

October 31, 2018

**The 2nd Quarter of the Fiscal Year Ending March 31, 2019 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): November 9, 2018

Date to start dividend payments: November 30, 2018

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 the Six Months (April 1, 2018 to September 30, 2018)

(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, 2018 - September 30, 2018	1,031,611	4.3	41,636	-55.0	29,500	-62.6
April 1, 2017 - September 30, 2017	989,204	6.6	92,552	-19.4	78,853	-21.4

(Note) Comprehensive income : FY2018 2Q 22,294 million yen (-69.9%) FY2017 2Q 74,138 million yen (-4.9%)

	Profit attributable to owners of parent		EPS	Fully-diluted EPS
	(Unit: million yen)	(%)	(Unit: yen)	(Unit: yen)
April 1, 2018 - September 30, 2018	19,646	-72.2	37.80	30.96
April 1, 2017 - September 30, 2017	70,609	-13.3	145.38	119.26

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	(Unit: million yen)	(Unit: million yen)	(%)
As of September 30, 2018	4,685,458	672,933	13.8
As of March 31, 2018	4,710,073	653,963	13.4

(Reference) Shareholders' equity : As of September 30, 2018 : 647,578 million yen As of March 31, 2018: 629,140 million yen

2. Dividends

	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	—	10.00	—	10.00	20.00
FY2018 ended March 31, 2019	—	15.00			
FY2018 ended March 31, 2019 (forecast)			—	15.00	30.00

(Note) Revision of the dividend forecast : No

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

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

(% 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	2,025,000	3.3	105,000	1.8	80,000	8.6	55,000	-36.5	108.83

(Note) Revision of financial results forecasts : Yes

With regard to full-year financial results forecasts for FY2018, as a result of calculating the predicted figures including recent trend of supply and demand etc., sales figure is changed from the figure published on July 31, 2018. Regarding operating income, ordinary income and profit attributable to owners of parent, there is no change.

※ 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

FY2018 2Q	474,183,951 shares	FY2017	474,183,951 shares
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② Treasury stocks at the end of period

FY2018 2Q	1,202,623 shares	FY2017	520,059 shares
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③ Average number of stocks during the period (Quarter Total)

FY2018 2Q	473,435,111 shares	FY2017 2Q	473,660,376 shares
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(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 2Q 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. (225,400 shares for FY2018 2Q and —share for FY2017 2Q)

*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 Preferred Shares

The breakdown of dividend for preferred 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			
FY2018 ended March 31, 2019 (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 FY2018 (April 1, 2018 to March 31, 2019)**

(% 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	1,885,000	3.4	85,000	4.7	55,000	14.1	40,000	-42.0	77.08

(Note) Revision of financial results forecasts : Yes

With regard to full-year financial results forecasts for FY2018, as a result of calculating the predicted figures including recent trend of supply and demand etc., sales figure is changed from the figure published on July 31, 2018. Regarding operating income, ordinary income and profit, there is no change.

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1. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

	(Unit: million yen)	
	As of March 31, 2018	As of September 30, 2018
Assets		
Non-current assets	4,026,352	4,099,369
Electric utility plant and equipment	2,286,481	2,413,424
Hydroelectric power production facilities	266,103	261,964
Thermal power production facilities	202,670	192,189
Nuclear power production facilities	221,677	373,830
Internal combustion engine power production facilities	16,021	19,026
Renewable power production facilities	15,334	14,085
Transmission facilities	607,864	596,907
Transformation facilities	213,082	208,535
Distribution facilities	625,502	625,040
General facilities	112,405	108,970
Other electric utility plant and equipment	5,819	12,875
Other non-current assets	381,712	374,173
Construction in progress	595,820	536,620
Construction and retirement in progress	561,296	499,682
Special account related to nuclear power decommissioning	19,226	18,815
Special account related to reprocessing of spent nuclear fuel	15,297	18,122
Nuclear fuel	271,742	273,245
Loaded nuclear fuel	64,732	70,490
Nuclear fuel in processing	207,009	202,754
Investments and other assets	490,596	501,904
Long-term investments	153,839	154,076
Net defined benefit asset	15,760	16,663
Deferred tax assets	195,713	189,199
Other	126,551	143,174
Allowance for doubtful accounts	-1,268	-1,208
Current assets	683,720	586,089
Cash and deposits	345,701	161,242
Notes and accounts receivable - trade	216,117	275,643
Inventories	70,039	80,662
Other	52,715	69,076
Allowance for doubtful accounts	-853	-535
Total assets	4,710,073	4,685,458

	(Unit: million yen)	
	As of March 31, 2018	As of September 30, 2018
Liabilities		
Non-current liabilities	3,078,137	3,094,185
Bonds payable	1,074,496	1,089,897
Long-term loans payable	1,624,600	1,591,100
Reserve for restoration costs of natural disaster	58	58
Net defined benefit liability	95,605	94,451
Asset retirement obligations	221,372	257,504
Deferred tax liabilities	1,597	2,620
Other	60,405	58,553
Current liabilities	969,282	909,610
Current portion of non-current liabilities	437,675	441,171
Short-term loans payable	117,371	118,592
Notes and accounts payable - trade	81,987	68,259
Accrued taxes	45,875	20,408
Reserve for restoration costs of natural disaster	572	545
Other	285,799	260,632
Reserves under special laws	8,690	8,729
Reserve for fluctuation in water levels	8,690	8,729
Total liabilities	4,056,110	4,012,525
Net assets		
Shareholders' equity	639,966	656,627
Capital stock	237,304	237,304
Capital surplus	120,825	120,825
Retained earnings	282,504	300,012
Treasury shares	-668	-1,515
Accumulated other comprehensive income	-10,825	-9,049
Valuation difference on available-for-sale securities	4,369	4,875
Deferred gains or losses on hedges	-1,412	-519
Foreign currency translation adjustment	-1,905	-3,919
Remeasurements of defined benefit plans	-11,876	-9,485
Non-controlling interests	24,822	25,354
Total net assets	653,963	672,933
Total liabilities and net assets	4,710,073	4,685,458

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

	(Unit: million yen)	
	April 1, 2017 - September 30, 2017	April 1, 2018 - September 30, 2018
Operating revenue	989,204	1,031,611
Electric utility operating revenue	917,229	951,165
Other business operating revenue	71,974	80,445
Operating expenses	896,651	989,974
Electric utility operating expenses	830,185	916,665
Other business operating expenses	66,465	73,309
Operating profit	92,552	41,636
Non-operating income	8,276	7,414
Dividend income	2,773	2,325
Interest income	227	92
Share of profit of entities accounted for using equity method	3,141	2,666
Other	2,134	2,329
Non-operating expenses	21,976	19,550
Interest expenses	17,008	16,273
Other	4,967	3,277
Total ordinary revenue	997,480	1,039,025
Total ordinary expenses	918,627	1,009,525
Ordinary profit	78,853	29,500
Provision or reversal of reserve for fluctuation in water levels	-426	38
Provision of reserve for fluctuation in water levels	—	38
Reversal of reserve for fluctuation in water levels	-426	—
Profit before income taxes	79,279	29,461
Income taxes - current	13,051	2,287
Income taxes - deferred	-5,031	6,798
Total income taxes	8,019	9,086
Profit	71,259	20,374
Profit attributable to non-controlling interests	650	728
Profit attributable to owners of parent	70,609	19,646

(Quarterly Consolidated Comprehensive Income Statements)

	(Unit: million yen)	
	April 1, 2017 - September 30, 2017	April 1, 2018 - September 30, 2018
Profit	71,259	20,374
Other comprehensive income		
Valuation difference on available-for-sale securities	467	397
Deferred gains or losses on hedges	-23	915
Foreign currency translation adjustment	990	-1,904
Remeasurements of defined benefit plans, net of tax	931	2,427
Share of other comprehensive income of entities accounted for using equity method	513	83
Total other comprehensive income	2,879	1,919
Comprehensive income	74,138	22,294
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	73,433	21,422
Comprehensive income attributable to non-controlling interests	704	871

(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