

January 31, 2018

**The 3rd Quarter of the Fiscal Year Ending March 31, 2018 Financial Results Overview [Japan GAAP] (Consolidated)
Kyushu Electric Power Co., Inc.**

Stock code: 9508 URL: http://www.kyuden.co.jp/en_index.html

Stock listed on: Tokyo SE, Fukuoka SE

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Quarterly financial report submission date (plan): February 7, 2018

Date to start dividend payments: -

Preparation of supplementary materials for quarterly financial results: Yes

Information meeting for quarterly financial results: No

(Rounded down to the nearest million yen)

1. Consolidated Financial Results for the Nine Months (April 1, 2017 to December 31, 2017)

(1) Consolidated Operational Results

(% shows the changes from the same quarter period of the previous FY)

	Sales		Operating income		Ordinary income	
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)
April 1, 2017 - December 31, 2017	1,438,406	6.8	103,141	-16.2	83,644	-19.5
April 1, 2016 - December 31, 2016	1,346,736	-0.5	123,138	33.0	103,916	50.8

(Note) Comprehensive income : FY2017 3Q 79,480 million yen (-7.6%) FY2016 3Q 86,057 million yen (92.6%)

	Profit attributable to owners of parent		EPS	Fully-diluted EPS
	(Unit: million yen)	(%)	(Unit: yen)	(Unit: yen)
April 1, 2017 - December 31, 2017	73,636	-13.7	149.92	122.99
April 1, 2016 - December 31, 2016	85,352	62.0	174.65	—

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	(Unit: million yen)	(Unit: million yen)	(%)
As of December 31, 2017	4,543,243	636,856	13.5
As of March 31, 2017	4,587,541	574,577	12.0

(Reference) Shareholders' equity : As of December 31, 2017 : 612,421 million yen As of March 31, 2017: 550,965 million yen

2. Dividends

	Annual dividends per share				
	1Q	2Q	3Q	Year-end	Total
	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)
As of March 31, 2017	—	0.00	—	15.00	15.00
As of March 31, 2018	—	10.00	—		
As of March 31, 2018 (Forecast)				10.00	20.00

(Note) Revision of the dividend forecast : No

Dividends mentioned above is regarding common shares. See 'Dividends for class shares' regarding dividends for class shares which differ in shareholders' right from common shares.

3. Consolidated Financial Results Forecasts for FY2017 (April 1, 2017 to March 31, 2018)

(% shows the changes from the previous fiscal year)

	Sales		Operating income		Ordinary income		Profit attributable to owners of parent		EPS
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: yen)
Full-year	1,945,000	6.4	95,000	-22.5	65,000	-31.0	50,000	-36.9	98.17

(Note) Revision of financial results forecasts : No

※ Note

(1) Changes in significant subsidiaries : No
(changes in scope of specified subsidiaries)
Newly added: 0 Excluded: 0

(2) Adoption of methods specific in preparing quarterly consolidated financial statements in accounting practice : No

(3) Changes in accounting principles, changes in accounting estimates, restatement
① Changes in accounting principles in line with revised accounting standards : No
② Changes in accounting principles other than ① : No
③ Changes in accounting estimates : No
④ Restatement : No

(4) Number of common stocks issued and outstanding

① Total stocks including treasury stocks FY2017 3Q: 474,183,951 shares FY2016: 474,183,951 shares
② Treasury stocks FY2017 3Q: 515,981 shares FY2016: 522,731 shares
③ Average number of shares during the period FY2017 3Q: 473,661,581 shares FY2016 3Q: 473,662,182 shares

*Quarterly financial results is not the object of quarterly review.

*Notes on the proper use of the forecasts

Looking-forward statements are based on information available at the date of the release of this document. Due to various factors, the actual result may differ from these statements.

We will post supplementary materials for quarterly financial results on our website.

(Reference) Dividends for Class Shares

The breakdown of dividend for class shares which differ in shareholders' rights from common shares is as follows.

Class A preferred shares	Annual dividends per share				
	1Q	2Q	3Q	Year-end	Total
	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)
As of March 31, 2017	—	0.00	—	3,500,000.00	3,500,000.00
As of March 31, 2018	—	1,750,000.00	—		
As of March 31, 2018 (Forecast)				1,750,000.00	3,500,000.00

(Note1) Revision of the dividend forecast : No

(Reference) Non-consolidated Financial Results Forecasts**Non-consolidated Financial Results Forecasts for FY2017 (April 1, 2017 to March 31, 2018)**

(% shows the changes from the previous fiscal year)

	Sales		Operating income		Ordinary income		Profit		EPS
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: yen)
Full-year	1,810,000	6.7	75,000	-24.6	45,000	-34.7	35,000	-42.7	66.46

(Note) Revision of financial results forecasts : No

○ Table of Contents of Attached Material

1. Quarterly Consolidated Financial Statements and Notes	2
(1) Quarterly Consolidated Balance Sheets	2
(2) Quarterly Consolidated Income Statements and Quarterly Consolidated Comprehensive Income Statements	4
(3) Notes on Quarterly Consolidated Financial Statements	6
(Notes on the premise of going concern)	6
(Notes in case of drastic changes in the amount of equity)	6

1. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

	(Unit: million yen)	
	As of March 31, 2017	As of December 31, 2017
Assets		
Non-current assets	3,817,910	3,882,372
Electric utility plant and equipment	2,337,449	2,286,124
Hydroelectric power production facilities	270,206	266,301
Thermal power production facilities	206,881	206,102
Nuclear power production facilities	239,979	221,621
Internal combustion engine power production facilities	16,839	15,675
Renewable power production facilities	13,562	12,640
Transmission facilities	629,154	613,250
Transformation facilities	219,907	213,986
Distribution facilities	620,995	621,564
General facilities	114,099	109,160
Other electric utility plant and equipment	5,823	5,820
Other non-current assets	330,060	323,070
Construction in progress	487,450	585,160
Construction and retirement in progress	467,401	564,708
Special account related to nuclear power decommissioning	20,048	19,432
Manufacturing process in progress related to reprocessing of irradiated nuclear fuel	—	1,019
Nuclear fuel	252,138	267,248
Loaded nuclear fuel	73,956	65,754
Nuclear fuel in processing	178,182	201,493
Investments and other assets	410,811	420,769
Long-term investments	149,743	153,952
Net defined benefit asset	11,041	12,422
Deferred tax assets	129,562	128,745
Other	121,822	126,928
Allowance for doubtful accounts	△1,357	△1,279
Current assets	769,630	660,871
Cash and deposits	414,476	287,986
Notes and accounts receivable - trade	191,348	217,142
Inventories	64,344	79,293
Deferred tax assets	39,437	44,002
Other	60,983	33,209
Allowance for doubtful accounts	△959	△763
Total assets	4,587,541	4,543,243

(Unit: million yen)

	As of March 31, 2017	As of December 31, 2017
Liabilities		
Non-current liabilities	3,165,756	3,011,442
Bonds payable	1,104,296	1,074,496
Long-term loans payable	1,684,741	1,558,470
Reserve for restoration costs of natural disaster	188	83
Net defined benefit liability	99,526	99,381
Asset retirement obligations	217,278	220,046
Deferred tax liabilities	354	1,054
Other	59,370	57,909
Current liabilities	838,636	886,249
Current portion of non-current liabilities	414,545	437,042
Short-term loans payable	117,272	119,791
Notes and accounts payable - trade	59,412	64,833
Accrued taxes	17,059	39,280
Reserve for restoration costs of natural disaster	1,238	829
Other	229,108	224,472
Reserves under special laws	8,570	8,694
Reserve for fluctuation in water levels	8,570	8,694
Total liabilities	4,012,964	3,906,386
Net assets		
Shareholders' equity	570,410	626,949
Capital stock	237,304	237,304
Capital surplus	120,844	120,825
Retained earnings	212,945	269,483
Treasury shares	△685	△663
Accumulated other comprehensive income	△19,444	△14,528
Valuation difference on available-for-sale securities	3,597	4,938
Deferred gains or losses on hedges	△1,389	△1,419
Foreign currency translation adjustment	△3,590	△1,304
Remeasurements of defined benefit plans	△18,062	△16,743
Non-controlling interests	23,611	24,435
Total net assets	574,577	636,856
Total liabilities and net assets	4,587,541	4,543,243

(2) Quarterly Consolidated Income Statements and Quarterly Consolidated Comprehensive Income Statements
 (Quarterly Consolidated Income Statements)

	(Unit: million yen)	
	April 1, 2016 - December 31, 2016	April 1, 2017 - December 31, 2017
Operating revenue	1,346,736	1,438,406
Electric utility operating revenue	1,243,306	1,329,263
Other business operating revenue	103,430	109,143
Operating expenses	1,223,598	1,335,265
Electric utility operating expenses	1,131,596	1,235,605
Other business operating expenses	92,001	99,659
Operating profit	<u>123,138</u>	<u>103,141</u>
Non-operating income	13,958	11,750
Dividend income	2,921	3,770
Interest income	2,306	273
Share of profit of entities accounted for using equity method	4,256	4,654
Other	4,474	3,052
Non-operating expenses	33,180	31,247
Interest expenses	27,303	25,104
Other	5,876	6,143
Total ordinary revenue	1,360,695	1,450,157
Total ordinary expenses	1,256,778	1,366,513
Ordinary profit	103,916	83,644
Provision or reversal of reserve for fluctuation in water levels	1,119	123
Provision of reserve for fluctuation in water levels	1,119	123
Extraordinary losses	10,613	-
Contingent loss	320	-
Extraordinary loss on natural disaster	10,293	-
Profit before income taxes	<u>92,183</u>	<u>83,521</u>
Income taxes - current	9,438	14,219
Income taxes - deferred	△3,560	△5,309
Total income taxes	<u>5,878</u>	<u>8,910</u>
Profit	<u>86,305</u>	<u>74,611</u>
Profit attributable to non-controlling interests	953	975
Profit attributable to owners of parent	<u>85,352</u>	<u>73,636</u>

(Quarterly Consolidated Comprehensive Income Statements)

	(Unit: million yen)	
	April 1, 2016 - December 31, 2016	April 1, 2017 - December 31, 2017
Profit	86,305	74,611
Other comprehensive income		
Valuation difference on available-for-sale securities	880	770
Deferred gains or losses on hedges	Δ411	Δ211
Foreign currency translation adjustment	Δ824	1,820
Remeasurements of defined benefit plans, net of tax	1,106	1,445
Share of other comprehensive income of entities accounted for using equity method	Δ998	1,044
Total other comprehensive income	Δ247	4,869
Comprehensive income	86,057	79,480
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	84,945	78,552
Comprehensive income attributable to non-controlling interests	1,111	928

(3) Notes on Quarterly Consolidated Financial Statements

(Notes on the premise of going concern)

N/A

(Notes in case of drastic changes in the amount of equity)

N/A

* Be advised that the Japanese version shall prevail if in any case a discrepancy arises between the original and English translation