized as investments in leases.

All other leases are accounted for as operating leases.

n. **Special Account Related to Nuclear Power Decommissioning** - The Special account related to nuclear power decommissioning shall be amortized in relation to the collection of the regulated power fees after the date of approval of the Minister of Economy, Trade and Industry pursuant to Article 28-2 of Ordinance on Accounting at Electricity Utilities.

o. **Income Taxes** - The provision for income taxes is computed based on the pretax income included in the consolidated statement of operations. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted income tax rates to the temporary differences.

The Companies file a tax return under the consolidated corporate tax system, which allows companies to base tax payments on the combined profits or losses of the parent company and its wholly owned domestic subsidiaries.

p. **Foreign Currency Transactions** - All receivables and payables denominated in foreign currencies are translated into Japanese yen at the current exchange rates as of the balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated statement of operations to the extent that they are not hedged by the forward exchange contracts.

q. **Foreign Currency Financial Statements** - The balance sheet accounts of the consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rate as of the balance sheet date, except for equity, which is translated at the historical rate. Revenue and expense accounts of consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rate as of the balance sheet date. Differences arising from such translation are shown as "Foreign currency translation adjustments" under accumulated other comprehensive income in a separate component of equity.

r. **Derivatives and Hedging Activities** - The Companies principally use foreign exchange forward contracts, currency swaps, interest rate swaps, and commodity swaps in the normal course of business to manage their exposures to fluctuations in foreign exchange, interest rates, fuel prices, and so on. The Companies do not enter into derivatives for trading or speculative purposes. Derivative financial instruments are classified and accounted for as follows: (1) all derivatives are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the consolidated statement of operations and (2) for derivatives used for hedging purposes, if such derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on those derivatives are deferred until maturity of the hedged transactions.

Assets and liabilities denominated in foreign currencies for which foreign exchange forward contracts and currency swaps are used to hedge the foreign currency fluctuations are translated at the contracted rate if the forward contracts and currency swaps qualify for hedge accounting.

The interest rate swaps that qualify for hedge accounting and meet specific matching criteria are not remeasured at fair value, but the differential paid or received under the swap agreements is recognized and included in interest expense or income.

s. **Per-Share Information** - Basic net income or loss per share is computed by dividing net income or loss available to common shareholders by the weighted-average number of common shares outstanding in each period, retroactively adjusted for stock splits.

Cash dividends per share presented in the accompanying consolidated statement of operations are dividends applicable to the respective years, including dividends to be paid after the end of the year. However, cash dividends per share are not presented because the Company did not pay out dividends for the respective years.

t. **Accounting Changes and Error Corrections** - In December 2009, the ASBJ issued ASBJ Statement No. 24, "Accounting Standard for Accounting Changes and Error Corrections," and ASBJ Guidance No. 24, "Guidance on Accounting Standard for Accounting Changes and Error Corrections." Accounting treatments under this standard and guidance are as follows:

(1) Changes in Accounting Policies - When a new accounting policy is applied following revision of an accounting standard, the new policy is applied retrospectively, unless the revised accounting standard includes specific transitional provisions, in which case the entity shall comply with the specific transitional provisions.

(2) Changes in Presentation - When the presentation of financial statements is changed, prior-period financial statements are reclassified in accordance with the new presentation.

(3) Changes in Accounting Estimates - A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods.

(4) Corrections of Prior-Period Errors - When an error in prior-period financial statements is discovered, those statements are restated.

u. **New Accounting Pronouncements**
Accounting Standards for Business Combinations and Consolidated Financial Statements - In September, 2013, the ASBJ issued revised ASBJ Statement No. 21,

“Accounting Standard for Business Combinations,” revised ASBJ Guidance No. 10, “Guidance on ASBJ Statement for Business Combinations and Business Divestitures,” and revised ASBJ Statement No. 22, “Accounting Standard for Consolidated Financial Statements.”

Major accounting changes are as follows:

Transactions with noncontrolling interest

A parent’s ownership interest in a subsidiary might change if the parent purchases or sells ownership interests in its subsidiary. The carrying amount of minority interest is adjusted to reflect the change in the parent’s ownership interest in its subsidiary while the parent retains its controlling interest in its subsidiary. Under the current accounting standard, any difference between the fair value of the consideration received or paid and the amount by which the minority interest is adjusted is accounted for as an adjustment of goodwill or as profit or loss in the consolidated statement of operations. Under the revised accounting standard, such difference shall be accounted for as capital surplus as long as the parent retains control over its subsidiary.

Presentation of the consolidated balance sheet

In the consolidated balance sheet, “minority interest” under the current accounting standard will be changed to “noncontrolling interest” under the revised accounting standard.

Presentation of the consolidated statement of operations

In the consolidated statement of operations “income before minority interest” under the current accounting standard will be changed to “net income” under the revised accounting standard, and “net income” under the current accounting standard will be changed to “net income attributable to owners of the parent” under the revised accounting standard.

Provisional accounting treatments for a business combination

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, an acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. Under the current accounting standard guidance, the impact of adjustments to provisional amounts recorded in a business combination on profit or loss is recognized as profit or loss in the year in which the measurement is completed. Under the revised accounting standard guidance, during the measurement period, which shall not exceed one year from the acquisition, the acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and that would have affected the measurement of the amounts recognized as of that date. Such adjustments shall be recognized as if the accounting for the business combination had been completed at the acquisition date.

Acquisition-related costs

Acquisition-related costs are costs, such as advisory fees or professional fees, which an acquirer incurs to effect a business combination. Under the current accounting standard, the acquirer accounts for acquisition-related costs by including them in the acquisition costs of the investment. Under the revised accounting standard, acquisition-related costs shall be accounted for as expenses in the periods in which the costs are incurred.

The above accounting standards and guidance for “transactions with noncontrolling interest,” “presentation of the consolidated balance sheet,” “presentation of the consolidated statement of operations,” and “acquisition-related costs” are effective for the beginning of annual periods beginning on or after April 1, 2015. Earlier application is permitted from the beginning of annual periods beginning on or after April 1, 2014, except for “presentation of the consolidated balance sheet” and “presentation of the consolidated statement of operations.” In the case of earlier application, all accounting standards and guidance above, except for “presentation of the consolidated balance sheet” and “presentation of the consolidated statement of operations,” should be applied simultaneously.

Either retrospective or prospective application of the revised accounting standards and guidance for “transactions with noncontrolling interest” and “acquisition-related costs” is permitted. In retrospective application of the revised standards and guidance, the accumulated effects of retrospective adjustment for all “transactions with noncontrolling interest” and “acquisition-related costs” which occurred in the past shall be reflected as adjustments to the beginning balance of capital surplus and retained earnings for the year of the first-time application. In prospective application, the new standards and guidance shall be applied prospectively from the beginning of the year of the first-time application.

The revised standards and guidance for “provisional accounting treatments for a business combination” are effective for a business combination which occurs on or after the beginning of annual periods beginning on or after April 1, 2015. Earlier application is permitted for a business combination which occurs on or after the beginning of annual periods beginning on or after April 1, 2014.

The revised accounting standards and guidance for “presentation of the consolidated balance sheet” and “presentation of the consolidated statement of operations” shall be applied to all periods presented in financial statements containing the first-time application of the revised standards and guidance.

The Company expects to apply the revised accounting standards and guidance for “transactions with noncontrolling interest,” “presentation of the consolidated balance sheet,” “presentation of the consolidated statement of operation,” and “acquisition-related costs” above from April 1, 2015, and for “provisional accounting treatments for a business combination,” above for a business combination which will occur on or after April 1, 2015, and is in the process of measuring the effects of applying the revised accounting standards and guidance in future applicable periods.

3. ACCOUNTING CHANGE

Application of Accounting Treatment Related to Nuclear Reactors for Which Decommissioning Has Been Determined

The “Ordinance on Accounting at Electricity Utilities” following the enforcement of the “Ministry Order Relating to the Partial Revision of Ordinance on Accounting at Electricity Utilities” (Ordinance of the Ministry of Economy, Trade and Industry No. 10, 2015; “Revised Ordinance”) was revised.

As a result of the revision, after the date of enforcement of the Revised Ordinance (March 13, 2015), in the event of decommissioning nuclear reactors in connection with changes in energy policy, it has become possible to post or transfer both the assets and costs described below in items (A) through (C) to a Special account related to nuclear power decommissioning, after submitting an application for approval to the Minister of Economy, Trade and Industry, because they may be recovered through regulated power fees: (A) the nuclear generation equipment included in the nuclear reactor (excluding (i) the fixed asset necessary for decommissioning the nuclear reactor, (ii) the fixed asset for which control of maintenance is necessary even after operation of the nuclear reactor is decommissioned, and (iii) the asset corresponding to the asset retirement obligation), (B) Construction in progress regarding the nuclear generation facility, and book value of the nuclear fuel used for the nuclear reactor (excluding the estimated disposal price of construction in progress and the nuclear fuel (A) and (B) are hereinafter collectively referred to as “Book Value of Nuclear Generation Facility”) and (C) the amount corresponding to (i) cost of reprocessing irradiated nuclear fuel generated in connection with the decommissioning of the nuclear reactor and (ii) costs necessary for separating the components of the nuclear fuel, both generated in connection with decommissioning of the nuclear reactor ((C) is hereinafter referred to as “Equivalent of Costs Related to Nuclear Power Decommissioning”). A special account related to nuclear power decommissioning, to which those items mentioned above are posted and transferred, is to be amortized by Amortization of special account related to nuclear power decommissioning, in relation to the collection of the regulated power fees, after the date on which such approval is obtained.

Accordingly, in the current consolidated fiscal year, the Company submitted an application for approval to the Minister of Economy, Trade and Industry on March 17, 2015, for the transfer to the special account of ¥20,346 million ($169,171 thousand) for the Book Value of Nuclear Generation Facility and ¥7,749 million ($64,435 thousand) for the Equivalent of Costs Related to Nuclear Power Decommissioning concerning Mihama Nuclear Power Station Units 1 and 2 for which decommissioning has been determined. Therefore, ¥28,095 million ($233,606 thousand) has been posted or transferred to the Special account related to nuclear power decommissioning.

As a result of the accounting treatment above, Loss before income taxes and minority interests decreased by ¥28,095 million ($233,606 thousand).

The effect on per share data is stated in Note 20.

Regarding Mihama Nuclear Power Station Units 1 and 2, the following 2 items (a) and (b) are included in Nuclear Power Production facilities (Note 4) at the end of the current consolidated fiscal year: (a) the fixed asset necessary for decommissioning the nuclear reactors and (b) the fixed asset for which control of maintenance is necessary even after the nuclear reactors are decommissioned.

4. PLANT AND EQUIPMENT

Plant and equipment, at carrying value, at March 31, 2015 and 2014, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	**2015**
Hydroelectric power production facilities	**¥ 299,325**	¥ 307,627	**$ 2,488,777**
Thermal power production facilities	**547,514**	507,988	**4,552,374**
Nuclear power production facilities	**360,433**	334,775	**2,996,870**
Transmission facilities	**913,419**	956,098	**7,594,739**
Transformation facilities	**402,550**	404,546	**3,347,059**
Distribution facilities	**833,306**	841,050	**6,928,633**
General facilities	**117,117**	116,750	**973,784**
Other utility facilities	**25,747**	27,395	**214,083**
Other plant and equipment	**666,886**	640,979	**5,544,912**
Construction in progress	**405,822**	457,784	**3,374,263**
Total	**¥ 4,572,123**	¥ 4,594,997	**$ 38,015,497**

Properties which are necessary for nuclear reactor decommissioning and which require maintenance after abolition of their operation are included in nuclear power production facilities. The amount of these facilities is ¥24,415 million ($203,001 thousand).

5. INVESTMENT SECURITIES

The information for available-for-sale securities, whose fair values are readily determinable, and held-to-maturity securities at March 31, 2015 and 2014, is as follows:

	Millions of Yen			
March 31, 2015	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available for sale:				
Equity securities	**¥ 33,976**	**¥ 81,949**	**¥ (229)**	**¥ 115,696**
Debt securities	**2,457**	**1,178**		**3,635**
Held-to-maturity debt securities	**5,694**	**182**		**5,876**

	Millions of Yen			
March 31, 2014	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available for sale:				
Equity securities	¥ 34,361	¥ 61,245	¥ (441)	¥ 95,166
Debt securities	2,591	647	(1)	3,237
Held-to-maturity debt securities	6,284	224	(17)	6,491

	Thousands of U.S. Dollars			
March 31, 2015	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available for sale:				
Equity securities	**$ 282,500**	**$ 681,380**	**$ (1,905)**	**$ 961,975**
Debt securities	**20,429**	**9,801**		**30,230**
Held-to-maturity debt securities	**47,343**	**1,516**		**48,859**

The information for available-for-sale securities, which were sold during the year ended March 31, 2015, is as follows:

	Millions of Yen		
March 31, 2015	Proceeds	Realized Gains	Realized Losses
Securities classified as:			
Available for sale:			
Equity securities	**¥ 14,145**	**¥ 12,684**	
Debt securities			
Held-to-maturity debt securities			
Other	**866**	**866**	
Total	**¥ 15,011**	**¥ 13,550**	

	Thousands of U.S. Dollars		
March 31, 2015	Proceeds	Realized Gains	Realized Losses
Securities classified as:			
Available for sale:			
Equity securities	**$ 117,610**	**$ 105,467**	
Debt securities			
Held-to-maturity debt securities			
Other	**7,203**	**7,203**	
Total	**$ 124,814**	**$ 112,671**	

There were no material sales transactions for available for sale securities during the year ended March 31, 2014.

6. INVENTORIES

Inventories at March 31, 2015 and 2014, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	**2015**
Merchandise and finished products	**¥ 5,584**	¥ 5,120	**$ 46,430**
Work in process	**6,007**	6,690	**49,947**
Raw materials and supplies	**108,390**	116,392	**901,227**
Real estate for sale	**28,632**	30,797	**238,066**
Total	**¥ 148,614**	¥ 159,000	**$ 1,235,672**

7. LONG-TERM DEBT

Long-term debt at March 31, 2015 and 2014, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	**2015**
Secured bonds:			
0.497% to 3.175%, due serially through 2025	**¥ 1,530,559**	¥ 1,580,743	**$ 12,726,026**
0.65% to 3.4% secured loans principally from the Development Bank of Japan maturing serially through 2025:			
The Company	**362,393**	385,019	**3,013,163**
Subsidiaries	**6,006**	7,161	**49,942**
0.26643% to 4.69% (0.185% to 6.0% in 2014), unsecured loans from banks, insurance companies, and other sources maturing serially through 2036	**2,204,618**	2,213,131	**18,330,574**
Obligations under finance leases	**23,820**	25,707	**198,060**
Total	**4,127,397**	4,211,763	**34,317,767**
Less current maturities	**580,254**	428,869	**4,824,597**
Long-term debt, less current maturities	**¥ 3,547,143**	¥ 3,782,894	**$ 29,493,169**

Annual maturities of long-term debt at March 31, 2015, were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2016	¥ 580,254	$ 4,824,597
2017	659,561	5,484,006
2018	721,760	6,001,170
2019	596,928	4,963,240
2020	444,619	3,696,846
2021 and thereafter	1,124,272	9,347,904
Total	¥ 4,127,397	$ 34,317,767

All of the Company's assets are pledged as collateral for the secured bonds and secured loans from the Development Bank of Japan.

The carrying amounts of subsidiaries' assets pledged as collateral for accounts payable of ¥2,139 million ($17,787 thousand) and the above secured loans at March 31, 2015, were as follows:

	Millions of Yen	Thousands of U.S. Dollars
	2015	**2015**
Other plant and equipment	**¥ 21,285**	**$ 176,983**
Cash and cash equivalents	**5**	**41**
Inventories	**1,085**	**9,023**

Furthermore, as of March 31, 2015, Other assets of ¥19,769 million ($164,377 thousand) and Other current assets of ¥80 million ($669 thousand) were also pledged as collateral for long-term debt from financial institutions to investees of certain consolidated subsidiaries.

8. RETIREMENT AND PENSION PLAN

The Company and certain consolidated subsidiaries have severance payment plans for employees.

Under most circumstances, employees terminating their employment with the Companies, either voluntarily or upon reaching the mandatory retirement age, are entitled to retirement benefits based on the rate of pay at the time of termination, years of service, and certain other factors. Such retirement benefits are made in the form of a lump-sum severance payment from the Company or from certain consolidated subsidiaries and annuity payments from a trustee.

In addition, certain consolidated subsidiaries participate in a contributory multiemployer pension plan covering substantially all of their employees.

Years Ended March 31, 2015 and 2014

1. The changes in defined benefit obligation for the years ended March 31, 2015 and 2014, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	**2015**
Balance at beginning of year (as previously reported)	**¥ 363,983**	¥ 361,959	**$ 3,026,384**
Cumulative effect of accounting changes	**837**		**6,961**
Balance at beginning of year (as restated)	**364,820**	361,959	**3,033,346**
Current service cost	**15,524**	15,225	**129,080**
Interest cost	**6,904**	6,963	**57,405**
Actuarial gains	**39,576**	(7,556)	**329,065**
Benefits paid	**(13,715)**	(12,205)	**(114,040)**
Past service cost	**16**		**133**
Others	**3,376**	(403)	**28,075**
Balance at end of year	**¥ 416,503**	¥ 363,983	**$ 3,463,066**

2. The changes in plan assets for the years ended March 31, 2015 and 2014, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	**2015**
Balance at beginning of year	**¥ 3,690**	¥ 3,525	**$ 30,688**
Expected return on plan assets	**66**	63	**551**
Actuarial gains	**141**	76	**1,174**
Contributions from the employer	**312**	322	**2,597**
Benefits paid	**(215)**	(297)	**(1,790)**
Balance at end of year	**¥ 3,995**	¥ 3,690	**$ 33,221**

3. Reconciliation between the liability recorded in the consolidated balance sheet and the balances of defined benefit obligation and plan assets

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	**2015**
Funded defined benefit obligation	**¥ 5,163**	¥ 4,823	**$ 42,935**
Plan assets	**(3,995)**	(3,690)	**(33,221)**
Total	**1,168**	1,132	**9,714**
Unfunded defined benefit obligation	**411,339**	359,159	**3,420,131**
Net liability arising from defined benefit obligation	**¥ 412,507**	¥ 360,292	**$ 3,429,845**

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	**2015**
Liability for retirement benefits	**¥ 412,507**	¥ 360,292	**$ 3,429,845**
Net liability arising from defined benefit obligation	**¥ 412,507**	¥ 360,292	**$ 3,429,845**

4. The components of net periodic retirement benefit costs for the years ended March 31, 2015 and 2014, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	**2015**
Service cost	**¥ 15,524**	¥ 15,225	**$ 129,080**
Interest cost	**6,904**	6,963	**57,405**
Expected return on plan assets	**(66)**	(63)	**(551)**
Recognized actuarial gains	**(8,413)**	(6,474)	**(69,954)**
Amortization of prior service cost	**(31)**	(40)	**(258)**
Others	**(*)9,211**	(39)	**(*)76,591**
Net periodic retirement benefit costs	**¥ 23,129**	¥ 15,571	**$192,313**

(*) Including one-time amortization expense associated with revisions to the Company's retirement plan, etc.

5. Amounts recognized in other comprehensive income (losses) (before income tax effect) in respect of defined retirement benefit plans as of March 31, 2015 and 2014, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
Prior service cost	¥ 47		$ 391
Actuarial losses	42,244		351,248
Total	¥ 42,291		$ 351,640

6. Amounts recognized in accumulated other comprehensive income (before income tax effect) in respect of defined retirement benefit plans as of March 31, 2015 and 2014

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
Unrecognized prior service cost	¥ (247)	¥ (294)	$ (2,054)
Unrecognized actuarial losses (gains)	29,500	(12,743)	245,289
Total	¥ 29,253	¥ (13,037)	$ 243,235

7. Plan assets

(1) Components of plan assets

Plan assets at March 31, 2015 and 2014, consisted of the following:

	2015	2014
General account of life insurance	60%	60%
Equity investments	16	16
Debt investments	14	13
Others	10	11
Total	100%	100%

(2) Method of determining the expected rate of return on plan assets

The expected rate of return on plan assets is determined considering the long-term rates of return which are expected currently and in the future from the various components of the plan assets.

8. Assumptions used for the years ended March 31, 2015 and 2014, are set forth as follows:

	2015	2014
Discount rate	1.07%	2.00%
Expected rate of return on plan assets	1.25% - 2.50%	1.25% - 2.50%

9. Defined contribution

The required contribution amount of the Company and certain consolidated subsidiaries is ¥4,759 million ($39,572 thousand).

9. ASSET RETIREMENT OBLIGATIONS

The changes in asset retirement obligations for the years ended March 31, 2015 and 2014, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	**2015**
Balance at beginning of year	**¥ 402,803**	¥ 452,200	**$ 3,349,159**
Additional provisions	**13,082**	10,919	**108,775**
Reduction	**(1,460)**	(60,317)	**(12,140)**
Balance at end of year	**¥ 414,425**	¥ 402,803	**$ 3,445,794**

10. SHORT-TERM BORROWINGS

Short-term borrowings at March 31, 2015 and 2014, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	**2015**
Short-term loans from banks and other sources, weighted-average interest rate of 0.4904% and 0.5272% at March 31, 2015 and 2014, respectively	**¥ 211,679**	¥ 210,783	**$ 1,760,035**

11. EQUITY

Japanese companies are subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

(a) Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders' meeting. For companies that meet certain criteria, the Board of Directors may declare dividends (except for dividends in-kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. However, the Company cannot do so because it does not meet all the above criteria.

The Companies Act permits companies to distribute dividends in-kind (noncash assets) to shareholders subject to a certain limitation and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

(b) Increases/decreases and transfer of common stock, reserve, and surplus

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus), depending on the equity account that was charged upon the payment of such dividends, until the aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus, and retained earnings can be transferred among the accounts within equity under certain conditions upon resolution of the shareholders.

(c) Treasury stock and treasury stock acquisition rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders, which is determined by a specific formula. Under the Companies Act, stock acquisition rights are presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

12. INCOME TAXES

The Companies are subject to taxes based on income, such as corporate income tax and inhabitant tax, which, in the aggregate, resulted in normal statutory tax rates of approximately 30.7% and 33.3% for the years ended March 31, 2015 and 2014, respectively. The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities at March 31, 2015 and 2014, are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	**2015**
Deferred tax assets:			
Net operating tax loss carryforwards	**¥ 216,973**	¥ 200,625	**$ 1,804,050**
Liability for retirement benefits	**119,923**	111,842	**997,120**
Depreciation and amortization	**81,803**	83,895	**680,162**
Asset retirement obligations	**45,733**	47,978	**380,260**
Reserve for reprocessing of irradiated nuclear fuel (with definite plans, Note 2.j)	**25,524**	27,361	**212,227**
Intercompany profit elimination	**23,821**	25,358	**198,070**
Other	**165,420**	161,132	**1,375,412**
Less valuation allowance	**(88,040)**	(64,969)	**(732,022)**
Total deferred tax assets	**591,161**	593,225	**4,915,283**
Deferred tax liabilities:			
Unrealized gain on available-for-sale securities	**22,578**	17,667	**187,731**
Special account related to nuclear power decommissioning	**8,091**		**67,277**
Reserve for special depreciation	**4,955**	3,464	**41,205**
Other	**8,771**	9,638	**72,933**
Total deferred tax liabilities	**44,397**	30,764	**369,147**
Net deferred tax assets	**¥ 546,763**	¥ 562,460	**$ 4,546,135**

Deferred gains on derivatives qualifying for hedge accounting were disclosed separately as of March 31, 2014. Since the amount is immaterial, such amount is included in “Other” in the Deferred tax liabilities section as of March 31, 2015. The corresponding amount included in “Other” as of March 31, 2014, was ¥1,788 million.

A reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statement of operations for the year ended March 31, 2015, with the corresponding figures for 2014, is as follows:

	2015	2014
Normal effective statutory tax rate	**30.7%**	33.3%
Effect of tax rate reduction	**(31.3)**	
Difference in subsidiaries' tax rates	**(1.6)**	(1.8)
Effect of tax rate reduction		(9.8)
Adjustment for profit and loss on sale of investment securities		(7.5)
Valuation allowance	**(26.4)**	(5.5)
Other—net	**(0.4)**	1.4
Actual effective tax rate	**(29.0)%**	10.1%

Tax rate difference with consolidated subsidiaries was included in “Other - net” in the reconciliation for the year ended March 31, 2014. Since the amount is material, such amount is disclosed separately for the year ended March 31, 2015. The amount included in “Other - net” for the year ended March 31, 2014, was (1.8)%.

On March 31, 2015, a tax reform law was enacted in Japan, which changed the normal effective statutory tax rate effective for years beginning on or after April 1, 2015. Therefore, the amount of deferred tax assets (the net amount after the amount of deferred tax liabilities is deducted) decreased by ¥34,854 million ($289,800 thousand), income tax expense increased by ¥35,971 million ($299,085 thousand), and accumulated other comprehensive income increased by ¥1,119 million ($9,309 thousand).

13. RESEARCH AND DEVELOPMENT COSTS

Research and development costs charged to income were ¥12,042 million ($10,131 thousand) and ¥12,421 million for the years ended March 31, 2015 and 2014, respectively.

14. RELATED-PARTY DISCLOSURES

Related-party transactions of the Company with an associated company for the years ended March 31, 2015 and 2014, were as follows:

(1) 2015

Category	Name	Address	Capital Stock or Stake (Millions of Yen)	Description of Business
Associated company	Japan Nuclear Fuel Limited	Rokkasho-mura, Kamikita-gun, Aomori prefecture	¥400,000	Uranium enrichment, reprocessing of irradiated nuclear fuel, temporary storage of nuclear fuel materials and wastes, and disposal of low-level radioactive wastes

Voting Right	Relation of Related Party	Detail of Transactions	Transaction Amount	
			Millions of Yen	Thousands of U.S. Dollars
16.6%	Contract on uranium enrichment, reprocessing of irradiated nuclear fuel, temporary storage of nuclear fuel materials and wastes, and disposal of low-level radioactive wastes One director concurrently serves as the Company's director. Three directors were transferred from the Company.	Co-guarantees or guarantees of loans and bonds	¥ 196,474	$ 1,633,614

(2) 2014

Category	Name	Address	Capital Stock or Stake (Millions of Yen)	Description of Business
Associated company	Japan Nuclear Fuel Limited	Rokkasho-mura, Kamikita-gun, Aomori prefecture	¥400,000	Uranium enrichment, reprocessing of irradiated nuclear fuel, temporary storage of nuclear fuel materials and wastes, and disposal of low-level radioactive wastes

Voting Right	Relation of Related Party	Detail of Transactions	Transaction Amount (Millions of Yen)
16.6%	Contract on uranium enrichment, reprocessing of irradiated nuclear fuel, temporary storage of nuclear fuel materials and wastes, and disposal of low-level radioactive wastes One director concurrently serves as the Company's director. Three directors were transferred from the Company.	Co-guarantees or guarantees of loans and bonds	¥ 187,840

15. LEASES

Because of insignificant amounts of investment in leases, the Company has omitted notation in the notes to consolidated financial statements.

16. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(1) Policy for Financial Instruments

The Companies use long-term debt, including bonds and loans to fund capital expenditures and debt repayments, for operating electric power and other businesses if funds on hand are insufficient. Short-term borrowings, mainly commercial paper, are used to fund the ongoing operations. Investment of funds is managed through short-term deposits.

The Companies raise debt capital, mainly denominated in Japanese yen, with fixed interest rates. The redemption periods are decided considering the financial environment and other factors.

Investment securities are held in equity investments principally in relation to the business of electric power.

The reserve fund for reprocessing of irradiated nuclear fuel is reserved and refunded for the reprocessing of irradiated nuclear fuel in accordance with the Irradiated Nuclear Fuel Reprocessing Fund Act and other regulations.

Derivatives are used, not for speculative purposes, but to manage exposure to financial risks as described in (2) below.

(2) Nature and Extent of Risks Arising from Financial Instruments

Although accounts receivable are exposed to customer credit risk, electricity charges, the major part of accounts receivable, are generally collected within 30 days after reading meters. Investment securities, mainly equity securities, held for operation of electric power business are exposed to the risk of market price fluctuations.

Payment terms of accounts are generally less than one year. Imports of fuels are payable in foreign currencies and are exposed to the market risk of fluctuation in foreign currency exchange rates. Long-term loans with variable interest rates are exposed to the market risks from changes in interest rates.

Bonds, loans, and commercial paper are exposed to liquidity risk.

Derivatives mainly include forward foreign currency contracts, interest rate swaps, and commodity swaps, which are used to manage exposure to market risks from changes in foreign currency exchange rates of payables, changes in interest rates of long-term loans, and changes in fuel prices. Please see Note 17 for more details about derivatives.

(3) Risk Management for Financial Instruments

Market risk management

Investment securities are managed by reviewing their necessity in the business of electric power, and by monitoring market values and financial position of issuers on a regular basis.

Foreign exchange risk of foreign currency trade payables is hedged principally by forward foreign currency contracts.

Interest rate swaps are used to manage exposure to market risks from changes in interest rates of long-term loans with variable interest rates.

Liquidity risk management

The Companies manage liquidity risk by ensuring ready liquidity at the required level, along with financial planning, prepared and updated in a timely manner by the Accounting Department of the Company and each subsidiary.

(4) Fair Values of Financial Instruments

Fair values of financial instruments are based on quoted prices in active markets. If a quoted price is not available, other rational valuation techniques are used instead. Please see Note 17 for details of the fair value for derivatives.

(a) Fair value of financial instruments

March 31, 2015	Millions of Yen		
	Carrying Amount	Fair Value	Unrealized Gain/Loss
Investment securities	**¥ 125,026**	**¥ 125,208**	**¥ 182**
Reserve fund for reprocessing of irradiated nuclear fuel	**551,395**	**551,395**	**—**
Cash and cash equivalents	**303,399**	**303,399**	**—**
Accounts receivable (exclusive of associated companies)	**230,692**	**230,692**	**—**
Total	**¥ 1,210,514**	**¥ 1,210,696**	**¥ 182**
Long-term debt	**¥ 4,103,577**	**¥ 4,225,882**	**¥ 122,305**
Short-term borrowings	**211,679**	**211,679**	**—**
Accounts payable (exclusive of accrued amount payable)	**175,532**	**175,532**	**—**
Accrued income taxes	**2,997**	**2,997**	**—**
Total	**¥ 4,493,786**	**¥ 4,616,092**	**¥ 122,305**
Derivatives	**¥ (2,579)**	**¥ (2,579)**	**—**

Some investment securities are included in Other current assets in the consolidated balance sheet.

Long-term debt includes Current maturities of long-term debt in the consolidated balance sheet.

Derivatives are stated at the net amount.

March 31, 2014	Millions of Yen		
	Carrying Amount	Fair Value	Unrealized Gain/Loss
Investment securities	¥ 104,688	¥ 104,895	¥ 206
Reserve fund for reprocessing of irradiated nuclear fuel	574,553	574,553	—
Cash and cash equivalents	332,461	332,461	—
Accounts receivable (exclusive of associated companies)	232,295	232,295	—
Total	¥ 1,243,998	¥ 1,244,205	¥ 206
Long-term debt	¥ 4,186,056	¥ 4,279,553	¥ 93,497
Short-term borrowings	210,783	210,783	—
Accounts payable (exclusive of accrued amount payable)	199,538	199,538	—
Accrued income taxes	2,339	2,339	—
Total	¥ 4,598,717	¥ 4,692,214	¥ 93,497
Derivatives	9,533	9,533	—

March 31, 2015	Thousands of U.S. Dollars		
	Carrying Amount	Fair Value	Unrealized Gain/Loss
Investment securities	$ 1,039,549	$ 1,041,065	$ 1,515
Reserve fund for reprocessing of irradiated nuclear fuel	4,584,649	4,584,649	—
Cash and cash equivalents	2,522,650	2,522,650	—
Accounts receivable (exclusive of associated companies)	1,918,123	1,918,123	—
Total	$ 10,064,972	$ 10,066,488	$ 1,515
Long-term debt	$ 34,119,707	$ 35,136,629	$ 1,016,922
Short-term borrowings	1,760,035	1,760,035	—
Accounts payable (exclusive of accrued amount payable)	1,459,486	1,459,486	—
Accrued income taxes	24,924	24,924	—
Total	$ 37,364,154	$ 38,381,076	$ 1,016,922
Derivatives	$ (21,450)	$ (21,450)	—

Investment securities

The fair values of investment securities are measured at the quoted market price on the stock exchange for the equity instruments, or at the quoted price obtained from the financial institution. Information related to the fair value of investment securities by classification is included in Note 5.

Reserve fund for reprocessing of irradiated nuclear fuel

The Company provides a reserve fund for reprocessing of irradiated nuclear fuel in order to properly carry out the plan for reprocessing the irradiated nuclear fuel in order to practically operate the nuclear power unit in accordance with the Irradiated Nuclear Fuel Reprocessing Fund Act. The Company is required to follow the plan for refunding the reserve fund for reprocessing of irradiated nuclear fuel that was approved by the Ministry of Economy, Trade, and Industry. The carrying values of the reserve approximate fair value because the carrying values are determined by discounting the cash flow from future refunds of the reserve.

Cash and cash equivalents and accounts receivable

The carrying values of cash and cash equivalents and accounts receivable approximate fair value because of their short maturities.

Long-term debt

The fair values of loans are determined by discounting the cash flows related to the debt at the Companies' assumed corporate borrowing rate.

The fair values of corporate bonds approximate market value.

Short-term borrowings, accounts payable, and accrued income taxes

The carrying values of short-term borrowings, accounts payable, and accrued income taxes approximate fair value because of their short maturities.

Derivatives

Fair value information for derivatives is included in Note 17.

(b) Financial instruments whose fair value cannot be reliably determined were as follows:

	Carrying Amount		
	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	**2015**
Investments in equity instruments that do not have a quoted market price in an active market	**¥ 73,757**	¥ 82,591	**$ 613,262**
Invested instruments and other	**3,196**	3,130	**26,576**

(c) Maturity analysis for financial assets and securities with contractual maturities was as follows:

	Millions of Yen			
March 31, 2015	Due in One Year or Less	Due after One Year through Five Years	Due after Five Years through 10 Years	Due after 10 Years
Investment securities:				
Held-to-maturity securities	¥ 600	¥ 3,560	¥ 1,530	
Available-for-sale securities with contractual maturities	325	396	200	
Cash and cash equivalents	303,399			
Accounts receivable	228,211	2,457	12	¥ 11

	Thousands of U.S. Dollars			
March 31, 2015	Due in One Year or Less	Due after One Year through Five Years	Due after Five Years through 10 Years	Due after 10 Years
Investment securities:				
Held-to-maturity securities	$ 4,988	$ 29,600	$ 12,721	
Available-for-sale securities with contractual maturities	2,702	3,292	1,662	
Cash and cash equivalents	2,522,650			
Accounts receivable	1,897,495	20,430	101	$ 95

The redemption amount from the reserve fund for reprocessing of irradiated nuclear fuel within one year is ¥53,874 million ($447,948 thousand).

Please see Note 7 for annual maturities of long-term debt.

17. DERIVATIVES

The Companies principally use foreign exchange forward contracts, currency swaps, interest rate swaps, and commodity swaps in the normal course of business to manage their exposures to fluctuations in foreign exchange, interest rates, fuel price, and so on. The Companies do not enter into derivatives for trading or speculative purposes. Accordingly, market risk in these derivatives is basically offset by opposite movements in the value of hedged assets or liabilities.

The counterparties to these derivatives are limited to major international financial institutions with high-credit ratings. The Companies, therefore, do not anticipate any losses arising from credit risk.

Derivative transactions entered into by the Companies have been made in accordance with internal policies which regulate the authorization and credit limit amount.

Derivative Transactions to Which Hedge Accounting Is Not Applied

	Millions of Yen			
March 31, 2015	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain/Loss
Currency swaps				
(U.S. dollar payment, Japanese yen receipt)···	¥ 30,648	¥ 25,545	¥ (8,619)	¥ (8,619)
March 31, 2014				
Currency swaps				
(U.S. dollar payment, Japanese yen receipt)···	¥ 35,750	¥ 30,648	¥ (3,178)	¥ (3,178)

	Thousands of U.S. Dollars			
March 31, 2015	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain/Loss
Currency swaps				
(U.S. dollar payment, Japanese yen receipt)···	$ 254,828	$ 212,402	$ (71,666)	$ (71,666)

Derivative Transactions to Which Hedge Accounting is Applied

	Millions of Yen			
March 31, 2015	Hedged Item	Contract Amount	Contract Amount Due after One Year	Fair Value
Foreign exchange forward contracts:				
Buying U.S. dollars···································	Equipment Fund	¥ 13,948		¥ 7,740
Interest rate swaps				
(fixed rate payment, floating rate receipt)···	Long-term debt	568,113	¥ 533,915	*
Commodity swaps				
(fixed price payment, floating price receipt)···	Fuel	69,446	68,836	(1,700)
March 31, 2014				
Foreign exchange forward contracts:				
Buying U.S. dollars···································	Equipment Fund	¥ 21,349	¥ 12,513	¥ 6,890
Interest rate swaps				
(fixed rate payment, floating rate receipt)···	Long-term debt	566,251	553,647	*
Commodity swaps				
(fixed price payment, floating price receipt)···	Fuel	30,068	29,458	5,821

	Thousands of U.S. Dollars			
March 31, 2015	Hedged Item	Contract Amount	Contract Amount Due after One Year	Fair Value
Foreign exchange forward contracts				
Buying U.S. dollars···································	Equipment Fund	$ 115,975		$ 64,357
Interest rate swaps				
(fixed rate payment, floating rate receipt)···	Long-term debt	4,723,654	$ 4,439,310	*
Commodity swaps				
(fixed price payment, floating price receipt)···	Fuel	577,418	572,346	(14,141)

* The fair values of interest rate swaps are included in that of the hedged item because the interest rate swaps qualify for hedge accounting and meet specific matching criteria.

The fair values of derivative transactions are measured at the quoted price obtained from the financial institution.

18. COMPREHENSIVE INCOME

The components of other comprehensive (loss) income for the years ended March 31, 2015 and 2014, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	**2015**
Unrealized gain on available-for-sale securities:			
Gains arising during the year	**¥ 21,598**	¥ 8,844	**$179,582**
Reclassification adjustments to profit or loss	**(23)**	(4)	**(197)**
Amount before income tax effect	**21,574**	8,839	**179,385**
Income tax effect	**(5,065)**	(2,755)	**(42,120)**
Total	**¥ 16,508**	¥ 6,084	**$137,264**
Deferred gain (loss) on derivatives under hedge accounting:			
Gains arising during the year	**¥ (20,726)**	¥ 2,418	**$ (172,331)**
Reclassification adjustments to profit or loss	**(13)**	(3)	**(114)**
Adjustments to acquisition costs of assets	**15,943**	(1,946)	**132,567**
Amount before income tax effect	**(4,796)**	468	**(39,878)**
Income tax effect	**2,278**	379	**18,946**
Total	**¥ (2,517)**	¥ 848	**$ (20,932)**
Foreign currency translation adjustments:			
Adjustments arising during the year	**¥ 3,681**	¥ 15,877	**$ 30,607**
Defined retirement benefit plans:			
Gains arising during the year	**¥ (39,451)**		**$ (328,024)**
Reclassification adjustments to profit or loss	**(2,840)**		**(23,615)**
Amount before income tax effect	**(42,291)**		**(351,640)**
Income tax effect	**12,413**		**103,212**
Total	**¥ (29,878)**		**$ (248,428)**
Share of other comprehensive income in associates:			
Gains arising during the year	**¥ 7,924**	¥ 3,662	**$ 65,885**
Reclassification adjustments to profit or loss	**393**	(1,530)	**3,268**
Total	**¥ 8,317**	¥ 2,131	**$ 69,153**
Total other comprehensive (loss) income	**¥ (3,888)**	¥ 24,941	**$ (32,333)**

19. COMMITMENTS AND CONTINGENCIES

At March 31, 2015, the Companies had firm purchase commitments, principally related to utility plant expansion, of approximately ¥341,402 million ($2,838,631 thousand). Additionally, the Companies had a number of fuel purchase commitments, most of which specify quantities and terms. Purchase prices are principally contingent upon fluctuations of market prices.

At March 31, 2015, the Companies had the following contingent liabilities:

	Millions of Yen	Thousands of U.S. Dollars
	2015	**2015**
Co-guarantees or guarantees of loans and bonds of other companies:		
Japan Nuclear Fuel Limited (Note 14)	**¥ 196,474**	**$ 1,633,614**
Other	**70,457**	**585,825**
Total	**¥ 266,932**	**$ 2,219,439**

20. NET INCOME PER SHARE

Diluted net income per share (EPS) for the years ended March 31, 2015 and 2014, is not disclosed because the Companies do not issue dilutive securities.

	Millions of Yen	Thousands of Shares	Yen	U.S. Dollars
	Net Loss	Weighted-Average Shares	EPS	
For the year ended March 31, 2015				
Basic EPS:				
Net loss attributable to common shareholders	¥ (148,375)	893,521	¥ (166.06)	$ 1.38
For the year ended March 31, 2014				
Basic EPS:				
Net loss attributable to common shareholders	¥ (97,408)	893,559	¥ (109.01)	—

As described in Note 3, the accounting treatment relating to the reactor for which decommissioning has been determined is applied. Based on this application, net loss attributable to common shareholders for the current fiscal year decreased by ¥22.39 ($0.18).

21. SEGMENT INFORMATION

Under ASBJ Statement No. 17, "Accounting Standard for Segment Information Disclosures," and ASBJ Guidance No. 20, "Guidance on Accounting Standard for Segment Information Disclosures," an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

1. Description of reportable segments

The Companies' reportable segments are those for which separate financial information is available and regular evaluation by the Company's management is being performed in order to decide how resources are allocated among the Companies; therefore, the Companies' reportable segments consist of electric power, IT/communications, and other.

2. Methods of measurement for the amounts of sales, profit (loss), assets, and other items for each reportable segment

The accounting policies of each reportable segment are consistent with those disclosed in Note 2, "Summary of Significant Accounting Policies."

As discussed in Note 3 to the consolidated financial statements, the Company applied the accounting treatment related to nuclear reactors for which decommissioning has been determined.

There is no effect on Segment loss of Electric Power due to the change in accounting treatment.

Information about sales, profit (loss), assets, and other items was as follows:

	Millions of Yen						
	2015						
	Reportable Segment						
	Electric Power	IT/Communications	Total	Other	Total	Reconciliations	Consolidated
Sales:							
Sales to external customers	**¥ 2,939,651**	**¥ 170,840**	**¥ 3,110,491**	**¥ 295,538**	**¥ 3,406,030**		**¥ 3,406,030**
Intersegment sales or transfers	**10,855**	**42,355**	**53,211**	**276,175**	**329,386**	**¥ (329,386)**	
Total	**¥ 2,950,506**	**¥ 213,195**	**¥ 3,163,702**	**¥ 571,713**	**¥ 3,735,416**	**¥ (329,386)**	**¥ 3,406,030**
Segment (loss) profit							
Segment assets	**¥ (133,969)**	**¥ 18,417**	**¥ (115,552)**	**¥ 36,226**	**¥ (79,326)**	**¥ 725**	**¥ (78,600)**
Other:	**6,437,519**	**411,342**	**6,848,862**	**1,424,904**	**8,273,766**	**(530,387)**	**7,743,378**
Depreciation	**298,205**	**61,998**	**360,203**	**31,120**	**391,324**	**(5,974)**	**385,350**
Increase in property and intangible assets	**299,800**	**51,988**	**351,788**	**74,604**	**426,392**	**(5,724)**	**420,667**

	Millions of Yen						
	2014						
	Reportable Segment						
	Electric Power	IT/Communications	Total	Other	Total	Reconciliations	Consolidated
Sales:							
Sales to external customers	¥ 2,859,887	¥ 164,020	¥ 3,023,907	¥ 303,576	¥ 3,327,484		¥ 3,327,484
Intersegment sales or transfers	11,097	42,142	53,239	244,890	298,129	¥ (298,129)	
Total	¥ 2,870,984	¥ 206,163	¥ 3,077,147	¥ 548,466	¥ 3,625,614	¥ (298,129)	¥ 3,327,484
Segment (loss) profit	¥ (117,930)	¥ 19,674	¥ (98,256)	¥ 25,176	¥ (73,079)	¥ 1,368	¥ (71,711)
Segment assets	6,578,022	427,454	7,005,477	1,345,005	8,350,482	(572,962)	7,777,519
Other:							
Depreciation	298,405	58,593	356,999	31,736	388,736	(5,914)	382,821
Increase in property and intangible assets	325,033	57,778	382,812	40,772	423,584	(4,664)	418,920

	Thousands of U.S. Dollars						
	2015						
	Reportable Segment						
	Electric Power	IT/Communications	Total	Other	Total	Reconciliations	Consolidated
Sales:							
Sales to external customers	**$ 24,442,099**	**$ 1,420,474**	**$ 25,862,574**	**$ 2,457,289**	**$ 28,319,864**		**$ 28,319,864**
Intersegment sales or transfers	**90,260**	**352,169**	**442,429**	**2,296,294**	**2,738,724**	**$ (2,738,724)**	
Total	**$ 24,532,360**	**$ 1,772,643**	**$ 26,305,003**	**$ 4,753,584**	**$ 31,058,588**	**$ (2,738,724)**	**$ 28,319,864**
Segment (loss) profit							
Segment assets	**$ (1,113,908)**	**$ 153,131**	**$ (960,777)**	**$ 301,211**	**$ (659,566)**	**$ 6,030**	**$ (653,536)**
Other:	**53,525,565**	**3,420,158**	**56,945,724**	**11,847,544**	**68,793,268**	**(4,409,976)**	**64,383,291**
Depreciation	**2,479,463**	**515,493**	**2,994,957**	**258,755**	**3,253,712**	**(49,671)**	**3,204,040**
Increase in property and intangible assets	**2,492,727**	**432,261**	**2,924,989**	**620,305**	**3,545,295**	**(47,599)**	**3,497,696**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders of
The Kansai Electric Power Company, Incorporated:

We have audited the accompanying consolidated balance sheet of The Kansai Electric Power Company, Incorporated (the "Company") and its subsidiaries as of March 31, 2015, and the related consolidated statements of operations, comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Kansai Electric Power Company, Incorporated and its subsidiaries as of March 31, 2015, and the consolidated results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Emphasis of Matter

As discussed in Note 3 to the consolidated financial statements, after the date of enforcement of the "Ministry Order Relating to the Partial Revision of Ordinance on Accounting at Electricity Utilities" (Ordinance of the Ministry of Economy, Trade and Industry No. 10, 2015), the Company applied the revised "Ordinance on Accounting at Electricity Utilities" after the revision, which concerns the accounting treatment related to nuclear reactors for which decommissioning has been determined. Our opinion is not modified in respect of this matter.

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1 to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu LLC

June 25, 2015

The Kansai Electric Power Company, Incorporated

Unaudited Non-Consolidated Financial Statements
for the Year Ended March 31, 2015

Non-Consolidated Balance Sheet

The Kansai Electric Power Company, Incorporated
March 31, 2015

ASSETS

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	**2015**
PROPERTY:			
Plant and equipment	**¥ 14,967,271**	¥ 14,724,073	**$ 124,447,254**
Construction in progress	**373,662**	435,646	**3,106,862**
Contributions in aid of construction	**(454,905)**	(452,544)	**(3,782,365)**
Accumulated depreciation and amortization	**(10,877,255)**	(10,667,680)	**(90,440,303)**
Plant and equipment—net	**4,008,773**	4,039,494	**33,331,448**
Nuclear fuel, net of amortization	**530,065**	528,955	**4,407,296**
Property—net	**4,538,838**	4,568,449	**37,738,745**
INVESTMENTS AND OTHER ASSETS:			
Investment securities	**116,574**	108,996	**969,276**
Investments in and advances to subsidiaries and associated companies	**429,317**	421,888	**3,569,617**
Reserve fund for reprocessing of irradiated nuclear fuel	**551,395**	574,553	**4,584,649**
Long-term loans receivable	**293**	298	**2,442**
Special account related to nuclear power decommissioning	**28,095**		**233,606**
Deferred tax assets	**432,505**	457,849	**3,596,120**
Other assets	**59,373**	90,854	**493,666**
Total investments and other assets	**1,617,556**	1,654,439	**13,449,377**
CURRENT ASSETS:			
Cash and cash equivalents	**232,372**	296,773	**1,932,090**
Accounts receivable	**199,626**	208,162	**1,659,818**
Allowance for doubtful accounts	**(1,778)**	(1,964)	**(14,790)**
Inventories	**100,177**	107,456	**832,940**
Deferred tax assets	**43,887**	42,109	**364,905**
Other current assets	**38,253**	40,775	**318,065**
Total current assets	**612,538**	693,312	**5,093,029**
TOTAL	**¥ 6,768,934**	¥ 6,916,202	**$ 56,281,153**

LIABILITIES AND EQUITY

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	**2015**
LONG-TERM LIABILITIES:			
Long-term debt, less current maturities	**¥ 3,172,544**	¥ 3,404,265	**$ 26,378,521**
Liability for retirement benefits	**361,468**	354,470	**3,005,472**
Reserve for reprocessing of irradiated nuclear fuel	**643,985**	664,854	**5,354,496**
Asset retirement obligations	**408,429**	399,301	**3,395,941**
Other long-term liabilities	**185,770**	137,676	**1,544,614**
Total long-term liabilities	**4,772,198**	4,960,568	**39,679,045**
CURRENT LIABILITIES:			
Current maturities of long-term debt	**505,936**	353,142	**4,206,670**
Short-term borrowings	**200,000**	200,000	**1,662,925**
Accounts payable	**207,652**	202,749	**1,726,549**
Payable to subsidiaries and associated companies	**154,406**	168,897	**1,283,834**
Accrued expenses and other current liabilities	**281,172**	217,223	**2,337,846**
Total current liabilities	**1,349,167**	1,142,012	**11,217,826**
RESERVE FOR FLUCTUATIONS IN WATER LEVEL	**8,690**	6,930	**72,259**
EQUITY:			
Common stock, authorized, 1,784,059,697 shares; issued, 938,733,028 shares in 2015 and 2014	**489,320**	489,320	**4,068,518**
Capital surplus:			
Additional paid-in capital	**67,031**	67,031	**557,339**
Retained earnings:			
Legal reserve	**122,330**	122,330	**1,017,129**
Unappropriated	**7,027**	183,750	**58,430**
Unrealized gain on available-for-sale securities	**50,602**	36,411	**420,738**
Deferred gain on derivatives under hedge accounting	**(1,210)**	4,032	**(10,068)**
Treasury stock - at cost 44,964,447 shares in 2015 and 44,927,045 shares in 2014	**(96,223)**	(96,186)	**(800,065)**
Total equity	**638,876**	806,691	**5,312,021**
TOTAL	**¥ 6,768,934**	¥ 6,916,202	**$ 56,281,153**

U.S.dollar amounts have been translated from yen, for convenience, at the rate of ¥120.27 = U.S.$1, the approximate rate of exchange at March 31, 2015.

Non-Consolidated Statements of Operations

The Kansai Electric Power Company, Incorporated
Year Ended March 31, 2015

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	**2015**
OPERATING REVENUES:			
Electricity operating revenues:			
Lighting	**¥ 1,129,114**	¥ 1,144,429	**$ 9,388,161**
Power	**1,655,047**	1,607,254	**13,761,098**
Other	**166,345**	119,299	**1,383,099**
Sub-total	**2,950,506**	2,870,984	**24,532,360**
Incidental operating revenues	**81,928**	87,262	**681,208**
Total	**3,032,435**	2,958,246	**25,213,568**
OPERATING EXPENSES:			
Electricity operating expenses:			
Personnel expenses	**195,986**	198,186	**1,629,557**
Fuel costs	**1,186,593**	1,159,206	**9,866,076**
Cost of purchased power	**571,107**	554,948	**4,748,547**
Maintenance costs	**184,611**	178,543	**1,534,971**
Depreciation	**298,148**	298,349	**2,478,996**
Taxes	**144,073**	145,423	**1,197,916**
Other	**503,955**	454,256	**4,190,202**
Sub-total	**3,084,476**	2,988,914	**25,646,268**
Incidental operating expenses	**78,764**	86,147	**654,898**
Total	**3,163,241**	3,075,061	**26,301,167**
OPERATING LOSS	**(130,805)**	(116,815)	**(1,087,598)**
OTHER (INCOME) EXPENSES:			
Interest and dividends income	**(22,997)**	(23,865)	**(191,217)**
Interest expense	**50,624**	51,533	**420,921**
Other—net	**1,194**	(21,574)	**9,928**
Total	**28,820**	6,093	**239,633**
LOSS BEFORE PROVISION FOR (REVERSAL OF) RESERVE FOR FLUCTUATIONS IN WATER LEVEL, INCOME TAXES	**(159,626)**	(122,909)	**(1,327,232)**
PROVISION FOR (REVERSAL OF) RESERVE FOR FLUCTUATIONS IN WATER LEVEL	**1,760**	(3,184)	**14,635**
LOSS BEFORE INCOME TAXES	**(161,386)**	(119,724)	**(1,341,867)**
INCOME TAXES			
Current	**(6,193)**	(7,045)	**(51,495)**
Deferred	**21,528**	(19,587)	**179,002**
Total	**15,335**	(26,633)	**127,506**
NET LOSS	**¥ (176,721)**	¥(93,091)	**$ (1,469,373)**

U.S.dollar amounts have been translated from yen, for convenience, at the rate of ¥120.27 = U.S.$1, the approximate rate of exchange at March 31, 2015.

Non-Consolidated Statements of Changes in Equity

The Kansai Electric Power Company, Incorporated
Year Ended March 31, 2015

	Millions of Yen										
			Capital Surplus		Retained Earnings						
	Number of Shares of Common Stock Outstanding	Common Stock	Additional Paid-in Capital	Other Capital Surplus	Legal Reserve	Unappropri-ated	Treasury Stock	Unrealized Gain on Available for-Sale Securities	Deferred Gain on Derivatives under Hedge Accounting	Total Equity
BALANCE, APRIL 1, 2013	938,733,028	¥ 489,320	¥ 67,031		¥ 122,330	¥ 276,843	¥ (96,139)	¥ 30,997	¥ 4,611	¥ 894,995
Net loss						(93,091)				(93,091)
Purchase of treasury stock							(50)			(50)
Disposal of treasury stock				(1)			3			2
Transfer to capital surplus										
from retained earnings				1		(1)				
Net change in the year								5,414	(578)	4,835
BALANCE, MARCH 31, 2014	938,733,028	¥ 489,320	¥ 67,031		¥ 122,330	¥ 183,750	¥ (96,186)	¥ 36,411	¥ 4,032	¥ 806,691
Net loss						(176,721)				(176,721)
Purchase of treasury stock										(40)
Disposal of treasury stock				(1)			(40)			1
Transfer to capital surplus							3			
from retained earnings				1		(1)				
Net change in the year								14,190	(5,243)	8,946
BALANCE, MARCH 31, 2015	938,733,028	¥ 489,320	¥ 67,031		¥122,330	¥ 7,027	¥ (96,223)	¥ 50,602	¥ (1,210)	¥ 638,876

	Thousands of U.S. Dollars								
		Capital Surplus		Retained Earnings					
	Common Stock	Additional Paid-in Capital	Other Capital Surplus	Legal Reserve	Unappropri-ated	Treasury Stock	Unrealized Gain on Available for-Sale Securities	Deferred Gain on Derivatives under Hedge Accounting	Total Equity
BALANCE, MARCH 31, 2014	$ 4,068,518	$ 557,339		$ 1,017,129	$ 1,527,817	$ (799,751)	$ 302,751	$ 33,530	$ 6,707,335
Net loss					(1,469,373)	(338)			(1,469,373)
Purchase of treasury stock						25			(338)
Disposal of treasury stock			(13)						12
Transfer to capital surplus									
from retained earnings			13		(13)				
Net change in the year							117,986	(43,599)	74,386
BALANCE, MARCH 31, 2015	$ 4,068,518	$ 557,339		$ 1,017,129	$ 58,430	$ (800,065)	$ 420,738	$ (10,068)	$ 5,312,021

U.S.dollar amounts have been translated from yen, for convenience, at the rate of ¥120.27= U.S.$1, the approximate rate of exchange at March 31, 2015.

Five-Year Summary of Selected Operational Data

The Kansai Electric Power Company, Incorporated and Subsidiaries
Year Ended March 31

	Non-Consolidated Basis					Consolidated Basis				
	2011	2012	2013	2014	**2015**	2011	2012	2013	2014	**2015**
Operating Revenues (Millions of Yen)	2,475,931	2,503,155	2,520,713	2,958,246	**3,032,435**	2,769,783	2,811,424	2,859,054	3,327,484	**3,406,030**
Operating Income (Millions of Yen)	225,193	(276,625)	(363,388)	(116,815)	**(130,805)**	273,885	(229,388)	(314,012)	(71,711)	**(78,600)**
Ordinary Income (Millions of Yen)	202,454	(302,014)	(392,562)	(122,909)	**(159,626)**	237,987	(265,537)	(353,190)	(111,326)	**(113,052)**
Net Income (Millions of Yen)	103,330	(257,657)	(272,938)	(93,091)	**(176,721)**	123,143	(242,257)	(243,422)	(97,408)	**(148,375)**
Electricity Operating Revenues (Millions of Yen)										
Residential	1,028,943	1,008,852	1,010,697	1,144,429	**1,129,114**					
Commercial and Industrial	1,318,674	1,329,826	1,343,556	1,607,254	**1,655,047**					
Total	2,347,618	2,338,679	2,354,254	2,751,684	**2,784,161**					
Electricity Operating Expenses (Millions of Yen)										
Personnel Expenses	238,790	236,029	231,226	198,186	**195,986**					
Fuel Costs	387,452	776,842	919,884	1,159,206	**1,186,593**					
Costs of Purchased Power	378,220	530,374	567,923	554,948	**571,107**					
Maintenance Costs	275,838	272,524	202,615	178,543	**184,611**					
Depreciation	339,694	316,990	294,733	298,349	**298,148**					
Taxes Other than Income Taxes	148,463	144,417	141,271	145,423	**144,073**					
Other	433,147	429,627	451,264	454,256	**503,955**					
Total	2,201,606	2,706,807	2,808,920	2,988,914	**3,084,476**					
No. of Totally Electric Homes (Thousand Homes)	867	941	998	1,048	**1,092**					
No. of FTTH Contracts (Thousand Lines)	1,182	1,298	1,396	1,484	**152.8**					
Gas Sales Volumes (LNG conversion) (Thousand Tons)	810	950	960	930	**78**					
Interest Expense (Millions of Yen)	46,935	46,331	49,949	51,533	**50,624**	52,216	51,324	55,102	56,621	**55,373**
Return on Equity (ROE) (%)	7.0	(19.2)	(26.3)	(10.9)	**(24.5)**	6.9	(14.6)	(17.6)	(8.0)	**(13.3)**
Return on Assets (ROA) (%)	3.9	(3.9)	(5.1)	(1.0)	**(1.6)**	4.0	(2.9)	(3.9)	(0.7)	**(0.7)**
Net Income per Share (Yen)	115.47	(288.25)	(305.35)	(104.15)	**(197.72)**	137.66	(271.12)	(272.43)	(109.01)	**(166.06)**
Cash Dividends per Share (Yen)	60.00	60.00	0.00	0.00	**0.00**					
Capital Investments (Millions of Yen)	362,193	319,963	334,527	325,068	**300,069**	455,508	420,621	435,211	418,920	**420,667**
Total Assets (Millions of Yen)	6,457,593	6,660,484	6,757,662	6,916,202	**6,798,934**	7,310,178	7,521,352	7,635,150	7,777,519	**7,743,378**
Net Assets (Millions of Yen)	1,494,865	1,183,501	894,995	806,691	**638,876**	1,832,416	1,529,843	1,278,106	1,213,158	**1,060,219**
Equity Ratio (%)	23.1	17.8	13.2	11.7	**9.4**	24.8	20.1	16.5	15.3	**13.4**
Interest-bearing Debt (Millions of Yen)	2,943,697	3,430,159	3,774,148	3,954,708	**3,875,278**	3,409,831	3,864,991	4,210,249	4,396,839	**4,315,256**
Net Assets per Share (Yen)	1,672.30	1,324.02	1,001.29	902.54	**714.81**	2,026.53	1,689.73	1,406.53	1,330.48	**1,159.53**
Free Cash Flows (Millions of Yen)						62,551	(364,487)	(287,989)	(3,213)	**(59,004)**
Operating Cash Flows (Millions of Yen)						610,548	43,869	142,673	347,772	**447,666**
Operating Revenues from Group Businesses (external sales) (Billions of Yen)						355.6	391.2	428.4	464.1	**4,635**
Ordinary Income from Group Businesses (Billions of Yen)						54.8	52.8	62.9	49.1	**627**

	Non-Consolidated Basis				
	2011	2012	2013	2014	**2015**
Electricity Sales Volume (Million kWh)					
Residential	52,316	49,991	49,012	48,353	**45,858**
Commercial and Industrial	98,762	96,037	92,742	92,061	**88,633**
Total	151,078	146,028	141,754	140,414	**134,490**
Number of Customers (Thousands)					
Residential	12,412	12,464	12,527	12,591	**12,635**
Commercial and Industrial (Excluding the liberalized segment)	1,085	1,065	1,046	1,028	**1,013**
Total	13,497	13,529	13,574	13,620	**13,648**
Electricity Generation Capacity (MW)					
Nuclear	9,768	9,768	9,768	9,768	**9,768**
Thermal	16,907	16,907	16,972	17,982	**19,441**
Hydropower	8,196	8,197	8,208	8,208	**8,222**
Renewable Energies	6	10	10	11	**11**
Total	34,877	34,882	34,958	35,968	**37,442**
System Peak Demand (MW)	30,950	27,844	26,816	28,158	**26,674**
Load Ratio (%)	60.5	65.4	65.3	62.5	**64.5**
Power Sources (%)					
Nuclear	44	20	10	6	**0**
Thermal	45	69	80	83	**88**
Hydropower	10	10	9	10	**10**
Renewable Energies	1	1	1	1	**2**
Total	100	100	100	100	**100**
CO_2 Emission (kg-CO_2/kWh)	0.281	0.414	0.475	0.516	**0.523**
Nuclear Capacity Factor (%)	78.2	37.6	17.7	10.9	**0.0**
Thermal Efficiency of Thermal Power Plants (%)	42.7	42.2	42.2	42.6	**44.1**
Number of Employees	20,277	20,484	20,714	20,813	**20,628**

Corporate Information / Stock Information

Company name:	The Kansai Electric Power Company, Incorporated
Head office:	3-6-16 Nakanoshima, Kita-ku, Osaka 530-8270, Japan
Date of establishment:	May 1, 1951
Paid-in capital:	¥489.3 billion
Operating revenues:	¥3,406 billion (consolidated), ¥3,032.4 billion (non-consolidated)
Total assets:	¥7,743.3 billion (consolidated), ¥6,768.9 billion (non-consolidated)
Number of employees:	33,539 (consolidated), 20,628 (non-consolidated)
Electricity sales:	134.5 billion kWh
Main business:	Electric power, heat supply, telecommunications, gas supply

Number of employees: This includes working employees and excludes employees on loan and employees on leave of absence.

Number of common shares issued:	938,730 thousand
Number of shareholders:	338 thousand
Stock exchange listings: (Common stock)	Tokyo Stock Exchange
Transfer Agent:	Mitsubishi UFJ Trust and Banking Corporation 6-3, Fushimimachi 3-chome, Chuo-ku, Osaka 541-8502, Japan

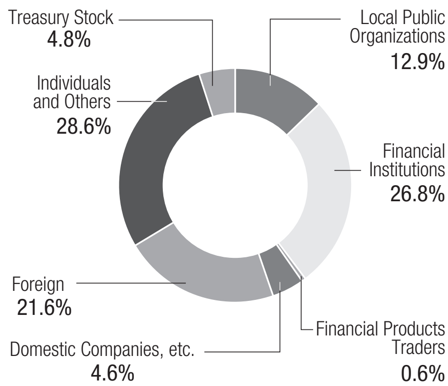
Major shareholders

As of March 31, 2015	Number of Shares Held (thousands)	Percentage of Shares Held (%)
Osaka City	83,748	9.37
Nippon Life Insurance Company	34,328	3.84
Kobe City	27,351	3.06
Japan Trustee Services Bank, Ltd. (Trust Account)	24,029	2.69
The Master Trust Bank of Japan, Ltd. (Trust Account)	23,505	2.63
Kansai Electric Power Employee Stockholder Program	20,867	2.33
Mizuho Bank, Ltd.	17,378	1.94
Kochi Shinkin Bank	15,895	1.78
Sumitomo Mitsui Banking Corporation	11,128	1.25
Japan Trustee Services Bank, Ltd. (9 Trust Accounts)	10,151	1.14

Note: The table above excludes 44,964,447 shares of treasury stock.

Distribution of shares

As of March 31, 2015



Kansai Electric Power Group
Your Trusted Partner in Energy and Life

Comprehensive Energy Supply

Through combinations of our energy supply and energy management services, with a focus on our Utility Service, Kansai Electric Power offers customers solutions for optimal energy use according to their individual needs for saving energy, reducing costs, or lowering CO_2 emissions.

Information and Telecommunications (IT)

Based on optical fiber networks and mobile networks that cover all of the Kansai region, Kansai Electric Power offers comprehensive, timely communication services closely aligned with customer needs, leading to high customer satisfaction.

Amenity Services in Daily Life

We offer numerous services to bring safety, security, comfort, and convenience to customers. These services include: the building of energy-saving, low-carbon homes and offices, home security, nursing care, and support for health management.

Group Business Support

We provide support for the safe, stable supply of electricity, and utilize our expertise in quality and technologies gained in the power industry together with the group's know-how and management resources to supply numerous services both domestically and internationally. The results of such initiatives provide additional feedback for improving our services and for maintaining and improving quality in the power industry.

Group Companies (Consolidated subsidiaries and affiliates accounted for by the equity method)

(As of June 30, 2015)

● Consolidated subsidiaries 61 companies

Comprehensive Energy Supply

Kanden Energy Solution Co., Inc.
SAKAI LNG Corp.
ECHIZEN ENELINE CO., INC.
Osaka Bioenergy Co., Ltd.
Two other companies

Information and Telecommunications (IT)

K-Opticom Corp.
Kanden System Solutions Co., Inc.
Four other companies

Amenity Services in Daily Life

KANDEN FUDOSAN CO., LTD.
Clearpass Co., Ltd.
Kanden E House Co., Ltd.
Kanden Joy Life Co., Ltd.
KANDEN AMENIX Corp.
MID Facility Management Co., Ltd.
MID Urban Development Co., Ltd.
Urban Service Co., Ltd.
KANSAI Medical Net Co., Inc.
KANDEN Security of Society, Inc.
Four other companies

Group Business Support

Kanden Plant Corp.
The Kurobe Gorge Railway Co., Ltd.
Institute of Nuclear Safety System, Inc.
THE GENERAL ENVIRONMENTAL TECHNOS CO., LTD.
Kanden CS Forum Inc.
Kanden Office Work Co., Inc.
Kanden Power-Tech Corp.
Kanden Business Support Corp.
Kanden Engineering Corp.
The Kanden L & A Co., Ltd.
The Kanden Services Co., Inc.
NEWJEC INC.
NIHON NETWORK SUPPORT CO., LTD.
Nuclear Engineering, Ltd.
Seven other companies

Other

KANDEN GEO-RE Inc.
KPIC Netherlands, B.V.
Kansai Power Venture Management Corporation
Kansai Electric Power Australia Pty. Ltd.
Kansai Electric Power Holdings Australia Pty. Ltd.
Kansai Sojitz Enrichment Investing S.A.S.
LNG EBISU Shipping Corporation
LNG FUKUROKUJU Shipping Corporation
LNG JUROJIN Shipping Corporation
Kanden L-Heart Co., Inc.
Kansai Electron Beam Co., Ltd.
Three other companies

● Affiliates accounted for by the equity method Four companies

Other

JAPAN NUCLEAR FUEL LIMITED
KINDEN CORPORATION
ENEGATE Co., Ltd.
San Roque Power Corporation