

October 31, 2019

The 2nd Quarter of the Fiscal Year Ending March 31, 2020 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

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Quarterly financial report submission date (plan): November 13, 2019

Date to start dividend payments: November 29, 2019

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, 2019 to September 30, 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 - September 30, 2019	1,020,229	-1.1	30,131	-27.6	17,092	-42.1
April 1, 2018 - September 30, 2018	1,031,611	4.3	41,636	-55.0	29,500	-62.6

(Note) Comprehensive income : FY2019 2Q 10,497 million yen (-52.9%) FY2018 2Q 22,294 million yen (-69.9%)

	Profit attributable to owners of parent		EPS	Fully-diluted EPS
	(Unit: million yen)	(%)	(Unit: yen)	(Unit: yen)
April 1, 2019 - September 30, 2019	7,186	-63.4	12.25	9.91
April 1, 2018 - September 30, 2018	19,646	-72.2	37.80	30.96

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	(Unit: million yen)	(Unit: million yen)	(%)
As of September 30, 2019	4,836,855	661,441	13.1
As of March 31, 2019	4,794,039	665,250	13.3

(Reference) Shareholders' equity : As of September 30, 2019 : 635,088 million yen As of March 31, 2019: 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 ending March 31, 2020 (forecast)	—	—	—	15.00	35.00

(Note) Revision of the dividend forecast : Yes

As for the revision of the dividends forecast, see 'Revision of Financial Results and Dividends Forecast for FY2019' announced on October 31, 2019.

Dividends mentioned the above is 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 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	80,000	-7.6	55,000	4.7	30,000	-3.1	58.26

(Note) Revision of financial results forecasts : Yes

As for the revision of the forecast of the consolidated financial results, see 'Revision of Financial Results and Dividends Forecast for FY2019' announced on October 31, 2019.

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

FY2019 2Q	1,188,451 shares	FY2018	1,209,576 shares
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③ Average number of stocks during the period (Quarter Total)

FY2019 2Q	472,979,862 shares	FY2018 2Q	473,435,111 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 (648,100 shares as of FY2019 2Q and 676,200 shares 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. (666,833 shares for FY2019 2Q and 225,400 shares for FY2018 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)
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 ending 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	50,000	-17.6	25,000	-23.2	10,000	-57.3	15.97

(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.

○ Table of Contents of Attached Material

1. Quarterly Consolidated Financial Statements and Notes	2
(1) Quarterly Consolidated Balance Sheets	2
(2) Quarterly Consolidated Income Statements	
and Quarterly Consolidated Comprehensive Income Statements	4
(3) Notes on Quarterly Consolidated Financial Statements	6
(Notes on the premise of going concern)	6
(Notes in case of drastic changes in the amount of equity)	6

1. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

	(Unit: million yen)	
	As of March 31, 2019	As of September 30, 2019
Assets		
Non-current assets	4,188,492	4,248,590
Electric utility plant and equipment	2,388,366	2,366,797
Hydroelectric power production facilities	256,516	263,407
Thermal power production facilities	184,455	173,376
Nuclear power production facilities	357,642	345,173
Internal combustion engine power production facilities	18,485	21,505
Renewable power production facilities	13,814	13,042
Transmission facilities	590,832	584,318
Transformation facilities	210,092	208,306
Distribution facilities	628,549	629,575
General facilities	115,402	111,643
Other electric utility plant and equipment	12,574	16,447
Other non-current assets	368,086	357,358
Construction in progress	665,622	743,732
Construction and retirement in progress	587,629	658,626
Special account related to nuclear power decommissioning	45,592	44,606
Special account related to reprocessing of spent nuclear fuel	32,400	40,499
Nuclear fuel	267,824	257,531
Loaded nuclear fuel	47,529	49,639
Nuclear fuel in processing	220,294	207,892
Investments and other assets	498,592	523,169
Long-term investments	155,767	159,343
Retirement benefit asset	14,099	15,030
Deferred tax assets	189,892	184,212
Other	140,750	166,424
Allowance for doubtful accounts	Δ1,916	Δ1,841
Current assets	605,547	588,265
Cash and deposits	218,236	169,622
Notes and accounts receivable - trade	228,132	272,845
Inventories	91,827	93,453
Other	68,120	52,991
Allowance for doubtful accounts	Δ769	Δ647
Total assets	4,794,039	4,836,855

	(Unit: million yen)	
	As of March 31, 2019	As of September 30, 2019
Liabilities		
Non-current liabilities	3,105,099	3,181,731
Bonds payable	1,089,897	1,159,897
Long-term borrowings	1,576,280	1,589,873
Retirement benefit liability	99,600	97,855
Asset retirement obligations	264,166	265,856
Deferred tax liabilities	3,682	4,596
Other	71,472	63,651
Current liabilities	1,014,731	984,922
Current portion of non-current liabilities	452,478	443,134
Short-term borrowings	115,063	118,462
Commercial papers	—	25,000
Notes and accounts payable - trade	70,270	57,857
Accrued taxes	20,346	21,118
Other	356,572	319,349
Reserves under special laws	8,958	8,759
Reserve for water shortage	8,958	8,759
Total liabilities	4,128,789	4,175,414
Net assets		
Shareholders' equity	657,162	650,445
Share capital	237,304	237,304
Capital surplus	120,831	120,008
Retained earnings	300,551	294,628
Treasury shares	Δ1,524	Δ1,496
Accumulated other comprehensive income	Δ17,726	Δ15,357
Valuation difference on available-for-sale securities	4,090	3,751
Deferred gains or losses on hedges	Δ4,306	Δ3,138
Foreign currency translation adjustment	Δ3,582	Δ5,128
Remeasurements of defined benefit plans	Δ13,928	Δ10,841
Non-controlling interests	25,814	26,353
Total net assets	665,250	661,441
Total liabilities and net assets	4,794,039	4,836,855

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

	(Unit: million yen)	
	April 1,2018- September 30, 2018)	April 1,2019- September 30, 2019)
Operating revenue	1,031,611	1,020,229
Electric utility operating revenue	951,165	920,246
Other business operating revenue	80,445	99,982
Operating expenses	989,974	990,097
Electric utility operating expenses	916,665	898,790
Other business operating expenses	73,309	91,307
Operating profit	41,636	30,131
Non-operating income	7,414	8,497
Interest income	92	418
Share of profit of entities accounted for using equity method	2,666	5,042
Other	4,655	3,037
Non-operating expenses	19,550	21,536
Interest expenses	16,273	14,424
Other	3,277	7,111
Total ordinary revenue	1,039,025	1,028,726
Total ordinary expenses	1,009,525	1,011,633
Ordinary profit	29,500	17,092
Provision or reversal of reserve for water shortage	38	Δ199
Provision of reserve for water shortage	38	—
Reversal of reserve for water shortage	—	Δ199
Profit before income taxes	29,461	17,291
Income taxes - current	2,287	3,194
Income taxes - deferred	6,798	5,888
Total income taxes	9,086	9,082
Profit	20,374	8,208
Profit attributable to non-controlling interests	728	1,022
Profit attributable to owners of parent	19,646	7,186

(Quarterly Consolidated Comprehensive Income Statements)

	(Unit: million yen)	
	April 1,2018- September 30, 2018)	April 1,2019- September 30, 2019)
Profit	20,374	8,208
Other comprehensive income		
Valuation difference on available-for-sale securities	397	△185
Deferred gains or losses on hedges	915	1,015
Foreign currency translation adjustment	△1,904	△1,017
Remeasurements of defined benefit plans, net of tax	2,427	3,042
Share of other comprehensive income of entities accounted for using equity method	83	△566
Total other comprehensive income	1,919	2,288
Comprehensive income	22,294	10,497
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	21,422	9,554
Comprehensive income attributable to non-controlling interests	871	943

(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