

October 29, 2021

**The 2nd Quarter of the Fiscal Year Ending March 31, 2022 Financial Results Overview [Japan GAAP] (Consolidated)  
Kyushu Electric Power Co., Inc.**

Stock code: 9508 URL: [https://www.kyuden.co.jp/english\\_index.html](https://www.kyuden.co.jp/english_index.html)

Stock listed on: Tokyo SE, Fukuoka SE

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Date to start dividend payments: November 29, 2021

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, 2021 to September 30, 2021)**

**(1) Consolidated Operational Results**

(% shows the changes from the same quarter period of the previous FY)

	Sales		Operating profit		Ordinary profit	
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)
April 1, 2021 - September 30, 2021	771,501	5.7	76,495	-15.9	65,745	-20.3
April 1, 2020 - September 30, 2020	729,664	—	90,964	—	82,448	—

(Note) Comprehensive income : FY2021 2Q 49,810 million yen (-20.1%) FY2020 2Q 62,330 million yen (—%)

	Profit attributable to owners of parent		EPS	Fully-diluted EPS
	(Unit: million yen)	(%)	(Unit: yen)	(Unit: yen)
April 1, 2021 - September 30, 2021	45,372	-28.0	93.71	82.93
April 1, 2020 - September 30, 2020	63,025	—	131.03	117.63

(Note) We have applied the "Accounting Standard for Revenue Recognition" from the beginning of the first quarter starting April 1st, 2021 (FY2021 1Q). Based on this new standard, the "Electricity Business Accounting Regulations" were revised and we have made changes in our method of accounting. "Renewable Energy Power Promotion Surcharge" and "Grant based on the Act on Purchase of Renewables", which are related to the feed-in tariff system for renewable energy, are not being recorded as net sales but are being deducted from corresponding operating expenses. As a result, the consolidated operating results for the second quarter of the fiscal year ending March 31, 2021 are shown after retroactive application of the above. The percentage change from the same period of the previous fiscal year for the second quarter starting July 1st, 2020 is not shown because it has not been calculated.

**(2) Consolidated Financial Position**

	Total assets	Net assets	Shareholders' equity ratio
	(Unit: million yen)	(Unit: million yen)	(%)
As of September 30, 2021	5,223,039	721,275	13.2
As of March 31, 2021	5,128,563	681,470	12.7

(Reference) Shareholders' equity : As of September 30, 2021 : 691,734 million yen As of March 31, 2021: 652,307 million yen

(Note) We have applied the "Accounting Standard for Revenue Recognition" from the beginning of the first quarter starting April 1st, 2021 (FY2021 1Q). As a result, the consolidated financial status for the fiscal year ended March 2021 is shown after the retrospective application of the said accounting standards.

**2. Dividends**

	Annual dividends per share				
	1Q	2Q	3Q	Year-end	Total
	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)
FY2020 ended March 31, 2021	—	17.50	—	17.50	35.00
FY2021 ended March 31, 2022	—	20.00	—	—	—
FY2021 ending March 31, 2022 (forecast)	—	—	—	20.00	40.00

(Note) Revision of the dividend forecast : No

Dividends mentioned the above are 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 FY2021 (April 1, 2021 to March 31, 2022)

	Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		EPS
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: yen)
Full-year	1,640,000	7.8	100,000	30.0	70,000	26.9	45,000	41.4	90.69

(Note) Revision of financial results forecasts : Yes

For the revision of the Forecast of Financial Results, please refer to 'Explanation of the Forecast of Financial Results' on page 2 of the attachment

We have applied the "Accounting Standard for Revenue Recognition" from the beginning of the first quarter starting April 1st, 2021 (FY2021 1Q). Based on this new standard, the "Electricity Business Accounting Regulations" were revised and we have made changes in our method of accounting. "Renewable Energy Power Promotion Surcharge" and "Grant based on the Act on Purchase of Renewables", which are related to the feed-in tariff system for renewable energy, are not being recorded as net sales but are being deducted from corresponding operating expenses. Therefore, the percentage change from the previous fiscal year is the percentage change from the actual results for the fiscal year ended March 31, 2021, after applying these changes retroactively.

#### ※ 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 : Yes

② Changes in accounting principles other than ① : No

③ Changes in accounting estimates : No

④ Restatement : No

(Note) For details, see "(3) Notes on Quarterly Consolidated Financial Statements :Changes in accounting policies on Page 7.

##### (4) Number of common stocks issued and outstanding

① Total stocks including treasury stocks at the end of period

FY2021 2Q 474,183,951 shares FY2020 474,183,951 shares

② Treasury stocks at the end of period

FY2021 2Q 1,457,756 shares FY2020 1,158,956 shares

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

FY2021 2Q 472,979,325 shares FY2020 2Q 473,002,501 shares

(Note) The number of our shares regarding "Board Benefit Trust (BBT)" held by the Trust was included in the number of treasury stocks at the end of period ( 897,000 shares as of FY2021 2Q and 603,000 shares as of FY2020) . 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. ( 646,000 shares for FY2021 2Q and 633,000 share for FY2020 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 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)
FY2020 ended March 31, 2021	—	1,050,000.00	—	1,050,000.00	2,100,000.00
FY2021 ended March 31, 2022	—	1,050,000.00			
FY2021 ending March 31, 2022 (forecast)			—	1,050,000.00	2,100,000.00

(Note) Revision of the dividend forecast : No

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## 1. Explanation of the Forecast of Financial Results

In terms of the Forecasts of Financial Results for FY2021, consolidated sales will increase to 1,640 billion compared with the previous forecasts.

The rise in sales was caused by these factors: an increase in the total amount of electricity sales volume, a rise in price per unit due to the effect of fuel cost adjustments, etc.

As for consolidated ordinary income, there is no change to the previous forecasts, because there is a rise in the costs of fuel, purchased power, etc.

### The Forecasts of Financial Results for FY2021

#### Forecasts of Financial Results

	Sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	EPS
Forecast previously announced (A)	(Unit: million yen) 1,510,000	(Unit: million yen) 100,000	(Unit: million yen) 70,000	(Unit: million yen) 45,000	(Unit: yen) 90.69
Revised forecast (B)	1,640,000	100,000	70,000	45,000	90.69
Difference (B-A)	130,000	—	—	—	—
Rate of Change (%)	8.6	—	—	—	—
Results for FY2020 (reference)	1,521,977	76,894	55,179	31,835	62.86

#### Main specifications table

	Revised	Previously announced	Difference	(reference) Results for FY2020
Retail electricity sales volume	78.8 billion kWh	76.6 billion kWh	2.2 billion kWh	75.2 billion kWh
Wholesale electricity sales volume	16.1 billion kWh	12.4 billion kWh	3.7 billion kWh	10.7 billion kWh
Total electricity Sales Volume	94.9 billion kWh	89.0 billion kWh	5.9 billion kWh	85.8 billion kWh
Crude Oil CIF Price	71 \$/b	60 \$/b	11 \$/b	43\$/b
Exchange Rate	110 ¥/\$	110 ¥/\$	—	106¥/\$
Nuclear Power [Transmission-end] (Capacity factor of nuclear power plants)	31.8 billion kWh (91.2%)	31.5 billion kWh (90.5%)	0.3 billion kWh (0.7%)	21.7 billion kWh (62.4%)

Note : Electricity sales volume represents our company and consolidated subsidiaries (Kyushu Electric Power Transmission and Distribution Co.,Inc and Kyuden Mirai Energy Co.,Inc.) (internal transactions have been eliminated).

## 2. Quarterly Consolidated Financial Statements and Notes

### (1) Quarterly Consolidated Balance Sheets

	(Unit: million yen)	
	As of March 31, 2021	As of September 30, 2021
Assets		
Non-current assets	4,497,950	4,512,298
Electric utility plant and equipment	2,701,288	2,673,191
Hydroelectric power production facilities	256,238	254,869
Thermal power production facilities	274,643	263,676
Nuclear power production facilities	547,368	530,236
Internal combustion engine power production facilities	20,874	20,687
Renewable power production facilities	25,124	24,229
Transmission facilities	570,968	568,222
Transformation facilities	218,620	218,871
Distribution facilities	645,239	649,928
General facilities	128,636	129,182
Other electric utility plant and equipment	13,574	13,286
Other non-current assets	383,892	380,379
Construction in progress	621,441	668,922
Construction and retirement in progress	504,045	546,833
Special account related to nuclear power decommissioning	41,926	41,493
Special account related to reprocessing of spent nuclear fuel	75,470	80,596
Nuclear fuel	229,765	216,843
Loaded nuclear fuel	54,930	40,214
Nuclear fuel in processing	174,835	176,629
Investments and other assets	561,562	572,960
Long-term investments	215,981	234,192
Retirement benefit asset	22,493	23,999
Deferred tax assets	144,062	135,618
Other	180,427	180,370
Allowance for doubtful accounts	△1,402	△1,219
Current assets	630,612	710,741
Cash and deposits	234,163	225,707
Notes and accounts receivable - trade	148,844	—
Notes and accounts receivable - trade, and contract assets	—	175,529
Inventories	70,426	91,091
Other	180,913	221,290
Allowance for doubtful accounts	△3,734	△2,877
Total assets	5,128,563	5,223,039

	(Unit: million yen)	
	As of March 31, 2021	As of September 30, 2021
<b>Liabilities</b>		
Non-current liabilities	3,390,325	3,498,460
Bonds payable	1,299,898	1,379,898
Long-term borrowings	1,645,064	1,681,441
Retirement benefit liability	88,107	86,931
Asset retirement obligations	278,031	280,333
Deferred tax liabilities	8,280	9,911
Other	70,943	59,943
Current liabilities	1,048,499	995,040
Current portion of non-current liabilities	427,272	438,645
Short-term borrowings	123,108	123,230
Commercial papers	40,000	30,000
Notes and accounts payable - trade	78,125	81,071
Accrued taxes	38,025	22,409
Other	341,966	299,682
Reserves under special laws	8,268	8,262
Reserve for water shortage	8,268	8,262
<b>Total liabilities</b>	<b>4,447,093</b>	<b>4,501,763</b>
<b>Net assets</b>		
Shareholders' equity	646,239	682,019
Share capital	237,304	237,304
Capital surplus	120,007	120,007
Retained earnings	290,381	326,409
Treasury shares	△1,454	△1,702
Accumulated other comprehensive income	6,068	9,714
Valuation difference on available-for-sale securities	3,704	3,640
Deferred gains or losses on hedges	3,495	3,839
Foreign currency translation adjustment	△5,169	△1,634
Remeasurements of defined benefit plans	4,037	3,870
Non-controlling interests	29,162	29,541
<b>Total net assets</b>	<b>681,470</b>	<b>721,275</b>
<b>Total liabilities and net assets</b>	<b>5,128,563</b>	<b>5,223,039</b>

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

	(Unit: million yen)	
	April 1,2020- September 30, 2020	April 1,2021- September 30, 2021
Operating revenue	729,664	771,501
Electric utility operating revenue	614,587	645,168
Other business operating revenue	115,076	126,332
Operating expenses	638,699	695,005
Electric utility operating expenses	533,454	575,587
Other business operating expenses	105,244	119,417
Operating profit	<u>90,964</u>	<u>76,495</u>
Non-operating income	7,406	6,240
Dividend income	959	532
Interest income	441	423
Share of profit of entities accounted for using equity method	4,135	2,388
Other	1,869	2,895
Non-operating expenses	15,922	16,990
Interest expenses	12,867	12,430
Other	3,054	4,559
Total ordinary revenue	737,070	777,741
Total ordinary expenses	654,622	711,996
Ordinary profit	<u>82,448</u>	<u>65,745</u>
Provision or reversal of reserve for water shortage	△89	△5
Reversal of reserve for water shortage	△89	△5
Profit before income taxes	<u>82,537</u>	<u>65,750</u>
Income taxes - current	12,087	9,458
Income taxes - deferred	6,682	10,053
Total income taxes	<u>18,770</u>	<u>19,511</u>
Profit	<u>63,767</u>	<u>46,238</u>
Profit attributable to non-controlling interests	741	866
Profit attributable to owners of parent	<u>63,025</u>	<u>45,372</u>



(Quarterly Consolidated Comprehensive Income Statements)

	(Unit: million yen)	
	April 1,2020- September 30, 2020	April 1,2021- September 30, 2021
Profit	63,767	46,238
Other comprehensive income		
Valuation difference on available-for-sale securities	126	163
Deferred gains or losses on hedges	△589	△43
Foreign currency translation adjustment	△1,194	2,316
Remeasurements of defined benefit plans, net of tax	2,769	△227
Share of other comprehensive income of entities accounted for using equity method	△2,547	1,363
Total other comprehensive income	△1,436	3,572
Comprehensive income	62,330	49,810
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	61,543	49,018
Comprehensive income attributable to non-controlling interests	786	792

(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

(Changes in accounting policies)

(Application of "Accounting Standard for Revenue Recognition" etc.)

We have applied the "Accounting Standard for Revenue Recognition", etc. from the beginning of the first quarter starting April 1<sup>st</sup>, 2021 (FY2021 1Q).

Under this new standard, the "Renewable Energy Power Promotion Surcharge" and "Grant based on the Act on Purchase of Renewable Energy Sourced Electricity", which are related to the feed-in tariff system for renewable energy, are not recorded as net sales but are being deducted from corresponding operating expenses. The "Electricity Business Accounting Regulations" has been revised based on the new revenue recognition standard that was issued.

(Note) Since there is no change in the handling of the meter-reading date standard in this revision, Kyushu Electric Power and Kyushu Electric Power Transmission & Distribution, which preferentially apply the Electricity Business Accounting Regulations, will continue to record revenues based on the meter-reading date standard.

Comparisons and analyzes with the same quarter of the previous year (FY 2020 2Q) and the end of the previous fiscal year (end of FY2020) are based on the figures after retroactive application.

Handling of the first year of application (FY2021)

As a general rule, "Accounting Standard for Revenue Recognition", etc. are to be applied retroactively to all past periods in the first year of application (the revised Electricity Business Accounting Regulations can also be applied retroactively). From the perspective of comparability of financial statements, Kyushu Electric Power applies retroactively as a general rule.

Amount of retroactive application impact (FY2020 2Q)

(Billion of Yen)

	After retroactive application	Before retroactive application	Difference	Explanations
Sales	729.6	1060.5	-330.8	Renewable Energy Power Promotion Surcharge -96.7 Grant based on the Act on Purchase of Renewable Energy Sourced Electricity -233.2
Ordinary profit	82.4	82.5	—	
Opening retained earnings	276.0	276.9	-0.9	Amount of retroactive application impact before FY2019

### 3. Others

(Major effects of the Corona virus)

	Retail	Ordinary profit
Consolidated Financial Results for the Six Months (April 1, 2021 to September 30, 2021)	-0.5 billion kWh	-4.0 billion yen
(Reference) Consolidated Financial Results for the Six Months (April 1, 2020 to September 30, 2020)	-1.5 billion kWh	-16.0 billion yen
Consolidated Financial Results Forecasts for FY2021	-1.0 billion kWh	-8.0 billion yen
Previously forecast (Consolidated Financial Results Forecasts for FY2021)	-1.0 billion kWh	-10.0 billion yen
(Reference) Consolidated Financial Results for FY2020	-2.0 billion kWh	-21.0 billion yen