

April 26, 2019

**The Fiscal Year Ended March 31, 2019 Financial Results Overview [Japan GAAP] (Consolidated)
Kyushu Electric Power Co., Inc.**

Stock code: 9508 URL: http://www.kyuden.co.jp/english_index.html Stock listed on: Tokyo SE, Fukuoka SE

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General Meeting of Stockholders date (plan) : June 26, 2019

Commencement of payment of year-end dividend: June 27, 2019

Annual security report submission date (plan): June 27, 2019

Preparation of supplementary materials for quarterly financial results: Yes

Information meeting for quarterly financial results: Yes (for analysts and institutional investors)

(Rounded down to the nearest million yen)

1. Consolidated Financial Results for FY2018 (April 1, 2018 to March 31, 2019)

(1) Consolidated Operational Results

(% shows the changes from the previous FY)

	Sales		Operating income		Ordinary income	
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)
FY2018 ended March 31, 2019	2,017,181	2.9	86,575	-16.0	52,544	-28.7
FY2017 ended March 31, 2018	1,960,359	7.3	103,123	-15.9	73,678	-21.8

(Note) Comprehensive income : FY2018 22,597 million yen (-76.6%) FY2017 96,591 million yen (17.7%)

	Profit attributable to owners of parent		Net income per share	Fully-diluted net earnings per share	Net return on shareholders' equity	Ratio of current income to total capital	Ratio of current income to sales
	(Unit: million yen)	(%)	(Unit: yen)	(Unit: yen)	(%)	(%)	(%)
FY2018 ended March 31, 2019	30,970	-64.3	58.05	47.51	4.9	1.1	4.3
FY2017 ended March 31, 2018	86,657	9.3	175.56	144.03	14.7	1.6	5.3

(Reference) Investment Profit/Loss under Equity Methods : FY2018 -2,822 million yen FY2017 7,257 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(Unit: million yen)	(Unit: million yen)	(%)	(Unit: yen)
FY2018 ended March 31, 2019	4,794,039	665,250	13.3	1,136.82
FY2017 ended March 31, 2018	4,710,073	653,963	13.4	1,113.43

(Reference) Shareholders' equity: FY2018 629,435 million yen FY2017 629,140 million yen

(3) Consolidated Cash Flow

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financing activities	Cash and cash equivalents balance as of term-end
	(Unit: million yen)	(Unit: million yen)	(Unit: million yen)	(Unit: million yen)
FY2018 ended March 31, 2019	283,020	-364,341	-40,716	245,273
FY2017 ended March 31, 2018	355,995	-321,751	-90,334	365,875

2. Dividends

(Record date)	Annual dividends per share					Total dividends (annual)	Payout ratio (consolidated)	Dividend rate for net assets (consolidated)
	1Q	Interim	3Q	Year-end	Total			
	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: million yen)	(%)	(%)
FY2017 ended March 31, 2018	—	10.00	—	10.00	20.00	9,479	11.4	1.9
FY2018 ended March 31, 2019	—	15.00	—	15.00	30.00	14,218	51.7	2.7
FY2019 ending March 31, 2020 (forecast)	—	20.00	—	20.00	40.00		35.4	

(Note) 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. Forecast for FY2019 (April 1, 2019 to March 31, 2020)

(% shows the changes from the same financial periods of the previous year)

	Sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net earnings per share
	(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

(1) Changes in significant subsidiaries (changes in scope of specified subsidiaries) : No

Newly added:0 Excluded:0

(2) 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

(3) Number of common stocks issued and outstanding

- ① Total stocks including treasury stocks at the end of period
 FY2018 474,183,951 shares FY2017 474,183,951 shares
- ② Treasury stocks at the end of period
 FY2018 1,209,576 shares FY2017 520,059 shares
- ③ Average number of stocks during the period
 FY2018 473,206,217 shares FY2017 473,662,498 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 FY2018 and —share as of FY2017) . 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. (450,800 shares for FY2018 and —share for FY2017)

(Reference) Outline of Non-consolidated Financial Results

1. Non-consolidated Financial Results for FY2018 (April 1, 2018 to March 31, 2019)

(1) Non-Consolidated Operational Results

(% shows the changes from the previous FY)

	Sales		Operating income		Ordinary income	
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)
FY2018 ended March 31, 2019	1,867,152	2.4	60,656	-25.3	32,534	-32.5
FY2017 ended March 31, 2018	1,823,543	7.5	81,203	-18.4	48,203	-30.0

	Net income		Net earnings per share	Fully-diluted net earnings per share
	(Unit: million yen)	(%)	(Unit: yen)	(Unit: yen)
FY2018 ended March 31, 2019	23,425	-66.1	42.08	34.44
FY2017 ended March 31, 2018	69,023	13.0	138.24	113.43

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(Unit: million yen)	(Unit: million yen)	(%)	(Unit: yen)
FY2018 ended March 31, 2019	4,278,837	495,799	11.6	832.60
FY2017 ended March 31, 2018	4,230,935	488,774	11.6	816.57

(Reference) Shareholders' equity: FY2018 495,799 million yen FY2017 488,774 million yen

2. Non-consolidated Forecast for FY2019 (April 1, 2019 to March 31, 2020)

(% shows the changes from the same financial periods of the previous year)

	Sales		Operating income		Ordinary income		Net income		Net earnings per share
	(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

*Financial results are not subject to audit procedures

*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 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)
FY2017 ended March 31, 2018	—	1,750,000.00	—	1,750,000.00	3,500,000.00
FY2018 ended March 31, 2019	—	1,750,000.00	—	1,750,000.00	3,500,000.00
FY2019 ending March 31, 2020 (forecast)	—	546,575.00	—	1,052,877.00	1,599,452.00

(Note) The board of directors has decided to revise Class A preferred shares as of April 22, 2019. Therefore, with regard to the forecast of FY2019 ending March 31, 2020, this revision is reflected.

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Please note that this purports to be an accurate and complete translation of the original Japanese version prepared for the convenience of our English-speaking audience. However, in the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

1. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheets

	(Unit: million yen)	
	As of March 31, 2018	As of March 31, 2019
Assets		
Non-current assets	4,026,352	4,188,492
Electric utility plant and equipment	2,286,481	2,388,366
Hydroelectric power production facilities	266,103	256,516
Thermal power production facilities	202,670	184,455
Nuclear power production facilities	221,677	357,642
Internal combustion engine power production facilities	16,021	18,485
Renewable power production facilities	15,334	13,814
Transmission facilities	607,864	590,832
Transformation facilities	213,082	210,092
Distribution facilities	625,502	628,549
General facilities	112,405	115,402
Other electric utility plant and equipment	5,819	12,574
Other non-current assets	381,712	368,086
Construction in progress	595,820	665,622
Construction and retirement in progress	561,296	587,629
Special account related to nuclear power decommissioning	19,226	45,592
Special account related to reprocessing of spent nuclear fuel	15,297	32,400
Nuclear fuel	271,742	267,824
Loaded nuclear fuel	64,732	47,529
Nuclear fuel in processing	207,009	220,294
Investments and other assets	490,596	498,592
Long-term investments	153,839	155,767
Retirement benefit asset	15,760	14,099
Deferred tax assets	195,713	189,892
Other	126,551	140,750
Allowance for doubtful accounts	-1,268	-1,916
Current assets	683,720	605,547
Cash and deposits	345,701	218,236
Notes and accounts receivable - trade	216,117	228,132
Inventories	70,039	91,827
Other	52,715	68,120
Allowance for doubtful accounts	-853	-769
Total assets	4,710,073	4,794,039

	(Unit: million yen)	
	As of March 31, 2018	As of March 31, 2019
Liabilities		
Non-current liabilities	3,078,137	3,105,099
Bonds payable	1,074,496	1,089,897
Long-term loans payable	1,624,600	1,576,280
Reserve for restoration costs of natural disaster	58	—
Retirement benefit liability	95,605	99,600
Asset retirement obligations	221,372	264,166
Deferred tax liabilities	1,597	3,682
Other	60,405	71,472
Current liabilities	969,282	1,014,731
Current portion of non-current liabilities	437,675	452,478
Short-term loans payable	117,371	115,063
Notes and accounts payable - trade	81,987	70,270
Accrued taxes	45,875	20,346
Reserve for restoration costs of natural disaster	572	—
Other	285,799	356,572
Reserves under special laws	8,690	8,958
Reserve for fluctuation in water levels	8,690	8,958
Total liabilities	4,056,110	4,128,789
Net assets		
Shareholders' equity	639,966	657,162
Capital stock	237,304	237,304
Capital surplus	120,825	120,831
Retained earnings	282,504	300,551
Treasury shares	-668	-1,524
Accumulated other comprehensive income	-10,825	-17,726
Valuation difference on available-for-sale securities	4,369	4,090
Deferred gains or losses on hedges	-1,412	-4,306
Foreign currency translation adjustment	-1,905	-3,582
Remeasurements of defined benefit plans	-11,876	-13,928
Non-controlling interests	24,822	25,814
Total net assets	653,963	665,250
Total liabilities and net assets	4,710,073	4,794,039

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

(Unit: million yen)

	FY2017 (April 1, 2017- March 31, 2018)	FY2018 (April 1, 2018- March 31, 2019)
Operating revenue	1,960,359	2,017,181
Electric utility operating revenue	1,804,418	1,844,850
Other business operating revenue	155,940	172,331
Operating expenses	1,857,235	1,930,606
Electric utility operating expenses	1,713,322	1,771,776
Other business operating expenses	143,913	158,829
Operating profit	103,123	86,575
Non-operating income	15,848	10,432
Dividend income	4,072	3,761
Interest income	314	439
Gain on sales of non-current assets	605	1,368
Share of profit of entities accounted for using equity method	7,257	-
Other	3,597	4,862
Non-operating expenses	45,293	44,463
Interest expenses	33,416	31,397
Share of loss of entities accounted for using equity method	-	2,822
Other	11,877	10,243
Total ordinary revenue	1,976,208	2,027,614
Total ordinary expenses	1,902,529	1,975,070
Ordinary profit	73,678	52,544
Provision or reversal of reserve for fluctuation in water levels	119	268
Provision of reserve for fluctuation in water levels	119	268
Profit before income taxes	73,558	52,276
Income taxes - current	15,170	9,905
Income taxes - deferred	-29,640	9,868
Total income taxes	-14,470	19,773
Profit	88,028	32,502
Profit attributable to non-controlling interests	1,371	1,532
Profit attributable to owners of parent	86,657	30,970

Consolidated Comprehensive Income Statements

	(Unit: million yen)	
	FY2017 (April 1, 2017- March 31, 2018)	FY2018 (April 1, 2018- March 31, 2019)
Profit	88,028	32,502
Other comprehensive income		
Valuation difference on available-for-sale securities	462	-113
Deferred gains or losses on hedges	-178	-3,155
Foreign currency translation adjustment	1,448	-3,536
Remeasurements of defined benefit plans, net of tax	6,598	-1,954
Share of other comprehensive income of entities accounted for using equity method	231	-1,146
Total other comprehensive income	8,562	-9,905
Comprehensive income	96,591	22,597
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	95,276	21,257
Comprehensive income attributable to non-controlling interests	1,314	1,339

(3) Consolidated Statements of Changes in Shareholders' Equity
Previous consolidated fiscal year (April 1, 2017 to March 31, 2018)

(Unit : million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	237,304	120,844	212,945	-685	570,410
Changes of items during period					
Changes in equity of parent from transaction of non controlling interest		—			—
Dividends of surplus			-17,099		-17,099
Profit attributable to owners of parent			86,657		86,657
Purchase of treasury shares				-19	-19
Disposal of treasury shares		-21		36	15
Changes due to share exchange		2		—	2
Net changes of items other than shareholders' equity					
Total changes of items during period	—	-19	69,558	16	69,556
Balance at end of current period	237,304	120,825	282,504	-668	639,966

(Unit : million yen)

	Other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	3,597	-1,389	-3,590	-18,062	-19,444	23,611	574,577
Changes of items during period							
Changes in equity of parent from transaction of non controlling interest							—
Dividends of surplus							-17,099
Profit attributable to owners of parent							86,657
Purchase of treasury shares							-19
Disposal of treasury shares							15
Changes due to share exchange							2
Net changes of items other than shareholders' equity	772	-23	1,684	6,185	8,619	1,210	9,829
Total changes of items during period	772	-23	1,684	6,185	8,619	1,210	79,386
Balance at end of current period	4,369	-1,412	-1,905	-11,876	-10,825	24,822	653,963

Current consolidated fiscal year (April 1, 2018 to March 31, 2019)

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	237,304	120,825	282,504	-668	639,966
Changes of items during period					
Changes in equity of parent from transaction of non controlling interest		5			5
Dividends of surplus			-15,349		-15,349
Profit attributable to owners of parent			30,970		30,970
Purchase of treasury shares				-857	-857
Disposal of treasury shares		—		1	—
Changes by share exchanges					—
Increase due to the increase in affiliates under the equity methods			2,425		2,425
Net changes of items other than shareholders' equity					
Total changes of items during period	—	5	18,046	-856	17,195
Balance at end of current period	237,304	120,831	300,551	-1,524	657,162

	Other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	4,369	-1,412	-1,905	-11,876	-10,825	24,822	653,963
Changes of items during period							
Changes in equity of parent from transaction of non controlling interest							5
Dividends of surplus							-15,349
Profit attributable to owners of parent							30,970
Purchase of treasury shares							-857
Disposal of treasury shares							—
Changes by share exchanges							—
Increase due to the increase in affiliates under the equity methods							2,425
Net changes of items other than shareholders' equity	-278	-2,893	-1,677	-2,051	-6,900	991	-5,908
Total changes of items during period	-278	-2,893	-1,677	-2,051	-6,900	991	11,286
Balance at end of current period	4,090	-4,306	-3,582	-13,928	-17,726	25,814	665,250

(4) Consolidated Statements of Cash Flows

	(Unit: million yen)	
	FY2017 (April 1, 2017- March 31, 2018)	FY2018 (April 1, 2018- March 31, 2019)
Cash flows from operating activities		
Profit before income taxes	73,558	52,276
Depreciation	200,489	213,201
Decommissioning costs of nuclear power units	4,603	10,557
Amortization of special account related to nuclear power decommissioning	821	873
Amortization of nuclear fuel	9,965	24,988
Loss on retirement of non-current assets	7,999	5,843
Increase (decrease) in retirement benefit liability	3,559	988
Increase (decrease) in reserve for fluctuation in water levels	119	268
Interest and dividend income	-4,387	-4,201
Interest expenses	33,416	31,397
Gain on sales of noncurrent assets	-605	-1,368
Share of loss (profit) of entities accounted for using equity method	-7,257	2,822
Decrease (increase) in notes and accounts receivable - trade	-25,108	-12,546
Decrease (increase) in inventories	-5,693	-20,508
Increase (decrease) in notes and accounts payable - trade	22,983	-12,493
Decrease/increase in consumption taxes receivable/payable	38,378	-16,171
Other, net	35,775	51,443
Subtotal	388,617	327,368
Interest and dividend income received	7,298	7,351
Interest expenses paid	-33,987	-32,333
Income taxes paid	-5,932	-19,367
Net cash provided by (used in) operating activities	355,995	283,020
Cash flows from investing activities		
Purchase of non-current assets	-352,763	-377,408
Proceeds from contribution received for construction	24,905	40,751
Payments of investment and loans receivable	-6,518	-27,318
Collection of investment and loans receivable	12,340	9,996
Other, net	284	-10,362
Net cash provided by (used in) investing activities	-321,751	-364,341

	(Unit: million yen)	
	FY2017 (April 1, 2017- March 31, 2018)	FY2018 (April 1, 2018- March 31, 2019)
Cash flows from financing activities		
Proceeds from issuance of bonds	189,396	209,288
Redemption of bonds	-190,000	-219,800
Proceeds from long-term loans payable	150,414	200,514
Repayments of long-term loans payable	-217,915	-207,582
Net increase (decrease) in short-term loans payable	-1,200	-2,311
Cash dividends paid	-17,065	-15,300
Other, net	-3,962	-5,525
Net cash provided by (used in) financing activities	-90,334	-40,716
Effect of exchange rate change on cash and cash equivalents	2,134	1,426
Net increase (decrease) in cash and cash equivalents	-53,955	-120,611
Cash and cash equivalents at beginning of period	419,831	365,875
Increase(decrease) in cash and cash equivalents resulting from merger of subsidiaries	—	9
Cash and cash equivalents at end of period	365,875	245,273

(5) Notes on Consolidated Financial Statements

(Note on the premise of going concern)

N/A

(Segment information)

1. Segment information

(1) Overview of reportable segments

Our reportable segments are based on the units that compose our company for which separate financial information is available. The segments are subject to regular review by the Board of Directors to evaluate performance.

We are composed of four reportable segments, “Electricity”, “Energy-related”, “IT/Telecommunication” and “Other businesses”, classified in consideration of the types of products and business activities.

The main products and business activities belonging to each Reportable segment are described below.

Reportable segment	Main products and business activities
Electricity	Supply of electricity
Energy-related	Receipt, storage, vaporization, delivery and sales of LNG, renewable energy business, energy supply, manufacturing and sales of electric machinery, construction, maintenance and repair of electric power facilities, maintenance and repair of power generation facilities, manufacturing and sales of concrete poles, environmental preservation activities around power generation facilities, consultation and planning of civil engineering and construction, mining-lot interests, take and sales of products, and asset management of Wheatstone LNG project
IT/ Telecommunication	Fiber-optic cable and broadband service, manufacturing, sales, installation and maintenance of telecommunication devices, development, operation and maintenance of information system
Other	Acquiring and owning of securities, loan to group companies, leasing and management of real estate, contracted sitting work

(2) Calculation method of amount of sales, income or loss, asset and other items by Reportable segment

Accounting method of Reportable segment is the same to the Preparation of consolidated financial statements. Reportable segment income is on operating income basis. Inter-segment sales are based on a market price.

(3) Information regarding amount of sales, income or loss, asset and other items by Reportable segment
Previous consolidated fiscal year (April 1, 2017 to March 31, 2018)

(Unit: million yen)

	Reportable segment					Adjusted amount* 1	Consolidated financial statements* 2
	Electricity	Energy-related	IT/Telecommunication	Other	Total		
Sales							
Sales to outside customers	1,804,418	73,134	70,512	12,293	1,960,359	-	1,960,359
Inter-segment sales	3,892	118,335	36,175	13,288	171,691	-171,691	-
Total	1,808,311	191,470	106,687	25,581	2,132,051	-171,691	1,960,359
Segment income (loss)	81,422	11,732	7,321	4,824	105,301	-2,177	103,123
Segment asset	4,038,218	487,956	185,515	149,412	4,861,103	-151,029	4,710,073
Other items							
Depreciation (including amortization of nuclear fuel)	180,179	8,044	21,408	3,795	213,428	-2,972	210,455
Increase in tangible fixed assets and intangible fixed assets	318,488	20,094	22,837	2,417	363,838	-4,885	358,953

*1 Adjusted amount of Segment income of ¥-2,177 million and adjusted amount of Segment asset of ¥-151,029 million are inter-segment elimination.

*2 Segment income is adjusted with operating income within consolidated income statements.

Current consolidated fiscal year (April 1, 2018 to March 31, 2019)

(Unit: million yen)

	Reportable segment					Adjusted amount* 1	Consolidated financial statements* 2
	Electricity	Energy-related	IT/Telecommunication	Other	Total		
Sales							
Sales to outside customers	1,844,850	82,989	73,330	16,011	2,017,181	-	2,017,181
Inter-segment sales	3,845	134,655	32,117	13,499	184,116	-184,116	-
Total	1,848,695	217,644	105,447	29,510	2,201,298	-184,116	2,017,181
Segment income (loss)	61,728	14,764	4,860	6,025	87,378	-803	86,575
Segment asset	4,075,845	506,199	188,273	171,603	4,941,921	-147,882	4,794,039
Other items							
Depreciation (including amortization of nuclear fuel)	204,040	10,740	22,667	3,703	241,152	-2,962	238,189
Increase in tangible fixed assets and intangible fixed assets	323,938	26,445	21,743	2,569	374,697	-4,881	369,816

*1 Adjusted amount of Segment income of ¥-803 million and adjusted amount of Segment asset of ¥-147,882 million are inter-segment elimination.

*2 Segment income is adjusted with operating income within consolidated income statements.