

January 31, 2020

**The 3rd Quarter of the Fiscal Year Ending March 31, 2020 Financial Results Overview [Japan GAAP] (Consolidated)**  
**Kyushu Electric Power Co., Inc.**

Stock code: 9508 URL: [http://www.kyuden.co.jp/en\\_index.html](http://www.kyuden.co.jp/en_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): February 13, 2020

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, 2019 to December 31, 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 - December 31, 2019 | 1,502,904           | 0.2 | 30,469              | -44.9 | 12,595              | -67.6 |
| April 1, 2018 - December 31, 2018 | 1,499,420           | 4.2 | 55,309              | -46.4 | 38,883              | -53.5 |

(Note) Comprehensive income : FY2019 3Q 7,706 million yen (-74.0%) FY2018 3Q 29,648 million yen (-62.7%)

|                                   | Profit attributable to owners of parent |       | EPS         | Fully-diluted EPS |
|-----------------------------------|-----------------------------------------|-------|-------------|-------------------|
|                                   | (Unit: million yen)                     | (%)   | (Unit: yen) | (Unit: yen)       |
| April 1, 2019 - December 31, 2019 | 1,422                                   | -94.7 | -1.05       | -                 |
| April 1, 2018 - December 31, 2018 | 26,691                                  | -63.8 | 50.85       | 41.62             |

(Note) Fully-diluted EPS for FY2019 3Q is not stated because it is negative, although there are dilutive shares.

**(2) Consolidated Financial Position**

|                         | Total assets        | Net assets          | Shareholders' equity ratio |
|-------------------------|---------------------|---------------------|----------------------------|
|                         | (Unit: million yen) | (Unit: million yen) | (%)                        |
| As of December 31, 2019 | 4,917,466           | 648,621             | 12.6                       |
| As of March 31, 2019    | 4,794,039           | 665,250             | 13.3                       |

(Reference) Shareholders' equity : As of December 31, 2019 : 621,703 million yen As of March 31, 2018: 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            | —                          | 20.00       | —           |             |             |
| FY2019 ended March 31, 2020 (forecast) |                            |             |             | 15.00       | 35.00       |

(Note) Revision of the dividend forecast : No

Dividends mentioned above refer to 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 | 2,035,000           | 0.9 | 65,000              | -24.9 | 40,000              | -23.9 | 20,000                                  | -35.4 | 37.12       |

(Note) Revision of financial results forecasts : Yes

As for the revision of the forecast of the consolidated financial results, see 'Revision of Financial Results Forecast for FY2019' announced on January 31, 2020.

※ 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 3Q 474,183,951 shares      FY2018 474,183,951 shares

② Treasury stocks at the end of period

FY2019 3Q 1,191,723 shares      FY2018 1,209,576 shares

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

FY2019 3Q 472,984,389 shares      FY2018 3Q 473,283,098 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 ( 648,100 shares as of FY2019 3Q and 676,200 share 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. ( 660,589 shares for FY2019 3Q and 375,667 share for FY2018 3Q)

\*Quarterly financial results reports are exempt from 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<br>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               | —                          | 546,575.00   | —           |              |              |
| FY2019 ended March 31, 2020<br>(forecast) |                            |              |             | 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 and 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 | 1,850,000           | -0.9 | 35,000              | -42.3 | 10,000              | -69.3 | 0                   | -100.0 | -5.16       |

(Note) Revision of financial results forecasts : Yes

As for the revision of the forecast of the non-consolidated financial results, see 'Revision of Financial Results and Dividends Forecast for FY2019' announced on October 31, 2019.

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# 1. Quarterly Consolidated Financial Statements and Notes

## (1) Quarterly Consolidated Balance Sheets

|                                                               | (Unit: million yen)  |                         |
|---------------------------------------------------------------|----------------------|-------------------------|
|                                                               | As of March 31, 2019 | As of December 31, 2019 |
| Assets                                                        |                      |                         |
| Non-current assets                                            | 4,188,492            | 4,311,709               |
| Electric utility plant and equipment                          | 2,388,366            | 2,496,106               |
| Hydroelectric power production facilities                     | 256,516              | 259,744                 |
| Thermal power production facilities                           | 184,455              | 313,705                 |
| Nuclear power production facilities                           | 357,642              | 338,085                 |
| Internal combustion engine power production facilities        | 18,485               | 21,215                  |
| Renewable power production facilities                         | 13,814               | 13,938                  |
| Transmission facilities                                       | 590,832              | 580,152                 |
| Transformation facilities                                     | 210,092              | 210,393                 |
| Distribution facilities                                       | 628,549              | 631,648                 |
| General facilities                                            | 115,402              | 111,020                 |
| Other electric utility plant and equipment                    | 12,574               | 16,200                  |
| Other non-current assets                                      | 368,086              | 354,961                 |
| Construction in progress                                      | 665,622              | 651,175                 |
| Construction and retirement in progress                       | 587,629              | 566,604                 |
| Special account related to nuclear power decommissioning      | 45,592               | 44,071                  |
| Special account related to reprocessing of spent nuclear fuel | 32,400               | 40,499                  |
| Nuclear fuel                                                  | 267,824              | 250,313                 |
| Loaded nuclear fuel                                           | 47,529               | 51,616                  |
| Nuclear fuel in processing                                    | 220,294              | 198,696                 |
| Investments and other assets                                  | 498,592              | 559,153                 |
| Long-term investments                                         | 155,767              | 189,284                 |
| Retirement benefit asset                                      | 14,099               | 15,594                  |
| Deferred tax assets                                           | 189,892              | 183,758                 |
| Other                                                         | 140,750              | 171,934                 |
| Allowance for doubtful accounts                               | Δ1,916               | Δ1,417                  |
| Current assets                                                | 605,547              | 605,756                 |
| Cash and deposits                                             | 218,236              | 213,040                 |
| Notes and accounts receivable - trade                         | 228,132              | 254,131                 |
| Inventories                                                   | 91,827               | 89,155                  |
| Other                                                         | 68,120               | 50,144                  |
| Allowance for doubtful accounts                               | Δ769                 | Δ714                    |
| Total assets                                                  | 4,794,039            | 4,917,466               |

|                                                       | (Unit: million yen)  |                         |
|-------------------------------------------------------|----------------------|-------------------------|
|                                                       | As of March 31, 2019 | As of December 31, 2019 |
| Liabilities                                           |                      |                         |
| Non-current liabilities                               | 3,105,099            | 3,184,252               |
| Bonds payable                                         | 1,089,897            | 1,154,897               |
| Long-term borrowings                                  | 1,576,280            | 1,596,759               |
| Retirement benefit liability                          | 99,600               | 97,357                  |
| Asset retirement obligations                          | 264,166              | 266,880                 |
| Deferred tax liabilities                              | 3,682                | 4,447                   |
| Other                                                 | 71,472               | 63,908                  |
| Current liabilities                                   | 1,014,731            | 1,075,886               |
| Current portion of non-current liabilities            | 452,478              | 501,950                 |
| Short-term borrowings                                 | 115,063              | 118,862                 |
| Commercial papers                                     | —                    | 38,000                  |
| Notes and accounts payable - trade                    | 70,270               | 55,677                  |
| Accrued taxes                                         | 20,346               | 21,426                  |
| Other                                                 | 356,572              | 339,969                 |
| Reserves under special laws                           | 8,958                | 8,706                   |
| Reserve for water shortage                            | 8,958                | 8,706                   |
| Total liabilities                                     | 4,128,789            | 4,268,845               |
| Net assets                                            |                      |                         |
| Shareholders' equity                                  | 657,162              | 634,652                 |
| Share capital                                         | 237,304              | 237,304                 |
| Capital surplus                                       | 120,831              | 120,008                 |
| Retained earnings                                     | 300,551              | 278,839                 |
| Treasury shares                                       | Δ1,524               | Δ1,500                  |
| Accumulated other comprehensive income                | Δ17,726              | Δ12,948                 |
| Valuation difference on available-for-sale securities | 4,090                | 4,184                   |
| Deferred gains or losses on hedges                    | Δ4,306               | Δ1,713                  |
| Foreign currency translation adjustment               | Δ3,582               | Δ6,120                  |
| Remeasurements of defined benefit plans               | Δ13,928              | Δ9,298                  |
| Non-controlling interests                             | 25,814               | 26,917                  |
| Total net assets                                      | 665,250              | 648,621                 |
| Total liabilities and net assets                      | 4,794,039            | 4,917,466               |

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

|                                                               | (Unit: million yen)                 |                                      |
|---------------------------------------------------------------|-------------------------------------|--------------------------------------|
|                                                               | April 1,2018-<br>December 31, 2018) | April 1,2019-<br>Decemberr 31, 2019) |
| Operating revenue                                             | 1,499,420                           | 1,502,904                            |
| Electric utility operating revenue                            | 1,379,788                           | 1,350,913                            |
| Other business operating revenue                              | 119,631                             | 151,991                              |
| Operating expenses                                            | 1,444,110                           | 1,472,435                            |
| Electric utility operating expenses                           | 1,334,758                           | 1,332,643                            |
| Other business operating expenses                             | 109,352                             | 139,792                              |
| Operating profit                                              | 55,309                              | 30,469                               |
| Non-operating income                                          | 13,011                              | 13,202                               |
| Interest income                                               | 225                                 | 611                                  |
| Share of profit of entities accounted for using equity method | 5,922                               | 7,081                                |
| Other                                                         | 6,863                               | 5,508                                |
| Non-operating expenses                                        | 29,437                              | 31,076                               |
| Interest expenses                                             | 24,134                              | 21,596                               |
| Other                                                         | 5,302                               | 9,480                                |
| Total ordinary revenue                                        | 1,512,431                           | 1,516,107                            |
| Total ordinary expenses                                       | 1,473,548                           | 1,503,512                            |
| Ordinary profit                                               | 38,883                              | 12,595                               |
| Provision or reversal of reserve for water shortage           | 279                                 | △252                                 |
| Provision of reserve for water shortage                       | 279                                 | —                                    |
| Reversal of reserve for water shortage                        | —                                   | △252                                 |
| Profit before income taxes                                    | 38,603                              | 12,848                               |
| Income taxes - current                                        | 4,244                               | 3,756                                |
| Income taxes - deferred                                       | 6,647                               | 6,163                                |
| Total income taxes                                            | 10,892                              | 9,920                                |
| Profit                                                        | 27,710                              | 2,928                                |
| Profit attributable to non-controlling interests              | 1,019                               | 1,505                                |
| Profit attributable to owners of parent                       | 26,691                              | 1,422                                |

(Quarterly Consolidated Comprehensive Income Statements)

|                                                                                   | (Unit: million yen)                 |                                     |
|-----------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
|                                                                                   | April 1,2018-<br>December 31, 2018) | April 1,2019-<br>December 31, 2019) |
| Profit                                                                            | 27,710                              | 2,928                               |
| Other comprehensive income                                                        |                                     |                                     |
| Valuation difference on available-for-sale securities                             | Δ310                                | 95                                  |
| Deferred gains or losses on hedges                                                | 789                                 | 2,463                               |
| Foreign currency translation adjustment                                           | Δ1,945                              | Δ2,075                              |
| Remeasurements of defined benefit plans, net of tax                               | 3,641                               | 4,563                               |
| Share of other comprehensive income of entities accounted for using equity method | Δ238                                | Δ268                                |
| Total other comprehensive income                                                  | 1,937                               | 4,778                               |
| Comprehensive income                                                              | 29,648                              | 7,706                               |
| Comprehensive income attributable to                                              |                                     |                                     |
| Comprehensive income attributable to owners of parent                             | 28,696                              | 6,198                               |
| Comprehensive income attributable to non-controlling interests                    | 952                                 | 1,508                               |

(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