

Financial results for FY ended 3/2018  
&  
Financial forecasts for FY ending 3/2019

April 27, 2018

The Kansai Electric Power Co., Inc.

Financial forecasts are subject to change depending upon the changes of business environments and other conditions.

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## 【 FY 2017 Earnings Results 】

**: Both consolidated and non-consolidated financial results showed increased revenues and income.**

- Income : Electricity sales revenues decreased, however, the increase of wheeling revenue and sold power to other suppliers as well as the increase of the operating revenues in the “Gas/Other Energies” and the “IT/communications” finally led to a rise in revenues.
- Expenses : We strived to thoroughly streamline business; the resumption of operation at nuclear power plants reduced costs, but the rise in fuel prices led to a rise in expenses.

→ Amid a harsh competitive environment, we finished fiscal 2017 with higher revenues and net income thanks primarily to better results of the Group’s businesses, as well as growth in heating demand spurred by low temperatures during the winter.

We will continue to make our utmost efforts in thorough streamlining of business management and to operate our nuclear plants safely and stably. On top of that, we will reduce electricity rates by resuming operations at Units 3 and 4 of Ohi Power Station, thereby enhancing our competitiveness.

In the course of our continuous efforts toward further growth of the Group’s businesses, we work toward the realization of our Medium-term Management Plan as a unified group.

## 【 FY 2017 Year-end dividend 】

- We have determined to pay the year-end dividend of 20.00 yen per share , an increase of 5.00 yen from the date of publication on January 31, 2018.
- The annual dividend results in 35.00 yen per share, including the interim dividend of 15.00 yen.

## 【 FY 2018 Earnings forecast 】 : Not yet determined

- Both operating revenues and income are left undetermined since currently we cannot forecast our earnings based on certain assumptions, mainly because Ohi Units 4 have not resumed operation yet.

# Financial highlights

(billion yen)	Consolidated (a)			Non-consolidated (b)			(a)/(b)	
	4/16-3/17	4/17-3/18	Change	4/16-3/17	4/17-3/18	Change	4/16-3/17	4/17-3/18
<b>Operating revenues</b>	3,011.3	3,133.6	+122.2 (+4.1%)	2,614.4	2,683.9	+69.5 (+2.7%)	1.15	1.17
<b>Operating income</b>	217.7	227.5	+9.8 (+4.5%)	164.5	165.4	+0.8 (+0.5%)	1.32	1.38
<b>Ordinary income (*2)</b>	196.1	217.1	+20.9 (+10.7%)	143.7	145.5	+1.7 (+1.2%)	1.36	1.49
<b>Net income (*3)</b>	140.7	151.8	+11.0 (+7.9%)	103.0	103.0	- (-)	1.37	1.47

(billion yen)	Consolidated			Non-consolidated		
	Mar.31, 2017	Mar.31, 2018	Change	Mar.31, 2017	Mar.31, 2018	Change
<b>Interest-bearing debt</b>	3,821.5	3,708.2	-113.3 (-3.0%)	3,401.0	3,359.9	-41.1 (-1.2%)
<b>Equity ratio</b>	19.3%	20.8%	+1.5%	14.7%	15.7%	+1.0%

\*1 ( ): Changes from the previous term, %

\*2 Ordinary income means income before provision for (reversal of) reserve for fluctuation in water level, special items and income taxes and minority interests.

\*3 The consolidated net income means the net income attributable to owners of the parent company.

## 【Dividend for FY 2017】

	Interim	Year-end	Annual
<b>Dividend per share</b>	¥ 15	¥ 20	¥ 35

# Major factors (non-consolidated)

## <Major factors>

	4/16-3/17	4/17-3/18	Change
Electricity sales (TWh)	(95.3) 121.5	(94.9) 115.2	-6.3
Residential	(99.2) 43.7	(95.6) 41.8	-1.9
Commercial and Industrial	(93.2) 77.8	(94.4) 73.5	-4.3
Electricity sales to other utility and non-utility companies (TWh) ※2	3.9	7.2	+3.3
Nuclear capacity factor (%)	0.0	※3 18.0	+18.0
Water run-off ratio (%)	99.1	107.2	+8.1
All Japan CIF crude oil price (\$/barrel)	47.5	57.0	+9.5
Exchange rate [TTM] (yen/\$)	108	111	+3
Interest rate [long-term prime rate] (%)	0.95	0.99	+0.04

## <Sensitivity of major factors>

(billion yen)	4/16-3/17	4/17-3/18
Nuclear capacity factor per 1%	4.6	※4 3.3
Water run-off ratio per 1%	0.9	1.1
All Japan CIF crude oil price per \$1/barrel	6.8	5.4
Exchange rate [TTM] per ¥1/\$	5.5	4.8
Interest rate [long-term prime rate] per 1%	6.7	7.6

\*4 Calculated based on the outputs after Ohi Units 1 and 2 are decommissioned.

Sensitivity calculated based on the outputs before Ohi Units 1 and 2 are decommissioned—amount to 4.4 billion yen.

•Sensitivity of major factors are subject to change if the rapid and drastic changes of major factors happen.

\*1 ( ) : Changes from the previous term, %

\*2 Not including imbalance electric energy, which is not yet determined as at the end of the term.

\*3 Calculated based on outputs after the electric facilities modification application (in response to the decision on when Ohi Units 1 and 2 are decommissioned) was made.

# Non-consolidated statements of income

(billion yen)	4/16-3/17	4/17-3/18	Change	Breakdown
<b>Ordinary revenues</b> (Operating revenues)	2,653.4 (2,614.4)	2,704.9 (2,683.9)	+51.5 (+69.5)	
<b>Electricity sales</b>	2,296.6	2,236.6	-60.0	<ul style="list-style-type: none"> <li>•Decrease in electricity sales volume -106.0</li> <li>•Decrease in revenue per kWh due to the effects of revision of electricity rates -56.0</li> <li>•Increase in revenue per kWh due to renewable energy power promotion surcharge +29.4</li> </ul>
<b>Grant under act on purchase of renewable energy sourced electricity</b>	130.5	148.6	+18.0	
<b>Others</b>	226.1	319.6	+93.5	<ul style="list-style-type: none"> <li>•Wheeling revenues +51.5</li> <li>•Cost of sold power (other utility companies, other non-utility companies) +33.4</li> <li>•Non-electric business +26.0</li> </ul>
<b>Ordinary expenses</b>	2,509.6	2,559.4	+49.7	
<b>Personnel expenses</b>	204.6	217.2	+12.5	
<b>Fuel costs</b>	523.5	520.1	-3.4	<ul style="list-style-type: none"> <li>•Fossil-fuel costs -15.2</li> <li>•Nuclear-fuel costs +11.7</li> </ul>
<b>Backend expenses of nuclear power</b>	32.2	59.9	+27.7	<div style="border: 1px solid black; padding: 5px;"> <ul style="list-style-type: none"> <li>•Decrease in electricity sales volume -41.0</li> <li>•Increase in other utility and non-utility companies +21.0</li> <li>•Increase in nuclear capacity factor -85.0</li> <li>•Fluctuation of fossil-fuel prices +72.0</li> <li>•Depreciation of yen +8.0</li> <li>•Other +10.0</li> </ul> </div>
<b>Maintenance costs</b>	189.5	184.1	-5.4	
<b>Taxes other than income taxes</b>	148.4	144.7	-3.6	
<b>Depreciation</b>	277.4	250.7	-26.7	
<b>Purchased power</b>	461.6	466.7	+5.0	
<b>Interest expenses</b>	42.9	33.3	-9.5	
<b>Levy under act on purchase of renewable energy sourced electricity</b>	230.6	260.0	+29.4	
<b>Other</b>	398.5	422.3	+23.8	•Non-electric business +30.1
<b>Ordinary income</b>	143.7	145.5	+1.7	
<b>Provision for or reversal of reserve for fluctuation in water levels</b>	-1.0	1.4	+2.5	
<b>Income taxes</b>	41.6	40.9	-0.7	
<b>Net Income</b>	103.0	103.0	-	

# Consolidated statements of income

(billion yen)	4/16- 3/17	4/17- 3/18	Change	Breakdown
<b>Ordinary revenues (Operating revenues)</b>	3,068.1 (3,011.3)	3,169.5 (3,133.6)	+101.3 (+122.2)	
<b>Electric operating revenues</b>	2,556.5	2,596.1	+39.5	•Grant under act on purchase of renewable energy sourced electricity +18.0
<b>Other operating revenues</b>	454.7	537.5	+82.7	{•Sales of external transactions in non-electric business +56.8 •Sales of external transactions in subsidiaries +25.9
<b>Non-operating revenues</b>	56.8	35.8	-20.9	•Gain on sales of non-current assets -14.1
<b>Ordinary expenses</b>	2,872.0	2,952.3	+80.3	
<b>Electric operating expenses</b>	2,394.7	2,430.1	+35.3	•Backend expenses of nuclear power +27.7
<b>Other operating expenses</b>	398.8	475.9	+77.1	{•Costs for non-electric business +47.6 •Costs for subsidiaries +29.4
<b>Non-operating expenses</b>	78.4	46.3	-32.1	•Interest expenses -11.1
<b>Ordinary income</b>	196.1	217.1	+20.9	
<b>Provision for or reversal of reserve for fluctuation in water levels</b>	-1.0	1.4	+2.5	
<b>Income taxes</b>	56.3	63.0	+6.7	
<b>Net income</b> <sup>*</sup>	140.7	151.8	+11.0	
<b>Comprehensive income</b>	143.1	168.4	+25.2	

\* The consolidated net income means the net income attributable to owners of the parent.

# Segment information

( ):Changes from the previous term

(billion yen)	Reportable segments			IT/ Communi cations	Other	Total	Eliminations/ Corporate	Consolidated
	Comprehensive Energy/Power Transmission and Distribution Business		Subtotal					
	Electric Power	Gas/ Other Energies						
<b>Operating revenues</b>	2,612.9 (+43.4)	174.1 (+56.7)	2,787.1 (+100.2)	243.4 (+16.5)	423.2 (+17.3)	3,453.7 (+134.0)	-320.1 (-11.7)	3,133.6 (+122.2)
<b>Operating revenues (external transactions)</b>	2,596.1 (+39.5)	141.2 (+48.0)	2,737.3 (+87.5)	203.1 (+17.5)	193.1 (+17.2)	3,133.6 (+122.2)	—	3,133.6 (+122.2)
<b>Operating income</b>	170.3 (+5.0)	0.9 (-5.0)	171.2 (-)	26.2 (+6.7)	30.4 (+5.0)	227.9 (+11.8)	-0.4 (-1.9)	227.5 (+9.8)

Breakdown of changes in Gas/Other Energies  
Operating revenues(external transactions)  
: Increase in gas business revenues  
Operating income  
: Increase in gas business costs

Breakdown of changes in IT/Communications  
Operating revenues(external transactions)  
Operating income  
: Increase in FTTH, MVNO, and retail electricity  
service customers



# Consolidated balance sheets

(billion yen)	Mar.31, 2017	Mar.31, 2018	Change	Breakdown
<b>Assets</b>	6,853.1	6,985.0	+131.9	<ul style="list-style-type: none"> <li>•Capital expenditures +407.0</li> <li>•Depreciation and amortization -340.2</li> <li>•Accounts receivable +40.5</li> </ul>
<b>Liabilities</b>	5,508.4	5,512.2	+3.8	<ul style="list-style-type: none"> <li>•Interest bearing debt -113.3</li> <li>•Accounts payable and accrued expenses +142.0</li> </ul>
<b>Net assets</b>	1,344.6	1,472.7	+128.1	<ul style="list-style-type: none"> <li>•Net income * +151.8</li> <li>•Dividend -35.7</li> </ul> (¥25 per share for FY 3/17 year-end, ¥15 per share for FY 3/18 interim)

\* The consolidated net income means the net income attributable to owners of the parent.

## 【 FY 2017 Year-end dividend 】

We have determined to pay a dividend of 20.00 yen per share, an increase of 5.00 yen from the date of notice on January 31, 2018, taking into comprehensive consideration the business environment, such as our improving financial structure as shown by remained in surplus for the third consecutive year recorded for FY 2017 and the profit and loss status for FY 2018 onward.

The annual dividend results in 35.00 yen per share, including the interim dividend of 15.00 yen.

	Interim	Year-end	Annual
FY 2017 Forecasts (2018/1)	¥ 15	¥ 15	¥ 30
FY 2017 Results	¥ 15	¥ 20	¥ 35

## <Earnings Forecast>

Regarding earnings forecast for FY 2018, both operating revenues and income are left undetermined because we cannot forecast our earnings based on certain assumptions due to Ohi Unit 4 have not fully operated and for other reason. The forecasts for FY 2018 will be disclosed as soon as it becomes available.

## <Dividend Forecast>

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

# Appendix

# Electricity sales

[FY2017 comparison with the previous year]

(GWh)

	4/17-6/17	7/17-9/17	10/17-12/17	1/18-3/18	FY 3/18 Result
Residential	9,106 (95.0)	10,277 (92.0)	9,214 (95.7)	13,170 (98.9)	41,767 (95.6)
Commercial and Industrial	17,632 (93.0)	19,901 (91.7)	17,626 (95.0)	18,317 (98.5)	73,477 (94.4)
Total	26,738 (93.7)	30,178 (91.8)	26,840 (95.2)	31,487 (98.7)	115,244 (94.9)

\* Figures in ( ) are year-on-year %.

[Average monthly temperature]

(°C)

	Apr.	May.	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Actual	15.7	21.1	22.7	28.8	29.2	24.4	18.4	12.6	7.0	5.0	5.3	11.5
Year-on-year change	△0.9	△0.1	△0.6	+0.8	△0.3	△1.4	△1.9	△0.8	△2.4	△1.2	△1.0	+2.3
Anomaly	+0.6	+1.4	△0.8	+1.4	+0.4	△0.6	△0.6	△1.0	△1.6	△1.0	△1.0	+2.1

[Outlook for FY 2018 electricity sales]

At this moment, we cannot present any outlook for FY2018 electricity sales, because we are considering the decrease in electricity rates that is associated with full operation of Ohi Unit 4, and accordingly, such a trend for price reduction will affect the contract renewal of major customers and switching supplier by customers in the residential and other segments.

# Non-consolidated balance sheets

(billion yen)	Mar. 31, 2017	Mar. 31, 2018	Change	Breakdown
<b>Assets</b>	5,834.9	5,946.1	+ 111.2	<ul style="list-style-type: none"> <li>•Capital expenditures +295.4</li> <li>•Depreciation and amortization -252.8</li> <li>•Accounts receivable +34.0</li> </ul>
<b>Liabilities</b>	4,976.4	5,012.1	+ 35.7	<ul style="list-style-type: none"> <li>•Interest bearing debt -41.1</li> <li>•Accounts payable and accrued expenses +129.9</li> </ul>
<b>Net assets</b>	858.4	933.9	+ 75.4	<ul style="list-style-type: none"> <li>•Net income +103.0</li> <li>•Dividend -35.7</li> <li>(¥25 per share for FY 3/17 year-end, ¥15 per share for FY 3/18 interim)</li> </ul>

# Consolidated statements of cash flows

(billion yen)	4/16-3/17	4/17-3/18	Change	Breakdown
<b>Operating activities</b>	485.6	623.2	+ 137.5	<ul style="list-style-type: none"> <li>· Decrease in electricity sales revenues -80.7</li> <li>· Increase in wheeling revenues +45.4</li> <li>· Increase in income from electricity sales (other utility companies/other non-utility companies) +33.0</li> <li>· Decrease in fossil-fuel costs +17.9</li> <li>· Decrease in payments of consumption taxes +116.9</li> </ul>
<b>Investing activities</b>	-345.7	-447.2	-101.4	<ul style="list-style-type: none"> <li>· Increase in expenses purchase of property -59.9</li> <li>· Increase in expenditures for investment and lending -21.1</li> <li>· Increase in expenditures for acquisition of subsidiaries' shares -20.4</li> </ul>
<b>(Free cash flows)</b>	(139.9)	(176.0)	(+ 36.1)	
<b>Financing activities</b>	-130.3	-162.2	-31.9	<ul style="list-style-type: none"> <li>· Dividends paid -35.5 (¥25 per share for FY 3/17 year-end, ¥15 per share for FY 3/18 interim)</li> </ul>

# Profit and loss by business segment

(billion yen)		4/16-3/17	4/17-3/18	Change	Breakdown	
Comprehensive Energy / Power Transmission and Distribution	Electric Power	Operating revenues (external transactions)	2,556.5	2,596.1	+39.5	• Increase in gas business revenues
		Ordinary income	144.4	150.4	+5.9	
	Gas/ Other Energies	Operating revenues (external transactions)	93.2	141.2	+48.0	
		Ordinary income	6.2	7.1	+0.8	
	Total	Operating revenues (external transactions)	2,649.7	2,737.3	+87.5	
		Ordinary income	150.7	157.5	+6.8	
IT/Communications	Operating revenues (external transactions)	185.6	203.1	+17.5	• Increase in FTTH, MVNO, and retail electricity service customers	
	Ordinary income	18.3	25.1	+6.7		
Real Estate/Life	Operating revenues (external transactions)	95.5	111.7	+16.1	• Increase in wholesale of condominiums to other business operators • Increase in unit price of subdivision sales of dwellings for sale	
	Ordinary income	12.8	14.5	+1.6		
Other	Operating revenues (external transactions)	80.7	81.3	+0.6	• Increase in orders for construction works	
	Ordinary income	23.5	28.8	+5.3		

\* Figures in this page are before eliminations, and excluding exchange gain or loss unrealized.

## <Reference>

(billion yen)		4/16-3/17	4/17-3/18	Change	Breakdown
International Business	Profit and loss	-1.0	-2.0	-1.0	• Increase in foreign exchange loss due to the yen's appreciation



# Prospective profit and loss by business segment

(billion yen)			4/17-3/18 (Results)	4/18-3/19 (Forecasts)	Change	Breakdown	
Comprehensive Energy / Power Transmission and Distribution	Electric Power	Operating revenues (external transactions)	2,596.1	—	—		
		Ordinary income	150.4	—	—		
	Gas/ Other Energies	Operating revenues (external transactions)	141.2	191.0	+49.8		· Increase in gas business revenues
		Ordinary income	7.1	8.0	+0.9		
	Total	Operating revenues (external transactions)	2,737.3	—	—		
		Ordinary income	157.5	—	—		
	IT/Communications	Operating revenues (external transactions)	203.1	225.0	+21.9		· Increase in FTTH, MVNO, and retail electricity service customers
		Ordinary income	25.1	26.0	+0.9		
Real Estate/Life	Operating revenues (external transactions)	111.7	120.0	+8.3	· Increases in the number of condominiums and houses and unit price for sale in the housing business		
	Ordinary income	14.5	15.0	+0.5			
Other	Operating revenues (external transactions)	81.3	—	—			
	Ordinary income	28.8	—	—			

\* Figures in this page are before eliminations, and excluding exchange gain or loss unrealized.

<Reference>

(billion yen)		4/17-3/18 (Results)	4/18-3/19 (Forecasts)	Change	Breakdown
International Business	Profit and loss	-2.0	0.0	+2.0	· Increase in profits due to foreign currency gain or loss of loans etc.

# Interest-bearing debt (non-consolidated)

(billion yen)	Mar. 31, 2017	Mar. 31, 2018	Change (*)
<b>Bonds</b>	1,322.6	1,240.9	-81.6 (+250.0、△331.7)
<b>Borrowings</b>	1,964.3	1,964.9	+0.5 (+561.0、-560.4)
<b>Long-term</b>	1,834.3	1,834.9	+0.5 (+301.0、-300.4)
<b>Short-term</b>	130.0	130.0	- (+260.0、-260.0)
<b>Commercial paper</b>	114.0	154.0	+400 (+404.0、-364.0)
<b>Interest-bearing debt</b>	3,401.0	3,359.9	-41.1
<b>Interest rate (%)</b> (as of fiscal year-end)	1.09	0.89	-0.20

(\*) +(plus) in the bracket means financing, -(minus) in the bracket means repayment.

# Actual supply and demand (Sending end)

(GWh)		4/16-3/17	Composition ratio	4/17-3/18	Composition ratio	Change
<b>KEPCO</b>	<b>Hydro</b>	13,362	14%	13,761	15%	+400
	<b>Thermal</b>	81,523	86%	67,787	72%	-13,737
	<b>Nuclear</b>	-440	0%	12,867	14%	+13,307
	<b>New energy sources</b>	93	0%	80	0%	-13
	<b>KEPCO Total</b>	94,537	100%	94,495	100%	-43
<b>Other-utility companies</b>			34,898		27,503	-7,395
<b>Captive use by hydropower</b>			-1,653		-1,490	+162
<b>Total</b>			127,783		120,508	-7,275

\*1 Some rounding errors may be observed.

\*2 "Other-utility companies" does not include imbalance electric energy, which is not yet determined as at the end of the term.

## [Maintenance Costs]

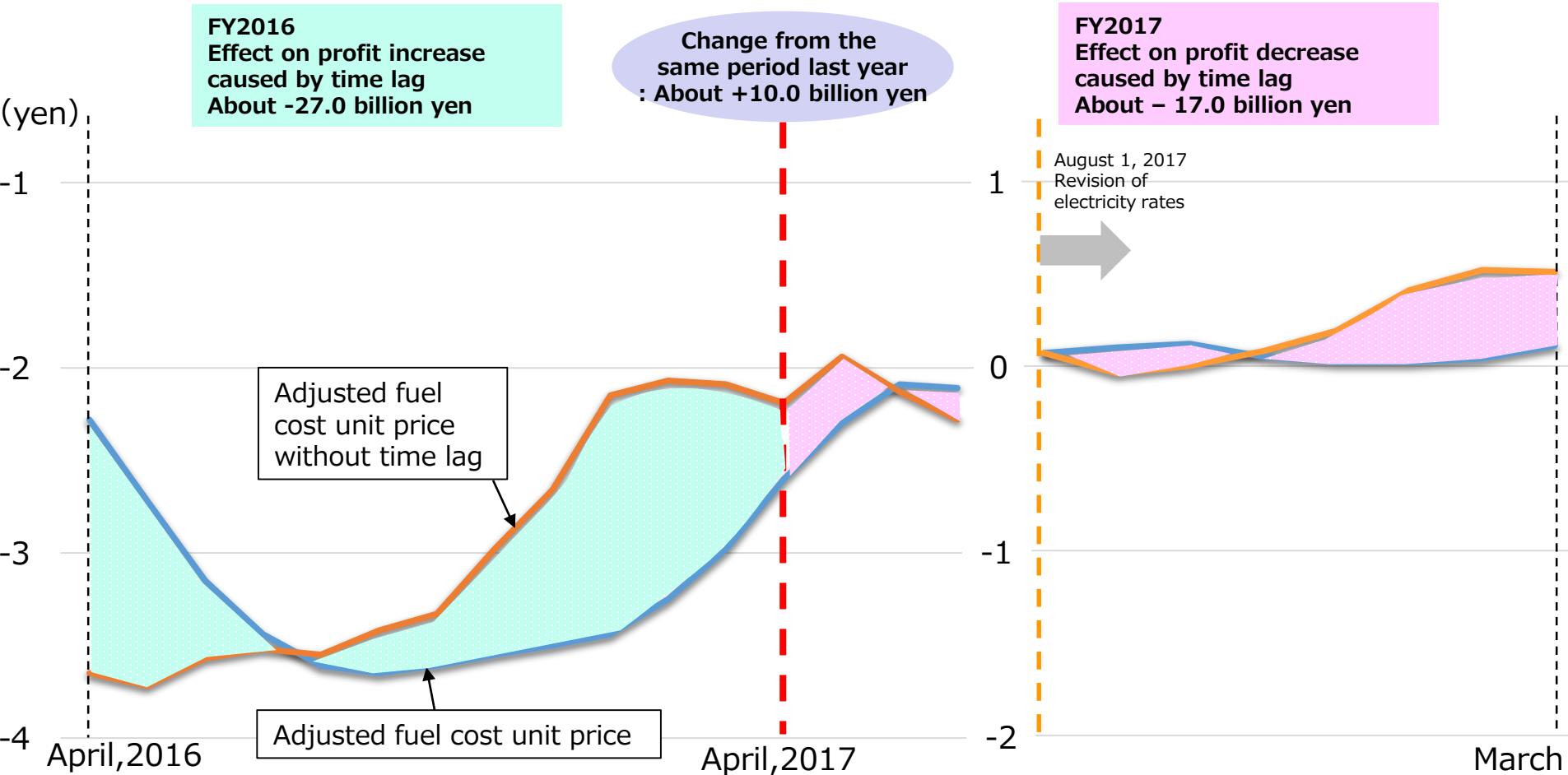
(Billion yen)	4/16-3/17	4/17-3/18	Change	Breakdown
<b>Power sources</b>	89.0	71.1	-17.9	Thermal -13.6 Nuclear -5.3
<b>Distribution</b>	97.8	110.6	+12.7	Power distribution +10.3
<b>Other</b>	2.6	2.3	-0.2	

## [Depreciation]

(Billion yen)	4/16-3/17	4/17-3/18	Change	Breakdown
<b>Power sources</b>	131.0	108.5	-22.5	Thermal -13.6 Nuclear -8.4
<b>Distribution</b>	131.4	128.6	-2.7	Power transmission -3.2 Power transformation +1.1
<b>Other</b>	15.0	13.5	-1.5	

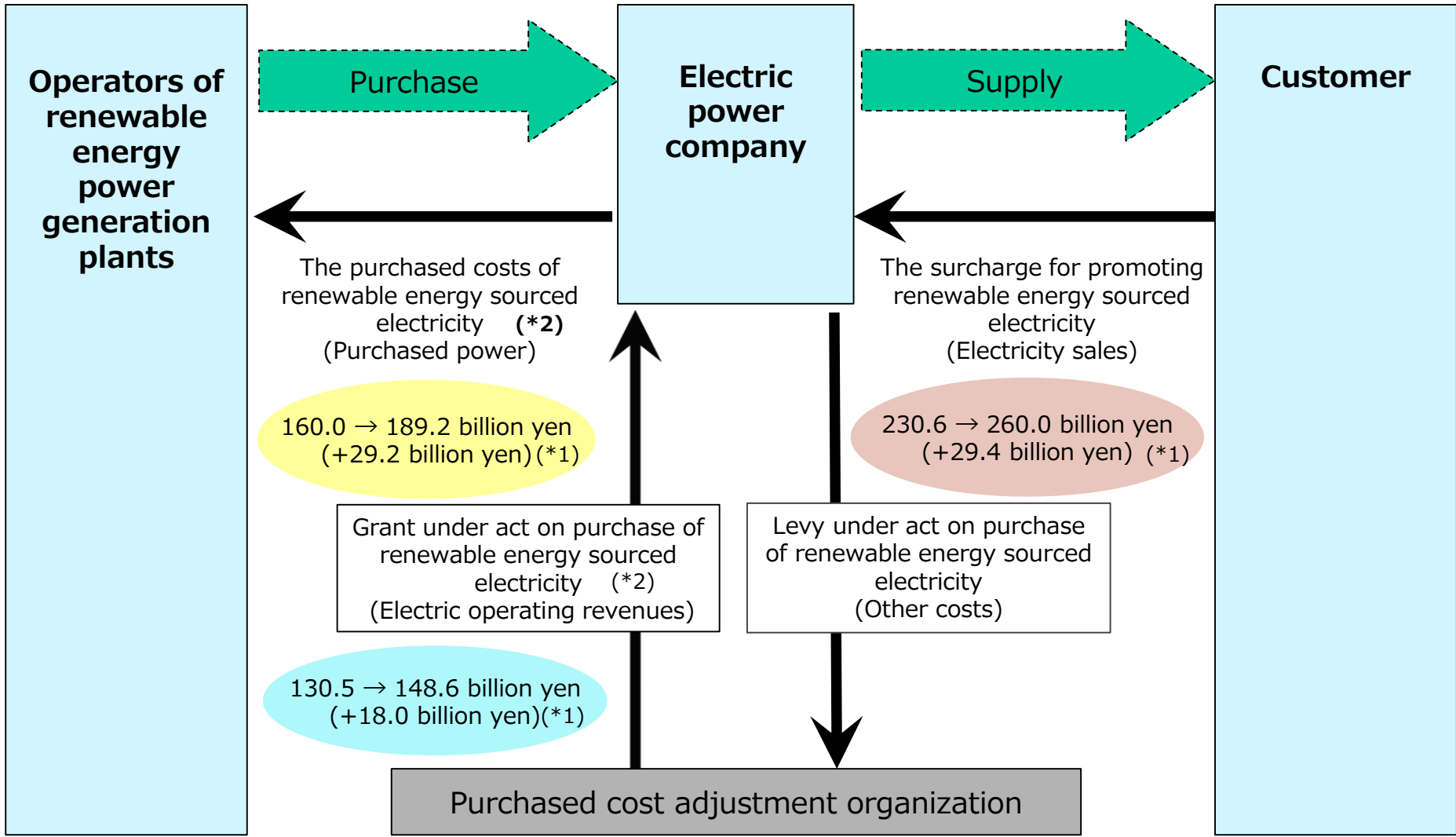
# Time lag from the fuel cost adjustment system

- The fuel cost adjustment system is a mechanism utilized to reflect, in the electricity rates, the impact of fluctuations in the exchange rate and the market price of fuel on thermal fuel costs.
- Fluctuations in fuel prices of each month is reflected in fuel cost adjustment unit price 3–5 months later. This generates a gap (time lag) between the fluctuations in fuel prices and the timing of reflecting them in fuel cost adjustment unit price.



\*The above-mentioned time lag indicates time gap on the income front in each accounting period, and differs from the income and expenditure effect calculated based on actual thermal power fuel cost etc.

\*Presupposed elements of fuel cost adjustments are being reviewed following the review of electricity rates conducted on August 1, 2017 due to the changes in generation mix and fuel prices.



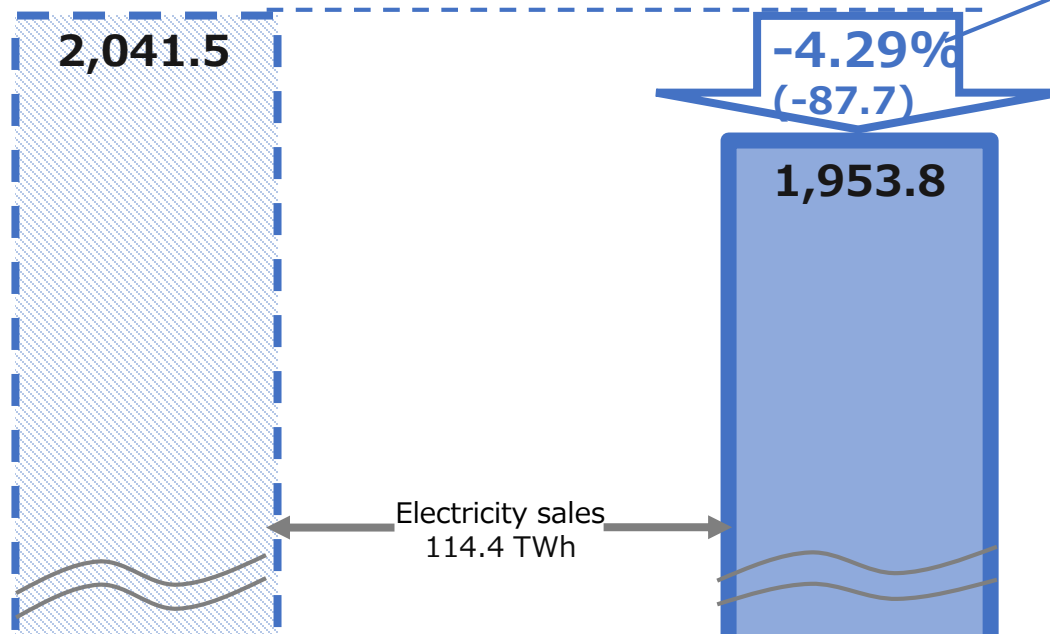
\*1 FY ended 3/2017 → FY ended 3/2018 (changes from the previous year)  
 \*2 Difference between purchased costs of renewable energy sourced electricity and grant under act on purchase of renewable energy sourced electricity is subtracting avoidable costs.  
 \*3 "Law for partial amendment to the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities (Feed-in Tariff) and other laws" (enforced April 1, 2017) stipulates that, regarding contracts of purchase on and after April 1, 2017, the definition of businesses obliged to purchase electricity will be changed to general electricity transmission and distribution businesses and others.

# Outline of electricity rate reduction [1] \* Implemented on August 1, 2017

○ Saving of fuel costs for thermal power generation due to resumption of operation of Units 3 and 4 of Takahama Nuclear Power Plant, and deepened streamlining of management, etc. result in the cost of 1,953.8 billion yen after this rate reduction which represents reduction by -4.29% (-87.7 billion yen) on average as compared with 2,041.5 billion yen that is the electricity income before the rate reduction.

## ◆ Comparison of the cost this time and the electricity income before the rate reduction (income at the current rate)

(Unit: billion yen)



Rate reduction due to resumption of operation of Takahama Units 3 and 4, deepened streamlining of management, etc.

Regulated field	-3.15%
Liberalized field	-4.90%

- \* The period for cost calculation this time is FY2017.
- \* Electricity income before the rate reduction is calculated based on electric sales that is the precondition of cost calculation this time and unit electricity rate (Excluding renewable energy promotion surcharge, and amount equivalent to consumption tax)
- \* Revenue from intra-area wheeling service is excluded.

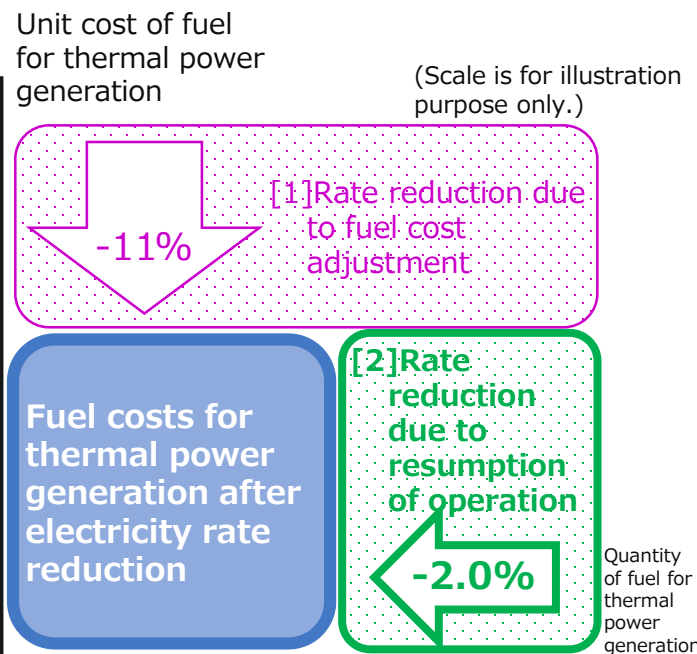
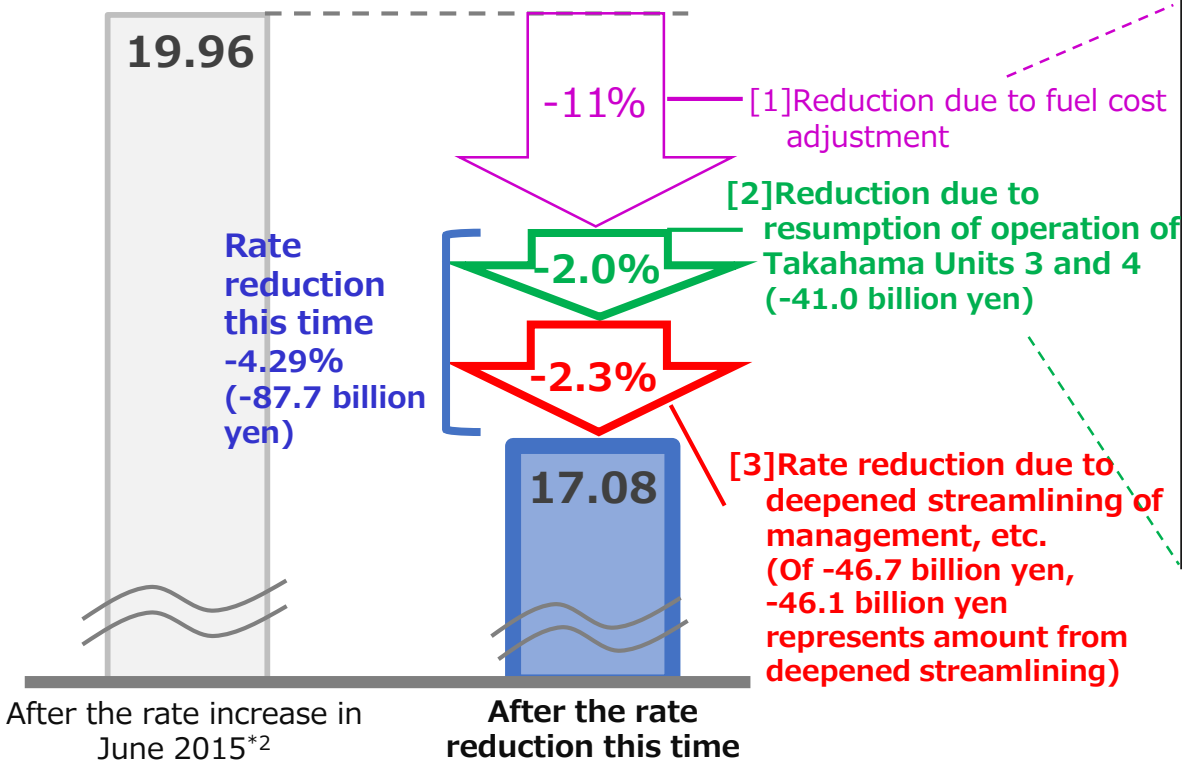
Income from the rate before the reduction this time  
(17.85 yen/kWh)

Cost this time  
(17.08 yen/kWh)

# Outline of electricity rate reduction [2] \* Implemented on August 1, 2017

- For fuel cost adjustment, crude oil price reduction results in the rate reduction.
  - ⇒ Refer to [1] below: approximately -11%
- This time, the rate is reduced by -4.29% on average.
  - Reflection of saving of fuel costs for thermal power generation due to resumption of operation of Takahama Units 3 and 4\*1
    - ⇒ Refer to [2] below: approximately -2.0% (-41.0 billion yen)
  - Further reflection of deepened streamlining of management, etc.
    - ⇒ Refer to [3] below: approximately -2.3% (-46.7 billion yen)

## ◆ The electricity rate after the reduction this time (Unit : yen/kWh)



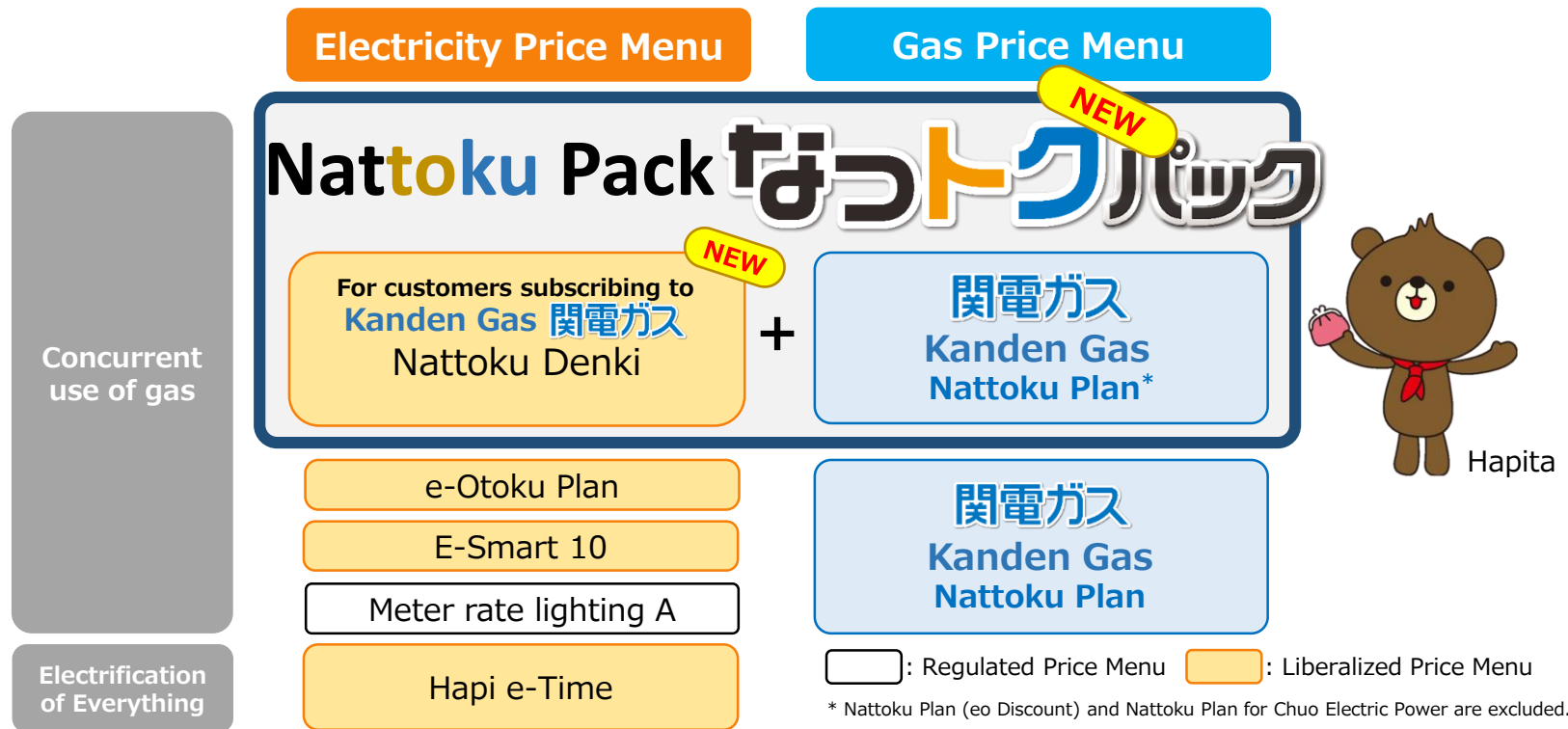
\*1 Saving of fuel costs for thermal power generation, etc.: Improvement of nuclear power capacity factor+9.0% × Amount affected by change in nuclear power capacity factor by 1% -4.6 billion yen ≈ -41.0 billion yen

\*2 After the rate increase in June 2015: Level of electricity rate after expiration of period for mitigation (June 1 ~ September 30, 2015)



# Electricity and gas sales efforts in the Kansai area

- Kepco has made **efforts so our “electricity” will be chosen by customers in terms of both price and service** through **proposals of Electrification of Everything**, as well as **liberalized price menu that includes “e-Otoku Plan” and “e-Smart 10.”** Additionally, **in line with the full liberalization of gas retail market of April last year, we have stepped up efforts so our electricity and gas will be chosen by as many customers as possible, by launching Kanden Gas “Nattoku Plan.”**
- And in February 2018, **we publicly announced “Nattoku Pack,” which is a package provided to customers who will subscribe to our combined service of “electricity” and “gas,” and are proposing it now.**



<Privilege for customers who have chosen our electricity and gas>

**Free gift of QUO Card worth ¥1,000 to all customers who have applied for Nattoku Pack** **なっとくパック!**

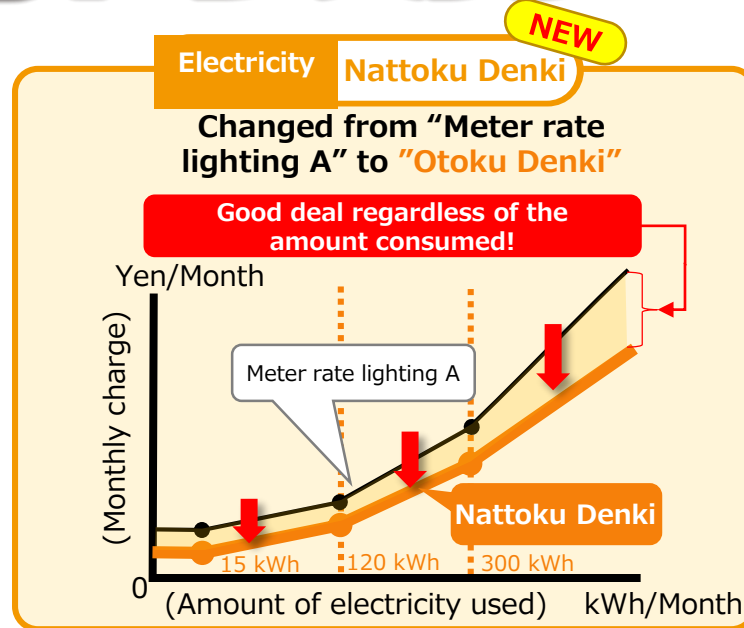
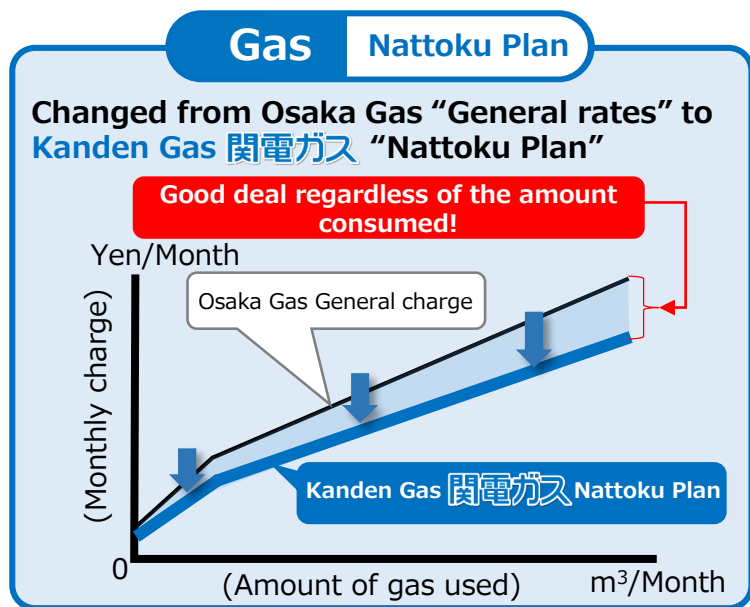
- Period: February 26, 2018 (Monday) – June 30, 2018 (Saturday)
- Eligible: Customers who applied for “Nattoku Pack” during the above-mentioned period and whose contract was confirmed  
(Customers who subscribed to “Nattoku Plan” before the above period and applied for “Nattoku Denki” during the period are not eligible.)



○ **“Nattoku Pack”** is a combination of Kanden Gas **“Nattoku Plan,”** a price menu offering good gas rates to customers who have changed contract from Osaka Gas general rates\*<sup>1</sup>, regardless of the amount of gas consumption\*<sup>2</sup>, and **“Nattoku Denki,”** a new price menu offering good electricity rates to all customers who have changed contract from meter rate lighting A. Customers who have chosen **“Nattoku Pack”** are offered good gas and electricity rates, regardless of the amount of electricity and gas consumption.

■ Image of savings on gas and electricity bills when choosing “Nattoku Pack”

## Nattoku Pack **なっとくパック**



+

**Good-deal electricity and gas rates, regardless of amount used!!**

\*1 “General rates” refers to the General Gas Supply Provisions of Osaka Gas. (Effective June 16, 2017)

\*2 Excluding consumption amount of 0 m<sup>3</sup>

# Advantages when choosing Nattoku Pack

○ **“Nattoku Pack” is a combination which is advantageous for customers with a broad range of consumption amount as it gives discount on electricity and gas rates, regardless of the amount consumed, if chosen by customers subscribing to “Meter rate lighting A” and Osaka Gas “General rates.”**

Customer who consumes relatively small amount of electricity and gas  
(Monthly consumption: Electricity 200 kWh, Gas 25 m<sup>3</sup>)

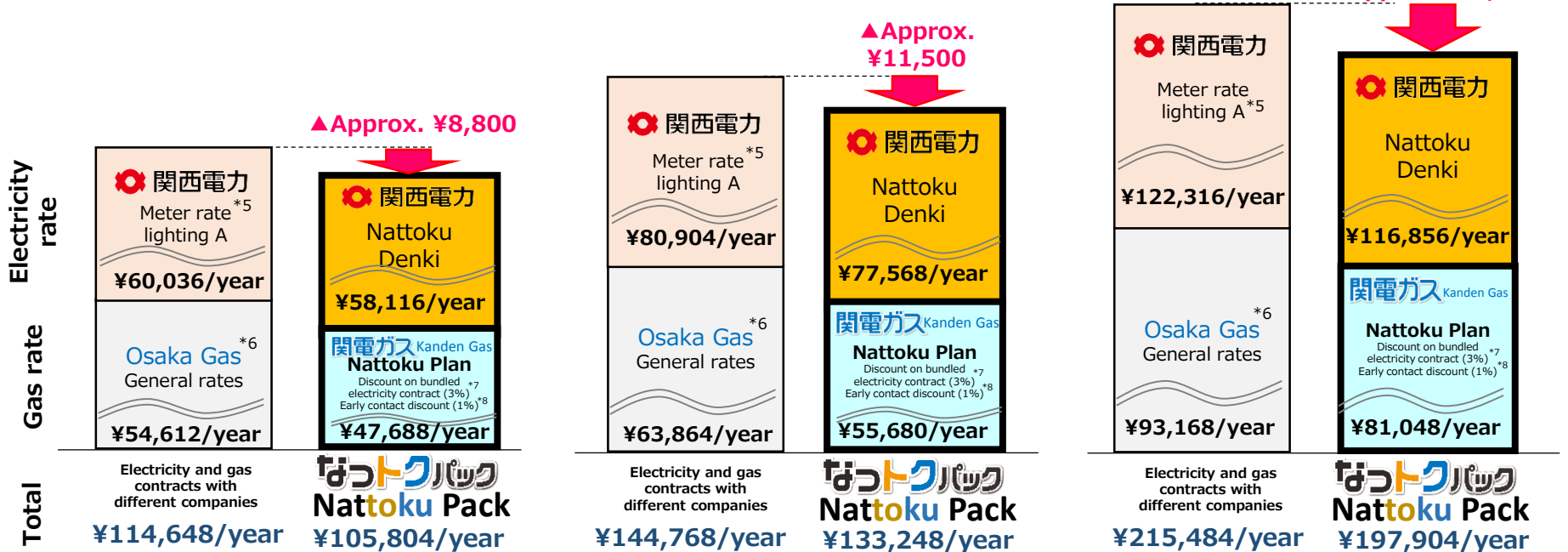
Customer with average consumption of electricity and gas  
(Monthly consumption: Electricity 260 kWh, Gas 31 m<sup>3</sup>\*)

A customer who consumes relatively large amount of electricity and gas  
(Monthly consumption: Electricity 370 kWh, Gas 50 m<sup>3</sup>\*)

**Approx. ¥8,800/year discount!**<sup>\*2</sup>  
on electricity and gas rates

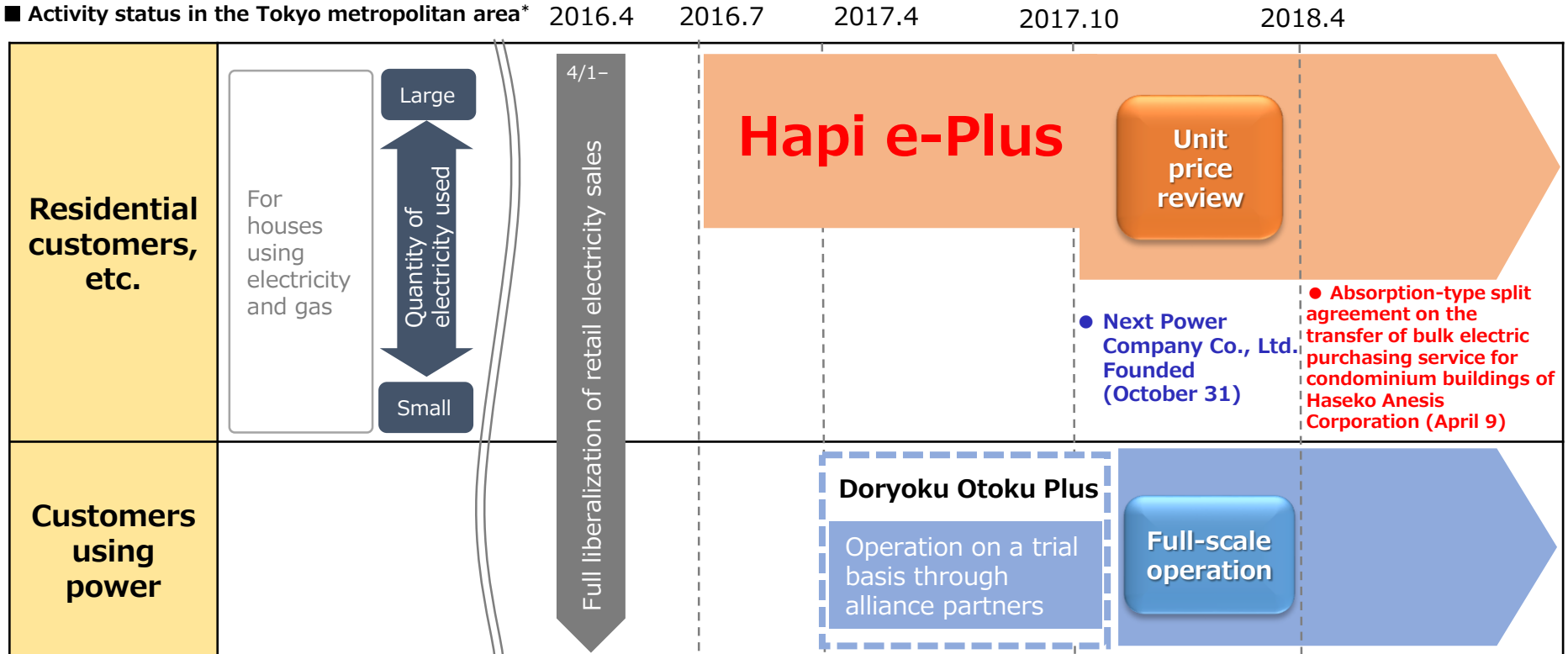
**Approx. ¥11,500/year discount!**<sup>\*2</sup>  
on electricity and gas rates

**Approx. ¥17,500/year discount!**<sup>\*2</sup>  
on electricity and gas rates  
▲ Approx. ¥17,500



\*1(Calculation condition) Monthly electricity consumption of 200 kWh and monthly gas consumption of 25 m<sup>3</sup> is a model case set by Kepeco, based on an online survey it has conducted. (N=8,552) \*2: Electricity rate includes the amount equal to consumption tax, fuel cost adjustment rate (for March 2018) based on the fuel cost adjustment system and renewable energy surcharge (applicable from May 2017 to April 2018). Gas rate includes the amount equal to consumption tax and raw material cost adjustment rate (for March 2018) based on the raw material cost adjustment system. Actual amount of discount varies depending on the electricity/gas consumption, time of contract, fuel cost adjustment rate and raw material cost adjustment rate. \*3: (Calculation condition) Monthly electricity consumption of 260 kWh is the monthly consumption of an average model of Kepeco's Meter rate lighting A. Monthly gas consumption of 31 m<sup>3</sup> refers to an average monthly consumption per household subscribing to Osaka Gas (average monthly consumption of 5 years from April 2011 to the end of March 2016). \*4: (Calculation condition) Monthly electricity consumption of 370 kWh and monthly gas consumption of 50 m<sup>3</sup> refer to a model case released by Osaka Gas on January 5, 2017. \*5: Meter rate lighting A has adopted discount on deduction from bank account. \*6: "General rates" refers to the General Gas Supply Provisions of Osaka Gas (Effective June 16, 2017). \*7: Discount on bundled electricity contract means discount on gas rate, not on electricity rate. The discount is given on the total amount of basic charge and meter rate charge (not including raw material cost adjustment rate). \*8: Early contract discount is given on gas charge for customers who made an application by April 30, 2018, and the discount on gas charge remains valid until eligible customers receive gas bill for April 2019. The discount is given on the total amount of basic charge and meter rate charge (not including raw material cost adjustment rate).

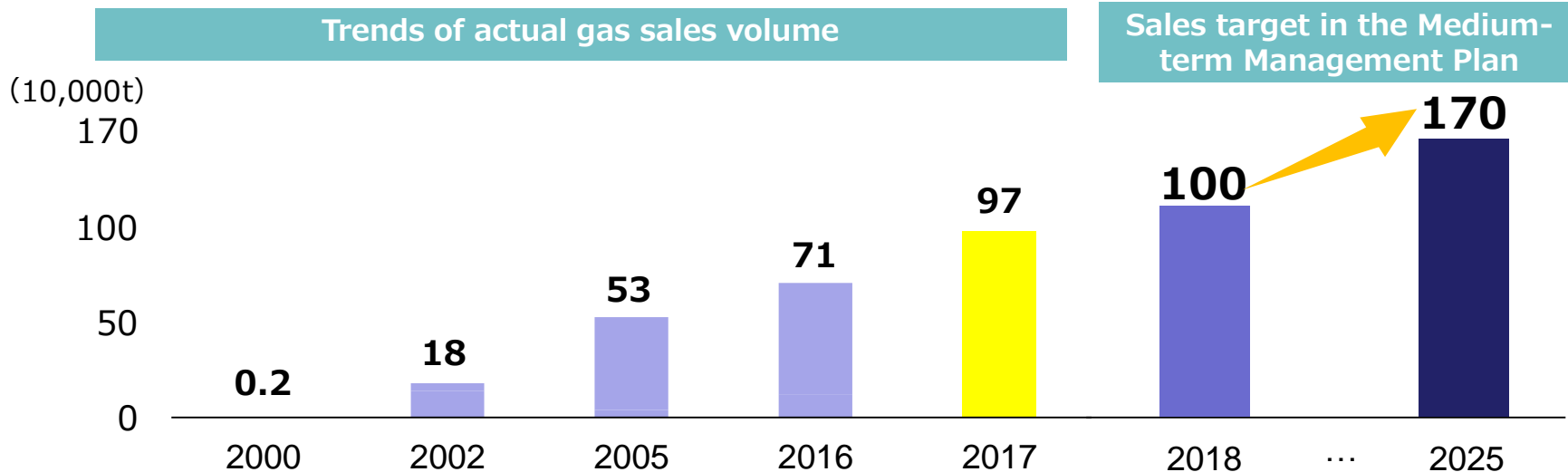
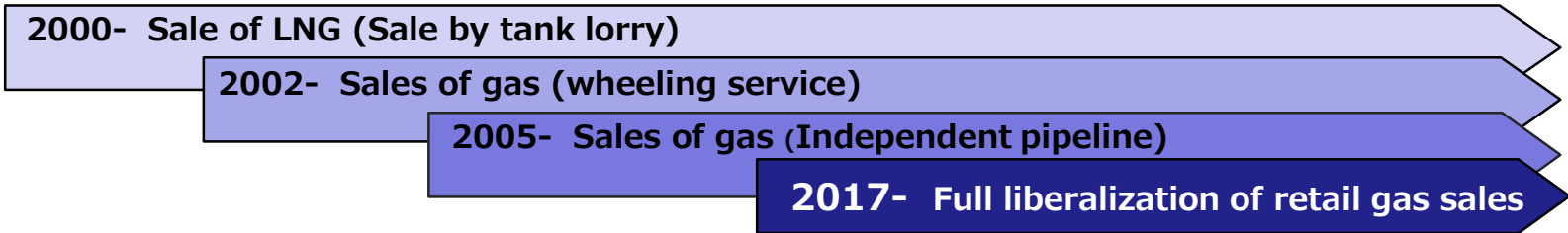
- In July 2016, Kepeco started electricity sales to low-voltage supply customers, including residential customers, in the Tokyo metropolitan area\*, and since then has been offering its electricity rate menu “Hapi e-Plus”. For our electricity to be chosen by more customers in the future, we reviewed unit prices of “Hapi e-Plus” and have been officially proposing “Doryoku (power supply) Otoku Plus”, which had been offered on a trial basis, since October 1, 2017.
- Kepeco has also decided the “acquisition of ORIX Electric Power Corporation’s bulk electric purchasing service for condominium buildings (publicly announced on September 11, 2017)” and founded a new company **“Next Power Company” on October 31, 2017. In April 2018, Next Power concluded an absorption-type split agreement with Haseko Anesis Corporation on transfer of the bulk electric purchasing service for condominium buildings.**
- We will continuously strive to achieve the goals of:
  - [1] being chosen by **100,000 customers in the residential segment of the Tokyo metropolitan area** by the end of FY2018
  - [2] **selling 10 billion KW of electricity outside the KEPCO district,** particularly in the Tokyo metropolitan area, by the end of FY2025.



\* Tochigi, Gunma, Ibaraki, Saitama, Chiba, Tokyo (excluding islands), Kanagawa, Yamanashi and Shizuoka (east of Fujigawa River)

# Outline of gas business

- We started LNG and gas sales businesses in 2000 and 2002, respectively, in order to develop total energy proposal activities that combine electricity and gas services. Both of two sales businesses have expanded consistently.
- We will continue to work towards achieving the goal established in our Medium-term Management Plan which is a target sales volume of 1.7 million tons in FY2025.



**Profit and loss for gas business, gas sales, etc. in the FY ended 3/18**

(billion yen)	4/16-3/17	4/17-3/18	Change
Operating revenues	38.2	64.3	+26.0
Operating expenses	40.9	71.7	+30.7
Operating income	-2.7	-7.4	-4.7

(million tons)	4/16-3/17	4/17-3/18	Change
gas sales volume	0.71	0.97	+0.26

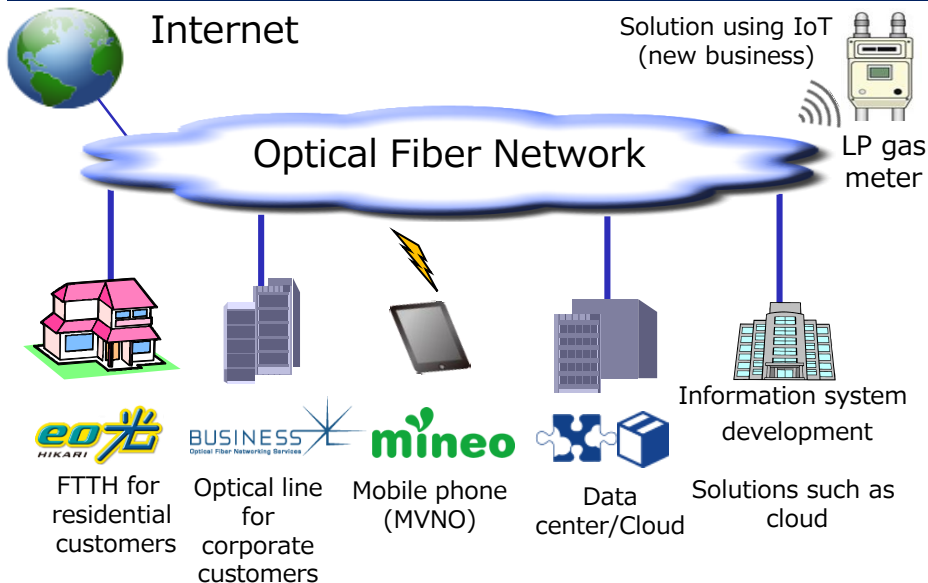
• Number of applicants for KEPCO gas (as of March 26)  
 : approx. 420,000.

**Aim to acquire 800,000 applications at an early stage of FY2019.**

# Outline of IT/Communications business

○ Working mainly with K-Opticom Corporation, a core company, and Kanden System Solutions Co., Inc. , we are actively promoting new services including IoT, in addition to fixed-line services using optical fiber networks, mobile phone services, and information system development, aiming to achieve 30 billion yen of ordinary income for FY2025.

## Key Businesses and Accomplishments of IT/Communications Business



## FTTH Business

- Having been providing the optical fiber-based network, telephone and TV by the set in step with the diffusion of broadband. **Acquired more than 1.6 million contracts** and stable profits secured.
- Started to offer privileges for long-term subscribers and sell electricity and gas by the set in addition to providing high-quality support, **with the result of high commendation from customers.**

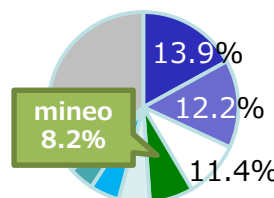
[Privileges for long-term subscribers] [External evaluation of customer satisfaction]



## MVNO Business (mineo)

- Achieve **1 million lines** in April.
- **Co-creation of services with customers** such as **line services compatible with au and docomo lines** and the community site, "mineo", and enhancement of support in real shops, **with resulting high customer satisfaction.**

[MVNO share (September 2017)] [Community site] [External evaluation of customer satisfaction]



Community that "co-creates" services with "fans" online



Source: Mobile Marketing Data Lab., "Survey of low-cost SIM services satisfaction for March 2017"

Source: MM Research Institute, "Fluctuations in the domestic MVNO market (end of September 2017)"

## [Results and target of Medium-term Management Plan]

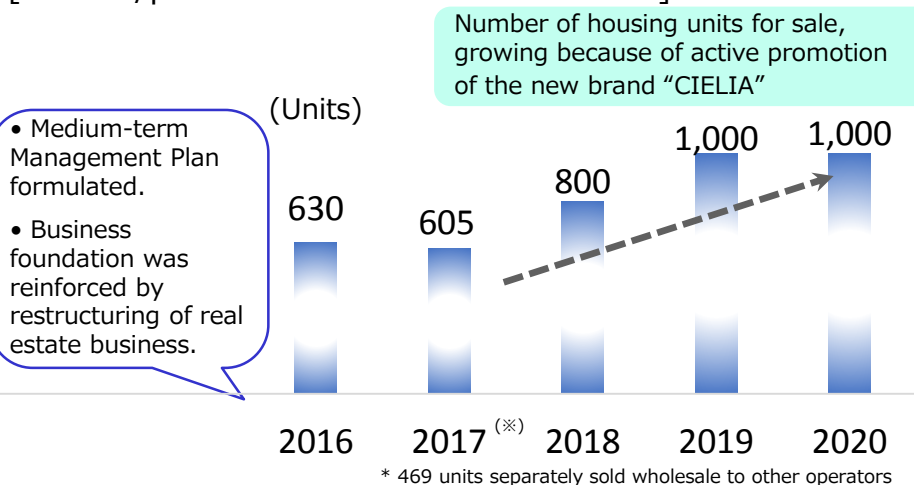
(billion yen)	2016 (Results)	2017 (Results)	2018 (Forecasts)	2025 (Target)
Operating revenues (external transactions)	185.6	203.1	225.0	270.0
Ordinary income	18.3	25.1	26.0	30.0

Our foothold is steadily being reinforced for the achievement of our medium-term management plan.

# Outline of Real Estate business

We have established a consolidated real estate business group centered on the core company, Kanden Realty & Development Co., Ltd., a group which works on real estate leasing, sales, management, and leisure. Targeting 30 billion yen of ordinary income for FY2025, we will accelerate growth and diversify risks by **expanding business areas and business domains (diversifying revenue sources)**.

[Results/planned number of units for sale]



- Medium-term Management Plan formulated.
- Business foundation was reinforced by restructuring of real estate business.

## <Flagship Project>

[Condominium in Kansai]  
"CIELIA TOWER Senriichuo"



\* To be completed in February 2019 (552 units)

[Condominium in the Tokyo metropolitan area]  
"CIELIA Shonantsujido"



\* To be completed in February 2018 (352 units)

## <Strength in the KEPCO group real estate business>

Strength in brand power and credit-worthiness long cultivated in the Kansai area, and total capacity as a group that is expected to produce synergetic effects.

## <Expansion of business areas and business domains>

Expanding to the solid Tokyo Metropolitan market, core cities nationwide, and overseas including South East Asia and North America with Kansai as the axis.

Business centering on the Kansai area

Proactive expansion to the Tokyo Metropolitan area

Expansion to overseas and other areas in Japan as well

[Results and target of Medium-term Management Plan]

\* Including Life business

(billion yen)	2016 (Results)	2017 (Results)	2018 (Forecasts)	2025 (Target)
Operating revenues (external transactions)	95.5	111.7	120.0	150.0
Ordinary income	12.8	14.5	15.0	30.0

Expected to achieve the 2018 target because of growing sales of condominiums and other factors.



\* Acquisition of Shiba-Park Building



\* Investment in the US office building fund (2 cases)



\* Participation in the condominium development project in Vietnam.

# Overseas investment projects

- Total output by KEPCO's investment: Approx. 2.575 million kW.
- Of which, total investment amount to 9 projects in operation is approx. 90 billion yen. (50% collected by dividends, etc.)





Project Title		Start of operation, etc.(schedule)	Total output (MW)	KEPCO's investment (%)	Output by KEPCO's investment (MW-equivalent)	
In operation	Philippines	San Roque Hydropower	2003/05	436	50	218
	Thailand	Rojana Electricity and Heat Supply	1999/05	505	39	197
	Taiwan	Ming Jian Hydropower	2007/09	17	24	4
		Kuo Kuang Thermal Power	2003/11	480	20	96
	Singapore	Senoko Thermal Power	Established 1995/10	3,300	15	495
	Australia	Bluewaters Thermal power	2009/12	459	50	229
	USA	West Deptford Thermal power generation business	2014/11	768	17.5	134
		Empire Thermal power generation business	2010/9	635	25	159
Ireland	Evalair Limited	2013/12 Other	223	24	54	
Under development	Indonesia	Rajamandala Hydropower	Scheduled in 2019	47	49	23
		Tanjung Jati B Thermal Power	Scheduled in 2021	2,140	25	535
	Laos	Nam Ngiep Hydropower	Scheduled in 2019	290	45	131
	USA	Hickory-Run Thermal power generation business	Scheduled in 2020	1,000	30	300
	UK·Germany	NeuConnect Interconnector	Scheduled in 2022	—	18.3	—



## ○ Domestic power stations

• From the view of S+3E, we aim to **develop renewable energy sources** as a whole group **so that around 500MW can be generated in 2030.**



Power stations in operation (completed): approx. 110MW; power stations before operation: approx. 220MW; Total: approx. 330MW (as of March 31, 2018)

	Solar Power	Wind	Biomass	Hydropower
Power source capacity of power stations in operation	Approx. 79MW	Approx. 18MW	Approx. 6MW	Approx. 6MW※2
CO2 emission*1 reduction	Approx. 26,000 t/year	Approx. 18,000 t/year	Approx. 20,000 t/year	Approx. 19,000 t/year
Main power stations in operation	<ul style="list-style-type: none"> <li>• Sakai solar power station (KEPCO)</li> <li>• Arida solar power station (Kenes) etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Awaji wind power station (Kenes)</li> <li>• Tahara No.4 wind power station (Kenes)</li> </ul>	<ul style="list-style-type: none"> <li>• Asago-shi biomass power station (Kenes)</li> </ul>	<ul style="list-style-type: none"> <li>• Dashidaira power station (KEPCO)</li> </ul>
Power stations before operation	<ul style="list-style-type: none"> <li>• Ako nishihama solar power station (Kenes) etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Akita Noshiro offshore wind power station (unclear which company will operate)</li> </ul>	<ul style="list-style-type: none"> <li>• Change in Aioi No.2 biomass power station (Aioi Bioenergy Corporation)</li> <li>• Fukuoka Kanda-machi biomass (Bio-power Kanda) etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Upgraded Maruyama power station facility (KEPCO)</li> <li>• Upgraded New Maruyama power station facility (KEPCO) etc.</li> </ul>
				

\*1 CO2 emissions are calculated from our CO2 emission coefficient 0.493kg-CO2/kWh in FY2016 and the national average coefficient 0.534kg-CO2/kWh in FY2015.  
 \*2 As to hydropower, power stations after November 2012 when we set the renewable energy introduction targets for the first time are listed.

## ○ Overseas power stations

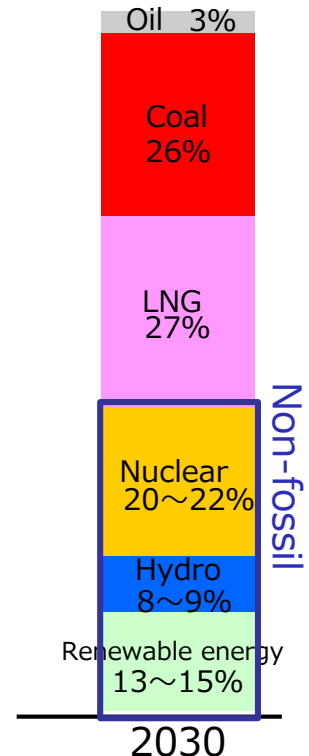
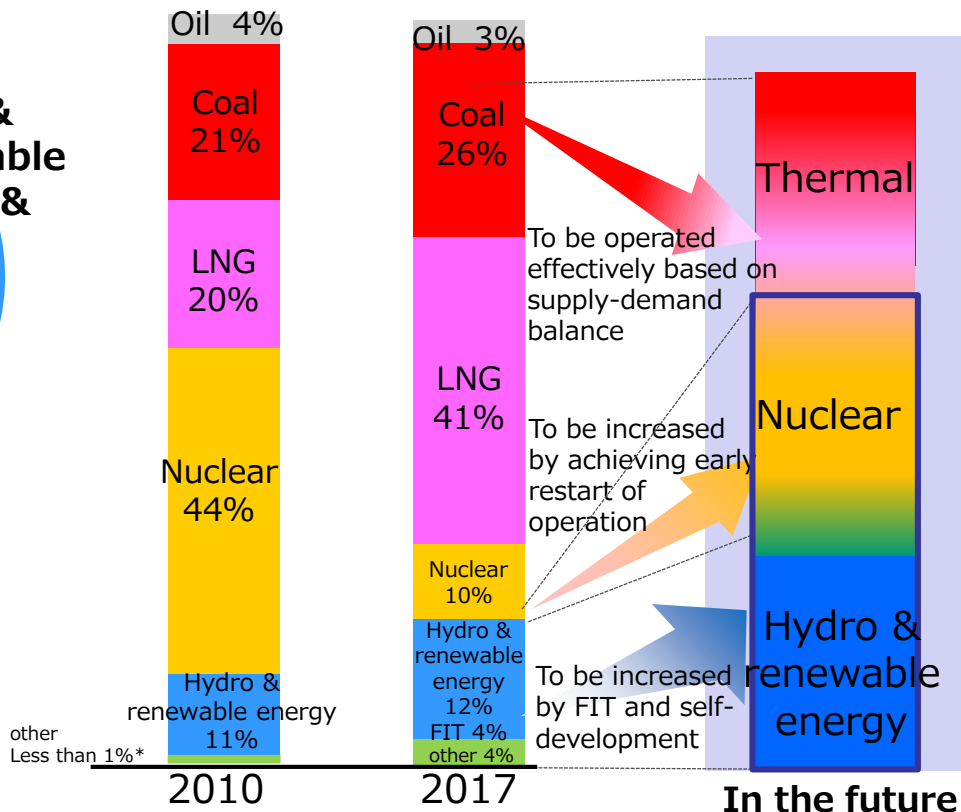
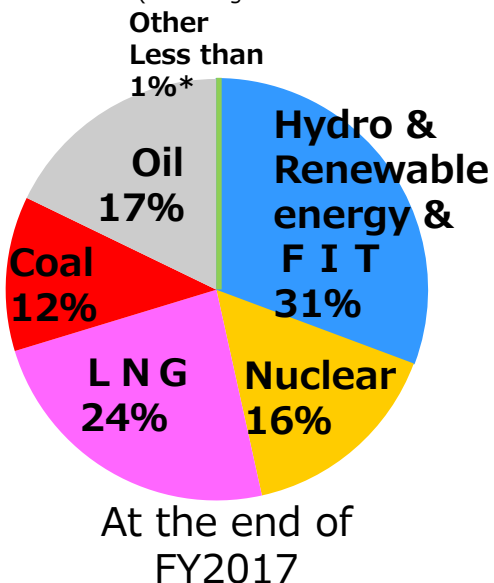
• Overseas power stations: Utilizing the experience of the development of the Kurobegawa power station unit 4 and others, we are **working on the development of hydropower generation in Southeast Asia**. Furthermore, we aim to engage in the investment in renewable energy as represented by **our first-ever participation in the wind power generation business.**

	Hydropower	Wind
Power source capacity of power stations in operation	Approx. 222MW	Approx. 54MW
Main power stations in operation	<ul style="list-style-type: none"> <li>• San Roque Hydropower(Philippines)</li> <li>• Ming Jian Hydropower(Taiwan)</li> </ul>	<ul style="list-style-type: none"> <li>• Evalair Limited(Ireland)</li> </ul>
Power stations before operation	<ul style="list-style-type: none"> <li>• Rajamandala Hydropower (Indonesia)</li> <li>• Nam Ngiep Hydropower(Laos)</li> </ul>	—
		

# KEPCO's power source composition

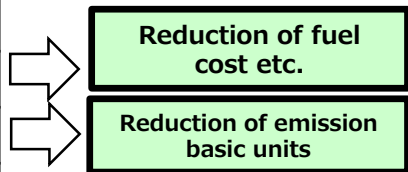
○From the view of "S+3E", we will deal with use of nuclear power and development of hydropower and renewable energy in a balanced manner, and make efforts for cost reduction of fuel etc. and CO2 emission control.

【Total power generation capacity】 (Including from other electric company)  
 【Total power source composition】 (Including from other electric company)  
 【Expected energy supply and demand structure in the government】



\* Includes electricity whose suppliers cannot be specified. Procured in the wholesale power market or from other companies.  
 \* Some rounding errors may be observed.

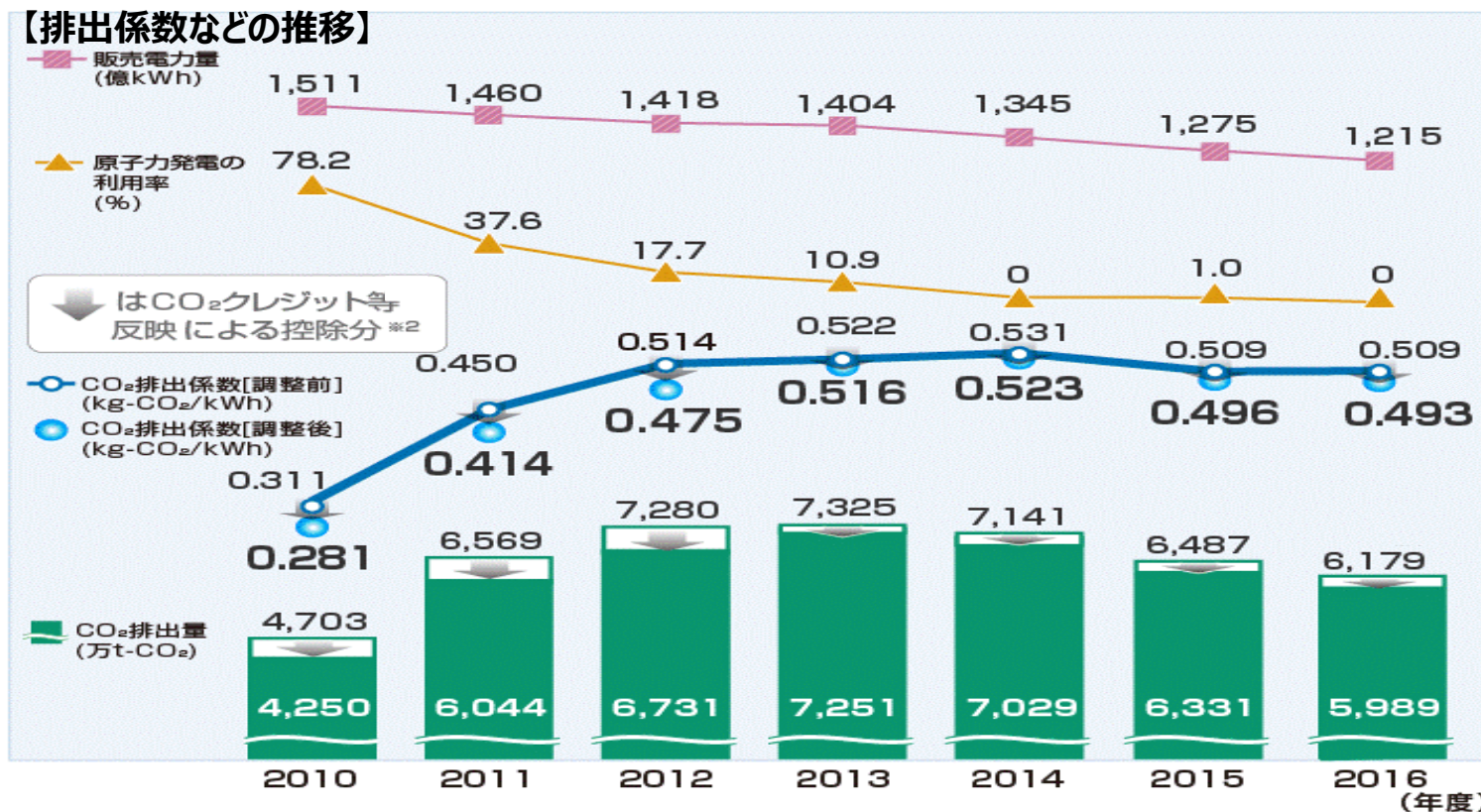
	2010	2016	2017
Fuel and purchased electricity cost (billion yen)	7,656	9,851	9,750
CO2 emission factor (kg-CO2/kWh) ※1	0.281	0.493	- ※2
Nuclear capacity factor (%)	78.2	0.0	18.0



Expected energy supply and demand structure defined by the government → The goal is stable supply, economical efficiency and environmentally balanced mix on the premise of safety.

\*1 After deduction reflecting CO2 credit \*2. Actual results of FY2017 are now being calculated. (The calculation results are to be released on our website from the end of July to the beginning of August.)

- Our company joined the Electric Power Council for a Low Carbon Society, and the industry as a whole is seeking to achieve an emission factor of about 0.37kg-CO<sub>2</sub>/kWh(user-end) by FY 2030.
- We will continue working to reduce CO<sub>2</sub> emissions, through utilization of nuclear power generation with top priority given to safety, maintenance and improvement of heat efficiency at thermal power stations, development of renewable energies and so on. Moreover, from a long-term viewpoint, we will improve electrification rate of the society at large, thereby taking the lead in initiatives toward low carbonization of the energy field.




※ Values result from the GHG Emissions Accounting, Reporting, and Disclosure System as mandated by the Act on Promotion of Global Warming Countermeasures. Emission factors for FY 2011 and beyond after adjustment account for exclusions reflecting carbon credits as well as environmental value adjustments based on the purchasing system for surplus solar power and the feed-in tariff(FIT) for renewable energy.  
 Regarding emission coefficients after adjustment after 2014, the only adjustments which have been made are to environmental values under the system of purchase of total volume of renewable energy at a fixed price.


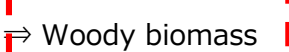
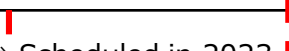
※ Actual results of FY2017 are now being calculated. (The calculation results are to be released on our website from the end of July to the beginning of August.)

# Fuel change plan and suspension of operation for thermal power plant

<Regarding establishment of new company involved in the plan for change to biomass fuel in Unit 2 of Aioi Power Plant> (published on April 5, 2017)

<Suspension of operation at Unit 2 of Aioi Power Station> (Announced on April 2, 2018)

: Contents after fuel change under consideration

	Unit 1	Unit 2	Unit 3
Capacity	375MW	375MW  ⇒ About 200 MW	375MW
Fuel	Natural gas, Heavy oil and Crude oil	Heavy oil and Crude oil  ⇒ Woody biomass	Natural gas, Heavy oil and Crude oil
Commencement of operation	1982/9	1982/11  ⇒ Scheduled in 2023	1983/1
<b>Period of suspension of operation</b>	-	<b>2018/4/1</b>	-

<Reason for review of fuel change>

Actively promoting the development of renewable energy sources in light of S + 3E, we have decided to establish "Aioi Bioenergy Corporation" jointly with Mitsubishi Corporation Power Ltd., and to proceed with the review of fuel change in Unit 2 of Aioi Power Plant, in order to contribute to the diffusion and expansion of renewable energy and increase the rate of renewable energy.

<Reason for suspension of operation>

We have decided to suspend operation of Unit 2 due to preparations for a fuel switchover to wood biomass.

<Regarding suspension of operation at Units 1, 2 and 3 of Kainan Power Plant (Published on March 16, 2017)>

	Unit 1	Unit 2	Unit 3	Unit 4
Capacity	450MW		600MW	
Fuel	Heavy oil and Crude oil			
Commencement of operation	1970/5	1970/9	1974/4	1973/6
<b>Period of suspension of operation</b>	<b>2017/4/1</b>		<b>2017/6/9</b>	-

<Reason for suspension of operation>

In consideration of the recent situations of falling power demand in the Kansai area, as seen in the established practice of power saving and progress of energy saving, we have decided to halt operation of Units 1-3, periodical inspection of which was drawing near, as part of our streamlining efforts.

Management Direction

1. Become a highly profitable business group.



2. Expand business fields.

3. Build a robust management base.

Pillars of Approach and Prioritized Measures

(1) Enhancement of competitiveness in comprehensive energy business

(2) Establishment of new pillars for growth

(3) Strengthening Group Management Foundation

【Business Portfolio after 10 Years】

After 10 years (2025)

Before the Earthquake

International/  
Group business

Comprehensive Energy/  
Power Transmission and  
Distribution business

1

:

2

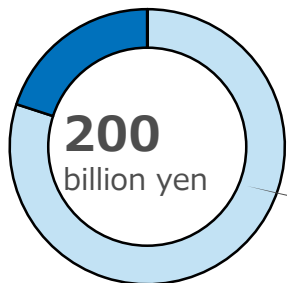
International/  
group businesses

Comprehensive Energy/  
Power Transmission and  
Distribution business

1

:

4



Investment of **1,500** billion yen in International/Group businesses over 10 years

**1.5** times or more

Real Estate/Life business

30 billion yen

Information and Communication business (IT/Communication)

30 billion yen

International business

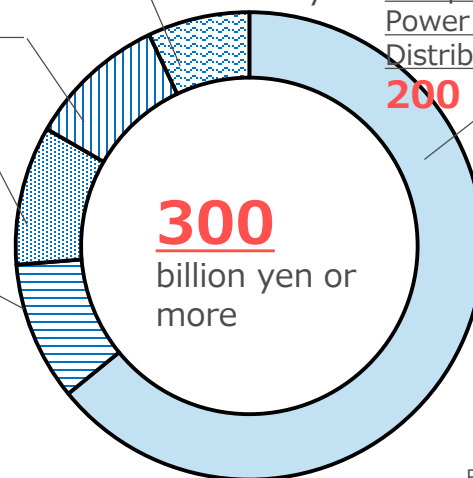
30 billion yen

Group Support Business

20 billion yen

Comprehensive Energy/  
Power Transmission and  
Distribution business

200 billion yen or more



## □ Financial goals〔Consolidated base〕

Item	2018 fiscal year	2025 fiscal year
Ordinary income	<b>200</b> billion Yen	<b>300</b> billion Yen
Equity ratio	Approx. <b>20%</b>	Approx. <b>30%</b>
ROA (※)	Approx. <b>3.5%</b>	Approx. <b>4%</b>

(※) Business Profit〔Ordinary income+interest expense〕 ÷ Total Assets〔Average of beginning and end of term〕

## □ Policy of return to shareholders

Our Policy of return to shareholders is to secure sound financial strength and maintain stable dividends in order to distribute surplus to all shareholders appropriately as the Kansai Electric Power group.

**<Consolidated>**

		3/11	3/12	3/13	3/14	3/15	3/16	3/17	3/18	3/18 Forecasts (Jan.2018)	3/19 Forecasts
<b>Statement of operations</b>											
Operating revenues	billion yen	2,769.7	2,811.4	2,859.0	3,327.4	3,406.0	3,245.9	3,011.3	3,133.6	3080.0	–
Operating income or loss	billion yen	273.8	-229.3	-314.0	-71.7	-78.6	256.7	217.7	227.5	200.0	–
Ordinary income or loss	billion yen	237.9	-265.5	-353.1	-111.3	-113.0	241.6	196.1	217.1	195.0	–
Extraordinary profit	billion yen	–	–	–	–	–	–	–	–	–	–
Extraordinary loss	billion yen	37.1	–	–	–	–	–	–	–	–	–
Net income or loss(※)	billion yen	123.1	-242.2	-243.4	-97.4	-148.3	140.8	140.7	151.8	140.0	–
Net income/loss per share (EPS)	yen	137.66	-271.12	-272.43	-109.01	-166.06	157.59	157.58	170.01	156.71	–

(※)The consolidated net income or loss means the net income or loss attributable to owners of the parent company.

**Balance sheets**

Total assets	billion yen	7,310.1	7,521.3	7,635.1	7,777.5	7,743.3	7,412.4	6,853.1	6,985.0
Net assets	billion yen	1,832.4	1,529.8	1,278.1	1,213.1	1,060.2	1,201.8	1,344.6	1,472.7
Interest-bearing debt	billion yen	3,409.8	3,864.9	4,210.2	4,396.8	4,315.2	3,938.2	3,821.5	3,708.2
Equity ratio	%	24.8	20.1	16.5	15.3	13.4	15.9	19.3	20.8

**Capital expenditures**

Capital expenditures	billion yen	455.5	420.6	435.2	418.9	420.6	369.3	344.0	407.0
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**Financial data**

ROA (※)	%	4.0	-2.9	-3.9	-0.7	-0.7	3.9	3.4	3.7
Operating cash flow	billion yen	610.5	43.8	142.6	347.7	447.6	595.1	485.6	623.2
Free cash flow	billion yen	62.5	-364.4	-287.9	-3.2	59.0	204.2	139.9	176.0

(※) The rate of business profit on total assets = business profit ( ordinary income + interest expense ) / total assets ( average of beginning and end of term )

**Profit distribution to shareholders**

Total amount of dividend	billion yen	53.6	53.6	–	–	–	–	22.3	35.7
Share-buyback	billion yen	15.9	–	–	–	–	–	–	–
Total distribution (※)	billion yen	53.6	53.6	–	–	–	–	22.3	–
The rate of total distribution on net assets	%	3.0	3.2	–	–	–	–	1.8	–

(※) ( total amount of dividend for Fiscal year (N) ) + ( share-buyback for Fiscal year (N+1) )

**Employees**

Employees		32,418	32,961	33,537	33,657	33,539	33,089	32,666	32,527
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**<Non-consolidated>**

		3/11	3/12	3/13	3/14	3/15	3/16	3/17	3/18	3/18 Forecasts (Jan.2018)	3/19 Forecasts
<b>Statement of operations</b>											
Operating revenues	billion yen	2,475.9	2,503.1	2,520.7	2,958.2	3,032.4	2,868.2	2,614.4	2,683.9	2,630.0	–
Operating income or loss	billion yen	225.1	-276.6	-363.3	-116.8	-130.8	208.5	164.5	165.4	145.0	–
Ordinary income or loss	billion yen	202.4	-302.0	-392.5	-122.9	-159.6	200.1	143.7	145.5	130.0	–
Extraordinary profit	billion yen	–	–	–	–	–	–	–	–	–	–
Extraordinary loss	billion yen	36.2	–	–	–	–	–	–	–	–	–
Net income or loss	billion yen	103.3	-257.6	-272.9	-93.0	-176.7	118.5	103.0	103.0	90.0	–
Net income/loss per share (EPS)	yen	115.47	-288.25	-305.35	-104.15	-197.72	132.63	115.32	115.30	100.71	–

**Balance sheets**

Total assets	billion yen	6,457.5	6,660.4	6,757.6	6,916.2	6,768.9	6,433.0	5,834.9	5,946.1		
Net assets	billion yen	1,494.8	1,183.5	894.9	806.6	638.8	742.0	858.4	933.9		
Interest-bearing debt	billion yen	2,943.6	3,430.1	3,774.1	3,954.7	3,875.2	3,496.5	3,401.0	3,359.9		
Equity ratio	%	23.1	17.8	13.2	11.7	9.4	11.5	14.7	15.7		
Interest rate as of fiscal year-end	%	1.55	1.45	1.38	1.30	1.27	1.23	1.09	0.89		
Interest rate during fiscal year	%	1.57	1.47	1.37	1.34	1.29	1.25	1.14	0.97		

**Major factors**

All japan CIF crude oil price	\$/b	84.2	114.2	113.9	110.0	90.4	48.8	47.5	57.0	Approx.55	–
Exchange rate [TTM]	yen/\$	86	79	83	100	110	120	108	111	Approx.112	–
Nuclear capacity factor	%	78.2	37.6	17.7	10.9	0.0	1.0	0.0	18.0	Approx.18	–
Water run-off ratio	%	109.1	110.5	95.3	100.1	104.2	112.9	99.1	107.2	Approx.104	–
Interest rate [long-term prime rate]	%	1.50	1.45	1.24	1.24	1.15	1.11	0.95	0.99	Approx.1.0	–

**Sensitivity of Major factors**

All japan CIF crude oil price (\$1/b)	billion yen	3.3	6.9	7.9	9.6	10.6	9.8	6.8	5.4	5.3	–
Exchange rate [TTM] (1yen/\$)	billion yen	5.2	12.4	13.4	13.0	12.2	6.6	5.5	4.8	4.7	–
Nuclear capacity factor (1%)(※)	billion yen	5.0	9.4	9.5	11.3	11.9	6.2	4.6	3.3	4.2	–
Water run-off ratio (1%)	billion yen	0.9	1.5	1.6	1.9	1.9	1.2	0.9	1.1	1.0	–
Interest rate [long-term prime rate] (1%)	billion yen	4.4	5.6	6.3	5.3	5.7	5.3	6.7	7.6	7.8	–

(※)The sensitivity of nuclear capacity factor per 1% for FY2014 and before was calculated based on the capacity before decommissioning of Mihama Nuclear Power Station Units 1 and 2.

(※)The sensitivity of nuclear capacity factor per 1% from FY2014 to FY2016 was calculated based on the capacity before decommissioning of Ohi Nuclear Power Station Units 1 and 2.

**Employees**

Employees		20,277	20,484	20,714	20,813	20,628	19,914	19,533	19,243		
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<Non-Consolidated(Billion yen)>

Revenues and Expenses	3/11	3/12	3/13	3/14	3/15	3/16	3/17	3/18
Ordinary revenues	2,505.5	2,532.2	2,546.7	3,008.0	3,074.7	2,913.3	2,653.4	2,704.9
(Operating revenues)	(2,475.9)	(2,503.1)	(2,520.7)	(2,958.2)	(3,032.4)	(2,868.2)	(2,614.4)	(2,683.9)
Electricity sales	2,347.6	2,338.6	2,354.2	2,751.6	2,784.1	2,594.0	2,296.6	2,236.6
Grant under act on purchase of renewable energy sourced electricity	–	–	11.4	40.8	68.6	102.5	130.5	148.6
Others	157.9	193.5	181.0	215.5	221.9	216.7	226.1	319.6
Ordinary expenses	2,303.1	2,834.2	2,939.3	3,130.9	3,234.3	2,713.2	2,509.6	2,559.4
Personnel expenses	238.7	236.0	231.2	198.1	195.9	196.7	204.6	217.2
Fuel costs	387.4	776.8	919.8	1,159.2	1,186.5	710.3	523.5	520.1
Backend expenses of nuclear power	93.9	73.4	57.7	52.8	42.9	37.6	32.2	59.9
Maintenance costs	275.8	272.5	202.6	178.5	184.6	185.3	189.5	184.1
Taxes other than income taxes	152.8	148.8	145.6	149.8	148.4	148.0	148.4	144.7
Depreciation	339.6	316.9	294.7	298.3	298.1	281.7	277.4	250.7
Purchased power	378.2	530.3	567.9	554.9	571.1	493.5	461.6	466.7
Interest expenses	46.9	46.3	49.9	51.5	50.6	46.7	42.9	33.3
Levy under act on purchase of renewable energy sourced electricity	–	–	19.2	43.0	84.2	167.0	230.6	260.0
Others	389.3	432.9	450.3	444.4	471.5	445.9	398.5	422.3
Ordinary income or loss	202.4	-302.0	-392.5	-122.9	-159.6	200.1	143.7	145.5

## <Electricity sales (TWh)>

	3/11	3/12	3/13	3/14	3/15	3/16	3/17	3/18	3/18 Forecasts (Jan.2018)	3/19 Forecasts
Residential	52.3	50.0	49.0	48.4	45.9	44.1	43.7	41.8	41.0	—
Commercial and Industrial	98.8	96.0	92.7	92.1	88.6	83.5	77.8	73.5	72.4	—
<b>Total</b>	<b>151.1</b>	<b>146.0</b>	<b>141.8</b>	<b>140.4</b>	<b>134.5</b>	<b>127.5</b>	<b>121.5</b>	<b>115.2</b>	<b>113.5</b>	<b>—</b>

\*1 Some rounding errors may be observed.

## <Electricity sales to other utility and non-utility companies (TWh) >

	3/11	3/12	3/13	3/14	3/15	3/16	3/17	3/18	3/18 Forecasts (Jan.2018)	3/19 Forecasts
	2.4	3.3	2.3	2.4	3.3	3.1	3.9	7.2	6.6	—

\*2 Not including imbalance electric energy, which is not yet determined as at the end of the term.

## <Non-consolidated CAPEX (billion yen)>

	3/11	3/12	3/13	3/14	3/15	3/16	3/17	3/18	3/18 Forecasts (Jan.2018)	3/19 Forecasts
Power generating facilities	165.2	129.4	157.2	184.7	145.8	116.2	99.6	127.1	—	—
Transmission	40.9	37.7	40.4	36.6	40.3	41.0	40.4	44.5	—	—
Transformation	40.2	37.6	34.3	33.1	36.1	34.5	35.6	32.8	—	—
Distribution	30.1	29.9	28.9	25.4	26.0	28.3	24.5	24.3	—	—
Others	26.4	29.5	35.8	22.4	22.6	16.8	13.1	12.4	—	—
<b>Subtotal</b>	<b>302.8</b>	<b>264.1</b>	<b>296.6</b>	<b>302.2</b>	<b>270.8</b>	<b>237.0</b>	<b>213.5</b>	<b>241.4</b>	<b>—</b>	<b>—</b>
Nuclear fuel	58.2	55.0	37.8	22.8	29.0	16.4	14.3	53.0	—	—
<b>Total</b>	<b>361.0</b>	<b>319.1</b>	<b>334.4</b>	<b>325.0</b>	<b>299.8</b>	<b>253.4</b>	<b>227.9</b>	<b>294.5</b>	<b>—</b>	<b>—</b>
Non-electric business	1.1	0.8	0.1	-	0.2	0.7	4.5	0.9	—	—
<b>Grand total</b>	<b>362.1</b>	<b>319.9</b>	<b>334.5</b>	<b>325.0</b>	<b>300.0</b>	<b>254.1</b>	<b>232.4</b>	<b>295.4</b>	<b>Approx.330</b>	<b>—</b>

## <Total Power Generation(TWh)>

		( ): composition ratio, %	
		3/17	3/18
KEPCO	Hydro	13.4( 14)	13.8( 15)
	Oil/others	6.6( 7)	1.9( 2)
	LNG	61.9( 65)	52.7( 56)
	Coal	13.1( 14)	13.1( 14)
	Total	81.5( 86)	67.8( 72)
	Nuclear	-0.4( 0)	12.9( 14)
	New energy sources	0.1( 0)	0.1( 0)
	Total	94.5(100)	94.5(100)
Other-non-utility companies		34.9	27.5
Captive use by hydropower		-1.7	-1.5
Total		127.8	120.5

\* Kepco's FY 2016 figures represent sending end.

\* Some rounding errors may be observed.

\* "Other-non-utility companies" does not include imbalance electric energy, which is not yet determined as at the end of the term.

## <Total Power Generation(TWh)>

		( ): composition ratio, %					
		3/11	3/12	3/13	3/14	3/15	3/16
KEPCO	Hydro	15.1( 11)	15.0( 12)	13.0( 11)	13.3( 12)	13.6( 12)	14.8( 15)
	Oil/others	5.6( 4)	19.1( 16)	23.6( 20)	27.0( 23)	19.5( 18)	15.2( 15)
	LNG	31.5( 24)	43.7( 36)	49.3( 43)	52.5( 46)	62.3( 57)	58.4( 57)
	Coal	12.3( 9)	12.4( 10)	14.0( 12)	12.8( 11)	13.4( 12)	12.9( 13)
	Total	49.4( 38)	75.2( 61)	86.9( 75)	92.2( 80)	95.2( 87)	86.5( 85)
	Nuclear	67.0( 51)	32.3( 26)	15.2( 13)	9.3( 8)	0( 0)	0.8( 1)
	New energy sources	0.1( 0)	0.1( 0)	0.1( 0)	0.1( 0)	0.1( 0)	0.1( 0)
	Total	131.5(100)	122.6(100)	115.1(100)	114.9(100)	108.8(100)	102.3(100)
Other-non-utility companies		30.4	33.0	33.9	36.0	35.7	35.5
Other-utility companies		5.5	5.0	6.0	2.9	2.8	1.3
Captive use by hydropower		-2.8	-2.1	-1.7	-1.6	-1.4	-1.1
Total		164.6	158.6	153.3	152.2	145.9	138.1

\* Kepco's figures of FY 2015 and older represent generating end.

\* Some rounding errors may be observed.

\* Regarding generated and purchased electric power, Kepco-generated electric power represents generating-end figures, while purchase from Other-non-utility companies and Other-utility companies represents receiving-end figures.

\* Electricity of PPS is included in purchased electricity from other companies.

## <Power source combination (10MW)>

		( ): composition ratio, %							
		3/11	3/12	3/13	3/14	3/15	3/16	3/17	3/18
Hydro		891( 22)	891( 22)	892( 22)	892( 21)	894( 21)	897( 19)	897( 19)	897( 20)
Fossil-firec Oil/others		864( 21)	864( 21)	864( 21)	853( 20)	857( 20)	874( 19)	788( 17)	788( 18)
LNG		776( 19)	779( 19)	786( 19)	872( 21)	1,018( 24)	1,018( 22)	1,093( 23)	1,055( 24)
Coal		512( 13)	499( 12)	499( 12)	499( 12)	499( 12)	507( 11)	507( 11)	512( 12)
Total		2,153( 53)	2,142( 53)	2,149( 53)	2,224( 53)	2,374( 55)	2,399( 52)	2,388( 51)	2,355( 53)
Nuclear		1,033( 25)	1,033( 25)	1,033( 25)	1,033( 25)	1,015( 23)	966( 21)	966( 21)	731( 16)
New energy sources		-	-	7( 0)	25( 1)	49( 1)	375( 8)	408( 9)	468( 11)
Total		4,077(100)	4,066(100)	4,081(100)	4,174(100)	4,332(100)	4,637(100)	4,659(100)	4,452(100)

\* Purchased electricity from other companies is included in the above table.

\* Some rounding errors may be observed.

\* Solar power generation is included in new energy sources from 3/13.

## <Profit and loss by business segment (billion yen) >

		3/17 <sup>*2</sup>	3/18	3/18 Forecasts (Jan.2018)	3/19 Forecasts
Gas/ Other Energies	Operating revenues(external transactions)	93.2	141.2	139.0	191.0
	Ordinary income	6.2	7.1	6.0	8.0
IT/Communications	Operating revenues(external transactions)	185.6	203.1	203.0	225.0
	Ordinary income	18.3	25.1	23.0	26.0
Real Estate/Life	Operating revenues(external transactions)	95.5	111.7	111.0	120.0
	Ordinary income	12.8	14.5	12.0	15.0
Other	Operating revenues(external transactions)	80.7	81.3	80.0	-
	Ordinary income	23.5	28.8	22.0	-

\*1 Figures in this page are before eliminations, and excluding exchange gain or loss unrealized.

International Business Profit (Reference)	-1.0	-2.0	-2.0	0.0
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\*2 Described from the FY 2016 after setting the medium-term management plan

## <Sales volume of gas(million tons)>

	3/11	3/12	3/13	3/14	3/15	3/16	3/17	3/18	3/18 Forecasts (Jan.2018)	3/19 Forecasts
	0.69	0.88	0.88	0.86	0.74	0.72	0.71	0.97	0.96	-

\* equivalent to LNG(Total sum of Gas and LNG)

## <Number of FTTH subscribers (million subscribers) >

	3/10	3/11	3/12	3/13	3/14	3/15	3/16	3/17	3/18 Forecasts (Jan.2018)	3/19 Forecasts
	11.82	12.98	13.96	14.84	15.28	15.90	16.25	16.30	16.30	-

## <Number of houses sold (units)>

	3/10	3/11	3/12	3/13	3/14	3/15	3/16	3/17	3/18 Forecasts (Jan.2018)	3/19 Forecasts
	533	729	1,022	1,156	777	712	630	605	613	800

## For further information

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