

July 31, 2019

**The 1st 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

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

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Quarterly financial report submission date (plan): August 9, 2019

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, 2019 to June 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 - June 30, 2019 | 489,337 | 5.0 | 18,284 | — | 11,822 | — |
| April 1, 2018 - June 30, 2018 | 466,232 | 2.0 | -2,523 | — | -10,418 | — |

(Note) Comprehensive income : FY2019 1Q 9,174 million yen (—%) FY2018 1Q -9,298 million yen (—%)

| | Profit attributable to owners of parent | | EPS | Fully-diluted EPS |
|-------------------------------|---|-----|-------------|-------------------|
| | (Unit: million yen) | (%) | (Unit: yen) | (Unit: yen) |
| April 1, 2019 - June 30, 2019 | 7,743 | — | 14.55 | 11.88 |
| April 1, 2018 - June 30, 2018 | -9,104 | — | -21.07 | — |

(Note) Fully-diluted EPS for FY2018 1Q is not indicated in spite of existence of delutive potential shares because EPS is net loss.

(2) Consolidated Financial Position

| | Total assets | Net assets | Shareholders' equity ratio |
|----------------------|---------------------|---------------------|----------------------------|
| | (Unit: million yen) | (Unit: million yen) | (%) |
| As of June 30, 2019 | 4,749,166 | 660,349 | 13.4 |
| As of March 31, 2019 | 4,794,039 | 665,250 | 13.3 |

(Reference) Shareholders' equity : As of June 30, 2019 : 634,311 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 | — | — | — | — | — |
| FY2019 ending March 31, 2020 (forecast) | — | 20.00 | — | 20.00 | 40.00 |

(Note) Revision of the dividend forecast : No

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 | 2,085,000 | 3.4 | 105,000 | 21.3 | 80,000 | 52.3 | 55,000 | 77.6 | 112.90 |

(Note) Revision of financial results forecasts : No

※ 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 1Q | 474,183,951 shares | FY2018 | 474,183,951 shares |
|-----------|--------------------|--------|--------------------|

② Treasury stocks at the end of period

| | | | |
|-----------|------------------|--------|------------------|
| FY2019 1Q | 1,212,452 shares | FY2018 | 1,209,576 shares |
|-----------|------------------|--------|------------------|

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

| | | | |
|-----------|--------------------|-----------|--------------------|
| FY2019 1Q | 472,972,454 shares | FY2018 1Q | 473,662,015 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 (676,200 shares as of FY2019 1Q 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. (676,200 shares for FY2019 1Q and —share for FY2018 1Q)

*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 | — | | | | |
| FY2019 ending March 31, 2020 (forecast) | — | 546,575.00 | — | 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 (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 | 1,915,000 | 2.6 | 75,000 | 23.6 | 50,000 | 53.7 | 35,000 | 49.4 | 70.57 |

(Note) Revision of financial results forecasts : No

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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 June 30, 2019 |
| Assets | | |
| Non-current assets | 4,188,492 | 4,247,081 |
| Electric utility plant and equipment | 2,388,366 | 2,383,265 |
| Hydroelectric power production facilities | 256,516 | 260,912 |
| Thermal power production facilities | 184,455 | 173,899 |
| Nuclear power production facilities | 357,642 | 352,067 |
| Internal combustion engine power production facilities | 18,485 | 21,901 |
| Renewable power production facilities | 13,814 | 13,507 |
| Transmission facilities | 590,832 | 590,359 |
| Transformation facilities | 210,092 | 211,549 |
| Distribution facilities | 628,549 | 628,654 |
| General facilities | 115,402 | 113,725 |
| Other electric utility plant and equipment | 12,574 | 16,687 |
| Other non-current assets | 368,086 | 363,964 |
| Construction in progress | 665,622 | 715,184 |
| Construction and retirement in progress | 587,629 | 629,543 |
| Special account related to nuclear power decommissioning | 45,592 | 45,141 |
| Special account related to reprocessing of spent nuclear fuel | 32,400 | 40,499 |
| Nuclear fuel | 267,824 | 262,027 |
| Loaded nuclear fuel | 47,529 | 41,703 |
| Nuclear fuel in processing | 220,294 | 220,324 |
| Investments and other assets | 498,592 | 522,638 |
| Long-term investments | 155,767 | 156,836 |
| Retirement benefit asset | 14,099 | 14,072 |
| Deferred tax assets | 189,892 | 187,014 |
| Other | 140,750 | 166,578 |
| Allowance for doubtful accounts | -1,916 | -1,863 |
| Current assets | 605,547 | 502,085 |
| Cash and deposits | 218,236 | 104,372 |
| Notes and accounts receivable - trade | 228,132 | 259,971 |
| Inventories | 91,827 | 82,356 |
| Other | 68,120 | 56,064 |
| Allowance for doubtful accounts | -769 | -679 |
| Total assets | 4,794,039 | 4,749,166 |

(Unit: million yen)

| | As of March 31, 2019 | As of June 30, 2019 |
|---|----------------------|---------------------|
| Liabilities | | |
| Non-current liabilities | 3,105,099 | 3,063,317 |
| Bonds payable | 1,089,897 | 1,074,897 |
| Long-term borrowings | 1,576,280 | 1,555,278 |
| Retirement benefit liability | 99,600 | 97,890 |
| Asset retirement obligations | 264,166 | 265,081 |
| Deferred tax liabilities | 3,682 | 4,374 |
| Other | 71,472 | 65,794 |
| Current liabilities | 1,014,731 | 1,017,118 |
| Current portion of non-current liabilities | 452,478 | 475,146 |
| Short-term borrowings | 115,063 | 118,333 |
| Commercial papers | — | 62,000 |
| Notes and accounts payable - trade | 70,270 | 58,519 |
| Accrued taxes | 20,346 | 12,828 |
| Other | 356,572 | 290,290 |
| Reserves under special laws | 8,958 | 8,381 |
| Reserve for water shortage | 8,958 | 8,381 |
| Total liabilities | 4,128,789 | 4,088,817 |
| Net assets | | |
| Shareholders' equity | 657,162 | 650,949 |
| Share capital | 237,304 | 237,304 |
| Capital surplus | 120,831 | 115,334 |
| Retained earnings | 300,551 | 299,838 |
| Treasury shares | -1,524 | -1,528 |
| Accumulated other comprehensive income | -17,726 | -16,637 |
| Valuation difference on available-for-sale securities | 4,090 | 3,660 |
| Deferred gains or losses on hedges | -4,306 | -4,639 |
| Foreign currency translation adjustment | -3,582 | -3,273 |
| Remeasurements of defined benefit plans | -13,928 | -12,385 |
| Non-controlling interests | 25,814 | 26,038 |
| Total net assets | 665,250 | 660,349 |
| Total liabilities and net assets | 4,794,039 | 4,749,166 |

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

(Unit : million yen)

| | April 1, 2018- June 30, 2018 | April 1, 2019- June 30, 2019 |
|---|---------------------------------|---------------------------------|
| Operating revenue | 466,232 | 489,337 |
| Electric utility operating revenue | 428,771 | 440,750 |
| Other business operating revenue | 37,461 | 48,586 |
| Operating expenses | 468,756 | 471,053 |
| Electric utility operating expenses | 434,444 | 425,554 |
| Other business operating expenses | 34,312 | 45,499 |
| Operating profit (loss) | -2,523 | 18,284 |
| Non-operating income | 1,453 | 4,188 |
| Interest income | 38 | 221 |
| Share of profit of entities accounted for using equity method | 100 | 1,957 |
| Other | 1,314 | 2,009 |
| Non-operating expenses | 9,348 | 10,650 |
| Interest expenses | 8,267 | 7,515 |
| Other | 1,080 | 3,134 |
| Total ordinary revenue | 467,686 | 493,526 |
| Total ordinary expenses | 478,104 | 481,703 |
| Ordinary profit (loss) | -10,418 | 11,822 |
| Provision or reversal of reserve for water shortage | -8 | -577 |
| Reversal of reserve for water shortage | -8 | -577 |
| Profit (loss) before income taxes | -10,410 | 12,399 |
| Income taxes - current | 691 | 1,139 |
| Income taxes - deferred | -2,436 | 3,073 |
| Total income taxes | -1,745 | 4,212 |
| Profit (loss) | -8,664 | 8,187 |
| Profit attributable to non-controlling interests | 439 | 443 |
| Profit (loss) attributable to owners of parent | -9,104 | 7,743 |

(Quarterly Consolidated Comprehensive Income Statements)

| | (Unit: million yen) | |
|---|---------------------------------|---------------------------------|
| | April 1,2018- June 30, 2018) | April 1,2019- June 30, 2019) |
| Profit (loss) | -8,664 | 8,187 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 25 | -120 |
| Deferred gains or losses on hedges | 598 | -477 |
| Foreign currency translation adjustment | -2,152 | 277 |
| Remeasurements of defined benefit plans, net of tax | 1,213 | 1,521 |
| Share of other comprehensive income of entities accounted for using equity method | -319 | -213 |
| Total other comprehensive income | -633 | 986 |
| Comprehensive income | -9,298 | 9,174 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | -9,744 | 8,830 |
| Comprehensive income attributable to non-controlling interests | 445 | 343 |

(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