

January 31, 2023

**The 3rd Quarter of the Fiscal Year Ending March 31, 2023 Financial Results Overview [Japan GAAP] (Consolidated)
Kyushu Electric Power Co., Inc.**

Stock code: 9508 URL: https://www.kyuden.co.jp/english_index.html

Stock listed on: Tokyo SE, Fukuoka SE

Representative: Mr. Kazuhiro Ikebe, President & Chief Executive Officer

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Quarterly financial report submission date (plan): February 10, 2023

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 Three Months (April 1, 2022 to December 31, 2022)

(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, 2022 - December 31, 2022	1,567,510	31.0	-120,588	—	-130,554	—
April 1, 2021 - December 31, 2021	1,196,797	11.9	74,482	-13.6	59,319	-19.6

(Note) Comprehensive income : FY2022 3Q -59,684 million yen (- %) FY2021 3Q 41,979 million yen (-28.1%)

	Profit attributable to owners of parent		EPS	Fully-diluted EPS
	(Unit: million yen)	(%)	(Unit: yen)	(Unit: yen)
April 1, 2022 - December 31, 2022	-89,431	—	-192.51	—
April 1, 2021 - December 31, 2021	35,927	-35.0	72.64	64.18

(Note) Fully-diluted EPS for FY2022 3Q is not indicated because there are no delutive potential shares

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	(Unit: million yen)	(Unit: million yen)	(%)
As of December 31, 2022	5,649,134	608,424	10.2
As of March 31, 2022	5,342,350	676,337	12.1

(Reference) Shareholders' equity : As of December 31, 2022 : 573,981 million yen As of March 31, 2022: 645,497 million yen

2. Dividends

	Annual dividends per share				
	1Q	2Q	3Q	Year-end	Total
	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)
FY2021 ended March 31, 2022	—	20.00	—	20.00	40.00
FY2022 ended March 31, 2023	—	0.00	—	—	—
FY2022 ending March 31, 2023 (forecast)	—	—	—	0.00	0.00

(Note) Revision of the dividend forecast : Yes

For the revision of the Forecast of Dividends, please refer to "(2) Forecasts of Dividends" on page 3.

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 FY2022 (April 1, 2022 to March 31, 2023)

	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	2,250,000	29.1	-90,000	—	-100,000	—	-75,000	—	-158.66

(Note) Revision of the consolidated financial results forecast : Yes

For the revision of the Forecast of Financial Results, please refer to "(1) Forecasts of Financial Results" on page 2.

※ 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 8.

(4) Number of common stocks issued and outstanding

① Total stocks including treasury stocks at the end of period

FY2022 3Q	474,183,951 shares	FY2021	474,183,951 shares
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② Treasury stocks at the end of period

FY2022 3Q	1,414,741 shares	FY2021	1,463,267 shares
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③ Average number of stocks during the period (Quarter Total)

FY2022 3Q	472,747,670 shares	FY2021 3Q	472,894,359 shares
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(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 (842,000 shares as of FY2022 3Q and 897,000 shares as of FY2021) . 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. (867,000 shares for FY2022 3Q and 730,000 share for FY2021 3Q)

*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
FY2021 ended March 31, 2022	(Unit: yen) —	(Unit: yen) 1,050,000.00	(Unit: yen) —	(Unit: yen) 1,050,000.00	(Unit: yen) 2,100,000.00
FY2022 ended March 31, 2023	—	0.00	—		
FY2022 ending March 31, 2023 (forecast)				0.00	0.00

(Note 1) Revision of the dividend forecast : Yes

For the revision of the Forecast of Dividends, please refer to "(2) Forecasts of Dividends" on page 3.

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1. Explanation of the Forecasts of Financial Results and Dividends

(1) Forecast of Financial Results

Although we had been undecided about the forecasts of consolidated financial results for FY 2022, we inform the forecasts with the certain assumptions based on the financial results for the 3rd quarter of FY2022 and the recent situation.

The Forecasts of Financial Results for FY2022

Forecasts of Financial Results

	Sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	EPS
Forecast previously announced (A)	(Unit: million yen) —	(Unit: million yen) —	(Unit: million yen) —	(Unit: million yen) —	(Unit: yen) —
Revised forecast (B)	2,250,000	-90,000	-100,000	-75,000	-158.66
Difference (B-A)	—	—	—	—	—
Rate of Change (%)	—	—	—	—	—
Results for FY2021 (reference)	1,743,310	48,624	32,384	6,873	10.09

Main specifications table

	Forecast announced	Results for FY2021 (reference)
Retail electricity sales	76.7 billion kWh	79.4 billion kWh
Wholesale electricity quantity	19.2 billion kWh	17.8 billion kWh
Total	95.9 billion kWh	97.3 billion kWh
Crude Oil CIF Price	103 \$/b	77 \$/b
Exchange Rate	135 ¥/\$	112 ¥/\$
Nuclear Power Utilization Rate (Transmission-end)	19.8 billion kWh (56.9%)	31.9 billion kWh (91.4%)

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) Forecast of Dividends

The year-end dividend forecast for FY2022 both common shares and class A preferred shares had not been decided due to the uncertain outlook for fuel prices as a result of the situation in Russia and Ukraine and recent sudden fluctuations in exchange rates.

Although we have made every effort possible to maintain stable dividends, we deeply regret to inform you that we will not be able to pay year-end dividends for both common shares and class A preferred shares based on the financial results forecast for FY2022 and other factors.

• Common shares

	Annual dividends per share		
	Interim	Year-end	Total
Previously forecast	¥0.00	—	—
Revised forecast	—	¥0.00	¥0.00
Results for FY2022	¥0.00	—	—
Results for FY2021	¥20.00	¥20.00	¥40.00

• Class A preferred shares

	Annual dividends per share		
	Interim	Year-end	Total
Previously forecast	¥0.00	—	—
Revised forecast	—	¥0.00	¥0.00
Results for FY2022	¥0.00	—	—
Results for FY2021	¥1,050,000.00	¥1,050,000.00	¥2,100,000.00

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

	(Unit: million yen)	
	As of March 31, 2022	As of December 31, 2022
Assets		
Non-current assets	4,610,160	4,724,384
Electric utility plant and equipment	2,692,039	2,984,920
Hydroelectric power production facilities	260,131	269,622
Thermal power production facilities	250,797	231,362
Nuclear power production facilities	547,791	728,815
Internal combustion engine power production facilities	21,203	21,257
Renewable power production facilities	22,537	21,858
Transmission facilities	568,024	680,510
Transformation facilities	226,268	234,121
Distribution facilities	655,095	659,363
General facilities	130,080	127,954
Other electric utility plant and equipment	10,110	10,054
Other non-current assets	416,994	418,818
Construction in progress	673,257	397,582
Construction and retirement in progress	538,837	259,397
Special account related to nuclear power decommissioning	39,544	36,167
Special account related to reprocessing of spent nuclear fuel	94,874	102,017
Nuclear fuel	222,399	222,685
Loaded nuclear fuel	36,262	53,488
Nuclear fuel in processing	186,136	169,196
Investments and other assets	605,469	700,376
Long-term investments	246,352	279,731
Retirement benefit asset	26,623	28,127
Deferred tax assets	140,727	181,087
Other	193,114	212,664
Allowance for doubtful accounts	-1,348	-1,233
Current assets	732,189	924,750
Cash and deposits	261,660	265,950
Notes and accounts receivable - trade, and contract assets	177,827	233,877
Inventories	101,699	184,882
Other	195,979	243,622
Allowance for doubtful accounts	-4,977	-3,582
Total assets	5,342,350	5,649,134

	(Unit: million yen)	
	As of March 31, 2022	As of December 31, 2022
Liabilities		
Non-current liabilities	3,582,972	3,893,026
Bonds payable	1,399,999	1,521,100
Long-term borrowings	1,737,265	1,919,534
Retirement benefit liability	85,946	82,071
Asset retirement obligations	289,103	294,118
Deferred tax liabilities	12,899	19,549
Other	57,758	56,652
Current liabilities	1,075,425	1,140,457
Current portion of non-current liabilities	399,638	421,868
Short-term borrowings	120,810	130,630
Commercial papers	—	99,000
Notes and accounts payable - trade	142,614	128,286
Accrued taxes	19,798	18,437
Provision for the levies related to Antimonopoly act	—	2,762
Other	392,564	339,472
Reserves under special laws	7,613	7,226
Reserve for water shortage	7,613	7,226
Total liabilities	4,666,012	5,040,709
Net assets		
Shareholders' equity	632,987	533,082
Share capital	237,304	237,304
Capital surplus	120,006	120,006
Retained earnings	277,382	177,421
Treasury shares	-1,706	-1,650
Accumulated other comprehensive income	12,509	40,899
Valuation difference on available-for-sale securities	4,104	5,092
Deferred gains or losses on hedges	4,723	17,754
Foreign currency translation adjustment	-1,383	13,607
Remeasurements of defined benefit plans	5,066	4,444
Non-controlling interests	30,840	34,442
Total net assets	676,337	608,424
Total liabilities and net assets	5,342,350	5,649,134

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

(Unit: million yen)

	April 1,2021- December 31, 2021	April 1,2022- December 31, 2022
Operating revenue	1,196,797	1,567,510
Electric utility operating revenue	1,015,564	1,380,398
Other business operating revenue	181,232	187,112
Operating expenses	1,122,314	1,688,099
Electric utility operating expenses	948,959	1,516,199
Other business operating expenses	173,354	171,900
Operating profit (loss)	<u>74,482</u>	<u>-120,588</u>
Non-operating income	11,323	16,654
Dividend income	585	1,250
Interest income	620	869
Gain on sale of goods	968	3,951
Share of profit of entities accounted for using equity method	3,764	6,995
Other	5,384	3,587
Non-operating expenses	26,486	26,620
Interest expenses	18,496	19,406
Other	7,989	7,213
Total ordinary revenue	1,208,120	1,584,165
Total ordinary expenses	1,148,801	1,714,719
Ordinary profit (loss)	<u>59,319</u>	<u>-130,554</u>
Provision or reversal of reserve for water shortage	-226	-387
Reversal of reserve for water shortage	-226	-387
Extraordinary income	—	11,280
Gain on sale of securities	—	11,280
Extraordinary losses	3,979	2,762
Loss on return of electric imbalance charge	3,979	—
Provision of allowance loss related to the Antitrust law	—	2,762
Profit (loss) before income taxes	<u>55,567</u>	<u>-121,648</u>
Income taxes - current	9,596	3,215
Income taxes - deferred	8,905	-36,467
Total income taxes	<u>18,502</u>	<u>-33,251</u>
Profit (loss)	<u>37,064</u>	<u>-88,397</u>
Profit attributable to non-controlling interests	1,137	1,034
Profit (loss) attributable to owners of parent	<u>35,927</u>	<u>-89,431</u>

(Quarterly Consolidated Comprehensive Income Statements)

(Unit: million yen)

	April 1,2021- December 31, 2021	April 1,2022- December 31, 2022
Profit (loss)	37,064	-88,397
Other comprehensive income		
Valuation difference on available-for-sale securities	486	845
Deferred gains or losses on hedges	1,956	7,080
Foreign currency translation adjustment	1,465	12,204
Remeasurements of defined benefit plans, net of tax	-410	-720
Share of other comprehensive income of entities accounted for using equity method	1,416	9,302
Total other comprehensive income	4,914	28,712
Comprehensive income	41,979	-59,684
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	40,875	-61,042
Comprehensive income attributable to non-controlling interests	1,104	1,357

(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)

We have applied "ASBJ Guidance No. 31 Implementation Guidance on Accounting Standard for Fair Value Measurement" as of the start of the first quarter of the current fiscal year, beginning April 1st, 2022.

The new accounting policy is applied prospectively in accordance with the transitional treatment as described in Paragraph 27-2 of the Standard.

The impact of this change is minimal.