

July 31, 2019

**The 1st Quarter of the Fiscal Year Ending March 31, 2020 Financial Results Overview [Japan GAAP] (Consolidated)
Kyushu Electric Power Co., Inc.**

Stock code: 9508 URL: https://www.kyuden.co.jp/english_index.html

Stock listed on: Tokyo SE, Fukuoka SE

Representative: Mr. Kazuhiro Ikebe, President & Chief Executive Officer

Contact: Investor Relations Group, Corporate Strategy Division. Tel: +81-92-726-1575

Quarterly financial report submission date (plan): August 9, 2019

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 Three Months (April 1, 2019 to June 30, 2019)

(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, 2019 - June 30, 2019	489,337	5.0	18,284	—	11,822	—
April 1, 2018 - June 30, 2018	466,232	2.0	-2,523	—	-10,418	—

(Note) Comprehensive income : FY2019 1Q 9,174 million yen (—%) FY2018 1Q -9,298 million yen (—%)

	Profit attributable to owners of parent		EPS	Fully-diluted EPS
	(Unit: million yen)	(%)	(Unit: yen)	(Unit: yen)
April 1, 2019 - June 30, 2019	7,743	—	14.55	11.88
April 1, 2018 - June 30, 2018	-9,104	—	-21.07	—

(Note) Fully-diluted EPS for FY2018 1Q is not indicated in spite of existence of delutive potential shares because EPS is net loss.

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	(Unit: million yen)	(Unit: million yen)	(%)
As of June 30, 2019	4,749,166	660,349	13.4
As of March 31, 2019	4,794,039	665,250	13.3

(Reference) Shareholders' equity : As of June 30, 2019 : 634,311 million yen As of March 31, 2019: 639,435 million yen

2. Dividends

	Annual dividends per share				
	1Q	2Q	3Q	Year-end	Total
	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)
FY2018 ended March 31, 2019	—	15.00	—	15.00	30.00
FY2019 ended March 31, 2020	—	—	—	—	—
FY2019 ending March 31, 2020 (forecast)	—	20.00	—	20.00	40.00

(Note) Revision of the dividend forecast : No

Dividends mentioned the 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 FY2019 (April 1, 2019 to March 31, 2020)

(% 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	2,085,000	3.4	105,000	21.3	80,000	52.3	55,000	77.6	112.90

(Note) Revision of financial results forecasts : No

※ Note

(1) Changes in significant subsidiaries : No

(changes in scope of specified subsidiaries)

Newly added: — Excluded: —

(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 at the end of period

FY2019 1Q	474,183,951 shares	FY2018	474,183,951 shares
-----------	--------------------	--------	--------------------

② Treasury stocks at the end of period

FY2019 1Q	1,212,452 shares	FY2018	1,209,576 shares
-----------	------------------	--------	------------------

③ Average number of stocks during the period (Quarter Total)

FY2019 1Q	472,972,454 shares	FY2018 1Q	473,662,015 shares
-----------	--------------------	-----------	--------------------

(Note) As we have introduced a performance-linked stock compensation plan "Board Benefit Trust (BBT)", the number of our shares regarding BBT held by the Trust was included in the number of treasury stocks at the end of period (676,200 shares as of FY2019 1Q and 676,200 shares as of FY2018) . In addition, the number of our shares held by the Trust was included in the number of treasury stocks, which was to be deducted from the calculation of the average number of stocks during the period. (676,200 shares for FY2019 1Q and —share for FY2018 1Q)

*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)
FY2018 ended March 31, 2019	—	1,750,000.00	—	1,750,000.00	3,500,000.00
FY2019 ended March 31, 2020	—				
FY2019 ending March 31, 2020 (forecast)	—	546,575.00	—	1,052,877.00	1,599,452.00

(Note1) Revision of the dividend forecast : No

(Note2) Based on the approval given at the 95th annual General Meeting of Stockholders held on June 26, 2019, we carried out the changes to the articles of incorporation, in which there is a revision in the contents of the Class A preferred share and a change in ownership. Accordingly, the contents for the fiscal year ending March 2020 (forecast) have been revised.

(Reference) Non-consolidated Financial Results Forecasts

Non-consolidated Financial Results Forecasts for FY2019 (April 1, 2019 to March 31, 2020)

(% 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	1,915,000	2.6	75,000	23.6	50,000	53.7	35,000	49.4	70.57

(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 and Notes

(1) Quarterly Consolidated Balance Sheets

	(Unit: million yen)	
	As of March 31, 2019	As of June 30, 2019
Assets		
Non-current assets	4,188,492	4,247,081
Electric utility plant and equipment	2,388,366	2,383,265
Hydroelectric power production facilities	256,516	260,912
Thermal power production facilities	184,455	173,899
Nuclear power production facilities	357,642	352,067
Internal combustion engine power production facilities	18,485	21,901
Renewable power production facilities	13,814	13,507
Transmission facilities	590,832	590,359
Transformation facilities	210,092	211,549
Distribution facilities	628,549	628,654
General facilities	115,402	113,725
Other electric utility plant and equipment	12,574	16,687
Other non-current assets	368,086	363,964
Construction in progress	665,622	715,184
Construction and retirement in progress	587,629	629,543
Special account related to nuclear power decommissioning	45,592	45,141
Special account related to reprocessing of spent nuclear fuel	32,400	40,499
Nuclear fuel	267,824	262,027
Loaded nuclear fuel	47,529	41,703
Nuclear fuel in processing	220,294	220,324
Investments and other assets	498,592	522,638
Long-term investments	155,767	156,836
Retirement benefit asset	14,099	14,072
Deferred tax assets	189,892	187,014
Other	140,750	166,578
Allowance for doubtful accounts	-1,916	-1,863
Current assets	605,547	502,085
Cash and deposits	218,236	104,372
Notes and accounts receivable - trade	228,132	259,971
Inventories	91,827	82,356
Other	68,120	56,064
Allowance for doubtful accounts	-769	-679
Total assets	4,794,039	4,749,166

	(Unit: million yen)	
	As of March 31, 2019	As of June 30, 2019
Liabilities		
Non-current liabilities	3,105,099	3,063,317
Bonds payable	1,089,897	1,074,897
Long-term borrowings	1,576,280	1,555,278
Retirement benefit liability	99,600	97,890
Asset retirement obligations	264,166	265,081
Deferred tax liabilities	3,682	4,374
Other	71,472	65,794
Current liabilities	1,014,731	1,017,118
Current portion of non-current liabilities	452,478	475,146
Short-term borrowings	115,063	118,333
Commercial papers	—	62,000
Notes and accounts payable - trade	70,270	58,519
Accrued taxes	20,346	12,828
Other	356,572	290,290
Reserves under special laws	8,958	8,381
Reserve for water shortage	8,958	8,381
Total liabilities	4,128,789	4,088,817
Net assets		
Shareholders' equity	657,162	650,949
Share capital	237,304	237,304
Capital surplus	120,831	115,334
Retained earnings	300,551	299,838
Treasury shares	-1,524	-1,528
Accumulated other comprehensive income	-17,726	-16,637
Valuation difference on available-for-sale securities	4,090	3,660
Deferred gains or losses on hedges	-4,306	-4,639
Foreign currency translation adjustment	-3,582	-3,273
Remeasurements of defined benefit plans	-13,928	-12,385
Non-controlling interests	25,814	26,038
Total net assets	665,250	660,349
Total liabilities and net assets	4,794,039	4,749,166

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

(Unit : million yen)

	April 1, 2018- June 30, 2018	April 1, 2019- June 30, 2019
Operating revenue	466,232	489,337
Electric utility operating revenue	428,771	440,750
Other business operating revenue	37,461	48,586
Operating expenses	468,756	471,053
Electric utility operating expenses	434,444	425,554
Other business operating expenses	34,312	45,499
Operating profit (loss)	-2,523	18,284
Non-operating income	1,453	4,188
Interest income	38	221
Share of profit of entities accounted for using equity method	100	1,957
Other	1,314	2,009
Non-operating expenses	9,348	10,650
Interest expenses	8,267	7,515
Other	1,080	3,134
Total ordinary revenue	467,686	493,526
Total ordinary expenses	478,104	481,703
Ordinary profit (loss)	-10,418	11,822
Provision or reversal of reserve for water shortage	-8	-577
Reversal of reserve for water shortage	-8	-577
Profit (loss) before income taxes	-10,410	12,399
Income taxes - current	691	1,139
Income taxes - deferred	-2,436	3,073
Total income taxes	-1,745	4,212
Profit (loss)	-8,664	8,187
Profit attributable to non-controlling interests	439	443
Profit (loss) attributable to owners of parent	-9,104	7,743

(Quarterly Consolidated Comprehensive Income Statements)

	(Unit: million yen)	
	April 1,2018- June 30, 2018)	April 1,2019- June 30, 2019)
Profit (loss)	-8,664	8,187
Other comprehensive income		
Valuation difference on available-for-sale securities	25	-120
Deferred gains or losses on hedges	598	-477
Foreign currency translation adjustment	-2,152	277
Remeasurements of defined benefit plans, net of tax	1,213	1,521
Share of other comprehensive income of entities accounted for using equity method	-319	-213
Total other comprehensive income	-633	986
Comprehensive income	-9,298	9,174
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	-9,744	8,830
Comprehensive income attributable to non-controlling interests	445	343

(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