

The business environment and our business as a whole

In order to overcome the competition and achieve further growth in fiscal 2017, we combined all the powers of our corporate group and made efforts for various measures based on the established Kansai Electric Power Group Medium-term Management Plan (2016-2018).

In the electricity business, which is the main business of our corporate group, the electricity sales volume for the fiscal year had a decline in contract power, and decreased 5.1% from the previous fiscal year to 115.24 billion kWh. Looking at the breakdown, "light" was 4.4% lower than the previous fiscal year at 41.77 billion kWh. "Power" was also 5.6% lower than the previous fiscal year at 73.48 billion kWh.

In terms of income, revenue from lighting and power decreased because the total electricity sales volume decreased and electricity prices declined among other factors in our electric power business. Despite this, our operating revenue was 3,133.6 billion yen due to

increased wheeling revenues and rates for power sold to other companies, as well as increased operating revenue from our gas supply and information and telecommunications businesses. Our total ordinary revenue, including non-operating revenue, increased by 101.3 billion yen from the previous fiscal year to 3,169.5 billion yen.

Meanwhile, we endeavored to thoroughly reduce various outlays by making business more efficient. In addition, the resumption of nuclear power plant operation had a cost reduction effect. Nonetheless, total ordinary expenses increased 80.3 billion yen over the previous fiscal year to 2,952.3 billion yen due to fuel prices increasing and other factors.

As a result, our ordinary profits were 217.1 billion yen, and net income belonging to parent company stockholders was 151.8 billion yen.

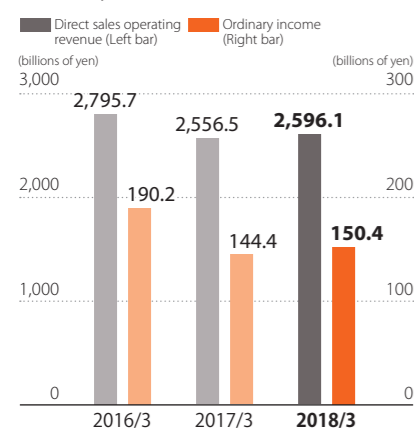
		(billions of yen)			
		FY 2016	FY 2017	Increase/Decrease	
Comprehensive energy / Power transmission and distribution	Electric power	Direct sales operating revenue	25,565	25,961	+395
		Ordinary income	1,444	1,504	+59
	Gas/other energy	Direct sales operating revenue	932	1,412	+480
		Ordinary income	62	71	+8
	Total	Direct sales operating revenue	26,497	27,373	+875
		Ordinary income	1,507	1,575	+68
Information and telecommunications		Direct sales operating revenue	1,856	2,031	+175
		Ordinary income	183	251	+67
Real estate / Life		Direct sales operating revenue	955	1,117	+161
		Ordinary income	128	145	+16
Other		Direct sales operating revenue	807	813	+6
		Ordinary income	235	288	+53

• The values in this table are, as a rule, simple totals from the results of each company before intra-company elimination in consolidated balance sheets, for example. (amounts equivalent to equity factored in for affiliated companies accounted for by the equity-method)

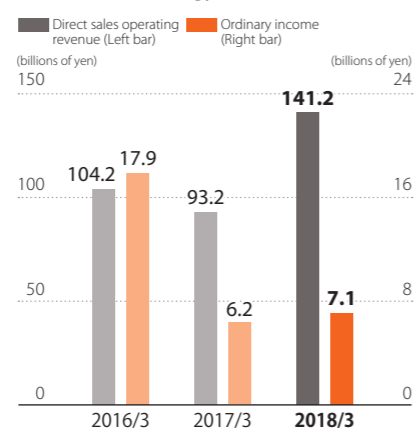
• Ordinary income means income before provision for (reversal of) reserve for fluctuations in water level, special items and income taxes.

		(billions of yen)		
Reference		FY 2016	FY 2017	Increase/Decrease
International	Profit target	- 1.0	- 2.0	- 1.0

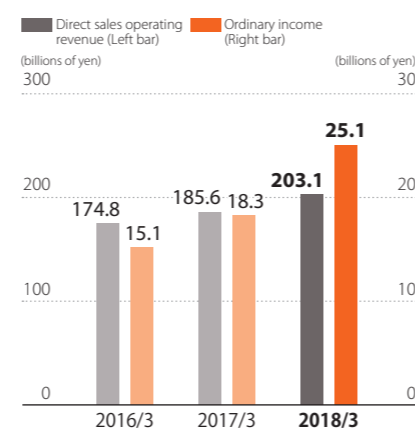
Electricity



Gas and other energy



Information and telecommunications



Comprehensive energy supply, transmission and distribution

Electricity

In terms of income, revenue from lighting and power decreased because the total electricity sales volume decreased and electricity prices declined among other factors. Despite this, operating revenue grew from the previous fiscal year due to, for example, increased wheeling revenues and rates for power sold to other companies.

At the same time, we endeavored to thoroughly reduce various outlays by making business more efficient. In addition, the resumption of nuclear power plant operation had a cost reduction effect. Nonetheless, operating expenses increased due to fuel prices increasing and other factors.

As a result of the revenue growth, however, ordinary profits still increased compared to the previous fiscal year.

Gas and other energy

In terms of income, operating revenue increased compared to the previous fiscal year due to factors that include an increased amount of gas sales and higher gas sale prices.

At the same time, in terms of expenditures, as a result of a downturn due to the allocation of expenses the previous fiscal year and other factors, ordinary profits increased compared to the previous fiscal year.

Information and telecommunications

Income grew with increased operating revenue compared to the previous fiscal year due to growth in the numbers of subscribers for our "eo HIKARI" FTTH, "mineo" mobile phone, and "eo Denki" electricity retail services.

Although expenditures also increased with greater operating expenses, including sales promotion expenses related to acquiring subscribers for the mineo and eo Denki services, ordinary profits grew compared to the previous fiscal year.

Real estate and lifestyle

In terms of income, operating revenue increased compared to the previous fiscal year due to factors that include increased unit sales as a result of wholesales to other condominium businesses.

Although expenditures also increased with greater operating expenses, including new building acquisition and development, ordinary profits grew compared to the previous fiscal year.

Other fields

Income improved with increased operating revenue compared to the previous fiscal year due to, for example, more construction orders resulting from active sales development by companies that support group businesses.

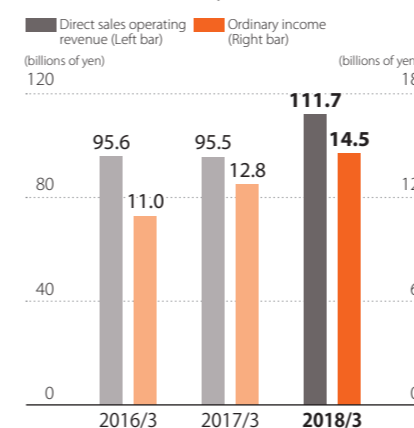
At the same time, in terms of expenditures, since expenses for periodic inspection work at power stations decreased, for example, ordinary profits increased compared to the previous fiscal year for companies that support group businesses.

Shareholder returns

In order to distribute the results of our business success as the Kansai Electric Power Group to our shareholders appropriately, after assuring the financial health of the company, we make maintaining stable dividends our fundamental policy for shareholder returns.

For our fiscal 2017 year-end dividend, holistically taking into account our business conditions, including results that stayed in the black for a third consecutive term, the ongoing recovery of our financial health, and income and expense conditions for fiscal 2018 and on, we made a dividend of 20 yen per share. Combined with our interim dividend of 15 yen, this brought our annual dividend to 35 yen per share.

Real estate and lifestyle



Other fields

