The Kansai Electric Power Company, Incorporated and Consolidated Subsidiaries

Consolidated Financial Statements for the Year Ended March 31, 2024, and Independent Auditor's Report

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

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

<Audit of Consolidated Financial Statements>

Opinion

We have audited the consolidated financial statements of The Kansai Electric Power Company, Incorporated and its consolidated subsidiaries (collectively, the "Group"), which comprise the consolidated balance sheet as of March 31, 2024, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, all expressed in Japanese yen.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current fiscal year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters that we determined in our audit of the consolidated financial statements of the current fiscal year were:

- Impairment loss resulting from the cancellation of the Wakayama Power Plant Construction Project

- Investment Evaluation (international business)

With regard to the "Recoverability of deferred tax assets," which was one of the key audit matters in our audit of the consolidated financial statements for the previous fiscal year, the uncertainty in the estimation of the corporate classification in determining recoverability of deferred tax assets has reduced primarily attributable to the application of tax loss carryforwards, representing a substantial portion of temporary differences, among others. As a result, we did not identify this as a key audit matter for the current fiscal year.

Impairment loss resulting from the cancellation of the Wakayama Power Plant Construction Project

Key Audit Matter Description

In the consolidated balance sheet as of March 31, 2024, The Kansai Electric Power Company, Incorporated (the "Company") recorded "Construction in progress" of ¥254,851 million ($1,683,296 thousand). As stated in the Note "14. DETAILS OF IMPAIRMENT LOSS," the Company recognized an impairment loss that pertains to the construction in progress for the Wakayama Power Plant, amounting to ¥126,495 million ($835,505 thousand) for the current fiscal year.

The Company had promoted on Wakayama Power Plant Construction Project dating back to the 1990s. However, the project was suspended in 2004 due to factors such as decrease in electricity demand. Despite this setback, the Company had maintained the construction plan for the Wakayama Power Plant. As per the supply plan for the fiscal year 2023, which was submitted to the Minister of Economy, Trade and Industry, the Company had kept its plan that initiating operations beyond the 2033 fiscal year. However, the Company canceled the construction project on December 19, 2023, given the shifts within the business environment surrounding the electricity business.

As stated in the Note "14. DETAILS OF IMPAIRMENT LOSS," the Company has grouped the fixed assets of the electricity business and the construction in progress account as a single asset group. This group included the construction in progress account pertaining to the Wakayama Power Plant, designated as a particular site for power plant construction. However, the Company determined that the plant would not contribute to the electricity business upon the Company's decision to cancel the construction plan. Consequently, the Company separated the Wakayama Power Plant from the fixed assets of the electricity business and the construction in progress account into different asset group, forming an asset group exclusively for the construction in progress account pertaining to the Wakayama Power Plant. Furthermore, the Company recognized that the cancellation of the construction project represented a situation that "experienced a change in the scope or method of use that significantly reduced the recoverable amount" of the asset group and that signifies an indication of impairment.

In recognizing and measuring impairment losses, the Company evaluates that the asset group has no value-in-use. Thus, impairment losses have been recorded using the net sale value as recoverable amount. The net sale value of land and integrated structures, which constitute the majority of the asset group, is computed by subtracting the estimated disposal cost from the real estate appraisal value.

We identified the impairment loss arising from the impairment of the Wakayama Power Plant Construction Project as a key audit matter, because the significance of the total amount of assets subject to impairment and due to the following points that needs attention:

- Appropriateness of the timing of changes to the grouping of the Wakayama Power Plant;

- Expertise and subjectivity in estimating the net sale value, and;

- Indications of impairment of other construction projects, aside from the Wakayama Power Plant.

How the Key Audit Matter Was Addressed in the Audit

We performed the following audit procedures related to impairment losses on "Plant and equipment," among others:

- We evaluated the design and operating effectiveness of internal controls related to impairment losses on "Plant and equipment," including the following:
  - Internal controls to thoroughly detect events that could potentially signify impairment.
  - Internal control over the selection of experts employed by the management.
  - Internal control over the estimation of disposal costs.
- Since the appropriateness of the timing of the change in the grouping at the Wakayama Power Plant was one of key considerations to investigate whether there were any issues with timeliness from an economic rationality perspective, we performed the following procedures:
  - To comprehend the changes in the business environment surrounding the power plant construction, we read the content of proceedings (including related materials) from councils and regulatory authorities, and related organizations concerning the new electricity market and system.
  - We conducted interviews with officials from the departments responsible for the construction project to understand the rationale behind the decision to cancel the project and the review process.
  - We read the minutes of the Board of Directors' and Executive Officers' meetings (including related materials).
- We examined the reasonableness of the calculated net realizable value, including the following procedures for assessing the impact of estimate subjectivity:
  - We evaluated the competence, capabilities and objectivity of experts used by management.
  - We evaluated the validity of the real estate appraisals used by management, including the appraisal technique and the adopted assumptions. This was performed with the assistance of our real estate appraisal specialist.
  - We evaluated the assumptions pertaining to for the estimated disposal costs adopted by management. The validity of these calculations was verified by reviewing the data that formed the basis of these estimates and asking questions to the officials of the departments in charge.
  - We examined for any existence of management bias.
- With regard to projects under construction other than the Wakayama Power Plant where impairment losses were recorded, we performed the following procedures to investigate whether there were any assets that exhibited signs of impairment due to changes in the business environment surrounding the electric power business:
  - To understand the status of regulations and systems related to the electric power business, we reviewed the content of proceedings (including related materials) from councils and regulatory authorities, and related organizations.
  - We reviewed the minutes of the Board of Directors and Executive Officers (including related materials).
  - We inspected the construction in progress account details and conducted interviews with officers in the accounting department.

Investment Evaluation (international business)

Key Audit Matter Description

The Group has been investing in overseas power generation and transmission and distribution businesses (referred to as "International Business Investment"), with the purpose of broadening new business areas and opportunities. As of the end of March 2024, the Company participates in 23 projects across 12 different countries. The balance of International Business Investment stood at ¥273,565 million ($1,806,908 thousand). The balance is included in the "Investment securities" of ¥660,581 million ($4,363,150 thousand) and "Investments in and advances to unconsolidated subsidiaries and associated companies" of ¥710,501 million ($4,692,875 thousand) of affiliated companies in the consolidated balance sheet as of March 31, 2024. International Business Investment included projects that are under operation, under construction and in the development stage. The Company acquired certain investments at a considerably higher value than the net assets per share because the Company expected the excess earning power.

The Company timely recognizes changes in the business environment and financial position, and income and expenditure of each investment. The Company then assesses each investment value using its net assets or future cash flows. The business environment of each investment, which is considered an assumption for this assessment, is widely affected by the external environment such as policies and regulations including the decarbonization target and the electricity market that are effective in the country where invested business operates. Thus, there are risks due to changes in the business environment that the conditions for financing significantly worsen, by increase in interest rates, and the profitability may deteriorate sharply due to the decrease in the electricity sales volume and decrease in unit sales prices.

Furthermore, there are risks associated with projects that have not yet commenced operations. These projects could potentially become unprofitable due to cost overruns caused by inflation, delays in construction work, and other factors.

These changes in business environment have significant impacts on management's evaluations of investments, and these evaluations include estimates that involve high uncertainties. Since the evaluation of these accounting estimates require a high degree of judgment, we determined the valuation of investments as a key audit matter.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to valuation of the investments related to the International Business Investment including the following, among others:

- We evaluated the design and tested the operating effectiveness of controls of determining investment evaluation, including internal controls for timely recognition of changes in the business environment, financial position and income and expenditure of each investment, and the consideration of such changes in the investment evaluation.

- For significant investments whether the maximum risk amount (calculated based on stock book value and considering outstanding loans and guarantees provided by the Company) exceeds a specific amount, or where the acquisition price of the shares demonstrates significant excess earning power, we tested the valuation of the investment by performing the following procedures which are based on the results of the individual risk assessment, among others:

    - For the projects under operation we evaluated whether there were environmental changes such as the decrease in the electricity sales volumes and the decline of the electricity unit price by inspecting the investee's financial statements and inquiring of executives of the International Business and Cooperation division about policies and regulations in each country, the electricity market environment, the conditions of power sales contracts, the operation status of facilities, and the financing status.

In addition, for the projects that were acquired at a significantly higher price than the value of the net assets acquired due to the excess earning power, we tested the changes in the business plan from the initial business plan by comparing the cash flows that are based on business plan at the time of the investment and the corresponding actual results of the cash flows to evaluate the expected excess earning power.

- For projects that have not commenced operations (including the ones which commenced operations in the current fiscal year), we performed inquiries of executives of the International Business and Cooperation division regarding policies and regulations in each country, progress of construction work, funding status, in order to investigate whether costs overrun due to inflation and delays in construction work would make them unprofitable.

Other Information

Other information comprises the information included in the Group's disclosure documents accompanying the audited consolidated financial statements, but does not include the consolidated financial statements and our auditor's report thereon.

We determined that no such information existed and therefore, we did not perform any work thereon.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan, and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Officers and Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Fee-Related Information>

Fees for audit and other services for the year ended March 31, 2024, which were charged by us and our network firms to The Kansai Electric Power Company, Incorporated and its subsidiaries were ¥427 million and ¥163 million, respectively.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Deloitte Touche Tohmatsu LLC
July 24, 2024

The Kansai Electric Power Company, Incorporated and Consolidated Subsidiaries

Consolidated Balance Sheet
March 31, 2024

ASSETS	Millions of Yen 2024	Millions of Yen 2023	Thousands of U.S. Dollars (Note 1) 2024
PROPERTY:			
Utility plant and equipment	¥15,441,724	¥14,992,827	$101,992,898
Other plant and equipment (Note 10)	2,561,241	2,579,214	16,917,050
Construction in progress (Note 10)	254,851	625,078	1,683,296
Contributions in aid of construction	(530,679)	(528,763)	(3,505,147)
Accumulated depreciation and amortization	(12,661,452)	(12,492,173)	(83,629,141)
Plant and equipment—net (Note 6)	5,065,685	5,176,183	33,458,955
Nuclear fuel, net of amortization (Note 2.c)	488,716	494,026	3,227,983
Property—net	5,554,402	5,670,209	36,686,939
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Notes 7, 10 and 19)	339,681	284,236	2,243,604
Investments in and advances to unconsolidated subsidiaries and associated companies (Note 10)	710,501	663,358	4,692,875
Special account related to nuclear power decommissioning (Note 2.l)	37,137	45,123	245,291
Special account related to reprocessing of spent nuclear fuel (Note 2.j)	210,885	180,035	1,392,900
Deferred tax assets (Note 16)	294,780	347,250	1,947,029
Other assets (Note 10)	444,854	319,579	2,938,273
Total investments and other assets	2,037,840	1,839,585	13,459,974
CURRENT ASSETS:			
Cash and cash equivalents (Notes 10 and 19)	564,427	322,235	3,728,057
Receivables (Notes 10 and 19)	491,162	555,891	3,244,137
Allowance for doubtful accounts	(3,143)	(3,281)	(20,762)
Inventories (Notes 9 and 10)	255,671	251,514	1,688,717
Other current assets (Notes 7, 10 and 19)	132,556	138,270	875,537
Total current assets	1,440,674	1,264,630	9,515,686
TOTAL	¥ 9,032,917	¥ 8,774,425	$ 59,662,600

LIABILITIES AND EQUITY	Millions of Yen 2024	Millions of Yen 2023	Thousands of U.S. Dollars (Note 1) 2024
LONG-TERM LIABILITIES:			
Long-term debt, less current maturities (Notes 10 and 19)	¥3,894,111	¥4,186,039	$25,720,683
Provision for loss on guarantees (Note 2.m)	1,973	1,844	13,036
Liability for retirement benefits (Note 11)	358,279	362,293	2,366,445
Asset retirement obligations (Notes 2.k and 12)	549,782	534,566	3,631,325
Deferred tax liabilities (Note 16)	14,224	7,547	93,953
Other long-term liabilities	251,328	225,118	1,660,030
Total long-term liabilities	5,069,701	5,317,410	33,485,475
CURRENT LIABILITIES:			
Current maturities of long-term debt (Notes 10 and 19)	540,197	516,639	3,568,016
Short-term borrowings (Notes 13 and 19)	156,981	317,520	1,036,864
Notes and accounts payable (Notes 10 and 19)	220,113	247,231	1,453,851
Accrued income taxes (Note 19)	120,991	6,190	799,148
Accrued expenses and other current liabilities	568,251	504,631	3,753,315
Total current liabilities	1,606,535	1,592,212	10,611,196
RESERVE FOR FLUCTUATIONS IN WATER LEVEL	23,433	25,013	154,776
COMMITMENTS AND CONTINGENCIES (Notes 18 and 22)			
EQUITY (Note 15):			
Common stock—authorized, 1,784,059,697 shares; issued, 938,733,028 shares in 2024 and 2023	489,320	489,320	3,231,972
Capital surplus	67,002	66,854	442,550
Retained earnings	1,556,102	1,158,895	10,278,086
Treasury stock—at cost, 46,224,849 shares in 2024 and 46,231,759 shares in 2023	(97,783)	(97,522)	(645,863)
Accumulated other comprehensive income:			
Unrealized gain on available-for-sale securities	130,191	88,867	859,919
Deferred gain on derivatives under hedge accounting	50,298	34,276	332,225
Foreign currency translation adjustments	76,550	48,811	505,615
Defined retirement benefit plans	1,475	(722)	9,743
Total	2,273,157	1,788,781	15,014,250
Noncontrolling interests	60,091	51,001	396,902
Total equity	2,333,248	1,839,782	15,411,152
TOTAL	¥9,032,917	¥8,774,425	$59,662,600

See notes to consolidated financial statements.

The Kansai Electric Power Company, Incorporated and Consolidated Subsidiaries

Consolidated Statement of Income
Year Ended March 31, 2024

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2024	2023	2024
OPERATING REVENUES:			
Electric	¥3,121,067	¥2,933,385	$20,614,715
Other	938,310	958,498	6,197,558
Total operating revenues	4,059,378	3,951,884	26,812,273
OPERATING EXPENSES (Note 17):			
Electric	2,541,644	3,176,154	16,787,613
Other	788,797	827,785	5,210,024
Total operating expenses	3,330,442	4,003,940	21,997,638
OPERATING INCOME (LOSS)	728,935	(52,056)	4,814,634
OTHER EXPENSES (INCOME):			
Interest and dividend income	(33,932)	(20,938)	(224,125)
Interest expense	29,059	24,324	191,940
Equity in earnings of associated companies	(23,629)	(23,331)	(156,074)
Foreign exchange gains	(18,333)	(5,050)	(121,095)
Loss on cancellation of power plant construction (Note 14)	126,495		835,505
Other—net	9,801	(20,393)	64,741
Other expenses (income)—net	89,461	(45,390)	590,891
ORDINARY INCOME (LOSS)	639,474	(6,666)	4,223,743
INCOME (LOSS) BEFORE PROVISION FOR RESERVE FOR FLUCTUATIONS IN WATER LEVEL AND INCOME TAXES	639,474	(6,666)	4,223,743
REVERSAL OF RESERVE FOR FLUCTUATIONS IN WATER LEVEL	(1,580)	(837)	(10,436)
INCOME (LOSS) BEFORE INCOME TAXES	641,054	(5,828)	4,234,180
INCOME TAXES (Note 16):			
Current	157,645	10,793	1,041,253
Deferred	34,969	(37,436)	230,971
Total income taxes	192,614	(26,643)	1,272,224
NET INCOME	448,440	20,814	2,961,955
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	6,569	3,134	43,390
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	¥ 441,870	¥ 17,679	$ 2,918,565

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The Kansai Electric Power Company, Incorporated and Consolidated Subsidiaries

Consolidated Statement of Income
Year Ended March 31, 2024

	Yen		U.S. Dollars
	2024	2023	2024
PER SHARE OF COMMON STOCK (Notes 2.t and 23):			
Basic net income	¥495.09	¥19.81	$3.27
Cash dividends applicable to the year	50.00	50.00	0.33

See notes to consolidated financial statements.

(Concluded)

The Kansai Electric Power Company, Incorporated and Consolidated Subsidiaries

Consolidated Statement of Comprehensive Income
Year Ended March 31, 2024

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2024	2023	2024
NET INCOME	¥448,440	¥ 20,814	$2,961,955
OTHER COMPREHENSIVE INCOME (Note 21):			
Unrealized gain (loss) on available-for-sale securities	34,735	(69)	229,431
Deferred gain on derivatives under hedge accounting	17,907	114,979	118,282
Foreign currency translation adjustments	12,395	15,324	81,870
Defined retirement benefit plans	334	1,227	2,207
Share of other comprehensive income in associates	27,581	18,396	182,177
Total other comprehensive income	92,954	149,858	613,968
COMPREHENSIVE INCOME	¥541,394	¥170,672	$3,575,924
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent	¥529,153	¥164,735	$3,495,067
Noncontrolling interests	12,241	5,956	80,856

See notes to consolidated financial statements.

The Kansai Electric Power Company, Incorporated and Consolidated Subsidiaries

Consolidated Statement of Changes in Equity
Year Ended March 31, 2024

		Millions of Yen										
						Accumulated Other Comprehensive Income						
	Number of Shares of Common Stock Issued	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Gain on Available-for-Sale Securities	Deferred Gain on Derivatives under Hedge Accounting	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans	Total	Noncontrolling Interests	Total Equity
BALANCE, MARCH 31, 2022	938,733,028	¥489,320	¥66,728	¥1,175,509	¥(97,536)	¥ 89,057	¥ (86,307)	¥24,439	¥(1,636)	¥1,659,574	¥45,983	¥1,705,557
Cash dividends, ¥50 per share				(44,664)						(44,664)		(44,664)
Net income attributable to owners of the parent				17,679						17,679		17,679
Change in scope of equity method				8,821						8,821		8,821
Change in scope of consolidation			(25)	1,550						1,525		1,525
Purchase of treasury stock					(36)					(36)		(36)
Disposal of treasury stock			(1)		51					49		49
Transfer to capital surplus from retained earnings			1	(1)								
Change in equity due to acquisition of shares of consolidated subsidiary			139							139		139
Change in equity due to purchase of treasury stock of consolidated subsidiaries			10							10		10
Change in equity in consolidated subsidiaries due to changes in equity of affiliates accounted for by the equity method			1							1		1
Net change in the year						(189)	120,583	24,372	914	145,681	5,017	150,699
BALANCE, MARCH 31, 2023	938,733,028	489,320	66,854	1,158,895	(97,522)	88,867	34,276	48,811	(722)	1,788,781	51,001	1,839,782
Cash dividends, ¥50 per share				(44,663)						(44,663)		(44,663)
Net income attributable to owners of the parent				441,870						441,870		441,870
Purchase of treasury stock					(336)					(336)		(336)
Disposal of treasury stock					74					74		74
Change in equity due to acquisition of shares of consolidated subsidiary			128							128		128
Change in equity in consolidated subsidiaries due to changes in equity of affiliates accounted for by the equity method			19							19		19
Net change in the year						41,323	16,022	27,738	2,197	87,282	9,089	96,372
BALANCE, MARCH 31, 2024	938,733,028	¥489,320	¥67,002	¥1,556,102	¥(97,783)	¥130,191	¥ 50,298	¥76,550	¥ 1,475	¥2,273,157	¥60,091	¥2,333,248

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The Kansai Electric Power Company, Incorporated and Consolidated Subsidiaries

Consolidated Statement of Changes in Equity
Year Ended March 31, 2024

	Thousands of U.S. Dollars (Note 1)										
					Accumulated Other Comprehensive Income						
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Gain on Available-for-Sale Securities	Deferred Gain on Derivatives under Hedge Accounting	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans	Total	Noncontrolling Interests	Total Equity
BALANCE, MARCH 31, 2023	$3,231,972	$441,576	$ 7,654,525	$ (644,137)	$586,974	$226,395	$322,401	$ (4,770)	$11,814,937	$336,864	$12,151,801
Cash dividends, $0.33 per share			(295,001)						(295,001)		(295,001)
Net income attributable to owners of the parent			2,918,565						2,918,565		2,918,565
Purchase of treasury stock				(2,219)					(2,219)		(2,219)
Disposal of treasury stock		(1)		493					491		491
Transfer to capital surplus from retained earnings		1	(1)								
Change in equity due to acquisition of shares of consolidated subsidiary		849							849		849
Change in equity in consolidated subsidiaries due to changes in equity of affiliates accounted for by the equity method		125							125		125
Net change in the year					272,945	105,829	183,213	14,513	576,502	60,037	636,540
BALANCE, MARCH 31, 2024	$3,231,972	$442,550	$10,278,086	$ (645,863)	$859,919	$332,225	$505,615	$ 9,743	$15,014,250	$396,902	$15,411,152

See notes to consolidated financial statements.

(Concluded)

The Kansai Electric Power Company, Incorporated and Consolidated Subsidiaries

Consolidated Statement of Cash Flows
Year Ended March 31, 2024

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2024	2023	2024
OPERATING ACTIVITIES:			
Income (loss) before income taxes	¥ 641,054	¥ (5,828)	$ 4,234,180
Adjustments for:			
Income taxes—paid	(32,475)	(18,635)	(214,498)
Depreciation and amortization	327,298	306,067	2,161,814
Decommissioning cost of nuclear power units	19,496	16,506	128,772
Depreciation of special account related to nuclear power decommissioning	7,986	7,986	52,751
Amortization of nuclear fuel	33,254	20,015	219,646
Loss on cancellation of power plant construction	126,495		835,505
Loss on disposal of property, plant and equipment	10,402	7,846	68,710
Changes in assets and liabilities:			
Decrease in interest and dividends receivable	10,410	7,808	68,761
Decrease (increase) in receivables	17,497	(96,514)	115,568
Decrease in notes and accounts payable	(28,690)	(5,433)	(189,503)
Increase in interest payable	1,918	1,366	12,674
Decrease in liability for retirement benefits	(3,511)	(2,485)	(23,195)
Decrease in reserve for fluctuations in water level	(1,580)	(837)	(10,436)
Other—net	25,432	(109,823)	167,983
Total adjustments	513,935	133,867	3,394,553
Net cash provided by operating activities	1,154,990	128,038	7,628,733
INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	(456,335)	(475,960)	(3,014,103)
Sales of property, plant and equipment	24,123	29,225	159,335
Payments for investments and advances	(27,814)	(44,340)	(183,717)
Proceeds from sales of investments or collections of advances	25,488	58,496	168,349
Other—net (Note 4)	6,489	14,694	42,863
Net cash used in investing activities	(428,049)	(417,884)	(2,827,272)
FINANCING ACTIVITIES:			
Proceeds from issuance of bonds	126,947	175,648	838,493
Proceeds from long-term debt (exclusive of bonds)	117,836	626,841	778,314
Proceeds from short-term loans	265,321	267,601	1,752,453
Proceeds from issuance of commercial papers	90,000	731,000	594,451
Redemption of bonds	(190,000)	(50,100)	(1,254,953)
Repayments of long-term debt (exclusive of bonds)	(327,271)	(435,348)	(2,161,635)
Repayments of short-term loans	(265,294)	(264,688)	(1,752,273)
Repayments of commercial papers	(252,000)	(879,000)	(1,664,464)
Dividends paid	(44,670)	(44,659)	(295,051)
Other—net (Note 4)	(9,776)	(10,191)	(64,574)
Net cash (used in) provided by financing activities	(488,906)	117,104	(3,229,239)
NET CASH PROVIDED BY (USED IN) OPERATING, INVESTING, AND FINANCING ACTIVITIES—(Forward)	¥ 238,034	¥ (172,741)	$ 1,572,222

(Continued)

The Kansai Electric Power Company, Incorporated and Consolidated Subsidiaries

Consolidated Statement of Cash Flows
Year Ended March 31, 2024

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2024	2023	2024
NET CASH PROVIDED BY (USED IN) OPERATING, INVESTING, AND FINANCING ACTIVITIES—(Forward)	¥238,034	¥(172,741)	$1,572,222
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	4,157	3,921	27,462
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	242,192	(168,820)	1,599,684
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	322,235	490,491	2,128,372
INCREASE IN CASH EQUIVALENTS RESULTING FROM INCLUSION OF NONCONSOLIDATED SUBSIDIARIES		564	
CASH AND CASH EQUIVALENTS, END OF YEAR	¥564,427	¥ 322,235	$3,728,057

See notes to consolidated financial statements.

(Concluded)

1. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

The consolidated financial statements are stated in Japanese yen, the currency of the country in which The Kansai Electric Power Company, Incorporated (the "Company") is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥151.4 to $1, the approximate rate of exchange as of March 31, 2024. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Principles of Consolidation and Accounting for Investments in Associated Companies—The consolidated financial statements as of March 31, 2024, include the accounts of the Company and 90 (90 in 2023) subsidiaries (collectively, the "Group"). Had the unconsolidated subsidiary been included in the accounts, the effect on the accompanying consolidated financial statements would not be material.

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

Investments in nine (nine in 2023) associated companies are accounted for by the equity method. Investments in the unconsolidated subsidiaries and remaining associated companies are stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

The excess of the cost of acquisition over the fair value of the net assets of the acquired subsidiary or associated company and business at the date of acquisition is amortized over a period of 5 to 20 years.

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

b. ***Subsidiaries' Fiscal Year End***—The fiscal year end of 13 (13 in 2023) subsidiaries is December 31. The Company consolidates such subsidiaries' financial statements using their financial results for the year ended December 31. The fiscal year end of one subsidiary is October 31 and the Company consolidates the subsidiary's financial statements using its financial results for provisional settlement applying the final settlement as of the consolidated fiscal year. The effects of any significant transactions during the period between the subsidiaries' fiscal year end and the Company's fiscal year end are reflected in the consolidated financial statements.

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

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

Amortization of nuclear fuel is computed based on the quantity of heat produced for the generation of electricity. Accumulated amortization of nuclear fuel as of March 31, 2024 and 2023, was ¥68,029 million ($449,333 thousand) and ¥71,105 million, respectively.

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

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

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

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

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

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

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

The Group accounts for the liability for retirement benefits based on the projected benefit obligations at the consolidated balance sheet date.

Prior service cost is amortized by the straight-line method over a period of principally three years no longer than the expected average remaining service period of the employees.

Actuarial gains or losses are recognized as the proration by the straight-line method (some consolidated subsidiaries recognize by the declining-balance method) over a period of principally three years no longer than the expected average remaining service period of the employees for each fiscal year from the next fiscal year (some consolidated subsidiaries recognize from the current fiscal year).

i. ***Revenue Recognition***—The details of the main performance obligations in the Group's major businesses related to revenue from contracts with customers and the timing at which these performance obligations are satisfied and revenue is recognized are as follows:

(1) *Energy business*

In the Energy business, retail sales and wholesale of electricity and gas generate main revenue. The Company's performance obligation of its retail sales of electricity is to supply electricity over the contract period. The Company recognizes charges calculated based on the quantity of electricity used, measured by monthly meter reading as revenue for the current month (hereinafter, the "Meter Reading Date Basis") pursuant to the Accounting Rules for Electricity Business.

The Company's performance obligation of its wholesale of electricity is also to supply electricity over the contract period. The Company recognizes revenue by charges calculated based on monthly quantity supplied.

The Company's performance obligations of its gas sales and its subsidiaries' electricity sales are to supply electricity and gas over the contract period. Through the passage of time, the performance obligation is satisfied and as such, the transaction amount is calculated mainly based on monthly quantity used. With respect to revenue for the last month of the fiscal year, the revenue is estimated based on the used quantity that has not yet been read on the meter and the unit price.

Note that the surcharge under the act on purchase of renewable energy-sourced electricity related to Article 36, Paragraph 1 of the Act on Promotion of Use of Renewable Energy Electricity Utilities (Act No. 108, August 30, 2011), which is collected with the transaction amount, is collected for a third party, and as such, it is not included in operating revenue.

(2) *Transmission and Distribution business*

In the Transmission and Distribution business, electricity transmission services generate main revenue.

The Transmission and Distribution business' performance obligation of the electricity transmission service is to wheel electricity over the contract period. In accordance with the Accounting Rules for Electricity Business in Japan, the Group recognizes revenue monthly on the Meter Reading Date Basis and charges based on the quantity of electricity used.

(3) *IT/Communications business*

In the services for consumers and corporations of the IT/Communications business, providing telecommunication service using optical fiber networks generates main revenue.

The main performance obligation is to provide Internet services for the duration of the contract period during which the Company's consolidated subsidiaries have enforceable rights and obligations. The Company's consolidated subsidiaries satisfy the performance obligation with the passage of time and recognize revenue based on a monthly fixed charge and a pay-for-use charge.

With respect to the telecommunication service, revenue from initial expenses, such as a standard construction expense and a contract handling fee, is identified with their performance obligations as a renewal option and revenue is allocated in consideration of the estimated contract renewal periods.

(4) *Life/Business Solution business*

In the sale of real estate and fee business of the Life/Business Solution business, the sales and integrated service of real estate generate main revenue.

With respect to the sales of real estate, the performance obligation is to sell real estate, and as such, the transaction amount is the sales amount included in the property sale and purchase agreement, which is recognized as revenue at the time of delivery of the property.

In addition, with respect to the integrated management service of real estate, the performance obligation is to provide various services, such as facilities administration, security, and clearing over the contract periods, and as such, revenue is recognized in response to the extent of each service.

j. ***Cost of Reprocessing of Irradiated Nuclear Fuel***—The Company records the amount of contribution set forth in Paragraph 1 of Article 4 of the "Act for Partial Revision of the Irradiated Nuclear Fuel Reprocessing Fund Act" (Act No. 40, 2016; the "Revised Act") (except for the amount of contribution set forth in No. 1 of Paragraph 4 of Article 2 of the Revised Act as the contribution to manufacturing process which is related to reprocessing of irradiated nuclear fuel) as electric operating expenses according to the volume of irradiated nuclear fuel, which is generated from operation of the nuclear power plants, in accordance with Paragraph 2 of the said Article 4.

The Company records the amount of contribution to manufacturing processes related to reprocessing of irradiated nuclear fuel as special account related to reprocessing of spent nuclear fuel.

k. ***Asset Retirement Obligations***—An asset retirement obligation is recorded for a legal obligation imposed either by law or contract that results from the acquisition, construction, development, and normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset. The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of the asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense in the appropriate manner. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an adjustment to the carrying amount of the liability and the capitalized amount of the related asset retirement cost.

The Company mainly recognizes an asset retirement obligation with regard to the costs for decommissioning of nuclear power units, which are regulated under the Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material, and Reactors. In addition, the asset retirement cost is subsequently allocated to expenses in accordance with the Accounting Standard for Business Combinations (Accounting Standards Board of Japan ("ASBJ") Guidance No. 21) and the Ministerial Ordinance Concerning Reserve for Decommissioning of Nuclear Power Units.

In regard to decommissioning of special nuclear power facilities, the amount reported as the reserve for decommissioning of such nuclear power units is computed using, as its benchmark, the total estimated amount of the expense of decommissioning of nuclear power units based on the "Ministerial Ordinance for the Setting of Reserve for the Decommissioning of Nuclear Power Units" (No. 30 Ordinance of the Ministry of International Trade and Industry of 1989; hereinafter, "Ministerial Ordinance for Decommissioning"), and setting the operation period of the special nuclear power facility determined by such ordinance as the period in which such facility is expected to be used, and applying a discount rate of 2.3%.

However, if the amount computed as the reserve for the decommissioning of nuclear power units based on the Ministerial Ordinance for Decommissioning is greater than the amount computed above, the amount computed based on the Ministerial Ordinance for Decommissioning will be reported.

l. ***Overview of Contributions to Streamline Decommissioning and Special Account Related to Nuclear Power Decommissioning***—The decommissioning accounting system is introduced for the purpose of streamlining the decommissioning of reactors. In accordance with the decommissioning accounting system, the remaining book value, etc. (book value of nuclear power special assets, book value of special account related to nuclear power decommissioning (including amount equivalent to expenses related to nuclear power decommissioning), and the necessary reserve amount for reserves for decommissioning of nuclear power units), of reactors decommissioned due to changes in the government's energy policy safety regulations, etc., is recovered by the contribution to streamline the decommissioning, which is collected through the wheeling charges of general electricity transmission and distribution utilities.

In applying the above system, according to Article 45-21-12 of the "Ministerial Ordinance for the Enforcement of the Electricity Business Act" (No. 77 Ordinance of the Ministry of International Trade and Industry of 1995), the Company submitted to the Minister of Economy, Trade and Industry a written application for the approval of contributions to streamline the decommissioning in regard to the book value of nuclear power special assets, book value of special account related to nuclear power decommissioning (including amount equivalent to expenses related to nuclear power decommissioning), and the necessary reserve amount for the decommissioning of nuclear power units, and obtained the minister's approval. Also, Kansai Transmission and Distribution, Inc. that received a notice from the Minister of Economy, Trade and Industry in regard to contributions to streamline decommissioning, revised its general provisions for wheeling service, etc., in accordance with Article 45-21-11 of the "Ministerial Ordinance for the Enforcement of the Electricity Business Act" (No. 77 Ordinance of the Ministry of International Trade and Industry of 1995), and collects contributions to streamline the decommissioning and pays out such contributions to the Company and The Japan Atomic Power Company.

The special account related to nuclear power decommissioning shall be amortized in relation to the amount of contributions to streamline the decommissioning paid by Kansai Transmission and Distribution, Inc. pursuant to Articles 5 and 8 of Supplementary Provisions of Ministry Order Relating to the Partial Revision of the Ordinance on Accounting at Electricity Utilities (Ordinance of the Ministry of Economy, Trade and Industry No. 77, 2016).

m. Provision for Loss on Guarantees—In order to provide for losses on debt guarantee, the projected losses take into consideration the financial position and other factors of the guarantee.

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

o. Leases

As lessee—Finance lease transactions are capitalized by recognizing lease assets and lease obligations in the consolidated balance sheet.

All other leases are accounted for as operating leases.

As lessor—Finance leases that are deemed to transfer ownership of the leased property to the lessee are recognized as lease receivables, and finance leases that are not deemed to transfer ownership of the leased property to the lessee are recognized as investments in leases.

All other leases are accounted for as operating leases.

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

The Group files a tax return under the group tax sharing system, in which each corporation within a group is treated as a taxable unit, and each corporation individually calculates and reports the amount of corporate tax and adjusts the totalization of profits and losses.

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

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

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

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

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

t. ***Per-Share Information***—Basic net income per share ("EPS") is computed by dividing net income attributable to common shareholders by the weighted-average number of common shares outstanding for the period, retroactively adjusted for stock splits.

Cash dividends per share presented in the accompanying consolidated statement of income are dividends applicable to the respective fiscal years, including dividends to be paid after the end of the year.

3. SIGNIFICANT ACCOUNTING ESTIMATES

Current Fiscal Year (Year Ended March 31, 2024)

Valuation of securities that do not have market prices

(1) The amount recorded in the consolidated financial statements in the current fiscal year

¥796,812 million ($5,262,963 thousand)

(2) Information relating to the contents of important accounting estimates pertaining to identified items

Securities that do not have market prices are valued using the net asset value or the prospect of future cash flow based on business plans, etc., and if the results of the valuation show significant drop in fair value, impairment loss will be recognized.

The net asset value or prospect of future cash flow based on business plans, etc., may vary according to the business status or financial conditions of the investees, and valuation of securities may be impacted by such variation.

Previous Fiscal Year (Year Ended March 31, 2023)

(*a*) *Recoverability of deferred tax assets*

(1) Amount recorded in the consolidated financial statements for the previous fiscal year

¥347,250 million

(2) Information related to the contents of significant accounting estimates pertaining to identified items

Of the above amount, the Group has reported deferred tax assets relating to tax loss carried forward in the amount of ¥56,905 million.

Deferred tax assets are reported after deducting the amount of tax that is not expected to be collected in the future and recoverability is determined based on the prospect of future consolidated taxable income.

The prospect of future consolidated taxable income may vary according to total electricity sales or the operating conditions of nuclear power plants or fuel prices, etc., and the recoverability of deferred tax assets may be impacted by such variation.

(*b*) *Valuation of securities that do not have market prices*

(1) The amount recorded in the consolidated financial statements in the current fiscal year

¥751,076 million

(2) Information relating to the contents of important accounting estimates pertaining to identified items

Securities that do not have market prices are valued using the net asset value or the prospect of future cash flow based on business plans, etc., and if the results of the valuation show significant drop in fair value, impairment loss will be recognized.

The net asset value or prospect of future cash flow based on business plans, etc., may vary according to the business status or financial conditions of the investees, and valuation of securities may be impacted by such variation.

4. CHANGES IN PRESENTATION

Related to the Consolidated Statement of Income

Amounts previously presented as within "Other" under "Other (income) expenses" in previous fiscal year are now presented separately as they are material. To reflect this change in presentation, similar adjustment was made to the comparative information on the consolidated financial statements for the previous fiscal year.

As a result, the amount of ¥25,444 million presented as "Other" under "Other (income) expenses" in the consolidated statement of income for the previous fiscal year was reclassified and presented as "Foreign exchange gains" in the amount of ¥5,050 million and "Other" under "Other expenses (income)" in the amount of ¥20,393 million.

Related to the Consolidated Statement of Cash Flows

Amounts presented within "Decrease (increase) in inventories" under "Cash flows from operating activities" in the previous fiscal year are now presented within "Other—net" as they are no longer material. To reflect this change in presentation, similar adjustment was made to the comparative information on the consolidated financial statements for the previous fiscal year.

As a result, ¥(53,827) million from "Decrease (increase) in inventories" and ¥(55,995) million from "Other—net" under "Cash flows from operating activities" in the consolidated statement of cash flows for the previous fiscal year were reclassified and presented as "Other—net" in the amount of ¥(109,823) million.

Amounts previously presented within "Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation" under "Cash flows from investing activities" in the previous fiscal year are now presented within "Other—net" as they are no longer material. To reflect this change in presentation, similar adjustment was made to the comparative information on the consolidated financial statements for the previous fiscal year.

As a result, ¥11,228 million from "Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation" and ¥3,465 million from "Other—net" under "Cash flows from investing activities" in the consolidated statement of cash flows for the previous fiscal year were reclassified and presented as "Other—net" in the amount of ¥14,694 million.

5. ADDITIONAL INFORMATION

Revision of the Regulation on Electric Utility Accounting

Upon enforcement, on April 1, 2024, of the "Act for Partial Revision of the Electricity Business Act and Other Acts for Establishing Electricity Supply Systems for Realizing a Decarbonized Society" (Act No. 44 of 2023; hereinafter "Amendment Act") and the "Ministerial Order for Organization of Relevant Ministerial Orders Associated with the Coming into Effect of the Act on the Partial Revision of the Electricity Business Act and Other Acts for Establishing Electricity Supply Systems for Realizing a Decarbonized Society" (Ordinance of the Ministry of Economy, Trade and Industry No. 21 of 2024; hereinafter "Amended Ministry Ordinance"), the "Ministry Ordinance for the Setting of Reserve for the Decommissioning of Nuclear Power Units" (Ordinance of the Ministry of International Trade and Industry No. 30 of 1989; hereinafter, "Ministry Ordinance for Decommissioning") was abolished and the "Regulation on Electric Utility Accounting" was revised.

Cost necessary for the implementation of decommissioning of commercial nuclear power reactors was previously recorded in asset retirement obligations, and in regard to the asset equal to asset retirement obligations (including the "equivalent amount of the necessary reserve amount" stipulated in the proviso of Article 5, Paragraph 3 of the Ministry Ordinance for Decommissioning), the "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21 of March 31, 2008) was applied, and it was amortized by the straight-line method over the accumulation period stipulated in the Ministry Ordinance for Decommissioning (in regard to specified nuclear power facilities that ceased operation, the period notified by the Minister of Economy, Trade and Industry in accordance with Article 5, Paragraph 6 of the Ministry Ordinance for Decommissioning). However, commencing on the enforcement date of the Amended Ministry Ordinance, the decommissioning contributions stipulated in Article 11, Paragraph 2 of the "Act on Implementation of Reprocessing of Spent Fuel and Promotion of Decommissioning at Nuclear Power Stations" after the revision in accordance with Article 3 of the Amendment Act will be recorded as electric operating expenses.

Nuclear operators previously had the responsibility to retain own funds for the implementation of decommissioning of commercial power reactors that they hold, however, based on the Amendment Act, the operators are considered to fulfill their obligation to the Nuclear Reprocessing and Decommissioning facilitation Organization of Japan (hereinafter "NuRO") each fiscal year, and NuRO will assume the economic responsibilities to secure, manage and pay funds required for decommissioning.

As a result, in the following reporting period, reversal of nuclear generation facilities (asset equal to asset retirement obligations) in the amount of ¥20,065 million ($132,529 thousand) and asset retirement obligations in the amount of ¥537,568 million ($3,550,647 thousand) is scheduled.

In accordance with the provisions of Article 10, Paragraph 1 of the Supplementary Provisions of the Amendment Act, the total amount of ¥526,880 million ($3,480,052 thousand) that must be paid to NuRO to cover necessary expenses for the promotion operations of decommissioning will be recorded as unpaid decommissioning contributions in accordance with the provisions of Article 7 of the Supplementary Provisions of the Amended Ministry Ordinance, and of such amount, ¥19,732 million ($132,330 thousand) is scheduled to be transferred to fixed liability whose due date falls within one year. There is no impact on the profit and loss by the above.

Also, in accordance with the provisions of Article 8 of the Supplementary Provisions of the Amended Ministry Ordinance, ¥9,377 million ($61,935 thousand) is scheduled to be recorded as special account related to nuclear power decommissioning.

Stock-Based Incentive System for Executive Officers

The Company has introduced a stock-based incentive system (the "System") for the Company's executive officers (excluding nonresidents in Japan, hereinafter, "Officers," collectively) with an aim to improve business performance of the Group and to enhance the motivation of Officers to contribute to enhancing corporate values of the Company over the medium to long term.

(1) *Outline of transaction*

The Company adopted a mechanism called Board Incentive Plan ("BIP") Trust (the "Trust"). The System under which the Company's shares are acquired through the Trust using money equivalent to the amount of remuneration for Officers contributed by the Company, granting/provision of the Company's shares and cash equivalent to the amount obtained by converting a part of the shares into cash is made to eligible Officers based on the position/rank of respective Officers.

Furthermore, the System is accounted for as "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (ASBJ PITF No. 30, March 26, 2015).

(2) *Company's shares that remain in the Trust*

The Company's shares that remain in the Trust are recorded in equity as treasury stock at the book value of the Trust (excluding any amount equivalent to expenses attributable thereto).

The book value and number of shares of such treasury stock at the end of the current fiscal year were ¥490 million ($3,241 thousand) and 413,849 shares, respectively.

6. PLANT AND EQUIPMENT

The carrying value of plant and equipment as of March 31, 2024 and 2023, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Hydroelectric power production facilities	¥ 302,437	¥ 300,579	$ 1,997,604
Thermal power production facilities	261,905	260,956	1,729,890
Nuclear power production facilities	1,140,381	903,806	7,532,244
Transmission facilities	779,221	750,850	5,146,776
Transformation facilities	427,858	425,872	2,826,014
Distribution facilities	818,790	817,989	5,408,125
General facilities	115,477	113,216	762,728
Other utility facilities	1,807	17,896	11,936
Other plant and equipment	962,955	959,936	6,360,338
Construction in progress	254,851	625,078	1,683,296
Total	¥5,065,685	¥5,176,183	$33,458,955

The book value of specified assets for nuclear power is included in nuclear power production facilities, which amounted to ¥10,904 million ($72,021 thousand) and ¥14,202 million as of March 31, 2024 and 2023, respectively.

7. INVESTMENT SECURITIES

The information for available-for-sale securities, whose fair values are readily determinable, and held-to-maturity securities as of March 31, 2024 and 2023, is as follows:

	Millions of Yen			
March 31, 2024	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	¥31,629	¥156,267	¥(79)	¥187,817
Debt securities	100	1		101
Held-to-maturity debt securities	702	2	(37)	667
March 31, 2023				
Securities classified as:				
Available-for-sale:				
Equity securities	¥31,582	¥102,555	¥(39)	¥134,098
Debt securities	100	3		103
Held-to-maturity debt securities	708	6	(4)	710

March 31, 2024	Thousands of U.S. Dollars Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	$ 208,910	$ 1,032,149	$ (522)	$ 1,240,537
Debt securities	661	10		671
Held-to-maturity debt securities	4,640	13	(245)	4,407

Loaned securities as of March 31, 2024 and 2023, are as follows:

	Millions of Yen 2024	2023	Thousands of U.S. Dollars 2024
Loaned securities	¥37	¥11	$ 245

8. INVESTMENT PROPERTY

The Group owns certain rental properties, such as office buildings and land, in Osaka and other areas. The net of rental income and operating expenses for those rental properties was ¥7,462 million ($49,291 thousand) and ¥11,582 million for the fiscal years ended March 31, 2024 and 2023, respectively.

In addition, the carrying amounts, changes in such balances, and fair value of such properties are as follows:

Millions of Yen			
Carrying Amount			Fair Value
April 1, 2023	Increase/Decrease	March 31, 2024	March 31, 2024
¥ 366,803	¥ 18,082	¥ 384,885	¥ 611,000

Millions of Yen			
Carrying Amount			Fair Value
April 1, 2022	Increase/Decrease	March 31, 2023	March 31, 2023
¥ 360,327	¥ 6,476	¥ 366,803	¥ 590,477

Thousands of U.S. Dollars			
Carrying Amount			Fair Value
April 1, 2023	Increase/Decrease	March 31, 2024	March 31, 2024
$ 2,422,745	$ 119,433	$ 2,542,178	$ 4,035,673

Notes: 1. Carrying amount recognized in the consolidated balance sheet is net of accumulated depreciation and accumulated impairment losses, if any.

2. Increase during the fiscal year ended March 31, 2024, primarily represents the acquisition of certain properties of ¥44,784 million ($295,804 thousand), and the decrease primarily represents sales of ¥19,529 million ($128,992 thousand) and depreciation expense of ¥6,541 million ($43,209 thousand).

   Increase during the fiscal year ended March 31, 2023, primarily represents the acquisition of certain properties of ¥38,289 million, and the decrease primarily represents sales of ¥20,712 million and depreciation expense of ¥6,216 million.

3. Fair value of properties as of March 31, 2024 and 2023, is measured by the Group in accordance with its Real Estate Appraisal Standard.

9. INVENTORIES

Inventories as of March 31, 2024 and 2023, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Merchandise and finished products	¥ 5,796	¥ 5,246	$ 38,289
Work in process	3,879	4,193	25,620
Raw materials and supplies	107,120	131,669	707,532
Real estate for sale	138,875	110,404	917,274
Total	¥255,671	¥251,514	$1,688,717

10. LONG-TERM DEBT

Long-term debt as of March 31, 2024 and 2023, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Secured bonds:			
0.001% to 1.904%, due serially through 2049:			
The Company	¥1,507,220	¥1,569,820	$ 9,955,217
Subsidiaries	200	200	1,321
(Nonrecourse debt included above)	100	100	660
Unsecured bonds:			
0.896% to 1.259%, due serially through 2082	220,000	220,000	1,453,104
Secured loans principally from the Development Bank of Japan:			
Weighted-average interest rate of 0.001% and 1.159% as of March 31, 2024 and 2023, respectively maturing serially through 2031:			
The Company	173,928	180,119	1,148,797
Subsidiaries	76,553	72,698	505,636
(Nonrecourse debt included above)	25,958	28,406	171,457
Unsecured loans from banks, insurance companies, and other sources:			
Weighted-average interest rate of 0.515% and 0.522% as of March 31, 2024 and 2023, respectively maturing serially through 2043	2,445,599	2,649,049	16,153,232
Obligations under finance leases	10,808	10,791	71,387
Total	4,434,308	4,702,678	29,288,697
Less current maturities	540,197	516,639	3,568,016
Long-term debt, less current maturities	¥3,894,111	¥4,186,039	$25,720,679

Annual maturities of long-term debt as of March 31, 2024, were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2025	¥ 540,197	$ 3,568,016
2026	568,186	3,752,884
2027	502,167	3,316,823
2028	654,769	4,324,768
2029	543,286	3,588,419
2030 and thereafter	1,625,700	10,737,784
Total	¥4,434,308	$29,288,697

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

The carrying amount of subsidiaries' assets pledged as collateral for notes and accounts payable of ¥2,361 million ($15,597 thousand) and the above secured loans as of March 31, 2024, were as follows:

	Millions of Yen	Thousands of U.S. Dollars
	2024	2024
Other plant and equipment	¥74,644	$493,026
Other assets	1,064	7,033
Receivables	1,375	9,086
Inventories	1,082	7,149
Cash and cash equivalents	22,635	149,506
Other current assets	1,035	6,842

Furthermore, the carrying amounts of assets of certain consolidated subsidiaries that are pledged as collateral for long-term debt of their investees from financial institutions were as follows:

	Millions of Yen	Thousands of U.S. Dollars
	2024	2024
Other plant and equipment	¥28,837	$190,473
Construction in progress	3,083	20,365
Investment securities	25,424	167,929
Investments in and advances to unconsolidated subsidiaries and associated companies	61,684	407,429
Cash and cash equivalents	7,826	51,694
Other assets	1	9
Receivables	659	4,357
Inventories	458	3,028
Other current assets	2,103	13,896

11. RETIREMENT AND PENSION PLAN

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

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

(1) The changes in defined benefit obligation for the years ended March 31, 2024 and 2023, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Balance at beginning of year	¥363,825	¥365,853	$2,403,075
Current service cost	12,156	12,268	80,292
Interest cost	3,454	3,539	22,818
Actuarial gain (losses)	1,246	(91)	8,232
Benefits paid	(20,370)	(19,514)	(134,550)
Decrease due to exclusion from consolidation	(3)	(164)	(21)
Increase due to new consolidation		2,308	
Others	(413)	(374)	(2,728)
Balance at end of year	¥359,895	¥363,825	$2,377,118

(2) The changes in plan assets for the years ended March 31, 2024 and 2023, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Balance at beginning of year	¥1,532	¥ 0	$10,122
Expected investment return	38	29	253
Recognized actuarial gain (losses)	93	(89)	620
Contributions from employers	158	120	1,044
Retirement benefit payment	(207)	(49)	(1,367)
Increase due to new consolidation		1,522	
Balance at end of year	¥1,615	¥1,532	$10,673

(3) Reconciliation between the liability recorded in the consolidated balance sheet and the balances of defined benefit obligation and plan assets was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Funded defined benefit obligation	¥ 2,145	¥ 2,300	$ 14,173
Plan assets	(1,615)	(1,532)	(10,673)
Total	529	767	3,499
Unfunded defined benefit obligation	357,749	361,525	2,362,945
Net liability arising from defined benefit obligation	¥358,279	¥362,293	$2,366,445

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Liability for retirement benefit	¥358,279	¥362,293	$2,366,445
Net liabilities and assets recorded in the consolidated balance sheet	¥358,279	¥362,293	$2,366,445

(4) The components of net periodic retirement benefit costs for the years ended March 31, 2024 and 2023, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Service cost	¥12,156	¥12,268	$ 80,292
Interest cost	3,454	3,539	22,818
Expected return on plan assets	(38)	(29)	(253)
Recognized actuarial losses	1,645	1,694	10,866
Others	343	(8)	2,269
Net periodic retirement benefit costs	¥17,561	¥17,464	$115,993

(5) Amounts recognized in other comprehensive income (before income tax effect) in respect of defined retirement benefit plans for the years ended March 31, 2024 and 2023, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Actuarial losses	¥492	¥1,370	$3,254
Total	¥492	¥1,370	$3,254

(6) Amounts recognized in accumulated other comprehensive income (before income tax effect) in respect of defined retirement benefit plans as of March 31, 2024 and 2023, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Unrecognized actuarial losses	¥1,673	¥2,166	$11,053
Total	¥1,673	¥2,166	$11,053

(7) Plan assets

a. Components of plan assets

Plan assets at March 31, 2024 and 2023, consisted of the following:

	2024	2023
Debt investments	36%	38%
Equity investments	16	16
Others	47	46
Total	100%	100%

b. Method of determining the expected rate of return on plan assets

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

(8) Assumptions used for the years ended March 31, 2024 and 2023, are set forth as follows:

	2024	2023
Discount rate	1.02%	1.03%
Expected long-term rate of return on plan assets	2.50	2.50

(9) Defined contribution

The required contribution amount of the Company and certain consolidated subsidiaries was ¥6,582 million ($43,477 thousand) and ¥6,637 million for the years ended March 31, 2024 and 2023, respectively.

12. ASSET RETIREMENT OBLIGATIONS

The changes in asset retirement obligations for the years ended March 31, 2024 and 2023, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Balance at beginning of year	¥534,566	¥522,990	$3,530,825
Additional provisions	27,909	27,355	184,342
Reduction	(12,693)	(15,779)	(83,841)
Balance at end of year	¥549,782	¥534,566	$3,631,325

13. SHORT-TERM BORROWINGS

Short-term borrowings as of March 31, 2024 and 2023, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Short-term loans from banks and other sources with weighted-average interest rate of 1.0786% and 0.4879% as of March 31, 2024 and 2023, respectively	¥156,981	¥317,520	$1,036,864

Commercial paper included in short term borrowings in the above table was ¥0 and ¥162,000 million as of March 31, 2024 and 2023, respectively.

Weighted-average interest rate of commercial paper is not included in the calculation of the weighted-average interest rate described in the above table.

14. DETAILS OF IMPAIRMENT LOSS

(1) *The Amount of Impairment Loss and the Breakdown Thereof*

Application: Wakayama Power Plant Construction Project

Type: Construction in progress (land, structure, and others)

Place: Wakayama-shi, Wakayama prefecture

Amount: ¥126,495 million ($835,505 thousand)

(2) *Circumstances That Led to Recognition of Impairment Loss*

In the 1990s, the Company promoted the Wakayama Power Plant Construction Project to cope with the substantial growth in the demand for electrical power, however, due to factors such as decline in demand, in 2004, the construction was suspended. Taking into consideration the business environment surrounding the electricity business, as it was not possible to have a good prospect in promoting the Wakayama Power Plant Construction Project, on December 19, 2023, the Company decided to cancel the construction project.

At the Company, the electric utility fixed assets and the construction in progress were set in the same asset group, however, due to the cancellation of the construction project, it was determined that the construction in progress will not be used for our electricity business. Therefore, the construction in progress was decided to be transferred to a different asset group. Also, as cancellation of the construction project causes significant decrease in the recoverable amount of such asset group, it was also determined that there are indications of impairment loss.

(3) *Method of Calculation of the Recoverable Amount*

The recoverable amount is calculated by the net realizable value, and in regard to land and structures that are an integral part of land which constitute the majority of such asset group, the value of such land and structures will be determined by deducting the estimated cost of disposal from the appraisal value made by real property appraisers.

15. EQUITY

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

a. Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders' meeting. Additionally, for companies that meet certain criteria including (1) having a Board of Directors, (2) having independent auditors, (3) having an Audit and Supervisory Board, and (4) the term of service of the directors being prescribed as one year rather than the normal two-year term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends in kind) at any time during the fiscal year if a company has prescribed so in its articles of incorporation. However, the Company has not prescribed so in its articles of incorporation.

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

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

b. Increases/Decreases and Transfer of Common Stock, Reserve, and Surplus

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

c. Treasury Stock and Treasury Stock Acquisition Rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders, which is determined by a specific formula.

Under the Companies Act, stock acquisition rights are presented as a separate component of equity.

The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

16. INCOME TAXES

The Group is subject to taxes based on income, such as corporate income tax and inhabitant tax, which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 28% for the years ended March 31, 2024 and 2023. The tax effects of significant temporary differences and tax loss carryforwards that resulted in deferred tax assets and liabilities as of March 31, 2024 and 2023, are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Deferred tax assets:			
Liability for retirement benefits	¥101,682	¥102,773	$ 671,616
Depreciation and amortization	90,332	92,539	596,647
Asset retirement obligations	57,681	57,615	380,984
Impairment losses	38,860	12,225	256,676
Intercompany profit elimination	28,975	27,011	191,382
Other	181,665	218,542	1,199,901
Valuation allowance	(118,871)	(92,735)	(785,147)
Total deferred tax assets	380,326	417,972	2,512,061
Deferred tax liabilities:			
Unrealized gain on available-for-sale securities	(42,725)	(27,547)	(282,203)
Deferred gain on derivatives under hedge accounting	(20,636)	(14,147)	(136,306)
Special account related to nuclear power decommissioning	(10,382)	(12,614)	(68,573)
Asset equal to asset retirement obligations	(6,759)	(7,525)	(44,644)
Other	(19,266)	(16,434)	(127,257)
Total deferred tax liabilities	(99,770)	(78,269)	(658,985)
Net deferred tax assets	¥280,555	¥339,703	$1,853,075

Significant components of deferred tax assets and liabilities in the previous fiscal year has been reclassified to show significant items in the current fiscal year.

As a result, "Impairment loss" of ¥12,225 million, which was included in "Other" under deferred tax assets in the previous fiscal year, is separately presented and "Loss carried forward" of ¥71,088 million is reclassified as "Other." In addition, "Deferred gains (losses) on hedges" of ¥(14,147) million, which was included in "Other" under deferred tax liabilities, is presented as a separate item.

The breakdown of valuation allowance, which was presented separately in the previous fiscal year, is no longer presented separately.

A reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statement of income for the years ended March 31, 2024 and 2023, is as follows:

	2024	2023
Normal effective statutory tax rate	28.0%	— %
Less valuation allowance	4.2	—
Equity gains of associated companies	(1.0)	—
Dividends received deduction	(0.5)	—
Other—net	(0.7)	—
Actual effective tax rate	30.0%	— %

Note: Notes are omitted as a loss before income taxes and minority interests was incurred in the previous fiscal year.

In accordance with the revision of the Local Tax Law (from fiscal years beginning on or after April 1, 2026, the requirements for the application of pro forma standard taxation for corporate enterprise taxes have been changed) for some consolidated subsidiaries, the effective statutory tax rate for the calculation of deferred tax assets and deferred tax liabilities for the current fiscal year is the rate before the revision for those expected to be eliminated by the end of March 2026. For those scheduled to be eliminated by the end of March 2026, the tax rate before the revision is used, and for those scheduled to be eliminated in April 2026 or later, the tax rate after the revision is used. The impact of this change in tax rates is immaterial.

The Company and some of its consolidated subsidiaries apply the group totalization system, and in accordance with the "Treatment of Accounting and Disclosure when Applying the Group Totalization System" (PITF No. 42, August 12, 2021), the Company and its consolidated subsidiaries account for income taxes and local income taxes or tax effect accounting related to these taxes and disclose the information. The Company has adopted the accounting treatment and disclosure of corporate income taxes and local corporate income taxes.

17. RESEARCH AND DEVELOPMENT COSTS

Research and development costs charged to income were ¥9,734 million ($64,296 thousand) and ¥10,500 million for the years ended March 31, 2024 and 2023, respectively.

18. RELATED-PARTY DISCLOSURES

Related-party transactions of the Group with associated companies for the years ended March 31, 2024 and 2023, were as follows:

(**1**) ***2024***

Category	Name	Address	Millions of Yen Capital Stock or Stake	Description of Business	Voting Right	Relationship with Related Party	Detail of Transactions	Millions of Yen Transaction Amount	Thousands of U.S. Dollars Transaction Amount
Associated company	Japan Nuclear Fuel Limited	Rokkasho-mura, Kamikita-gun, Aomori prefecture	¥400,000	Uranium enrichment, reprocessing of irradiated nuclear fuel, temporary storage of nuclear fuel materials and wastes, and disposal of low-level radioactive wastes	17.3%	Contract on uranium enrichment and disposal of low-level radioactive wastes A director concurrently serves as the Company's director and was transferred from the Company.	Co-guarantees or guarantees of loans and bonds	¥147,000	$970,937

(**2**) ***2023***

Category	Name	Address	Millions of Yen Capital Stock or Stake	Description of Business	Voting Right	Relationship with Related Party	Detail of Transactions	Millions of Yen Transaction Amount
Associated company	Japan Nuclear Fuel Limited	Rokkasho-mura, Kamikita-gun, Aomori prefecture	¥400,000	Uranium enrichment, reprocessing of irradiated nuclear fuel, temporary storage of nuclear fuel materials and wastes, and disposal of low-level radioactive wastes	17.3%	Contract on uranium enrichment and disposal of low-level radioactive wastes A director concurrently serves as the Company's director and was transferred from the Company.	Co-guarantees or guarantees of loans and bonds	¥147,233

19. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(1) *Policy for Financial Instruments*

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

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

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

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

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

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

Payment terms of accounts are generally less than one year.

Corporate bonds that are based on foreign currencies are exposed to the risks of fluctuating exchange rates.

Imports of fuels are payable in foreign currencies and are exposed to the market risk of fluctuation in foreign currency exchange rates.

Long-term loans with variable interest rates are exposed to market risks from changes in interest rates.

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

Therefore, when issuing bonds denominated in foreign currencies, currency swaps are used to hedge these risks.

Derivatives mainly include forward foreign currency contracts, currency swaps, interest rate swaps, and commodity swaps, which are used to manage exposure to market risks from changes in foreign currency exchange rates of payables, changes in interest rates of long-term loans, and changes in fuel prices relevant to fuel transactions. Please see Note 20 for more details on derivatives.

(3) *Risk Management for Financial Instruments*

Market risk management

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

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

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

With respect to fuel transactions, in order to manage exposure to market risks from changes in fuel prices, commodity swaps, etc., are used as necessary.

Liquidity risk management

The Group manages liquidity risk by holding an adequate volume of liquid assets at the required level, along with financial planning, prepared and updated in a timely manner by the Accounting Department of the Company and each subsidiary.

(4) ***Fair Values of Financial Instruments***

Fair values of financial instruments are based on quoted prices in active markets. If a quoted price is not available, other rational valuation techniques are used instead. Please see Note 20 for details of the fair value of derivatives.

(a) Fair values of financial instruments are included in the following table:

	Millions of Yen		
March 31, 2024	Carrying Amount	Fair Value	Unrealized Gain (Loss)
Assets			
Marketable and investment securities	¥ 197,045	¥ 197,010	¥ (35)
Liabilities			
Long-term debt	¥4,423,501	¥4,374,565	¥(48,935)
Derivatives	¥ 74,607	¥ 74,607	
March 31, 2023			
Assets			
Marketable and investment securities	¥ 142,723	¥ 142,725	¥ 2
Liabilities			
Long-term debt	¥4,691,887	¥4,659,877	¥(32,010)
Derivatives	¥ 44,160	¥ 44,160	

	Thousands of U.S. Dollars		
March 31, 2024	Carrying Amount	Fair Value	Unrealized Gain (Loss)
Assets			
Marketable and investment securities	$ 1,301,492	$ 1,301,260	$ (232)
Liabilities			
Long-term debt	$29,217,311	$28,894,088	$(323,223)
Derivatives	$ 492,781	$ 492,781	

Note that investments in equity instruments that do not have a quoted market price in an active market are not included in the above table. The fair values of cash and cash equivalents, receivables, short-term borrowings, notes and accounts payable and accrued income taxes are also not disclosed because their maturities are short and the carrying values approximate fair value. Please see Note 2.s for details of the fair values of derivatives.

Investment securities are included in long-term investments and other current assets in accordance with the consolidated financial statements.

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

Derivatives are stated at the net amount.

(b) Financial instruments that have no market price and whose fair value cannot be reliably determined were as follows:

	Carrying Amount		
	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Investments in equity instruments that do not have a quoted market price in an active market	¥73,622	¥74,335	$486,278
Unlisted invested instruments and other	5,215	10,940	34,446
Investment in capital of partnership	62,180	54,903	410,706

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

	Millions of Yen			
March 31, 2024	Due in 1 Year or Less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years
Investment securities:				
Held-to-maturity securities		¥ 200		¥500
Available-for-sale securities with contractual maturities	¥ 100			
Cash and cash equivalents	564,427			
Receivables	474,705	1,415	¥6	
March 31, 2023				
Investment securities:				
Held-to-maturity securities	¥ 5	¥ 200		¥500
Available-for-sale securities with contractual maturities		100		
Cash and cash equivalents	322,235			
Receivables	543,076	1,630	¥6	

	Thousands of U.S. Dollars			
March 31, 2024	Due in 1 Year or Less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years
Investment securities:				
Held-to-maturity securities		$1,321		$3,302
Available-for-sale securities with contractual maturities	$ 660			
Cash and cash equivalents	3,728,057			
Receivables	3,135,442	9,351	$43	

Please see Note 10 for annual maturities of long-term debt.

(5) ***Financial Instruments Categorized by Fair Value Hierarchy***

The inputs used to measure the fair value of financial instruments are categorized in the following three levels according to the observability and materiality. Stock, etc., without market prices and investments, etc., in partnership are not included in the table below:

Level 1 fair value: Fair value measured using observable inputs, i.e., quoted prices in active markets for assets or liabilities that are the subject of the measurement.

Level 2 fair value: Fair value measured using observable inputs other than Level 1 inputs.

Level 3 fair value: Fair value measured using unobservable inputs.

If multiple inputs are used that are significant to the fair value measurement, the fair value measurement is categorized in its entirety in the level of the lowest-level input that is significant to the entire measurement.

(a) The financial assets and liabilities measured at the fair values in the consolidated balance sheet

	Millions of Yen			
March 31, 2024	Level 1	Level 2	Level 3	Total
Marketable and investment securities:				
Available-for-sale securities:				
Equity securities	¥187,817			¥187,817
Government and municipal bonds				
Corporate bonds		¥ 101		101
Other		8,424		8,424
Total assets	¥187,817	¥ 8,526		¥196,343
Derivatives		¥74,607		¥ 74,607
March 31, 2023				
Marketable and investment securities:				
Available-for-sale securities:				
Equity securities	¥134,098			¥134,098
Government and municipal bonds				
Corporate bonds		¥ 103		103
Other		7,813		7,813
Total assets	¥134,098	¥ 7,917		¥142,015
Derivatives		¥44,160		¥ 44,160

March 31, 2024	Thousands of U.S. Dollars Level 1	Level 2	Level 3	Total
Marketable and investment securities:				
Available-for-sale securities:				
Equity securities	$1,240,537			$1,240,537
Government and municipal bonds				
Corporate bonds		$ 671		671
Other		55,643		55,643
Total assets	$1,240,537	$ 56,315		$1,296,852
Derivatives		$492,780		$ 492,780

Net of assets and liabilities that rise from derivative transactions is presented in net amounts.

(b) The financial assets and liabilities not measured at fair values in the consolidated balance sheet

March 31, 2024	Millions of Yen Level 1	Level 2	Level 3	Total
Marketable and investment securities:				
Held-to-maturity securities:				
Government and municipal bonds	¥103			¥ 103
Corporate bonds		¥ 563		563
Total assets	¥103	¥ 563		¥ 667
Corporate bonds		¥1,697,399		¥1,697,399
Long-term debt		2,677,165		2,677,165
Total liabilities		¥4,374,565		¥4,374,565
March 31, 2023				
Marketable and investment securities:				
Held-to-maturity securities:				
Government and municipal bonds	¥111			¥ 111
Corporate bonds		¥ 598		598
Total assets	¥111	¥ 598		¥ 710
Corporate bonds		¥1,755,830		¥1,755,830
Long-term debt		2,904,047		2,904,047
Total liabilities		¥4,659,877		¥4,659,877

March 31, 2024	Thousands of U.S. Dollars Level 1	Level 2	Level 3	Total
Marketable and investment securities:				
Held-to-maturity securities:				
Government and municipal bonds	$684			$ 684
Corporate bonds		$ 3,723		3,723
Total assets	$684	$ 3,723		$ 4,407
Corporate bonds		$ 11,211,358		$ 11,211,358
Long-term debt		17,682,729		17,682,729
Total liabilities		$ 28,894,088		$ 28,894,088

Marketable and Investment Securities

The fair values of investment securities are measured at the quoted market price on the stock exchange for the equity instruments. Since stock is valued mainly on a quoted price and traded in an active market, the fair value of stock is categorized as Level 1. Since debentures are valued at quoted prices, etc., the fair value of Japanese Government Bonds is categorized as Level 1 and the fair value of other debentures is categorized as Level 2. Information related to the fair value of investment securities by classification is included in Note 7.

Long-Term Debt

The fair value of corporate bonds issued by the Company is based on their market prices. With respect to bonds payable, which meet the condition of forward contracts that are subject to the application of designation transactions (refer to Note 20), the Company considers them to be yen-denominated fixed interest bonds payable and calculates their present value by discounting the total amount of principal and interests by interest rates deemed applicable when issuing the same bonds payable. The fair value of the bonds payable is categorized as Level 2.

Since variable-rate long-term borrowings reflect changes in market rates in a short period and the Company's credit standing does not change significantly after the execution of borrowings, their fair value approximates their book value and as such are valued at the book value. With regard to fixed-rate long-term borrowings, the Company calculates their present values by discounting the total amount of principal and interests of the borrowings using interest rates of similar borrowings.

With respect to long-term borrowings that meet the condition of exceptional accounting treatment of interest rate swaps (refer to Note 20), the Company calculates their present values by discounting the total amount of principal and interests of the borrowings recognized together with the interest rate swaps by the interest rates assumed to be applied in the case of the same borrowings. The fair value of such long-term borrowings is categorized as Level 2.

Derivatives

The fair value at derivative transactions is based on quoted prices, etc., obtained from the financial institutions and is categorized as Level 2. Fair value information for derivatives is included in Note 20.

20. DERIVATIVES

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

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

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

Derivative Transactions to Which Hedge Accounting Is Not Applied

(*a*) *Currency related*

	Millions of Yen			
March 31, 2024	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain (Loss)
Currency swaps (U.S. dollar payment, Japanese yen receipt)	¥107,183	¥107,183	¥28,105	¥6,814
March 31, 2023				
Currency swaps (U.S. dollar payment, Japanese yen receipt)	¥ 274		¥ (114)	¥ (114)

	Thousands of U.S. Dollars			
March 31, 2024	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain (Loss)
Currency swaps (U.S. dollar payment, Japanese yen receipt)	$707,946	$707,946	$185,637	$45,009

(*b*) *Commodity related*

	Millions of Yen			
March 31, 2024	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain (Loss)
Commodity swaps (Fixed payment, fluctuating receipt)	¥ 6,247	¥ 520	¥ (942)	¥ (942)
Commodity forward (Fixed payment, fluctuating receipt)	164,843	83,308	57	57
March 31, 2023				
Commodity swaps (Fixed payment, fluctuating receipt)	¥ 7,411		¥(3,224)	¥(3,224)

March 31, 2024	Thousands of U.S. Dollars Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain (Loss)
Commodity swaps (Fixed payment, fluctuating receipt)	$ 41,262	$ 3,440	$ (6,223)	$ (6,223)
Commodity forward (Fixed payment, fluctuating receipt)	1,088,795	550,255	377	377

Derivative Transactions to Which Hedge Accounting Is Applied

March 31, 2024	Hedged Item	Millions of Yen Contract Amount	Contract Amount Due after One Year	Fair Value
Principal treatment:				
Currency swaps (buying U.S. dollars)	Fuel purchasing fund	¥ 87,106	¥ 72,760	¥45,981
Assignment of currency swaps:				
Currency swaps (Japanese yen payment, U.S. dollar receipt)	Bond	53,820		(*)
Assignment of foreign exchange forward contracts:				
Foreign exchange forward contracts (buying U.S. dollars)	Fuel purchasing fund	3,986	3,209	567
Principal treatment:				
Interest rate swaps (fixed price payment, floating price receipt)	Long-term debt	126,862	105,257	837
Special hedging treatment:				
Interest rate swaps (fixed price payment, floating price receipt)	Long-term debt	36,550	36,500	(**)

March 31, 2023	Hedged Item	Millions of Yen Contract Amount	 Contract Amount Due after One Year	 Fair Value
Principal treatment:				
Currency swaps (buying U.S. dollars)	Fuel purchasing fund	¥208,833	¥193,493	¥46,689
Assignment of currency swaps:				
Currency swaps (Japanese yen payment, U.S. dollar receipt)	Bond	53,820	53,820	(*)
Assignment of foreign exchange forward contracts:				
Foreign exchange forward contracts (buying U.S. dollars)	Fuel purchasing fund	2,040	1,179	435
Principal treatment:				
Interest rate swaps (fixed price payment, floating price receipt)	Long-term debt	180,354	128,622	368
Special hedging treatment:				
Interest rate swaps (fixed price payment, floating price receipt)	Long-term debt	69,869	37,377	(**)
Principal treatment:				
Commodity swaps (fixed price payment, floating price receipt)	Fuel	158		5

March 31, 2024	Hedged Item	Thousands of U.S. Dollars Contract Amount	 Contract Amount Due after One Year	 Fair Value
Principal treatment:				
Currency swaps (buying U.S. dollars)	Fuel purchasing fund	$ 575,342	$ 480,582	$ 303,709
Assignment of currency swaps:				
Currency swaps (Japanese yen payment, U.S. dollar receipt)	Bond	355,482		
Assignment of foreign exchange forward contracts:				
Foreign exchange forward contracts (buying U.S. dollars)	Fuel purchasing fund	26,330	21,196	3,749
Principal treatment:				
Interest rate swaps (fixed price payment, floating price receipt)	Long-term debt	837,927	695,225	5,530
Special hedging treatment:				
Interest rate swaps (fixed price payment, floating price receipt)	Long-term debt	241,413	241,083	

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

(*) The fair values of foreign exchange forward contracts are included in that of the hedged item because the foreign exchange forward contracts qualify for hedge accounting and meet specific matching criteria.

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

21. OTHER COMPREHENSIVE INCOME (LOSS)

The components of other comprehensive income (loss) for the years ended March 31, 2024 and 2023, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Unrealized gain (loss) on available-for-sale securities:			
Gains arising during the year	¥ 46,006	¥ 7,466	$ 303,873
Reclassification adjustments to profit or loss	1,942	(7,733)	12,827
Amount before income tax effect	47,948	(266)	316,700
Income tax effect	(13,212)	197	(87,269)
Total	¥ 34,735	¥ (69)	$ 229,431
Deferred gain on derivatives under hedge accounting:			
Gains arising during the year	¥ 38,896	¥ 25,792	$ 256,913
Reclassification adjustments to profit or loss	(6,682)	127,086	(44,134)
Adjustments to acquisition costs of assets	(7,635)	6,597	(50,433)
Amount before income tax effect	24,579	159,476	162,344
Income tax effect	(6,671)	(44,497)	(44,062)
Total	¥ 17,907	¥ 114,979	$ 118,282
Fair values of financial instruments:			
Foreign currency translation adjustments:			
Adjustments arising during the year	¥ 12,395	¥ 15,324	$ 81,870
Defined retirement benefit plans:			
Adjustments arising during the year	¥ (1,152)	¥ 2	$ (7,611)
Reclassification adjustments to profit or loss	1,645	1,694	10,866
Amount before income tax effect	492	1,696	3,254
Income tax effect	(158)	(469)	(1,047)
Total	¥ 334	¥ 1,227	$ 2,207
Share of other comprehensive income in associates:			
Gains arising during the year	¥ 26,610	¥ 19,251	$ 175,763
Reclassification adjustments to profit or loss	971	(855)	6,413
Total	¥ 27,581	¥ 18,396	$ 182,177
Total other comprehensive income	¥ 92,954	¥ 149,858	$ 613,968

22. COMMITMENTS AND CONTINGENCIES

As of March 31, 2024, the Group had firm purchase commitments, principally related to utility plant expansion, of approximately ¥214,876 million ($1,419,265 thousand). Additionally, the Group had a number of fuel purchase commitments, most of which specify quantities and terms. Purchase prices are principally contingent upon fluctuations of market prices.

At March 31, 2024, the Group had the following contingent liabilities:

	Millions of Yen	Thousands of U.S. Dollars
	2024	2024
Co-guarantees or guarantees of loans and bonds of other companies:		
Japan Nuclear Fuel Limited (Note 16)	¥147,000	$ 970,944
Other	82,366	544,031
Total	¥229,367	$1,514,975

23. EPS

Diluted EPS for the years ended March 31, 2024 and 2023, is not disclosed because the Group does not issue dilutive securities.

	Millions of Yen	Thousands of Shares	Yen	U.S. Dollars
For the Year Ended March 31, 2024	Net Income Attributable to Owners of the Parent	Weighted-Average Shares	EPS	
Basic EPS:				
Net income attributable to common shareholders	¥441,870	892,508	¥495.09	$3.27
For the Year Ended March 31, 2023				
Basic EPS:				
Net income attributable to common shareholders	¥ 17,679	892,501	¥ 19.81	

As noted in Note 5, the Company applied the BIP Trust mechanism. In calculating the number of weighted average shares above, the number of shares that are held by the Trust (427,522 shares and 483,588 shares in 2024 and 2023, respectively) is reflected.

24. REVENUE RECOGNITION

(1) *Disaggregation of Revenue from Contracts with Customers*

	Millions of Yen		Thousands of U.S. Dollars
	2024	2023	2024
Revenue from contracts with customers:			
Energy business:			
Electricity (the Company)	¥2,549,768	¥2,493,516	$16,841,268
Electricity (subsidiaries)	126,617	139,928	836,307
Gas (the Company)	207,606	247,662	1,371,241
Other related services	159,054	145,234	1,050,554
Subtotal	3,043,046	3,026,341	20,099,379
Transmission and Distribution business:			
Electricity (Kansai Transmission and Distribution, Inc.)	252,345	368,960	1,666,743
Other related services	34,014	34,676	224,663
Subtotal	286,359	403,636	1,891,406
IT/Communications business:			
Service for consumers	160,821	162,996	1,062,225
Service for corporate	56,118	54,468	370,660
Subtotal	216,939	217,464	1,432,886
Life/Business Solution business:			
Sale of real estate	68,473	62,066	452,265
Fee business	37,469	34,559	247,483
Other related services	15,477	18,173	102,225
Subtotal	121,420	114,798	801,981
Total	¥3,667,766	¥3,762,241	$24,225,667
Revenue from other sources	¥ 391,612	¥ 189,642	$ 2,586,605

Note: Under the "Comprehensive economic measures for overcoming high prices and realizing economic revitalization" and "Comprehensive economic measures to end deflation completely," the Company is discounting electricity and gas rates at unit prices set by the government under the "Electricity and gas price reduction mitigation project." The subsidies of ¥286,876 million ($1,894,821 thousand) and ¥72,261 million in 2024 and 2023, respectively, received as the source of discounting, are included in "revenue from other sources" for the current fiscal year.

(2) *Basic Information to Understand Revenues from Contracts with Customers*

Useful information in understanding revenue is presented in Note "2.i. Revenue Recognition."

(3) *Balance of Contract Assets and Liabilities and the Transaction Price Allocated to the Remaining Performance Obligations*

a. *Balance of contract assets and contract liabilities, etc.*

Receivables from contracts with customers for the reporting period are as follows. Since contract assets and contract liabilities are immaterial for the Group, the related notes are omitted.

	Millions of Yen		Thousands of U.S. Dollars	
	Beginning Balance (April 1, 2023)	Ending Balance (March 31, 2024)	Beginning Balance (April 1, 2023)	Ending Balance (March 31, 2024)
Receivables from contracts with customers	¥359,278	¥350,699	$2,373,038	$2,316,373

	Millions of Yen	
	Beginning Balance (April 1, 2022)	Ending Balance (March 31, 2023)
Receivables from contracts with customers	¥295,175	¥359,278

b. *Transaction price allocated to the remaining performance obligations*

The total amount of the transaction price allocated to the remaining performance obligations from electricity sale transactions in the Energy business at the end of the reporting period was ¥2,110,944 million ($13,942,826 thousand) and ¥484,019 million in 2024 and 2023, respectively, which is expected to be recognized as revenue over three to four years after the year ended March 31, 2024. Additionally, the transaction price of real estate sales in the Life/Business Solutions business is ¥61,947 million ($409,161 thousand) which is expected to be recognized as revenue within two years after the year ended March 31, 2024. The transaction price allocated to other remaining performance obligations is omitted because it is immaterial.

The Company has applied the practical expedient to the notes and does not disclose contracts with an original expected duration of one year or less.

25. SEGMENT INFORMATION

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

(1) *Description of Reportable Segments*

The Group's reportable segments are those for which separate financial information is available and regular evaluation by the Company's management is performed in order to decide how resources are allocated among the Group.

The Group consists of four reportable segments, namely the Energy business that provides new value through a variety of solutions, including electricity, gas and utility services; the Transmission and Distribution business that provides electricity in a secure and stable manner from a neutral and fair standpoint; the IT/Communication business that provides general telecommunication service; and the Life/Business Solution business that provides real estate related service and life and business related service in accordance with the "Kansai Electronic Power Company Group Medium-Term Management Plan (2021 - 2025)."

(**2**) ***Methods of Measurement for the Amounts of Sales, Profit, Assets, and Other Items for Each Reportable Segment***

The accounting policies of each reportable segment are consistent with those disclosed in Note "2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES."

Income by reportable segment is based on income deducting dividend received from consolidated subsidiaries and affiliated companies accounted for by the equity method from ordinary income.

Inclusion of loss on cancellation of power plant construction in "Other expenses (income)" caused the inconsistency between ordinary income in the consolidated statement of income and segment profit.

Information about sales, profit, assets, and other items is as follows:

	Millions of Yen						
	2024						
	Reportable Segment						
	Energy	Transmission and Distribution	IT/ Communications	Life/Business Solution	Total	Reconciliations	Consolidated
Sales:							
Sales to external customers	¥3,335,680	¥ 341,880	¥225,369	¥156,447	¥ 4,059,378		¥4,059,378
Intersegment sales or transfers	203,519	674,395	76,011	38,574	992,500	¥ (992,500)	
Total	¥3,539,199	¥1,016,276	¥301,381	¥195,022	¥ 5,051,879	¥ (992,500)	¥4,059,378
Segment profit	¥ 583,867	¥ 124,083	¥ 47,492	¥ 22,389	¥ 777,832	¥ (11,862)	¥ 765,970
Segment assets	8,065,610	2,657,993	332,086	833,001	11,888,691	(2,855,774)	9,032,917
Other:							
Depreciation	168,489	107,705	43,261	12,027	331,484	(4,185)	327,298
Interest income	17,017	75	2	405	17,499	(11,446)	6,053
Interest expenses	29,059	9,721	203	1,506	40,490	(11,431)	29,059
Equity gains of associated companies	23,629				23,629		23,629
Increase in property and intangible assets	204,259	146,829	41,125	66,397	458,612	(5,023)	453,589
Investment in associated companies that applied the equity method	511,779				511,779		511,779

	Millions of Yen						
	2023						
	Reportable Segment						
	Energy	Transmission and Distribution	IT/ Communications	Life/Business Solution	Total	Reconciliations	Consolidated
Sales:							
Sales to external customers	¥3,109,708	¥ 469,975	¥222,828	¥149,370	¥ 3,951,884		¥3,951,884
Intersegment sales or transfers	352,405	668,462	68,854	41,339	1,131,062	¥(1,131,062)	
Total	¥3,462,114	¥1,138,438	¥291,683	¥190,710	¥ 5,082,946	¥(1,131,062)	¥3,951,884
Segment profit (loss)	¥ (27,405)	¥ (45,186)	¥ 43,029	¥ 20,908	¥ (8,654)	¥ 1,988	¥ (6,666)
Segment assets	7,865,463	2,572,608	331,881	761,443	11,531,396	(2,756,971)	8,774,425
Other:							
Depreciation	146,369	106,174	45,336	12,204	310,085	(4,017)	306,067
Interest income	12,028	73	2	305	12,410	(10,265)	2,145
Interest expenses	24,308	9,008	137	1,058	34,514	(10,189)	24,324
Equity gains of associated companies	23,331				23,331		23,331
Increase in property and intangible assets	247,387	136,291	43,925	45,128	472,731	(6,915)	465,815
Investment in associated companies that applied the equity method	469,892				469,892		469,892

	Thousands of U.S. Dollars						
	2024						
	Reportable Segment						
	Energy	Transmission and Distribution	IT/ Communications	Life/Business Solution	Total	Reconciliations	Consolidated
Sales:							
Sales to external customers	$22,032,233	$ 2,258,126	$1,488,572	$1,033,341	$26,812,273		$26,812,273
Intersegment sales or transfers	1,344,247	4,454,398	502,056	254,786	6,555,487	$ (6,555,487)	
Total	$23,376,480	$ 6,712,525	$1,990,628	$1,288,127	$33,367,761	$ (6,555,487)	$26,812,273
Segment profit	$ 3,856,458	$ 819,573	$ 313,687	$ 147,881	$ 5,137,601	$ (78,353)	$ 5,059,248
Segment assets	53,273,516	17,556,101	2,193,435	5,501,992	78,525,045	(18,862,445)	59,662,600
Other:							
Depreciation	1,112,877	711,394	285,746	79,440	2,189,459	(27,644)	2,161,814
Interest income	112,398	495	16	2,676	115,585	(75,601)	39,984
Interest expenses	191,939	64,213	1,340	9,949	267,442	(75,502)	191,940
Equity gains of associated companies	156,074				156,074		156,074
Increase in property and intangible assets	1,349,139	969,813	271,635	438,559	3,029,147	(33,179)	2,995,968
Investment in associated companies that applied the equity method	3,380,311				3,380,311		3,380,311

Significant impairment losses on long-lived assets by reportable segment is as follows:

	Millions of Yen				
	2024				
	Reportable Segment				
	Energy	Transmission and Distribution	IT/ Communications	Life/Business Solution	Total
Loss on cancellation of power plant construction	¥126,495				¥126,495

	Thousands of U.S. Dollars				
	2024				
	Reportable Segment				
	Energy	Transmission and Distribution	IT/ Communications	Life/Business Solution	Total
Loss on cancellation of power plant construction	$835,505				$835,505

Note: The decision to cancel the Wakayama power plant construction plan resulted in an impairment loss on fixed assets as loss on cancellation of the power plant construction.

* * * * * *