

April 30, 2020

**The Fiscal Year Ended March 31, 2020 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 25,2020

Commencement of payment of year-end dividend: June 26,2020

Annual security report submission date (plan): June 26, 2020

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 FY2019(April 1, 2019 to March 31, 2020)

(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)	(%)
FY2019 ended March 31, 2020	2,013,050	-0.2	63,813	-26.3	40,052	-23.8
FY2018 ended March 31, 2019	2,017,181	2.9	86,575	-16.0	52,544	-28.7

(Note) Comprehensive income : FY2019 2,954 million yen (-%) FY2018 22,597 million yen (-76.6%)

	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)	(%)	(%)	(%)
FY2019 ended March 31, 2020	-419	—	-6.05	—	-0.1	0.8	3.2
FY2018 ended March 31, 2019	30,970	-64.3	58.05	47.51	4.9	1.1	4.3

(Reference) Investment Profit/Loss under Equity Methods : FY2019 9,247 million yen FY2018 -2,822 million yen

(Note) Fully-diluted EPS for FY2019 is not indicated in spite of existence of delusive potential shares because EPS is net loss.

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(Unit: million yen)	(Unit: million yen)	(%)	(Unit: yen)
FY2019 ended March 31, 2020	4,948,063	637,957	12.3	1,077.38
FY2018 ended March 31, 2019	4,794,039	665,250	13.3	1,136.82

(Reference) Shareholders' equity: FY2019 610,641 million yen FY2018 639,435 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)
FY2019 ended March 31, 2020	226,852	-424,623	157,999	205,485
FY2018 ended March 31, 2019	283,020	-364,341	-40,716	245,273

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)	(%)	(%)
FY2018 ended March 31, 2019	—	15.00	—	15.00	30.00	14,218	51.7	2.7
FY2019 ended March 31, 2020	—	20.00	—	15.00	35.00	16,587	—	3.2
FY2020 ending March 31, 2021 (forecast)	—	—	—	—	—	—	—	—

(Note) The dividend for the fiscal year ending March 2021 has not been decided. We will inform you as soon as a reliable forecast becomes possible.

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

3. Forecast for FY2020 (April 1, 2020 to March 31, 2021)

As it is difficult to predict the impact of the spread of the new coronavirus infection on electricity sold, etc., the forecasts for Sales, Operating income, Ordinary income, and Profit attributable to owners of parent have been undecided.

We will inform you as soon as a reliable forecast becomes possible.

※ 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

FY2019 474,183,951 shares FY2018 474,183,951 shares

② Treasury stocks at the end of period

FY2019 1,194,235 shares FY2018 1,209,576 shares

③ Average number of stocks during the period

FY2019 472,985,935 shares FY2018 473,206,217 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 thousand shares as of FY2019 and 676 thousand shares as of FY2018). In addition, the number of our shares held by the Trust was included in the number of treasury stocks, which are to be deducted from the calculation of the average number of stocks during the period. (657 thousand shares for FY2019 and 451 thousand shares for FY2018)

(Reference) Outline of Non-consolidated Financial Results

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

(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)	(%)
FY2019 ended March 31, 2020	1,818,090	-2.6	34,412	-43.3	10,596	-67.4
FY2018 ended March 31, 2019	1,867,152	2.4	60,656	-25.3	32,534	-32.5

	Net income		Net earnings per share	Fully-diluted net earnings per share
	(Unit: million yen)	(%)	(Unit: yen)	(Unit: yen)
FY2019 ended March 31, 2020	-19,319	—	-45.98	—
FY2018 ended March 31, 2019	23,425	-66.1	42.08	34.44

(Note) Fully-diluted EPS for FY2019 is not indicated in spite of existence of delutive potential shares because EPS is net loss.

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(Unit: million yen)	(Unit: million yen)	(%)	(Unit: yen)
FY2019 ended March 31, 2020	4,433,616	455,738	10.3	749.40
FY2018 ended March 31, 2019	4,278,837	495,799	11.6	832.60

(Reference) Shareholders' equity: FY2019 455,738 million yen FY2018 495,799 million yen

*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)
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	—	1,052,877.00	1,599,452.00
FY2020 ending March 31, 2021 (forecast)	—	—	—	—	—

(Note1)Based on the approval given at the 95th annual General Meeting of Stockholders held on June 26, 2019, we carried out the partial amendments to the Articles of Incorporation regarding changes to the contents of Class A preferred stock and allotment of Class A Preferred Stock. Accordingly, the contents for the fiscal year ended March 2020 have been revised.

(Note2)The dividend for the fiscal year ending March 31, 2021 has not been decided. We will inform you as soon as a reliable forecast becomes possible.

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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, 2019	As of March 31, 2020
Assets		
Non-current assets	4,188,492	4,368,942
Electric utility plant and equipment	2,388,366	2,476,991
Hydroelectric power production facilities	256,516	258,623
Thermal power production facilities	184,455	302,336
Nuclear power production facilities	357,642	329,498
Internal combustion engine power production facilities	18,485	21,409
Renewable power production facilities	13,814	14,351
Transmission facilities	590,832	575,042
Transformation facilities	210,092	211,969
Distribution facilities	628,549	633,541
General facilities	115,402	114,288
Other electric utility plant and equipment	12,574	15,931
Other non-current assets	368,086	364,850
Construction in progress	665,622	740,130
Construction and retirement in progress	587,629	641,816
Special account related to nuclear power decommissioning	45,592	43,535
Special account related to reprocessing of spent nuclear fuel	32,400	54,777
Nuclear fuel	267,824	240,942
Loaded nuclear fuel	47,529	44,517
Nuclear fuel in processing	220,294	196,424
Investments and other assets	498,592	546,027
Long-term investments	155,767	202,483
Retirement benefit asset	14,099	6,210
Deferred tax assets	189,892	164,272
Other	140,750	174,787
Allowance for doubtful accounts	Δ1,916	Δ1,725
Current assets	605,547	579,121
Cash and deposits	218,236	204,040
Notes and accounts receivable - trade	228,132	235,706
Inventories	91,827	83,059
Other	68,120	57,087
Allowance for doubtful accounts	Δ769	Δ773
Total assets	4,794,039	4,948,063

	(Unit: million yen)	
	As of March 31, 2019	As of March 31, 2020
Liabilities		
Non-current liabilities	3,105,099	3,242,680
Bonds payable	1,089,897	1,154,898
Long-term borrowings	1,576,280	1,640,896
Retirement benefit liability	99,600	102,265
Asset retirement obligations	264,166	268,332
Deferred tax liabilities	3,682	7,534
Other	71,472	68,753
Current liabilities	1,014,731	1,058,585
Current portion of non-current liabilities	452,478	415,119
Short-term borrowings	115,063	118,012
Commercial papers	—	92,000
Notes and accounts payable - trade	70,270	65,753
Accrued taxes	20,346	19,403
Other	356,572	348,297
Reserves under special laws	8,958	8,840
Reserve for water shortage	8,958	8,840
Total liabilities	4,128,789	4,310,105
Net assets		
Shareholders' equity	657,162	632,808
Share capital	237,304	237,304
Capital surplus	120,831	120,008
Retained earnings	300,551	276,997
Treasury shares	Δ1,524	Δ1,501
Accumulated other comprehensive income	Δ17,726	Δ22,166
Valuation difference on available-for-sale securities	4,090	2,115
Deferred gains or losses on hedges	Δ4,306	713
Foreign currency translation adjustment	Δ3,582	Δ4,697
Remeasurements of defined benefit plans	Δ13,928	Δ20,298
Non-controlling interests	25,814	27,316
Total net assets	665,250	637,957
Total liabilities and net assets	4,794,039	4,948,063

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

	(Unit: million yen)	
	April 1,2018- March 31, 2019)	April 1,2019- March 31, 2020)
Operating revenue	2,017,181	2,013,050
Electric utility operating revenue	1,844,850	1,800,189
Other business operating revenue	172,331	212,860
Operating expenses	1,930,606	1,949,236
Electric utility operating expenses	1,771,776	1,751,766
Other business operating expenses	158,829	197,469
Operating profit	<u>86,575</u>	<u>63,813</u>
Non-operating income	10,432	16,954
Dividend income	3,761	1,511
Interest income	439	837
Share of profit of entities accounted for using equity method	—	9,247
Other	6,231	5,357
Non-operating expenses	44,463	40,716
Interest expenses	31,397	28,990
Share of loss of entities accounted for using equity method	2,822	—
Other	10,243	11,725
Total ordinary revenue	2,027,614	2,030,004
Total ordinary expenses	1,975,070	1,989,952
Ordinary profit	52,544	40,052
Provision or reversal of reserve for water shortage	268	△118
Provision of reserve for water shortage	268	—
Reversal of reserve for water shortage	—	△118
Profit before income taxes	<u>52,276</u>	<u>40,170</u>
Income taxes - current	9,905	6,953
Income taxes - deferred	9,868	31,640
Total income taxes	<u>19,773</u>	<u>38,594</u>
Profit	<u>32,502</u>	<u>1,576</u>
Profit attributable to non-controlling interests	1,532	1,995
Profit (loss) attributable to owners of parent	<u>30,970</u>	<u>△419</u>

Consolidated Comprehensive Income Statements

	(Unit: million yen)	
	April 1,2018- March 31, 2019)	April 1,2019- March 31, 2020)
Profit	32,502	1,576
Other comprehensive income		
Valuation difference on available-for-sale securities	Δ113	Δ1,776
Deferred gains or losses on hedges	Δ3,155	5,121
Foreign currency translation adjustment	Δ3,536	Δ923
Remeasurements of defined benefit plans, net of tax	Δ1,954	Δ6,362
Share of other comprehensive income of entities accounted for using equity method	Δ1,146	Δ588
Total other comprehensive income	<u>Δ9,905</u>	<u>Δ4,530</u>
Comprehensive income	<u>22,597</u>	<u>Δ2,954</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	21,257	Δ4,861
Comprehensive income attributable to non-controlling interests	1,339	1,906

(3) Consolidated Statements of Changes in Shareholders' Equity
Previous 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			2,425		2,425
Increase due to the increase in affiliates under the equity methods					—
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

(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	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							2,425
Increase due to the increase in affiliates under the equity methods							—
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

Current consolidated fiscal year (April 1, 2019 to March 31, 2020)

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	237,304	120,831	300,551	△1,524	657,162
Changes of items during period					
Changes in equity of parent from transaction of non controlling interest		21			21
Dividends of surplus			△18,884		△18,884
Profit attributable to owners of parent			△419		△419
Purchase of treasury shares				△100,857	△100,857
Disposal of treasury shares		△844		100,880	100,035
Changes by share exchanges					—
Increase due to the increase in affiliates under the equity methods			△4,250		△4,250
Net changes of items other than shareholders' equity					
Total changes of items during period	—	△823	△23,553	22	△24,354
Balance at end of current period	237,304	120,008	276,997	△1,501	632,808

(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	4,090	△4,306	△3,582	△13,928	△17,726	25,814	665,250
Changes of items during period							
Changes in equity of parent from transaction of non controlling interest							21
Dividends of surplus							△18,884
Profit attributable to owners of parent							△419
Purchase of treasury shares							△100,857
Disposal of treasury shares							100,035
Changes by share exchanges							—
Increase due to the increase in affiliates under the equity methods							△4,250
Net changes of items other than shareholders' equity	△1,975	5,019	△1,114	△6,370	△4,440	1,502	△2,938
Total changes of items during period	△1,975	5,019	△1,114	△6,370	△4,440	1,502	△27,292
Balance at end of current period	2,115	713	△4,697	△20,298	△22,166	27,316	637,957

(4) Consolidated Statements of Cash Flows

	(Unit: million yen)	
	FY2018 (April 1, 2018- March 31, 2019)	FY2019 (April 1, 2019- March 31, 2020)
Cash flows from operating activities		
Profit before income taxes	52,276	40,170
Depreciation	213,201	237,264
Decommissioning costs of nuclear power units	10,557	9,450
Amortization of special account related to nuclear power decommissioning	873	2,056
Amortization of nuclear fuel	24,988	24,105
Loss on retirement of non-current assets	5,843	4,874
Increase (decrease) in retirement benefit liability	988	793
Increase (decrease) in reserve for fluctuation in water levels	268	△118
Interest and dividend income	△4,201	△2,349
Interest expenses	31,397	28,990
Gain on sales of noncurrent assets	2,822	△9,247
Share of loss (profit) of entities accounted for using equity method	△12,546	△7,074
Decrease (increase) in notes and accounts receivable - trade	△20,508	8,766
Decrease (increase) in inventories	△12,493	△5,083
Increase (decrease) in notes and accounts payable - trade	△16,171	273
Decrease/increase in consumption taxes receivable/payable	32,459	△35,473
Other, net	17,615	△43,713
Subtotal	327,368	253,686
Interest and dividend income received	7,351	8,337
Interest expenses paid	△32,333	△29,208
Income taxes paid	△19,367	△5,963
Net cash provided by (used in) operating activities	283,020	226,852
Cash flows from investing activities		
Purchase of non-current assets	△377,408	△425,054
Proceeds from contribution received for construction	40,751	38,444
Payments of investment and loans receivable	△27,318	△58,525
Collection of investment and loans receivable	9,996	14,020
Other, net	△10,362	6,492
Net cash provided by (used in) investing activities	△364,341	△424,623

(Unit: million yen)

	FY2018 (April 1, 2018- March 31, 2019)	FY2019 (April 1, 2019- March 31, 2020)
Cash flows from financing activities		
Proceeds from issuance of bonds	209,288	259,154
Redemption of bonds	Δ219,800	Δ194,600
Proceeds from long-term borrowings	200,514	271,470
Repayments of long-term borrowings	Δ207,582	Δ248,443
Net increase (decrease) in short-term borrowings	Δ2,311	2,948
Net increase (decrease) in commercial papers	—	92,000
Purchase of treasury shares	Δ857	Δ100,901
Proceeds from disposal of treasury shares	—	100,036
Dividends paid	Δ15,300	Δ18,820
Other, net	Δ4,668	Δ4,845
Net cash provided by (used in) financing activities	Δ40,716	157,999
Effect of exchange rate change on cash and cash equivalents	1,426	Δ16
Net increase (decrease) in cash and cash equivalents	Δ120,611	Δ39,787
Cash and cash equivalents at beginning of period	365,875	245,273
Increase (decrease) in cash and cash equivalents resulting from merger of consolidated subsidiaries	9	—
Cash and cash equivalents at end of period	245,273	205,485

(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

The Group's reportable segments are those for which financial information is available separately and regular evaluation by the Board of Directors is being performed in order to evaluate performance.

The Group comprises four reportable segments, "Japanese electric power business", "Other energy services business", "ICT services businesses" 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
Japanese electric power business	Power generation and retail business in Japan, power transmission and distribution business in Kyushu
Other energy services businesses	Businesses that contribute to stable power supply, such as construction and maintenance of electrical equipment, Gas / LNG sales business, renewable energy business, overseas business
ICT services businesses	Data communication business, optical broadband business, telecommunications construction and maintenance business, information system development business, data center business
Other businesses	Real estate business, paid nursing home business

(Revision of the reporting segments)

After having formulated our "Kyuden Group Management Vision 2030" in June 2019, we changed our reporting segments structure as of FY2019 from "Electric power business", "Energy related businesses", "IT and Telecommunications businesses" and "Other businesses" to "Japanese electric power business", "Other energy services businesses", "ICT services businesses" and "Other businesses" respectively.

The segment information for the previous consolidated fiscal year is based on the revised segment reporting structure and it is stated in the previous consolidated fiscal year of "(3) Information regarding sales, profits, assets and other items by Reportable segment".

(2) Calculation method of sales, profits, assets and other items by Reportable segment

The accounting method of Reportable segment is similar to the Preparation of consolidated financial statements.

Reportable segment is based on operating income basis, and Inter-segment sales are based on market price.

(3) Information regarding sales, profits, assets and other items by Reportable segment
Previous consolidated fiscal year (April 1, 2018 to March 31, 2019)

(Unit: millions of Yen)

	Reportable segment					Reconciliation*1	Consolidated financial statements*2
	Energy services		ICT services	Other	Total		
	Japanese electric power	Other energy services					
Sales							
Sales to outside customers	1,854,745	73,094	73,330	16,011	2,017,181	-	2,017,181
Inter-segment sales	4,061	130,195	32,117	13,499	179,874	-179,874	-
Total	1,858,807	203,290	105,447	29,510	2,197,056	-179,874	2,017,181
Segment income	64,815	11,669	4,860	6,025	87,370	-795	86,575
Segment asset	4,109,204	472,178	188,273	171,603	4,941,259	-147,219	4,794,039
Other items							
Depreciation (including amortization of nuclear fuel)	205,430	9,360	22,667	3,703	241,161	-2,971	238,189
Increase in tangible fixed assets and intangible fixed assets	326,138	24,245	21,743	2,569	374,697	-4,881	369,816

*1 Reconciliations of Segment income (¥-795 million) and Segment assets(¥-147,219 million) are intersegment transaction eliminations.

*2 Segment income is adjusted to reflect operating income in the consolidated statements of incomes.

Current consolidated fiscal year (April 1, 2019 to March 31, 2020)

(Unit: millions of Yen)

	Reportable segment					Reconciliation*1	Consolidated financial statements*2
	Energy services		ICT services	Other	Total		
	Japanese electric power	Other energy services					
Sales							
Sales to outside customers	1,844,326	74,158	81,005	13,559	2,013,050	-	2,013,050
Inter-segment sales	4,069	119,811	31,690	15,292	170,863	-170,863	-
Total	1,848,395	193,970	112,696	28,851	2,183,913	-170,863	2,013,050
Segment income	42,471	11,464	6,257	4,833	65,027	-1,213	63,813
Segment asset	4,230,126	535,988	190,967	181,174	5,138,256	-190,193	4,948,063
Other items							
Depreciation (including amortization of nuclear fuel)	227,214	10,624	22,692	3,648	264,179	-2,810	261,369
Increase in tangible fixed assets and intangible fixed assets	383,047	13,049	25,691	5,341	427,130	-5,398	421,731

*1 Reconciliations of Segment income (¥-1,213 million) and Segment assets (¥-190,193 million) are intersegment transaction eliminations.

*2 Segment income is adjusted to reflect operating income in the consolidated statements of incomes.

2. Other

(1) Reversal of deferred tax assets

Considering the Company's recent business performance and having carefully examined the possibility of recovering deferred tax assets, we decided to partially reverse deferred tax assets and to record ¥ 26.3 billion in income tax adjustments.

(2) Risk information on coronavirus disease

Since the announcement of the outbreak of coronavirus in China in December 2019, the number of infected people has increased across the globe, resulting in significant social and economic implications. In Japan, the government has declared nationwide a state of emergency.

As the outbreak of coronavirus is still going on, the exact impact cannot yet be predicted at the time of submitting the financial reports, but the reduction in economic activity will lead to less electricity sold. The global outbreak may also impact the supply chain, making it difficult to procure materials and equipment essential for stable power supply and smooth business continuation. This may affect the business results of the Group.

Based on the Act on Special Measures against Pandemic Influenza, we have formulated a "Business Contingency Plan for Pandemic Influenza". Even if coronavirus infections increased, in accordance with the plan, we, as a group, will take steps to ensure continued operations to supply reliable electricity.