

1. Overview of Operating results, etc.

(1) Overview of Operating Results

① Consolidated Operating Results

The Kansai Electric Power Group (the “**Group**”) has consistently advanced the “KX (Kanden Transformation)” through efforts across the entire Group in the final year of its Medium-term Management Plan and largely achieved the financial targets set forth in the Plan.

Total electricity sales volume (the sum of retail electricity sales and electricity sales to other companies) decreased by 2.5% compared with the previous fiscal year, to 152.2 TWh.

On the revenue side, net sales decreased by ¥280,473 million (-6.5%) compared with the previous fiscal year, to ¥4,056,638 million, mainly due to a decrease in electricity sales revenue.

On the expense side, operating expenses decreased by ¥249,152 million (-6.4%) compared with the previous fiscal year, to ¥3,619,081 million, mainly due to decreases in the cost of purchased power from other suppliers and thermal fuel costs.

As a result, the consolidated operating results for the fiscal year ended March 31, 2026 were as follows:

	Fiscal year ended March 31		Change	
	2024	2025		
Net sales	4,337,111	4,056,638	(280,473)	(6.5) %
Operating profit	468,877	437,556	(31,320)	(6.7) %
Ordinary profit	531,686	518,530	(13,155)	(2.5) %
Profit attributable to owners of parent	420,364	380,051	(40,312)	(9.6) %

	Fiscal year ended March 31		Change (%)
	2024	2025	
Total electricity sales volume	156,044	152,191	97.5
Retail electricity sales volume	115,521	116,273	100.7
Residential	32,902	32,401	98.5
Commercial and Industrial	82,619	83,872	101.5
Electricity sales volume to other companies	40,523	35,918	88.6

(Notes) 1. Out of the overall Energy Segment, figures under the total electricity sales volume are attributable to the Company.

2. Total electricity sales volume represents the amount of electricity as of the date of submission (April 30, 2026).

3. Due to rounding, totals may not equal the sum of individual figures.

【Electricity Generated and Purchased】

(GWh)

	Fiscal year ended March 31		Change (%)
	2024	2025	
KEPCO			
Hydro	13,655	12,871	94.3
Thermal	39,932	35,305	88.4
Nuclear	48,634	46,009	94.6
Renewable energy	12	10	87.4
Purchased power from other suppliers	62,741	67,031	106.8
Power used for pumped storage	(3,128)	(2,778)	88.8
Total	161,847	158,448	97.9
Total electricity sales volume	156,044	152,191	97.5
Water run-off ratio (%)	98.2	95.1	-

(Notes) 1. The amount of electricity from thermal power generation represents the total amount of electricity from steam-power generation and that from internal-combustion power generation.

2. Renewable energy generation output refers to electricity generated from biomass at steam-power generation facilities and from solar power at renewable energy and other power generation facilities.

3. Electricity generated and purchased, and total electricity sales volume reflect the amounts confirmed as of the filing date (April 30, 2026).

4. Power used for pumped storage refers to the electricity consumed for pumping operations for reservoir management.

5. The water run-off ratio for FY 2024 is the ratio to the 30-year average for the period from FY 1993 to FY 2022. The water run-off ratio for FY 2025 is the ratio to the 30-year average for the period from FY 1994 to FY 2023.

6. Due to rounding, totals may not equal the sum of individual figures.

7. The difference between total electricity generated and purchased and total electricity sales volumes represents transmission and distribution losses and so forth.

② Segment results

(Millions of yen)

		Energy	Transmission and Distribution	Information and Communication Technology	Life/Business Solutions
Net sales to external transactions	2024	3,540,779	389,120	223,584	183,626
	2025	3,261,386	386,221	222,196	186,833
	Change	(279,392)	(2,899)	(1,388)	3,206
Segment profit (Ordinary profit)	2024	411,321	55,794	46,945	26,208
	2025	377,368	63,073	47,094	39,039
	Change	(33,952)	7,278	149	12,831

[Energy Segment]

The Group will contribute to Japan's growth by promoting both stable energy supply and decarbonization, as outlined in the Seventh Strategic Energy Plan and the GX2040 Vision, and by achieving S+3E (safety, energy security, economic efficiency, and environmental sustainability) at a high level in line with the changing times.

To strengthen its generation portfolio, ensuring a stable power supply to meet increasing electricity demand and decarbonization needs, the Group will promote the maximum utilization of nuclear power with safety as the top priority and advance studies and technological development toward the construction of successor plants. At the same time, the Group will actively develop renewable energy in optimal locations nationwide and pursue the development and replacement of LNG-fired thermal power plants on the premise of future decarbonization.

Furthermore, the Group will strongly promote "Energy 3.0," delivering best-in-class One-Stop solutions and pursuing new business opportunities in an integrated manner to provide optimal solutions to customers, while aiming to be a partner of choice for customers across Japan and overseas and to grow together with them over the long term.

On the revenue side, net sales to external transactions decreased by ¥279,392 million (-7.9%) compared with the previous fiscal year, to ¥3,261,386 million, primarily due to a decrease in electricity sales revenue.

On the expense side, ordinary expenses decreased primarily due to decreases in the cost of purchased power from other suppliers and thermal fuel costs.

As a result, segment profit decreased by ¥33,952 million (-8.3%) compared with the previous fiscal year, to ¥377,368 million.

[Transmission and Distribution Segment]

The Group conducts the operation of power systems as well as the planning and construction of transmission, substation, and distribution facilities, and delivers electricity safely and stably to customers from a neutral and fair standpoint.

Amid increasingly diverse social needs related to energy, including decarbonization and resilience enhancement, the importance of the transmission and distribution business as a fundamental infrastructure continues to grow. The Group will contribute to the development of local communities by advancing the next-generation power network and continuously providing grid access services tailored to the needs of diverse users, including distributed energy resources.

On the revenue side, net sales to external transactions decreased by ¥2,899 million (-0.7%) compared with the previous fiscal year, to ¥386,221 million, primarily due to a decrease in electricity sales to other companies associated with supply-demand adjustment transactions.

On the expense side, ordinary expenses decreased primarily due to a decrease in costs associated with supply-demand adjustment transactions.

As a result, segment profit increased by ¥7,278 million (+13.0%) compared with the previous fiscal year, to ¥63,073 million.

[Information and Communication Technology Segment]

The Group provides three services - optical Internet, optical telephone, and optical television - under the “eo Hikari” brand throughout the Kansai region using FTTH, while also expanding its mobile service “mineo” and corporate solution businesses nationwide.

On the revenue side, although there was an increase in revenue due to growth in corporate services at OPTAGE Inc., net sales to external transactions decreased by ¥1,388 million (-0.6%) compared with the previous fiscal year, to ¥222,196 million, primarily due to the exclusion of certain consolidated subsidiaries from the scope of consolidation. Meanwhile, including internal sales, total net sales increased by ¥6,091 million (+1.9%) compared with the previous fiscal year, to ¥318,723 million, primarily due to an increase in system development projects for the Group at Kanden Systems Inc.

On the expense side, ordinary expenses increased primarily due to higher selling, general and administrative expenses, including personnel expenses and sales commissions at OPTAGE Inc., as well as increased costs associated with system development projects at Kanden Systems Inc.

As a result, segment profit increased by ¥149 million (+0.3%) compared with the previous fiscal year, to ¥47,094 million.

[Life/Business Solutions Segment]

In addition to comprehensive real estate businesses such as leasing, sales, and property management, as well as leisure-related services, the Group provides services that contribute to customers’ safe, comfortable, and convenient lifestyles and business activities, including call center operations and medical and healthcare services.

On the revenue side, net sales to external transactions increased by ¥3,206 million (+1.7%) compared with the previous fiscal year, to ¥186,833 million, primarily due to an increase in rental income from residential and commercial properties in the leasing business of Kanden Realty & Development Co., Ltd.

On the expense side, ordinary expenses decreased primarily due to a reduction in the cost of sales, including property costs, in the housing sales business of Kanden Realty & Development Co., Ltd.

As a result, segment profit increased by ¥12,831 million (+49.0%) compared with the previous fiscal year, to ¥39,039 million.

(2) Overview of Financial Position

(Millions of yen)

Account	As of		Change	
	March 31, 2025	March 31, 2026		
Assets	9,652,655	9,854,646	201,991	2.1%
Liabilities	6,545,202	6,351,902	(193,300)	(3.0%)
[Interest-bearing debt]	[4,471,794]	[4,266,618]	[(205,175)]	[(4.6%)]
Net Assets	3,107,452	3,502,744	395,291	12.7%

Equity ratio	31.8%	35.1%	3.3%
Net assets per share	2,752.01 yen	3,101.43 yen	349.42 yen

(Millions of yen)

	Fiscal year ended March 31		Change (%)	
	2024	2025		
Capital expenditures	513,093	580,678	67,584	13.2%
Depreciation and amortization	331,771	338,340	6,568	2.0%

[State of Assets and Liabilities]

Total assets increased by ¥201,991 million (+2.1%) compared with the end of the previous fiscal year, reaching ¥9,854,646 million, primarily due to capital expenditures exceeding depreciation and amortization.

Total liabilities decreased by ¥193,300 million (-3.0%) compared with the end of the previous fiscal year, to ¥6,351,902 million, primarily due to a reduction in interest-bearing debt.

[State of Net Assets]

Total net assets increased by ¥395,291 million (+12.7%) compared with the end of the previous fiscal year, reaching ¥3,502,744 million, primarily due to the recognition of net profit attributable to owners of the parent of ¥380,051 million.

As a result, the equity ratio increased by 3.3% from the end of the previous fiscal year to 35.1%.

Net assets per share also rose by ¥349.42 compared with the end of the previous fiscal year, to ¥3,101.43.

(3) Overview of Cash Flows

(Millions of yen)

Account	Fiscal year ended March 31		Change	
	2024	2025		
Operating activities	575,299	652,381	77,081	13.4%
Investing activities	(342,353)	(571,921)	(229,567)	67.1%
[Free Cash Flow]	[232,946]	[80,459]	[(152,486)]	[(65.5%)]
Financing activities	137,673	(290,219)	(427,893)	-
Cash and cash equivalents at end of period	941,432	741,286	(200,146)	(21.3%)

Net cash provided by operating activities increased by ¥77,081 million (+13.4%) compared with the previous fiscal year, to ¥652,381 million, primarily due to a decrease in trade receivables.

Net cash used in investing activities increased by ¥229,567 million (+67.1%) compared with the previous fiscal year, to ¥571,921 million. This was mainly attributable to a decrease in proceeds from the recovery of investments and loans, as well as an increase in purchases of non-current assets.

Net cash used in financing activities was ¥290,219 million, an increase in outflows of ¥427,893 million compared with the previous fiscal year, primarily due to a decrease in proceeds from the issuance of shares and the disposal of treasury stock.

(4) Outlook for the Next Period

The consolidated financial forecasts for the fiscal year ending March 31, 2027 have been prepared as follows, reflecting factors such as, in the Energy segment, a decrease in the nuclear capacity factor, the impact of rising fuel market prices, and increases in expenses and maintenance costs due to inflation; and, in the Transmission and Distribution segment, a decline in demand and an increase in expenses due to inflation and higher construction volumes.

【Consolidated Financial Forecasts】 (Millions of yen)

	Fiscal year ended March 31		Change (%)	
	2025	2026		
Net sales	4,056,638	4,500,000	443,361	10.9%
Operating profit	437,556	250,000	(187,556)	(42.9%)
Ordinary profit	518,530	290,000	(228,530)	(44.1%)
Profit attributable to owners of parent	380,051	310,000	(70,051)	(18.4%)

The Consolidated Financial Forecasts are calculated based on the following assumptions.

【Major factors】

	Fiscal year ended March 31	
	2025	2026
Total electricity sales volume	152.2 TWh	162.8 TWh
Nuclear capacity factor	84.1 %	Approximately 70 %
Water run-off ratio	95.1 %	Approximately 100 %
All Japan CIF crude oil price	71.4 \$/barrel	Approximately 80 \$/barrel
Exchange rate (TTM)	151 yen/\$	Approximately 160 yen/\$

(Note) Out of the Energy Segment, figures for total electricity sales volume are attributable to the Company.

【Impact on earnings by major factors】 (Billions of yen)

	Fiscal year ended March 31	
	2025	2026
Nuclear capacity factor per 1%	4.6	5.7
Water run-off ratio per 1%	1.4	1.5
All Japan CIF crude oil price per \$1/barrel	(0.6)	(0.2)
Exchange rate (TTM) per 1yen/\$	(1.6)	(1.2)

(Note) Impact on earnings by major factors may deviate if any major factors drastically or rapidly change.

(5) Basic policy on profit distribution and dividends for the current fiscal year and the next

Our shareholder return policy is that, as the Kansai Electric Power Group, we seek to improve corporate value and appropriately allocate business results to shareholders.

We aim to deliver steady distribution while ensuring financial soundness.

We will pay a year-end dividend of 45 yen per share for fiscal year 2025. This will bring the annual dividends, including the interim dividend of 30 yen, to 75 yen per share.

In addition, from fiscal year 2026, while ensuring financial stability, we will enhance the corporate value and share the benefits with our shareholders, in a measured and sustainable manner. We have a target consolidated payout ratio of 25–35% as a guide and aim to maintain or increase dividends.

We plan to pay annual dividends of 80 yen per share for fiscal year 2026 (an interim dividend of 40 yen and a year-end dividend of 40 yen).

2. Basic Policy on the Selection of Accounting Standards

The primary business of the Group is the electric power business, and its consolidated financial statements are prepared in accordance with the Regulation on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Ordinance No. 28, October 30, 1976), and in compliance with the Regulation on Electric Utility Accounting (Ministry of International Trade and Industry Ordinance No. 57, June 15, 1965).

The application of International Financial Reporting Standards (IFRS) has not yet been determined.