The Kansai Electric Power Company, Incorporated and Consolidated Subsidiaries

Consolidated Financial Statements for the Year Ended March 31, 2026, 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 (the "Group"), which comprise the consolidated balance sheet as of March 31, 2026, 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, 2026, 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, including the ethical requirements that are relevant to audits of the financial statements of public interest entities, 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 for 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 ¥4,056,638 million ($25,365,088 thousand) in its consolidated statement of income for the fiscal year ended March 31, 2026, stated in Note 23. Of this amount, revenue from electricity retail sales, specifically lighting and power charges (hereinafter, "Light and Power Charges"), accounted for ¥2,249,764 million ($14,067,183 thousand) at The Kansai Electric Power Company, Incorporated (the "Company"), representing 55.5% 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, 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 procedures. For these procedures, 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 2026, the Company participates in 21 projects across 11 different countries. The balance of International Business Investment stood at ¥310,056 million ($1,938,700 thousand). The balance is included in the "Investment securities" of ¥496,508 million ($3,104,536 thousand) and "Investments in and advances to unconsolidated subsidiaries and associated companies" of ¥776,147 million ($4,853,046 thousand) in the consolidated balance sheet as of March 31, 2026. 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 Global EX 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 Global EX 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, 2026, which were charged by us and our network firms to The Kansai Electric Power Company, Incorporated and its subsidiaries were ¥760 million and ¥195 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 22, 2026

The Kansai Electric Power Company, Incorporated and Consolidated Subsidiaries

Consolidated Balance Sheet
March 31, 2026

ASSETS	Millions of Yen 2026	Millions of Yen 2025	Thousands of U.S. Dollars (Note 1) 2026
PROPERTY:			
Utility plant and equipment	¥15,338,929	¥15,399,593	$ 95,910,272
Other plant and equipment (Note 10)	2,709,908	2,611,970	16,944,340
Construction in progress (Note 10)	394,135	309,608	2,464,427
Contributions in aid of construction	(551,472)	(538,888)	(3,448,212)
Accumulated depreciation and amortization	(12,691,597)	(12,681,991)	(79,357,202)
Plant and equipment—net (Note 6)	5,199,904	5,100,292	32,513,625
Nuclear fuel, net of amortization (Note 2.c)	474,737	465,308	2,968,406
Property—net	5,674,641	5,565,601	35,482,031
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Notes 3, 7, 10 and 17)	496,508	387,339	3,104,536
Investments in and advances to unconsolidated subsidiaries and associated companies (Notes 3 and 10)	776,147	682,469	4,853,046
Special account related to nuclear power decommissioning (Note 2.l)	25,577	36,046	159,929
Special account related to reprocessing of spent nuclear fuel (Note 2.j)	283,211	246,958	1,770,846
Deferred tax assets (Note 14)	263,440	277,553	1,647,224
Other assets (Note 10)	552,530	485,663	3,454,829
Total investments and other assets	2,397,416	2,116,030	14,990,413
CURRENT ASSETS:			
Cash and cash equivalents (Notes 10 and 17)	741,286	941,432	4,635,065
Receivables (Notes 10 and 17)	553,423	620,093	3,460,412
Allowance for doubtful accounts	(2,515)	(3,452)	(15,728)
Inventories (Notes 9 and 10)	332,977	287,421	2,082,020
Other current assets (Notes 7, 10 and 17)	157,416	125,529	984,284
Total current assets	1,782,588	1,971,023	11,146,054
TOTAL	¥ 9,854,646	¥ 9,652,655	$ 61,618,499

LIABILITIES AND EQUITY	Millions of Yen 2026	Millions of Yen 2025	Thousands of U.S. Dollars (Note 1) 2026
LONG-TERM LIABILITIES:			
Long-term debt, less current maturities (Notes 10 and 17)	¥3,555,300	¥3,760,233	$22,230,356
Provision for loss on guarantees (Note 2.m)	2,195	1,881	13,726
Unpaid decommissioning contributions for nuclear power reactors	467,684	487,416	2,924,307
Liability for retirement benefits (Note 11)	242,622	315,322	1,517,055
Deferred tax liabilities (Note 14)	22,761	15,908	142,319
Other long-term liabilities (Note 4)	288,348	262,333	1,802,968
Total long-term liabilities	4,578,913	4,843,095	28,630,734
CURRENT LIABILITIES:			
Current maturities of long-term debt (Notes 10 and 17)	616,313	588,482	3,853,643
Short-term borrowings (Notes 12 and 17)	155,012	159,849	969,254
Notes and accounts payable (Note 10)	274,207	302,795	1,714,546
Accrued income taxes	62,975	66,916	393,766
Accrued expenses and other current liabilities	644,344	562,104	4,028,913
Total current liabilities	1,752,852	1,680,147	10,960,124
RESERVE FOR FLUCTUATIONS IN WATER LEVEL (Note 2.n)	20,136	21,959	125,908
COMMITMENTS AND CONTINGENCIES (Notes 16 and 20)			
EQUITY (Note 13):			
Common stock—authorized, 1,784,059,697 shares; issued, 1,114,927,528 shares in 2026 and 2025	630,040	630,040	3,939,478
Capital surplus	205,088	205,089	1,282,366
Retained earnings	2,241,469	1,928,108	14,015,316
Treasury stock—at cost, 870,808 shares in 2026 and 885,830 shares in 2025 (Note 5)	(934)	(935)	(5,841)
Accumulated other comprehensive income:			
Unrealized gain on available-for-sale securities	184,659	128,800	1,154,627
Deferred gain on derivatives under hedge accounting	44,951	49,315	281,068
Foreign currency translation adjustments	106,979	93,032	668,917
Defined retirement benefit plans	42,918	32,403	268,359
Total	3,455,174	3,065,856	21,604,292
Noncontrolling interests	47,569	41,595	297,440
Total equity	3,502,744	3,107,452	21,901,732
TOTAL	¥9,854,646	¥9,652,655	$61,618,499

See notes to consolidated financial statements.

The Kansai Electric Power Company, Incorporated and Consolidated Subsidiaries

Consolidated Statement of Income
Year Ended March 31, 2026

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2026	2025	2026
OPERATING REVENUES:			
Electric	¥3,151,183	¥3,371,649	$19,703,518
Other	905,454	965,462	5,661,569
Total operating revenues	4,056,638	4,337,111	25,365,088
OPERATING EXPENSES (Notes 2.k and 15):			
Electric	2,879,428	3,044,537	18,004,307
Other	739,652	823,697	4,624,853
Total operating expenses	3,619,081	3,868,234	22,629,160
OPERATING INCOME	437,556	468,877	2,735,927
OTHER (INCOME) EXPENSES:			
Interest and dividend income	(35,237)	(33,689)	(220,331)
Interest expense	42,684	35,038	266,896
Foreign exchange gains (Note 4)	(43,687)	(11,330)	(273,163)
Equity in earnings of associated companies	(33,671)	(25,477)	(210,540)
Gain on sale of shares of associated companies		(61,412)	
Other—net	(11,062)	(27,350)	(69,170)
Other (income) expenses—net	(80,973)	(124,221)	(506,308)
ORDINARY INCOME	518,530	593,098	3,242,236
INCOME BEFORE REVERSAL OF RESERVE FOR FLUCTUATIONS IN WATER LEVEL AND INCOME TAXES	518,530	593,098	3,242,236
REVERSAL OF RESERVE FOR FLUCTUATIONS IN WATER LEVEL	(1,823)	(1,473)	(11,400)
INCOME BEFORE INCOME TAXES	520,354	594,572	3,253,637
INCOME TAXES (Note 14):			
Current	138,907	139,186	868,553
Deferred	(2,177)	4,248	(13,616)
Total income taxes	136,730	143,435	854,936
NET INCOME	383,624	451,137	2,398,700
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	3,572	30,772	22,335
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	¥ 380,051	¥ 420,364	$ 2,376,364

(Continued)

The Kansai Electric Power Company, Incorporated and Consolidated Subsidiaries

Consolidated Statement of Income
Year Ended March 31, 2026

	Yen		U.S. Dollars
	2026	2025	2026
PER SHARE OF COMMON STOCK (Notes 2.t and 21):			
Basic net income	¥341.14	¥436.09	$2.13
Cash dividends applicable to the year	75.00	60.00	0.46

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, 2026

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2026	2025	2026
NET INCOME	¥383,624	¥451,137	$2,398,700
OTHER COMPREHENSIVE INCOME (Note 19):			
Unrealized gain on available-for-sale securities	49,114	683	307,102
Deferred loss on derivatives under hedge accounting	(3,891)	(1,356)	(24,330)
Foreign currency translation adjustments	6,457	26,138	40,375
Defined retirement benefit plans	9,619	28,374	60,146
Share of other comprehensive income (loss) in associates	15,986	(4,818)	99,956
Total other comprehensive income	77,286	49,021	483,249
COMPREHENSIVE INCOME	¥460,910	¥500,158	$2,881,950
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent	¥456,008	¥465,401	$2,851,302
Noncontrolling interests	4,901	34,757	30,648

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, 2026

		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, 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
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
Change in ownership interest of parent due to transactions with non-controlling interests												
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
Issuance of new shares												
Cash dividends, ¥60 per share				(66,894)						(66,894)		(66,894)
Net income attributable to owners of the parent				380,051						380,051		380,051
Change in scope of equity method												
Change in scope of consolidation				203						203		203
Purchase of treasury stock					(57)					(57)		(57)
Disposal of treasury stock					58					58		58
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			4							4		4
Change in ownership interest of parent due to transactions with non-controlling interests			(5)							(5)		(5)
Net change in the year						55,858	(4,364)	13,947	10,514	75,956	5,973	81,930
BALANCE, MARCH 31, 2026	1,114,927,528	¥630,040	¥205,088	¥2,241,469	¥ (934)	¥184,659	¥44,951	¥106,979	¥42,918	¥3,455,174	¥47,569	¥3,502,744

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The Kansai Electric Power Company, Incorporated and Consolidated Subsidiaries

Consolidated Statement of Changes in Equity
Year Ended March 31, 2026

	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, 2025	$3,939,478	$1,282,371	$12,055,954	$(5,848)	$ 805,355	$308,356	$581,709	$202,613	$19,169,991	$260,087	$19,430,079
Issuance of new shares											
Cash dividends, $0.37 per share			(418,272)						(418,272)		(418,272)
Net income attributable to owners of the parent			2,376,364						2,376,364		2,376,364
Change in scope of equity method											
Change in scope of consolidation		1	1,271						1,272		1,272
Purchase of treasury stock				(356)					(356)		(356)
Disposal of treasury stock				363					362		362
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		28							28		28
Change in ownership interest of parent due to transactions with non-controlling interests		(35)							(35)		(35)
Net change in the year					349,271	(27,287)	87,207	65,745	474,937	37,352	512,290
BALANCE, MARCH 31, 2026	$3,939,478	$1,282,366	$14,015,316	$(5,841)	$1,154,627	$281,068	$668,917	$268,359	$21,604,292	$297,440	$21,901,732

See notes to consolidated financial statements.

The Kansai Electric Power Company, Incorporated and Consolidated Subsidiaries

Consolidated Statement of Cash Flows
Year Ended March 31, 2026

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2026	2025	2026
OPERATING ACTIVITIES:			
Income before income taxes	¥520,354	¥594,572	$3,253,637
Adjustments for:			
Income taxes—paid	(141,637)	(195,697)	(885,623)
Depreciation and amortization	338,340	331,771	2,115,551
Equity in earnings of associated companies (Note 4)	(33,671)	(25,477)	(210,540)
Depreciation of special account related to nuclear power decommissioning	10,468	10,468	65,457
Amortization of nuclear fuel	36,453	41,331	227,934
Loss on disposal of property, plant and equipment	8,846	8,935	55,313
Gain on sale of shares of associated companies		(61,412)	
Changes in assets and liabilities:			
Decrease in interest and dividends receivable	16,190	17,024	101,237
Decrease (increase) in receivables	56,760	(110,256)	354,905
(Decrease) increase in notes and accounts payable	(21,864)	74,063	(136,715)
Increase in interest payable	1,548	1,936	9,684
Increase in inventories	(46,370)	(31,665)	(289,942)
Decrease in liability for retirement benefits	(27,871)	(2,612)	(174,270)
Decrease in reserve for fluctuations in water level	(1,823)	(1,473)	(11,400)
(Decrease) increase in unpaid decommissioning contributions for nuclear power reactors	(19,732)	487,416	(123,379)
Decrease in asset retirement obligations due to revision of the regulation		(537,568)	
Other—net (Note 4)	(43,610)	(26,057)	(272,682)
Total adjustments	132,026	(19,272)	825,529
Net cash provided by operating activities	652,381	575,299	4,079,166
INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	(560,464)	(494,896)	(3,504,433)
Sales of property, plant and equipment	45,642	31,994	285,390
Payments for investments and advances	(106,155)	(50,007)	(663,761)
Proceeds from sales of investments or collections of advances	33,278	146,074	208,081
Other—net (Note 4)	15,777	24,482	98,650
Net cash used in investing activities	(571,921)	(342,353)	(3,576,073)
FORWARD	¥ 80,460	¥232,946	$ 503,093

(Continued)

The Kansai Electric Power Company, Incorporated and Consolidated Subsidiaries

Consolidated Statement of Cash Flows
Year Ended March 31, 2026

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2026	2025	2026
FORWARD	¥ 80,460	¥232,946	$ 503,093
FINANCING ACTIVITIES:			
Proceeds from issuance of bonds	166,795	186,540	1,042,927
Proceeds from long-term debt (exclusive of bonds)	192,804	236,400	1,205,558
Proceeds from short-term loans	261,334	266,070	1,634,052
Redemption of bonds	(230,000)	(234,020)	(1,438,129)
Repayments of long-term debt (exclusive of bonds)	(338,501)	(305,177)	(2,116,562)
Repayments of short-term loans	(265,862)	(266,313)	(1,662,369)
Dividends paid	(66,858)	(49,115)	(418,048)
Other—net (Note 4)	(9,931)	303,289	(62,097)
Net cash (used in) provided by financing activities	(290,219)	137,673	(1,814,668)
NET CASH (USED IN) PROVIDED BY OPERATING, INVESTING, AND FINANCING ACTIVITIES	(209,760)	370,619	(1,311,575)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	9,614	6,384	60,114
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(200,146)	377,004	(1,251,460)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	941,432	564,427	5,886,526
CASH AND CASH EQUIVALENTS, END OF YEAR	¥741,286	¥941,432	$4,635,065

See notes to consolidated financial statements.

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 ¥159.93 to $1, the approximate rate of exchange as of March 31, 2026. 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, 2026, include the accounts of the Company and 109 (92 in 2025) subsidiaries (collectively, the "Group"). Had the unconsolidated subsidiaries been included in the accounts, the effect on the accompanying consolidated financial statements would not be material.

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

Investments in nine (eight in 2025) 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 2026, the number of subsidiaries with a fiscal year-end of December 31 is 28 (17 in 2025). The Company consolidates the financial statements of them using their financial results for the year ended December 31. The fiscal year end of one subsidiary is October 31 and the Company consolidates the subsidiary's financial statements using its financial results for provisional settlement applying the final settlement as of the consolidated fiscal year. The effects of any significant transactions during the period between the subsidiaries' fiscal year end and the Company's fiscal year end are reflected in the consolidated financial statements.

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

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

Amortization of nuclear fuel is computed based on the quantity of heat produced for the generation of electricity. Accumulated amortization of nuclear fuel as of March 31, 2026 and 2025, was ¥97,282 million ($608,283 thousand) and ¥92,113 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 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.

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 cleaning 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, 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. ***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.

l. ***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 45-21-15 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."

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

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

o. ***Leases***

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

All other leases are accounted for as operating leases.

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

All other leases are accounted for as operating leases.

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

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

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

r. ***Foreign Currency Financial Statements***—The balance sheet accounts of the consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rate as of the 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.

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

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

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

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

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

u. ***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, 2026)

Valuation of securities that do not have market prices

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

¥932,877 million ($5,833,036 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, 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

(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 Balance Sheet

The amount previously presented separately as "Asset retirement obligations" under "Long-term liabilities" in the previous consolidated fiscal year is presented within "Other long-term liabilities" from the current consolidated fiscal year, as it is 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 ¥12,095 million presented as "Asset retirement obligations" under "Long-term liabilities" and ¥250,237 million presented as "Other long-term liabilities" in the consolidated balance sheet for the previous consolidated fiscal year was reclassified and presented as "Other long-term liabilities" in the amount of ¥262,333 million.

Consolidated Statement of Income

The amount of "Foreign exchange gains" previously presented within "Other—net" under "Other (income) expenses" in the previous consolidated fiscal year is presented separately from the current consolidated fiscal year due to its increased materiality. 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 ¥(38,680) 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 "Foreign exchange gains" in the amount of ¥(11,330) million and "Other—net" in the amount of ¥(27,350) million.

Consolidated Statement of Cash Flows

The amount presented within "Other—net" under "Operating activities" in the previous consolidated fiscal year is presented separately as "Equity in earnings of associated companies" from the current consolidated fiscal year due to its increased materiality. 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, ¥(51,535) million of "Other—net" under "Operating activities" in the consolidated statement of cash flows for the previous consolidated fiscal year was reclassified and presented as "Equity in earnings of associated companies" in the amount of ¥(25,477) million and "Other—net" in the amount of ¥(26,057) million.

The amount previously presented separately as "Proceeds from transfer of business" under "Investing activities" in the previous consolidated fiscal year is, from the current consolidated fiscal year, presented within "Other—net" as it is 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, ¥9,049 million of "Proceeds from transfer of business" and ¥15,432 million of "Other—net" under "Investing activities" in the consolidated statement of cash flows for the previous consolidated fiscal year were reclassified and presented as "Other—net" in the amount of ¥24,482 million.

Amounts presented separately as "Proceeds from issuance of shares," "Proceeds from sale of treasury shares," "Dividends paid to non-controlling interests," and "Payments for the acquisition of shares in subsidiaries from non-controlling interests that do not result in a change in the scope of consolidation" under "Financing activities" in the previous consolidated fiscal year are 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 shares" in the amount of ¥299,441 million, "Proceeds from sale of treasury shares" in the amount of ¥77,993 million, "Dividends paid to non-controlling interests" in the amount of ¥(29,709) million, "Payments for the acquisition of shares in subsidiaries from non-controlling interests that do not result in a change in the scope of consolidation" in the amount of ¥(29,945) million, and "Other—net" in the amount of ¥(14,490) million represented under "Financing activities" in the consolidated statement of cash flows for the previous consolidated fiscal year were reclassified and presented as "Other—net" in the amount of ¥303,289 million.

5. ADDITIONAL INFORMATION

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 ¥718 million ($4,492 thousand) and 516,856 shares, respectively.

6. PLANT AND EQUIPMENT

The carrying value of plant and equipment as of March 31, 2026 and 2025, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Hydroelectric power production facilities	¥ 308,058	¥ 301,937	$ 1,926,209
Thermal power production facilities	210,576	235,508	1,316,681
Nuclear power production facilities	1,032,297	1,088,157	6,454,685
Transmission facilities	799,382	790,356	4,998,326
Transformation facilities	443,019	428,450	2,770,084
Distribution facilities	852,050	840,652	5,327,646
General facilities	124,734	119,434	779,932
Other utility facilities	1,309	1,550	8,188
Other plant and equipment	1,034,338	984,637	6,467,442
Construction in progress	394,135	309,608	2,464,427
Total	¥5,199,904	¥5,100,292	$32,513,625

The book value of specified assets for nuclear power is included in Nuclear power production facilities and Construction in progress, which amounted to ¥7,398 million ($46,261 thousand) and ¥9,505 million as of March 31, 2026 and 2025, 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, 2026 and 2025, is as follows:

	Millions of Yen			
March 31, 2026	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	¥30,255	¥229,018	¥(62)	¥259,210
Held-to-maturity debt securities	701		(90)	611
March 31, 2025				
Securities classified as:				
Available-for-sale:				
Equity securities	¥32,306	¥164,444	¥(78)	¥196,672
Held-to-maturity debt securities	702		(64)	637

	Thousands of U.S. Dollars			
March 31, 2026	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	$189,176	$1,431,991	$(391)	$1,620,776
Held-to-maturity debt securities	4,386		(565)	3,821

Loaned securities as of March 31, 2026 and 2025, are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Loaned securities		¥30	

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 ¥13,638 million ($85,277 thousand) and ¥13,454 million for the fiscal years ended March 31, 2026 and 2025, 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, 2025	Increase/Decrease	March 31, 2026	March 31, 2026
¥420,677	¥6,762	¥427,440	¥689,447

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

Thousands of U.S. Dollars			
Carrying Amount			Fair Value
April 1, 2025	Increase/Decrease	March 31, 2026	March 31, 2026
$2,630,387	$42,283	$2,672,671	$4,310,934

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, 2026, primarily represents the acquisition of certain properties of ¥48,682 million ($304,396 thousand), and the decrease primarily represents sales of ¥31,903 million ($199,483 thousand) and depreciation expense of ¥8,526 million ($53,312 thousand).

   Increase during the fiscal year ended March 31, 2025, primarily represents the acquisition of certain properties of ¥76,813 million, and the decrease primarily represents sales of ¥21,849 million and depreciation expense of ¥7,959 million.

3. Fair value of properties as of March 31, 2026 and 2025, is measured by the Group in accordance with Real Estate Appraisal Standard.

9. INVENTORIES

Inventories as of March 31, 2026 and 2025, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Merchandise and finished products	¥ 5,697	¥ 6,045	$ 35,624
Work in process	3,616	3,560	22,610
Raw materials and supplies	108,242	108,449	676,813
Real estate for sale	215,421	169,366	1,346,971
Total	¥332,977	¥287,421	$2,082,020

10. LONG-TERM DEBT

Long-term debt as of March 31, 2026 and 2025, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Secured bonds:			
0.12% to 5.037%, due serially through 2049:			
The Company	¥1,230,535	¥1,460,535	$ 7,694,209
Subsidiaries	100	100	625
Unsecured bonds:			
0.896% to 3.159%, due serially through 2082	387,400	220,000	2,422,309
Long-term loans principally from banks, insurance companies, and other sources, weighted-average interest rate of 1.041% and 0.749% as of March 31, 2026 and 2025, respectively maturing through 2047:			
Secured loans:			
The Company	150,000	162,734	937,910
Subsidiaries	61,432	68,262	384,120
(Nonrecourse debt included above)	51,534	21,781	322,231
Unsecured loans	2,282,137	2,400,313	14,269,604
Obligations under finance leases	40,276	17,039	251,840
Total	4,151,882	4,328,984	25,960,620
Less current maturities	596,581	568,750	3,730,263
Long-term debt, less current maturities	¥3,555,300	¥3,760,233	$22,230,356

Annual maturities of long-term debt as of March 31, 2026, were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2027	¥ 596,581	$ 3,730,263
2028	661,050	4,133,373
2029	553,673	3,461,975
2030	586,911	3,669,800
2031	317,244	1,983,646
2032 and thereafter	1,436,420	8,981,560
Total	¥4,151,882	$25,960,620

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 ¥2,066 million ($12,922 thousand) and the above secured loans as of March 31, 2026, were as follows:

	Millions of Yen	Thousands of U.S. Dollars
	2026	2026
Other plant and equipment	¥62,332	$389,746
Other assets	764	4,783
Cash and cash equivalents	15,883	99,316
Receivables	1,309	8,188
Inventories	1,923	12,029
Other current assets	281	1,761

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
	2026	2026
Other plant and equipment	¥29,955	$187,305
Construction in progress	2,796	17,486
Investment securities	30,042	187,848
Investments in and advances to unconsolidated subsidiaries and associated companies	54,347	339,821
Other assets		2
Cash and cash equivalents	17,921	112,059
Receivables	542	3,393
Inventories	376	2,355
Other current assets	2,658	16,623

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, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Balance at beginning of year	¥316,881	¥359,895	$1,981,377
Current service cost	8,654	12,120	54,115
Interest cost	6,227	3,374	38,936
Actuarial gains	(29,351)	(38,606)	(183,526)
Benefits paid	(18,402)	(18,706)	(115,063)
Past service cost		(2,149)	
Decrease due to the transfer to a defined contribution pension plan	(37,684)		(235,632)
Decrease due to exclusion from consolidation		(37)	
Increase due to new consolidation		96	
Others	(2,074)	894	(12,971)
Balance at end of year	¥244,250	¥316,881	$1,527,235

(2) The changes in plan assets for the years ended March 31, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Balance at beginning of year	¥1,559	¥1,615	$ 9,749
Expected investment return	38	40	243
Recognized actuarial gains (losses)	51	(59)	323
Contributions from employers	155	158	974
Retirement benefit payment	(177)	(196)	(1,110)
Balance at end of year	¥1,628	¥1,559	$10,180

(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
	2026	2025	2026
Funded defined benefit obligation	¥ 1,757	¥ 1,921	$ 10,991
Plan assets	(1,628)	(1,559)	(10,180)
Total	129	362	810
Unfunded defined benefit obligation	242,493	314,959	1,516,244
Net liability arising from defined benefit obligation	¥242,622	¥315,322	$1,517,055

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Liability for retirement benefits	¥242,622	¥315,322	$1,517,055
Net liabilities and assets recorded in the consolidated balance sheet	¥242,622	¥315,322	$1,517,055

(4) The components of net periodic retirement benefit costs for the years ended March 31, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Service cost	¥ 8,654	¥12,120	$54,115
Interest cost	6,227	3,374	38,936
Expected return on plan assets	(38)	(40)	(243)
Recognized actuarial losses	(10,146)	(678)	(63,442)
Recognized past service cost	(602)	(16)	(3,767)
Others	(1,666)	1,933	(10,419)
Net periodic retirement benefit costs	¥ 2,427	¥16,691	$15,179

(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, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Past service cost	¥ (935)	¥ 2,133	$ (5,848)
Actuarial losses	14,496	37,868	90,641
Total	¥13,560	¥40,001	$84,793

(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, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Unrecognized past service cost	¥ (1,197)	¥ (2,133)	$ (7,489)
Unrecognized actuarial losses	(50,691)	(36,194)	(316,957)
Total	¥(51,888)	¥(38,327)	$(324,447)

(7) Plan assets

a. Components of plan assets

Plan assets at March 31, 2026 and 2025, consisted of the following:

	2026	2025
Debt investments	40%	37%
Equity investments	14	16
Others	47	46
Total	100%	100%

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

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

(8) Assumptions used for the years ended March 31, 2026 and 2025, are set forth as follows:

	2026	2025
Discount rate	Primary 3.40%	Primary 2.25%
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 ¥8,075 million ($50,493 thousand) and ¥6,592 million for the years ended March 31, 2026 and 2025, respectively.

12. SHORT-TERM BORROWINGS

Short-term borrowings as of March 31, 2026 and 2025, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Short-term loans from banks and other sources with weighted-average interest rates of 1.8926% and 1.7692% as of March 31, 2026 and 2025, respectively	¥155,012	¥159,849	$969,254

13. 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.

14. 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, 2026 and 2025. The tax effects of significant temporary differences and tax loss carryforwards that resulted in deferred tax assets and liabilities as of March 31, 2026 and 2025, are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Deferred tax assets:			
Unpaid decommissioning contributions for nuclear power reactors	¥140,785	¥146,301	$ 880,294
Depreciation and amortization	93,333	93,691	583,591
Liability for retirement benefits	71,421	92,289	446,577
Impairment losses	41,786	39,844	261,277
Intercompany profit elimination	35,616	34,867	222,701
Other	218,034	198,646	1,363,309
Valuation allowance	(130,185)	(131,813)	(814,017)
Total deferred tax assets	470,791	473,827	2,943,734
Deferred tax liabilities:			
Reserve for the decommissioning of nuclear power units	(91,858)	(95,033)	(574,367)
Unrealized gain on available-for-sale securities	(65,148)	(44,737)	(407,353)
Deferred gain on derivatives under hedge accounting	(23,634)	(21,400)	(147,778)
Special account related to nuclear power decommissioning	(6,112)	(8,345)	(38,222)
Other	(43,360)	(42,661)	(271,121)
Total deferred tax liabilities	(230,114)	(212,180)	(1,438,844)
Net deferred tax assets	¥240,677	¥261,646	$1,504,890

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, 2026 and 2025, is as follows:

	2026	2025
Normal effective statutory tax rate	28.0%	28.0%
Equity gains of associated companies	(1.8)	(1.2)
Other—net	0.1	(2.7)
Actual effective tax rate	26.3%	24.1%

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 (1.7)% presented in "Upward revision of the term-end deferred tax assets due to the change in the tax rates" and (0.4)% presented in "Dividends received deduction" in the previous consolidated fiscal year, were presented as "Other—net."

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.

15. RESEARCH AND DEVELOPMENT COSTS

Research and development costs charged to income were ¥16,127 million ($100,841 thousand) and ¥11,830 million for the years ended March 31, 2026 and 2025, respectively.

16. RELATED-PARTY DISCLOSURES

Related-party transactions of the Group with associated companies for the years ended March 31, 2026 and 2025, were as follows:

(**1**) ***2026***

Category	Name	Address	Millions of Yen Capital Stock or Stake	Description of Business	Voting Right	Relationship with Related Party	Detail of Transactions	Millions of Yen Transaction Amount	Thousands of U.S. Dollars Transaction Amount
Associated company	Japan Nuclear Fuel Limited	Rokkasho-mura, Kamikita-gun, Aomori prefecture	¥400,000	Uranium enrichment, reprocessing of irradiated nuclear fuel, temporary storage of nuclear fuel materials and wastes, and disposal of low-level radioactive wastes	17.3%	Contract on uranium enrichment and disposal of low-level radioactive wastes A director concurrently serves as the Company's director and was transferred from the Company.	Co-guarantees or guarantees of loans and bonds	¥146,913	$918,608

(**2**) ***2025***

Category	Name	Address	Millions of Yen Capital Stock or Stake	Description of Business	Voting Right	Relationship with Related Party	Detail of Transactions	Millions of Yen Transaction Amount
Associated company	Japan Nuclear Fuel Limited	Rokkasho-mura, Kamikita-gun, Aomori prefecture	¥400,000	Uranium enrichment, reprocessing of irradiated nuclear fuel, temporary storage of nuclear fuel materials and wastes, and disposal of low-level radioactive wastes	17.3%	Contract on uranium enrichment and disposal of low-level radioactive wastes A director concurrently serves as the Company's director and was transferred from the Company.	Co-guarantees or guarantees of loans and bonds	¥146,947

17. 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 18 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, futures, 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 18 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, 2026	Carrying Amount	Fair Value	Unrealized Loss
Assets			
Marketable and investment securities	¥ 272,215	¥ 272,125	¥ (90)
Liabilities			
Long-term debt	¥4,111,605	¥3,926,243	¥ (185,361)
Derivatives	¥ 110,978	¥ 110,978	
March 31, 2025			
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	

	Thousands of U.S. Dollars		
March 31, 2026	Carrying Amount	Fair Value	Unrealized Loss
Assets			
Marketable and investment securities	$ 1,702,093	$ 1,701,528	$ (565)
Liabilities			
Long-term debt	$ 25,708,780	$ 24,549,762	$ (1,159,018)
Derivatives	$ 693,920	$ 693,920	

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

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

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

Derivatives are stated at the net amount.

(b) Investments in equity instruments that do not have a quoted market price in an active market were as follows:

	Carrying Amount		
	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Unlisted equity securities	¥105,027	¥96,108	$656,706
Unlisted invested instruments and other	10,672	5,069	66,730
Investment in capital of partnership	106,950	76,376	668,736

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

	Millions of Yen			
March 31, 2026	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		¥100	¥400
Cash and cash equivalents	741,286			
Receivables	534,289	¥1,358	24	11
March 31, 2025				
Investment securities:				
Held-to-maturity securities		¥ 200		¥500
Cash and cash equivalents	¥941,432			
Receivables	603,196	1,301	¥ 2	

	Thousands of U.S. Dollars			
March 31, 2026	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	$ 1,250		$625	$2,501
Cash and cash equivalents	4,635,065			
Receivables	3,340,773	$8,494	150	70

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, 2026	Level 1	Level 2	Level 3	Total
Marketable and investment securities:				
Available-for-sale securities:				
Equity securities	¥259,210			¥259,210
Government and municipal bonds				
Corporate bonds				
Other		¥ 12,303		12,303
Total assets	¥259,210	¥ 12,303		¥271,514
Derivatives		¥110,978		¥110,978
March 31, 2025				
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, 2026	Thousands of U.S. Dollars Level 1	Level 2	Level 3	Total
Marketable and investment securities:				
Available-for-sale securities:				
Equity securities	$1,620,776			$1,620,776
Government and municipal bonds				
Corporate bonds				
Other		$ 76,929		76,929
Total assets	$1,620,776	$ 76,929		$1,697,706
Derivatives		$693,920		$ 693,920

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, 2026	Millions of Yen Level 1	Level 2	Level 3	Total
Marketable and investment securities:				
Held-to-maturity securities:				
Government and municipal bonds	¥ 90			¥ 90
Corporate bonds		¥ 520		520
Total assets	¥ 90	¥ 520		¥ 611
Corporate bonds		¥1,506,547		¥1,506,547
Long-term debt		2,419,695		2,419,695
Total liabilities		¥3,926,243		¥3,926,243
March 31, 2025				
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, 2026	Thousands of U.S. Dollars Level 1	Level 2	Level 3	Total
Marketable and investment securities:				
Held-to-maturity securities:				
Government and municipal bonds	$566			$ 566
Corporate bonds		$ 3,254		3,254
Total assets	$566	$ 3,254		$ 3,821
Corporate bonds		$ 9,420,043		$ 9,420,043
Long-term debt		15,129,718		15,129,718
Total liabilities		$24,549,762		$24,549,762

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 18), 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 18), 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 18.

18. 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, 2026	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain
Foreign exchange forward contracts (U.S. dollar payment, Japanese yen receipt)	¥205,817	¥205,817	¥69,739	¥48,988
March 31, 2025				
Foreign exchange forward contracts (U.S. dollar payment, Japanese yen receipt)	¥107,183	¥107,183	¥37,139	¥15,848

	Thousands of U.S. Dollars			
March 31, 2026	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain
Foreign exchange forward contracts (U.S. dollar payment, Japanese yen receipt)	$1,286,922	$1,286,922	$436,062	$306,311

(*b*) *Commodity related*

	Millions of Yen			
March 31, 2026	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain (Loss)
Electricity futures (Fixed payment, fluctuating receipt)	¥ 523		¥ 13	¥ 13
Commodity swaps (Fixed payment, fluctuating receipt)	29,140	¥ 718	457	457
Commodity forward (Fixed payment, fluctuating receipt)	296,518	150,450	5,103	5,103

March 31, 2025	Millions of Yen Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain (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)	391,135	168,908	(405)	(405)

March 31, 2026	Thousands of U.S. Dollars Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain (Loss)
Electricity futures (Fixed payment, fluctuating receipt)	$ 3,274		$ 85	$ 85
Commodity swaps (Fixed payment, fluctuating receipt)	182,205	$ 4,490	2,862	2,862
Commodity forward (Fixed payment, fluctuating receipt)	1,854,050	940,724	31,907	31,907

Derivative Transactions to Which Hedge Accounting Is Applied

March 31, 2026	Hedged Item	Millions of Yen Contract Amount	Contract Amount Due after One Year	Fair Value
Principal treatment:				
Foreign exchange forward contracts (buying U.S. dollars)	Fuel purchasing fund	¥ 58,964	¥ 45,824	¥43,019
	Equipment fund	40,235	19,237	2,131
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	3,567	2,583	545
Principal treatment:				
Interest rate swaps (fixed price payment, floating price receipt)	Long-term debt	120,989	101,582	5,850
Special hedging treatment:				
Interest rate swaps (fixed price payment, floating price receipt)	Long-term debt	36,500	36,500	(**)
Principal treatment:				
Commodity swaps (fixed price payment, floating price receipt)	Fuel	30,226		(15,881)

March 31, 2025	Hedged Item	Millions of Yen Contract Amount	 Contract Amount Due after One Year	 Fair Value
Principal treatment:				
Foreign exchange forward contracts (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, 2026	Hedged Item	Thousands of U.S. Dollars Contract Amount	 Contract Amount Due after One Year	 Fair Value
Principal treatment:				
Foreign exchange forward contracts (buying U.S. dollars)	Fuel purchasing fund	$ 368,689	$ 286,531	$ 268,991
	Equipment fund	251,580	120,287	13,324
Assignment of currency swaps:				
Currency swaps (Japanese yen payment, U.S. dollar receipt)	Bond	475,426	475,426	(*)
Assignment of foreign exchange forward contracts:				
Foreign exchange forward contracts (buying U.S. dollars)	Fuel purchasing fund	22,306	16,153	3,408
Principal treatment:				
Interest rate swaps (fixed price payment, floating price receipt)	Long-term debt	756,515	635,167	36,579
Special hedging treatment:				
Interest rate swaps (fixed price payment, floating price receipt)	Long-term debt	228,224	228,224	(**)
Principal treatment:				
Commodity swaps (fixed price payment, floating price receipt)	Fuel	188,995		(99,302)

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.

19. OTHER COMPREHENSIVE INCOME (LOSS)

The components of other comprehensive income (loss) for the years ended March 31, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Unrealized gain (loss) on available-for-sale securities:			
Gains arising during the year	¥76,419	¥ 832	$ 477,833
Reclassification adjustments to profit or loss	(6,162)	128	(38,534)
Amount before tax and income tax effect	70,257	961	439,298
Tax and income tax effect	(21,142)	(277)	(132,196)
Total	¥49,114	¥ 683	$ 307,102
Deferred gain (loss) on derivatives under hedge accounting:			
Gains arising during the year	¥ 3,299	¥17,180	$ 20,629
Reclassification adjustments to profit or loss	159	(8,937)	994
Adjustments to acquisition costs of assets	(9,242)	(9,402)	(57,788)
Amount before tax and income tax effect	(5,783)	(1,160)	(36,164)
Tax and income tax effect	1,892	(196)	11,834
Total	¥ (3,891)	¥ (1,356)	$ (24,330)
Foreign currency translation adjustments:			
Adjustments arising during the year	¥ 6,457	¥26,114	$ 40,375
Reclassification adjustments to profit or loss		23	
Total	¥ 6,457	¥26,138	$ 40,375
Defined retirement benefit plans:			
Adjustments arising during the year	¥29,403	¥40,697	$ 183,849
Reclassification adjustments to profit or loss	(15,842)	(695)	(99,056)
Amount before tax and income tax effect	13,560	40,001	84,793
Tax and income tax effect	(3,941)	(11,627)	(24,647)
Total	¥ 9,619	¥28,374	$ 60,146
Share of other comprehensive income in associates:			
Gains arising during the year	¥16,845	¥ 940	$ 105,333
Reclassification adjustments to profit or loss	(859)	(5,758)	(5,376)
Total	¥15,986	¥ (4,818)	$ 99,956
Total other comprehensive income	¥77,286	¥49,021	$ 483,249

20. COMMITMENTS AND CONTINGENCIES

As of March 31, 2026, the Group had firm purchase commitments, principally related to utility plant expansion, of approximately ¥508,906 million ($3,182,058 thousand). In addition, 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.

Additionally, in the real estate business, the Group has concluded an investment property purchase agreement of approximately ¥77,579 million ($485,083 thousand) utilizing a temporary third-party holding arrangement prior to acquisition.

At March 31, 2026, the Group had the following contingent liabilities:

	Millions of Yen	Thousands of U.S. Dollars
	2026	2026
Co-guarantees or guarantees of loans and bonds of other companies:		
Japan Nuclear Fuel Limited (see Note 16)	¥146,913	$ 918,608
Other	99,072	619,475
Total	¥245,985	$1,538,084

21. EPS

Diluted EPS for the years ended March 31, 2026 and 2025, 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, 2026	Net Income Attributable to Owners of the Parent	Weighted-Average Shares	EPS	
Basic EPS:				
Net income attributable to common shareholders	¥380,051	1,114,061	¥341.14	$2.13
For the Year Ended March 31, 2025				
Basic EPS:				
Net income attributable to common shareholders	¥420,364	963,929	¥436.09	

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 (524,749 shares and 430,947 shares in 2026 and 2025, respectively) is reflected.

22. REVENUE RECOGNITION

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

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Revenue from contracts with customers:			
Energy business:			
Electricity (the Company)	¥2,728,773	¥2,925,384	$17,062,299
Electricity (subsidiaries)	90,690	133,064	567,063
Gas (the Company)	180,313	211,321	1,127,451
Other related services	170,374	153,379	1,065,309
Subtotal	3,170,152	3,423,150	19,822,123
Transmission and Distribution business:			
Electricity (Kansai Transmission and Distribution, Inc.)	315,592	310,895	1,973,316
Other related services	40,406	42,965	252,651
Subtotal	355,999	353,860	2,225,968
IT/Communications business:			
Service for consumers	160,529	162,031	1,003,748
Service for corporate	55,586	55,423	347,568
Subtotal	216,116	217,455	1,351,316
Life/Business Solution business:			
Sale of real estate	78,623	85,006	491,611
Fee business	42,554	39,988	266,080
Other related services	25,664	16,866	160,472
Subtotal	146,841	141,861	918,164
Total	¥3,889,109	¥4,136,327	$24,317,573
Revenue from other sources	¥ 167,529	¥ 200,783	$ 1,047,514

Note: Under the "Comprehensive economic measures to end deflation completely," "Comprehensive economic measures to foster the safety and security of citizens and sustained growth," "Emergency response package for U.S. Tariff Measures" and “Comprehensive economic measures to build a 'Strong Japanese Economy'," 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." Subsidies of ¥83,599 million ($522,727 thousand) and ¥110,627 million in 2026 and 2025, respectively, received as the source of discounting, are included in "Revenue from other sources."

(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, 2025)	Ending Balance (March 31, 2026)	Beginning Balance (April 1, 2025)	Ending Balance (March 31, 2026)
Receivables from contracts with customers	¥467,927	¥400,349	$2,925,824	$2,503,277

	Millions of Yen	
	Beginning Balance (April 1, 2024)	Ending Balance (March 31, 2025)
Receivables from contracts with customers	¥350,699	¥467,927

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 ¥1,508,058 million ($9,429,492 thousand) and ¥1,701,294 million in 2026 and 2025, respectively, which is expected to be recognized as revenue within five (four in 2025) years after each year-end. 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 reporting period was ¥11,670 million ($72,975 thousand) and ¥14,113 million in 2026 and 2025, respectively, which is expected to be recognized as revenue within five (six in 2025) years after each year-end, and the transaction price of real estate sales in the Life/Business Solutions business is ¥62,246 million ($389,210 thousand) and ¥72,769 million in 2026 and 2025, respectively, which is expected to be recognized as revenue within three (three in 2025) years after each year-end. 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.

23. 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 Electric 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.

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

	Millions of Yen						
	2026						
	Reportable Segment						
	Energy	Transmission and Distribution	IT/ Communications	Life/Business Solution	Total	Reconciliations	Consolidated
Sales:							
Sales to external customers	¥3,261,386	¥ 386,221	¥222,196	¥ 186,833	¥ 4,056,638		¥4,056,638
Intersegment sales or transfers	205,418	671,524	96,527	36,450	1,009,920	¥(1,009,920)	
Total	¥3,466,805	¥1,057,746	¥318,723	¥ 223,284	¥ 5,066,559	¥(1,009,920)	¥4,056,638
Segment profit	¥ 377,368	¥ 63,073	¥ 47,094	¥ 39,039	¥ 526,576	¥ (8,045)	¥ 518,530
Segment assets	8,708,742	2,732,901	358,094	1,033,654	12,833,392	(2,978,746)	9,854,646
Other:							
Depreciation	169,256	118,097	41,199	13,468	342,022	(3,682)	338,340
Interest income	28,032	337	56	708	29,136	(19,245)	9,891
Interest expenses	43,121	14,338	260	4,209	61,930	(19,245)	42,684
Equity gains of associated companies	33,671				33,671		33,671
Increase in property and intangible assets	274,751	176,966	74,800	60,994	587,512	(6,834)	580,678
Investment in associated companies that applied the equity method	548,556				548,556		548,556

	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

	Thousands of U.S. Dollars						
	2026						
	Reportable Segment						
	Energy	Transmission and Distribution	IT/ Communications	Life/Business Solution	Total	Reconciliations	Consolidated
Sales:							
Sales to external customers	$20,392,590	$ 2,414,943	$1,389,334	$1,168,220	$25,365,088		$25,365,088
Intersegment sales or transfers	1,284,430	4,198,863	603,557	227,916	6,314,768	$ (6,314,768)	
Total	$21,677,020	$ 6,613,806	$1,992,892	$1,396,136	$31,679,856	$ (6,314,768)	$25,365,088
Segment profit	$ 2,359,585	$ 394,381	$ 294,471	$ 244,105	$ 3,292,544	$ (50,308)	$ 3,242,236
Segment assets	54,453,465	17,088,107	2,239,072	6,463,165	80,243,811	(18,625,311)	61,618,499
Other:							
Depreciation	1,058,313	738,434	257,611	84,214	2,138,573	(23,022)	2,115,551
Interest income	175,282	2,112	355	4,430	182,181	(120,334)	61,846
Interest expenses	269,629	89,653	1,629	26,320	387,233	(120,336)	266,896
Equity gains of associated companies	210,540				210,540		210,540
Increase in property and intangible assets	1,717,950	1,106,523	467,705	381,382	3,673,561	(42,731)	3,630,829
Investment in associated companies that applied the equity method	3,429,981				3,429,981		3,429,981

24. SUBSEQUENT EVENTS

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

KINDEN CORPORATION ("KINDEN"), an equity-method affiliate of the Company, resolved at its board of directors' meeting held on April 27, 2026, to conduct a tender offer for its own shares (the "Tender Offer"). Following this, the Company and its wholly owned subsidiary, Kanden Realty & Development Co., Ltd. ("KRD"), resolved at the board of directors' meeting of the Company held on the same day to tender the KINDEN common shares ("KINDEN Shares") held by the Company and KRD in the Tender Offer, and the sale of 33,500,000 shares of KINDEN Shares was completed on June 23, 2026.

Even after the completion of the Tender Offer, KINDEN will remain an equity-method affiliate of the Company.

(**1**) ***Reasons for Tendering Shares in the Tender Offer***

The Group determined that tendering shares in the Tender Offer was appropriate from the perspective of enhancing capital efficiency through the optimization of the capital relationship with KINDEN.

(**2**) ***Outline of the Results of the Tender Offer***

[1] Number of shares held prior to the sale: 73,518,174 shares (Ownership percentage: 37.13%) (Note 1)

[2] Number of shares tendered: 73,412,898 shares (Note 2)

[3] Number of shares sold: 33,500,000 shares (Note 3)

[4] Number of shares held after the sale: 40,018,174 shares (Ownership percentage: 24.33%) (Note 1)

[5] Tender offer price: ¥6,677 per common share

[6] Tender offer period: From April 28, 2026 to June 1, 2026

[7] Settlement start date: June 23, 2026

Notes: 1. The total number of shares held by the Company, KRD, and Kanden Engineering Corporation

2. All shares held by the Company and KRD. Shares held by Kanden Engineering Corporation are not subject to the tender offer.

3. The number of shares planned to be sold at the time of tendering in the Tender Offer was 33,500,000 shares.

(**3**) ***Overview of the Equity-Method Affiliate***

[1] Name: KINDEN CORPORATION

[2] Business description: Electrical, information and communications, environmental construction work, etc.

[3] Major shareholders and shareholding ratios
Prior to sale: The Company: 29.75%, KRD: 7.33%
After sale: The Company: 19.47%, KRD: 4.80%

[4] Relationship with the Company: Contracting of electrical work and other services for the Kansai Electric Power Group

(**4**) ***Impact on Financial Results***

As a result of the sale of KINDEN shares, the Company recorded approximately ¥105 billion as Gain on sale of shares of associated companies (Other Income) for the consolidated fiscal year ending March 31, 2027.

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