

Financial and Corporate Information

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The Kansai Electric Power Company, Incorporated and Its Subsidiaries

Consolidated Financial Statements for the
Year Ended March 31, 2019, and
Independent Auditor's Report

The Kansai Electric Power Company, Incorporated and Its Subsidiaries
March 31, 2019

ASSETS

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
PROPERTY:			
Utility plant and equipment	¥ 14,647,136	¥ 14,741,988	\$ 13,194,295
Other plant and equipment (Note 7)	2,054,938	2,020,597	18,511,292
Construction in progress (Note 7)	579,917	457,442	5,224,008
Contributions in aid of construction	(491,138)	(485,895)	(4,424,268)
Accumulated depreciation and amortization	(12,208,608)	(12,301,087)	(109,977,554)
Plant and equipment - net (Note 4)	4,582,245	4,433,045	41,277,773
Nuclear fuel, net of amortization (Note 2.d)	506,278	494,124	4,560,661
Property - net	5,088,524	4,927,169	45,838,434
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Notes 5, 7 and 16)	232,242	232,870	2,092,087
Investments in and advances to unconsolidated subsidiaries and associated companies (Note 7)	456,672	431,764	4,113,793
Special account related to nuclear power decommissioning (Notes 2.n)	73,025	78,332	657,825
Special account related to reprocessing of spent nuclear fuel (Note 2.j)	56,134	25,168	505,675
Deferred tax assets (Note 12)	372,906	402,874	3,359,211
Other assets (Note 7)	147,170	153,891	1,325,742
Total investments and other assets	1,338,151	1,324,902	12,054,335
CURRENT ASSETS:			
Cash and cash equivalents (Notes 7 and 16)	158,978	144,176	1,432,106
Receivables (Notes 7 and 16)	342,145	297,999	3,082,113
Allowance for doubtful accounts	(2,531)	(2,859)	(22,806)
Inventories (Notes 6 and 7)	163,937	129,127	1,476,780
Other current assets (Notes 5, 7 and 16)	168,157	164,571	1,514,799
Total current assets	830,687	733,015	7,482,994
TOTAL	¥ 7,257,363	¥ 6,985,088	\$ 65,375,765

See notes to consolidated financial statements.

LIABILITIES AND EQUITY

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
LONG-TERM LIABILITIES:			
Long-term debt, less current maturities (Notes 7 and 16)	¥ 2,939,093	¥ 2,783,359	\$ 26,475,933
Liability for retirement benefits (Note 8)	369,472	367,875	3,328,284
Asset retirement obligations (Notes 2.k and 9)	501,354	444,302	4,516,297
Deferred tax liabilities (Note 12)	1,831	1,346	16,498
Other long-term liabilities	250,350	255,191	2,255,209
Total long-term liabilities	4,062,102	3,852,076	36,592,223
CURRENT LIABILITIES:			
Current maturities of long-term debt (Notes 7 and 16)	516,483	636,331	4,652,587
Short-term borrowings (Notes 10 and 16)	416,096	300,226	3,748,281
Notes and accounts payable (Notes 7 and 16)	195,659	183,525	1,762,539
Accrued income taxes (Note 16)	13,361	14,471	120,362
Reserve for disaster restoration costs	2,104		18,953
Accrued expenses and other current liabilities	490,219	496,710	4,415,993
Total current liabilities	1,633,925	1,631,266	14,718,719
RESERVE FOR FLUCTUATIONS IN WATER LEVEL	28,389	28,948	255,737
COMMITMENTS AND CONTINGENCIES (Notes 14 and 19)			
EQUITY (Note 11):			
Common stock - authorized, 1,784,059,697 shares; issued, 938,733,028 shares in 2019 and 2018	489,320	489,320	4,407,897
Capital surplus	66,656	66,725	600,453
Retained earnings	979,669	904,806	8,825,058
Treasury stock - at cost: 45,561,730 shares in 2019 and 45,372,355 shares in 2018	(96,806)	(96,504)	(872,056)
Accumulated other comprehensive income:			
Unrealized gain on available-for-sale securities	82,937	91,135	747,117
Deferred loss on derivatives under hedge accounting	(9,514)	(3,369)	(85,707)
Foreign currency translation adjustments	9,015	11,016	81,215
Defined retirement benefit plans	(7,034)	(9,041)	(63,366)
Total	1,514,244	1,454,087	13,640,611
Noncontrolling interests	18,702	18,709	168,472
Total equity	1,532,946	1,472,797	13,809,084
TOTAL	¥ 7,257,363	¥ 6,985,088	\$ 65,375,765

See notes to consolidated financial statements.

The Kansai Electric Power Company, Incorporated and Its Subsidiaries
Year Ended March 31, 2019

	Millions of Yen											
	Number of Shares of Common Stock Outstanding	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income				Total	Noncontrolling Interests	Total Equity
						Unrealized Gain on Available-for-Sale Securities	Deferred Loss on Derivatives under Hedge Accounting	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans			
BALANCE, APRIL 1, 2017	938,733,028	¥ 489,320	¥ 66,726	¥ 788,674	¥ (96,424)	¥ 81,037	¥ (3,894)	¥ 13,433	¥ (16,209)	¥ 1,322,663	¥ 22,032	¥ 1,344,696
Cash dividends, ¥40 per share				(35,747)						(35,747)		(35,747)
Net income attributable to owners of the parent				151,880						151,880		151,880
Purchase of treasury stock					(83)					(83)		(83)
Disposal of treasury stock			(1)		3					2		2
Transfer to capital surplus from retained earnings			1	(1)								
Capital increase of consolidated subsidiaries			(1)							(1)		(1)
Net change in the year						10,097	525	(2,417)	7,168	15,373	(3,322)	12,050
BALANCE, MARCH 31, 2018	938,733,028	489,320	66,725	904,806	(96,504)	91,135	(3,369)	11,016	(9,041)	1,454,087	18,709	1,472,797
Cash dividends, ¥50 per share				(40,213)						(40,213)		(40,213)
Net income attributable to owners of the parent				115,077						115,077		115,077
Purchase of treasury stock					(304)					(304)		(304)
Disposal of treasury stock					2					1		1
Transfer to capital surplus from retained earnings												
Capital increase of consolidated subsidiaries												
Purchase of stock of consolidated subsidiaries			(69)							(69)		(69)
Net change in the year						(8,197)	(6,144)	(2,000)	2,007	(14,335)	(7)	(14,343)
BALANCE, MARCH 31, 2019	938,733,028	¥ 489,320	¥ 66,656	¥ 979,669	¥ (96,806)	¥ 82,937	¥ (9,514)	¥ 9,015	¥ (7,034)	¥ 1,514,244	¥ 18,702	¥ 1,532,946

	Thousands of U.S. Dollars (Note 1)											
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income				Total	Noncontrolling Interests	Total Equity	
					Unrealized Gain on Available-for-Sale Securities	Deferred Loss on Derivatives under Hedge Accounting	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans				
BALANCE, MARCH 31, 2018	\$ 4,407,897	\$ 601,072	\$ 8,150,674	\$ (869,333)	\$ 820,966	\$ (30,353)	\$ 99,236	\$ (81,450)	\$ 13,098,711	\$ 168,541	\$ 13,267,253	
Cash dividends, \$0.45 per share			(362,251)							(362,251)		(362,251)
Net income attributable to owners of the parent			1,036,641							1,036,641		1,036,641
Purchase of treasury stock				(2,745)						(2,745)		(2,745)
Disposal of treasury stock			(5)	22						17		17
Transfer to capital surplus from retained earnings			5	(5)								
Capital increase of consolidated subsidiaries			3							3		3
Purchase of stock of consolidated subsidiaries			(623)							(623)		(623)
Net change in the year						(73,848)	(55,354)	(18,021)	18,084	(129,141)	(69)	(129,210)
BALANCE, MARCH 31, 2019	\$ 4,407,897	\$ 600,453	\$ 8,825,058	\$ (872,056)	\$ 747,117	\$ (85,707)	\$ 81,215	\$ (63,366)	\$ 13,640,611	\$ 168,472	\$ 13,809,084	

See notes to consolidated financial statements.

The Kansai Electric Power Company, Incorporated and Its Subsidiaries
Year Ended March 31, 2019

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
OPERATING ACTIVITIES:			
Income before income taxes	¥ 173,272	¥ 215,608	\$ 1,560,872
Adjustments for:			
Income taxes - paid	(27,185)	(15,210)	(244,894)
Depreciation and amortization	331,984	340,287	2,990,578
Decommissioning cost of nuclear power units	16,050	13,275	144,584
Depreciation of special account related to nuclear power decommissioning	5,307	1,845	47,812
Amortization of nuclear fuel	22,966	11,795	206,889
Loss on disposal of property, plant, and equipment	9,394	10,325	84,624
Loss on disaster	12,828		115,560
Investment loss on subsidiaries and associated companies	18,093		162,993
Changes in assets and liabilities:			
Increase in receivables	(41,446)	(36,245)	(373,361)
Decrease in interest and dividends receivable	4,650	4,773	41,893
Decrease in inventories (Note 3)	(34,777)	(6,316)	(313,280)
(Decrease) increase in notes and accounts payable	(1,123)	3,202	(10,118)
Decrease in interest payable	(1,159)	(1,236)	(10,448)
Increase in liability for retirement benefits	4,570	15,941	41,168
Payments for loss on disaster	(10,724)		(96,606)
(Decrease) increase in reserve for fluctuations in water level	(558)	1,495	(5,032)
Other - net	(32,426)	63,724	(292,101)
Total adjustments	276,443	407,658	2,490,260
Net cash provided by operating activities	449,716	623,266	4,051,133
INVESTING ACTIVITIES:			
Purchases of property, plant, and equipment	(475,437)	(398,028)	(4,282,838)
Payments for investments and advances	(88,572)	(58,829)	(797,875)
Proceeds from sales of investments or collections of advances	25,247	14,355	227,433
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(11,734)	(20,492)	(105,707)
Payments for transfer of business	(22,055)		(198,679)
Other - net	34,706	15,757	312,642
Net cash used in investing activities	(537,846)	(447,237)	(4,845,025)
FINANCING ACTIVITIES:			
Proceeds from issuance of bonds	309,081	249,465	2,784,267
Proceeds from long-term debt (exclusive of bonds)	374,212	326,092	3,370,983
Proceeds from short-term loans	271,346	273,282	2,444,340
Proceeds from issuance of commercial papers	625,000	404,000	5,630,123
Redemption of bonds	(290,675)	(331,100)	(2,618,457)
Repayments of long-term debt (exclusive of bonds)	(360,138)	(390,337)	(3,244,200)
Repayments of short-term loans	(268,284)	(282,667)	(2,416,759)
Repayments of commercial papers	(509,000)	(364,000)	(4,585,172)
Dividends paid	(40,098)	(35,674)	(361,213)
Other - net	(8,371)	(11,337)	(75,409)
Net cash provided by (used in) financing activities	103,073	(162,277)	928,502
NET CASH PROVIDED BY OPERATING, INVESTING, AND FINANCING ACTIVITIES	14,942	13,751	134,609
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(141)	(394)	(1,276)
NET INCREASE IN CASH AND CASH EQUIVALENTS	14,801	13,356	133,332
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	144,176	130,820	1,298,773
CASH AND CASH EQUIVALENTS, END OF YEAR	¥ 158,978	¥ 144,176	\$ 1,432,106

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 International Financial Reporting 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 ¥111.01 to \$1, the approximate rate of exchange as of March 31, 2019. 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 a 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, 2019, include the accounts of the Company and 77 (69 in 2018) subsidiaries (collectively, the "Companies"). Had the unconsolidated subsidiary been included in the accounts, the effect on the accompanying consolidated financial statements would not be material.

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

Investments in four in 2019 and 2018 associated companies are accounted for by the equity method. Investments in the remaining associated companies are stated at cost. Had the equity method been applied to the investments in these companies and unconsolidated subsidiary, 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 Companies is also eliminated.

b. Subsidiaries' Fiscal Year End - The fiscal year end of eight subsidiaries is December 31. The Company consolidates such subsidiaries' financial statements using their financial results for the year ended December 31. The effects of any significant transactions during the period between the subsidiaries' fiscal year end and the Company's fiscal year end are reflected in the consolidated financial statements.

c. Business Combination - Business combinations are accounted for using the purchase method. Acquisition-related costs, such as advisory fees or professional fees, are accounted for as expenses in the periods in which the costs are incurred. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, an acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, which shall not exceed one year from the acquisition, the acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and that would have affected the measurement of the amounts recognized as of that date. Such adjustments shall be recognized as if the accounting for the business combination had been completed at the acquisition date. The acquirer recognizes any bargain purchase gain in profit or loss immediately on the acquisition date after reassessing and confirming that all of the assets acquired and all of the liabilities assumed have been identified after a review of the procedures used in the purchase price allocation. A parent's ownership interest in a subsidiary might change if the parent purchases or sells ownership interests in its subsidiary. The carrying amount of noncontrolling interest is adjusted to reflect the change in the parent's ownership interest in its subsidiary while the parent retains its controlling interest in its subsidiary. Any difference between the fair value of the consideration received or paid and the amount by which the noncontrolling interest is adjusted is accounted for as capital surplus as long as the parent retains control over its subsidiary.

d. 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 declining-balance 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, 2019 and 2018, was ¥73,548 million (\$662,543 thousand) and ¥68,959 million, respectively.

e. Impairment of Fixed Assets - The Companies review their 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.

f. Investment Securities - The Companies' 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.

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

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

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

i. 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 Companies account for the liability for retirement benefits based on the projected benefit obligations and plan assets at the consolidated balance sheet date.

Prior service cost is amortized by the straight-line method over a period of principally three years. Actuarial gains or losses are recognized by the straight-line method over a period of principally three years.

Actuarial gains and losses and past service costs that are yet to be recognized in profit or loss are recognized within equity (accumulated other comprehensive income), after adjusting for tax effects and are recognized in profit or loss over three years no longer than the expected average remaining service period of the employees. The discount rate is determined using a single weighted-average discount rate reflecting the estimated timing and amount of benefit payment.

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

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

With regard to the unrecognized amount of ¥82,953 million (\$747,257 thousand) at the time of enforcement of the Revised Act out of ¥312,810 million (\$2,817,857 thousand) (the difference which resulted from the change in the accounting standard relating to reserve for reprocessing of irradiated nuclear fuel in 2005) set forth in Article 2 of Supplementary Provisions of Ministry Order Relating to the Partial Revision of the Ordinance on Accounting at Electricity Utilities (Ordinance of the Ministry of Economy, Trade and Industry No. 92, in 2005), the Company has paid and will pay such amount in installments in each fiscal year up to 2019 in accordance with Paragraph 1 of Article 6 of Supplementary Provisions of the Revised Act, and the Company has recorded and will record the amount paid in each fiscal year as expenses in accordance with Article 4 of Supplementary Provisions of Ministry Order Relating to the Partial Revision of the Ordinance on Accounting at Electricity Utilities (Ordinance of the Ministry of Economy, Trade and Industry No. 94, in 2016). The unrecognized amount of difference which occurred in connection with the change in the accounting standard was ¥20,738 million (\$186,814 thousand) as of March 31, 2019.

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

undiscounted cash flows are reflected as an adjustment to the carrying amount of the liability and the capitalized amount of the related asset retirement cost.

The Company mainly recognizes an asset retirement obligation with regard to the costs for decommissioning of nuclear power units, which are regulated under the Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material, and Reactors. The amount of this asset retirement obligation is based on the total estimation amount of decommissioning of nuclear power units. The estimated useful life is equal to the expected safe storage period and the expected operating period of a specific nuclear power unit, and a discount rate of 2.3% is used. In addition, in accordance with Accounting Standards Board of Japan ("ASBJ") Guidance No. 21 and the Ministerial Ordinance Concerning Reserve for Decommissioning of Nuclear Power Units, the asset retirement cost is subsequently allocated to expenses based on the straight-line method throughout the expected safe storage period and the expected operating period.

On April 1, 2018, the "Ministry Order Relating to Reserves for Decommissioning of Nuclear Power Plants" (Ordinance Ministry of International Trade and Industry No. 30, 1989; "Ordinance of Decommissioning") was revised, following the enforcement of the "Ordinance to Partially Revise the Ordinance on Reserves for Scrapping Nuclear Power Plants" (Ordinance of the Ministry of Economy, Trade and Industry No. 17, 2018; "Revised Ordinance").

For the assets equal to asset retirement obligations related to the decommissioning of a specific nuclear power unit, among the nuclear power production facilities, costs are accounted for in accordance with the Ordinance of Decommissioning. Although the amortization period was defined as throughout the expected safe storage period and the expected operating period in the past, the Revised Ordinance defines the amortization period as the period from the month in which a specific nuclear power unit was utilized for power production for the first time after its completion (the "Starting Month of Utilization"), to the month in which a period of 40 years elapses (or the month in which the final day of an extension falls, if the operation period was extended based on the Paragraph 2 of Article 43-3-32; "the Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material, and Reactors [Law No. 166, 1957]").

Also, the amortization period for decommissioning nuclear reactors associated with a specific nuclear power unit has been revised to the period from the Starting Month of Utilization to the month in which day the total cost estimation in accordance with the provisions of Paragraph 1, Article 5 of the Ordinance of Decommissioning was approved. However, if an application for extending the reserve funding period based on Paragraph 3, Article 5 of the Ordinance of Decommissioning was filed, the period ends in the month in which a period of 10 years elapses from the month in which the day of decommissioning falls (or, if the reactor was decommissioned by the day before the enforcement of the Revised Ordinance, in the month 10 years from the month of decommissioning (or 50 years from the Starting Month of Utilization, if the day of decommissioning was

past the 40 years mark from the Starting Month of Utilization)).

Accordingly, operating income, income before provision for reserve for fluctuations in water level, and income taxes and income before income taxes decreased by ¥2,229 million (\$20,079 thousand).

Furthermore, although the expected usage period, used for the calculation of the asset retirement obligations related to the decommissioning of a specific nuclear power unit, was defined as throughout the expected safe storage period and the expected operating period in the past was changed to the expected operating period.

Accordingly, asset retirement obligation and assets equal to asset retirement obligations increased by ¥45,512 million (\$409,988 thousand).

l. 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.

m. Leases

As lessee - Finance lease transactions are capitalized to recognizing lease assets and lease obligations in the balance sheet.

In March 2007, the ASBJ issued ASBJ Statement No. 13, "Accounting Standard for Lease Transactions," which revised the previous accounting standard for lease transactions issued. Under the previous accounting standard, finance leases that were deemed to transfer ownership of the leased property to the lessee were capitalized. However, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if capitalized" information was disclosed in the notes to the lessee's consolidated financial statements. The revised accounting standard permits leases that existed at the transition date and that do not transfer ownership of the leased property to the lessee to continue to be accounted for as operating lease transactions with certain "as if capitalized" information disclosed in the notes to the lessee's consolidated financial statements.

The Companies applied the revised accounting standard effective April 1, 2008. In addition, the Companies continue to account for leases that existed at the transition date and that do not transfer ownership of the leased property to the lessee as operating lease transactions. However, the Companies do not disclose "as if capitalized" information because there is an immaterial effect on the consolidated financial statements.

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.

n. Special Account Related to Nuclear Power Decommissioning - The special account related to nuclear power decommissioning

shall be amortized in relation to the collection of the regulated power fees after the date of approval of the Ministry of Economy, Trade and Industry pursuant to Article 7 of Supplementary Provisions of Ministry Order Relating to the Partial Revision of the Ordinance on Accounting at Electricity Utilities (Ordinance of the Ministry of Economy, Trade and Industry No. 50, 2016).

o. 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 Companies file a tax return under the consolidated corporate tax system, which allows companies to base tax payments on the combined profits or losses of the parent company and its wholly owned domestic subsidiaries.

On February 16, 2018, the ASBJ issued ASBJ Statement No. 28, "Partial Amendments to Accounting Standard for Tax Effect Accounting," which requires deferred tax assets and deferred tax liabilities to be classified as investments and other assets and long-term liabilities, respectively. Deferred tax assets were previously classified as current assets and investments and other assets, and deferred tax liabilities were previously classified as current liabilities and long-term liabilities under the previous accounting standard. The revised accounting standard is effective for annual periods beginning on or after April 1, 2018. The Company retrospectively applied the revised accounting standard effective April 1, 2018, and deferred tax assets of ¥68,272 million, which were previously classified as current assets, as of March 31, 2018, have been reclassified as investments and other assets, in the accompanying consolidated balance sheet.

p. Foreign Currency Transactions - All receivables and payables denominated in foreign currencies are translated into Japanese yen at the current exchange rates as of the 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 the forward exchange contracts.

q. 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.

r. Derivatives and Hedging Activities - The Companies principally use foreign exchange forward contracts, currency swaps, interest rate swaps, and commodity swaps in the normal course of business to manage their exposures to fluctuations in foreign exchange, interest rates, fuel prices, and so on. The Companies do 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.

s. Per-Share Information - Basic net income per share 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.

t. Accounting Changes and Error Corrections - Under ASBJ Statement No. 24, "Accounting Standard for Accounting Changes and Error Corrections," and ASBJ Guidance No. 24, "Guidance on Accounting Standard for Accounting Changes and Error Corrections," accounting treatments are required as follows: (1) Changes in Accounting Policies - When a new accounting policy is applied following revision of an accounting standard, the new policy is applied retrospectively, unless the revised accounting standard includes specific transitional provisions, in which case the entity shall comply with the specific transitional provisions; (2) Changes in Presentation - When the presentation of financial statements is changed, prior-period financial statements are reclassified in accordance with the new presentation; (3) Changes in Accounting Estimates - A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods; and (4) Corrections of Prior-Period Errors - When an

error in prior-period financial statements is discovered, those statements are restated.

u. Details of Extraordinary Losses

Loss on disaster - The Company accounts for loss on disaster, loss on disposal of property, plant, and equipment, which is equal to the book value of destroyed assets, and extraordinary loss, which represents restoration costs for equipment damaged by typhoon No. 21, that occurred in 2018.

The amounts included in loss on disposal of property, plant, and equipment for the year ended March 31, 2019, were ¥17 million (\$153 thousand) for provision for reserve for disaster restoration costs and ¥3 million (\$34 thousand) for losses on disposal of property, plant, and equipment.

The amounts included in extraordinary loss for the year ended March 31, 2019, were ¥2,086 million (\$18,800 thousand) for provision for reserve for disaster restoration costs and ¥10,720 million (\$96,572 thousand) for restoration costs.

Investment loss on subsidiaries and associated companies

- The Company accounts for investment loss at overseas power businesses as investment loss on subsidiaries and associated companies.

v. Stock-Based Incentive System for Directors and Executive Officers

The Company introduced a new stock-based incentive system (the "System") for the Company's directors (excluding outside directors and nonresidents of Japan) and executive officers (excluding nonresidents of Japan, hereinafter referred to as "Directors & Officers" collectively) through the 94th General Meeting of Shareholders held on June 27, 2018, with an aim to improve business performance of the group and to enhance the motivation of Directors & Officers to contribute to enhancing corporate value of the Company over the medium to long term.

1. Outline of transaction

The Company adopts a mechanism called Board Incentive Plan (BIP) Trust (the "Trust"). The System is a stock-based incentive system, under which the Company's shares are acquired through the Trust using money, equivalent to the amount of remuneration for Directors & Officers contributed by the Company, granting/providing of the Company's shares and cash equivalents in amounts obtained by converting a part of the shares into cash, offering them to eligible Directors & Officers based on the positions of the respective Directors & Officers.

Furthermore, the System is accounted for as "Practical Solution on Transaction of Granting Treasury Stock to Employees through the Trust Using Money" (ASBJ Practical Issues Task Force No. 30, March 26, 2015).

2. The 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 consolidated fiscal year is ¥234

million (\$2,111 thousand) and 147,800 shares.

w. New Accounting Pronouncement - On March 30, 2018, the ASBJ issued ASBJ Statement No. 29, "Accounting Standard for Revenue Recognition," and ASBJ Guidance No. 30, "Implementation Guidance on Accounting Standard for Revenue Recognition." The core principle of the standard and guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity should recognize revenue in accordance with that core principle by applying the following steps:

Step 1: Identify the contracts with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when the entity satisfies a performance obligation

The accounting standard and guidance are effective for annual periods beginning on or after April 1, 2021. Earlier application is permitted for annual periods beginning on or after April 1, 2018.

The Company expects to apply the accounting standard and guidance for annual periods beginning on or after April 1, 2021, and is in the process of measuring the effects of applying the accounting standard and guidance in future applicable periods.

3. CHANGES IN PRESENTATION

"Gain on sales of property, plant, and equipment" was included in "Other - net" within other (income) expenses of the consolidated statement of income for the year ended March 31, 2018. Since the amount increased significantly, such amount is disclosed separately in other (income) expenses of the consolidated statement of income for the year ended March 31, 2019. The amount included in "Other - net" for the year ended March 31, 2018 was ¥1,201 million.

"Decrease in inventories" was included in "Other - net" within operating activities of the consolidated statement of cash flows for the year ended March 31, 2018. Since the amount increased significantly, such amount is disclosed separately within operating activities of the consolidated statement of cash flows for the year ended March 31, 2019. And, "Increase (decrease) in consumption taxes payable" was disclosed separately in operating activities of the consolidated statement of cash flows for the year ended March 31, 2018. Since the amount decreased significantly, such amount is included in "Other - net" within operating activities of the consolidated statement of cash flows for the year ended March 31, 2019. The amount of "Increase (decrease) in consumption taxes payable" included in "Other - net" for the year ended March 31, 2018, was ¥60,782 million.

4. PLANT AND EQUIPMENT

Plant and equipment, at carrying value, as of March 31, 2019 and 2018, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2019	2018	2019
Hydroelectric power production facilities	¥ 287,637	¥ 294,175	\$ 2,591,097
Thermal power production facilities	374,364	414,312	3,372,346
Nuclear power production facilities	390,501	344,032	3,517,715
Transmission facilities	790,303	819,294	7,119,205
Transformation facilities	407,612	416,948	3,671,854
Distribution facilities	803,893	811,479	7,241,634
General facilities	100,211	100,412	902,725
Other utility facilities	20,567	21,624	185,276
Other plant and equipment	827,236	753,323	7,451,908
Construction in progress	579,917	457,442	5,224,008
Total	¥ 4,582,245	¥ 4,433,045	\$ 41,277,773

The book value of specified assets for nuclear power is included in nuclear power production facilities, which amounted to

¥32,381 million (\$291,701 thousand) and ¥38,671 million as of March 31, 2019 and 2018, respectively.

5. INVESTMENT SECURITIES

The information for available-for-sale securities, whose fair values are readily determinable, and held-to-maturity securities

as of March 31, 2019 and 2018, is as follows:

	Millions of Yen			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
March 31, 2019				
Securities classified as:				
Available for sale:				
Equity securities	¥ 68,004	¥ 99,317	¥ (701)	¥ 166,620
Debt securities	199	16		216
Held-to-maturity debt securities	1,921	57		1,978

	Millions of Yen			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
March 31, 2018				
Securities classified as:				
Available for sale:				
Equity securities	¥ 68,156	¥ 108,245	¥ (138)	¥ 176,263
Debt securities	399	22		422
Held-to-maturity debt securities	2,147	55	(2)	2,200

	Thousands of U.S. Dollars			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
March 31, 2019				
Securities classified as:				
Available for sale:				
Equity securities	\$ 612,599	\$ 894,669	\$ (6,315)	\$ 1,500,953
Debt securities	1,800	149		1,950
Held-to-maturity debt securities	17,309	513		17,823

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Year Ended March 31, 2019

6. INVENTORIES

Inventories as of March 31, 2019 and 2018, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2019	2018	2019
Merchandise and finished products	¥ 3,614	¥ 4,377	\$ 32,558
Work in process	6,136	7,837	55,281
Raw materials and supplies	84,521	73,199	761,388
Real estate for sale	69,664	43,712	627,552
Total	¥ 163,937	¥ 129,127	\$ 1,476,780

7. LONG-TERM DEBT

Long-term debt as of March 31, 2019 and 2018, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2018	2017	2018
Secured bonds:			
0.14% to 2.925%, due serially through 2038:			
The Company	¥ 1,259,300	¥ 1,239,797	\$ 11,344,023
Subsidiaries	200	200	1,801
(Nonrecourse debt included above)	100	100	900
Unsecured bonds	282		2,544
Secured loans principally from the Development Bank of Japan:			
0.36% to 3.15% maturing serially through 2028:			
The Company	329,595	320,386	2,969,059
Subsidiaries	15,129	3,897	136,291
(Nonrecourse debt included above)	7,384	900	66,516
Unsecured loans from banks, insurance companies, and other sources:			
0.07% to 3.59% (0.07% to 3.8% in 2018) maturing serially through 2039	1,832,868	1,843,732	16,510,841
Obligations under finance leases	18,201	11,677	163,959
Total	3,455,577	3,419,691	31,128,521
Less current maturities	516,483	636,331	4,652,587
Long-term debt, less current maturities	¥ 2,939,093	¥ 2,783,359	\$ 26,475,933

Annual maturities of long-term debt as of March 31, 2019, were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2020	¥ 516,483	\$ 4,652,587
2021	529,609	4,770,829
2022	581,666	5,239,770
2023	437,638	3,942,331
2024	381,581	3,437,360
2025 and thereafter	1,008,597	9,085,641
Total	¥ 3,455,577	\$ 31,128,521

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 amounts of subsidiaries' assets pledged as

collateral for notes and accounts payable of ¥1,912 million (\$17,226 thousand) and the above secured loans as of March 31, 2019, were as follows:

	Millions of Yen	Thousands of U.S. Dollars
	2019	2019
Other plant and equipment	¥ 21,394	\$ 192,730
Construction in progress	5,094	45,890
Other assets	414	3,730
Cash and cash equivalents	2,595	23,380
Other current assets	91	826

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

	Millions of Yen	Thousands of U.S. Dollars
	2019	2019
Other plant and equipment	¥ 37,789	\$ 340,412
Construction in progress	340	3,067
Investment securities	5,183	46,695
Investments in and advances to unconsolidated subsidiaries and associated companies	64,893	584,573
Other assets	14,780	133,145
Cash and cash equivalents	699	6,302
Receivables	2,774	24,991
Inventories	205	1,853
Other current assets	655	5,906

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8. 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 Companies, 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.

In addition, certain consolidated subsidiaries participate in a contributory multiemployer pension plan covering substantially all of their employees.

1. The changes in defined benefit obligation for the years ended March 31, 2019 and 2018, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2019	2018	2019
Balance at beginning of year (as restated)	¥ 369,514	¥ 362,009	\$ 3,328,655
Current service cost	13,298	13,760	119,795
Interest cost	3,483	3,474	31,377
Actuarial gains	1,787	5,435	16,105
Benefits paid	(16,731)	(14,240)	(150,719)
Others	(294)	(924)	(2,654)
Balance at end of year	¥ 371,057	¥ 369,514	\$ 3,342,559

2. The changes in plan assets for the years ended March 31, 2019 and 2018, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2019	2018	2019
Balance at beginning of year	¥ 1,638	¥ 1,646	\$ 14,762
Expected return on plan assets	40	41	369
Actuarial losses	(81)	(78)	(730)
Contributions from the employer	137	136	1,234
Benefits paid	(151)	(107)	(1,360)
Balance at end of year	¥ 1,584	¥ 1,638	\$ 14,274

3. A reconciliation between the liability recorded in the consolidated balance sheet and the balances of defined benefit obligation and

plan assets as of March 31, 2019 and 2018, was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2019	2018	2019
Funded defined benefit obligation	¥ 2,659	¥ 2,651	\$ 23,955
Plan assets	(1,584)	(1,638)	(14,274)
Total	1,074	1,012	9,680
Unfunded defined benefit obligation	369,398	366,862	3,318,604
Net liability arising from defined benefit obligation	¥ 369,472	¥ 367,875	\$ 3,328,284

	Millions of Yen		Thousands of U.S. Dollars
	2019	2018	2019
Liability for retirement benefits	¥ 369,472	¥ 367,875	\$ 3,328,284
Net liability arising from defined benefit obligation	¥ 369,472	¥ 367,875	\$ 3,328,284

4. The components of net periodic retirement benefit costs for the years ended March 31, 2019 and 2018, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2019	2018	2019
Service cost	¥ 13,298	¥ 13,760	\$ 119,795
Interest cost	3,483	3,474	31,377
Expected return on plan assets	(40)	(41)	(369)
Recognized actuarial losses	4,885	13,972	44,007
Amortization of prior service cost	(18)	(16)	(163)
Others	154	180	1,393
Net periodic retirement benefit costs	¥ 21,762	¥ 31,330	\$ 196,040

5. Amounts recognized in other comprehensive income (before income tax effect) in respect of defined retirement benefit plans as of March 31, 2019 and 2018, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2019	2018	2019
Prior service cost	¥ (18)	¥ (16)	\$ (163)
Actuarial losses	3,016	8,458	27,171
Total	¥ 2,998	¥ 8,441	\$ 27,007

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6. Amounts recognized in accumulated other comprehensive income (before income tax effect) in respect of defined retirement benefit plans as of March 31, 2019 and 2018, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2019	2018	2019
Unrecognized prior service cost	¥ (99)	¥ (117)	\$ (896)
Unrecognized actuarial losses	6,999	10,015	63,051
Total	¥ 6,899	¥ 9,897	\$ 62,154

7. Plan assets

- (1) Components of plan assets

Plan assets at March 31, 2019 and 2018, consisted of the following:

	2019	2018
Debt investments	44%	44%
General account of life insurance	39	38
Equity investments	8	10
Others	9	8
Total	100%	100%

- (2) 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, 2019 and 2018, are set forth as follows:

	2019	2018
Discount rate	1.00%	1.02%
Expected rate of return on plan assets	2.50%	2.50%

9. Defined contribution

The required contribution amount of the Company and certain consolidated subsidiaries was ¥6,867 million (\$61,866 thousand)

and ¥6,846 million for the years ended March 31, 2019 and 2018, respectively.

9. ASSET RETIREMENT OBLIGATIONS

The changes in asset retirement obligations for the years ended March 31, 2019 and 2018, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2019	2018	2019
Balance at beginning of year	¥ 444,302	¥ 436,483	\$ 4,002,363
Additional provisions	72,674	11,448	654,668
Reduction	(15,622)	(3,629)	(140,734)
Balance at end of year	¥ 501,354	¥ 444,302	\$ 4,516,297

10. SHORT-TERM BORROWINGS

Short-term borrowings at March 31, 2019 and 2018, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2019	2018	2019
Short-term loans from banks and other sources with weighted-average interest rate of 0.3824% and 0.3035% at March 31, 2019 and 2018, respectively	¥ 416,096	¥ 300,226	\$ 3,748,281

Commercial paper included in short-term borrowings in the above table was ¥270,000 million (\$2,432,213 thousand) and ¥154,000 million as of March 31, 2019 and 2018, respectively.

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

11. 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 the 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 the 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.

12. INCOME TAXES

The Companies are subject to taxes based on income, such as corporate income tax and inhabitant tax, which, in the aggregate, resulted in normal statutory tax rates of approximately 28.0% and 28.2% for the years ended March 31, 2019 and 2018, respectively.

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities as of March 31, 2019 and 2018, are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2019	2018	2019
Deferred tax assets:			
Liability for retirement benefits	¥ 104,653	¥ 104,216	\$ 942,740
Net operating tax loss carryforwards	103,047	123,052	928,272
Depreciation and amortization	92,809	92,373	836,050
Asset retirement obligations	58,756	45,183	529,291
Intercompany profit elimination	24,631	23,684	221,888
Other	168,907	169,260	1,521,553
Less valuation allowance (net operating tax loss carryforwards)	(29,826)		(268,681)
Less valuation allowance	(75,724)		(682,137)
Total valuation allowance	(105,550)	(93,328)	(950,819)
Total deferred tax assets	447,256	464,443	4,028,977
Deferred tax liabilities:			
Unrealized gain on available-for-sale securities	22,659	28,960	204,121
Special account related to nuclear power decommissioning	20,414	21,898	183,901
Asset equal to asset retirement obligations	13,226	1,035	119,150
Other	19,880	11,021	179,089
Total deferred tax liabilities	76,182	62,916	686,263
Net deferred tax assets	¥ 371,074	¥ 401,527	\$ 3,342,713

(Note) "Asset equal to asset retirement obligations" was included in "Other" in the deferred tax liabilities section as of March 31, 2018. Since the amount is material, such amount is disclosed separately as of March 31, 2019. The amount included in "Other" as of March 31, 2018, was ¥1,035 million.

"Reserve for special depreciation" was disclosed separately as of March 31, 2018. Since the amount is immaterial, such amount is included in "Other" in the deferred tax liabilities section as of March 31, 2019. The corresponding amount included in "Other" as of March 31, 2018, was ¥2,814 million.

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The expiration of net operating tax loss carryforwards, the related valuation allowances and the resulting net deferred tax assets as of March 31, 2019, was as follows:

March 31, 2019	Millions of Yen						Total
	One Year or Less	After One Year through Two Years	After Two Years through Three Years	After Three Years through Four Years	After Four Years through Five Years	After Five Years	
Net operating tax loss							
carryforwards (a)	¥ 365	¥ 1,717	¥ 57,112	¥ 6,080	¥ 25,567	¥ 12,203	¥ 103,047
Less valuation allowance	(365)	(1,717)	(186)	(109)	(25,486)	(1,961)	(29,826)
Deferred tax assets			56,926	5,971	80	10,242	(b) 73,221

March 31, 2019	Thousands of U.S. Dollars						Total
	One Year or Less	After One Year through Two Years	After Two Years through Three Years	After Three Years through Four Years	After Four Years through Five Years	After Five Years	
Net operating tax loss	\$ 3,290	\$ 15,469	\$ 514,484				
carryforwards (a)	(3,290)	(15,469)	(1,678)	\$ 54,776	\$ 230,316	\$ 109,934	\$ 928,272
Less valuation allowance			512,805	(985)	(229,587)	(17,670)	(268,681)
Deferred tax assets				53,791	729	92,264	(b) 659,590

(a) The Company calculates the amount of "Net operating tax loss carryforwards" by multiplying the normal effective statutory tax rate.

(b) The Company considers deferred tax assets as of March 31, 2019, as recoverable based on past and current consolidated taxable income and prospects of future consolidated taxable income.

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 year ended March 31, 2019, is as follows:

	2019	2018
Normal effective statutory tax rate	28.0%	
Less valuation allowance	4.7	
Other – net	0.5	
Actual effective tax rate	33.2%	

(Note) The Company does not disclose 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 year ended March 31, 2018, because the reconciliation was 5% or less.

13. RESEARCH AND DEVELOPMENT COSTS

Research and development costs charged to income were ¥12,000 million (\$108,099 thousand) and ¥11,318 million for the years ended March 31, 2019 and 2018, respectively.

14. RELATED-PARTY DISCLOSURES

Related-party transactions of the Companies with an associated companies for the years ended March 31, 2019 and 2018, were as follows:

(1) 2019

Category	Name	Address	Capital Stock or Stake Millions of Yen	Description of Business
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
Voting Right	Relationship with Related Party	Detail of Transactions	Transaction Amount	
			Millions of Yen	Thousands of U.S. Dollars
16.6%	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	¥ 164,582	\$ 1,482,592

(2) 2018

Category	Name	Address	Capital Stock or Stake Millions of Yen	Description of Business
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
Voting Right	Relationship with Related Party	Detail of Transactions	Transaction Amount	
			Millions of Yen	
16.6%	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	¥ 174,387	

15. LEASES

Because of insignificant amounts of investment in leases, the Company has omitted notation in the notes to consolidated financial statements.

16. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES**(1) Policy for Financial Instruments**

The Companies use 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 Companies raise 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 receivable are exposed to customer credit risk, electricity charges, the 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. 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.

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. Please see Note 17 for more details about 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.

Liquidity risk management

The Companies manage liquidity risk by ensuring ready liquidity 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 17 for details of the fair value of derivatives.

(a) Fair value of financial instruments

March 31, 2019	Millions of Yen		
	Carrying Amount	Fair Value	Unrealized Gain
Investment securities	¥ 168,758	¥ 168,815	¥ 57
Cash and cash equivalents	158,978	158,977	
Receivables	342,145	342,145	
Total	¥ 669,882	¥ 669,939	¥ 57
Long-term debt	¥ 3,437,376	¥ 3,483,328	¥ 45,952
Short-term borrowings	416,096	416,096	
Notes and accounts payable	195,659	195,659	
Accrued income taxes	13,361	13,361	
Total	¥ 4,062,493	¥ 4,108,445	¥ 45,952
Derivatives	¥ (10,641)	¥ (10,641)	

Some investment securities are included in other current assets in the consolidated balance sheet.

Long-term debt includes current maturities of long-term debt

in the consolidated balance sheet.

Derivatives are stated at the net amount.

March 31, 2018	Millions of Yen		
	Carrying Amount	Fair Value	Unrealized Gain
Investment securities	¥ 178,833	¥ 178,885	¥ 52
Cash and cash equivalents	144,176	144,176	
Receivables	297,999	297,999	
Total	¥ 621,009	¥ 621,062	¥ 52
Long-term debt	¥ 3,408,013	¥ 3,470,984	¥ 62,970
Short-term borrowings	300,226	300,226	
Notes and accounts payable	183,525	183,525	
Accrued income taxes	14,471	14,471	
Total	¥ 3,906,237	¥ 3,969,208	¥ 62,970
Derivatives	¥ (6,464)	¥ (6,464)	

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March 31, 2019	Thousands of U.S. Dollars		
	Carrying Amount	Fair Value	Unrealized Gain
Investment securities	\$ 1,520,213	\$ 1,520,727	\$ 513
Cash and cash equivalents	1,432,106	1,432,103	
Receivables	3,082,113	3,082,113	
Total	\$ 6,034,433	\$ 6,034,944	\$ 513
Long-term debt	\$ 30,964,561	\$ 31,378,507	\$ 413,945
Short-term borrowings	3,748,281	3,748,281	
Notes and accounts payable	1,762,539	1,762,539	
Accrued income taxes	120,362	120,362	
Total	\$ 36,595,745	\$ 37,009,691	\$ 413,945
Derivatives	\$ (95,857)	\$ (95,857)	

Investment securities

The fair values of investment securities are measured at the quoted market price on the stock exchange for the equity instruments or at the quoted price obtained from the financial institution. Information related to the fair value of investment securities by classification is included in Note 5.

Cash and cash equivalents and receivables

The carrying values of cash and cash equivalents and receivables approximate fair value because of their short maturities.

Long-term debt

The fair values of loans are determined by discounting the cash flows related to the debt at the Companies' assumed corporate borrowing rate.

The fair values of corporate bonds approximate market value.

Short-term borrowings, notes and accounts payable, and accrued income taxes

The carrying values of short-term borrowings, notes and accounts payable, and accrued income taxes approximate fair value because of their short maturities.

Derivatives

Fair value information for derivatives is included in Note 17.

(b) Financial instruments whose fair value cannot be reliably determined were as follows:

	Carrying Amount		Thousands of U.S. Dollars
	Millions of Yen	2018	
	2019		2019
Investments in equity instruments that do not have a quoted market price in an active market	¥ 36,912	¥ 34,628	\$ 332,514
Invested instruments and other	25,410	18,178	228,900

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

March 31, 2019	Millions of Yen			
	Due in One Year or Less	Due after One Year through Five Years	Due after Five Years through Ten Years	Due after Ten Years
Investment securities:				
Held-to-maturity securities	¥ 190	¥ 915	¥ 310	¥ 500
Available-for-sale securities with contractual maturities		100	100	
Cash and cash equivalents	158,977			
Receivables	311,137	1,368	12	1
March 31, 2019	Thousands of U.S. Dollars			
Investment securities:				
Held-to-maturity securities	\$ 1,711	\$ 8,242	\$ 2,792	\$ 4,504
Available-for-sale securities with contractual maturities		900	900	
Cash and cash equivalents	1,432,103			
Receivables	2,802,790	12,323	110	14

Please see Note 7 for annual maturities of long-term debt.

17. DERIVATIVES

The Companies principally use foreign exchange forward contracts, currency swaps, interest rate swaps, and commodity swaps in the normal course of business to manage their exposures to fluctuations in foreign exchange, interest rates, fuel prices, and so on. The Companies do 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 Companies, therefore, do not anticipate any losses arising from credit risk.

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

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Derivative Transactions to Which Hedge Accounting Is Not Applied

March 31, 2019	Millions of Yen			
	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Loss
Currency swaps (U.S. dollar payment, Japanese yen receipt)	¥ 10,237	¥ 5,134	¥ (1,468)	¥ (1,468)
March 31, 2018				
Currency swaps (U.S. dollar payment, Japanese yen receipt)	¥ 15,340	¥ 10,237	¥ (1,368)	¥ (1,368)
March 31, 2019	Thousands of U.S. Dollars			
	Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Loss
Currency swaps (U.S. dollar payment, Japanese yen receipt)	\$ 92,222	\$ 46,256	\$ (13,232)	\$ (13,232)

Derivative Transactions to Which Hedge Accounting is Applied

March 31, 2019	Hedged Item	Millions of Yen		
		Contract Amount	Contract Amount Due after One Year	Fair Value
Principle treatment:				
Buying U.S. dollars	Fuel purchasing fund	¥ 219,075	¥ 219,075	¥ (6,272)
Foreign exchange forward contracts:				
Buying U.S. dollars	Fuel purchasing fund	1,282	562	28
Principle treatment:				
Interest rate swaps (fixed price payment, floating price receipt)	Long-term debt	56,376	55,660	(2,213)
Special hedging treatment:				
Interest rate swaps (fixed price payment, floating price receipt)	Long-term debt	343,579	281,167	(*)
Commodity swaps (fixed price payment, floating price receipt)	Fuel	19,141		(715)
March 31, 2018				
Principle treatment:				
Buying U.S. dollars	Fuel purchasing fund	¥ 70,140	¥ 70,140	¥ (2,165)
Foreign exchange forward contracts:				
Buying U.S. dollars	Fuel purchasing fund	1,684	1,208	(84)
Principle treatment:				
Interest rate swaps (fixed price payment, floating price receipt)	Long-term debt	16,621	15,906	(292)
Special hedging treatment:				
Interest rate swaps (fixed price payment, floating price receipt)	Long-term debt	413,799	341,079	(*)
Commodity swaps (fixed price payment, floating price receipt)	Fuel	39,013	19,080	(2,554)
March 31, 2019	Thousands of U.S. Dollars			
	Hedged Item	Contract Amount	Contract Amount Due after One Year	Fair Value
Principle treatment:				
Buying U.S. dollars	Fuel purchasing fund	\$ 1,973,474	\$ 1,973,474	\$ (56,504)
Foreign exchange forward contracts:				
Buying U.S. dollars	Fuel purchasing fund	11,552	5,065	260
Principle treatment:				
Interest rate swaps (fixed price payment, floating price receipt)	Long-term debt	507,848	501,401	(19,939)
Special hedging treatment:				
Interest rate swaps (fixed price payment, floating price receipt)	Long-term debt	3,095,033	2,532,815	(*)
Commodity swaps (fixed price payment, floating price receipt)	Fuel	172,426		(6,442)

(*) 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.

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

18. COMPREHENSIVE INCOME

The components of other comprehensive income for the years ended March 31, 2019 and 2018, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2019	2018	2019
Unrealized gain (loss) on available-for-sale securities:			
(Losses) gains arising during the year	¥ (8,985)	¥ 10,667	\$ (80,945)
Reclassification adjustments to loss	(116)		(1,050)
Amount before income tax effect	(9,102)	10,667	(81,996)
Income tax effect	2,567	(3,100)	23,127
Total	¥ (6,535)	¥ 7,566	\$ (58,868)
Deferred (loss) gain on derivatives under hedge accounting:			
Loss arising during the year	¥ (2,885)	¥ (4,959)	\$ (25,991)
Reclassification adjustments to loss	(2)	(1)	(18)
Adjustments to acquisition costs of assets	(1,027)	5,785	(9,256)
Amount before income tax effect	(3,914)	825	(35,266)
Income tax effect	(2,235)	(242)	(20,136)
Total	¥ (6,150)	¥ 583	\$ (55,403)
Foreign currency translation adjustments:			
Adjustments arising during the year	¥ (2,757)	¥ (1,519)	\$ (24,841)
Defined retirement benefit plans:			
Adjustments arising during the year	¥ (1,868)	¥ (5,513)	\$ (16,835)
Reclassification adjustments to profit	4,867	13,955	43,843
Amount before income tax effect	2,998	8,441	27,007
Income tax effect	(849)	(2,350)	(7,649)
Total	¥ 2,148	¥ 6,091	\$ 19,358
Share of other comprehensive income in associates:			
(Losses) gains arising during the year	¥ (1,744)	¥ 2,740	\$ (15,714)
Reclassification adjustments to profit	265	431	2,391
Total	¥ (1,479)	¥ 3,171	\$ (13,323)
Total other comprehensive income	¥ (14,773)	¥ 15,892	\$ (133,078)

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19. COMMITMENTS AND CONTINGENCIES

At March 31, 2019, the Companies had firm purchase commitments, principally related to utility plant expansion, of approximately ¥496,278 million (\$4,470,575 thousand). Additionally, the Companies

had a number of fuel purchase commitments, most of which specify quantities and terms. Purchase prices are principally contingent upon fluctuations of market prices.

At March 31, 2019, the Companies had the following contingent liabilities:

	Millions of Yen	Thousands of U.S. Dollars
	2019	2019
Co-guarantees or guarantees of loans and bonds of other companies:		
Japan Nuclear Fuel Limited (Note 14)	¥ 164,582	\$ 1,482,592
Other	93,034	838,070
Total	¥ 257,616	\$ 2,320,663
A guarantee about power supply for PT Bhumi Jati Power	¥ 7,250	\$ 65,310
Fuel purchase commitment with ABLE Energy Limited Liability Company	3,360	30,270

20. NET INCOME PER SHARE

Diluted net income per share ("EPS") for the years ended March 31, 2019 and 2018, is not disclosed because the Companies do not issue dilutive securities.

	Millions of Yen	Thousands of Shares	Yen	U.S. Dollars
	Net Income Attributable to Owners of the Parent	Weighted-Average Shares	EPS	
For the year ended March 31, 2019				
Basic EPS:				
Net income attributable to common shareholders	¥ 115,077	893,240	¥ 128.83	\$ 1.16
For the year ended March 31, 2018				
Basic EPS:				
Net income attributable to common shareholders	¥ 151,880	893,385	¥ 170.01	

As noted in Note 2.v, 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 (98,533 shares in 2019) is reflected.

21. SUBSEQUENT EVENTS

On April 25, 2019, by resolution of the Board of Directors, the Company decided that on April 1, 2020, the Company will transfer its general power transmission and distribution business through company split to Kansai Transmission and Distribution, Inc. (the "succeeding company"), and on the same date, the Company executed an absorption-type split agreement with the succeeding company (this company split is hereinafter referred to as the "Split").

The effect of the Split is subject to the approval of the related proposals at the 95th general shareholders meeting planned to be convened on June 21, 2019, as well as issue by the competent authorities of the permits and approvals necessary for the performance of business.

(1) Background and Purpose of the Split

In regard to Japan's energy policy, from the standpoint of stable supply of energy and reduction of energy costs, electric power systems reform aiming to "secure a stable supply of electric power," "suppress electricity rates to the maximum extent possible" and to "expand choices for consumers and business opportunities" have proceeded. In April 2020, as the third step of such reform, the revised Electricity Business Act will come into force, in which a company engaged in the general electricity transmission and distribution business is prohibited, in principal, to simultaneously also engage in the electricity generation business or the retail electricity business, in order to further secure neutrality of the electricity transmission division and to realize a more competitive market environment. As a result, spin off of the general electricity transmission and distribution business will be required ("Legal Separation").

In order to accommodate the requirement of the revised Electricity Business Act, on April 1, 2019, the Company established the succeeding company (100%-owned subsidiary of the Company) as a business operator to undertake the general electricity transmission and distribution business and any business incidental thereto, and on the same date, executed an absorption-type split agreement with the succeeding company to transfer, on April 1, 2020, such business to the succeeding company through such absorption-type split.

In regard to the electricity generation business and the retail electricity business, the Company will work in a consolidated way as the operating holding company even after Legal Separation, to allow the best use of management resources according to the then-current environment, and aim to maximize the value of the Companies by providing a variety of energy solutions to the Company's customers and society, and to encourage them select the Company from among others.

The Company will not only appropriately respond to Legal Separation, but will also realize sustainable growth for the Companies (including Kansai Transmission and Distribution, Inc.) by continuing to achieve safe and stable supply, overcome changes in the business environment and proceed with reform.

(2) Outline of the Split

(a) Schedule of the Split

Board of Directors to approve the agreement on absorption-type split (the Company):	April 25, 2019
Resolution of directors to approve the agreement on absorption-type split (the succeeding company):	April 25, 2019
Execution of the agreement on absorption-type split:	April 25, 2019
General stockholders meeting to approve the agreement on absorption-type split:	June 21, 2019
Extraordinary stockholders meeting to approve the agreement on absorption-type split (the succeeding company):	June 21, 2019
Absorption-type split to come into effect:	April 1, 2020

(b) Type of split

This is an absorption-type split where the Company is the splitting company and Kansai Transmission and Distribution, Inc., a subsidiary wholly owned by the Company, is the succeeding company.

(c) Particulars of allotment due to the Split

For the Company split, the succeeding company shall make a new issue of 40,900,000 common shares and allot all of them to the Company.

(d) Arrangement of the Company's share options and corporate bonds with share options

The Company has not issued share options and corporate bonds with share options.

(e) Capital increased or decreased due to the Split

There will be no change in capital due to the Split.

(f) Rights and obligations succeeded to by the succeeding company

Kansai Transmission and Distribution, Inc. shall succeed the rights and obligations held with respect to the general electricity transmission and distribution business and any business incidental thereto on the effective day in accordance with the provisions of the absorption-type company split agreement with the Company on April 25, 2019.

With respect to the assumption of obligations by the succeeding company through the Split, the succeeding company will assume, and in doing so, release the Company from, such obligations.

The succeeding company will not assume obligations, etc., associated with existing public bonds of the Company.

(g) Perspective of performance of obligation

It is expected that the Company and the succeeding company will still have assets in excess of liabilities after the Split, and presently the Company do not envision the occurrence of any events that would cause an impediment to the performance of obligations arising after the Split, and for these reasons, the Company judges that there will be no problems with respect to the prospects for the Company and the succeeding company to perform its obligations after the Split.

(3) Outline of Business Unit to Be Split**(a) Description of business unit to be split**

General electricity transmission and distribution business and any business incidental thereto

(b) Operating results of business unit to be split [Fiscal year ended March 31, 2019]

Businesses of Divisions Subject to the Split	Sales of Businesses Subject to the Split (a)	Unconsolidated Sales of the Company (b)	Ratio (a/b)
General electricity transmission and distribution business and any business incidental thereto	¥ 192,841 million (\$ 1,737,152 thousand)	¥ 2,797,191 million (\$ 25,197,650 thousand)	6.9%

(Note) External sales are stated.

(c) Items and amounts of assets and liabilities to be split [As of March 31, 2019]

Assets		Liabilities	
Item	Book Value	Item	Book Value
Property	¥2,330,228 million (\$20,991,159 thousand)	Long-term liabilities and reserves	¥187,866 million (\$1,692,341 thousand)
Current assets	¥38,413 million (\$346,034 thousand)	Current liabilities	¥133,425 million (\$1,201,920 thousand)
Total	¥2,368,641 million (\$21,337,193 thousand)	Total	¥321,292 million (\$2,894,262 thousand)

(Note) The amounts of assets and liabilities to be divided shown above are the estimates pursuant to the current status as of March 31, 2019. The amounts that will actually be transferred will reflect any increases or decreases made to the above amounts up to the day immediately preceding the effective date of the Split.

(4) State of Affairs of the Company after the Split [As of April 1, 2020 (Schedule)]

	Splitting Company
(1) Company name	The Kansai Electric Power Company, Incorporated
(2) Location	3-6-16 Nakanoshima, Kita-Ku, Osaka City
(3) Title and name of authorized representative	Shigeki Iwane, President and Director
(4) Description of business	Electricity business, etc.
(5) Capital	¥489,320 million (\$4,407,897 thousand)
(6) Fiscal year end	March 31

(5) State of Affairs of the Succeeding Company after the Split [As of April 1, 2020 (Schedule)]

	Succeeding Company
(1) Company name	Kansai Transmission and Distribution, Incorporated
(2) Location	3-6-16 Nakanoshima, Kita-Ku, Osaka City
(3) Title and name of authorized representative	Yoshihiro Doi, President and Director
(4) Description of business	General electricity transmission and distribution business, etc.
(5) Capital	¥40,000 million (\$360,327 thousand)
(6) Fiscal year end	March 31

The Kansai Electric Power Company, Incorporated and Its Subsidiaries
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22. 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 Companies' 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 Companies.

The Companies' operating segments consist of Electric Power, Gas/Other Energies, IT/Communications, and real estate/life, in accordance with the "Kansai Electric Power Group Medium-Term Management Plan (2016-2018)," and Electric Power, Gas/Other Energies, and IT/Communications are disclosed as reportable segments under ASBJ Statement No. 17.

The aggregate of the Electric Power and Gas/Other Energies segments is presented as the Comprehensive Energy/Power Transmission and Distribution Business.

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."

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

	Millions of Yen								
	2019								
	Reportable Segment				Comprehensive Energy / Power Transmission and Distribution Business				
	Electric Power	Gas / Other Energies	Subtotal	IT/Communications	Total	Other	Total	Reconciliations	Consolidated
Sales:									
Sales to external customers	¥ 2,668,312	¥ 210,819	¥ 2,879,132	¥ 217,757	¥ 3,096,889	¥ 210,771	¥ 3,307,661		¥ 3,307,661
Intersegment sales or transfers	20,558	73,266	93,824	49,689	143,514	233,924	377,439	¥ (377,439)	
Total	¥ 2,688,870	¥ 284,086	¥ 2,972,956	¥ 267,447	¥ 3,240,404	¥ 444,696	¥ 3,685,100	¥ (377,439)	¥ 3,307,661
Segment profit	¥ 140,577	¥ (4,486)	¥ 136,091	¥ 32,535	¥ 168,626	¥ 38,661	¥ 207,287	¥ (2,434)	¥ 204,853
Segment assets	5,859,348	588,546	6,447,895	339,255	6,787,150	1,198,965	7,986,116	(728,752)	7,257,363
Other:									
Depreciation	244,486	24,971	269,457	55,484	324,942	12,745	337,687	(5,703)	331,984
Increase in property and intangible assets	366,340	24,589	390,929	39,023	429,952	63,791	493,743	(8,443)	485,299

	Millions of Yen								
	2018								
	Reportable Segment				Comprehensive Energy / Power Transmission and Distribution Business				
	Electric Power	Gas / Other Energies	Subtotal	IT/Communications	Total	Other	Total	Reconciliations	Consolidated
Sales:									
Sales to external customers	¥ 2,596,114	¥ 141,240	¥ 2,737,354	¥ 203,167	¥ 2,940,522	¥ 193,110	¥ 3,133,632		¥ 3,133,632
Intersegment sales or transfers	16,864	32,918	49,782	40,242	90,025	230,122	320,148	¥ (320,148)	
Total	¥ 2,612,979	¥ 174,158	¥ 2,787,137	¥ 243,410	¥ 3,030,548	¥ 423,232	¥ 3,453,781	¥ (320,148)	¥ 3,133,632
Segment profit	¥ 170,335	¥ 941	¥ 171,276	¥ 26,269	¥ 197,545	¥ 30,431	¥ 227,977	¥ (425)	¥ 227,551
Segment assets	5,493,197	523,395	6,016,592	343,927	6,360,520	1,246,340	7,606,860	(621,772)	6,985,088
Other:									
Depreciation	250,752	25,309	276,061	58,015	334,077	12,067	346,145	(5,857)	340,287
Increase in property and intangible assets	294,503	25,443	319,947	41,091	361,039	50,886	411,926	(4,914)	407,012

	Thousands of U.S. Dollars								
	2019								
	Reportable Segment				Comprehensive Energy / Power Transmission and Distribution Business				
	Electric Power	Gas / Other Energies	Subtotal	IT/Communications	Total	Other	Total	Reconciliations	Consolidated
Sales:									
Sales to external customers	\$ 24,036,682	\$ 1,899,107	\$ 25,935,790	\$ 1,961,602	\$ 27,897,393	\$ 1,898,673	\$ 29,796,066		\$ 29,796,066
Intersegment sales or transfers	185,194	659,997	845,192	447,616	1,292,808	2,107,238	3,400,047	\$(3,400,047)	
Total	\$ 24,221,877	\$ 2,559,105	\$ 26,780,982	\$ 2,409,219	\$ 29,190,202	\$ 4,005,911	\$ 33,196,113	\$(3,400,047)	\$ 29,796,066
Segment profit	\$ 1,266,349	\$ (40,414)	\$ 1,225,934	\$ 293,086	\$ 1,519,020	\$ 348,269	\$ 1,867,290	\$ (21,931)	\$ 1,845,359
Segment assets	52,782,171	5,301,741	58,083,912	3,056,082	61,139,994	10,800,515	71,940,510	(6,564,744)	65,375,765
Other:									
Depreciation	2,202,381	2,224,946	2,427,327	499,819	2,927,146	114,812	3,041,959	(51,380)	2,990,578
Increase in property and intangible assets	3,300,064	221,502	3,521,567	351,528	3,873,095	574,643	4,447,739	(76,062)	4,371,676

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated balance sheet of The Kansai Electric Power Company, Incorporated and its consolidated subsidiaries as of March 31, 2019, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Kansai Electric Power Company, Incorporated and its subsidiaries as of March 31, 2019, and the consolidated results of their operations and their 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.



June 20, 2019

Member of
Deloitte Touche Tohmatsu Limited

**The Kansai Electric Power Company,
Incorporated**

Unaudited Non-Consolidated Financial Statements
for the Year Ended March 31, 2019

The Kansai Electric Power Company, Incorporated
March 31, 2019

ASSETS

	Millions of Yen		Thousands of U.S. Dollars
	2019	2018	2019
PROPERTY:			
Plant and equipment	¥ 15,205,528	¥ 15,099,786	\$ 136,974,407
Construction in progress	569,123	429,513	5,126,779
Contributions in aid of construction	(470,032)	(466,191)	(4,234,149)
Accumulated depreciation and amortization	(11,452,350)	(11,302,268)	(103,165,037)
Plant and equipment - net	3,852,269	3,760,839	34,702,000
Nuclear fuel, net of amortization	506,278	494,124	4,560,661
Property - net	4,358,548	4,254,963	39,262,661
INVESTMENTS AND OTHER ASSETS:			
Investment securities	118,636	128,887	1,068,700
Investments in and advances to subsidiaries and associated companies	870,778	521,350	7,844,145
Long-term loans receivable	282	279	2,545
Special account related to nuclear power decommissioning	73,025	78,332	657,825
Special account related to reprocessing of spent nuclear fuel	56,134	25,168	505,675
Deferred tax assets	310,478	341,107	2,796,847
Other assets	105,377	116,654	949,257
Total investments and other assets	1,534,712	1,151,663	13,824,997
CURRENT ASSETS:			
Cash and cash equivalents	125,522	100,353	1,130,726
Accounts receivable	258,947	224,809	2,332,651
Allowance for doubtful accounts	(1,981)	(2,480)	(17,848)
Inventories	68,544	62,283	617,462
Other current assets	60,277	94,404	542,990
Total current assets	511,310	539,488	4,605,983
TOTAL	¥ 6,404,571	¥ 5,946,115	\$ 57,693,642

U.S. dollar amounts have been translated from yen, for convenience, at the rate of ¥111.01 = U.S. \$1, the approximate rate of exchange at March 31, 2019.

LIABILITIES AND EQUITY

	Millions of Yen		Thousands of U.S. Dollars
	2019	2018	2019
LONG-TERM LIABILITIES:			
Long-term debt, less current maturities	¥ 2,730,103	¥ 2,528,613	\$ 24,593,307
Liability for retirement benefits	334,360	331,158	3,011,982
Accrued contributions for reprocessing of irradiated nuclear fuel	10,900	21,800	98,190
Asset retirement obligations	493,275	435,420	4,443,527
Other long-term liabilities	258,862	213,400	2,331,887
Total long-term liabilities	3,827,502	3,530,393	34,478,894
CURRENT LIABILITIES:			
Current maturities of long-term debt	466,496	574,113	4,202,295
Short-term borrowings	130,000	130,000	1,171,065
Commercial paper	270,000	154,000	2,432,213
Accounts payable	115,230	115,577	1,038,019
Payable to subsidiaries and associated companies	208,848	82,143	1,881,348
Reserve for disaster restoration costs	1,301	-	11,722
Accrued expenses and other current liabilities	381,704	396,966	3,438,470
Total current liabilities	1,573,581	1,452,831	14,175,135
RESERVE FOR FLUCTUATIONS IN WATER LEVEL	28,389	28,948	255,737
EQUITY:			
Common stock-authorized, 1,784,059,697 shares; issued, 938,733,028 shares in 2019 and 2018	489,320	489,320	4,407,897
Capital surplus:			
Additional paid-in capital	67,031	67,031	603,830
Retained earnings:			
Legal reserve	40,729	36,708	366,902
Unappropriated	424,740	381,540	3,826,142
Unrealized gain on available-for-sale securities	50,476	57,569	454,702
Deferred loss on derivatives under hedge accounting	(510)	(1,840)	(4,601)
Treasury stock - at cost 45,275,986 shares in 2019, and 45,086,611 shares in 2018	(96,689)	(96,387)	(870,998)
Total equity	975,097	933,942	8,783,874
TOTAL	¥ 6,404,571	¥ 5,946,115	\$ 57,693,642

U.S. dollar amounts have been translated from yen, for convenience, at the rate of ¥111.01 = U.S. \$1, the approximate rate of exchange at March 31, 2019.

The Kansai Electric Power Company, Incorporated
Year Ended March 31, 2019

	Millions of Yen		Thousands of U.S. Dollars
	2019	2018	2019
OPERATING REVENUES:			
Electricity operating revenues:			
Residential	¥ 899,541	¥ 995,959	\$ 8,103,248
Commercial and industrial	1,312,728	1,240,661	11,825,318
Other	476,600	376,358	4,293,310
Sub-total	2,688,870	2,612,979	24,221,877
Incidental operating revenues	108,320	70,966	975,773
Total	2,797,191	2,683,945	25,197,650
OPERATING EXPENSES:			
Electricity operating expenses:			
Personnel expenses	216,540	217,222	1,950,638
Fuel costs	538,227	520,117	4,848,462
Cost of purchased power	516,874	466,719	4,656,111
Maintenance costs	177,078	184,106	1,595,155
Depreciation	244,444	250,710	2,202,005
Taxes	140,031	140,381	1,261,428
Other	715,095	663,386	6,441,725
Sub-total	2,548,293	2,442,644	22,955,527
Incidental operating expenses	114,909	75,879	1,035,131
Total	2,663,203	2,518,523	23,990,659
OPERATING INCOME	133,988	165,421	1,206,991
OTHER (INCOME) EXPENSES:			
Interest and dividends income	(16,697)	(13,139)	(150,416)
Interest expense	26,568	33,380	239,337
Other - net	(6,396)	(326)	(57,622)
Total	3,474	19,914	31,298
EXTRAORDINARY EXPENSES			
Loss on disaster	10,280	-	92,613
Total extraordinary expenses	10,280	-	92,613
INCOME BEFORE PROVISION FOR RESERVE FOR FLUCTUATIONS IN WATER LEVEL AND INCOME TAXES			
	120,232	145,506	1,083,079
PROVISION FOR (REVERSAL OF) RESERVE FOR FLUCTUATIONS IN WATER LEVEL	(558)	1,495	(5,032)
INCOME BEFORE INCOME TAXES	120,232	144,010	1,088,112
INCOME TAXES			
Current	487	2,993	4,393
Deferred	32,868	37,980	296,084
Total	87,435	40,974	300,477
NET INCOME	¥ 87,435	¥ 103,036	\$ 787,634

U.S. dollar amounts have been translated from yen, for convenience, at the rate of ¥111.01 = U.S. \$1, the approximate rate of exchange at March 31, 2019.

The Kansai Electric Power Company, Incorporated
Year Ended March 31, 2019

	Millions of Yen									
	Number of Shares of Common Stock Outstanding	Common Stock	Capital Surplus		Retained Earnings		Treasury Stock	Unrealized Gain on Available-for-Sale Securities	Deferred Loss on Derivatives under Hedge Accounting	Total Equity
			Additional Paid-in Capital	Other Capital Surplus	Legal Reserve	Unappropriated				
BALANCE, APRIL 1, 2017	938,733,028	¥ 489,320	¥ 67,031		¥ 33,133	¥ 317,826	¥ (96,307)	¥ 51,392	¥ (3,912)	¥ 858,486
Net Income					3,574	(39,322)				103,036
Purchase of treasury stock						103,036	(83)			(83)
Disposal of treasury stock					(1)		3			(1)
Transfer to capital surplus										
from retained earnings					1		(1)			3
Net change in the year								6,176	2,071	
BALANCE, MARCH 31, 2018	938,733,028	¥ 489,320	¥ 67,031		¥ 36,708	¥ 381,540	¥ (96,387)	¥ 57,569	¥ (1,840)	¥ 933,942
Cash dividends					4,021	(44,234)				(40,213)
Net Income						87,435				87,435
Purchase of treasury stock							(304)			(304)
Disposal of treasury stock							2			1
Transfer to capital surplus										
from retained earnings										
Net change in the year								(7,092)	1,329	(5,763)
BALANCE, MARCH 31, 2019	938,733,028	¥ 489,320	¥ 67,031		¥ 40,729	¥ 424,740	¥ (96,689)	¥ 50,476	¥ (510)	¥ 975,097

	Thousands of U.S. Dollars									
	Common Stock	Capital Surplus		Retained Earnings		Treasury Stock	Unrealized Gain on Available-for-Sale Securities	Deferred Loss on Derivatives under Hedge Accounting	Total Equity	
		Additional Paid-in Capital	Other Capital Surplus	Legal Reserve	Unappropriated					
BALANCE, MARCH 31, 2018	\$ 4,407,897	\$ 603,830		\$ 330,677	\$ 3,436,990	\$ (868,275)	\$ 518,595	\$ (16,578)	\$ 8,413,137	
Cash dividends				36,225	(398,477)				(362,251)	
Net Income					787,634				787,634	
Purchase of treasury stock						(2,745)			(2,745)	
Disposal of treasury stock				(5)		22			17	
Transfer to capital surplus										
from retained earnings				5		(5)				
Net change in the year							(63,893)	11,976	(51,917)	
BALANCE, MARCH 31, 2019	\$ 4,407,897	\$ 603,830		\$ 366,902	\$ 3,826,142	\$ (870,998)	\$ 454,702	\$ (4,601)	\$ 8,783,874	

U.S. dollar amounts have been translated from yen, for convenience, at the rate of ¥111.01 = U.S. \$1, the approximate rate of exchange at March 31, 2019.

The Kansai Electric Power Company, Incorporated and Its Subsidiaries
March 31, 2019

	Non-Consolidated Basis					Consolidated Basis				
	2015	2016	2017	2018	2019	2015	2016	2017	2018	2019
Operating Revenues (Millions of Yen)	3,032,435	2,868,293	2,614,440	2,683,945	2,797,191	3,406,030	3,245,906	3,011,337	3,133,632	3,307,661
Operating Income (Millions of Yen)	(130,805)	208,566	164,524	165,421	133,988	(78,600)	256,702	217,747	227,551	204,853
Ordinary Income (Millions of Yen)	(159,626)	200,142	143,720	145,506	130,513	(113,052)	241,651	196,125	217,104	203,636
Net Income (Millions of Yen)	(176,721)	118,540	103,064	103,036	87,435	(148,375)	140,800	140,789	151,880	115,077
Total Ordinary Revenues (Millions of Yen)	3,074,712	2,913,347	2,653,410	2,704,940	2,823,795					
Residential	1,129,114	1,063,806	999,811	995,959	899,541					
Commercial and Industrial	1,655,047	1,530,231	1,296,832	1,240,661	1,312,728					
Total	2,784,161	2,594,038	2,296,643	2,236,621	2,212,270					
Other	290,550	319,309	356,766	468,318	611,525					
Total Ordinary Expenses (Millions of Yen)	3,234,338	2,713,205	2,509,690	2,559,433	2,693,282					
Personnel Expenses	195,986	196,724	204,685	217,222	216,540					
Fuel Costs	1,186,593	710,326	523,544	520,117	538,227					
Backend Expenses of Nuclear Power	42,994	37,669	32,203	59,959	89,863					
Maintenance Costs	184,611	185,351	189,583	184,106	177,078					
Taxes Other Than Income Taxes	148,470	148,032	148,428	144,796	144,460					
Depreciation	298,148	281,790	277,485	250,710	244,444					
Cost of Purchased Power	571,107	493,577	461,657	466,719	516,874					
Interest Expense	50,624	46,790	42,956	33,380	26,568					
Other	555,800	612,940	629,144	682,420	739,221					
Interest Expense (Millions of Yen)	50,624	46,790	42,956	33,380	26,568	55,373	51,322	48,391	37,219	30,430
Return on Equity (ROE) (%)	(24.5)	17.2	12.9	11.5	9.2	(13.3)	12.7	11.3	10.9	7.8
Return on Assets (ROA) (%)	(1.6)	3.7	3.0	3.0	2.5	(0.7)	3.9	3.4	3.7	3.3
Net Income per Share (Yen)	(197.72)	132.63	115.32	115.30	97.85	(166.06)	157.59	157.58	170.01	128.83
Cash Dividends per Share (Yen)	0.00	0.00	25.00	35.00	50.00					
Capital Investments (Millions of Yen)	300,069	254,183	232,458	295,449	369,361	420,667	369,302	344,098	407,012	485,299
Total Assets (Millions of Yen)	6,768,934	6,433,093	5,834,912	5,946,115	6,404,571	7,743,378	7,412,472	6,853,182	6,985,088	7,257,363
Net Assets (Millions of Yen)	638,876	742,044	858,486	933,942	975,097	1,060,219	1,201,831	1,344,696	1,472,797	1,532,946
Equity Ratio (%)	9.4	11.5	14.7	15.7	15.2	13.4	15.9	19.3	20.8	20.9
Interest-bearing Debt (Millions of Yen)	3,875,278	3,496,559	3,401,081	3,359,960	3,582,164	4,315,256	3,938,279	3,821,550	3,708,240	3,853,472
Net Assets per Share (Yen)	714.81	830.28	960.60	1,045.09	1,091.38	1,159.53	1,319.33	1,480.46	1,627.66	1,695.36
Free Cash Flows (Millions of Yen)						59,004	204,255	139,919	176,028	(88,130)
Operating Cash Flows (Millions of Yen)						447,666	595,154	485,669	623,266	449,716
Operating Revenues from Group Businesses (external sales) (Billions of Yen)						466.9	450.5	455.1	537.5	639.3
Ordinary Income from Group Businesses (Billions of Yen)						65.1	69.5	61.0	75.7	88.6
Number of Employees	20,628	19,914	19,533	19,243	18,884	33,539	33,089	32,666	32,527	32,597

	Non-Consolidated Basis				
	2015	2016	2017	2018	2019
Electricity Sales Volume (Million kWh)					
Residential	45,858	44,053	43,689	41,767	37,671
Commercial and Industrial	88,633	83,463	77,811	73,477	80,155
Total	134,490	127,516	121,500	115,244	117,826
Electricity Generation Capacity (MW)					
Nuclear	9,768	8,928	8,928	6,578	6,578
Thermal	19,441	19,408	19,408	19,430	19,441
Hydropower	8,222	8,225	8,226	8,226	8,228
Renewable Energies	11	11	11	11	11
Total	37,442	36,573	36,573	34,245	34,259
Power Sources (%)					
Nuclear	0	1	0	10	22
Thermal	86	82	84	70	56
Hydropower	10	12	11	12	11
Renewable Energies	2	3	4	4	4
Other	2	2	1	4	7
Total	100	100	100	100	100
CO ₂ Emission (kg-CO ₂ /kWh)	0.523	0.496	0.493	0.418	0.33
Nuclear Capacity Factor (%)	0.0	1.0	0.0	18.0*	54.6
Thermal Efficiency of Thermal Power Plants (Lower heating value) (%)	46.5	46.6	47.6	48.3	49.0
System Peak Demand in Kansai Area (MW)	27,543	27,048	26,569	26,376	28,650
FTTH services (Thousand Lines)	1,528	1,590	1,625	1,630	1,642
Gas Sales Volumes (LNG conversion [gas and LNG total]) (Thousand Tonnes)	740	720	710	970	1,210

* Calculated based on the output before Notification of Change of Electrical Facilities (determination of the date of decommissioning of Ohi Power Station Units 1 & 2).

Policies		2017/3	2018/3	2019/3
Environmental Action Policy	Established https://www.kepco.co.jp/sustainability/kankyoku/policy/index.html			
Policy pertaining to the initiatives for contributing to the realization of a low-carbon society	Established In this Group Report (Pages 52, 56-60)			
Policy pertaining to the initiatives for contributing to the realization of a recycling-oriented society	Established In this Group Report (Pages 52, 61)			
Policy pertaining to the promotion of environmental protection in local communities	Established In this Group Report (Pages 52, 62-63)			
Policy of Biodiversity	Established Included in the Kansai Electric Power Group Environmental Action Policy https://www.kepco.co.jp/sustainability/kankyoku/policy/index.html			
		2017/3	2018/3	2019/3
CO ₂ emission factor (after adjustment)		0.493 kg-CO ₂ /kWh	0.418 kg-CO ₂ /kWh	0.33 kg-CO ₂ /kWh
CO ₂ emissions (after adjustment)		59.89 million t-CO ₂	48.22 million t-CO ₂	39.00 million t-CO ₂
Direct greenhouse gas emissions (Scope 1)		39.49 million t-CO ₂	32.81 million t-CO ₂	28.66 million t-CO ₂
Indirect greenhouse gas emissions (Scope 2)		10 thousand t-CO ₂	10 thousand t-CO ₂	6 thousand t-CO ₂
Other indirect greenhouse gas emissions (Scope 3)		14 thousand t-CO ₂	8,610 thousand t-CO ₂	8,000 thousand t-CO ₂
* FY 2016 figures are the sum of Categories 4 and 5, FY 2017-2018 figures represent the sum of Categories 1-7.				
Power generation facility capacity ratio by power source				
Nuclear		24%	19%	19%
Thermal		53%	57%	57%
Hydropower		22%	24%	24%
Renewable energies		0.03%	0.03%	0.03%
Renewable energy facility capacity (cumulative)				
[consolidated]		3,668 thousand kW	3,722 thousand kW	3,724 thousand kW
Nuclear power generation		-0.4 TWh	12.9 TWh	30.1 TWh
Hydropower generation		13.4 TWh	13.8 TWh	13.5 TWh
Renewable energies		0.1 TWh	0.07 TWh	0.02 TWh
Thermal power thermal efficacy		47.6%	48.3%	49.0%
Transmission and distribution loss rate		5.47%	4.35%	5.05%
Number of "Hapi e-Miruden" subscribers		2,031,000	3,988,000	4,830,000
Number and rate of smart meters installed		About 7.50 million (About 58%)	About 9.32 million (About 71%)	About 10.58 million (About 81%)
Limiting SF ₆ emissions (calendar year basis)				
(gas recovery rate upon inspection/removal of equipment)		99.3% (upon inspection)	99.6% (upon inspection)	98.5% (upon inspection)
		99.6% (upon removal)	99.3% (upon removal)	99.3% (upon removal)
Industrial waste recycling rate		99.7%	99.9%	99.8%
Amount of industrial waste and other emissions		707.9 thousand t	653.6 thousand t	580.0 thousand t
Amount of industrial waste landfill		1.8 thousand t	0.9 thousand t	0.9 thousand t
Amount of high-concentration PCB processed (cumulative)		4,834 units	5,073 units	5,241 units
SOx emissions (by volume of power from thermal power generation)				
Overall		0.037 g/kWh	0.028 g/kWh	0.022 g/kWh
Thermal		0.043 g/kWh	0.039 g/kWh	0.037 g/kWh
NOx emissions (by volume of power from thermal power generation)				
Overall		0.067 g/kWh	0.055 g/kWh	0.043 g/kWh
Thermal		0.077 g/kWh	0.077 g/kWh	0.074 g/kWh

Policies		2016	2017	2018
Policy pertaining to the respect for human rights	Established Included in the Kansai Electric Power Group CSR Action Charter https://www.kepco.co.jp/sustainability/csr/mind/charter/index.html			
Policy pertaining to Occupational Health and Safety	Established Included in the Kansai Electric Power Group CSR Action Charter https://www.kepco.co.jp/sustainability/csr/mind/charter/index.html			
Diversity Promotion Policy	Established Kansai Electric Power Group Diversity Promotion Policy https://www.kepco.co.jp/sustainability/csr/diversity/policy.html Action Plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace and the Act on Advancement of Measures to Support Raising Next-Generation Children https://www.kepco.co.jp/sustainability/csr/diversity/action_plan_woman.html			

		2017/3	2018/3	2019/3
S Social	Power outage time	5 min	15 min	397 min (due to typhoon No. 21)
	Specialist technicians with specialized skills	216	211	188
	Number of participants in corporatewide comprehensive emergency response drills	885	847	907
	Number of participants in training and practice programs for nuclear power disasters	About 5,700	About 5,900	About 5,900
	Number of reform cases based on customer feedback (cumulative)	90	101	225
	Customer satisfaction (telephone consultation)	—	—	90.20%
	Efforts to promote understanding by local governments	About 5,100 times	About 6,200 times	About 4,600 times
	Volunteer time-off program	71 (166.5 days)	57 (184.5 days)	63 (161.5 days)
	Number of social contribution activities (including "on-site" classes)	1,224	1,369	864
	Amount of donations made	327 million yen	361 million yen	430 million yen
	Amount of social contribution activities	39 million yen	40 million yen	48 million yen
	Number and ratio of female managers	90 / 1.6%	106 / 1.9%	112 / 2.1%
	Rate of childrearing leave utilization among men	2.0%	190.0%	142.2%
	Ratio of workers with disabilities	2.41%	2.44%	2.51%
	Number of group training participants (all group trainings)	38,103	40,893	36,551
	Number of certified vehicle operators	About 11,000	About 10,300	About 9,700
	Accident frequency rate	0.28	0.29	0.43
	Employee satisfaction (internal questionnaire)	75.6%	77.4%	77.4%
	Number of injured ordinary citizens	8	7	5
	Ratio of childrearing leave taken	100%	100%	100%
Ratio of paid leave taken	88.1%	96.1%	97.0%	
Number of employees (non-consolidated)	19,533	19,243	18,884	
Number of employees (consolidated)	32,514	32,527	32,597	
Average age	42.7	43.0	43.2	
Average length of service	22.0 years	22.3 years	22.4 years	
		2017/4	2018/4	2019/4
Number and ratio of female hires for office positions		17 / 44.7%	21 / 42.9%	18 / 37.5%
Number and ratio of female hires for technical positions		27 / 10.3%	27 / 10.0%	23 / 8.4%
Number of new hires		299	320	322
		2017/6	2018/6	2019/6
Total number of community development activity plans realized		4	5	7

Policies		2016	2017	2018
Ethical Code	Established Included in the Kansai Electric Power Group CSR Action Charter https://www.kepco.co.jp/sustainability/csr/mind/charter/index.html			
Privacy Policy	Established https://www.kepco.co.jp/siteinfo/privacy/			
Information Security Guidelines	Established —			
Cyber Security Guidelines	Established —			
Anti-Corruption Guidelines	Established Included in Compliance Guidelines https://www.kepco.co.jp/sustainability/csr/principle/pdf/compliance_guidelines.pdf			
Anti-Bribery Guidelines	Established Included in Compliance Guidelines https://www.kepco.co.jp/sustainability/csr/principle/pdf/compliance_guidelines.pdf			
Whistleblower Protection Policy	Established —			
Basic Policy of Procurement	Established https://www.kepco.co.jp/sustainability/csr/mind/proc/index.html			
Code of Conduct and Procurement Policy for Suppliers	Established https://www.kepco.co.jp/sustainability/csr/mind/proc/client.html			
		2016	2017	2018
Awareness of compliance (internal questionnaire)		95.1%	95.3%	95.8%
Number of cases handled by the Compliance Hotline		74	67	73
Number of information security training participants		17,883	18,846	17,404
Number of directors [of which, outside directors]		16 [3]	14 [3]	14 [3]
Number of auditors [of which, outside auditors]		6 [3]	7 [4]	7 [4]
Ratio of outside directors		27.3%	33.3%	33.3%
Ratio of female directors		4.5%	4.8%	4.8%
Number of boards of directors' meetings held [average attendance ratio]		13 [96.9%]	15 [96.5%]	12 [98.8%]

Company outline As of March 31, 2019

Company name: The Kansai Electric Power Company, Incorporated
 Head office: 3-6-16 Nakanoshima, Kita-ku, Osaka 530-8270, Japan
 Date of establishment: May 1, 1951
 Paid-in capital: ¥489.3 billion
 Operating revenues: ¥3,307.6 billion (consolidated), ¥2,797.1 billion (non-consolidated)
 Total assets: ¥7,257.3 billion (consolidated), ¥6,404.5 billion (non-consolidated)
 Number of employees: 32,597 (consolidated), 18,884 (non-consolidated)
 Electricity sales: 117.8 billion kWh
 Main business: Electric power, heat supply, telecommunications, gas supply

Number of common shares issued: 938,730 thousand
 Number of shareholders: 279,489
 Stock exchange listings: (Common stock) Tokyo Stock Exchange
 Transfer Agent: Mitsubishi UFJ Trust and Banking Corporation
 6-3, Fushimimachi 3-chome, Chuo-ku, Osaka 541-8502, Japan

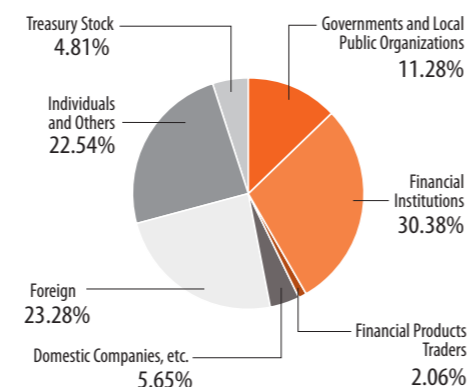
Number of employees: This includes working employees and excludes employees on loan and employees on leave of absence.

Major shareholders

As of March 31, 2019	Number of Shares Held (thousands)	Percentage of Shares Held (%)
Osaka City	68,287	7.64
The Master Trust Bank of Japan, Ltd. (Trust Account)	44,831	5.02
Japan Trustee Services Bank, Ltd. (Trust Account)	37,189	4.16
Nippon Life Insurance Company	32,611	3.65
Kobe City	27,351	3.06
Kansai Electric Power Employee Stockholder Program	18,599	2.08
Mizuho Bank, Ltd.	17,378	1.94
Japan Trustee Services Bank, Ltd. (Trust Account 5)	16,010	1.79
Osaka Metro Co., Ltd.	15,461	1.73
JP MORGAN CHASE BANK 385151 (Standing proxy: Mizuho Bank, Ltd.)	11,289	1.26

Note: Our company treasury stock is excluded from the above table.

Distribution of shares As of March 31, 2019



Group Companies (Consolidated subsidiaries and affiliates accounted for by the equity method)

(As of May 31, 2019)

● Consolidated subsidiaries 79 companies

Comprehensive energy / Transmission and distribution business

Kansai Transmission and Distribution, Inc.
 Kanden Energy Solution Co., Inc.
 SAKAI LNG Corp.
 Kanden Engineering Corp.
 ECHIZEN ENELINE CO., INC.
 NIHON NETWORK SUPPORT CO., LTD.
 Kanden Plant Corp.
 Kanden E House Co., Ltd.
 The Kurobe Gorge Railway Co., Ltd.
 Aioi Bioenergy Corporation
 Institute of Nuclear Safety System, Inc.
 NEWJEC INC.
 Next Power Company
 Kanden Power-Tech, Corp.
 Nuclear Engineering, Ltd.
 THE GENERAL ENVIRONMENTAL TECHNOS CO., LTD.
 The Kanden Services Co., Inc.
 Osaka Bioenergy Co., Ltd.
 KANDEN GAS SUPPORT CO., INC.
 Fukui City Gas Co., Ltd.
 KE Fuel International Co., Ltd
 Biopower Kanda LLC
 LNG EBISU Shipping Corporation
 LNG FUKUROKUJU Shipping Corporation
 LNG JUROJIN Shipping Corporation
 LNG SAKURA Shipping Corporation
 Kansai Electric Power Holdings Australia Pty Ltd
 Kansai Electric Power Australia Pty Ltd
 Kansai Sojitz Enrichment Investing S.A.S.
 KE Fuel Trading Singapore Pte Ltd.
 Kansai Energy Solutions (Thailand) Co., Ltd.
 KPIC Netherlands B.V.
 KPIC USA, LLC

Eight other companies

Information and telecommunications (IT)

OPTAGE Inc.
 Kanden Systems Inc.
 K4 Digital Co., Ltd.

Five other companies

Life / Business solution business

Kanden Joy Life Co., Ltd.
 Kanden Realty & Development Co., Ltd.
 Clearpass Co., Ltd.
 KANDEN Security of Society, Inc.
 KANSAI Medical Net Co., Inc.
 Kanden L-Heart Co., Inc.
 Kanden Facilities Co., Ltd.
 Kanden Life Support Co., Ltd.
 Kansai Electron Beam Co., Ltd.
 Kanden CS Forum Inc.
 Kanden Office Work Co., Inc.
 The Kanden L & A Co., Ltd.
 KANDEN AMENIX Corp.
 K4 Ventures GK

Sixteen other companies

● Affiliates accounted for by the equity method Four companies

Comprehensive energy / Transmission and distribution business

JAPAN NUCLEAR FUEL LIMITED
 KINDEN CORPORATION
 ENEGATE Co., Ltd.
 San Roque Power Corporation

(As of July 1, 2019)



**At the Kansai Electric Power Group,
we are striving to build an unwavering safety culture by
realizing our Management Philosophy goal of making safety
our top priority.**

Kansai Electric Power Group Safe Action Charter

Our beliefs about safety

Individual commitments (goals)

By making the assurance of safety our top priority in all our activities, we will protect the safety of every person involved in them.

Safety consciousness promise

Based on the strong belief held by every individual that “we will not allow misfortune to occur to the colleagues who work with us or their families,” we will foster a positive and open atmosphere where people can talk about anything by conducting daily communication that is rooted in consideration. We will also cultivate a culture that prioritizes the assurance of safety by implementing continuous reform.

Safety action promise

In order to not only protect our own safety but also that of our colleagues, we will act immediately if we sense danger. Through the practice of this kind of independent safety action, we will seek to eliminate accidents.

Safe Action Declaration

**I vow to do the following myself in order to both
maintain my own safety and to preserve the happiness
of my friends and family.**

Always think about what I can do for safety

We will expand the extent of what we individually can do for safety by improving our own technical abilities and sensitivity to danger. In addition, we will always think about what we can do ourselves and make suggestions proactively.

Follow rules and procedures

We will carefully confirm and without arbitrary changes faithfully follow rules related to safety, which have been established based on past lessons, as well as preparations and procedures determined from the planning stage in response to anticipated dangers.

Act without hesitation to protect colleagues from danger

When we notice a situation that could lead to danger for a colleague, instead of overlooking it, we will caution them or otherwise act without hesitation to prevent the danger.

Respond to unplanned situations by stopping and consulting

When confronted with a situation that is different from what was planned or expected beforehand, we will immediately stop without hesitation and consult with others. We will not arbitrarily judge the safety of something and push on or make changes.

Communicate actively

The idea that “we will not allow misfortune to occur to the colleagues who work with us or their families” is not a hollow phrase. We will take this to heart deeply and communicate proactively as individuals.