

Consolidated Balance Sheet

Shikoku Electric Power Company, Incorporated and Consolidated Subsidiaries

March 31, 2026

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
ASSETS	2026	2025	2026
PROPERTY, PLANT AND EQUIPMENT (Note 4):			
Utility plant, at cost	¥ 3,274,357	¥ 3,241,585	\$ 20,464,731
Other plant and equipment, at cost	317,414	304,565	1,983,837
Construction in progress	69,380	32,557	433,625
	3,661,152	3,578,709	22,882,200
Less:			
Contributions in aid of construction	(55,541)	(54,766)	(347,131)
Accumulated depreciation	(2,653,541)	(2,624,805)	(16,584,631)
	(2,709,083)	(2,679,571)	(16,931,768)
Net property, plant and equipment	952,069	899,138	5,950,431
NUCLEAR FUEL, LESS ACCUMULATED AMORTIZATION:	92,237	94,013	576,481
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Notes 5, 7 and 15)	51,027	43,899	318,918
Investments in and advances to unconsolidated subsidiaries and associates (Note 7)	161,357	142,994	1,008,481
Long-term loans receivable	458	462	2,862
Net defined benefit assets (Note 8)	40,259	34,766	251,618
Special account related to nuclear power decommissioning	24,927	30,139	155,793
Special account related to reprocessing of spent nuclear fuel	55,132	48,942	344,575
Deferred tax assets (Note 10)	30,988	31,321	193,675
Other assets (Notes 15 and 16)	18,183	15,404	113,643
Total investments and other assets	382,335	347,931	2,389,593
CURRENT ASSETS:			
Cash and cash equivalents (Note 15)	78,554	130,142	490,962
Notes receivable, accounts receivable and contract assets (Note 15)	147,333	144,805	920,831
Inventories (Note 6)	42,533	42,070	265,831
Other current assets (Notes 14 and 15)	39,472	29,579	246,700
Allowance for doubtful accounts	(178)	(197)	(1,112)
Total current assets	307,716	346,400	1,923,225
TOTAL	¥ 1,734,358	¥ 1,687,484	\$ 10,839,737

See notes to consolidated financial statements.

Consolidated Balance Sheet

Shikoku Electric Power Company, Incorporated and Consolidated Subsidiaries

March 31, 2026

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2026	2025	2026
LIABILITIES AND EQUITY			
LONG-TERM LIABILITIES:			
Long-term debt (Notes 7, 14, 15 and 19)	¥ 885,445	¥ 844,364	\$ 5,534,031
Contribution payable for nuclear reactor decommissioning	109,868	114,471	686,675
Provision for loss on business of subsidiaries and associates (Note 13)		595	
Net defined benefit liabilities (Note 8)	15,894	16,896	99,337
Other long-term liabilities	23,872	25,661	149,200
Total long-term liabilities	1,035,080	1,001,988	6,469,250
CURRENT LIABILITIES:			
Current portion of long-term debt (Notes 7, 14, 15 and 19)	59,187	71,535	369,918
Notes and accounts payable (Note 15)	67,345	69,170	420,906
Income taxes payable	5,088	13,957	31,800
Accrued expenses	45,579	40,885	284,868
Other current liabilities (Notes 15, 16 and 19)	44,545	49,102	278,406
Total current liabilities	221,746	244,652	1,385,912
COMMITMENTS AND CONTINGENT LIABILITIES			
(Notes 14, 16 and 17)			
EQUITY (Note 9):			
Common stock - authorized, 772,956,066 shares; issued, 207,528,202 shares in 2026 and 207,528,202 shares in 2025	145,551	145,551	909,693
Capital surplus	3,598	3,598	22,487
Retained earnings (Note 21)	296,400	254,880	1,852,500
Treasury stock - at cost 3,154,735 shares in 2026 and 1,852,199 shares in 2025	(6,021)	(3,418)	(37,631)
Accumulated other comprehensive income:			
Net unrealized gain on available-for-sale securities	8,613	2,723	53,831
Deferred gain on derivatives under hedge accounting	6,532	5,733	40,825
Foreign currency translation adjustments	14,715	14,775	91,968
Remeasurements of defined benefit plans	5,158	14,173	32,237
Total	474,549	438,017	2,965,931
Noncontrolling interests	2,982	2,825	18,637
Total equity	477,531	440,843	2,984,568
TOTAL	¥ 1,734,358	¥ 1,687,484	\$ 10,839,737

Consolidated Statement of Income

Shikoku Electric Power Company, Incorporated and Consolidated Subsidiaries

Year Ended March 31, 2026

	Thousands of U.S. Dollars (Note 1)	
	Millions of Yen	
	2026	2025
		2026
OPERATING REVENUES (Note 11):		
Electric	¥ 662,250	¥ 756,351
Other	99,611	95,047
Total operating revenues	761,862	851,399
OPERATING EXPENSES (Notes 12 and 19):		
Electric	609,156	680,919
Other	84,857	81,406
Total operating expenses	694,014	762,326
OPERATING INCOME	67,848	89,073
OTHER (INCOME) EXPENSES:		
Interest expense (Note 19)	7,395	6,258
Loss on business of subsidiaries and associates (Note 13)		1,360
Interest and dividend income	(2,262)	(1,907)
Gains of investment securities		(298)
Foreign exchange gains	(151)	(3,250)
Equity in earnings of associates	(4,936)	(5,471)
Loss on cancellation of contract		1,261
Other, net	(87)	(491)
Total other (income) expenses	(42)	(2,537)
INCOME BEFORE INCOME TAXES	67,890	91,611
INCOME TAXES (Note 10):		
Current	14,228	22,923
Deferred	2,659	182
Total income taxes	16,888	23,106
NET INCOME	51,001	68,505
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	192	180
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	¥ 50,809	¥ 68,324
		\$ 317,556

	Yen		U.S. Dollars (Note 1)
PER SHARE OF COMMON STOCK (Note 20):			
Basic net income	¥ 247.27	¥ 332.20	\$ 1.54

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

Shikoku Electric Power Company, Incorporated and Consolidated Subsidiaries

Year ended March 31, 2026

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2026	2025	2026
NET INCOME	¥ 51,001	¥ 68,505	\$ 318,756
OTHER COMPREHENSIVE INCOME (LOSS) (Note 18):			
Unrealized income on available-for-sale securities	5,290	2,055	33,062
Deferred loss on derivatives under hedge accounting	1,838	(2,381)	11,487
Foreign currency translation adjustments	195	5,290	1,218
Remeasurements of defined benefit plans	(9,019)	8,189	(56,368)
Share of other comprehensive income in associates	(690)	925	(4,312)
Total other comprehensive income	(2,385)	14,078	(14,906)
COMPREHENSIVE INCOME	¥ 48,616	¥ 82,583	\$ 303,850
TOTAL COMPREHENSIVE INCOME			
ATTRIBUTABLE TO:			
Owners of the parent	¥ 48,423	¥ 82,403	\$ 302,643
Noncontrolling interests	192	180	1,200

See notes to consolidated financial statements.

Consolidated Statement of Changes in Equity

Shikoku Electric Power Company, Incorporated and Consolidated Subsidiaries

Year Ended March 31, 2026

	Thousands	Millions of Yen										
						Accumulated other comprehensive income						
	Outstanding number of shares of common stock	Common stock	Capital surplus	Retained earnings	Treasury stock	Net unrealized gain on available-for-sale securities	Deferred gain on derivatives under hedge accounting	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total	Noncontrolling interests	Total equity
BALANCE AT MARCH 31, 2024	205,662	¥ 145,551	¥ 3,598	¥ 191,442	¥ (3,428)	¥ 716	¥ 7,382	¥ 9,465	¥ 5,762	¥ 360,491	¥ 2,676	¥ 363,168
Net income attributable to owners of the parent				68,324						68,324		68,324
Cash dividends, ¥35 per share				(7,225)						(7,225)		(7,225)
Purchase of treasury stock	(8)				(9)					(9)		(9)
Disposal of treasury stock	21		0		19					19		19
Change in scope of equity method				2,339						2,339		2,339
Net changes in the year						2,007	(1,649)	5,309	8,410	14,078	148	14,227
BALANCE AT MARCH 31, 2025	205,676	145,551	3,598	254,880	(3,418)	2,723	5,733	14,775	14,173	438,017	2,825	440,843
Net income attributable to owners of the parent				50,809						50,809		50,809
Cash dividends, ¥45 per share				(9,289)						(9,289)		(9,289)
Purchase of treasury stock	(1,312)				(2,610)					(2,610)		(2,610)
Disposal of treasury stock	9		(0)		8					8		8
Change in scope of equity method												
Net changes in the year						5,889	799	(60)	(9,014)	(2,385)	156	(2,228)
BALANCE AT MARCH 31, 2026	204,373	¥ 145,551	¥ 3,598	¥ 296,400	¥ (6,021)	¥ 8,613	¥ 6,532	¥ 14,715	¥ 5,158	¥ 474,549	¥ 2,982	¥ 477,531

Thousands of U.S dollars (Note 1)

	Accumulated other comprehensive income										
	Common stock	Capital surplus	Retained earnings	Treasury stock	Net unrealized gain on available-for-sale securities	Deferred gain on derivatives under hedge accounting	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total	Noncontrolling interests	Total equity
BALANCE AT MARCH 31, 2025	\$ 909,693	\$ 22,487	\$ 1,593,000	\$ (21,362)	\$ 17,018	\$ 35,831	\$ 92,343	\$ 88,581	\$ 2,737,606	\$ 17,656	\$ 2,755,268
Net income attributable to owners of the parent			317,556						317,556		317,556
Cash dividends, \$0.28 per share			(58,056)						(58,056)		(58,056)
Purchase of treasury stock				(16,312)					(16,312)		(16,312)
Disposal of treasury stock		(0)		50					50		50
Change in scope of equity method											
Net changes in the year					36,806	4,993	(375)	(56,337)	(14,906)	975	(13,925)
BALANCE AT MARCH 31, 2026	\$ 909,693	\$ 22,487	\$ 1,852,500	\$ (37,631)	\$ 53,831	\$ 40,825	\$ 91,968	\$ 32,237	\$ 2,965,931	\$ 18,637	\$ 2,984,568

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

Shikoku Electric Power Company, Incorporated and Consolidated Subsidiaries

Year Ended March 31, 2026

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2026	2025	2026
OPERATING ACTIVITIES:			
Income before income taxes	¥ 67,890	¥ 91,611	\$ 424,312
Adjustments for:			
Income taxes (paid) refund	(25,423)	(25,230)	(158,893)
Depreciation and amortization	63,435	62,878	396,468
Loss on disposal of property, plant and equipment	2,278	2,164	14,237
Depreciation of special account related to nuclear power decommissioning	5,211	5,211	32,568
Equity in earnings of associates	(4,936)	(5,471)	(30,850)
Foreign exchange gains	(117)	(2)	(731)
Changes in assets and liabilities:			
(Decrease) increase in contribution payable for nuclear reactor decommissioning	(4,926)	119,397	(30,787)
Increase in net defined benefit assets	(17,569)	(6,105)	(109,806)
Decrease in net defined benefit liabilities	(1,587)	(2,270)	(9,918)
Decrease in asset retirement obligation		(121,444)	
Decrease (increase) in trade notes and accounts receivable	15,145	(11,299)	94,656
(Decrease) increase in allowances for doubtful accounts	(92)	10	(575)
(Increase) decrease in inventories	(159)	1,487	(993)
(Decrease) increase in trade notes and accounts payable	(5,207)	8,701	(32,543)
(Decrease) increase in consumption taxes payable	(7,136)	11,621	(44,600)
Other, net	(4,513)	(1,439)	(28,206)
Net cash provided by operating activities	82,290	129,821	514,312
INVESTING ACTIVITIES:			
Capital expenditures including nuclear fuel	(124,345)	(78,297)	(777,156)
Proceeds from sales of property, plant and equipment	177	851	1,106
Payments for investments and advances	(31,534)	(19,855)	(197,087)
Proceeds from sales of investment securities and collections of advances	5,694	4,355	35,587
Net cash used in investing activities	(150,008)	(92,945)	(937,550)
FINANCING ACTIVITIES:			
Proceeds from issuance of bonds	45,000	35,000	281,250
Redemption of bonds	(25,000)	(45,000)	(156,250)
Proceeds from long-term loans	51,500	22,300	321,875
Repayments of long-term loans	(43,500)	(30,300)	(271,875)
Cash dividends paid	(9,289)	(7,225)	(58,056)
Purchase of treasury stock	(3,234)	(9)	(20,212)
Cash dividends paid to minority shareholders	(35)	(31)	(218)
Other, net	(59)	(59)	(368)
Net cash provided by (used in) financing activities	15,380	(25,325)	96,125
EFFECT OF EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS	749	296	4,681
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(51,588)	11,845	(322,425)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	130,142	118,296	813,387
CASH AND CASH EQUIVALENTS AT END OF YEAR	¥ 78,554	¥ 130,142	\$ 490,962

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended March 31, 2026

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 Japanese Electric Utility Law and its related accounting regulations, and in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of IFRS Accounting Standards.

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. In addition, certain reclassifications have been made in the 2025 consolidated financial statements to conform to the classifications used in 2026.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which Shikoku 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 ¥160 to \$1, the approximate rate of exchange at March 31, 2026. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

Amounts less than one million yen and less than one thousand U.S. dollars have been rounded down, except for per share data.

As a result, the totals shown in the accompanying consolidated financial statements (both in yen and U.S. dollars) do not necessarily agree with the sums of the individual amounts.

2. SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

(a) Consolidation and investments in unconsolidated subsidiaries and associates

In principle, 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 or significant subsidiaries have the ability to exercise significant influence are accounted for by the equity method. The consolidated financial statements as of March 31, 2026, include the accounts of the Company and its twelve subsidiaries (collectively the "Group").

Investments in two unconsolidated subsidiaries and eleven associates are accounted for by the equity method. In the current fiscal year, two associates (PT Hero Global Investment Tbk and Luluah SKY Energy Holding Ltd) were added to equity method associates.

Investments in the remaining unconsolidated subsidiaries and associates are stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

The excess of the cost of acquisition over the fair value of the net assets of an acquired subsidiary at the date of acquisition is amortized over a maximum period of 20 years.

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

The fiscal year end of one consolidated subsidiary is December 31. The Company consolidates such consolidated subsidiary's financial statements using its financial results for the year ended December 31. The effects of any significant transactions during the period between the subsidiary's fiscal year end and the Company's fiscal year end are reflected in the consolidated financial statements.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost. Contributions in aid of construction include contributions made by customers and are deducted from the cost of the related assets in accordance with the regulations described in Note 1.

Depreciation of property, plant and equipment is computed by the straight-line method based on the estimated useful lives of the assets.

(c) Long-lived assets

The Group reviews its long-lived 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 is 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.

(d) Amortization of nuclear fuel

Amortization of nuclear fuel is computed based on the quantity of heat produced for the generation of electricity.

(e) Investment securities

All investment securities are classified and accounted for, depending on management's intent, as follows:

Available-for-sale securities are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported as a separate component of equity. Nonmarketable available-for-sale equity securities are stated at cost, determined by the moving-average method.

For other-than-temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

(f) Special account related to nuclear power decommissioning

The costs required for the decommissioning of nuclear reactors for commercial power generation are recognized as operating expenses of the electricity business. These are recorded as operating expenses of the electricity business decommissioning contributions stipulated in Article 11, Paragraph 2 of the "Act for Reprocessing of Spent Fuel in Nuclear Power Generation and Promotion of Decommissioning" (Act No. 48, 2005), as amended by Article 3 of the "Act for Partial Revision of the Electricity Business Act and Other Acts for Establishing Electricity Supply Systems for Realizing a Decarbonized Society" (Act No. 44 of 2023).

For nuclear reactors decommissioned due to changes in energy policy, the remaining book value, etc. is recovered as a contribution for facilitating nuclear reactor decommissioning through the transmission tariff system of general power transmission and distribution companies, by applying the decommissioning accounting system established for the smooth implementation of decommissioning.

In applying this system, the Company, in accordance with the provisions of Article 45-21-12 of the "Enforcement Regulations of the Electricity Business Act" (Ministry of International Trade and Industry Ordinance No. 77 of 1995), prior to being amended by the "Ordinance for the Arrangement of Relevant Ministerial Ordinances in Conjunction with the Enforcement of the Act for Partial Revision of the Electricity Business Act, etc. to Establish an Electricity Supply System for the Realization of a Decarbonized Society" (Ministry of Economy, Trade and Industry Ordinance No. 21 of 2024; hereinafter referred to as the "Revised Ministerial Ordinance"), has submitted an application for approval of the contribution for facilitating nuclear reactor decommissioning to the Minister of Economy, Trade and Industry regarding the book value of nuclear specified assets, the book value of special account related to nuclear power decommissioning, and the required amount of reserve for the decommissioning of nuclear power units, and has obtained approval from the Minister.

In addition, Shikoku Electric Power Transmission and Distribution Co., Ltd., which received a notice from the Minister of Economy, Trade and Industry regarding the contribution for facilitating nuclear reactor decommissioning to be collected, has changed the terms and conditions for consignment supply, etc., in accordance with the provisions of Article 45-21-11 of the Enforcement Regulations of the Electricity Business Act. The company collects the contribution for facilitating nuclear reactor decommissioning and remits it to us. We recognize the remitted contribution as operating revenue of the electricity business in accordance with the provisions of the Electricity Business Accounting Regulations.

Regarding the special account related to nuclear power decommissioning, in accordance with Article 8 of the Supplementary Provisions of the "Ministerial Ordinance to Partially Amend the Enforcement Regulations of the Electricity Business Act" (Ministry of Economy, Trade and Industry Ordinance No. 77 of 2017) and Article 9 of the Supplementary Provisions of the Revised Ministerial Ordinance, the amount remitted is recorded as operating expenses of the electricity business.

(g) Cost of reprocessing irradiated nuclear fuel

The costs for reprocessing spent nuclear fuel generated from the operation of nuclear power plants are recognized as operating expenses of the electricity business in proportion to the volume of spent fuel, based on the reprocessing contributions defined in Article 5, Paragraph 2 of the "Act for Reprocessing of the Spent Fuel for Nuclear Power Units and Promotion of Decommissioning" (Act No. 48 of 2005), as amended by Article 3 of the "Act for Partial Revision of the Electricity Business Act and Other Acts for Establishing Electricity Supply Systems for Realizing a Decarbonized Society" (Act No. 44 of 2023).

Contributions include those made in relation to reprocessing of spent fuel, and these contributions have been organized into a special account related to reprocessing of spent nuclear fuel.

(h) Cash equivalents

Cash equivalents are deposits and short-term investments that are readily convertible into cash and exposed to insignificant risk of changes in value. Cash equivalents include time deposits, etc., all of which mature or become due within three months of the date of acquisition.

(i) Inventories

Inventories, principally fuel for power generation, are stated at the lower of cost, determined by the average method, or net realizable value.

(j) The standards for recognition of significant revenues

In the electric business, which is the main business of the corporate group, the Company mainly sell and wholesale electricity, and the performance obligation is the supply of electricity based on the contract with the customer. Regarding these performance obligations, revenue is recognized mainly based on the amount of electricity determined by meter reading (based on the meter reading date) in accordance with the Electric Utility Accounting Regulation.

In addition, payments are received within approximately one month from the date when the amount of electricity was determined by meter reading, and the amount of consideration does not include important financial factors.

(k) Retirement and pension plans

The Company accounts for the liability and assets for retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date. The projected benefit obligations are mainly attributed to periods on a benefit formula basis. 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. Actuarial gains and losses are mainly amortized in the following period and past service costs are mainly amortized in the current period.

(l) 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.

(m) Bond issuance costs

Bond issuance costs are charged to income as incurred.

(n) Foreign currency transactions

Short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates in effect as of each balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated statement of income to the extent that they are not hedged by forward exchange contracts.

(o) Foreign currency financial statements

The balance sheet accounts of the consolidated foreign subsidiary 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. Differences arising from such translation are shown as “Foreign currency translation adjustments” under accumulated other comprehensive income in a separate component of equity. Revenue and expense accounts of the consolidated foreign subsidiary are translated into yen at the current exchange rate as of the balance sheet date.

(p) Derivative and hedging activities

The Group uses derivative financial instruments to manage its exposures to fluctuations in foreign currency exchange rates and interest rates. Foreign exchange forward contracts and interest rate swaps are utilized by the Group to reduce foreign currency exchange rate and interest rate risks. The Group does not enter into derivatives for trading or speculative purposes.

For derivatives used for hedging purposes, if the derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions.

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

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

(q) Per share information

Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period.

Diluted net income per share is not disclosed because dilutive securities are not issued.

(r) New accounting pronouncements

“Accounting Standard for Leases” (ASBJ Statement No. 34 issued on September 13, 2024)

“Implementation Guidance on Accounting Standard for Leases” (ASBJ Guidance No. 33 issued on September 13, 2024)

(1) Outline

As part of efforts to make Japanese GAAP internationally consistent, the Accounting Standards Board of Japan reviewed Japanese GAAP based on international accounting standards to develop accounting standards for leases recognizing the assets and liabilities of all leases of lessees. The basic policy is based on a single accounting model of IFRS 16, but the Accounting Standards Board of Japan adopted only the main standards rather than adopting all the standards of IFRS 16, making an Accounting Standard for Leases, etc. designed to be simple and convenient and to eliminate the need for adjustments even if the provisions of IFRS 16 are used in non-consolidated financial statements.

As with IFRS 16, as the accounting treatment for the lessee, a single accounting model applies to the method of allocating costs for the lessee’s leases, recording depreciation on right-of-use assets and interest on lease liabilities for all leases, regardless of whether the lease is a finance lease or an operating lease.

(2) Scheduled Date of Application

The Company will apply the accounting standard and the implementation guidance effective from the beginning of the year ending March 31, 2028.

(3) Impact of the Application of the Accounting Standard and the Implementation Guidance

The Company is currently assessing the effects of the application of the Accounting Standard for Leases, etc. on its consolidated financial statements.

3. SIGNIFICANT ACCOUNTING ESTIMATE

Current fiscal year (year ended March 31, 2026)

Investment in overseas power generation business

(1) Carrying amounts

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2026	2025	2026
Investment in overseas power generation business	¥ 99,642	¥ 86,033	\$ 622,762

Note 1: Investments in overseas power generation business in the above table are included in investment securities and investments in and advances to unconsolidated subsidiaries and associate, and other assets on the consolidated balance sheet.

(2) Information on the significant accounting estimate

The Company invests in the overseas power generation business mainly through its consolidated subsidiary SEP International Netherlands B.V., the equity method is applied to the investment in unconsolidated subsidiaries and affiliated companies, and the performances of these businesses are reflected through investment gains and losses based on the equity method.

If any of these investments show indicators of a decline in business profitability, the investment amount exceeding the recoverable amount calculated based on cash flow outlook based on the business plan, etc., is recognized as a loss.

Due to changes in the external environment such as policy changes related to environment and energy, and the emergence of country risks in the countries, there is a possibility that cash flows expected to be obtained in the future will deteriorate significantly, and in that case, it may affect the valuation of investments.

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at carrying amount at March 31, 2026 and 2025, were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2026	2025	2026
Hydroelectric power	¥ 297,773	¥ 297,569	\$ 1,861,081
Thermal power	581,046	578,575	3,631,537
Nuclear power	808,305	795,722	5,051,906
Transmission facilities	589,895	583,862	3,686,843
Transformation facilities	378,065	372,638	2,362,906
Distribution facilities	519,445	513,724	3,246,531
General facilities	99,824	99,492	623,900
Total utility plant, at cost	3,274,357	3,241,585	20,464,731
Other plant and equipment, at cost	317,414	304,565	1,983,837
Construction in progress	69,380	32,557	433,625
Total	3,661,152	3,578,709	22,882,200
Less contributions in aid of construction	(55,541)	(54,766)	(347,131)
Less accumulated depreciation	(2,653,541)	(2,624,805)	(16,584,631)
Carrying amount	¥ 952,069	¥ 899,138	\$ 5,950,431

5. INVESTMENT SECURITIES

(1) Information regarding each category of the securities classified as available-for-sale is as follows:

	Millions of yen			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
March 31, 2026				
Securities classified as:				
Available-for-sale:				
Equity securities	¥ 1,224	¥ 7,912	¥ (0)	¥ 9,136
Corporate bonds	4,613	380		4,994
Other securities	26	4		30
Total	¥ 5,864	¥ 8,297	¥ (0)	¥ 14,161

	Thousands of U.S. dollars			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
March 31, 2026				
Securities classified as:				
Available-for-sale:				
Equity securities	\$ 7,650	\$ 49,450	\$ (0)	\$ 57,100
Corporate bonds	28,831	2,375		31,212
Other securities	162	25		187
Total	\$ 36,650	\$ 51,856	\$ (0)	\$ 88,506

Nonmarketable available-for-sale equity securities (consolidated balance sheet amount of ¥30,700 million (\$191,875 thousand)) and investments in unions, etc. that record the amount equivalent to equity in net amount in the balance table (consolidated balance sheet amount of ¥10,631 million (\$66,443 thousand)) were not included.

	Millions of yen			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
March 31, 2025				
Securities classified as:				
Available-for-sale:				
Equity securities	¥ 1,205	¥ 2,274	¥ (0)	¥ 3,478
Corporate bonds	2,993	195		3,188
Other securities	26	4		31
Total	¥ 4,225	¥ 2,474	¥ (0)	¥ 6,698

Nonmarketable available-for-sale equity securities (consolidated balance sheet amount of ¥30,273 million) and investments in unions, etc. that record the amount equivalent to equity in net amount in the balance table (consolidated balance sheet amount of ¥9,636 million) were not included.

Some of the above investment securities are pledged as collateral for long-term debt from financial institutions, see Note 7 for details.

(2) The proceeds, realized gains and realized losses of the available-for-sale securities which were sold during the years ended March 31, 2026 and 2025, were as follows:

	Millions of yen		
	Proceeds	Realized Gains	Realized Losses
March 31, 2026			
Available-for-sale:			
Equity securities	¥ 1		
Total	¥ 1		

	Thousands of U.S. dollars		
	Proceeds	Realized Gains	Realized Losses
March 31, 2026			
Available-for-sale:			
Equity securities	\$ 6		
Total	\$ 6		

	Millions of yen		
	Proceeds	Realized Gains	Realized Losses
March 31, 2025			
Available-for-sale:			
Equity securities	¥ 298	¥ 298	
Total	¥ 298	¥ 298	

(3) The impairment losses on available-for-sale equity securities

The impairment losses on available-for-sale equity securities for the years ended March 31, 2026 and 2025, were ¥77 million (\$481 thousand) and ¥111 million, respectively.

If the market value at the end of the period declines by 50% or more from the acquisition cost, all impairment losses are recorded, and if the market value at the end of the period declines by approximately 30% to 50% from the acquisition cost, impairment losses are recorded for amounts deemed necessary in consideration of recoverability.

6. INVENTORIES

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

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2026	2025	2026
Merchandise and finished products	¥ 380	¥ 534	\$ 2,375
Work-in-process	8,518	9,596	53,237
Raw materials and supplies	33,634	31,939	210,212
Total	¥ 42,533	¥ 42,070	\$ 265,831

7. LONG-TERM DEBT

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

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2026	2025	2026
0.2% to 2.26% (0.13% to 2.26% in 2025)			
domestic bonds, due on various dates through 2052	¥ 441,997	¥ 421,996	\$ 2,762,481
0.41% (0.41% in 2025)			
loans from The Development Bank of Japan, due on various dates through 2031	8,000	8,000	50,000
0.24% to 2.20% (0.24% to 2.20% in 2025)			
loans principally from banks and insurance companies, due on various dates through 2041	477,300	469,300	2,983,125
Obligations under finance leases	17,334	16,603	108,337
Total	944,632	915,899	5,903,950
Less current portion	(59,187)	(71,535)	(369,918)
Long-term debt, less current portion	¥ 885,445	¥ 844,364	\$ 5,534,031

All of the Company's assets are subject to certain statutory preferential rights as collateral for loans from The Development Bank of Japan listed in the above table, for bonds.

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

Years ending March 31,	Millions of yen	Thousands of U.S. dollars
2027	¥ 59,187	\$ 369,918
2028	141,282	883,012
2029	133,136	832,100
2030	82,480	515,500
2031	88,366	552,287
2032 and thereafter	440,181	2,751,131
Total	¥ 944,634	\$ 5,903,962

The investment of certain consolidated subsidiaries that are pledged as collateral for investees' long-term debt from financial institutions were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2026	2025	2026
Investment securities	¥ 6,567	¥ 2,680	\$ 41,043
Investments in and advances to unconsolidated subsidiaries and associates	17,674	15,686	110,462

8. RETIREMENT AND PENSION PLANS

The Company has a defined benefit pension plan based on the Defined Benefit Corporate Pension Act, a lump-sum retirement benefit plan, and a defined contribution pension plan. The consolidated subsidiaries have adopted some of these plans.

Certain consolidated subsidiaries calculate net defined benefit assets, net defined benefit liabilities, and net periodic benefit cost by the simple method.

In certain cases, the Group pays additional retirement benefits for employees.

(1) The changes in defined benefit obligation for the years ended March 31, 2026 and 2025, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Balance at beginning of year	¥ 106,302	¥ 128,915	\$ 664,387
Current service cost	3,243	4,297	20,268
Interest cost	1,763	204	11,018
Actuarial gains and losses	(472)	(19,284)	(2,950)
Benefits paid	(7,722)	(7,830)	(48,262)
Past service cost			
Balance at end of year	¥ 103,114	¥ 106,302	\$ 644,462

Note: The above does not include plans applying the simple method.

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

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Balance at beginning of year	¥ 124,925	¥ 127,489	\$ 780,781
Expected return on plan assets	2,497	2,548	15,606
Actuarial gains and losses	4,565	(1,115)	28,531
Contributions from the employer	2,184	2,263	13,650
Benefits paid	(6,000)	(6,260)	(37,500)
Balance at end of year	¥ 128,171	¥ 124,925	\$ 801,068

Note: The above does not include plans applying the simple method.

(3) The changes in net defined benefit liabilities and net defined benefit assets for plans applying the simple method for the years ended March 31, 2026 and 2025, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Balance at beginning of year	¥ 751	¥ 719	\$ 4,693
Net periodic benefit cost	110	188	687
Benefits paid	(87)	(73)	(543)
Contributions from the employer to plan assets	(82)	(81)	(512)
Balance at end of year	¥ 692	¥ 751	\$ 4,325

(4) A reconciliation between the liabilities and assets recorded in the consolidated balance sheet and the balances of defined benefit obligation and plan assets is as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2026	2025	2026
Funded defined benefit obligation	¥ 87,684	¥ 89,965	\$ 548,025
Plan assets	(128,171)	(124,925)	(801,068)
	(40,487)	(34,959)	(253,043)
Unfunded defined benefit obligation	15,429	16,337	96,431
Net liabilities arising from defined benefit obligation	¥ (25,057)	¥ (18,622)	\$ (156,606)

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2026	2025	2026
Net defined benefit liabilities	¥ 15,019	¥ 16,000	\$ 93,868
Net defined benefit assets	(40,076)	(34,622)	(250,475)
Net liabilities arising from defined benefit obligation	¥ (25,057)	¥ (18,622)	\$ (156,606)

Note: The above does not include plans applying the simple method.

(5) A reconciliation between the liabilities and assets recorded in the consolidated balance sheet and the balances of defined benefit obligation and plan assets for plans applying the simple method is as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2026	2025	2026
Funded defined benefit obligation	¥ 1,682	¥ 1,704	\$ 10,512
Plan assets	(1,327)	(1,291)	(8,293)
	354	412	2,212
Unfunded defined benefit obligation	337	339	2,106
Net liabilities arising from defined benefit obligation	¥ 692	¥ 751	\$ 4,325

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2026	2025	2026
Net defined benefit liabilities	¥ 875	¥ 895	\$ 5,468
Net defined benefit assets	(182)	(143)	(1,137)
Net liabilities arising from defined benefit obligation	¥ 692	¥ 751	\$ 4,325

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

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Current service cost	¥ 3,243	¥ 4,297	\$ 20,268
Interest cost	1,763	204	11,018
Expected return on plan assets	(2,497)	(2,548)	(15,606)
Recognized actuarial gains (losses)	(17,704)	(6,532)	(110,650)
Amortization of prior service cost	3	3	18
Others	(162)	(94)	(1,012)
Net periodic benefit costs	¥ (15,353)	¥ (4,669)	\$ (95,956)

Note: The above does not include plans applying the simple method.

(7) Net periodic benefit cost for plans applying the simple method for the years ended March 31, 2026 and 2025, was as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Net periodic benefit cost	¥ 110	¥ 188	\$ 687

(8) Amounts recognized in other comprehensive income (before income tax and income tax effect) in respect of defined retirement benefit plans for the years ended March 31, 2026 and 2025, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Prior service cost	¥ (3)	¥ (3)	\$ (18)
Actuarial gains (losses)	12,666	(11,647)	79,162
Total	¥ 12,662	¥ (11,651)	\$ 79,137

(9) Amounts recognized in accumulated other comprehensive income (before income tax and income tax effect) in respect of defined retirement benefit plans as of March 31, 2026 and 2025, were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2026	2025	2026
Unrecognized prior service cost	¥ 5	¥ 9	\$ 31
Unrecognized actuarial gains	(6,579)	(19,245)	(41,118)
Total	¥ (6,573)	¥ (19,236)	\$ (41,081)

(10) Plan assets

a. Components of plan assets

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

	2026	2025
Debt investments	48%	31%
Equity investments	13	13
Life insurance company general accounts	36	45
Others	3	11
Total	100%	100%

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

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

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

	2026	2025
Discount rate	Mainly 1.7%	Mainly 1.7%
Expected rate of return on plan assets	Mainly 2.0	Mainly 2.0

(12) Defined contribution pension plan cost for the years ended March 31, 2026 and 2025, was as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Defined contribution pension plan cost	¥ 1,414	¥ 1,443	\$ 8,837

9. 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. For companies that meet certain criteria including (1) having a Board of Directors, (2) having independent auditors, (3) having an Audit & 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. With respect the third condition above, the Board of Directors of companies with (a) board committees (namely, appointment committee, compensation committee, and audit committee) or (b) an audit and supervisory committee (as implemented under the Companies Act effective May 1, 2015) may also declare dividends at any time because such companies, by nature, meet the criteria under the Companies Act. The Company is organized as a company with an audit and supervisory committee, effective June 28, 2017. However, the Company cannot do so because it does not meet all the above criteria.

The Companies Act permits companies to distribute dividends-in-kind (non-cash 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 charged upon the payment of such dividends, until the total aggregate amount of legal reserve and additional paid-in capital equals 25% of the amount of 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 at the shareholders’ meeting.

(c) Treasury stock and treasury stock acquisition rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders, which is determined by a specific formula. Under the Companies Act, stock acquisition rights are presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

(d) Stock-based incentive system for directors and executive officers

The Company introduced a stock compensation plan for directors (excluding outside directors) and executive officers (hereinafter referred to as “Directors” collectively) by resolution approved at the 95th general shareholders meeting held on June 26, 2019.

(1) Overview of the plan

The plan is a stock compensation plan under which shares of the Company will be acquired through a trust (the “Trust” refers to a trust established based on the plan) using funds contributed by the Company. The shares of the Company and cash equivalent to the value of the Company’s shares converted at market value (the “Company’s shares, etc.”) will be provided to the Directors through the Trust, pursuant to the “Rules on provision of shares to officers” set forth by the Company. The Company’s shares, etc., will be granted to the Directors at the time of retirement of the Directors, in principle.

(2) Shares of the Company held by the Trust

The Company records shares of the Company in the Trust as treasury stock at cost (excluding acquisition-related costs). For the year ended March 31, 2026 and 2025, the corresponding carrying amount of such treasury stock was ¥175 million (\$1,093 thousand) and ¥183 million, respectively, and the number of shares was 196 thousand and 204 thousand, respectively.

10. INCOME TAXES

The Group is subject to income taxes. The aggregate normal statutory tax rates for the Company approximated 28% for each of the years ended March 31, 2026 and 2025. Such rates for the consolidated subsidiaries approximated 30% for the years ended March 31, 2026 and 2025.

The tax effects of significant temporary differences and tax loss carryforwards which resulted in deferred tax assets and liabilities at March 31, 2026 and 2025, were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2026	2025	2026
Deferred Tax Assets:			
Contribution payable for nuclear reactor decommissioning	¥ 33,082	¥ 34,461	\$ 206,762
Depreciation and amortization	26,057	24,097	162,856
Net defined benefit liabilities	4,848	5,147	30,300
Intercompany profit elimination	4,939	4,630	30,868
Other	18,603	18,719	116,268
Less valuation allowance for a total of deductible temporary difference	(11,899)	(11,821)	(74,368)
Total	75,631	75,234	472,693
Deferred Tax Liabilities:			
Reserve for the decommissioning of nuclear power units	21,737	22,489	135,856
Prepaid pension costs	11,321	10,193	70,756
Special account related to nuclear power decommissioning	7,204	8,663	45,025
Deferred gain on derivatives under hedge accounting	938	200	5,862
Other	3,441	2,366	21,506
Total	44,643	43,913	279,018
Net Deferred Tax Assets	¥ 30,988	¥ 31,321	\$ 193,675

A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statement of income for the year ended March 31, 2026 and 2025, were as follows:

	2026	2025
Normal effective statutory tax rate	28.0%	28.0%
Tax deductions	(1.7)%	(1.1)%
Revision of year-end deferred tax assets due to tax rate changes	(0.4)%	(0.8)%
Decrease in valuation allowance	(0.2)%	(0.1)%
Difference in tax rates of consolidated subsidiaries	0.6%	0.4%
Other	(1.4)%	(1.2)%
Actual effective tax rate	24.9%	25.2%

Application of the Group Tax Sharing System

The Company and a part of domestic consolidated subsidiaries apply the group tax sharing system.

Accounting and disclosure for income taxes and tax effect accounting are applied the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (Practical Solution No. 42, August 12, 2021, Accounting Standards Board of Japan).

11. REVENUE RECOGNITION

(1) Revenue from contracts with customers

Revenue from contracts with customers for the years ended March 31, 2026 and 2025, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Revenue from contracts with customers	¥ 737,900	¥ 811,256	\$ 4,611,875

(2) Disaggregation of revenue from contracts with customers

Disaggregation of revenue into reportable segments for the years ended March 31, 2026 and 2025, were as follows:

	Millions of yen						
	Reportable segments						
	Electric utility		Telecommunications services	Energy	Construction /Engineering	Other	Total
	Power generation and sales	Transmission and distribution					
March 31, 2026							
Sales							
Retail sales	¥ 473,585	¥ 24					¥ 473,609
Wholesale	91,691	41,021					132,713
Other revenue	1,562	36,761	¥ 38,451	¥ 21,375	¥ 24,103	¥ 9,323	131,578
Total	¥ 566,839	¥ 77,807	¥ 38,451	¥ 21,375	¥ 24,103	¥ 9,323	¥ 737,900
Revenues recognized from other sources	¥ 17,818	¥ (214)	¥ 1,985	¥ 1,750	¥ 112	¥ 2,509	¥ 23,961
Sales to external customers	¥ 584,658	¥ 77,592	¥ 40,436	¥ 23,126	¥ 24,215	¥11,832	¥ 761,862
	Millions of yen						
	Reportable segments						
	Electric utility		Telecommunications services	Energy	Construction /Engineering	Other	Total
	Power generation and sales	Transmission and distribution					
March 31, 2025							
Sales							
Retail sales	¥ 496,878	¥ 101					¥ 496,979
Wholesale	140,889	47,905					188,795
Other revenue	2,285	34,244	¥ 37,058	¥ 21,283	¥ 23,569	¥ 7,039	125,480
Total	¥ 640,053	¥ 82,251	¥ 37,058	¥ 21,283	¥ 23,569	¥ 7,039	¥ 811,256
Revenues recognized from other sources	¥ 23,903	¥ 10,141	¥ 1,793	¥ 1,892	¥ 108	¥ 2,303	¥ 40,143
Sales to external customers	¥ 663,957	¥ 92,393	¥ 38,852	¥ 23,175	¥ 23,678	¥ 9,342	¥ 851,399

	Thousands of U.S. dollars						
	Reportable segments						
	Electric utility		Telecommunications services	Energy	Construction /Engineering	Other	Total
	Power generation and sales	Transmission and distribution					
March 31, 2026							
Sales							
Retail sales	\$ 2,959,906	\$ 150					\$ 2,960,056
Wholesale	573,068	256,381					829,456
Other revenue	9,762	229,756	\$ 240,318	\$ 133,593	\$ 150,643	\$ 58,268	822,362
Total	\$ 3,542,743	\$ 486,293	\$ 240,318	\$ 133,593	\$ 150,643	\$ 58,268	\$ 4,611,875
Revenues recognized from other sources	\$ 111,362	\$ (1,337)	\$ 12,406	\$ 10,937	\$ 700	\$ 15,681	\$ 149,756
Sales to external customers	\$ 3,654,112	\$ 484,950	\$ 252,725	\$ 144,537	\$ 151,343	\$ 73,950	\$ 4,761,637

(Notes) 1. “Other” consists of product and sales of electric devices, commercial business, and others.

2. Revenues recognized from other sources include subsidies for electricity business implemented based on the “Comprehensive Economic Measures to Overcome Rising Prices and Realize Economic Revival.” They include ¥17,625 million (\$110,156 thousand) and ¥23,659 million for “Power generation and sales”, ¥0 million (\$0 thousand) and ¥2 million for “Transmission and distribution”, and ¥116 million (\$725 thousand) and ¥ 153 million for “Energy” for the years ended March 31, 2026 and 2025, respectively.

(3) Information for understanding the amount of income for the current consolidated fiscal year and the following consolidated fiscal year

Receivables arising from contracts with customers, contract assets and contract liabilities at the beginning and end of the years ended March 31, 2026, were as follows:

① Balance of contract assets and contract liabilities, etc.

	Millions of yen		Thousands of U.S. dollars	
	Ending Balance (March 31, 2026)	Beginning Balance (April 1, 2025)	Ending Balance (March 31, 2026)	Beginning Balance (April 1, 2025)
Receivables arising from Contracts with Customers				
Notes receivable	¥ 2,135	¥ 3,277	\$ 13,343	\$ 21,846
Accounts receivable	76,707	92,035	479,418	613,566
Contract Assets	3,759	3,182	23,493	21,213
Contract Liabilities	2,867	2,313	17,918	15,420

(Notes) 1. Receivables arising from contracts with customers include bonds related to the renewable energy special measures law levy related to Feed-in Tariff Program for Renewable Energy.

2. Contract assets were recorded mainly in businesses other than the electric business.

② Transaction price allocated to the remaining performance obligation

The transaction prices allocated to the remaining performance obligations related to retail sales and wholesale in the electric business are as follows, and are expected to be recognized as profits in the actual supply and demand year stipulated in each contract.

	Millions of yen	Thousands of U.S. dollars
	2026	2026
Due within one year	¥ 22,596	\$ 141,225
Due over one year and within three years	68,277	426,731
Due over three years	55,417	346,356
Total	¥ 146,290	\$ 914,312

In accordance with practical expenditures stated in the “Accounting Standard for Revenue Recognition” (Accounting Standard No. 29, March 31, 2020) in paragraphs 80-22, (1) and (2) is applied, and among contracts with an initially expected contract within a year and contracts with an initially expected contract period of more than one year, not including contracts that recognize profits based on the amount of power determined by meter reading (based on the meter reading date) in the above table.

(Note) At the end of the year ended March 31, 2026, the total transaction prices expected to be recognized as profits do not include revenues from the Long-Term Decarbonization Power Source Auction (“LTDA”). Revenues from the LTDA represent the contracted capacity remuneration amount calculated by deducting the refund amount, which is approximately 90% of the profits earned from wholesale or non-fossil markets during the same period. The refund fluctuates depending on future market prices, so its amount cannot be reliably estimated, and revenues from the LTDA are therefore not subject to disclosure.

Receivables arising from contracts with customers, contract assets and contract liabilities at the beginning and end of the years ended March 31, 2025, were as follows:

① Balance of contract assets and contract liabilities, etc.

	Millions of yen	
	March 31,	
	2025	Beginning of 2025
Receivables arising from Contracts with Customers		
Notes receivable	¥ 3,277	¥ 2,562
Accounts receivable	92,035	72,730
Contract Assets	3,182	11,041
Contract Liabilities	2,313	1,438

(Notes) 1. Receivables arising from contracts with customers include bonds related to the renewable energy special measures law levy related to Feed-in Tariff Program for Renewable Energy.

2. Contract assets were recorded mainly in businesses other than the electric business.

② Transaction price allocated to the remaining performance obligation

The transaction prices allocated to the remaining performance obligations related to retail sales and wholesale in the electric business are as follows, and are expected to be recognized as profits in the actual supply and demand year stipulated in each contract.

	Millions of yen
	2025
Due within one year	¥ 12,421
Due over one year and within three years	57,863
Due over three years	37,399
Total	¥ 107,684

In accordance with practical expenditures stated in the “Accounting Standard for Revenue Recognition” (Accounting Standard No. 29, March 31, 2020) in paragraphs 80-22, (1) and (2) is applied, and among contracts with an initially expected contract within a year and contracts with an initially expected contract period of more than one year, not including contracts that recognize profits based on the amount of power determined by meter reading (based on the meter reading date) in the above table.

12. RESEARCH AND DEVELOPMENT COSTS

Research and development costs charged to income were ¥4,445 million (\$27,781 thousand) and ¥4,242 million for the years ended March 31, 2026 and 2025, respectively.

13. LOSS ON BUSINESS OF SUBSIDIARIES AND ASSOCIATES

Loss on business of subsidiaries and associates for the years ended March 31, 2026 and 2025, consisted of the following.

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2026	2025	2026
Loss on valuation of investments in capital of subsidiaries and associates		¥ 1,360	

14. LEASES

[Lessee]

The minimum lease payments under noncancelable operating leases subsequent to March 31, 2026 and 2025, were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2026	2025	2026
Due within one year	¥ 173	¥ 167	\$ 1,081
Due after one year	1,555	47	9,718
Total	¥ 1,728	¥ 215	\$ 10,800

[Sublease]

Lease investment assets and lease obligations, without deducting interest expense in the accompanying consolidated balance sheet as of March 31, 2026, under sublease transactions, were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2026	2025	2026
Lease investment assets:			
Other current assets	¥ 17,204	¥ 16,419	\$ 107,525
Lease obligations:			
Current portion of long-term debt	3,135	2,976	19,593
Long term debt	14,068	13,443	87,925

15. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(1) Group policy for financial instruments

The Group uses financial instruments, mainly long-term debt, including bonds and loans, based on its capital financing plan. Short-term borrowings are used to fund ongoing operations. Cash surpluses, if any, are invested in low-risk financial assets. Derivatives are not used for speculative purposes, but to manage exposure to financial risks as described in (2) below.

(2) Nature and extent of financial instruments and risk management

Investment securities, mainly equity instruments for ensuring stable and efficient operation of the electric utility business, are managed by monitoring market values and financial position of issuers on a regular basis.

Accounts receivable are mostly for electricity charges and managed individually.

The repayments of bonds and loans are primarily long-term, and the interest rates for them are fixed. Although they are exposed to market risks from changes in interest rates, fluctuations in interest have only a limited impact on the Group.

Payment terms of payables, such as trade notes and trade accounts, are less than one year.

Some of the Group's long-term loans include embedded derivatives that help hedge interest rate fluctuations.

Foreign-currency-denominated transactions arising from fuel imports are, in principle, hedged with foreign exchange forward contracts. The Group also uses derivatives to manage procurement price risk related to certain fuel transactions. Additionally, electricity futures are used to hedge market price risk associated with certain wholesale electricity transactions through the wholesale markets. Derivative transactions are conducted by executive and administrative departments based on internal regulations. The counterparties to these derivatives are limited to major international financial institutions, etc. with high credit ratings. Therefore, the Group does not anticipate any losses arising from credit risk. Please see Note 16 for more details about derivatives.

(3) Supplementary explanation on matters related to the fair values of financial instruments, etc.

Since the calculation of the fair values of financial instruments incorporates variable factors, the value may fluctuate by adopting different preconditions.

(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 also see Note 16 for the details of fair value for derivatives.

March 31, 2026	Millions of yen		
	Carrying amount	Fair value	Unrealized gain (loss)
Investment securities	¥ 14,161	¥ 14,161	
Total	14,161	14,161	
Bonds	441,997	384,171	¥ (57,826)
Long-term loans	485,300	451,797	(33,502)
Total	¥ 927,297	¥ 835,969	¥ (91,328)

March 31, 2026	Thousands of U.S. dollars		
	Carrying amount	Fair value	Unrealized gain (loss)
Investment securities	\$ 88,506	\$ 88,506	
Total	88,506	88,506	
Bonds	2,762,481	2,401,068	\$ (361,412)
Long-term loans	3,033,125	2,823,731	(209,387)
Total	\$ 5,795,606	\$ 5,224,806	\$ (570,800)

Notes: 1. Bonds and long-term loans in the above table include the current portion of such instruments.

2. Since "Cash and cash equivalents", "Notes and accounts receivable", and "Notes and accounts payable" are cash or are settled in a short period of time, and their carrying amount approximate fair value, the note is omitted.

3. At March 31, 2026 nonmarketable available-for-sale equity securities were ¥30,700 million (\$191,875 thousand), and its carrying amount was not included in the above table.

4. At March 31, 2026 investing in unions, etc. that record the amount equivalent to equity in the balance table in net amount is not included in "securities and other securities", based on "Implementation Guideline of Accounting Standard for Fair Value Measurement" (Implementation Guideline of Accounting Standard No. 31, June 17, 2021) in paragraph 24-16. The amount recorded on the consolidated balance sheet was ¥10,631 million (\$66,443 thousand).

March 31, 2025	Millions of yen		
	Carrying amount	Fair value	Unrealized gain (loss)
Investment securities	¥ 6,698	¥ 6,698	
Total	6,698	6,698	
Bonds	421,996	382,611	¥ (39,384)
Long-term loans	477,300	452,509	(24,790)
Total	¥ 899,296	¥ 835,120	¥ (64,175)

Notes: 1. Bonds and long-term loans in the above table include the current portion of such instruments.

2. Since “Cash and cash equivalents”, “Notes and accounts receivable”, and “Notes and accounts payable” are cash or are settled in a short period of time, and their carrying amount approximate fair value, the note is omitted.

3. At March 31, 2025 nonmarketable available-for-sale equity securities were ¥30,273 million, and its carrying amount was not included in the above table.

4. At March 31, 2025 investing in unions, etc. that record the amount equivalent to equity in the balance table in net amount is not included in “securities and other securities”, based on “Implementation Guideline of Accounting Standard for Fair Value Measurement” (Implementation Guideline of Accounting Standard No. 31, June 17, 2021) in paragraph 24-16. The amount recorded on the consolidated balance sheet was ¥9,636 million.

(5) Maturity analysis for financial assets and securities with contractual maturities

March 31, 2026	Millions of yen			
	Due in 1 year or less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years
Investment securities			¥ 2,201	¥ 2,934
Cash and cash equivalents	¥ 78,554			
Notes receivable	2,261			
Accounts receivable	81,474			
Other current assets	50			
Total	¥ 162,340		¥ 2,201	¥ 2,934

Other assets are time deposits with a deposit period of more than three months for which collateral is set for payment to business partners.

March 31, 2026	Thousands of U.S. dollars			
	Due in 1 year or less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years
Investment securities			\$ 13,756	\$ 18,337
Cash and cash equivalents	\$ 490,962			
Notes receivable	14,131			
Accounts receivable	509,212			
Other current assets	312			
Total	\$ 1,014,625		\$ 13,756	\$ 18,337

March 31, 2025	Millions of yen			
	Due in 1 year or less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years
Investment securities				¥ 3,164
Cash and cash equivalents	¥ 130,142			
Notes receivable	3,552			
Accounts receivable	95,914			
Other current assets	50			
Total	¥ 229,659			¥ 3,164

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

(6) Matters concerning the breakdown of financial instruments by market value level

The fair value of financial instruments is classified into the following three levels according to the observability and importance of the inputs used to calculate the fair value.

Level 1 fair value: Of the inputs related to the observable fair value calculation, the fair value calculated based on the market price of the asset or liability that is formed in an active market and is subject to the calculation of the fair value.

Level 2 fair value: Of the inputs related to the calculation of the observable market value, the fair value calculated using the inputs related to the calculation of the fair value other than the level 1 input.

Level 3 fair value: Fair value calculated using inputs related to the calculation of unobservable fair value.

When multiple inputs that have a significant influence on the fair value calculation are used, the fair value is classified into the level to which those inputs belong, which has the lowest priority in the fair value calculation.

(7) Financial instruments whose fair value is the amount recorded on the consolidated balance sheet were as follows:

March 31, 2026	Millions of yen			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available for sale securities	¥ 9,136	¥ 30	¥ 4,994	¥ 14,161
Derivative trading				
Currency related		745		745
Product related		2,466		2,466
Total assets	¥ 9,136	¥ 3,242	¥ 4,994	¥ 17,372
Derivative trading				
Product related		¥ 64		¥ 64
Total liabilities		¥ 64		¥ 64

March 31, 2025	Millions of yen			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available for sale securities	¥ 3,478	¥ 31	¥ 3,188	¥ 6,698
Derivative trading				
Currency related		579		579
Total assets	¥ 3,478	¥ 610	¥ 3,188	¥ 7,278
Derivative trading				
Product related		¥ 102		¥ 102
Total liabilities		¥ 102		¥ 102

Note: Derivatives are stated at the net amount in other assets.

March 31, 2026	Thousands of U.S. dollars			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available for sale securities	\$ 57,100	\$ 187	\$ 31,212	\$ 88,506
Derivative trading				
Currency related		4,656		4,656
Product related		15,412		15,412
Total assets	\$ 57,100	\$ 20,262	\$ 31,212	\$ 108,575
Derivative trading				
Product related		\$ 400		\$ 400
Total liabilities		\$ 400		\$ 400

Note: Derivatives are stated at the net amount in other assets.

(8) Financial instruments other than the above were as follows:

March 31, 2026	Millions of yen			
	Level 1	Level 2	Level 3	Total
Bonds		¥ 384,171		¥ 384,171
Long-term loans		451,797		451,797
Total liabilities		¥ 835,969		¥ 835,969

March 31, 2025	Millions of yen			
	Level 1	Level 2	Level 3	Total
Bonds		¥ 382,611		¥ 382,611
Long-term loans		452,509		452,509
Total liabilities		¥ 835,120		¥ 835,120

March 31, 2026	Thousands of U.S. dollars			
	Level 1	Level 2	Level 3	Total
Bonds		\$ 2,401,068		\$ 2,401,068
Long-term loans		2,823,731		2,823,731
Total liabilities		\$ 5,224,806		\$ 5,224,806

(9) Explanation of the evaluation method and the inputs related to the calculation of the fair value

Investment securities

The fair values of listed stocks are evaluated using the market price, and since they are traded in an active market, they are classified as a Level 1 fair value.

Since there is no transaction price in the market, the fair value of investment trusts is based on the standard price and is classified as a Level 2 fair value.

The fair value of bonds is calculated by the present value of the total amount of principal and interest discounted by the interest rate that incorporates credit risk. Since the inputs used to calculate the interest rate are unobservable, it is classified as Level 3 fair value.

Derivatives

The fair values of derivatives are calculated based on the prices offered by the financial institutions of the business partners, and are classified as Level 2 fair value.

Embedded derivatives related to long-term debts that include derivatives are intended to fix fluctuations in interest rates, and their fair value is included in the fair value of the long-term debts.

Bonds

The fair values of bonds issued by the Company are evaluated using the market price and are classified as Level 2 fair value.

Long-term loans

The fair value of long-term debt is calculated by the present value of the total amount of principal and interest discounted by the interest rate obtained by adding the credit spread to an appropriate index such as the yield of government bonds, and is classified as Level 2 fair value.

- (10) Information on Level 3 fair value of financial assets and financial liabilities whose fair value is the amount recorded on the consolidated balance sheet was as follows:

Quantitative information about significant unobservable inputs

The fair value of bonds of investment securities is calculated by the discounted present value, and its range of input applied is from 4.42% to 5.611%, and its discount rate is 5.26%.

A reconciliation of the fair value of bonds of investment securities from beginning balance to ending balance, and unrealized income on available-for-sale securities which charged to income in the current consolidated profit and loss statement

	Millions of yen	Thousands of U.S. dollars
Beginning balance	¥ 3,188	\$ 19,925
Income in the current consolidated fiscal year or other comprehensive income		
Other comprehensive income	185	1,156
Net purchases, sales, issuances and settlements	1,619	10,118
Ending balance	¥ 4,994	\$ 31,212

“Other comprehensive income” in the above table is included in “Unrealized income on available-for-sale securities” on consolidated statement of comprehensive income.

Explanation of the fair value valuation process

The trading department calculates the fair value of financial instruments classified as Level 3 fair value by the valuation policy established for the calculation of fair value, and the calculation result is approved by the appropriate responsible person.

Explanation of effects on fair value when significant unobservable inputs are changed

The discount rate is calculated by adding risk factors such as credit risk on the standard market interest rate. Generally, significant increase (decrease) in the discount rate will result in a significant decrease (increase) in the fair value of available-for-sale securities.

16. DERIVATIVES

The Company uses derivative financial instruments (“derivatives”), including foreign exchange forward contracts and currency swaps, to hedge foreign currency exchange rate risk associated with certain assets and liabilities denominated in foreign currencies. The Company also enters into interest rate swap contracts as a means of managing its interest rate exposure on certain liabilities. The Company does not hold or issue derivatives for trading or speculation purposes.

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

Derivative transactions to which hedge accounting was not applied at March 31, 2026 and 2025, were as follows:

	Millions of yen			
	Contract Amount Due			
March 31, 2026	Contract Amount	after One Year	Fair Value	Unrealized gain (loss)
Electricity Futures:				
Fixed payment, floating receipt	¥ 2,665		¥ 12	¥ 12
Total	¥ 2,665		¥ 12	¥ 12

	Millions of yen			
	Contract Amount Due			
March 31, 2025	Contract Amount	after One Year	Fair Value	Unrealized gain (loss)
Electricity Futures:				
Fixed payment, floating receipt	¥ 1,439		¥ (102)	¥ (102)
Total	¥ 1,439		¥ (102)	¥ (102)

Thousands of U.S. dollars				
March 31, 2026	Contract Amount Due			
	Contract Amount	after One Year	Fair Value	Unrealized gain (loss)
Electricity Futures:				
Fixed payment, floating receipt	\$ 16,656		\$ 75	\$ 75
Total	\$ 16,656		\$ 75	\$ 75

Derivative transactions to which hedge accounting is applied at March 31, 2026 and 2025, were as follows:

Currency related

Millions of yen				
March 31, 2026	Hedged Item	Contract Amount Due		
		Contract Amount	after One Year	Fair Value
Foreign exchange forward contracts:				
Buying U.S.\$	Payables and forecasted transactions	¥ 870	¥ 440	¥ 745
Total		¥ 870	¥ 440	¥ 745

Millions of yen				
March 31, 2025	Hedged Item	Contract Amount Due		
		Contract Amount	after One Year	Fair Value
Foreign exchange forward contracts:				
Buying U.S.\$	Payables and forecasted transactions	¥ 870	¥ 870	¥ 579
Total		¥ 870	¥ 870	¥ 579

Thousands of U.S. Dollars				
March 31, 2026	Hedged Item	Contract Amount Due		
		Contract Amount	after One Year	Fair Value
Foreign exchange forward contracts:				
Buying U.S.\$	Payables and forecasted transactions	\$ 5,437	\$ 2,750	\$ 4,656
Total		\$ 5,437	\$ 2,750	\$ 4,656

Product related

Millions of yen				
March 31, 2026	Hedged Item	Contract		
		Contract Amount	Amount Due after One Year	Fair Value
Product swaps:				
Fixed payment, floating receipt	Payables for fuel purchases	¥ 6,576		¥ 2,389
Total		¥ 6,576		¥ 2,389

There were no product swaps to which hedge accounting was applied at March 31, 2025.

Thousands of U.S. Dollars				
		Contract	Contract	
		Amount	Amount Due	
March 31, 2026	Hedged Item	Amount	after One Year	Fair Value
Product swaps:				
Fixed payment, floating receipt	Payables for fuel purchases	\$ 41,100		\$ 14,931
Total		\$ 41,100		\$ 14,931

17. COMMITMENTS AND CONTINGENT LIABILITIES

At March 31, 2026, total contingent liabilities were as follows:

	Millions of yen	Thousands of U.S. dollars
Co-guarantees or guarantees of loans of other companies:		
Japan Nuclear Fuel Limited	¥ 37,768	\$ 236,050
Ras Abu Fontas Power Company	13,114	81,962
ACWA Power Sazagan Solar 1 FE LLC and ACWA Power Sazagan Solar 2 FE LLC	8,202	51,262
Ras Girtas Power Company Q. S. C.	3,958	24,737
Phu Yen TTP Joint Stock Company	3,202	20,012
Shikoku Machizukuri & Omotenashi Planning LLC	2,800	17,500
Bizen Clouds Joint Stock Company	2,250	14,062
Bizen Clouds Photovoltaic Joint Stock Company	1,908	11,925
Vung Ang II Thermal Power LLC	1,496	9,350
Yumemae Yumefurusato Photovoltaic Joint Stock Company	1,456	9,100
Dulma Electricity Company	1,299	8,118
Yumemae Yumefurusato Joint Stock Company	1,200	7,500
Sharjah Hamriyah Independent Power Company	1,135	7,093
Al Suwadi Power Company S.A.O.G.	943	5,893
Al Batinah Power Company S.A.O.G.	895	5,593
Transmission and Distribution IT & OT Systems LLC.	700	4,375
Co-guarantees of employees' housing loans	2,867	17,918
Guarantees obligation related to the performance of the transaction		
Facility E Independent Water and Power Project	12,506	78,162
Vietnam Vung Ang 2 Coal-Fired Power Project	3,057	19,106
Samarkand Solar Power and Battery Energy Storage System (BESS) Project in Uzbekistan	1,381	8,631
Sakaide Biomass Power Project	972	6,075
Sharjah United Arab Emirates Thermal Power Project	959	5,993
Kungrad Projects in Uzbekistan	690	4,312
Total	¥ 104,769	\$ 654,806

18. OTHER COMPREHENSIVE INCOME (LOSS)

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

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Unrealized gain on available-for-sale securities:			
Losses arising during the year	¥ 5,860	¥ 2,457	\$ 36,625
Reclassification adjustments to profit or loss		(298)	
Amount before income tax and income tax effect	5,860	2,158	36,625
Income tax and income tax effect	(570)	(103)	(3,562)
Total	5,290	2,055	33,062
Deferred loss on derivatives under hedge accounting:			
Gains arising during the year	2,555	252	15,968
Reclassification adjustments to profit or loss	29	(3,553)	181
Amount before income tax and income tax effect	2,584	(3,300)	16,150
Income tax and income tax effect	(746)	918	(4,662)
Total	1,838	(2,381)	11,487
Foreign currency translation adjustments:			
Adjustments arising during the year	195	5,290	1,218
Total	195	5,290	1,218
Remeasurements of defined benefit plans:			
Adjustments arising during the year	5,037	18,172	31,481
Reclassification adjustments to profit or loss	(17,700)	(6,532)	(110,625)
Amount before income tax and income tax effect	(12,662)	11,639	(79,137)
Income tax and income tax effect	3,643	(3,449)	22,768
Total	(9,019)	8,189	(56,368)
Share of other comprehensive income in associates:			
Gains arising during the year	(902)	1,856	(5,637)
Reclassification adjustments to profit or loss	212	(931)	1,325
Total	(690)	925	(4,312)
Total other comprehensive income	¥ (2,385)	¥ 14,078	\$ (14,906)

19. RELATED-PARTY TRANSACTIONS

(1) Related – party transactions of the Company

There were no significant transactions of the Company with directors and Audit & Supervisory Committee members, unconsolidated subsidiaries, and associated companies for the year ended March 31, 2026 and 2025.

(2) Related – party transactions of consolidated subsidiaries

Significant transactions of consolidated subsidiaries with associated companies for the years ended March 31, 2026 and 2025, were as follows:

Yondenko Corporation

(The Company owns 31.8% of the common stock of Yondenko Corporation at March 31, 2026)

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Transactions:			
Construction	¥ 21,677	¥ 19,526	\$ 135,481
Maintenance	19,578	19,809	122,362
Balances:			
Other current liabilities	¥ 5,030	¥ 5,336	\$ 31,437

20. PER SHARE INFORMATION

Basic net income(loss) per share (“EPS”) for the years ended March 31, 2026 and 2025, were as follows:

	Millions of yen	Thousands of Shares	Yen	U.S. dollars
For the year ended:	Net income(loss) attributable to owners of the parent	Weighted-average shares	EPS	
March 31, 2026	¥ 50,809	205,479	¥ 247.27	\$ 1.54
March 31, 2025	¥ 68,324	205,673	¥ 332.20	

21. SUBSEQUENT EVENTS

Appropriation of retained earnings

At the shareholders’ meeting of the Company held on June 25, 2026, the following appropriation of retained earnings as of March 31, 2026, was approved.

	Millions of yen	Thousands of U.S. dollars
Year-end cash dividends, ¥25 (\$0.15) per share	¥ 5,140	\$ 32,125

22. SEGMENT INFORMATION

Under the Accounting Standards Board of Japan(“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 for which such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

(1) Description of reportable segments

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

For the year ended March 31, 2026, the Group’s reportable segments consisted of five segments: “Power generation and sales,” “Transmission and distribution,” “Telecommunications services,” “Energy,” and “Construction/Engineering.”

(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, “Significant accounting and reporting policies.”

Reportable segment profit is based on ordinary income, same amount of loss before reversal of reserve for fluctuations in water level and income taxes in this fiscal year. Also, intersegment sales or transfers are computed based on market price.

(3) Information about sales, profit (loss), assets, and other items of the Group for the years ended March 31, 2026 and 2025, were as follows:

	Millions of yen									
	Reportable segments									
	Electric utility		Telecommunications services	Energy	Construction /Engineering	Total	Other	Total	Reconciliations	Consolidated
	Power generation and sales	Transmission and distribution								
2026										
Sales										
Sales to external customers	¥ 584,658	¥ 77,592	¥ 40,436	¥ 23,126	¥ 24,215	¥ 750,029	¥ 11,832	¥ 761,862		¥ 761,862
Intersegment sales or transfers	45,469	152,936	12,315	3,971	34,708	249,401	30,416	279,817	¥(279,817)	
Total	630,128	230,529	52,751	27,098	58,923	999,430	42,249	1,041,680	(279,817)	761,862
Segment profit	¥ 34,886	¥ 8,538	¥ 11,289	¥5,366	¥ 5,175	¥ 65,256	¥ 3,933	¥ 69,190	¥ (1,300)	¥ 67,890
Segment assets	¥ 1,394,161	¥ 537,347	¥ 72,054	¥ 126,281	¥ 63,699	¥ 2,193,543	¥ 72,573	¥ 2,266,117	¥(531,758)	¥ 1,734,358
Other:										
Depreciation and amortization	37,110	18,823	4,735	1,524	198	62,393	2,375	64,768	(1,333)	63,435
Interest income	4,490	36	79	473	89	5,169	12	5,182	(3,929)	1,253
Interest expenses	7,133	3,328	16	544	21	11,044	280	11,325	(3,929)	7,395
Equity gains of Associated companies				3,412	1,707	5,119		5,119	(183)	4,936
Increase in property, plant and equipment and intangible assets	67,508	36,158	5,222	7,834	251	116,975	9,988	126,963	(2,166)	124,797
Investment in associated companies that applied the equity method				78,053	21,734	99,787		99,787		99,787

Millions of yen										
	Reportable segments									
	Electric utility		Telecommunications services	Energy	Construction /Engineering	Total	Other	Total	Reconciliations	Consolidated
	Power generation and sales	Transmission and distribution								
2025										
Sales										
Sales to external customers	¥ 663,957	¥ 92,393	¥ 38,852	¥ 23,175	¥ 23,678	¥ 842,056	¥ 9,342	¥ 851,399		¥ 851,399
Intersegment sales or transfers	45,671	159,688	11,547	3,468	31,577	251,953	26,634	278,588	¥(278,588)	
Total	709,628	252,081	50,399	26,644	55,256	1,094,010	35,977	1,129,988	(278,588)	851,399
Segment profit	¥ 41,361	¥ 26,106	¥ 10,622	¥ 5,606	¥ 5,490	¥ 89,189	¥ 2,932	¥ 92,122	¥ (510)	¥ 91,611
Segment assets	¥ 1,361,890	¥ 515,088	¥ 68,931	¥ 111,883	¥ 61,428	¥ 2,119,221	¥ 62,375	¥ 2,181,596	¥(494,112)	¥ 1,687,484
Other:										
Depreciation and amortization	37,782	18,022	4,467	1,489	193	61,955	2,203	64,158	(1,280)	62,878
Interest income	3,710	34	25	182	69	4,022	6	4,028	(3,279)	748
Interest expense	6,040	2,812	14	440	25	9,332	205	9,538	(3,279)	6,258
Equity gains of Associated companies				4,111	1,508	5,619		5,619	(148)	5,471
Increase in property, plant and equipment and intangible assets	41,355	28,328	6,909	2,964	189	79,746	3,475	83,222	(1,557)	81,665
Investment in associated companies that applied the equity method				71,448	19,746	91,195		91,195		91,195

	Thousands of U.S. dollars									
	Reportable segments									
	Electric utility		Telecommunications services	Energy	Construction /Engineering	Total	Other	Total	Reconciliations	Consolidated
	Power generation and sales	Transmission and distribution								
2026										
Sales										
Sales to external customers	\$ 3,654,112	\$ 484,950	\$ 252,725	\$ 144,537	\$ 151,343	\$ 4,687,681	\$ 73,950	\$ 4,761,637		\$ 4,761,637
Intersegment sales or transfers	284,181	955,850	76,968	24,818	216,925	1,558,756	190,100	1,748,856	\$(1,748,856)	
Total	3,938,300	1,440,806	329,693	169,362	368,268	6,246,437	264,056	6,510,500	(1,748,856)	4,761,637
Segment profit	\$ 218,037	\$ 53,362	\$ 70,556	\$ 33,537	\$ 32,343	\$ 407,850	\$ 24,581	\$ 432,437	\$ (8,125)	\$ 424,312
Segment assets	\$ 8,713,506	\$ 3,358,418	\$ 450,337	\$ 789,256	\$ 398,118	\$ 13,709,643	\$ 453,581	\$ 14,163,231	\$(3,323,487)	\$ 10,839,737
Other:										
Depreciation and amortization	231,937	117,643	29,593	9,525	1,237	389,956	14,843	404,800	(8,331)	396,468
Interest income	28,062	225	493	2,956	556	32,306	75	32,387	(24,556)	7,831
Interest expense	44,581	20,800	100	3,400	131	69,025	1,750	70,781	(24,556)	46,218
Equity gains of Associated companies				21,325	10,668	31,993		31,993	(1,143)	30,850
Increase in property, plant and equipment and intangible assets	421,925	225,987	32,637	48,962	1,568	731,093	62,425	793,518	(13,537)	779,981
Investment in associated companies that applied the equity method				487,831	135,837	623,668		623,668		623,668

Notes: 1. "Other" consists of product and sales of electric devices, commercial business, and others.

2. Amounts of adjustment for the year ended March 31, 2026, were as follows:

- An adjustment of segment profit (loss) of ¥(1,300) million (\$ (8,125) thousand), which represents transactions made between segments, is eliminated. Segment profit (loss), after this adjustment, is consistent with the ordinary profit.
- An adjustment of segment assets of ¥(531,758) million (\$ (3,323,487) thousand), which represents transactions made between segments, is eliminated.
- An adjustment of depreciation of ¥(1,333) million (\$ (8,331) thousand), which represents transactions made between segments, is eliminated.
- An adjustment of interest income of ¥(3,929) million (\$ (24,556) thousand), which represents transactions made between segments, is eliminated.
- An adjustment of interest expense of ¥(3,929) million (\$ (24,556) thousand), which represents transactions made between segments, is eliminated.
- An adjustment of equity gains(losses) of associated companies of ¥(183) million (\$ (1,143) thousand), which represents transactions made between segments, is eliminated.
- An adjustment of increase in property, plant and equipment and intangible assets of ¥(2,166) million (\$ (13,537) thousand), which represents transactions made between segments, is eliminated.

3. Amounts of adjustment for the year ended March 31, 2025, were as follows:

- An adjustment of segment profit (loss) of ¥(510) million, which represents transactions made between segments, is eliminated. Segment profit (loss), after this adjustment, is consistent with the ordinary profit.
- An adjustment of segment assets of ¥(494,112) million, which represents transactions made between segments, is eliminated.
- An adjustment of depreciation of ¥(1,280) million, which represents transactions made between segments, is eliminated.
- An adjustment of interest income of ¥(3,279) million, which represents transactions made between segments, is eliminated.
- An adjustment of interest expense of ¥(3,279) million, which represents transactions made between segments, is eliminated.
- An adjustment of equity gains (losses) of associated companies of ¥(148) million, which represents transactions made between segments, is eliminated.
- An adjustment of increase in property, plant and equipment and intangible assets of ¥(1,557) million, which represents transactions made between segments, is eliminated.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Shikoku Electric Power Company, Incorporated:

<Audit of Consolidated Financial Statements>

Opinion

We have audited the consolidated financial statements of Shikoku Electric Power Company, Incorporated and its consolidated subsidiaries (the "Group"), which comprise the consolidated balance sheet as of March 31, 2026, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, all expressed in Japanese yen.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

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

Basis for Opinion

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

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

【Electric lighting and electric power charges in the Power Generation & Sales segment】

Key Audit Matter Description

Electric lighting charges and electric power charges (hereinafter referred to as the "electric charges") are the primary revenue streams of the electricity business and are particularly significant accounts in the Group's consolidated financial statements. The Group recorded ¥662,250 million of operating revenues for the electricity business for the year ended March 31, 2026, which accounted for approximately 90 percent of the Group's overall operating revenue. Since the electricity business requires significant investments in equipment, such as power generating units, to run its business, the proportion of the fixed expenses to the operating expenses is large and the break-even point is high. Therefore, if misstatements occur in electric charges, such misstatements could materially impact net income.

Electric charges consist of high-volume transactions that is low in value, though each transaction of electric charges is immaterial compared to the total amount of revenue. In addition, the electric charges are automatically calculated by the IT systems based on customer data and meter reading data and are interfaced with the accounting system. In order to detect potential misstatements that could have a material impact on profits from the revenue population, it is necessary to obtain sufficient audit evidence by testing individual transactions with customers as well as to perform an analysis and other audit procedures multilaterally and comprehensively based on our understanding and evaluation of the process of recording electric charges.

As such, we identified revenue recognition from electric charges as a key audit matter because it requires extensive audit procedures as it is quantitatively material to the consolidated financial statements.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to revenue recognition of the electric charges included the following, among others:

- (1) Given that the electric charges are uniformly processed in accordance with power-supply terms and conditions, we performed analytical procedures by disaggregating the population based on certain criteria, such as terms and conditions of supply agreements.

- i. Analytical procedures as risk assessment procedures

We disaggregated the population of transactions of electric charges revenue by main price menu, area and basic charge and meter-rate charge. We performed a monthly transaction analysis by comparing the disaggregated amounts with sales volume of electric light electricity (kWh), the unit price of sales (yen/kWh), the number of contracts and the volume of the contracted power (kW) to determine whether the results were consistent with the competitive business environment and the historical results and to assess the probability of misstatement indicators for recording the revenue transactions.

- ii. Substantive analytical procedures

For certain menus that are quantitatively material among various price menus which constitute electric charges, we developed an expectation for electric charges revenue by each material disaggregated population and compared it to the recorded balance. Our expectations were developed by multiplying the meter reading data by the contract unit price, the fuel cost adjustments calculated based on the applicable upper limit price in the fuel cost adjustment system, various rate discount plans offered by the Group, discount funded by the "Electricity and Gas Fee Burden Reduction Support Project." We evaluated any material differences between the expected amounts and recorded balances by performing inquiries with the responsible personnel and performing detail testing of the transaction, as necessary.

- (2) The data used in the substantive analytical procedures was generated from the IT systems of the respective business process. To test the reliability of the data and identify the relevant controls, we obtained an understanding of the accounting process for electric charges. We then evaluated the design and operating effectiveness of the following underlying general IT controls and relevant controls performed by management, among others:

✓ Application and Contract	Review and approval by administrators to authorize the access to the system and ensure the accuracy of the registration information such as customer and contract data
✓ Metering	Review and approval by administrators to authorize the access to the system and follow-up procedures for identified abnormal meter reading data
✓ Conditioning	Examination and approval by the administrator to verify the correction of the amounts in the conditioning report and unusual results therein
✓ Billing and Revenue recognition	Testing of the accuracy and completeness of system interface controls and automated controls for electric charges revenue data

In understanding the accounting process of the electric charges, we prepared a process flow diagram to identify risks of material misstatements and how controls, including IT application controls, are designed and implemented in the business processes. With the assistance of our IT specialists, we determined the scope and evaluation of IT application controls and the related general IT controls. We also evaluated the automated controls, focusing on the automated reporting process that identifies the abnormal meter reading data, as well as the automated reporting process that extracts unusual conditioning results.

- (3) For substantive procedures other than the substantive analytical procedures, we selected a sample of revenue transactions and performed detail transaction testing by agreeing subsequent cash collections related to the electric charges to supporting documents, such as bank statements and/or bank transfer data. For corporate customers who demand extra-high or high voltage electric power service, we also tested the subsequent cash receipts on a sample basis by tracing to supporting evidence, such as bank transfer data provided from the bank.
- (4) We evaluated manual adjustments to the revenue transactions within the IT system for appropriateness by performing detail transaction testing for the material adjustments. In addition, we tested the operating effectiveness of the IT application controls within the IT systems that prevents the access of unauthorized personnel.
- (5) In addition, to address the risks of management override of controls, we tested manual journal entries recorded directly to the accounting system.

Other Information

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

<Fee-Related Information>

Fees for audit and other services for the year ended March 31, 2026, which were charged by us and our network firms to Shikoku Electric Power Company, Incorporated and its subsidiaries were ¥197 million and ¥88 million, respectively.

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

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

Deloitte Touche Tohmatsu LLC
September 16, 2026