

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

Stock listed on: Tokyo SE, Fukuoka SE

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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 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 (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- December 31, 2018)	April 1,2019- 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- December 31, 2018)	April 1,2019- 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