

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Non-current assets	7,681,631	8,072,058
Electric utility plant and equipment	3,806,046	3,771,430
Hydroelectric power production facilities	301,937	308,058
Thermal power production facilities	235,508	210,576
Nuclear power production facilities	1,088,157	1,032,297
Transmission facilities	790,356	799,382
Transformation facilities	428,450	443,019
Distribution facilities	840,652	852,050
General facilities	119,434	124,734
Other electric utility plant and equipment	1,550	1,309
Other non-current assets	984,637	1,034,338
Construction in progress	592,612	702,924
Construction and retirement in progress	309,608	394,135
Special account related to nuclear power decommissioning	36,046	25,577
Special account related to reprocessing of spent nuclear fuel	246,958	283,211
Nuclear fuel	465,308	474,737
Loaded nuclear fuel	61,585	53,382
Nuclear fuel in processing	403,723	421,354
Investments and other assets	1,833,026	2,088,627
Long-term investments	737,655	868,461
Long-term investments in subsidiaries and associates	682,469	776,147
Deferred tax assets	277,553	263,440
Other	160,184	206,876
Allowance for doubtful accounts	(24,837)	(26,298)
Current assets	1,971,023	1,782,588
Cash and deposits	942,388	737,411
Notes and accounts receivable - trade, and contract assets	496,447	439,241
Inventories	287,421	332,977
Other	248,218	275,473
Allowance for doubtful accounts	(3,452)	(2,515)
Total assets	9,652,655	9,854,646

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities and net assets		
Non-current liabilities	4,843,095	4,578,913
Bonds payable	1,450,635	1,348,035
Long-term borrowings	2,296,339	2,171,788
Contribution payable for nuclear reactor decommissioning	487,416	467,684
Provision for loss on guarantees	1,881	2,195
Retirement benefit liability	315,322	242,622
Deferred tax liabilities	15,908	22,761
Other	275,592	323,826
Current liabilities	1,680,147	1,752,852
Current portion of non-current liabilities	590,914	631,610
Short-term borrowings	159,849	155,012
Notes and accounts payable - trade	234,190	212,032
Accrued taxes	128,168	103,353
Other	567,025	650,843
Reserves under special laws	21,959	20,136
Reserve for water shortage	21,959	20,136
Total liabilities	6,545,202	6,351,902
Shareholders' equity	2,762,304	3,075,665
Share capital	630,040	630,040
Capital surplus	205,089	205,088
Retained earnings	1,928,108	2,241,469
Treasury shares	(935)	(934)
Accumulated other comprehensive income	303,552	379,509
Valuation difference on available-for-sale securities	128,800	184,659
Deferred gains or losses on hedges	49,315	44,951
Foreign currency translation adjustment	93,032	106,979
Remeasurements of defined benefit plans	32,403	42,918
Non-controlling interests	41,595	47,569
Total net assets	3,107,452	3,502,744
Total liabilities and net assets	9,652,655	9,854,646

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Operating revenue	4,337,111	4,056,638
Electric utility operating revenue	3,371,649	3,151,183
Other business operating revenue	965,462	905,454
Operating expenses	3,868,234	3,619,081
Electric utility operating expenses	3,044,537	2,879,428
Other business operating expenses	823,697	739,652
Operating profit	468,877	437,556
Non-operating income	117,343	163,182
Dividend income	24,706	25,346
Interest income	8,982	9,891
Foreign exchange gains	11,330	43,687
Share of profit of entities accounted for using equity method	25,477	33,671
Other	46,845	50,586
Non-operating expenses	54,533	82,209
Interest expenses	35,038	42,684
Other	19,494	39,524
Total ordinary revenue	4,454,454	4,219,821
Total ordinary expenses	3,922,767	3,701,290
Ordinary profit	531,686	518,530
Provision or reversal of reserve for water shortage	(1,473)	(1,823)
Reversal of reserve for water shortage	(1,473)	(1,823)
Extraordinary income	61,412	-
Gain on sale of shares of subsidiaries and associates	61,412	-
Profit before income taxes	594,572	520,354
Income taxes - current	139,186	138,907
Income taxes - deferred	4,248	(2,177)
Total income taxes	143,435	136,730
Profit	451,137	383,624
Profit attributable to non-controlling interests	30,772	3,572
Profit attributable to owners of parent	420,364	380,051

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit	451,137	383,624
Other comprehensive income		
Valuation difference on available-for-sale securities	683	49,114
Deferred gains or losses on hedges	(1,356)	(3,891)
Foreign currency translation adjustment	26,138	6,457
Remeasurements of defined benefit plans, net of tax	28,374	9,619
Share of other comprehensive income of entities accounted for using equity method	(4,818)	15,986
Total other comprehensive income	49,021	77,286
Comprehensive income	500,158	460,910
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	465,401	456,008
Comprehensive income attributable to non-controlling interests	34,757	4,901

(3) Consolidated Statement of Changes in Equity
For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	489,320	67,002	1,556,102	(97,783)	2,014,641
Changes during period					
Issuance of new shares	140,720	140,720			281,440
Dividends of surplus			(49,118)		(49,118)
Profit attributable to owners of parent			420,364		420,364
Purchase of treasury shares				(595)	(595)
Disposal of treasury shares		0		97,443	97,443
Change in scope of consolidation		(0)	41		41
Change in scope of equity method			718		718
Capital increase of consolidated subsidiaries		0			0
Purchase of treasury shares of consolidated subsidiaries		(2,647)			(2,647)
Change in equity of consolidated subsidiary arising from change in equity in entities accounted for using equity method		14			14
Change in ownership interest of parent due to transactions with non-controlling interests		-			-
Net changes in items other than shareholders' equity					
Total changes during period	140,720	138,087	372,006	96,848	747,662
Balance at end of period	630,040	205,089	1,928,108	(935)	2,762,304

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	130,191	50,298	76,550	1,475	258,515	60,091	2,333,248
Changes during period							
Issuance of new shares							281,440
Dividends of surplus							(49,118)
Profit attributable to owners of parent							420,364
Purchase of treasury shares							(595)
Disposal of treasury shares							97,443
Change in scope of consolidation							41
Change in scope of equity method							718
Capital increase of consolidated subsidiaries							0
Purchase of treasury shares of consolidated subsidiaries							(2,647)
Change in equity of consolidated subsidiary arising from change in equity in entities accounted for using equity method							14
Change in ownership interest of parent due to transactions with non-controlling interests							-
Net changes in items other than shareholders' equity	(1,391)	(983)	16,482	30,928	45,036	(18,495)	26,541
Total changes during period	(1,391)	(983)	16,482	30,928	45,036	(18,495)	774,204
Balance at end of period	128,800	49,315	93,032	32,403	303,552	41,595	3,107,452

For the fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	630,040	205,089	1,928,108	(935)	2,762,304
Changes during period					
Issuance of new shares	-	-			-
Dividends of surplus			(66,894)		(66,894)
Profit attributable to owners of parent			380,051		380,051
Purchase of treasury shares				(57)	(57)
Disposal of treasury shares		(0)		58	58
Change in scope of consolidation		0	203		203
Change in scope of equity method			-		-
Capital increase of consolidated subsidiaries		0			0
Purchase of treasury shares of consolidated subsidiaries		-			-
Change in equity of consolidated subsidiary arising from change in equity in entities accounted for using equity method		4			4
Change in ownership interest of parent due to transactions with non-controlling interests		(5)			(5)
Net changes in items other than shareholders' equity					
Total changes during period	-	(0)	313,360	1	313,361
Balance at end of period	630,040	205,088	2,241,469	(934)	3,075,665

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	128,800	49,315	93,032	32,403	303,552	41,595	3,107,452
Changes during period							
Issuance of new shares							-
Dividends of surplus							(66,894)
Profit attributable to owners of parent							380,051
Purchase of treasury shares							(57)
Disposal of treasury shares							58
Change in scope of consolidation							203
Change in scope of equity method							-
Capital increase of consolidated subsidiaries							0
Purchase of treasury shares of consolidated subsidiaries							-
Change in equity of consolidated subsidiary arising from change in equity in entities accounted for using equity method							4
Change in ownership interest of parent due to transactions with non-controlling interests							(5)
Net changes in items other than shareholders' equity	55,858	(4,364)	13,947	10,514	75,956	5,973	81,930
Total changes during period	55,858	(4,364)	13,947	10,514	75,956	5,973	395,291
Balance at end of period	184,659	44,951	106,979	42,918	379,509	47,569	3,502,744

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	594,572	520,354
Depreciation	331,771	338,340
Share of loss (profit) of entities accounted for using equity method	(25,477)	(33,671)
Amortization of special account related to nuclear power decommissioning	10,468	10,468
Amortization of nuclear fuel	41,331	36,453
Loss on retirement of non-current assets	8,935	8,846
Increase (decrease) in contribution payable for nuclear reactor decommissioning	487,416	(19,732)
Decrease in asset retirement obligation due to change in system of nuclear reactor decommissioning	(537,568)	-
Increase (decrease) in retirement benefit liability	(2,612)	(27,871)
Increase (decrease) in reserve for water shortage	(1,473)	(1,823)
Interest and dividend income	(33,689)	(35,237)
Interest expenses	35,038	42,684
Gain on sales of shares of subsidiaries and associates	(61,412)	-
Decrease (increase) in trade receivables	(110,256)	56,760
Decrease (increase) in inventories	(31,665)	(46,370)
Increase (decrease) in trade payables	74,063	(21,864)
Other, net	(26,057)	(43,610)
Subtotal	753,384	783,726
Interest and dividends received	50,714	51,428
Interest paid	(33,102)	(41,135)
Income taxes refund (paid)	(195,697)	(141,637)
Net cash provided by (used in) operating activities	575,299	652,381
Cash flows from investing activities		
Purchase of non-current assets	(494,896)	(560,464)
Proceeds from sale of non-current assets	31,994	45,642
Investments and loan advances	(50,007)	(106,155)
Proceeds from divestments and collection of loans receivable	146,074	33,278
Other, net	24,482	15,777
Net cash provided by (used in) investing activities	(342,353)	(571,921)
Cash flows from financing activities		
Proceeds from issuance of bonds	186,540	166,795
Redemption of bonds	(234,020)	(230,000)
Proceeds from long-term borrowings	236,400	192,804
Repayments of long-term borrowings	(305,177)	(338,501)
Proceeds from short-term borrowings	266,070	261,334
Repayments of short-term borrowings	(266,313)	(265,862)
Dividends paid	(49,115)	(66,858)
Other, net	303,289	(9,931)
Net cash provided by (used in) financing activities	137,673	(290,219)
Effect of exchange rate change on cash and cash equivalents	6,384	9,614
Net increase (decrease) in cash and cash equivalents	377,004	(200,146)
Cash and cash equivalents at beginning of period	564,427	941,432
Cash and cash equivalents at end of period	941,432	741,286

(5) Notes regarding Consolidated Financial Statements

(Notes on the premise of Going Concern)

Not applicable

(Additional Information)

Stock-based Compensation System for Executive Officers and Corporate Officers

The Company has introduced a stock-based compensation system (the “System”) for its executive officers and corporate officers (excluding those who are non-residents of Japan; hereinafter collectively referred to as the “Eligible Executives”) with the aim of enhancing their awareness of contribution to the medium- to long-term improvement of the Group’s corporate value.

a. Outline of the transaction

The System adopts a structure known as a Board Incentive Plan (BIP) trust (the “Trust Account”). Under this structure, Company shares are acquired through the Trust Account using funds contributed by the Company as compensation for the Eligible Executives. Based on their respective positions, the Eligible Executives receive Company shares and cash equivalent to the proceeds from the conversion of such shares.

The accounting treatment for the System is in accordance with the Practical Solution on Transactions of Delivering the Company’s Own Stocks to Employees, etc. through Trusts (ASBJ, Practical Issues Task Force No. 30, March 26, 2015).

b. Company’s shares remaining in the Trust Account

Company’s shares remaining in the Trust Account are recorded as treasury stock under net assets at their carrying amount in the Trust Account (excluding incidental costs).

As of the end of the current consolidated fiscal year, the carrying amount and number of such treasury stock were ¥718 million and 516,856 shares, respectively.

(Segment Information)

① Outline of Reportable Segments

The Group’s reportable segments are components of the Group for which segregated financial information is available. These segments are subject to regular review by the Executive Meeting of the Company for the purpose of making decisions regarding the allocation of management resources and evaluating business performance.

Based on the Kansai Electric Power Group Medium-term Management Plan (2021-2025), the Group has identified four reportable segments: the Energy Segment, which provides new value through diverse solutions, such as electricity, gas, and utility services; the Transmission and Distribution Segment, which ensures the safe and stable supply of electricity from a neutral and fair standpoint; the Information and Communication Technology Segment, which offers comprehensive information and communication services; and the Life/Business Solutions Segment, which provides real estate related services as well as life and business related services.

② Measurement of Sales, Profit or Loss, Assets, Liabilities and Other Items by Reportable Segment

The accounting methods applied to the reported business segments are consistent with the accounting policies adopted for the preparation of the consolidated financial statements. Segment profit is measured on a basis that excludes dividends received from consolidated subsidiaries and equity-method affiliates from ordinary profit.

Intersegment transactions are generally conducted at prices based on arm’s-length transactions.

③ Information regarding the amounts of net sales, profit or loss, assets, liabilities, and other items for each reportable segment

For the fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable Segment				Total	Adjustments	Consolidated
	Energy	Transmission and Distribution	Information and Communication Technology	Life / Business Solutions			
Net sales							
Net sales to external transactions	3,261,386	386,221	222,196	186,833	4,056,638	-	4,056,638
Intersegment sales or transfers	205,418	671,524	96,527	36,450	1,009,920	(1,009,920)	-
Total	3,466,805	1,057,746	318,723	223,284	5,066,559	(1,009,920)	4,056,638
Segment profit	377,368	63,073	47,094	39,039	526,576	(8,045)	518,530
Segment assets	8,708,742	2,732,901	358,094	1,033,654	12,833,392	(2,978,746)	9,854,646
Other							
Depreciation and amortization	169,256	118,097	41,199	13,468	342,022	(3,682)	338,340
Interest income	28,032	337	56	708	29,136	(19,245)	9,891
Interest expenses	43,121	14,338	260	4,209	61,930	(19,245)	42,684
Equity in earnings of affiliated companies	33,671	-	-	-	33,671	-	33,671
Increase in property and intangible assets	274,751	176,966	74,800	60,994	587,512	(6,834)	580,678
Investment in affiliated companies that applied the equity method	548,556	-	-	-	548,556	-	548,556

(Notes) 1. Adjustments are as follows:

- (1) The adjustment to segment profit of ¥(8,045) million represents the elimination of intersegment transactions and items not attributable to the performance of the respective reportable segments.
 - (2) The adjustment to segment assets of ¥(2,978,746) million represents the elimination of intersegment transactions.
 - (3) The adjustment to depreciation and amortization of ¥(3,682) million represents the elimination of intersegment transactions.
 - (4) The adjustment to interest income of ¥(19,245) million represents the elimination of intersegment transactions.
 - (5) The adjustment to interest expenses of ¥(19,245) million represents the elimination of intersegment transactions.
 - (6) The adjustment to increase in property and intangible assets of ¥(6,834) million represents the elimination of intersegment transactions.
2. Segment profit is adjusted with ordinary profits presented in the consolidated financial statements.
 3. Segment profit does not include dividends received from consolidated subsidiaries and equity-method affiliates.
 4. Increases in property and intangible assets do not include asset retirement obligations.

(Per share information)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net assets per share	2,752.01 yen	3,101.43 yen
Basic earnings per share	436.09 yen	341.14 yen

(Notes) 1. Diluted earnings per share is not presented, as there are no dilutive shares.

2. In calculating net assets per share, the Company's shares held by the Trust Account for executive compensation are included in treasury stock and deducted from the total number of issued shares at the end of the period. The number of such treasury stock held by the Trust Account was 557,845 shares at the end of the previous consolidated fiscal year and 516,856 shares at the end of the current consolidated fiscal year.

3. In calculating earnings per share, the Company's shares held by the Trust Account are included in treasury stock and deducted from the average number of shares during the period. The average number of such treasury stock held by the Trust Account was 430,947 shares for the previous consolidated fiscal year and 524,749 shares for the current consolidated fiscal year.

4. The basis for calculating net assets per share and earnings per share is as follows:

	As of March 31, 2025	As of March 31, 2026
Total net assets	3,107,452 million yen	3,502,744 million yen
Amount to be deducted from the total amount of net assets	41,595 million yen	47,569 million yen
[Non-controlling interests]	41,595 million yen	47,569 million yen
End-of-period net assets related to common stock	3,065,856 million yen	3,455,174 million yen
Number of common shares at the end of the period used to calculate net assets per share	1,114,041,698 shares	1,114,056,720 shares

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Basic earnings per share		
Profit attributable to owners of parent	420,364 million yen	380,051 million yen
Amounts not attributable to common shareholders	-	-
Net profit attributable to owners of parent relating to common stock	420,364 million yen	380,051 million yen
Average number of shares of common stock during the period	963,929,410 shares	1,114,061,649 shares

(Significant Subsequent Events)

Tendering Shares in a Tender Offer for Own Shares by KINDEN CORPORATION

In connection with the resolution by KINDEN CORPORATION (“**KINDEN**”), an equity-method affiliate of KEPCO, at its Board of Directors meeting held on April 27, 2026, to conduct a tender offer for its own shares (the “**Tender Offer**”), KEPCO and its wholly owned subsidiary, Kanden Realty & Development Co., Ltd. (“**KRD**”), resolved at KEPCO’s Board of Directors meeting held on the same date to tender the common shares of KINDEN held by KEPCO and KRD in the Tender Offer.

Even if the planned number of shares to be sold, namely 33,500,000 shares of KINDEN, are sold upon completion of the Tender Offer, KINDEN will continue to be an equity-method affiliate of KEPCO.

(1) Reason for Tendering in the Tender Offer

KEPCO determined that tendering in the Tender Offer is appropriate from the perspective of enhancing capital efficiency through the optimization of the capital relationship with KINDEN.

(2) Outline of Tendering in the Tender Offer

(i) Number of shares held before the Tender Offer

73,518,174 shares (Ownership percentage: 37.13%)

(ii) Number of shares to be tendered

73,412,898 shares

(iii) Number of shares to be sold (expected)

33,500,000 shares

(iv) Number of shares held after the tender offer (expected)

40,018,174 shares (Ownership percentage: 24.33%)

(v) Tender offer price

6,677 yen per common share

(vi) Tender offer period

From April 28, 2026 to June 1, 2026

(vii) Settlement start date

June 23, 2026

(Notes) 1. The total number of shares held by KEPCO, KRD and Kanden Engineering Corporation.

2. All shares held by KEPCO and KRD. Shares held by Kanden Engineering Corporation are not subject to the Tender Offer.

3. If, as a result of tenders by shareholders other than KEPCO and KRD, the total number of tendered shares exceeds KINDEN’s planned purchase amount (33,500,000 shares), the number of shares each shareholder may sell will be allocated on a pro rata basis according to the number of shares tendered; therefore, there is a possibility that a portion of the shares intended for sale may not be sold. The treatment of any shares that are not sold has not been determined at this time.

(3) Outline of the Equity-Method Affiliate

(i) Name

KINDEN CORPORATION

(ii) Business description

Electrical, information and communications, and environmental construction

(iii) Major shareholders and shareholding ratios

KEPCO: 29.75%

KRD: 7.33%

(iv) Relationship with KEPCO

Contractor for electrical construction and related works of the Group

(4) Impact on Financial Results

If the planned number of shares to be sold (33,500,000 shares) is sold, KEPCO expects to record approximately ¥105 billion as a gain on sale of shares of subsidiaries and associates in its consolidated financial results for the following fiscal year (the fiscal year ending March 31, 2027).