The Kansai Electric Power Company, Incorporated and Consolidated Subsidiaries

Consolidated Financial Statements for the Year Ended March 31, 2025, and Independent Auditor's Report

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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, 2025, 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, 2025, 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 period. 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:

- Revenue Recognition (Light and Power Charges)

- Investment Evaluation (International Business)

Revenue Recognition (Light and Power Charges)

Key Audit Matter Description

The Group reported operating revenues of ¥4,337,111 million ($29,004,959 thousand) in its consolidated statement of income for the fiscal year ended March 31, 2025, stated in Note 24. Of this amount, revenue from electricity retail sales, specifically lighting and power charges (hereinafter, "Light and Power Charges"), accounted for ¥2,289,449 million ($15,310,971 thousand) at The Kansai Electric Power Company, Incorporated (the "Company"), representing 52.8% of operating revenues.

Light and Power Charges are calculated automatically by the billing system based on the unit prices corresponding to the contract details registered as customer contract data and the usage data received monthly from general electricity transmission and distribution utility. The calculated charges are then automatically interfaced into the accounting system, resulting in revenue recognition.

Additionally, for certain transactions, revenue is recognized by manually entering the billing calculation results into the accounting system, rather than through automated interface from the billing system.

Although individual transaction amounts for Light and Power Charges are relatively small compared to the total revenue recognized, the number of customers is extremely large, necessitating the processing of a vast number of transactions. Consequently, the entire operating process, including customer orders receipt, usage calculation, billing calculation, and automated interface into the accounting system, relies heavily on multiple IT systems.

Due to the repetitive and consistent nature of automated processing by IT systems, any errors in the referenced data or calculation logic, or improper data integration between systems, could have a significant impact on financial reporting, even if individual transaction amounts are small.

Furthermore, the sales entries entered manually into the accounting system include non-recurring transactions. If these manual entries are not processed correctly, they could also significantly impact financial reporting.

Given the materiality of the financial amounts of Light and Power Charges, and the necessity to perform multiple audit procedures that go beyond merely gathering audit evidence for individual transaction, including addressing the following points, we have determined this matter to be a key audit matter:

- In addition to evaluating IT general controls related to the relevant IT systems, it is necessary to thoroughly understand and evaluate numerous IT application controls within the entire operating process.

- The sales entries entered manually into the accounting system could include non-recurring transactions, which pose a relatively higher risk of accounting errors. Therefore, it is necessary to examine whether these manual entries are processed appropriately.

How the Key Audit Matter Was Addressed in the Audit

We performed the following audit procedures related to Light and Power Charges:

1. Evaluation of Internal Controls

   We evaluated the design and operating effectiveness of controls related to the entire business process, including reception, usage calculation, billing calculation, and automated integration into the accounting system. In this evaluation, we examined the following internal controls specifically with the assistance of our IT specialists:

   - Evaluation of general IT controls such as user access controls, change management controls, and IT operation controls related to the billing system and accounting system.

   - Evaluation of automated IT application controls addressing the accuracy of automated calculations within the billing system, by recalculating using customer contract data, meter reading data, and unit price data, and comparing it to the automatically calculated billing amount recorded by the Company.

   - Evaluation of automated data interface between the billing system and the accounting system.

2. Test of Light and Power Charges

   For Light and Power Charges, we selected samples based on the characteristics of contract categories by voltage and tested their accuracy and appropriateness. In addition, we perform substantive analytical procedure. For this procedure, we disaggregated Light and Power Charges into basic charge and usage-based charge and calculated estimated monthly revenue for each contract category by voltage, considering factors such as rate revisions, fuel cost adjusted unit prices, and discounts funded by government subsidies of rate reduction for electricity burden. We compared these estimates with actual recorded amounts to examine whether there were significant discrepancies. Additionally, we evaluated the reliability of the underlying data used to calculate the estimates.

3. Examination of Manual Entries

   We extracted journal entries related to Light and Power Charges manually entered into the accounting system and examined the completeness of recurring journal entries by comparing patterns of journal entries with the previous periods with consideration for changes identified during the audit process, to further identify non-recurring transactions. If significant non-recurring transactions were identified, we performed inquiries and inspected approval documents to examine their reasonableness and agreed with related supporting documents to evaluate accuracy and cut-off.

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 2025, the Company participates in 22 projects across 12 different countries. The balance of International Business Investment stood at ¥248,582 million ($1,662,422 thousand). The balance is included in the "Investment securities" of ¥737,655 million ($4,933,160 thousand) and "Investments in and advances to unconsolidated subsidiaries and associated companies" of ¥682,469 million ($4,564,099 thousand) in the consolidated balance sheet as of March 31, 2025. 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 requires 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 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 the geopolitical risks in the current international environment, 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 the geopolitical risks in the current international environment, 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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, 2025, which were charged by us and our network firms to The Kansai Electric Power Company, Incorporated and its subsidiaries were ¥661 million and ¥260 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, 2025

The Kansai Electric Power Company, Incorporated and Consolidated Subsidiaries

Consolidated Balance Sheet
March 31, 2025

ASSETS	Millions of Yen 2025	Millions of Yen 2024	Thousands of U.S. Dollars (Note 1) 2025
PROPERTY:			
Utility plant and equipment	¥15,399,593	¥15,441,724	$102,986,647
Other plant and equipment (Note 10)	2,611,970	2,561,241	17,467,868
Construction in progress (Note 10)	309,608	254,851	2,070,543
Contributions in aid of construction	(538,888)	(530,679)	(3,603,882)
Accumulated depreciation and amortization	(12,681,991)	(12,661,452)	(84,812,352)
Plant and equipment—net (Note 6)	5,100,292	5,065,685	34,108,825
Nuclear fuel, net of amortization (Note 2.c)	465,308	488,716	3,111,807
Property—net	5,565,601	5,554,402	37,220,633
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Notes 7, 10 and 18)	387,339	339,681	2,590,379
Investments in and advances to unconsolidated subsidiaries and associated companies (Note 10)	682,469	710,501	4,564,099
Special account related to nuclear power decommissioning (Notes 2.m and 5)	36,046	37,137	241,062
Special account related to reprocessing of spent nuclear fuel (Note 2.j)	246,958	210,885	1,651,563
Deferred tax assets (Note 15)	277,553	294,780	1,856,171
Other assets (Note 10)	485,663	444,854	3,247,934
Total investments and other assets	2,116,030	2,037,840	14,151,211
CURRENT ASSETS:			
Cash and cash equivalents (Notes 10 and 18)	941,432	564,427	6,295,941
Receivables (Notes 10 and 18)	620,093	491,162	4,146,948
Allowance for doubtful accounts	(3,452)	(3,143)	(23,087)
Inventories (Notes 9 and 10)	287,421	255,671	1,922,163
Other current assets (Notes 7, 10 and 18)	125,529	132,556	839,492
Total current assets	1,971,023	1,440,674	13,181,459
TOTAL	¥ 9,652,655	¥ 9,032,917	$ 64,553,304

LIABILITIES AND EQUITY	Millions of Yen 2025	Millions of Yen 2024	Thousands of U.S. Dollars (Note 1) 2025
LONG-TERM LIABILITIES:			
Long-term debt, less current maturities (Notes 10 and 18)	¥3,760,233	¥3,894,111	$25,147,017
Provision for loss on guarantees (Note 2.n)	1,881	1,973	12,580
Unpaid decommissioning contributions for nuclear power reactors (Note 5)	487,416		3,259,658
Liability for retirement benefits (Note 11)	315,322	358,279	2,108,756
Asset retirement obligations (Notes 2.k, 5 and 12)	12,095	549,782	80,891
Deferred tax liabilities (Note 15)	15,908	14,224	106,387
Other long-term liabilities	250,237	251,328	1,673,493
Total long-term liabilities	4,843,095	5,069,701	32,388,785
CURRENT LIABILITIES:			
Current maturities of long-term debt (Notes 5, 10 and 18)	588,482	540,197	3,935,551
Short-term borrowings (Notes 13 and 18)	159,849	156,981	1,069,011
Notes and accounts payable (Note 10)	302,795	220,113	2,024,978
Accrued income taxes	66,916	120,991	447,511
Accrued expenses and other current liabilities	562,104	568,251	3,759,140
Total current liabilities	1,680,147	1,606,535	11,236,193
RESERVE FOR FLUCTUATIONS IN WATER LEVEL	21,959	23,433	146,859
COMMITMENTS AND CONTINGENCIES (Notes 17 and 21)			
EQUITY (Note 14):			
Common stock—authorized, 1,784,059,697 shares; issued, 1,114,927,528 shares in 2025 and 938,733,028 shares in 2024	630,040	489,320	4,213,474
Capital surplus	205,089	67,002	1,371,562
Retained earnings	1,928,108	1,556,102	12,894,461
Treasury stock—at cost, 885,830 shares in 2025 and 46,347,485 shares in 2024	(935)	(97,783)	(6,254)
Accumulated other comprehensive income:			
Unrealized gain on available-for-sale securities	128,800	130,191	861,369
Deferred gain on derivatives under hedge accounting	49,315	50,298	329,802
Foreign currency translation adjustments	93,032	76,550	622,168
Defined retirement benefit plans	32,403	1,475	216,705
Total	3,065,856	2,273,157	20,503,288
Noncontrolling interests	41,595	60,091	278,177
Total equity	3,107,452	2,333,248	20,781,466
TOTAL	¥9,652,655	¥9,032,917	$64,553,304

See notes to consolidated financial statements.

The Kansai Electric Power Company, Incorporated and Consolidated Subsidiaries

Consolidated Statement of Income
Year Ended March 31, 2025

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2025	2024	2025
OPERATING REVENUES:			
Electric	¥3,371,649	¥3,121,067	$22,548,314
Other	965,462	938,310	6,456,645
Total operating revenues	4,337,111	4,059,378	29,004,959
OPERATING EXPENSES (Notes 2.l and 16):			
Electric	3,044,537	2,541,644	20,360,712
Other	823,697	788,797	5,508,573
Total operating expenses	3,868,234	3,330,442	25,869,285
OPERATING INCOME	468,877	728,935	3,135,673
OTHER (INCOME) EXPENSES:			
Interest and dividend income	(33,689)	(33,932)	(225,305)
Interest expense	35,038	29,059	234,325
Equity in earnings of associated companies	(25,477)	(23,629)	(170,385)
Gain on sale of shares of associated companies	(61,412)		(410,700)
Loss on cancellation of power plant construction		126,495	
Other—net	(38,680)	(8,531)	(258,681)
Other (income) expenses—net	(124,221)	89,461	(830,746)
ORDINARY INCOME	593,098	639,474	3,966,420
INCOME BEFORE REVERSAL OF RESERVE FOR FLUCTUATIONS IN WATER LEVEL AND INCOME TAXES	593,098	639,474	3,966,420
REVERSAL OF RESERVE FOR FLUCTUATIONS IN WATER LEVEL	(1,473)	(1,580)	(9,852)
INCOME BEFORE INCOME TAXES	594,572	641,054	3,976,272
INCOME TAXES (Note 15):			
Current	139,186	157,645	930,826
Deferred	4,248	34,969	28,412
Total income taxes	143,435	192,614	959,239
NET INCOME	451,137	448,440	3,017,033
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	30,772	6,569	205,794
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	¥ 420,364	¥ 441,870	$ 2,811,239

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The Kansai Electric Power Company, Incorporated and Consolidated Subsidiaries

Consolidated Statement of Income
Year Ended March 31, 2025

	Yen		U.S. Dollars
	2025	2024	2025
PER SHARE OF COMMON STOCK (Notes 2.u and 22):			
Basic net income	¥436.09	¥495.09	$2.91
Cash dividends applicable to the year	60.00	50.00	0.40

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, 2025

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2025	2024	2025
NET INCOME	¥451,137	¥448,440	$3,017,033
OTHER COMPREHENSIVE INCOME (Note 20):			
Unrealized gain on available-for-sale securities	683	34,735	4,573
Deferred (loss) gain on derivatives under hedge accounting	(1,356)	17,907	(9,072)
Foreign currency translation adjustments	26,138	12,395	174,806
Defined retirement benefit plans	28,374	334	189,756
Share of other comprehensive (loss) income in associates	(4,818)	27,581	(32,225)
Total other comprehensive income	49,021	92,954	327,839
COMPREHENSIVE INCOME	¥500,158	¥541,394	$3,344,872
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent	¥465,401	¥529,153	$3,112,428
Noncontrolling interests	34,757	12,241	232,444

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, 2025

		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, 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
Issuance of new shares												
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
Change in scope of equity method												
Change in scope of consolidation												
Purchase of treasury stock					(336)					(336)		(336)
Disposal of treasury stock					74					74		74
Transfer to capital surplus from retained earnings												
Change in equity due to acquisition of shares of consolidated subsidiary			128							128		128
Change in equity due to purchase of treasury stock of consolidated subsidiaries												
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
Issuance of new shares	176,194,500	140,720	140,720							281,440		281,440
Cash dividends, ¥55 per share				(49,118)						(49,118)		(49,118)
Net income attributable to owners of the parent				420,364						420,364		420,364
Change in scope of equity method				718						718		718
Change in scope of consolidation				41						41		41
Purchase of treasury stock					(595)					(595)		(595)
Disposal of treasury stock					97,443					97,443		97,443
Transfer to capital surplus from retained earnings												
Change in equity due to acquisition of shares of consolidated subsidiary												
Change in equity due to purchase of treasury stock of consolidated subsidiaries			(2,647)							(2,647)		(2,647)
Change in equity in consolidated subsidiaries due to changes in equity of affiliates accounted for by the equity method			14							14		14
Net change in the year						(1,391)	(983)	16,482	30,928	45,036	(18,495)	26,541
BALANCE, MARCH 31, 2025	1,114,927,528	¥630,040	¥205,089	¥1,928,108	¥ (935)	¥128,800	¥49,315	¥93,032	¥32,403	¥3,065,856	¥41,595	¥3,107,452

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The Kansai Electric Power Company, Incorporated and Consolidated Subsidiaries

Consolidated Statement of Changes in Equity
Year Ended March 31, 2025

	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, 2024	$3,272,391	$ 448,085	$10,406,623	$ (653,940)	$870,673	$336,379	$511,938	$ 9,865	$15,202,016	$401,865	$15,603,882
Issuance of new shares	941,083	941,083							1,882,166		1,882,166
Cash dividends, $0.36 per share			(328,486)						(328,486)		(328,486)
Net income attributable to owners of the parent			2,811,239						2,811,239		2,811,239
Change in scope of equity method			4,805						4,805		4,805
Change in scope of consolidation			279						279		279
Purchase of treasury stock				(3,980)					(3,980)		(3,980)
Disposal of treasury stock		1		651,666					651,668		651,668
Transfer to capital surplus from retained earnings											
Change in equity due to acquisition of shares of consolidated subsidiary											
Change in equity due to purchase of treasury stock of consolidated subsidiaries		(17,704)							(17,704)		(17,704)
Change in equity in consolidated subsidiaries due to changes in equity of affiliates accounted for by the equity method		96							96		96
Net change in the year					(9,303)	(6,577)	110,229	206,839	301,188	(123,688)	177,500
BALANCE, MARCH 31, 2025	$4,213,474	$1,371,562	$12,894,461	$ (6,254)	$861,369	$329,802	$622,168	$216,705	$20,503,288	$278,177	$20,781,466

See notes to consolidated financial statements.

The Kansai Electric Power Company, Incorporated and Consolidated Subsidiaries

Consolidated Statement of Cash Flows
Year Ended March 31, 2025

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2025	2024	2025
OPERATING ACTIVITIES:			
Income before income taxes	¥594,572	¥ 641,054	$3,976,272
Adjustments for:			
Income taxes—paid	(195,697)	(32,475)	(1,308,751)
Depreciation and amortization	331,771	327,298	2,218,765
Decommissioning cost of nuclear power units		19,496	
Depreciation of special account related to nuclear power decommissioning	10,468	7,986	70,010
Amortization of nuclear fuel	41,331	33,254	276,407
Loss on cancellation of power plant construction		126,495	
Loss on disposal of property, plant and equipment	8,935	10,402	59,755
Gain on sale of shares of affiliated companies	(61,412)		(410,700)
Changes in assets and liabilities:			
Decrease in interest and dividends receivable	17,024	10,410	113,854
(Increase) decrease in receivables	(110,256)	17,497	(737,350)
Increase (decrease) in notes and accounts payable	74,063	(28,690)	495,311
Increase in interest payable	1,936	1,918	12,951
Increase in inventories	(31,665)	(4,046)	(211,765)
Decrease in liability for retirement benefits	(2,612)	(3,511)	(17,472)
Decrease in reserve for fluctuations in water level	(1,473)	(1,580)	(9,852)
Increase in unpaid decommissioning contributions for nuclear power reactors (Note 5)	487,416		3,259,658
Decrease in asset retirement obligations due to revision of the regulation (Note 5)	(537,568)		(3,595,056)
Other—net (Note 4)	(51,535)	29,479	(344,650)
Total adjustments	(19,272)	513,935	(128,886)
Net cash provided by operating activities	575,299	1,154,990	3,847,386
INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	(494,896)	(456,335)	(3,309,681)
Sales of property, plant and equipment	31,994	24,123	213,967
Payments for investments and advances	(50,007)	(27,814)	(334,432)
Proceeds from sales of investments or collections of advances	146,074	25,488	976,888
Proceeds from transfer of business	9,049	2,654	60,520
Other—net (Note 4)	15,432	3,834	103,205
Net cash used in investing activities	(342,353)	(428,049)	(2,289,531)
FORWARD	¥232,946	¥ 726,941	$1,557,855

(Continued)

The Kansai Electric Power Company, Incorporated and Consolidated Subsidiaries

Consolidated Statement of Cash Flows
Year Ended March 31, 2025

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2025	2024	2025
FORWARD	¥232,946	¥726,941	$1,557,855
FINANCING ACTIVITIES:			
Proceeds from issuance of bonds	186,540	126,947	1,247,513
Proceeds from long-term debt (exclusive of bonds)	236,400	117,836	1,580,953
Proceeds from short-term loans	266,070	265,321	1,779,381
Redemption of bonds	(234,020)	(190,000)	(1,565,037)
Repayments of long-term debt (exclusive of bonds)	(305,177)	(327,271)	(2,040,912)
Repayments of short-term loans	(266,313)	(265,294)	(1,781,003)
Proceeds from issuance of shares	299,441		2,002,551
Proceeds from sale of treasury shares	77,993	2	521,590
Dividends paid to non-controlling interests	(29,709)	(2,845)	(198,685)
Dividends paid	(49,115)	(44,670)	(328,467)
Payments for the acquisition of shares in subsidiaries from non-controlling interests that do not result in a change in the scope of consolidation	(29,945)	(160)	(200,266)
Other—net (Note 4)	(14,490)	(168,773)	(96,906)
Net cash provided by (used in) financing activities	137,673	(488,906)	920,710
NET CASH PROVIDED BY OPERATING, INVESTING, AND FINANCING ACTIVITIES	370,619	238,034	2,478,565
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	6,384	4,157	42,696
NET INCREASE IN CASH AND CASH EQUIVALENTS	377,004	242,192	2,521,262
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	564,427	322,235	3,774,679
CASH AND CASH EQUIVALENTS, END OF YEAR	¥941,432	¥564,427	$6,295,941

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 ¥149.53 to $1, the approximate rate of exchange as of March 31, 2025. 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, 2025, include the accounts of the Company and 92 (90 in 2024) 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 eight (nine in 2024) 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***—As of 2025, the number of subsidiaries with a fiscal year-end of December 31 is 17 (13 in 2024). The Company consolidates the financial statements of 16 (13 in 2024) of them using their financial results for the year ended December 31, and uses interim financial information for one subsidiary with fiscal year end December 31 and one subsidiary with fiscal year end October 31. 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, 2025 and 2024, was ¥92,113 million ($616,022 thousand) and ¥68,029 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 2 of Article 5 of the "Act for Reprocessing of the Spent Fuel for Nuclear Power Units and Promotion of Decommissioning" (Act No. 48, 2005; the "Reprocessing Act") amended by Article 3 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) (except for the amount of contribution set forth in No. 1 of Paragraph 4 of Article 2 of the Reprocessing 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 the operation of the nuclear power plants.

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.

Asset retirement obligations are primarily recorded as obligations to restore gas fields to their original condition in accordance with environmental protection regulations.

l. ***Accounting for Costs in Decommissioning Commercial Power Reactors***—In accordance with Article 11, Paragraph 2 of the "Act for Reprocessing of the Spent Fuel for Nuclear Power Units and Promotion of Decommissioning" (Act No. 48, 2005) after the revision by Article 3 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), the amount of contribution paid within the current fiscal year has been recorded as electric operating expenses.

m. ***Overview of Contributions to Streamline Decommissioning and Special Account Related to Nuclear Power Decommissioning***—The decommissioning accounting system is introduced to facilitate the efficient decommissioning of reactors. This system addresses the remaining book value of reactors decommissioned due to shifts in energy policy or changes in safety regulations. It includes the book value of nuclear power special assets, the special account related to nuclear power decommissioning (including amounts equivalent to decommissioning-related expenses), and necessary reserve amounts for nuclear power facilities decommissioning as specified in the "Ministerial Order for Organization of Relevant Ministerial Orders Associated with the Implementation of the Act for 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"). Under this system, these amounts are recovered as contributions through the wheeling charges of general electricity transmission and distribution utilities.

To apply this system, the Company submitted an application for approval of these contributions to the Minister of Economy, Trade, and Industry, as outlined in Article 45-21-12 of the "Ministerial Ordinance for the Enforcement of the Electricity Business Act" (Ordinance No. 77 of 1995) prior to its amendment and received approval. Kansai Transmission and Distribution, Inc., upon receiving notification from the minister, collects these contributions and distributes them to the Company and The Japan Atomic Power Company according to Article 45-21-11 of the same ordinance.

The special account related to nuclear power decommissioning is amortized based on the contributions received from Kansai Transmission and Distribution, Inc., following Articles 5 and 8 of the Supplementary Provisions of the "Ministry Order Relating to the Partial Revision of the Ordinance on Accounting at Electricity Utilities" (Ordinance No. 77 of 2016) and Article 9 of the "Amended Ministry Ordinance."

n. ***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.

o. ***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.

p. ***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.

q. ***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.

r. ***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.

s. ***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 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 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.

t. ***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.

u. ***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.

v. ***New Accounting Pronouncements***—On September 13, 2024, the Accounting Standards Board of Japan ("ASBJ") issued ASBJ Statement No. 34, "Accounting Standard for Leases," and ASBJ Guidance No. 33, "Implementation Guidance on Accounting Standard for Leases."

The ASBJ also issued other Accounting Standards, Implementation Guidance, Practical Solutions, and Transferred Guidance, which were revised by the issuance of the Accounting Standard for Leases, etc. These accounting standards, etc. define the same accounting treatments as international accounting standards.

The accounting standard and guidance are effective for annual periods beginning on or after April 1, 2027. Earlier application is permitted for annual periods beginning on or after April 1, 2025.

The Company expects to apply the accounting standard and guidance for annual periods beginning on or after April 1, 2027, and is in the process of measuring the effects of applying the accounting standard and guidance in future applicable periods.

3. SIGNIFICANT ACCOUNTING ESTIMATES

Current Fiscal Year (Year Ended March 31, 2025)

Valuation of securities that do not have market prices

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

¥802,148 million ($5,364,462 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, 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

(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

Consolidated Statement of Income

Amounts previously presented within "Foreign exchange gains" under "Other (income) expenses" in the previous consolidated fiscal year are presented in "Other—net" from the current consolidated fiscal year, as they are no longer material. To reflect this change in presentation, similar adjustment was made to the comparative information in the consolidated financial statements for the previous consolidated fiscal year.

As a result, the amount of ¥(18,333) million presented as "Foreign exchange gains" and ¥9,801 million presented as "Other—net" under "Other (income) expenses" in the consolidated statement of income for the previous consolidated fiscal year was reclassified and presented as "Other—net" in the amount of ¥(8,531) million.

Consolidated Statement of Cash Flows

Amounts presented within "Other—net" under "Operating activities" in the previous consolidated fiscal year are presented separately as "Increase in inventories" from the current consolidated fiscal year, as they are material. To reflect this change in presentation, similar adjustment was made to the comparative information in the consolidated financial statements for the previous consolidated fiscal year.

As a result, ¥25,432 million from "Other—net" under "Operating activities" in the consolidated statement of cash flows for the previous consolidated fiscal year was reclassified and presented as "Increase in inventories" in the amount of ¥(4,046) million and "Other—net" in the amount of ¥29,479 million.

Amounts previously presented within "Other—net" under "Investing activities" in the previous consolidated fiscal year are now presented separately as "Proceeds from transfer of business" from the current consolidated fiscal year, as they are material. To reflect this change in presentation, similar adjustment was made to the comparative information in the consolidated financial statements for the previous consolidated fiscal year.

As a result, ¥6,489 million from "Other—net" under "Investing activities" in the consolidated statement of cash flows for the previous consolidated fiscal year was reclassified and presented as "Proceeds from transfer of business" in the amount of ¥2,654 million and "Other—net" in the amount of ¥3,834 million.

Amounts presented within "Other—net" under "Financing activities" in the previous consolidated fiscal year are now presented separately as "Proceeds from sale of treasury shares," "Dividends paid to non-controlling interests" and "Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation" from the current consolidated fiscal year, as they are material, and amounts presented within "Proceeds from issuance of commercial papers" and "Repayments of commercial papers" under "Financing activities" in the previous consolidated fiscal year are now presented within "Other—net" from the current consolidated fiscal year, as they are no longer material. To reflect this change in presentation, similar adjustment was made to the comparative information in the consolidated financial statements for the previous consolidated fiscal year.

As a result, "Proceeds from issuance of commercial papers" in the amount of ¥90,000 million, "Repayments of commercial papers" in the amount of ¥(252,000) million and "Other—net" in the amount of ¥(9,776) million under "Financing activities" in the consolidated statement of cash flows for the previous consolidated fiscal year were reclassified and presented as "Proceeds from sale of treasury shares" in the amount of ¥2 million, "Dividends paid to non-controlling interests" in the amount of ¥(2,845) million, "Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation" in the amount of ¥(160) million, and "Other—net" in the amount of ¥(168,773) 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 for 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 period stipulated in the Ministry Order 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 for Reprocessing of the Spent Fuel for Nuclear Power Units and Promotion of Decommissioning at Nuclear Power Stations" after the revision in accordance with Article 3 of the Amendment Act was 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 assumed the economic responsibilities to secure, manage and pay funds required for decommissioning.

As a result, at the time of enforcement of the Amended Ministry Ordinance, nuclear power production facilities (asset equal to asset retirement obligations) in the amount of ¥20,065 million ($134,190 thousand) and asset retirement obligations in the amount of ¥537,568 million ($3,595,056 thousand) were reversed.

The total amount of ¥526,880 million ($3,523,579 thousand) that must be paid to NuRO to cover necessary expenses for the promotion operations of decommissioning in accordance with the provision of Article 10, Paragraph 1 of the Supplementary Provisions of the Amendment Act, was recorded as unpaid decommissioning contributions for nuclear power reactors in accordance with the provision of Article 7 of the Supplementary Provisions of the Amended Ministry Ordinance, and of such amount, ¥19,732 million ($131,960 thousand) was transferred to current maturities of long-term debt. There is no impact on the profit and loss by the above.

Also, in accordance with the provision of Article 8 of the Supplementary Provisions of the Amended Ministry Ordinance, ¥9,377 million ($62,713 thousand) was 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 ¥775 million ($5,186 thousand) and 557,845 shares, respectively.

6. PLANT AND EQUIPMENT

The carrying value of plant and equipment as of March 31, 2025 and 2024, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Hydroelectric power production facilities	¥ 301,937	¥ 302,437	$ 2,019,244
Thermal power production facilities	235,508	261,905	1,574,990
Nuclear power production facilities	1,088,157	1,140,381	7,277,184
Transmission facilities	790,356	779,221	5,285,601
Transformation facilities	428,450	427,858	2,865,313
Distribution facilities	840,652	818,790	5,621,962
General facilities	119,434	115,477	798,734
Other utility facilities	1,550	1,807	10,367
Other plant and equipment	984,637	962,955	6,584,880
Construction in progress	309,608	254,851	2,070,543
Total	¥5,100,292	¥5,065,685	$34,108,825

The book value of specified assets for nuclear power is included in nuclear power production facilities, which amounted to ¥8,492 million ($56,792 thousand) and ¥10,904 million as of March 31, 2025 and 2024, 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, 2025 and 2024, is as follows:

	Millions of Yen			
March 31, 2025	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	¥32,306	¥164,444	¥(78)	¥196,672
Debt securities				
Held-to-maturity debt securities	702		(64)	637
March 31, 2024				
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, 2025	Thousands of U.S. Dollars Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	$ 216,054	$ 1,099,740	$ (525)	$ 1,315,269
Debt securities				
Held-to-maturity debt securities	4,695		(432)	4,262

Loaned securities as of March 31, 2025 and 2024, are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Loaned securities	¥30	¥37	$ 206

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 ¥13,454 million ($89,978 thousand) and ¥7,462 million for the fiscal years ended March 31, 2025 and 2024, 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, 2024	Increase/Decrease	March 31, 2025	March 31, 2025
¥ 384,885	¥ 35,792	¥ 420,677	¥ 640,123

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

Thousands of U.S. Dollars			
Carrying Amount			Fair Value
April 1, 2024	Increase/Decrease	March 31, 2025	March 31, 2025
$ 2,573,970	$ 239,363	$ 2,813,334	$ 4,280,902

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, 2025, primarily represents the acquisition of certain properties of ¥76,813 million ($513,696 thousand), and the decrease primarily represents sales of ¥21,849 million ($146,118 thousand) and depreciation expense of ¥7,959 million ($53,230 thousand).

   Increase during the fiscal year ended March 31, 2024, primarily represents the acquisition of certain properties of ¥44,784 million, and the decrease primarily represents sales of ¥19,529 million and depreciation expense of ¥6,541 million.

3. Fair value of properties as of March 31, 2025 and 2024, is measured by the Group in accordance with Real Estate Appraisal Standard.

9. INVENTORIES

Inventories as of March 31, 2025 and 2024, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Merchandise and finished products	¥ 6,045	¥ 5,796	$ 40,428
Work in process	3,560	3,879	23,809
Raw materials and supplies	108,449	107,120	725,266
Real estate for sale	169,366	138,875	1,132,659
Total	¥287,421	¥255,671	$1,922,163

10. LONG-TERM DEBT

Long-term debt as of March 31, 2025 and 2024, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Secured bonds:			
0.001% to 5.037%, due serially through 2049:			
The Company	¥1,460,535	¥1,507,220	$ 9,767,504
Subsidiaries	100	200	668
(Nonrecourse debt included above)		100	
Unsecured bonds:			
0.896% to 1.259%, due serially through 2082	220,000	220,000	1,471,276
Long-term loans principally from banks, insurance companies, and other sources, weighted-average interest rate of 0.749% and 0.667% as of March 31, 2025 and 2024, respectively maturing through 2043:			
Secured loans principally from the Development Bank of Japan:			
The Company	162,734	173,928	1,088,303
Subsidiaries	68,262	76,553	456,513
(Nonrecourse debt included above)	21,781	25,958	145,665
Unsecured loans	2,400,313	2,445,599	16,052,385
Obligations under finance leases	17,039	10,808	113,954
Total	4,328,984	4,434,308	28,950,607
Less current maturities	568,750	540,197	3,803,590
Long-term debt, less current maturities	¥3,760,233	¥3,894,111	$25,147,017

Annual maturities of long-term debt as of March 31, 2025, were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2026	¥ 568,750	$ 3,803,590
2027	503,922	3,370,042
2028	659,274	4,408,977
2029	546,346	3,653,760
2030	553,672	3,702,751
2031 and thereafter	1,497,017	10,011,486
Total	¥4,328,984	$28,950,607

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 ¥2,592 million ($17,338 thousand) and the above secured loans as of March 31, 2025, were as follows:

	Millions of Yen	Thousands of U.S. Dollars
	2025	2025
Other plant and equipment	¥67,125	$448,911
Other assets	897	6,004
Receivables	1,314	8,788
Inventories	2,282	15,264
Cash and cash equivalents	19,000	127,066
Other current assets	1,395	9,333

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
	2025	2025
Other plant and equipment	¥31,777	$212,517
Construction in progress	2,470	16,520
Investment securities	28,784	192,500
Investments in and advances to unconsolidated subsidiaries and associated companies	57,438	384,124
Cash and cash equivalents	11,437	76,490
Other assets	1	9
Receivables	889	5,949
Inventories	340	2,277
Other current assets	2,322	15,530

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, 2025 and 2024, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Balance at beginning of year	¥359,895	¥363,825	$2,406,846
Current service cost	12,120	12,156	81,055
Interest cost	3,374	3,454	22,566
Actuarial (losses) gains	(38,606)	1,246	(258,185)
Benefits paid	(18,706)	(20,370)	(125,099)
Past service cost	(2,149)		(14,377)
Decrease due to exclusion from consolidation	(37)	(3)	(252)
Increase due to new consolidation	96		647
Others	894	(413)	5,982
Balance at end of year	¥316,881	¥359,895	$2,119,184

(2) The changes in plan assets for the years ended March 31, 2025 and 2024, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Balance at beginning of year	¥1,615	¥1,532	$10,806
Expected investment return	40	38	270
Recognized actuarial (losses) gains	(59)	93	(395)
Contributions from employers	158	158	1,061
Retirement benefit payment	(196)	(207)	(1,315)
Balance at end of year	¥1,559	¥1,615	$10,427

(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
	2025	2024	2025
Funded defined benefit obligation	¥ 1,921	¥ 2,145	$ 12,852
Plan assets	(1,559)	(1,615)	(10,427)
Total	362	529	2,424
Unfunded defined benefit obligation	314,959	357,749	2,106,332
Net liability arising from defined benefit obligation	¥315,322	¥358,279	$2,108,756

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Liability for retirement benefits	¥315,322	¥358,279	$2,108,756
Net liabilities and assets recorded in the consolidated balance sheet	¥315,322	¥358,279	$2,108,756

(4) The components of net periodic retirement benefit costs for the years ended March 31, 2025 and 2024, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Service cost	¥12,120	¥12,156	$ 81,055
Interest cost	3,374	3,454	22,566
Expected return on plan assets	(40)	(38)	(270)
Recognized actuarial (losses) gains	(678)	1,645	(4,540)
Recognized past service cost	(16)		(111)
Others	1,933	343	12,928
Net periodic retirement benefit costs	¥16,691	¥17,561	$111,628

(5) Amounts recognized in other comprehensive income (before tax and income tax effect) in respect of defined retirement benefit plans for the years ended March 31, 2025 and 2024, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Past service cost	¥ 2,133		$ 14,265
Actuarial losses	37,868	¥492	253,248
Total	¥40,001	¥492	$267,514

(6) Amounts recognized in accumulated other comprehensive income (before tax and income tax effect) in respect of defined retirement benefit plans as of March 31, 2025 and 2024, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Unrecognized past service cost	¥ (2,133)		$ (14,265)
Unrecognized actuarial (gains) losses	(36,194)	¥1,673	(242,056)
Total	¥(38,327)	¥1,673	$(256,322)

(7) Plan assets

a. Components of plan assets

Plan assets at March 31, 2025 and 2024, consisted of the following:

	2025	2024
Debt investments	37%	36%
Equity investments	16	16
Others	46	47
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, 2025 and 2024, are set forth as follows:

	2025	2024
Discount rate	Primary 2.25%	Primary 1.02%
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 ¥6,592 million ($44,089 thousand) and ¥6,582 million for the years ended March 31, 2025 and 2024, respectively.

12. ASSET RETIREMENT OBLIGATIONS

The changes in asset retirement obligations for the years ended March 31, 2025 and 2024, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Balance at beginning of year	¥549,782	¥534,566	$3,676,738
Decreased by drawdowns due to the enactment of the Amendment Act (see Note 5)	(537,568)		(3,595,056)
Additional provisions	1,584	27,909	10,597
Reduction	(1,702)	(12,693)	(11,388)
Balance at end of year	¥ 12,095	¥549,782	$ 80,891

13. SHORT-TERM BORROWINGS

Short-term borrowings as of March 31, 2025 and 2024, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Short-term loans from banks and other sources with weighted-average interest rates of 1.7692% and 1.0786% as of March 31, 2025 and 2024, respectively	¥159,849	¥156,981	$1,069,011

14. 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.

d. *Increase in Common Stock and Capital Surplus*

On the fiscal year 2024, the Company conducted the following capital increases:

	Issuance of New Shares through Public Offering	Issuance of New Shares through Third Party Allotment
Number of shares issued	148,286,600 shares	27,907,900 shares
Issue price	¥1,780.06	¥1,707.06
	Millions of Yen	
Capital increase amount	¥233,799	¥47,640
The amount of common stock to be increased	116,899	23,820
The amount of capital surplus to be increased	116,899	23,820
	Thousands of U.S. Dollars	
Capital increase amount	$1,563,564	$318,601
The amount of common stock to be increased	781,782	159,300
The amount of capital surplus to be increased	781,782	159,300

15. 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, 2025 and 2024. The tax effects of significant temporary differences and tax loss carryforwards that resulted in deferred tax assets and liabilities as of March 31, 2025 and 2024, are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Deferred tax assets:			
Unpaid decommissioning contributions for nuclear power reactors	¥146,301		$ 978,410
Depreciation and amortization	93,691	¥ 90,332	626,574
Liability for retirement benefits	92,289	101,682	617,195
Impairment losses	39,844	38,860	266,464
Intercompany profit elimination	34,867	28,975	233,178
Asset retirement obligations	3,195	57,681	21,368
Other	195,451	181,665	1,307,102
Valuation allowance	(131,813)	(118,871)	(881,518)
Total deferred tax assets	473,827	380,326	3,168,776
Deferred tax liabilities:			
Reserve for the decommissioning of nuclear power units	(95,033)		(635,550)
Unrealized gain on available-for-sale securities	(44,737)	(42,725)	(299,190)
Deferred gain on derivatives under hedge accounting	(21,400)	(20,636)	(143,120)
Special account related to nuclear power decommissioning	(8,345)	(10,382)	(55,812)
Asset equal to asset retirement obligations	(1,181)	(6,759)	(7,902)
Other	(41,480)	(19,266)	(277,407)
Total deferred tax liabilities	(212,180)	(99,770)	(1,418,983)
Net deferred tax assets	¥261,646	¥280,555	$1,749,792

In accordance with Paragraph 1 of Article 10 of the Supplementary Provisions 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), deferred tax assets pertaining to the money that is required to be paid to the NuRO to be applied to the necessary cost for decommissioning promotion operations, are recorded in "Unpaid decommissioning contributions for nuclear power reactors." Furthermore, in accordance with Paragraph 2 of Article 43 of the Supplementary Provisions of the "Act for Partial Amendment of the Income Tax Act, etc." (Act No. 3 of 2023), the amount of reserve for the decommissioning of nuclear power units will be reduced in equal amount for a period of 30 years and included in gross income, therefore, deferred tax liabilities pertaining to the amount to be included in taxable income from the next fiscal year onward are recorded in "Reserve for the decommissioning of nuclear power units."

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, 2025 and 2024, is as follows:

	2025	2024
Normal effective statutory tax rate	28.0%	28.0%
Upward revision of the term-end deferred tax assets due to the change in the tax rates	(1.7)	
Equity gains of associated companies	(1.2)	(1.0)
Dividends received deduction	(0.4)	(0.5)
Other—net	(0.6)	3.5
Actual effective tax rate	24.1%	30.0%

The breakdown of the causes for the difference highlights the significant categories for the current consolidated fiscal year.

Therefore, the items presented in the previous fiscal year have been reclassified.

As a result, the rate of 4.2% presented in "Valuation allowance" in the previous consolidated fiscal year, was presented as "Other—net."

Following the enactment of the "Act for Partial Amendment of the Income Tax Act, etc." (Act No. 13, 2025), the normal effective statutory tax rates used to calculate deferred tax assets and deferred tax liabilities of the current consolidated fiscal year were revised from such rate used in the previous consolidated fiscal year.

As a result, the amount of deferred tax assets (the amount after deduction of deferred tax liabilities) increased by ¥7,445 million ($49,795 thousand) and the amount of deferred corporate tax, etc. decreased by ¥7,789 million ($52,092 thousand) and accumulated other comprehensive income decreased by ¥343 million ($2,297 thousand).

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.

16. RESEARCH AND DEVELOPMENT COSTS

Research and development costs charged to income were ¥11,830 million ($79,114 thousand) and ¥9,734 million for the years ended March 31, 2025 and 2024, respectively.

17. RELATED-PARTY DISCLOSURES

Related-party transactions of the Group with associated companies for the years ended March 31, 2025 and 2024, were as follows:

(**1**) ***2025***

Category	Name	Address	Capital Stock or Stake (Millions of Yen)	Description of Business	Voting Right	Relationship with Related Party	Detail of Transactions	Transaction Amount (Millions of Yen)	Transaction Amount (Thousands of U.S. Dollars)
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	¥146,947	$982,730

(**2**) ***2024***

Category	Name	Address	Capital Stock or Stake (Millions of Yen)	Description of Business	Voting Right	Relationship with Related Party	Detail of Transactions	Transaction Amount (Millions of Yen)
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

18. 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 19 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.

With respect to electricity transactions, in order to manage exposure to market risks from changes in electricity 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 19 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, 2025	Carrying Amount	Fair Value	Unrealized Loss
Assets			
Marketable and investment securities	¥ 207,999	¥ 207,935	¥ (64)
Liabilities			
Long-term debt	¥4,311,944	¥4,187,063	¥(124,880)
Derivatives	¥ 79,518	¥ 79,518	
March 31, 2024			
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	

	Thousands of U.S. Dollars		
March 31, 2025	Carrying Amount	Fair Value	Unrealized Loss
Assets			
Marketable and investment securities	$ 1,391,023	$ 1,390,591	$ (432)
Liabilities			
Long-term debt	$ 28,836,653	$ 28,001,497	$ (835,155)
Derivatives	$ 531,791	$ 531,791	

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.t 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
	2025	2024	2025
Investments in equity instruments that do not have a quoted market price in an active market	¥96,108	¥73,622	$642,737
Unlisted invested instruments and other	5,069	5,215	33,905
Investment in capital of partnership	76,376	62,180	510,778

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

	Millions of Yen			
March 31, 2025	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				
Cash and cash equivalents	¥941,432			
Receivables	603,196	1,301	¥2	
March 31, 2024				
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	

	Thousands of U.S. Dollars			
March 31, 2025	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		$1,337		$3,343
Available-for-sale securities with contractual maturities				
Cash and cash equivalents	$6,295,941			
Receivables	4,033,951	8,706	$16	5

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, 2025	Level 1	Level 2	Level 3	Total
Marketable and investment securities:				
Available-for-sale securities:				
Equity securities	¥196,672			¥196,672
Government and municipal bonds				
Corporate bonds				
Other		¥10,625		10,625
Total assets	¥196,672	¥10,625		¥207,297
Derivatives		¥79,518		¥ 79,518
March 31, 2024				
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, 2025	Thousands of U.S. Dollars Level 1	Level 2	Level 3	Total
Marketable and investment securities:				
Available-for-sale securities:				
Equity securities	$1,315,269			$1,315,269
Government and municipal bonds				
Corporate bonds				
Other		$ 71,058		71,058
Total assets	$1,315,269	$ 71,058		$1,386,328
Derivatives		$531,791		$ 531,791

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, 2025	Millions of Yen Level 1	Level 2	Level 3	Total
Marketable and investment securities:				
Held-to-maturity securities:				
Government and municipal bonds	¥ 96			¥ 96
Corporate bonds		¥ 540		540
Total assets	¥ 96	¥ 540		¥ 637
Corporate bonds		¥1,607,378		¥1,607,378
Long-term debt		2,579,685		2,579,685
Total liabilities		¥4,187,063		¥4,187,063
March 31, 2024				
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, 2025	Thousands of U.S. Dollars Level 1	Level 2	Level 3	Total
Marketable and investment securities:				
Held-to-maturity securities:				
Government and municipal bonds	$646			$ 646
Corporate bonds		$ 3,615		3,615
Total assets	$646	$ 3,615		$ 4,262
Corporate bonds		$ 10,749,536		$ 10,749,536
Long-term debt		17,251,960		17,251,960
Total liabilities		$ 28,001,497		$ 28,001,497

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 19), 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 19), 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 19.

19. 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, 2025	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain
Currency swaps (U.S. dollar payment, Japanese yen receipt)	¥107,183	¥107,183	¥37,139	¥15,848
March 31, 2024				
Currency swaps (U.S. dollar payment, Japanese yen receipt)	¥107,183	¥107,183	¥28,105	¥ 6,814

	Thousands of U.S. Dollars			
March 31, 2025	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain
Currency swaps (U.S. dollar payment, Japanese yen receipt)	$716,799	$716,799	$248,375	$105,989

(*b*) *Commodity related*

	Millions of Yen			
March 31, 2025	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Loss
Electricity futures (Fixed payment, fluctuating receipt)	¥ 2,247		¥ (36)	¥ (36)
Commodity swaps (Fixed payment, fluctuating receipt)	26,717	¥ 104	(278)	(278)
Commodity forward (Fixed payment, fluctuating receipt)	1,187,249	965,022	(405)	(405)

March 31, 2024	Millions of Yen 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, 2025	Thousands of U.S. Dollars Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Loss
Electricity futures				
(Fixed payment, fluctuating receipt)	$ 15,032		$ (241)	$ (241)
Commodity swaps				
(Fixed payment, fluctuating receipt)	178,675	$ 700	(1,859)	(1,859)
Commodity forward				
(Fixed payment, fluctuating receipt)	7,939,875	6,453,707	(2,709)	(2,709)

Derivative Transactions to Which Hedge Accounting Is Applied

March 31, 2025	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	¥ 72,786	¥58,772	¥41,952
	Equipment fund	49,828	39,428	(1,837)
Assignment of currency swaps:				
Currency swaps (Japanese yen payment, U.S. dollar receipt)	Bond	76,035	76,035	(*)
Assignment of foreign exchange forward contracts:				
Foreign exchange forward contracts (buying U.S. dollars)	Fuel purchasing fund	4,781	4,177	312
Principal treatment:				
Interest rate swaps (fixed price payment, floating price receipt)	Long-term debt	107,189	87,653	2,671
Special hedging treatment:				
Interest rate swaps (fixed price payment, floating price receipt)	Long-term debt	36,500	36,500	(**)

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, 2025	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	$ 486,766	$ 393,051	$ 280,563
	Equipment fund	333,233	263,681	(12,291)
Assignment of currency swaps:				
Currency swaps (Japanese yen payment, U.S. dollar receipt)	Bond	508,493	508,493	
Assignment of foreign exchange forward contracts:				
Foreign exchange forward contracts (buying U.S. dollars)	Fuel purchasing fund	31,977	27,937	2,090
Principal treatment:				
Interest rate swaps (fixed price payment, floating price receipt)	Long-term debt	716,840	586,192	17,864
Special hedging treatment:				
Interest rate swaps (fixed price payment, floating price receipt)	Long-term debt	244,098	244,098	

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.

20. OTHER COMPREHENSIVE INCOME (LOSS)

The components of other comprehensive income (loss) for the years ended March 31, 2025 and 2024, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Unrealized gain (loss) on available-for-sale securities:			
Gains arising during the year	¥ 832	¥46,006	$ 5,569
Reclassification adjustments to profit or loss	128	1,942	858
Amount before tax and income tax effect	961	47,948	6,427
Tax and income tax effect	(277)	(13,212)	(1,853)
Total	¥ 683	¥34,735	$ 4,573
Deferred gain (loss) on derivatives under hedge accounting:			
Gains arising during the year	¥17,180	¥38,896	$114,895
Reclassification adjustments to profit or loss	(8,937)	(6,682)	(59,773)
Adjustments to acquisition costs of assets	(9,402)	(7,635)	(62,880)
Amount before tax and income tax effect	(1,160)	24,579	(7,758)
Tax and income tax effect	(196)	(6,671)	(1,313)
Total	¥ (1,356)	¥17,907	$ (9,072)
Fair values of financial instruments:			
Foreign currency translation adjustments:			
Adjustments arising during the year	¥26,114	¥12,395	$174,646
Reclassification adjustments to profit or loss	23		160
Total	¥26,138	¥12,395	¥174,806
Defined retirement benefit plans:			
Adjustments arising during the year	¥40,697	¥ (1,152)	$272,167
Reclassification adjustments to profit or loss	(695)	1,645	(4,652)
Amount before tax and income tax effect	40,001	492	267,514
Tax and income tax effect	(11,627)	(158)	(77,758)
Total	¥28,374	¥ 334	$189,756
Share of other comprehensive income in associates:			
Gains arising during the year	¥ 940	¥26,610	$ 6,287
Reclassification adjustments to profit or loss	(5,758)	971	(38,513)
Total	¥ (4,818)	¥27,581	$ (32,225)
Total other comprehensive income	¥49,021	¥92,954	$327,839

21. COMMITMENTS AND CONTINGENCIES

As of March 31, 2025, the Group had firm purchase commitments, principally related to utility plant expansion, of approximately ¥422,060 million ($2,822,557 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, 2025, the Group had the following contingent liabilities:

	Millions of Yen	Thousands of U.S. Dollars
	2025	2025
Co-guarantees or guarantees of loans and bonds of other companies:		
Japan Nuclear Fuel Limited (see Note 17)	¥146,947	$ 982,730
Other	92,231	616,807
Total	¥239,178	$1,599,537

22. EPS

Diluted EPS for the years ended March 31, 2025 and 2024, 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, 2025	Net Income Attributable to Owners of the Parent	Weighted-Average Shares	EPS	
Basic EPS:				
Net income attributable to common shareholders	¥420,364	963,929	¥436.09	$2.91
For the Year Ended March 31, 2024				
Basic EPS:				
Net income attributable to common shareholders	¥441,870	892,508	¥495.09	

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 (430,947 shares and 427,522 shares in 2025 and 2024, respectively) is reflected.

23. REVENUE RECOGNITION

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

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Revenue from contracts with customers:			
Energy business:			
Electricity (the Company)	¥2,925,384	¥2,549,768	$19,563,865
Electricity (subsidiaries)	133,064	126,617	889,885
Gas (the Company)	211,321	207,606	1,413,235
Other related services	153,379	159,054	1,025,744
Subtotal	3,423,150	3,043,046	22,892,730
Transmission and Distribution business:			
Electricity (Kansai Transmission and Distribution, Inc.)	310,895	252,345	2,079,148
Other related services	42,965	34,014	287,337
Subtotal	353,860	286,359	2,366,485
IT/Communications business:			
Service for consumers	162,031	160,821	1,083,605
Service for corporate	55,423	56,118	370,652
Subtotal	217,455	216,939	1,454,258
Life/Business Solution business:			
Sale of real estate	85,006	68,473	568,491
Fee business	39,988	37,469	267,429
Other related services	16,866	15,477	112,797
Subtotal	141,861	121,420	948,718
Total	¥4,136,327	¥3,667,766	$27,662,192
Revenue from other sources	¥ 200,783	¥ 391,612	$ 1,342,766

Note: Under the "Comprehensive economic measures for overcoming high prices and realizing economic revitalization," "Comprehensive economic measures to end deflation completely" and "Comprehensive economic measures to foster the safety and security of citizens and sustained growth," the Company is discounting electricity and gas rates at unit prices set by the government under the "Electricity and gas price reduction mitigation project," "Emergency aid dealing with intense heat" and "Electricity and gas price burden reduction support program." The subsidies of ¥110,627 million ($739,834 thousand) and ¥286,876 million in 2025 and 2024, 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, 2024)	Ending Balance (March 31, 2025)	Beginning Balance (April 1, 2024)	Ending Balance (March 31, 2025)
Receivables from contracts with customers	¥350,699	¥467,927	$2,345,345	$3,129,319

	Millions of Yen	
	Beginning Balance (April 1, 2023)	Ending Balance (March 31, 2024)
Receivables from contracts with customers	¥359,278	¥350,699

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 ¥1,701,294 million ($11,377,610 thousand) and ¥2,110,944 million in 2025 and 2024, respectively, which is expected to be recognized as revenue over four years after the year ended March 31, 2025. Additionally, the transaction price allocated to the remaining performance obligations from trading in services for corporate customers in the Information and Telecommunications Business at the end of the current consolidated fiscal year was ¥14,113 million ($94,387 thousand), which is expected to be recognized as revenue within six years after the year-end, and the transaction price of real estate sales in the Life/Business Solutions business is ¥72,769 million ($486,658 thousand) and ¥61,947 in 2025 and 2024, respectively, which is expected to be recognized as revenue within three years after the year ended March 31, 2025. 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.

Note: The total amount of transaction price that is expected to be recognized as revenue at the end of the current consolidated fiscal year does not include proceeds that may be obtained by the Long-Term Decarbonization Power Auction. Proceeds obtained from the Long-Term Decarbonization Power Auction are calculated by deducting the refund money (approximately 90% of the revenue obtained from the wholesale market and/or the non-fossil market) from the agreed contract amount of the capacity contracts. However, due to the inability to make a reliable estimate of the amount, it is not included in the notes.

24. 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 and gain on sale of shares of associated companies in "Other expenses (income)" caused the inconsistency between net income in the consolidated statement of income and segment profit.

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

	Millions of Yen						
	2025						
	Reportable Segment						
	Energy	Transmission and Distribution	IT/ Communications	Life/Business Solution	Total	Reconciliations	Consolidated
Sales:							
Sales to external customers	¥3,540,779	¥ 389,120	¥223,584	¥183,626	¥ 4,337,111		¥4,337,111
Intersegment sales or transfers	233,362	708,430	89,046	37,782	1,068,622	¥(1,068,622)	
Total	¥3,774,142	¥1,097,551	¥312,631	¥221,408	¥ 5,405,733	¥(1,068,622)	¥4,337,111
Segment profit	¥ 411,321	¥ 55,794	¥ 46,945	¥ 26,208	¥ 540,270	¥ (8,583)	¥ 531,686
Segment assets	8,652,249	2,674,507	326,026	910,371	12,563,154	(2,910,499)	9,652,655
Other:							
Depreciation	167,217	112,836	42,535	13,151	335,740	(3,968)	331,771
Interest income	22,801	204	31	590	23,628	(14,645)	8,982
Interest expenses	35,303	11,695	192	2,475	49,666	(14,627)	35,038
Equity gains of associated companies	25,477				25,477		25,477
Increase in property and intangible assets	255,675	162,286	44,679	72,228	534,869	(21,775)	513,093
Investment in associated companies that applied the equity method	469,115				469,115		469,115

	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

	Thousands of U.S. Dollars						
	2025						
	Reportable Segment						
	Energy	Transmission and Distribution	IT/ Communications	Life/Business Solution	Total	Reconciliations	Consolidated
Sales:							
Sales to external customers	$23,679,392	$ 2,602,293	$1,495,248	$1,228,025	$29,004,959		$29,004,959
Intersegment sales or transfers	1,560,641	4,737,714	595,512	252,671	7,146,540	$ (7,146,540)	
Total	$25,240,034	$ 7,340,007	$2,090,760	$1,480,696	$36,151,499	$ (7,146,540)	$29,004,959
Segment profit	$ 2,750,760	$ 373,134	$ 313,952	$ 175,273	$ 3,613,121	$ (57,401)	$ 3,555,719
Segment assets	57,862,967	17,886,090	2,180,341	6,088,220	84,017,619	(19,464,315)	64,553,304
Other:							
Depreciation	1,118,286	754,608	284,459	87,953	2,245,307	(26,542)	2,218,765
Interest income	152,485	1,369	210	3,950	158,016	(97,941)	60,074
Interest expenses	236,097	78,211	1,284	16,555	332,149	(97,823)	234,325
Equity gains of associated companies	170,385				170,385		170,385
Increase in property and intangible assets	1,709,860	1,085,310	298,799	483,034	3,577,005	(145,626)	3,431,378
Investment in associated companies that applied the equity method	3,137,269				3,137,269		3,137,269

* * * * * *