

Financial Results

The 3rd Quarter of FY 2017

January 31, 2018



Statements made in this overview of operations regarding Kyushu Electric Power's strategies and forecasts and other statements that are not historical facts are forward-looking statements based on management's assumptions and beliefs in light of information currently available, and should not be interpreted as promises or guarantees. Owing to various uncertainties, actual results may differ materially from these statements. Investors are hereby cautioned against making investment decisions solely on the basis of forward-looking statements contained herein.

(Note)

The English translation is for reference purposes only for the convenience of our English-speaking investors. In case a difference arises regarding the meaning herein, the original Japanese version shall prevail.

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※ The numbers described in Financial Results for the 3Q of FY2017 are accumulated totals from April to December in 2017

Financial Results

The 3rd Quarter of FY 2017



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Summary of Consolidated Financial Results for the 3Q of FY2017 (Comparison with FY2016 3Q)

1

Sales (Increase), Ordinary Income (Surplus)

Sales : 1,438.4 billions yen (Increase by 6.8% Compared with FY2016 3Q)

Ordinary Income : 83.6 billions yen (Decrease by 19.5% Compared with FY2016 3Q)

Financial Results for the 3Q of FY2017

The income decreased compared with the 3Q of FY2016, due to a decrease of the electricity sales volume, a time lag of fuel cost adjustment system and also an increase of miscellaneous expense because of the electricity system reform, though fuel cost was suppressed because of an increase of electricity volume generated by nuclear power stations.

Revenue Side

The sales increased by 6.8% to ¥1,438.4 billion and the ordinary revenues increased by 6.6% to ¥1,450.1 billion compared with the 3Q of FY 2016. This is mainly due to an increase of lighting and power revenue by increasing in the unit price with the effect of fuel cost adjustment system and grant based on the Act on Purchase of Renewable Energy Sourced Electricity, though sales volume decreased.

Expenditure Side

The ordinary expenses increased by 8.7% to ¥1,366.5 billion compared with the 3Q of FY 2016. This is mainly due to an increase of overhead expense as well as an increase of fuel cost caused by a rise of fuel prices and power purchase from renewable energy, though we have continuously implemented group-wide cost reduction in business activities in general while Genkai nuclear power station unit No.3, 4 haven't been restarted yet.

Ordinary Income Profit attributable to owners of parent

As a result, the ordinary income decreased by 19.5% to ¥83.6 billion, and also profit attributable to owners of parent decreased by 13.7% to ¥73.6 billion.

Summary of Financial Results for the 3Q of FY2017

2

【Consolidated】

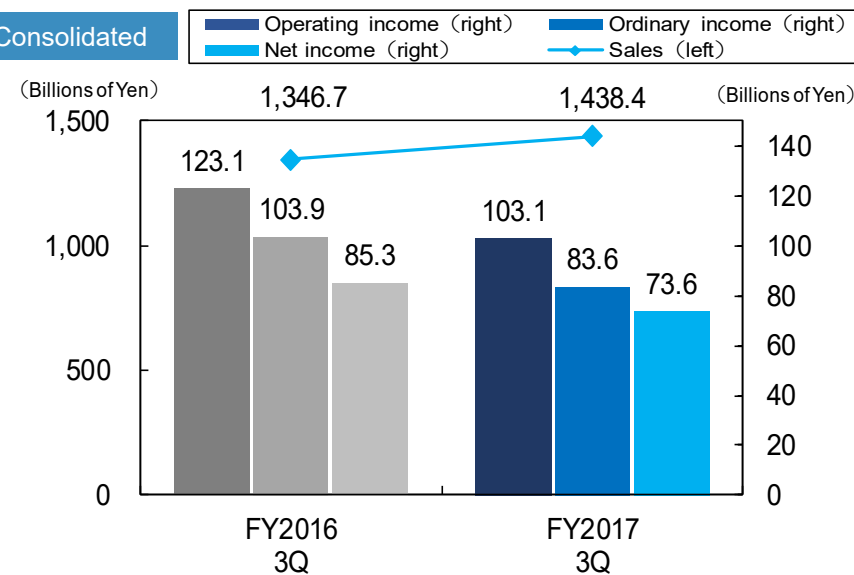
(Billions of Yen,%)

	FY2017 3Q	FY2016 3Q	Difference	Ratio
Ordinary revenues	1,450.1	1,360.6	89.4	106.6
Sales [Figures are included above]	1,438.4	1,346.7	91.6	106.8
Ordinary expenses	1,366.5	1,256.7	109.7	108.7
(Operating Income)	(103.1)	(123.1)	(-19.9)	(83.8)
Ordinary Income	83.6	103.9	-20.2	80.5
Extraordinary Loss	—	10.6	-10.6	—
Profit attributable to owners of parent	73.6	85.3	-11.7	86.3

Note: As of the end of FY2017 3Q, 70 affiliates were subject to consolidated accounting.

[Consolidated subsidiaries: 43companies(2 companies are added, compared with the previous FY),
Equity method companies: 27 companies]

Consolidated

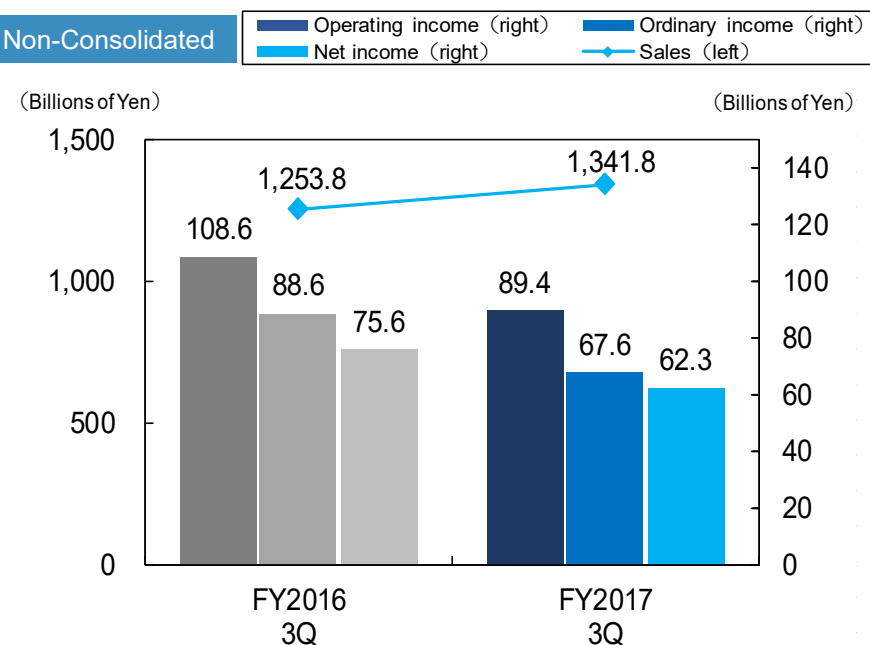


【Non-Consolidated】

(Billions of Yen,%)

	FY2017 3Q	FY2016 3Q	Difference	Ratio
Ordinary revenues	1,347.6	1,264.4	83.2	106.6
Sales [Figures are included above]	1,341.8	1,253.8	87.9	107.0
Ordinary expenses	1,280.0	1,175.8	104.2	108.9
(Operating Income)	(89.4)	(108.6)	(-19.2)	(82.3)
Ordinary Income	67.6	88.6	-20.9	76.3
Extraordinary Loss	—	9.8	-9.8	—
Net Income	62.3	75.6	-13.2	82.5

Non-Consolidated



Electricity Sales Volume

3

Total electricity sales volume in April to December, 2017 came to 56,150 million kWh, decreased by 3.3% compared with the 3Q of FY2016. This is due to decline of the contract demand amount.

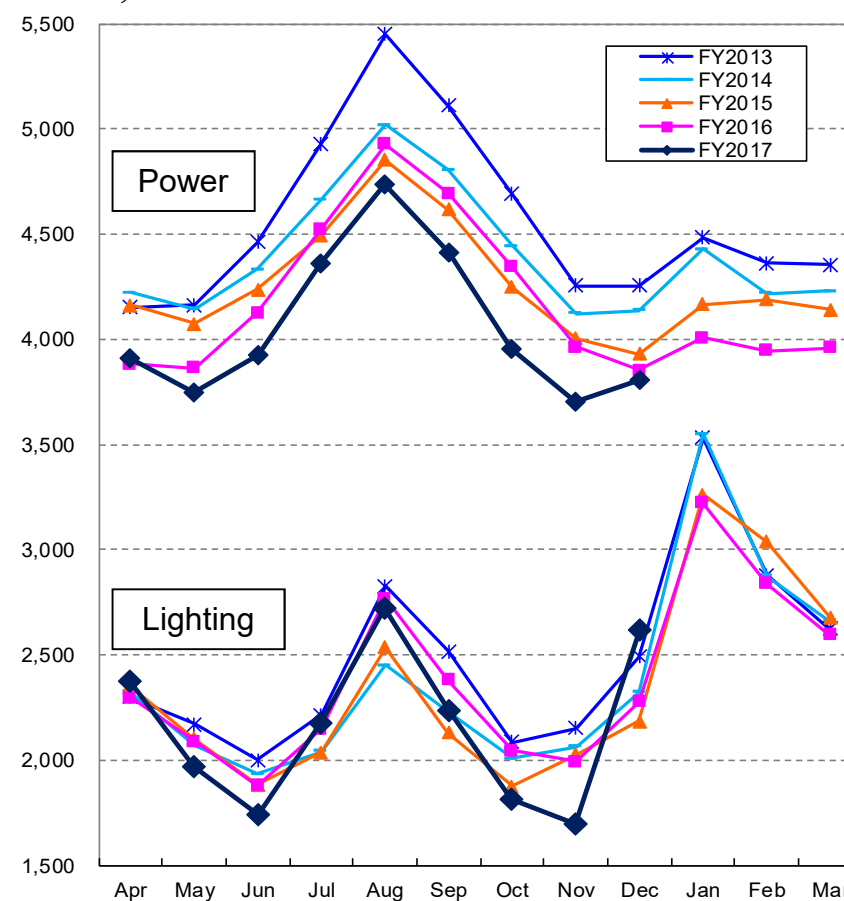
【Electricity Sales Volume】

(Million kWh,%)

	FY2017 3Q	FY2016 3Q	Comparison with FY2016 3Q	
			Difference	Ratio
Lighting	19,616	19,879	-263	98.7
Power	36,533	38,169	-1,635	95.7
Total	56,150	58,048	-1,899	96.7

【Changes in Electricity Sales Volume】

(Million kWh)



Generated and Received Electricity

4

The electricity supply has been stable resulted from a stable operation of Sendai nuclear power station unit No.1 and 2 and the entire operation of power plants like the pumping considered with an increase in new energy received from other companies.

【 Generated and Received Electricity 】

(Million kWh,%)

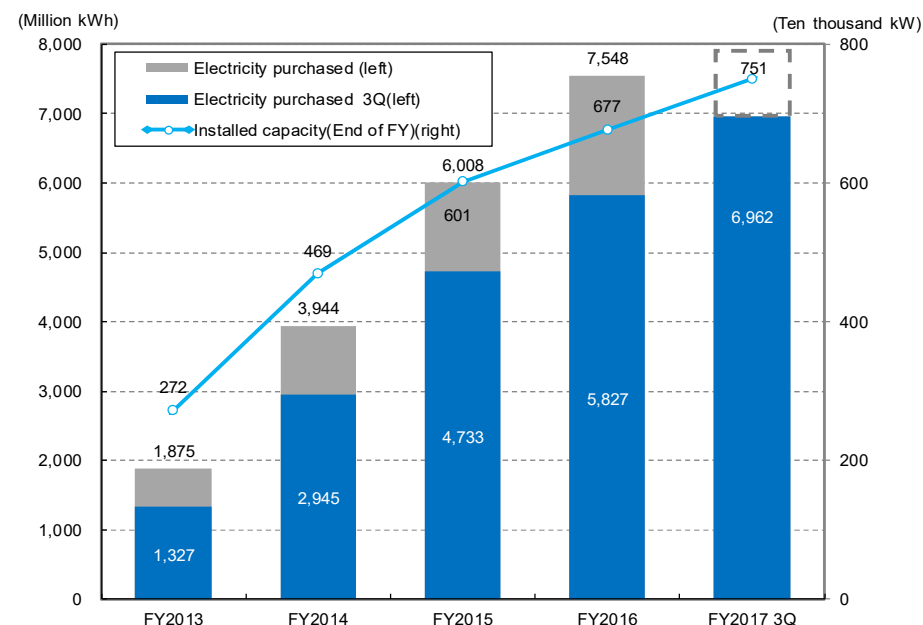
		FY2017 3Q	FY2016 3Q	Comparison with FY2016 3Q	
				Difference	Ratio
Own facilities ※1	Hydro	3,742	3,945	-203	94.9
	(Water flow rate)	(101.7)	(119.1)	(-17.4)	
	Thermal	30,244	32,886	-2,642	92.0
	Nuclear	11,785	9,846	1,939	119.7
	(Utilization rate)	(39.9)	(33.4)	(6.5)	
	New Energy etc※3	804	845	-41	95.1
	Subtotal	46,575	47,522	-947	98.0
From other Companies ※2	Hydro	1,354	1,484	-130	91.2
	Thermal	4,889	6,742	-1,853	72.5
	New Energy etc※3	7,858	6,564	1,294	119.7
	Subtotal	14,101	14,790	-689	95.3
Interchange※2		1	40	-39	5.0
For pumping		-1,183	-893	-290	132.5
Total		59,494	61,459	-1,965	96.8

※1 Own facilities' generation means transmission-end number.

※2 "From other Companies " and " Interchange" includes the volume of electricity recognized as of the end of quarter of fiscal year.

※3 "New Energy etc" includes Solar, Wind, Biomass, Waste and Geothermal.

【 Installed Capacity and Electricity Purchase regarding Solar 】



※Above electricity purchased 3Q are internal number in the result of each fiscal year.

【 Transition of Renewable Energy Power Promotion Surcharge 】

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Surcharge (Yen/kWh)	0.22	0.35	0.75	1.58	2.25	2.64
Price per household (Yen/Month)	55	87	187	395	562	660

※1 Meter rate Lightning B, Contract Current 30A, Monthly use of 250kWh

※2 Feed-in tariff has been enforced since July 2012 (and a surcharge on electricity rate has started in August 2012).

Income Statement (Non-Consolidated)

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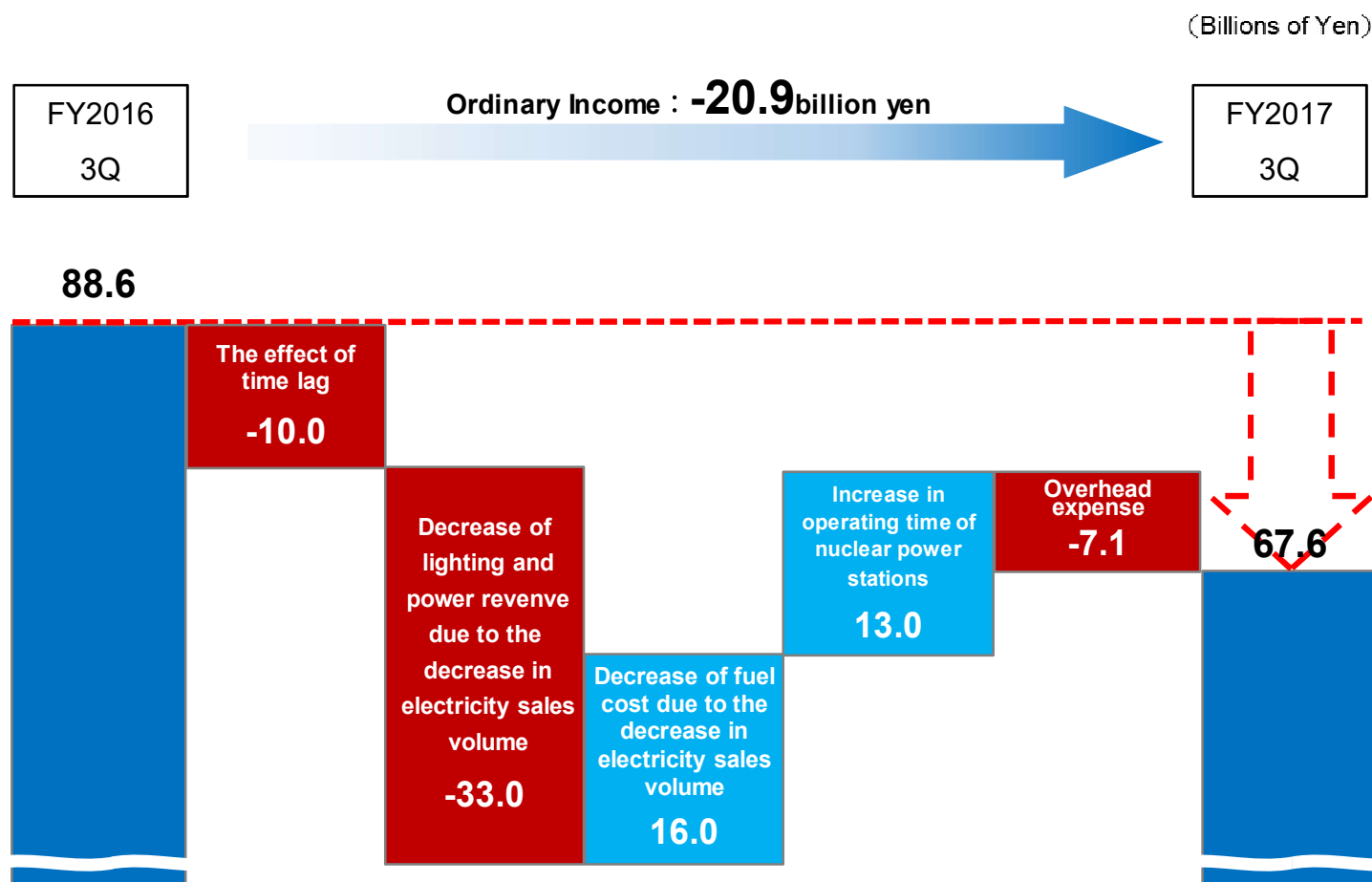
(Billions of Yen,%)

		FY2017 3Q	FY2016 3Q	Difference	Ratio	Explanations
Ordinary Revenues	Lighting	435.2	419.1	16.1	103.9	Decrease in electricity sales volume -33.0
	Power	579.2	569.1	10.0	101.8	Effect of fuel cost adjustment 48.3 (-72.8 ← -121.1)
	Sub Total	(1,014.4)	(988.2)	(26.1)	(102.7)	Renewable Energy Power Promotion Surcharge 16.6 (127.1←110.5)
	Other	333.2	276.1	57.0	120.7	Grant based on the Act on Purchase of Renewable Energy Sourced Electricity 27.5(229.7 ← 202.2) Electricity Sales to Others 18.1
	(Sales)	(1,341.8)	(1,253.8)	(87.9)	(107.0)	
	Total	1,347.6	1,264.4	83.2	106.6	
Ordinary Expenses	Labor	101.9	99.5	2.4	102.5	
	Fuel	209.4	181.9	27.4	115.1	Increase in CIF 32.0 Exchange losses 7.0 Influence of the periodic inspection at nuclear power stations -16.0 Decrease in electricity sales volume -16.0 Increase in electricity sales volume to others 12.0 Decrease in Water flow 3.0
	Power purchase	360.2	309.1	51.0	116.5	Purchase from other companies 51.2 [Figures are included below : Purchase of Renewable Energy Sourced Electricity 44.0 (276.5 ← 232.5) Thermal from other companies 8.3]
	Maintenance	92.6	99.3	-6.6	93.3	Nuclear -8.9
	Depreciation	127.6	132.2	-4.6	96.5	
	Interest	22.9	25.4	-2.4	90.4	
	Tax and public dues	65.5	64.0	1.4	102.3	
	Nuclear back-end	27.9	21.0	6.9	132.9	The effect of the revision of the funding system for reprocessing costs of nuclear fuel 5.0 Influence of the periodic inspection at nuclear power stations 3.0
	Other	271.5	243.0	28.5	111.7	Levy based on the Act on Purchase of Renewable Energy Sourced Electricity 16.6 (127.1 ← 110.5) Overhead expenses 7.1
	Total	1,280.0	1,175.8	104.2	108.9	
(Operating Income)		(89.4)	(108.6)	(-19.2)	(82.3)	The effect of time lag -10.0 (-3.0 ← 7.0)
Ordinary Income		67.6	88.6	-20.9	76.3	
Reserve for Fluctuation In Water Levels		0.1	1.1	-0.9	1.1	
Extraordinary Loss		—	9.8	-9.8	—	Extraordinary loss on natural disaster -9.5 Contingent loss -0.2
Income Tax		5.1	2.0	3.1	255.6	
Net Income		62.3	75.6	-13.2	82.5	

Note: The underlined parts are related to Feed-in Tariff Power purchase and sale system of renewable energy

Major Factors in the Changes in Ordinary Income (Non-Consolidated)

6



【Reference : Key Factors】

(Billions of Yen)

	FY2017 3Q	FY2016 3Q	Difference	Financial impact	
Crude oil CIF price	54 \$/b	45 \$/b	9 \$/b	(1\$/b)	2.5
Exchange rate	112 Yen/\$	107 Yen/\$	5 Yen/\$	(1Yen/\$)	2.0
Nuclear power utilization rate	39.9 %	33.4 %	6.5 %	(1%)	2.0
Water flow rate	101.7 %	119.1 %	-17.4 %	(1%)	0.2

(Reference 1-1) The effect of time lag of fuel cost adjustment (The 3Q of FY2017)

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With regard to the effect of fuel price from the second half of FY 2016,

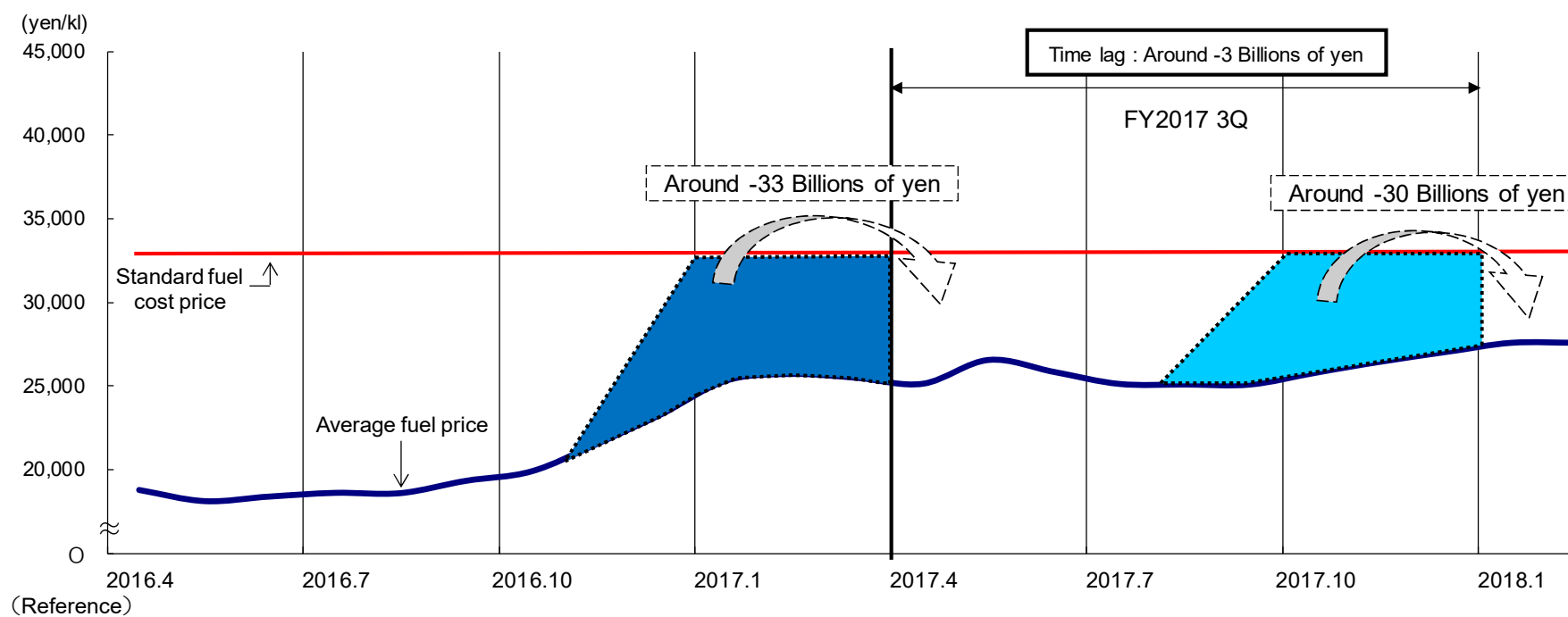
- Part of the fuel prices in the latter half of the FY2016, which were lower than the standard fuel price, were reflected in the decrease of electricity rates in the 3Q of the FY2017 [around -33 billion yen]
- Part of the fuel prices for the 3Q of FY 2017 , which were lower than the standard fuel price, were not reflected in the decrease of electricity rates in the 3Q of FY2017 and were carried over after the 3Q of the FY2017 [around -30 billion]

As a result of this time lag※ of fuel cost adjustment, revenue and expenditure deteriorated [-3 billion yen] (The 3Q of the FY2016 : around 7 billion yen)

※Reflecting the average fuel price every 3 months with a shift of 2 months

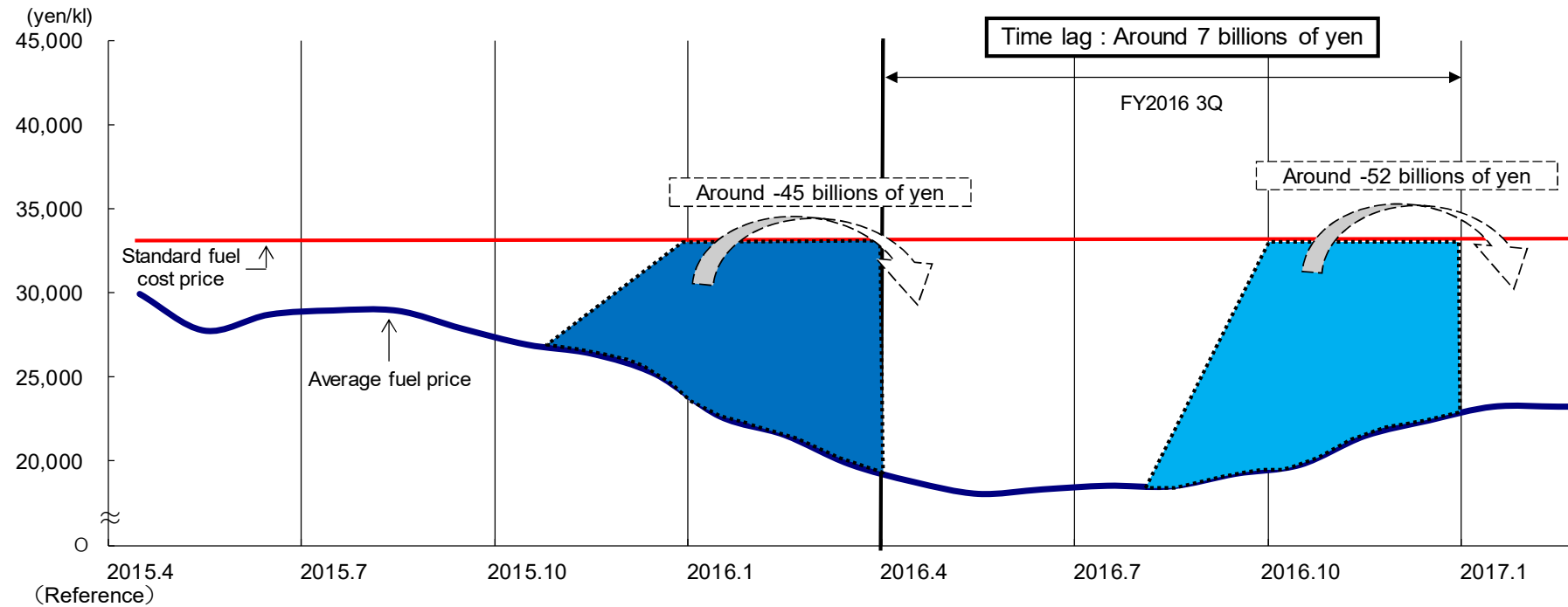
(e.g. fuel cost adjustment in April : November to January, that in May : December to February, that in December : July to September)

○The effect of the change of fuel price (The image of time lag of fuel cost adjustment)



	2016.4	2016.5	2016.6	2016.7	2016.8	2016.9	2016.10	2016.11	2016.12	2017.1	2017.2	2017.3	2017.4	2017.5	2017.6	2017.7	2017.8	2017.9	2017.10	2017.11	2017.12
JCC(\$/b)	37	41	45	48	45	46	45	49	47	53	55	56	54	54	52	48	49	52	55	58	62
JLC(\$/t)	326	305	303	332	340	367	377	380	379	386	407	397	423	445	432	431	430	425	406	408	-

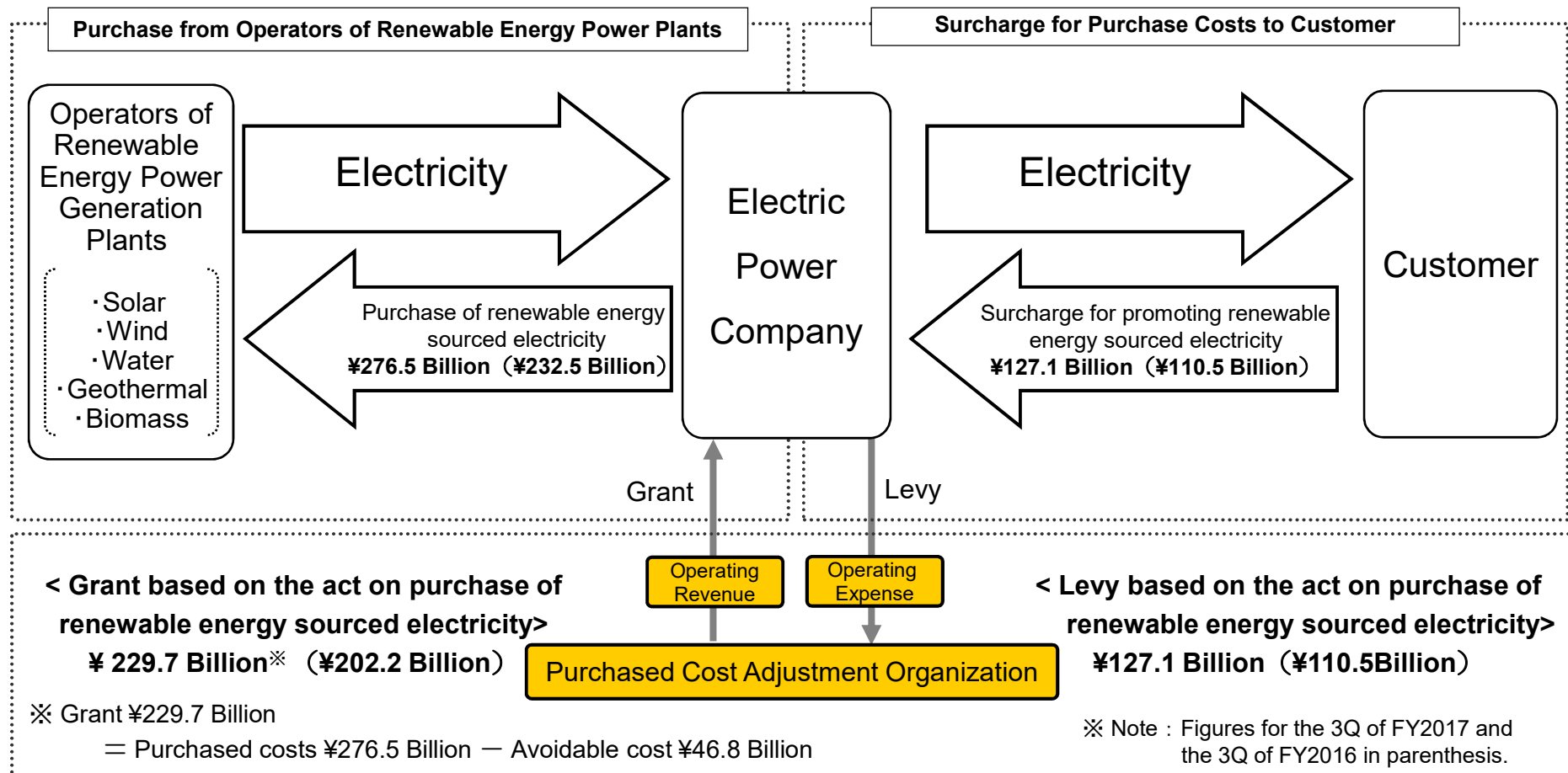
○The effect of the change of fuel price (The image of time lag of fuel cost adjustment)



	2015.4	2015.5	2015.6	2015.7	2015.8	2015.9	2015.10	2015.11	2015.12	2016.1	2016.2	2016.3	2016.4	2016.5	2016.6	2016.7	2016.8	2016.9	2016.10	2016.11	2016.12
JCC(\$/b)	56	59	64	64	59	51	48	48	44	37	30	32	37	41	45	48	45	46	45	49	47
JLC(\$/t)	528	459	449	463	473	497	491	468	438	404	407	375	326	305	303	332	340	367	377	380	379

(Reference 2) Outline of “Feed-in Tariffs for renewable energy”

9



(Billions of Yen)

	FY2017 3Q	FY 2016 3Q	Difference
Renewable Energy Power Promotion Surcharge (Revenue)	127.1	110.5	16.6
Levy based on the Act on Purchase of Renewable Energy Sourced Electricity (Expenditure)	127.1	110.5	16.6
Purchase of Renewable Energy Sourced Electricity (Expenditure)	276.5	232.5	44.0
Grant based on the Act on Purchase of Renewable Energy Sourced Electricity (Revenue)	229.7	202.2	27.5

(Reference3) The effect of Fuel Cost Adjustment and Renewable Energy Power Promotion Surcharge to the Electricity Rate

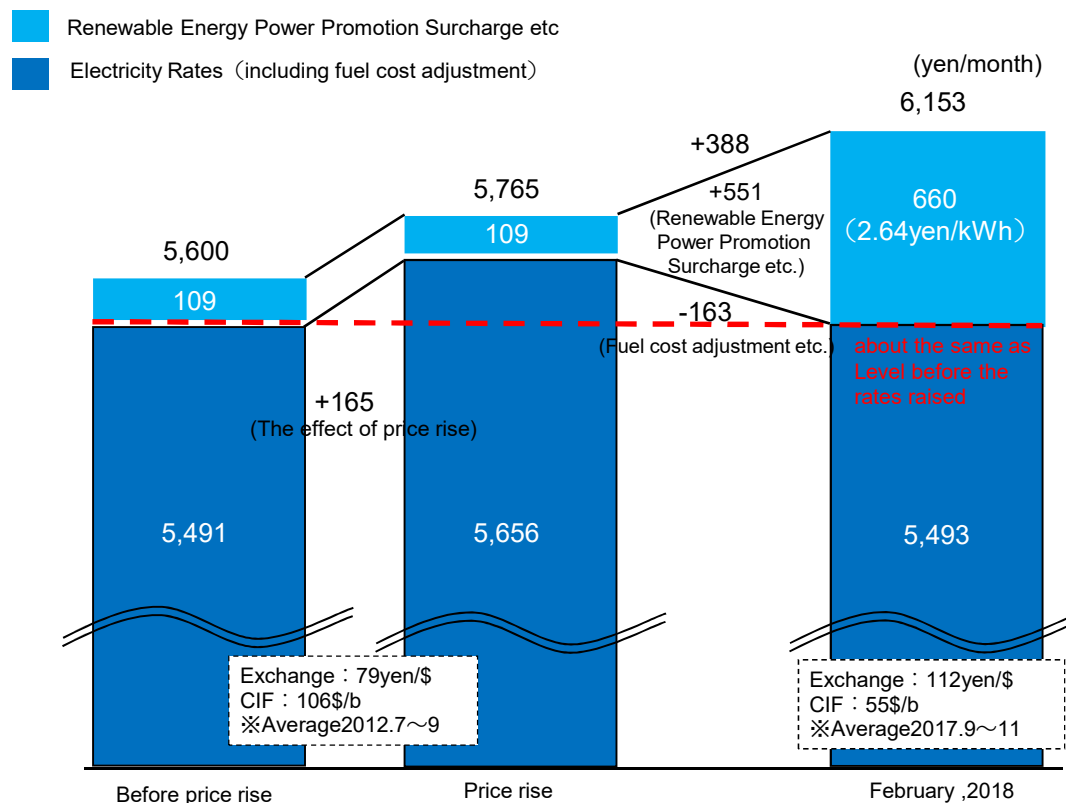
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With regard to the electricity rates excluding Renewable Energy Power Promotion Surcharge and Solar power production promotion subsidiaries, it is about the same as the level before the rates raised due to a decline in fuel cost adjustment caused by decreasing of fuel price since May 2013 when we have raised the rates ※. On the other hand, the rates including Renewable Energy Power Promotion Surcharge and Solar power production promotion subsidiaries increase due to the rise of renewable energy power promotion surcharge.

Of ten electric power companies, we supply the lowest price level electricity to households.

※ Raised the electricity rate, Premise assuming restart of Sendai Nuclear Power Station Unit No.1 and 2 and Genkai Nuclear Power Station Unit No.3 and 4.

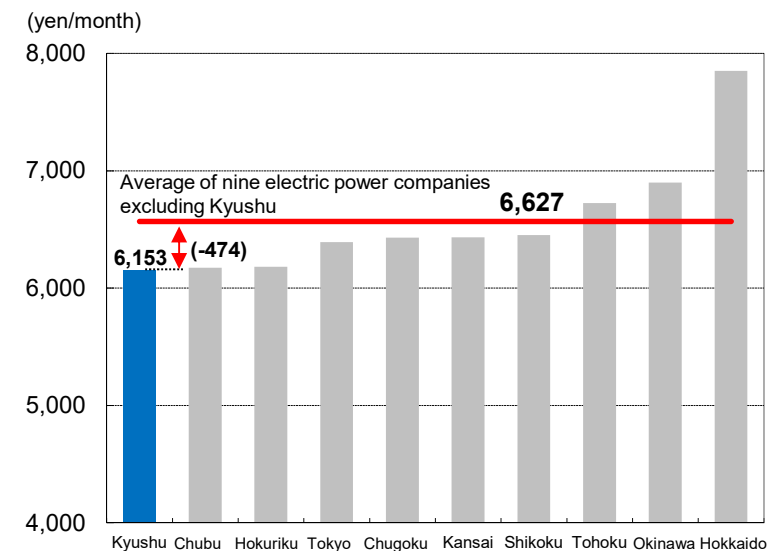
〔Transition of the level of the electricity rates〕



※1 Tax included amount (Tax is price rise • Before price rise5% ,Current 8%)

※2 Meter rate Lightning B, Contract Current 30A, Monthly use of 250kWh

〔Comparison of ten electric power companies' electricity rates (household use)〕



※1 Fuel cost adjustment and Renewable Energy Power Promotion Surcharge(2.64yen/kWh) in February,2018

※2 Above rates of Tokyo • Chubu • Hokuriku • Kansai • Chugoku • Shikoku • Kyushu are including the account transfer discount.

※3 Meter rate Lightning B, Contract Current 30A, Monthly use of 250kWh (Electricity Rate of February ,2018)

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Balance Sheet (Non-Consolidated)

11

Assets

(Billions of Yen)

	Dec.31,2017	Mar.31,2017	Difference	Explanations
Utility Property, Plant and Equipment	2,320.5	2,372.2	-51.6	Depreciation -127.6 Construction completed 86.4
Investments and Other Assets	426.2	421.4	4.8	
Others	1,339.4	1,347.8	-8.3	Cash and cash equivalents -127.2 (Dec.31,2017 234.1 ← Mar.31,2017 361.3) Construction in progress 84.9 Accounts receivable 30.3
Total	4,086.3	4,141.5	-55.2	

Liabilities and Equity

(Billions of Yen)

	Dec.31,2017	Mar.31,2017	Difference	Explanations
Liabilities	3,604.0	3,705.0	-101.0	Interest-bearing Debt -127.1
Equity	482.2	436.4	45.8	FY2017 3Q Net Income 62.3 Year-end dividend -10.6 Interim dividend -6.4 [Equity Ratio] Dec.31,2017 11.8% ← Mar.31,2017 10.5% +1.3%
Total	4,086.3	4,141.5	-55.2	

【Reference : The breakdown of Interest-bearing Debt】

(Billions of Yen)

	Dec. 31,2017	Mar.31,2017	Difference
Bonds	1,284.4	1,294.4	-10.0
Loans	1,689.0	1,806.1	-117.1
Total	2,973.4	3,100.5	-127.1

Income Statement and Balance Sheet (Consolidated)

12

Income Statement Summary

(Billions of Yen,%)

		FY2017 3Q	FY2016 3Q	Difference	Ratio	FY2017 3Q Consolidated Ratio
Ordinary Revenues	Operating Revenues (Sales)	1,438.4	1,346.7	91.6	106.8	(1.07)
	Electric	1,329.2	1,243.3	85.9	106.9	
	Other	109.1	103.4	5.7	105.5	
	Other Revenues	11.7	13.9	-2.2	84.2	
	Total	1,450.1	1,360.6	89.4	106.6	
Ordinary Expenses	Operating Expenses	1,335.2	1,223.5	111.6	109.1	(1.15)
	Electric	1,235.6	1,131.5	104.0	109.2	
	Other	99.6	92.0	7.6	108.3	
	Other Expenses	31.2	33.1	-1.9	94.2	
	Total	1,366.5	1,256.7	109.7	108.7	
(Operating Income)		(103.1)	(123.1)	(-19.9)	(83.8)	(1.15)
Ordinary Income		83.6	103.9	-20.2	80.5	(1.24)
Reserve for Fluctuation In Water Levels		0.1	1.1	-0.9	11.0	
Extraordinary loss		—	10.6	-10.6	—	
Profit attributable to owners of parent		73.6	85.3	-11.7	86.3	(1.18)
Comprehensive Income		79.4	86.0	-6.5	92.4	

Balance Sheet Summary

(Billions of Yen,%)

		Dec.31,2017	Mar.31,2017	Difference
Total Assets		4,543.2	4,587.5	-44.2
Liabilities		3,906.3	4,012.9	-106.5
	Interest-bearing Debt	3,179.3	3,313.9	-134.6
Equity		636.8	574.5	62.2
【Reference】 Equity Ratio		13.5	12.0	1.5

(Billions of Yen)

		FY2017 3Q	FY2016 3Q	Difference	Explanations
Electric power	Sales	1,332.1	1,246.3	85.8	
	Operating Income	89.7	107.5	-17.8	
Energy-related business	Sales	123.7	122.8	0.8	·Sales increased due to an increase in the sales amount of gas and LNG in spite of a decrease in sales of smart meters, etc.
	Operating Income	4.7	6.2	-1.5	·Operating income decreased due to an increase in outsourcing expenses such as the development of systems related to the participation in household gas sales business, etc.
IT and Telecommunications	Sales	73.7	68.4	5.2	·Sales increased due to an increase of information system development contracts and an increase in sales of telecommunication equipment, etc.
	Operating Income	5.2	5.7	-0.4	·Operating income decreased due to an increase in selling expenses related to smartphone services, etc.
Other	Sales	19.0	18.2	0.8	·Sales increased due to an increase of income regarding selling real estates, etc.
	Operating Income	3.9	3.4	0.4	·Operating revenue increased due to a decrease of depreciation expense of rental buildings, etc.

Note: The above amounts represent figures prior to elimination of transactions among segments.

Forecasts of Financial Results and Dividends for FY2017



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We don't change our forecasts of sales and ordinary income from the previous one(October 2017)

Sales : 1,945 billions yen

Ordinary income : 65 billions yen

Forecast of Financial Results

Both sales and income have not been made any changes. It is a result of calculation of forecast figures, in which further cost savings and today's demand trend are incorporated, given the carrying out of procedures pertaining to changes in application of pre-operation inspection regarding Genkai Nuclear Power Station Unit No.3 and 4 on November 30, 2017.

Sales

It has not been made any changes. This is due to an increase of grant based on the Act on Purchase of Renewable Energy, though the electricity sales volume will decline.

Ordinary income

It has not been made any changes. Because we will make efforts to group-wide cost reduction for ensuring the forecast previously announced, while the restart of Genkai Nuclear Power Station Unit No.3 and 4 have been delayed.

Profit attributable to owners of parent

It has not been made any changes.

Forecasts of Financial Results for FY2017

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【Consolidated】

(Billions of yen,%)

	Forecast (January)	Previous Forecast (October)	Difference	Ratio
Sales	1,945.0	1,945.0	—	—
Operating income	95.0	95.0	—	—
Ordinary income	65.0	65.0	—	—
Profit attributable to owners of parent	50.0	50.0	—	—

FY2016	Difference
1,827.5	117.5
122.6	-27.6
94.2	-29.2
79.2	-29.2

【Non- Consolidated 】

(Billions of yen,%)

	Forecast (January)	Previous Forecast (October)	Difference	Ratio
Sales	1,810.0	1,810.0	—	—
Operating income	75.0	75.0	—	—
Ordinary income	45.0	45.0	—	—
Net income	35.0	35.0	—	—

FY2016	Difference
1,696.7	113.3
99.5	-24.5
68.8	-23.8
61.0	-26.0

【Reference : Key Factors】

	Forecast (January)	Previous Forecast (October)	Difference
Electricity Sales Volume	76.5 billions kWh	76.6 billions kWh	-0.1 billions kWh
Crude Oil CIF Price	55 \$/b	54 \$/b	1 \$/b
Exchange Rate	112 ¥/\$	114 ¥/\$	-2 ¥/\$
Electricity volume by Nuclear Power* (Utilization Rate)	14.3 billions kWh (36.5%)	17.4billions kWh (44.5%)	-3.1billions kWh (-8.0%)

FY2016	Difference
78.6 billions kWh	-2.1 billions kWh
48 \$/b	7 \$/b
108 ¥/\$	4 ¥/\$
12.5 billions kWh (31.9%)	1.8billions kWh (4.6%)

*transmission-end number

Forecasts of Financial Results for FY2017

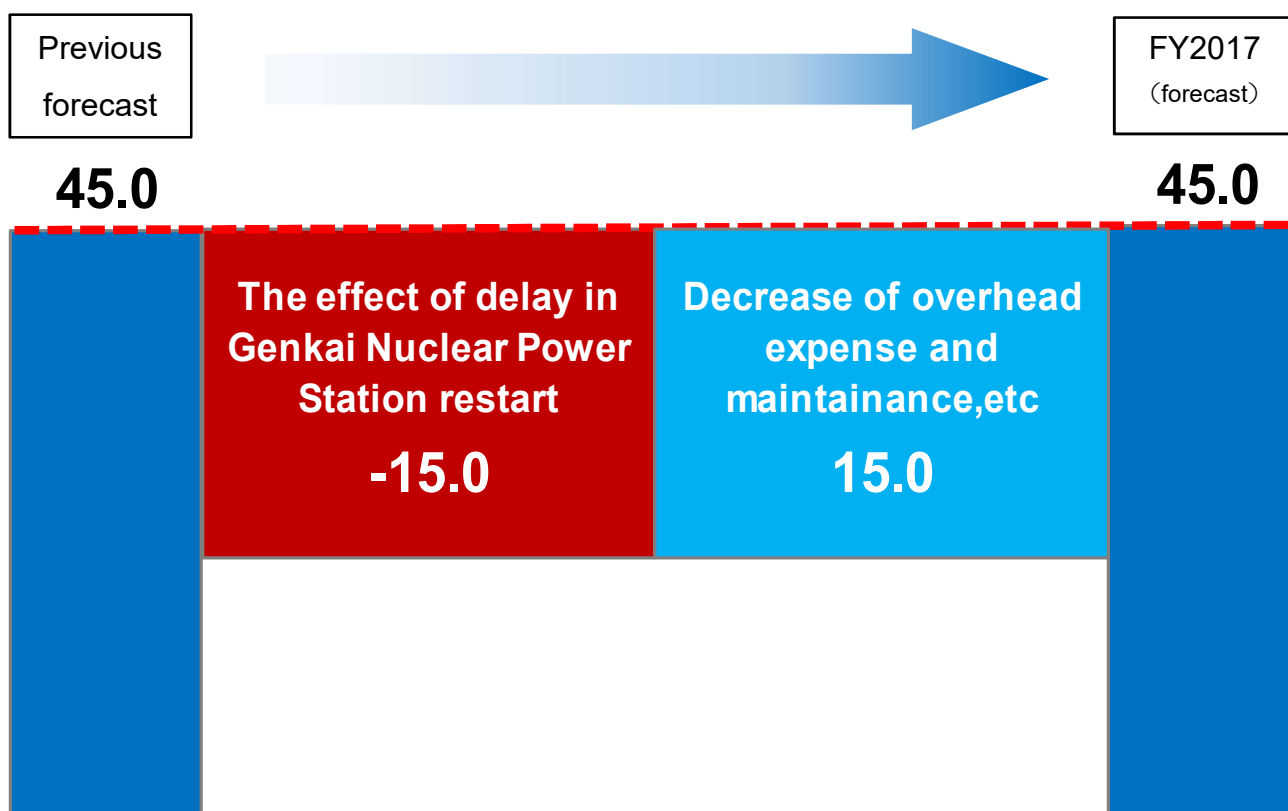
Major Factors in the Changes in Ordinary Income (Non-Consolidated)

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Ordinary income : **45.0** billion yen

(Billions of Yen)

(We don't change our forecasts of sales and ordinary income)



Forecasts of Dividends for FY2017

17

As for dividends, we maintain a stable dividend, with amounts determined based on a comprehensive analysis of performance and other factors.

As for forecasts of year-end dividends, we decide to pay ¥10 per common share.

Regarding class A preferred share, we decide to pay year-end dividend of total amount of ¥1,750,000,000.

(Common Share) (Unit : yen)

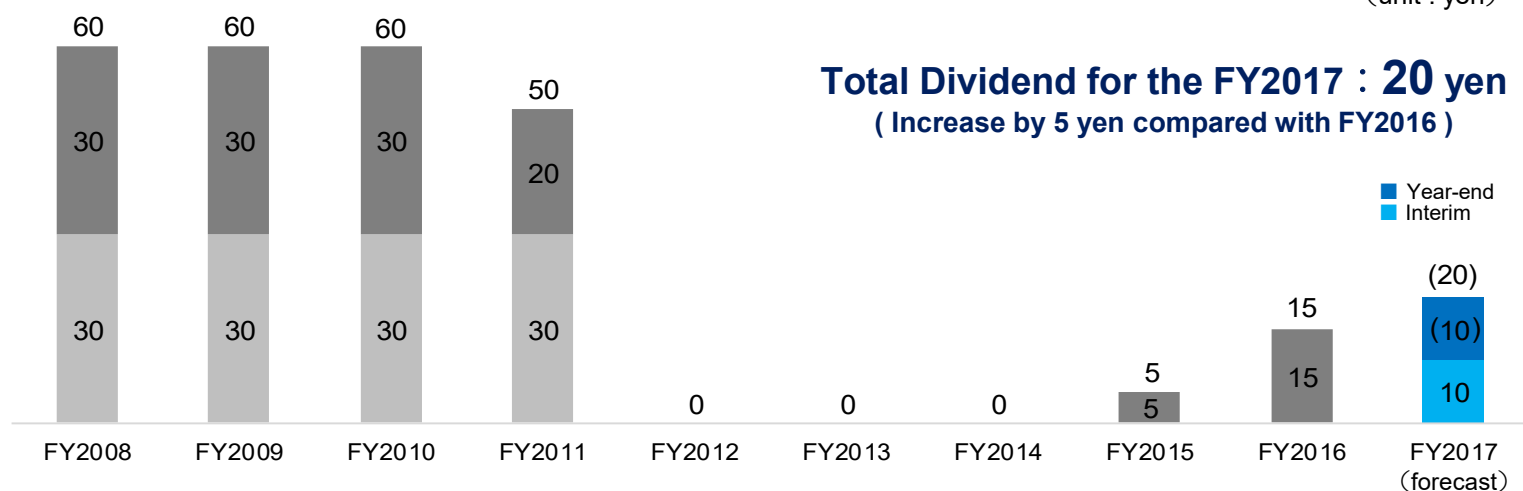
	A Dividend per Share		
	End of the 2Q	End of the FY	Total
Forecast for the FY 2017	10	(10)	(20)
Results for the FY 2016	0	15	15

(Class A Preferred Share) (Unit : thousand yen)

	A Dividend per Share		
	End of the 2Q	End of the FY	Total
Forecast for the FY 2017	1,750	(1,750)	(3,500)
Results for the FY 2016	0	3,500	3,500

※The number with () for the FY 2017 is a forecast and we don't change it from previous forecasts (released on October 31, 2017) .

Changes of a dividend per share (Common Stock)



(Reference)

Revenues from Lighting and Power and from Others (Non-Consolidated)

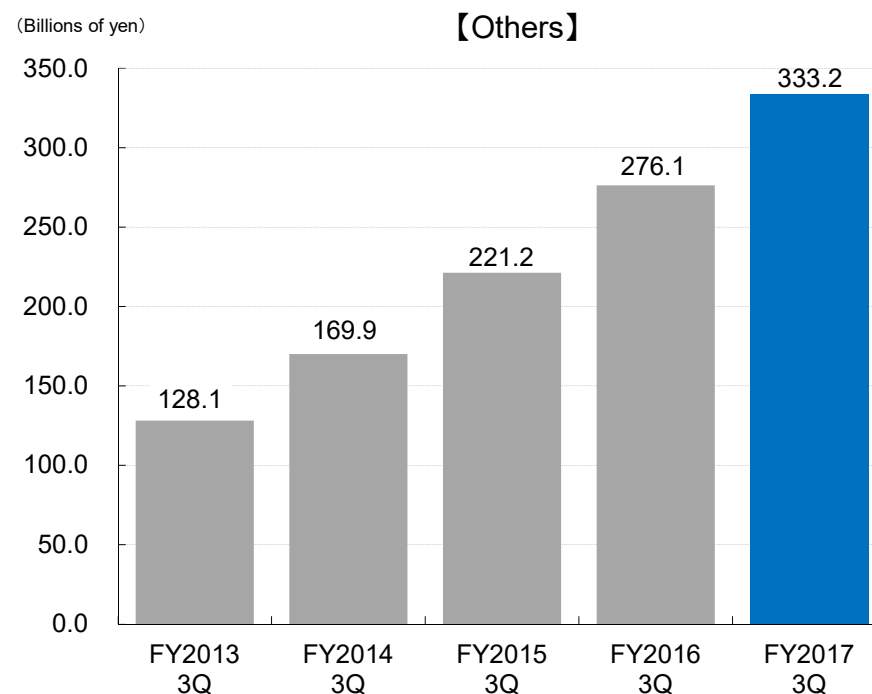
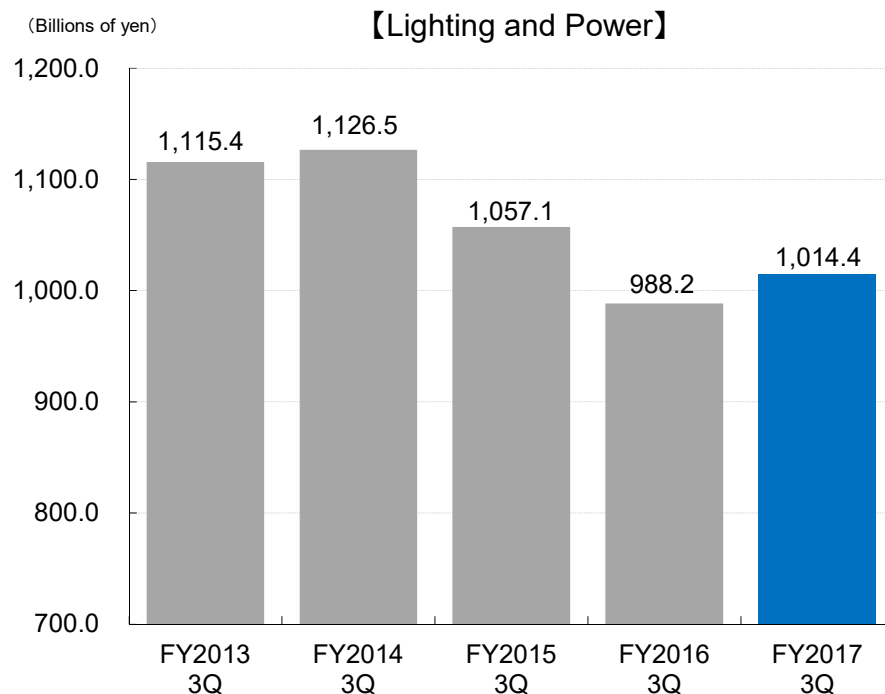
18

	(Billions of Yen,%)			
	FY2017 3Q	FY2016 3Q	Difference	Ratio
Lighting and Power	1,014.4	988.2	26.1	102.7

	(Billions of Yen,%)			
	FY2017 3Q	FY2016 3Q	Difference	Ratio
Others	333.2	276.1	57.0	120.7

	Difference	FY2017 3Q	FY2016 3Q
1. Effect of fuel cost adjustment	48.3	(-72.8 ←	-121.1)
2. Renewable Energy Power Promotion Surcharge	16.6	(127.1 ←	110.5)
3. Decrease in electricity sales volume	-33.0		

	Difference	FY2017 3Q	FY2016 3Q
1. Grant based on the Act on Purchase of Renewable Energy Sourced Electricity	27.5	(229.7 ←	202.2)
2. Electricity Sales to Others	18.1	(41.5 ←	23.4)



Expenses for Fuel and Power purchase (Non-Consolidated)

19

	(Billions of Yen,%)			
	FY2017 3Q	FY2016 3Q	Difference	Ratio
Fuel	209.4	181.9	27.4	115.1

Difference

1. Increase in CIF	32.0
2. Exchange losses	7.0
3. Decrease in electricity sales volume	-16.0

[Reference1] All Japan CIF prices

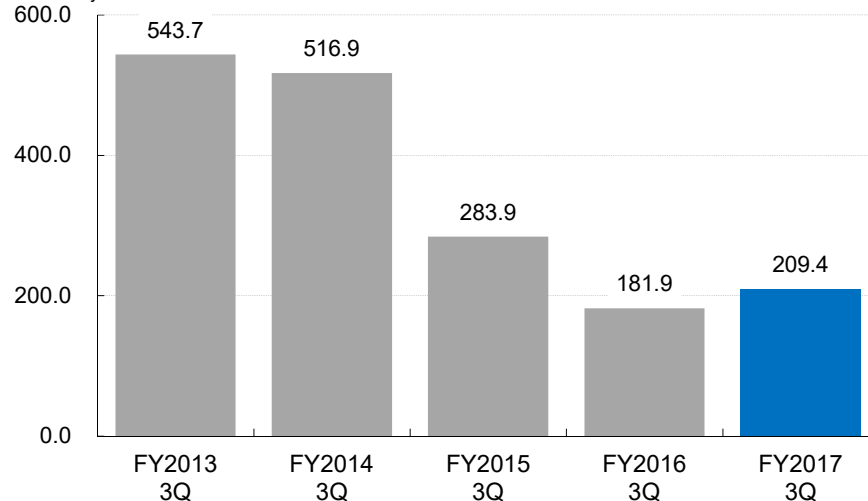
	FY2017 3Q	FY2016 3Q	Difference
Coal(\$/t)	99	75	24
LNG(\$/t)	425	347	78
Crude oil(\$/b)	54	45	9

[Reference2] Fuel consumption

	FY2017 3Q	FY2016 3Q	Difference
Coal (ten thousand. ton)	445	458	-12
Heavy oil (ten thousand. kiloliter)	19	18	1
Crude oil (ten thousand. kiloliter)	9	9	—
LNG (ten thousand. ton)	256	293	-37

(Billions of yen)

【Fuel】



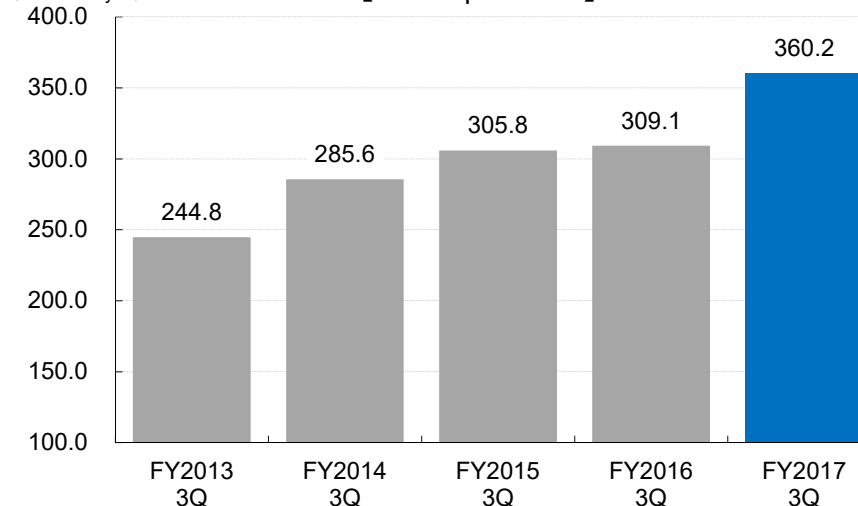
	(Billions of Yen,%)			
	FY2017 3Q	FY2016 3Q	Difference	Ratio
Power purchase	360.2	309.1	51.0	116.5

Difference FY2017 3Q FY2016 3Q

1. Purchase from other companies	51.2	(359.7 ← 308.5)
◆ Purchase of Renewable Energy Sourced Electricity	44.0	(276.5 ← 232.5)
◆ Thermal from other companies	8.3	(72.8 ← 64.5)
2. Purchase from other electric companies	-0.1	(0.5 ← 0.6)

(Billions of yen)

【Power purchase】



Expenses for Maintenance and Depreciation (Non-Consolidated)

20

	(Billions of Yen, %)			
	FY2017 3Q	FY2016 3Q	Difference	Ratio
Maintenance	92.6	99.3	-6.6	93.3

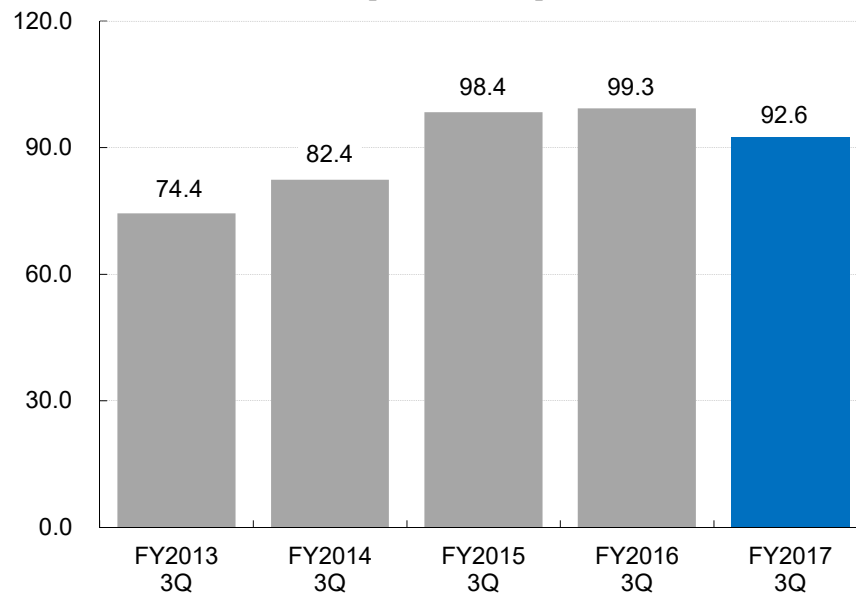
	Difference	FY2017 3Q	FY2016 3Q
1. Nuclear	-8.9	(14.7 ← 23.7)	
2. Distribution	-1.5	(33.4 ← 35.0)	
3. New Energy	1.0	(2.1 ← 1.0)	
4. Administration	0.8	(2.9 ← 2.0)	
5. Thermal	0.8	(24.5 ← 23.7)	

	(Billions of Yen, %)			
	FY2017 3Q	FY2016 3Q	Difference	Ratio
Depreciation	127.6	132.2	-4.6	96.5

	Difference	FY2017 3Q	FY2016 3Q
1. Ordinary depreciation	-3.3	(127.6 ← 131.0)	
◆ Nuclear	-1.7	(25.8 ← 27.5)	
◆ Transmission	-0.6	(29.8 ← 30.4)	
2. Commissioning depreciation	-1.2	(— ← 1.2)	
◆ Shin-Oita Power Station No.3,4 expansion (Test operation started on Jan 2016 / Commercial operation started on Jun 2016)			

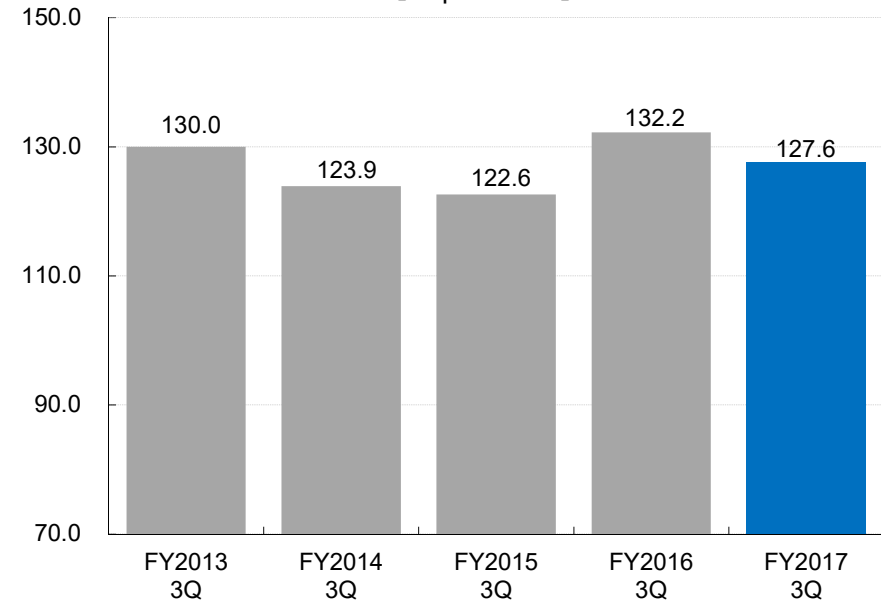
(Billions of yen)

【Maintenance】



(Billions of yen)

【Depreciation】



Expenses for Labor and Others (Non-Consolidated)

21

	(Billions of Yen,%)			
	FY2017 3Q	FY2016 3Q	Difference	Ratio
Labor	101.9	99.5	2.4	102.5

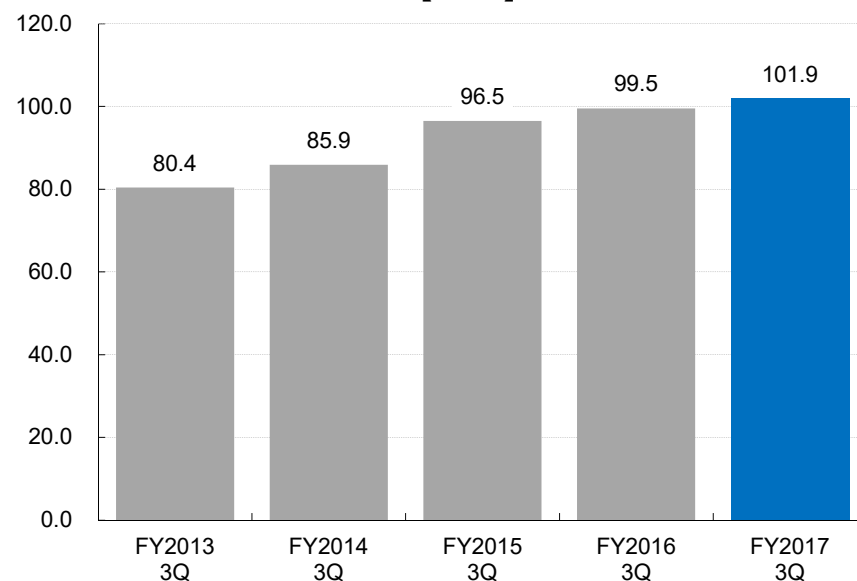
	(Billions of Yen,%)			
	FY2017 3Q	FY2016 3Q	Difference	Ratio
Others	388.0	353.5	34.4	109.7

	Difference	FY2017 3Q	FY2016 3Q
1. Salary	1.6	(73.6 ← 71.9)	
2. Employee retirement benefits	1.3	(8.6 ← 7.2)	

	Difference	FY2017 3Q	FY2016 3Q
1. Levy based on the Act on Purchase of Renewable Energy Sourced Electricity	16.6	(127.1 ← 110.5)	
2. Overhead expenses	7.1	(102.7 ← 95.5)	
3. Nuclear back-end	6.9	(27.9 ← 21.0)	
◆ The effect of the revision of the funding system for reprocessing costs of nuclear fuel	5.0	(14.6 ← 9.6)	

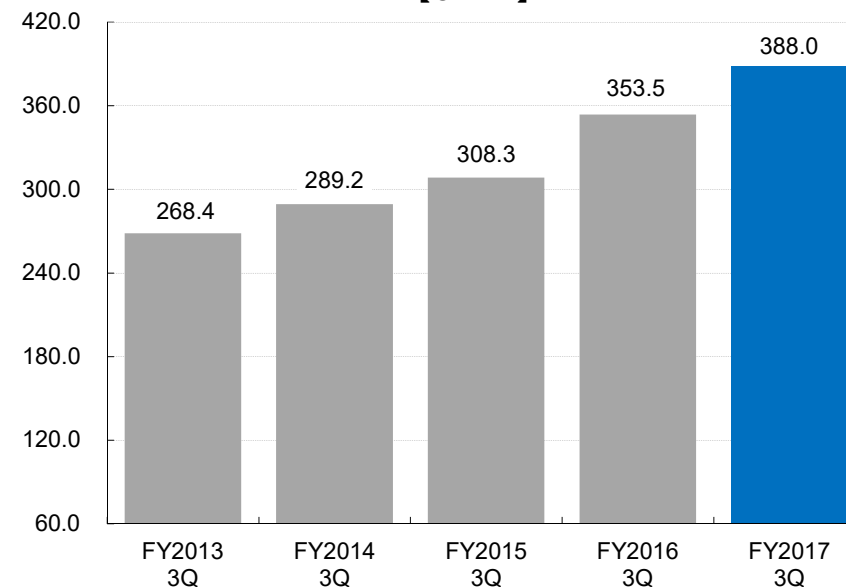
(Billions of yen)

【Labor】

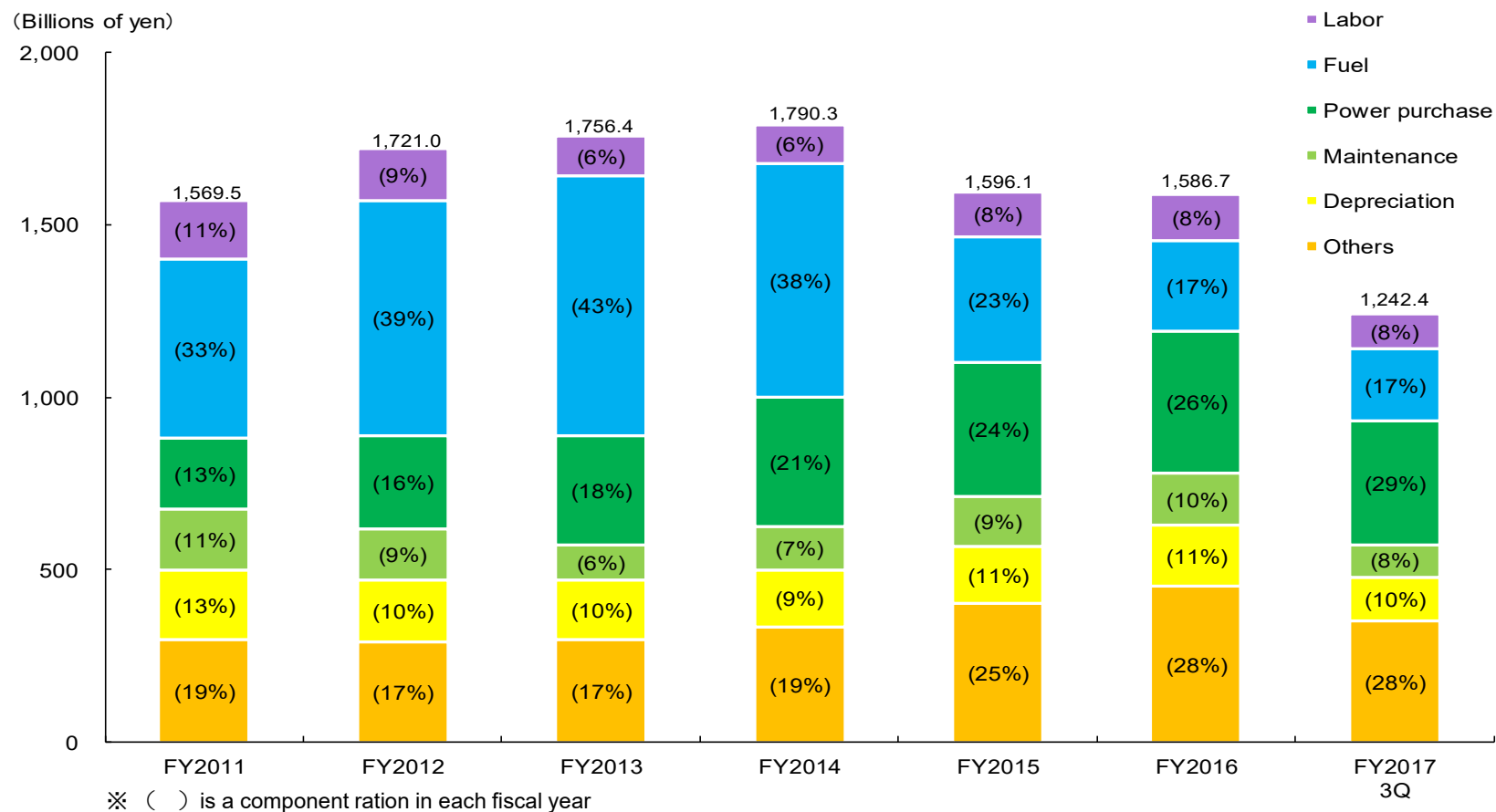


(Billions of yen)

【Others】



Components of Operating Expense in Electricity Business (Non-Consolidated) 22

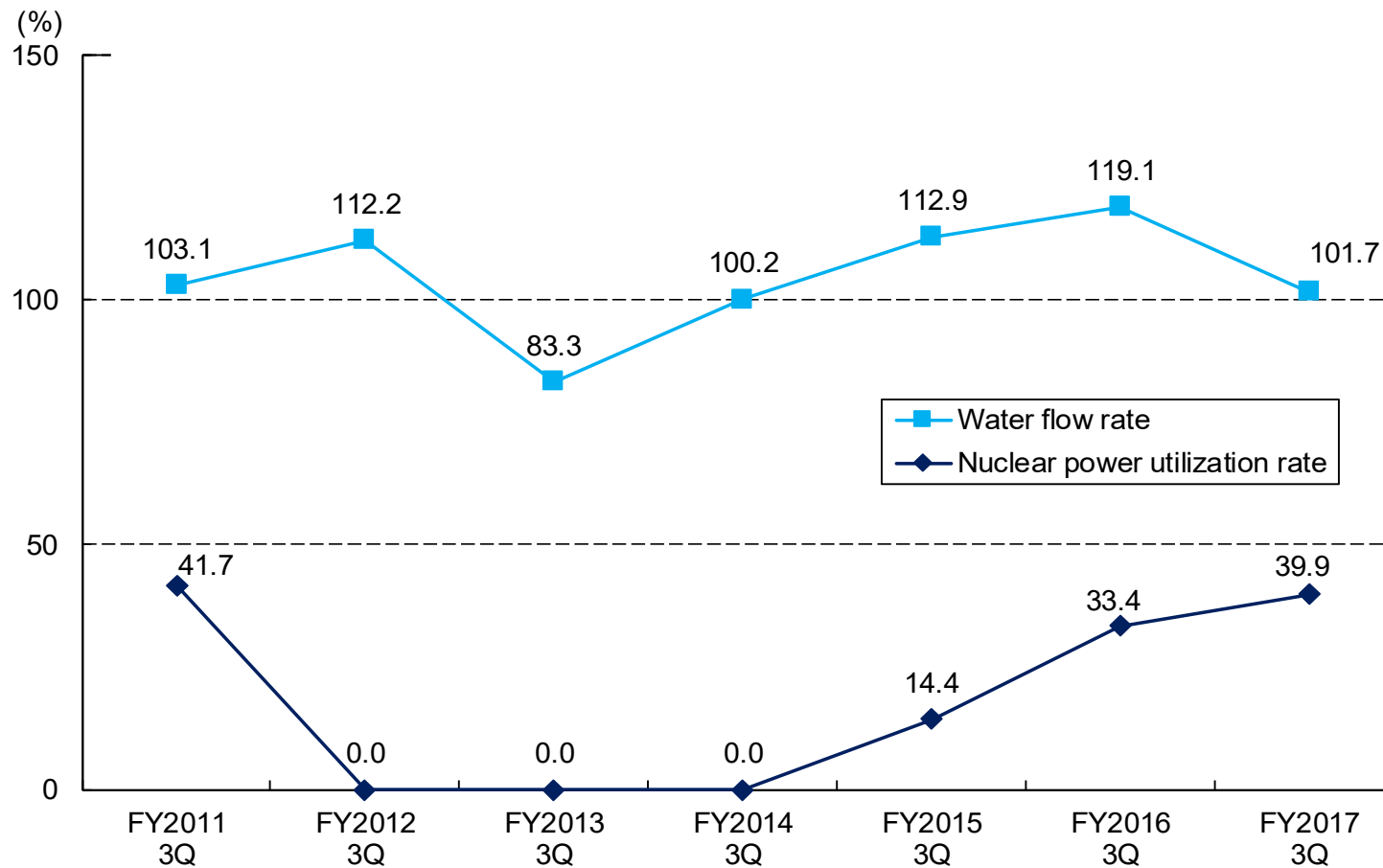


(Billions of Yen)

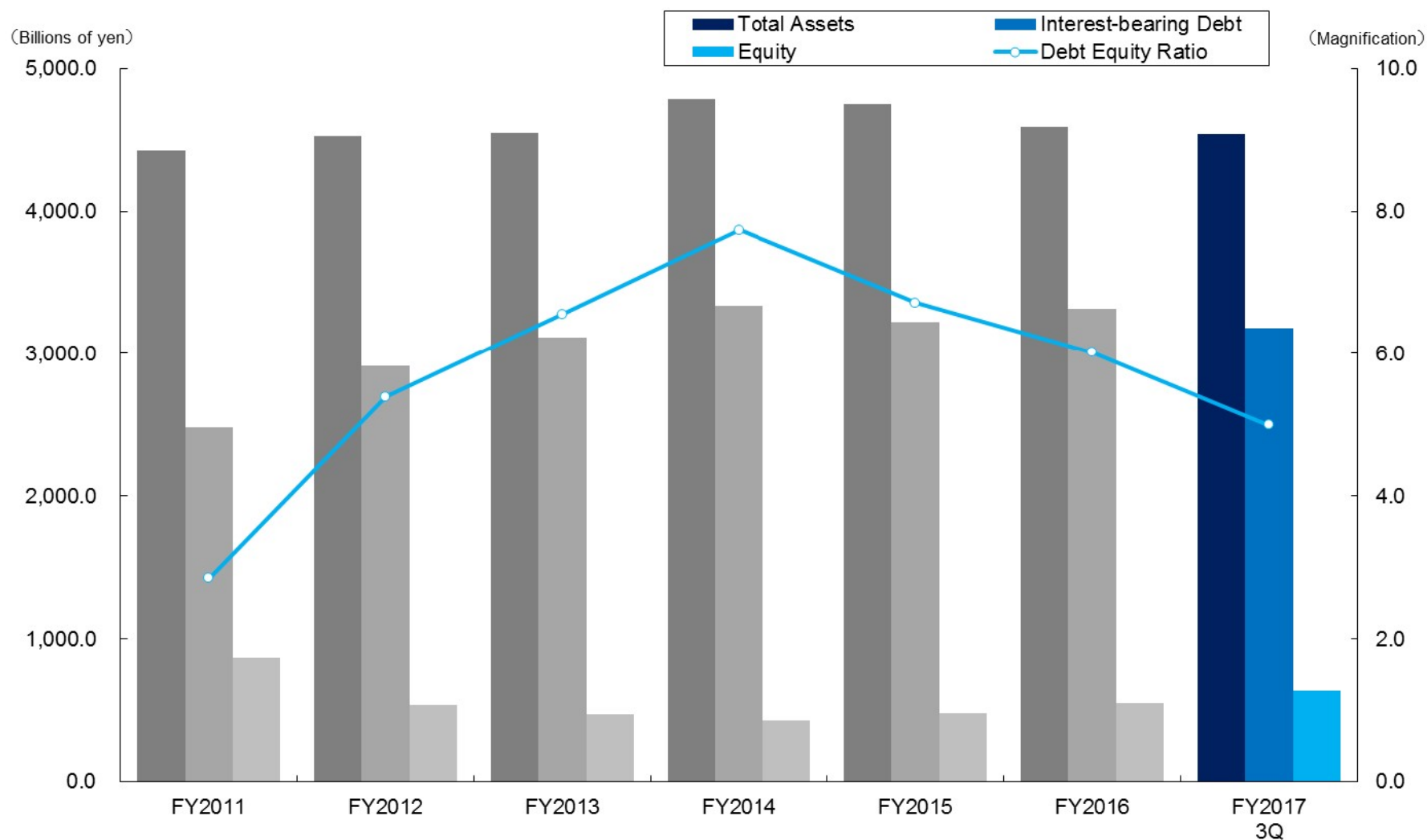
Labor	167.9	151.8	113.7	113.1	131.0	132.6	101.9
Fuel	520.2	679.7	754.4	678.4	364.7	263.5	209.4
Power purchase	206.0	269.5	314.9	372.4	386.8	409.8	360.2
Maintenance	176.0	147.9	103.1	126.6	144.4	152.7	92.6
Depreciation	202.1	180.1	172.3	164.7	167.0	176.3	127.6
Others	297.0	291.7	297.7	334.9	402.0	451.5	350.4
Total	1,569.5	1,721.0	1,756.4	1,790.3	1,596.1	1,586.7	1,242.4

Water Flow Rate and Nuclear Power Utilization Rate

23



Total Assets, Interest - Bearing Debt, Equity, Debt- Equity Ratio (Consolidated) 24

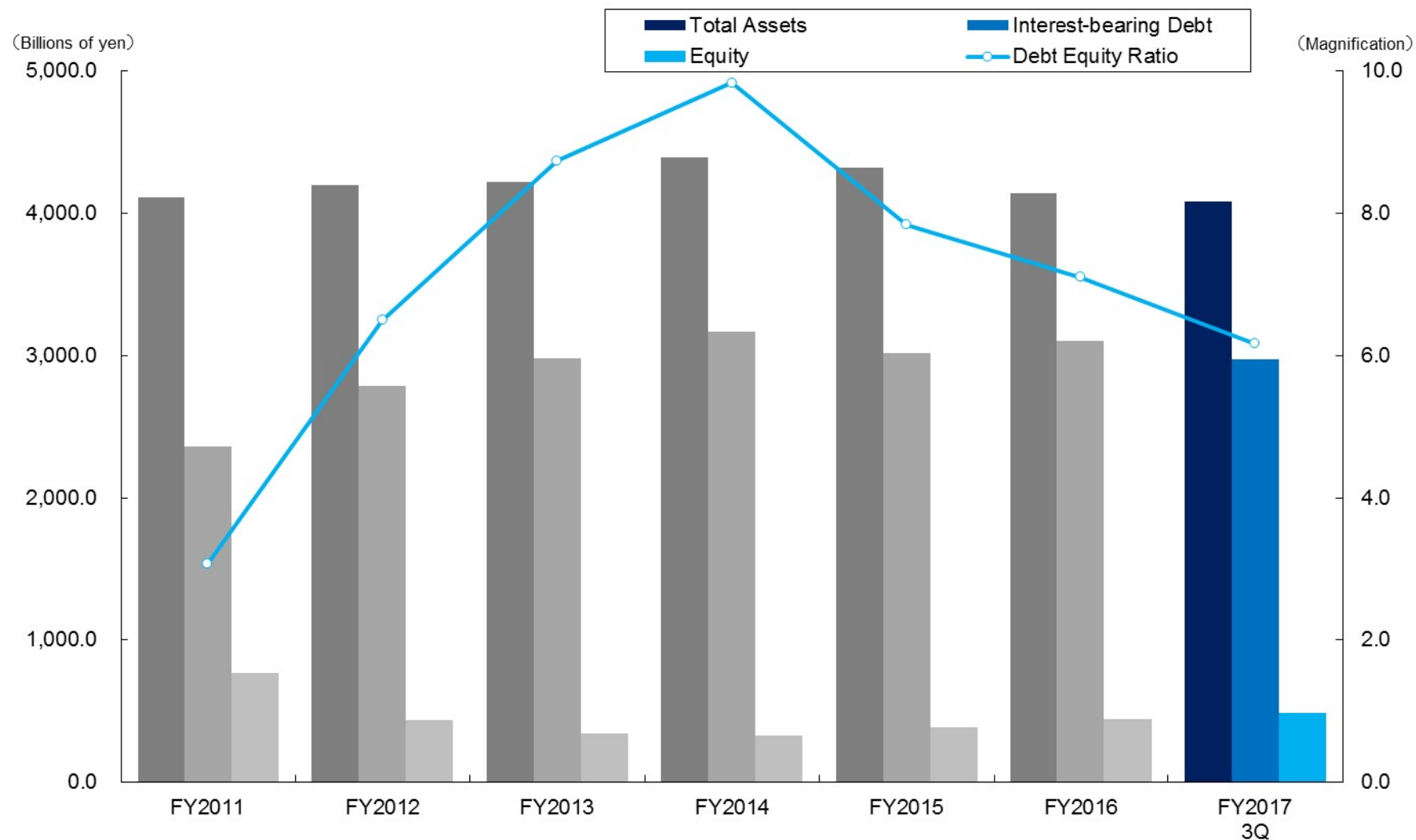


(Billions of Yen, Magnification)

Total Assets	4,428.0	4,526.5	4,549.8	4,784.7	4,748.2	4,587.5	4,543.2
Interest-bearing Debt	2,483.2	2,910.7	3,116.7	3,337.9	3,224.8	3,313.9	3,179.3
Equity	870.3	539.6	475.5	431.5	479.9	550.9	636.8
Debt Equity Ratio	2.9	5.4	6.6	7.7	6.7	6.0	5.0

Total Assets, Interest - Bearing Debt, Equity, Debt- Equity Ratio (Non-Consolidated)

25



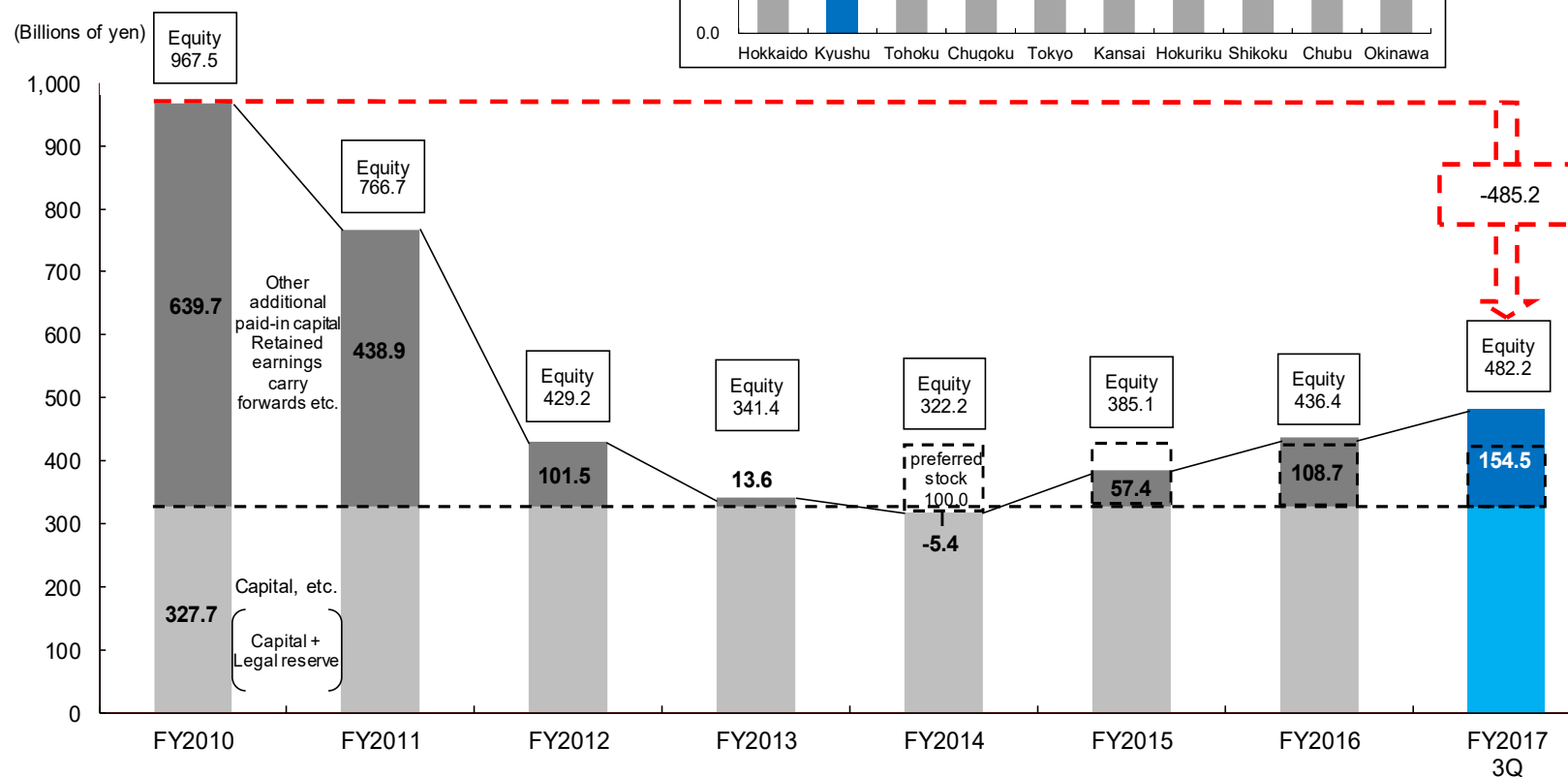
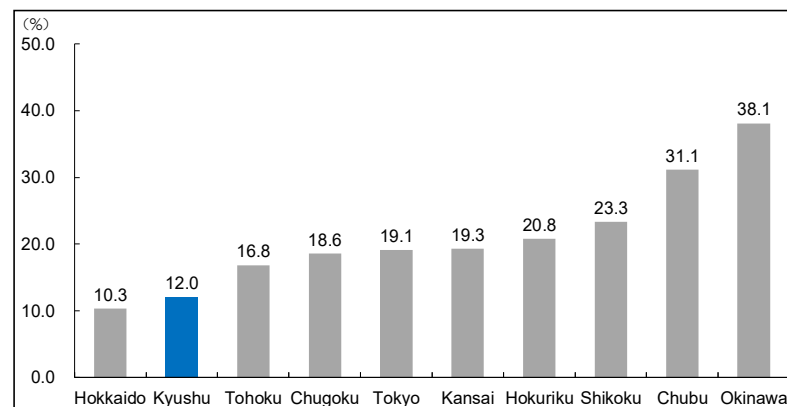
(Billions of Yen, Magnification)

Total Assets	4,110.9	4,201.7	4,218.0	4,390.9	4,321.4	4,141.5	4,086.3
Interest-bearing Debt	2,360.1	2,789.0	2,983.8	3,168.2	3,020.0	3,100.5	2,973.4
Equity	766.7	429.2	341.4	322.2	385.1	436.4	482.2
Debt Equity Ratio	3.1	6.5	8.7	9.8	7.8	7.1	6.2

Changes in Equity (Non-Consolidated)

26

(Reference) Equity ratio of electric power companies in Japan (FY2016 Consolidated)



Equity ratio(%)	24.9	18.7	10.2	8.1	7.3	8.9	10.5	11.8
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