

April 27, 2018

**The Fiscal Year Ended March 31, 2018 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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General Meeting of Stockholders date (plan) : June 27, 2018

Commencement of payment of year-end dividend: June 28, 2018

Annual security report submission date (plan): June 28, 2018

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 FY2017 (April 1, 2017 to March 31, 2018)

(1) Consolidated Operational Results

(% shows the changes from the previous FY)

	Sales		Operating income		Ordinary income	
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)
FY2017 ended March 31, 2018	1,960,359	7.3	103,123	-15.9	73,678	-21.8
FY2016 ended March 31, 2017	1,827,524	-0.4	122,640	2.0	94,234	3.6

(Note) Comprehensive income : FY2017 96,591 million yen (17.7%) FY2016 82,037 million yen (65.9%)

	Profit attributable to owners of parent		Net income per share	Fully-diluted net earnings per share	Net return on shareholders' equity	Ratio of current income to total capital	Ratio of current income to sales
	(Unit: million yen)	(%)	(Unit: yen)	(Unit: yen)	(%)	(%)	(%)
FY2017 ended March 31, 2018	86,657	9.3	175.56	144.03	14.7	1.6	5.3
FY2016 ended March 31, 2017	79,270	7.9	159.97	159.78	15.4	2.0	6.7

(Reference) Investment Profit/Loss under Equity Methods : FY2017 7,257 million yen FY2016 7,211 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(Unit: million yen)	(Unit: million yen)	(%)	(Unit: yen)
FY2017 ended March 31, 2018	4,710,158	653,963	13.4	1,113.43
FY2016 ended March 31, 2017	4,587,541	574,577	12.0	944.69

(Reference) Shareholders' equity: FY2017 629,140 million yen FY2016 550,965 million yen

(3) Consolidated Cash Flow

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financing activities	Cash and cash equivalents balance as of term-end
	(Unit: million yen)	(Unit: million yen)	(Unit: million yen)	(Unit: million yen)
FY2017 ended March 31, 2018	355,995	-321,751	-90,334	365,875
FY2016 ended March 31, 2017	188,016	-275,047	78,380	419,831

2. Dividends

(Record date)	Annual dividends per share					Total dividends (annual)	Payout ratio (consolidated)	Dividend rate for net assets (consolidated)
	1Q	Interim	3Q	Year-end	Total			
	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: million yen)	(%)	(%)
FY2016 ended March 31, 2017	—	0.00	—	15.00	15.00	7,109	9.4	1.7
FY2017 ended March 31, 2018	—	10.00	—	10.00	20.00	9,479	11.4	1.9
FY2018 ending March 31, 2019 (forecast)	—	15.00	—	15.00	30.00		27.6	

(Note) Dividends mentioned above is regarding common shares. See 'Dividends for class shares' regarding dividends for class shares which differ in shareholders' rights from common shares.

3. Forecast for FY2018 (April 1, 2018 to March 31, 2019)

(% show s the changes from the same financial periods of the previous year)

	Sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net earnings per share
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: yen)
Full-year	2,005,000	2.3	105,000	1.8	80,000	8.6	55,000	-36.5	108.73

※ Note

(1) Changes in significant subsidiaries (changes in scope of consolidated subsidiaries) : No

Newly added:0 Excluded:0

(2) 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

(3) Number of common stocks issued and outstanding

- ① Total stocks including treasury stocks at the end of period
 FY2017 474,183,951 shares FY2016 474,183,951 shares
- ② Treasury stocks at the end of period
 FY2017 520,059 shares FY2016 522,731 shares
- ③ Average number of stocks during the period
 FY2017 473,662,498 shares FY2016 473,662,147 shares

(Note) Regarding the number of shares used as fundamentals in the calculation of the net income per share (consolidated), please see page 21 of the attachment "Per share data".

(Reference) Outline of Non-consolidated Financial Results

1. Non-consolidated Financial Results for FY2017 (April 1, 2017 to March 31, 2018)

(1) Non-Consolidated Operational Results

(% shows the changes from the previous FY)

	Sales		Operating income		Ordinary income	
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)
FY2017 ended March 31, 2018	1,823,543	7.5	81,203	-18.4	48,203	-30.0
FY2016 ended March 31, 2017	1,696,731	-0.5	99,535	1.7	68,883	-7.3

	Net income		Net earnings per share	Fully-diluted net earnings per share
	(Unit: million yen)	(%)	(Unit: yen)	(Unit: yen)
FY2017 ended March 31, 2018	69,023	13.0	138.24	113.43
FY2016 ended March 31, 2017	61,057	-6.5	121.44	121.29

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(Unit: million yen)	(Unit: million yen)	(%)	(Unit: yen)
FY2017 ended March 31, 2018	4,230,935	488,774	11.6	816.57
FY2016 ended March 31, 2017	4,141,556	436,464	10.5	702.51

(Reference) Shareholders' equity: FY2017 488,774 million yen FY2016 436,464 million yen

2. Non-consolidated Forecast for FY2018 (April 1, 2018 to March 31, 2019)

(% shows the changes from the same financial periods of the previous year)

	Sales		Operating income		Ordinary income		Net income		Net earnings per share
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: yen)
Full-year	1,865,000	2.3	85,000	4.7	55,000	14.1	40,000	-42.0	77.01

*Financial results are not subject to audit procedures

*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 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)
FY2016 ended March 31, 2017	—	0.00	—	3,500,000.00	3,500,000.00
FY2017 ended March 31, 2018	—	1,750,000.00	—	1,750,000.00	3,500,000.00
FY2018 ending March 31, 2019 (forecast)	—	1,750,000.00	—	1,750,000.00	3,500,000.00

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Please note that this purports to be an accurate and complete translation of the original Japanese version prepared for the convenience of our English-speaking audience. However, in the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

1. Overview of Operating Results

(1) Overview of Operating Results in Current Period

The Japanese economy in FY2017 has been gently recovered mainly due to an increase in productions, capital investment and a recovery of export. The economy in Kyushu has been expanding gently, maintaining high level in productions and export as well as an increase in capital investment and individual consumption.

In order to respond to the full liberalization of electricity and gas retail market and legal separation of transmission and distribution and other factors arising from the electricity system reform, we have been working actively to reduce group-wide cost thoroughly on the premise of ensuring safety, compliance and stable supply and gain profits by entering to gas retail market.

With regard to the financial results in FY2017, the ordinary income decreased by 21.8% compared to FY2016 due to a decrease of the electricity sales volume caused by the progress of competition and an increase miscellaneous cost caused by the electricity system reform, in spite of a decrease of fuel cost by increasing the generation volume by Sendai Nuclear Power Station. On the other hand, based on the operating conditions of Genkai Nuclear Power Station Unit No.3 and other factors, as a result of assessing the realizability of deferred tax assets, profit attributable to owners of parent increased by 9.3% compared to FY2016 due to a decrease in income taxes caused by recording deferred tax assets additionally.

A. Revenue and expenditure

On the revenue side, consolidated sales (operating revenues) increased by 7.3% to ¥1,960.3 billion and ordinary revenue increased by 7.1% to ¥1,976.2 billion compared to FY2016, as in the electricity business lighting and power revenue increased mainly due to an increase in charge unit price with the effect of fuel cost adjustment system and the grant based on the Act on Purchase of Renewable Energy Sourced Electricity in spite of a decrease in electricity sales volume.

On the expenditure side, ordinary expenses increased by 8.6% to ¥1,902.5 billion compared to FY2016 mainly due to in the electricity business an increase of power purchase from renewable energy and an increase in fuel cost caused by increased fuel price and also an increase in miscellaneous cost, while we have made efforts for group-wide cost reduction.

As a result, ordinary income decreased by 21.8% to ¥73.6 billion compared to FY2016.

Also, profit attributable to owners of parent increased by 9.3% to ¥86.6 billion mainly due to a decrease of extraordinary losses in FY2016, associated with the Kumamoto Earthquake, and a decrease in corporate taxes caused by recording deferred tax assets additionally and other factors.

Operating results for each of our business segments (before eliminating internal transactions) are as follows:

Operating Results (before eliminating internal transactions)

(Unit: 100 million yen, %)

		FY2017 (A)	FY2016 (B)	Difference (A-B)	Change (A/B)
Electricity	Sales	18,083	16,850	1,232	107.3
	Operating Income(Loss)	814	983	-169	82.8
Energy-related	Sales	1,914	1,852	62	103.4
	Operating Income(Loss)	117	100	16	116.3
IT & Telecommunication	Sales	1,066	1,014	52	105.2
	Operating Income(Loss)	73	84	-11	86.1
Other	Sales	255	249	6	102.7
	Operating Income(Loss)	48	45	2	106.5

(Note) Electricity includes the company's business operations except incidental businesses

(a) Electricity Business

Sales increased by 7.3% to ¥1,808.3 billion compared to FY2016 as lighting and power revenues increased due to an increase in unit price with the effect of the fuel costs adjustment and grant based on the Act on Purchase of Renewable Energy Sourced Electricity increased in spite of a decrease in electricity sales volume. On the other side, operating costs increased by 8.8% to ¥1,726.8 billion compared to FY2016 due to an increase in power purchase from renewable energy and an increase in fuel costs because of increased fuel price as well as an increase in miscellaneous cost, while we have made efforts for group-wide cost reduction. As a result, ordinary income in FY2017 decreased by 17.2% to ¥81.4 billion.

(b) Energy-related Business

In energy-related business, we have developed some businesses, which contribute to stable supply of electricity like construction and maintenance of electric facilities and also sales of gas and LNG, renewable energy and energy service businesses for customers' various satisfaction with energy. We've also made efforts to strengthen overseas business and expand outside Kyushu energy business, making use of our group-wide techniques and experiences.

Sales increased by 3.4% to ¥191.4 billion compared to FY2016 due to an increase in gas and LNG sales and commencement of production of the overseas LNG project, though a decrease in smart-meters sales. And operating income increased by 16.3% to ¥11.7 billion due to commencement of production of the overseas LNG project and an increase in profit of overseas power generation business in spite of an increase in outsourcing cost associated with the system building for entering the gas retail market.

(c) IT and Telecommunication Business

In IT and Telecommunication business, we have developed data communications, optical broadband, works and maintenances of telecommunication, development of information systems and data center businesses, making use of our experiences and telecommunication infrastructures like optical fiber networks and data center.

Sales increased by 5.2% to ¥106.6 billion compared to FY2016 mainly due to an increase in entrusted developments of information systems and in sales of electronic communication devices. Operating income decreased by 13.9% to ¥7.3 billion compared to FY2016 mainly due to an increase in selling costs in smart phone service business.

(d) Other Businesses

In other businesses, we have developed living support businesses mainly including real estate, housing, fee-based nursing home for the elderly, and environment and recycle.

Sales decreased by 2.7% to ¥25.5 billion compared to FY2016 mainly due to an increase in income of temporary staffing business and fee-based nursing home for the elderly business. Operating income increased by 6.5% to ¥4.8 billion mainly due to a decrease in depreciation of rental buildings.

B. Sales and Supply overview

Total electricity sales volume came to 76.8 billion kWh, decreased by 2.3% compared to FY2016 due to a decrease of electricity contract.

Electricity Sales Volume

(Unit: million kWh, %)

	FY2017 (A)	FY2016 (B)	Difference (A-B)	Change (A/B)
Lighting	28,603	28,535	68	100.2
Power	48,173	50,084	-1,912	96.2
Total	76,775	78,619	-1,844	97.7

(Note) Total may not agree exactly with each figure due to rounding off.

The electricity supply has been stable resulted from a stable operation of Sendai nuclear power station unit No.1 and 2 and the comprehensive operation of power plants like thermal and pumping responding to an increase in new energy.

Generated and Received Electricity

(Unit: million kWh, %)

		FY2017 (A)	FY2016 (A)	Difference (A-B)	Change (A/B)
Own facilities	Hydro (Water flow rate)	4,653 (101.2)	4,788 (115.0)	-135 (-13.8)	97.2
	Thermal	43,260	45,615	-2,355	94.8
	Nuclear (Utilization rate)	14,339 (36.7)	12,455 (31.9)	1,884 (4.8)	115.1
	New Energy	1,092	1,133	-41	96.3
	Subtotal	63,344	63,991	-647	99.0
From other companies/Interchange (New Energy [included above])		18,511 (9,994)	19,993 (8,590)	-1,482 (1,404)	92.6 (116.4)
For pumping		-1,627	-1,306	-321	124.7
Total		80,228	82,678	-2,450	97.0

(Note1) The figures of own facilities' generation are on transmission-end basis.

(Note2) "New Energy" includes Solar, Wind, Biomass, Waste and Geothermal.

(Note3) The figures on "From other companies / Interchange" are the volume we grasped as of the end of FY2017.

(2) Overview of Financial Condition in Current Period

Assets increased by ¥122.6 billion to ¥4,710.1 billion compared to the end of FY2016 due to an increase in Non-current assets mainly because of an increase in Construction in progress with countermeasure constructions to improve safety of nuclear power stations and an increase in Nuclear fuel and also because of additional record of deferred tax assets as a result of assessing the realizability of deferred tax assets, while current assets like cash and deposits decreased.

Liabilities increased by ¥43.2 billion to ¥4,056.1 billion compared to the end of FY2016 mainly due to an increase in Accrued taxes, Notes and accounts payable-trade and Other Current liabilities, though interest-bearing debt decreased. Interest-bearing debt decreased by ¥70.1 billion to ¥3,243.8 billion compared to the end of FY2016.

Net assets increased by ¥79.3 billion to ¥653.9 billion compared to the end of FY2016 mainly due to record of Profit attributable to owners of parent in spite of a decrease by payment of the dividend. Shareholders' equity ratio went up to 13.4%.

(3) Overview of Cash Flow in Current Period

Cash inflow from operating activities decreased by ¥167.9 billion to ¥355.9 billion compared to FY2016 mainly due to a decrease in consumption and income taxes paid, and a decrease in Payments of accrued contributions for reprocessing of irradiated nuclear fuel, paid in FY2016 in connection with the enforcement of "the Act for Partial Revision of Law on the Creation and Management of Reserve Funds for the Reprocessing of Spent Fuel at Nuclear Power Stations".

Cash outflow from investing activities increased by ¥46.7 billion to ¥321.7 billion compared to FY2016 mainly due to an increase in capital investment in spite of an increase of proceeds from investments.

Cash flows from financing activities decreased ¥168.7 billion compared to FY2016 and turned to outflow of ¥90.3 billion, because in FY2016, interest-bearing debt increased mainly due to the issuance of convertible bond-type bonds with stock acquisition rights, on the other hand, in FY2017, interest-bearing debt declined mainly because the redemption amount of bonds exceeded the issue amount of them.

As a result, the balance of Cash and cash equivalents at the end of FY2017 decreased by ¥53.9 billion to ¥365.8 billion compared to FY2016.

(4) Business Forecasts

A. Business forecasts for FY2018

We expect that Sales will increase to ¥2,005.0 billion mainly due to an increase in electricity sales for other companies and the grant based on the Act on Purchase of Renewable Energy Sourced Electricity in spite of a decrease in lighting and power revenues mainly due to reactionary decline attributable to increased demand from the effects of temperature in FY2017 and a decrease of electricity contract caused by the progress of competition.

We expect that Ordinary income will increase to ¥80 billion. We expect improvement in financial standing due to restart of Genkai Nuclear Power Unit No.3 and 4, on the other hand fuel cost and maintenance cost will increase due to the periodic inspections of Sendai Nuclear Power Station Unit No.1 and 2, and lighting and power revenues will decrease. Considering these situation, we will make efforts for thorough group-wide cost reduction throughout business activities.

In addition, we expect that Profit attributable to owners of parent will decrease to ¥55 billion, due to an increase in income taxes caused by the effect of recording deferred tax assets additionally in FY2017.

Financial forecast for FY2018

[Consolidated]

(Unit: 100 million yen)

	FY2018	FY2017	Difference
	(A)	(B)	(A-B)
Sales	20,050 [102.3%]	19,603 [107.3%]	447
Operating income	1,050 [101.8%]	1,031 [84.1%]	19
Ordinary income	800 [108.6%]	736 [78.2%]	64
Profit attributable to owners of parent	550 [63.5%]	866 [109.3%]	-316

(Note) the percentage figures in [] show the comparison with the previous year

[Non-Consolidated]

(Unit: 100 million yen)

	FY2018	FY2017	Difference
	(A)	(B)	(A-B)
Sales	18,650 [102.3%]	18,235 [107.5%]	415
Operating income	850 [104.7%]	812 [81.6%]	38
Ordinary income	550 [114.1%]	482 [70.0%]	68
Profit attributable to owners of parent	400 [58.0%]	690 [113.0%]	-290

(Note) the percentage figures in [] show the comparison with the previous year

Key factors

	FY2018	FY2017	Difference
	(A)	(B)	(A-B)
Electricity sales volume	73.0 billion kWh [95.1%]	76.8 billion kWh [97.7%]	-3.8 billion kWh
Crude oil (CIF) price	65 \$/b	57 \$/b	8 \$/b
Exchange rate	110 ¥/\$	111 ¥/\$	-1 ¥/\$
Nuclear Power Station Utilization rate	73.4 %	36.7 %	36.7 %

(Note) the percentage figures in [] show the comparison with the previous year

B. Dividends forecasts for FY2018

We have based our policy regarding the appropriation of profits on expanding shareholders' interest in medium to long-term perspective while maintaining the consecutive dividends.

As for forecasts of dividends for the FY2018, based on a comprehensive analysis of operating results and medium to long-term balance situation and financial condition and other factors, we plan to pay a dividend of ¥30 per common share (interim of ¥15 and year-end of ¥15) and to pay a dividend of ¥3,500,000 per class A preferred share (interim of ¥1,750,000 and year-end of ¥1,750,000).

2. Basic policy for Selection of Accounting Standards

Since our group's business consists mainly of the electricity business, our consolidated financial statements are based on the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No. 28, October 30, 1976) and are prepared in accordance with the Ordinance on Accounting at Electricity Utilities (Ordinance of the Ministry of International Trade and Industry No. 57, June 15, 1965). We have not decided yet whether we will apply the International Financial Reporting Standards (IFRS) to our financial statements in the future.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: million yen)

	As of March 31, 2017	As of March 31, 2018
Assets		
Non-current assets	3,817,910	3,982,608
Electric utility plant and equipment	2,337,449	2,286,481
Hydroelectric power production facilities	270,206	266,103
Thermal power production facilities	206,881	202,670
Nuclear power production facilities	239,979	221,677
Internal combustion engine power production facilities	16,839	16,021
Renewable power production facilities	13,562	15,334
Transmission facilities	629,154	607,864
Transformation facilities	219,907	213,082
Distribution facilities	620,995	625,502
General facilities	114,099	112,405
Other electric utility plant and equipment	5,823	5,819
Other non-current assets	330,060	381,712
Construction in progress	487,450	595,820
Construction and retirement in progress	467,401	561,296
Special account related to nuclear power decommissioning	20,048	19,226
Manufacturing process in progress related to reprocessing of irradiated nuclear fuel	—	15,297
Nuclear fuel	252,138	271,742
Loaded nuclear fuel	73,956	64,732
Nuclear fuel in processing	178,182	207,009
Investments and other assets	410,811	446,852
Long-term investments	149,743	153,839
Net defined benefit asset	11,041	15,760
Deferred tax assets	129,562	151,970
Other	121,822	126,551
Allowance for doubtful accounts	-1,357	-1,268
Current assets	769,630	727,549
Cash and deposits	414,476	345,701
Notes and accounts receivable - trade	191,348	216,117
Inventories	64,344	70,039
Deferred tax assets	39,437	43,828
Other	60,983	52,715
Allowance for doubtful accounts	-959	-853
Total assets	4,587,541	4,710,158

(Unit: million yen)

	As of March 31, 2017	As of March 31, 2018
Liabilities		
Non-current liabilities	3,165,756	3,078,222
Bonds payable	1,104,296	1,074,496
Long-term loans payable	1,684,741	1,624,600
Reserve for restoration costs of natural disaster	188	58
Net defined benefit liability	99,526	95,605
Asset retirement obligations	217,278	221,372
Deferred tax liabilities	354	1,682
Other	59,370	60,405
Current liabilities	838,636	969,282
Current portion of non-current liabilities	414,545	437,675
Short-term loans payable	117,272	117,371
Notes and accounts payable - trade	59,412	81,987
Accrued taxes	17,059	45,875
Reserve for restoration costs of natural disaster	1,238	572
Other	229,108	285,799
Reserves under special laws	8,570	8,690
Reserve for fluctuation in water levels	8,570	8,690
Total liabilities	<u>4,012,964</u>	<u>4,056,195</u>
Net assets		
Shareholders' equity	570,410	639,966
Capital stock	237,304	237,304
Capital surplus	120,844	120,825
Retained earnings	212,945	282,504
Treasury shares	-685	-668
Accumulated other comprehensive income	-19,444	-10,825
Valuation difference on available-for-sale securities	3,597	4,369
Deferred gains or losses on hedges	-1,389	-1,412
Foreign currency translation adjustment	-3,590	-1,905
Remeasurements of defined benefit plans	-18,062	-11,876
Non-controlling interests	<u>23,611</u>	<u>24,822</u>
Total net assets	<u>574,577</u>	<u>653,963</u>
Total liabilities and net assets	<u>4,587,541</u>	<u>4,710,158</u>

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

(Unit: million yen)

	FY2016 (April 1, 2016- March 31, 2017)	FY2017 (April 1, 2017- March 31, 2018)
Operating revenue	1,827,524	1,960,359
Electric utility operating revenue	1,681,066	1,804,418
Other business operating revenue	146,458	155,940
Operating expenses	1,704,883	1,857,235
Electric utility operating expenses	1,574,890	1,713,322
Other business operating expenses	129,993	143,913
Operating profit	122,640	103,123
Non-operating income	18,122	15,848
Dividend income	3,311	4,072
Interest income	2,351	314
Share of profit of entities accounted for using equity method	7,211	7,257
Other	5,248	4,203
Non-operating expenses	46,528	45,293
Interest expenses	36,008	33,416
Other	10,519	11,877
Total ordinary revenue	1,845,646	1,976,208
Total ordinary expenses	1,751,412	1,902,529
Ordinary profit	94,234	73,678
Provision or reversal of reserve for fluctuation in water levels	943	119
Provision of reserve for fluctuation in water levels	943	119
Extraordinary losses	10,450	—
Contingent loss	297	—
Extraordinary loss on natural disaster	10,153	—
Profit before income taxes	82,840	73,558
Income taxes - current	5,745	15,170
Income taxes - deferred	-3,515	-29,640
Total income taxes	2,230	-14,470
Profit	80,610	88,028
Profit attributable to non-controlling interests	1,339	1,371
Profit attributable to owners of parent	79,270	86,657

Consolidated Comprehensive Income Statements

	(Unit: million yen)	
	FY2016 (April 1, 2016- March 31, 2017)	FY2017 (April 1, 2017- March 31, 2018)
Profit	80,610	88,028
Other comprehensive income		
Valuation difference on available-for-sale securities	585	462
Deferred gains or losses on hedges	-158	-178
Foreign currency translation adjustment	-731	1,448
Remeasurements of defined benefit plans, net of tax	1,807	6,598
Share of other comprehensive income of entities accounted for using equity method	-75	231
Total other comprehensive income	1,427	8,562
Comprehensive income	82,037	96,591
(Breakdown)		
Comprehensive income attributable to owners of parent	80,560	95,276
Comprehensive income attributable to non-controlling interests	1,477	1,314

(3) Consolidated Statements of Changes in Shareholders' Equity
Previous consolidated fiscal year (April 1, 2016 to March 31, 2017)

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	237,304	130,368	133,675	-684	500,663
Changes of items during period					
Changes in equity of parent from transaction of non controlling interest		—			—
Dividends of surplus		-9,523			-9,523
Profit attributable to owners of parent			79,270		79,270
Purchase of treasury shares				-3	-3
Disposal of treasury shares		—		2	2
Changes due to share exchange					—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	-9,524	79,270	—	69,746
Balance at end of current period	237,304	120,844	212,945	-685	570,410

(Unit: million yen)

	Other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	2,839	-1,255	-2,280	-20,037	-20,734	19,973	499,903
Changes of items during period							
Changes in equity of parent from transaction of non controlling interest							—
Dividends of surplus							-9,523
Profit attributable to owners of parent							79,270
Purchase of treasury shares							-3
Disposal of treasury shares							2
Changes due to share exchange							—
Net changes of items other than shareholders' equity	757	-133	-1,309	1,974	1,289	3,638	4,927
Total changes of items during period	757	-133	-1,309	1,974	1,289	3,638	74,673
Balance at end of current period	3,597	-1,389	-3,590	-18,062	-19,444	23,611	574,577

Current consolidated fiscal year (April 1, 2017 to March 31, 2018)

(Unit : million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	237,304	120,844	212,945	-685	570,410
Changes of items during period					
Changes in equity of parent from transaction of non controlling interest		—			—
Dividends of surplus			-17,099		-17,099
Profit attributable to owners of parent			86,657		86,657
Purchase of treasury shares				-19	-19
Disposal of treasury shares		-21		36	15
Changes due to share exchange		2		—	2
Net changes of items other than shareholders' equity					
Total changes of items during period	—	-19	69,558	16	69,556
Balance at end of current period	237,304	120,825	282,504	-668	639,966

(Unit : million yen)

	Other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	3,597	-1,389	-3,590	-18,062	-19,444	23,611	574,577
Changes of items during period							
Changes in equity of parent from transaction of non controlling interest							—
Dividends of surplus							-17,099
Profit attributable to owners of parent							86,657
Purchase of treasury shares							-19
Disposal of treasury shares							15
Changes due to share exchange							2
Net changes of items other than shareholders' equity	772	-23	1,684	6,185	8,619	1,210	9,829
Total changes of items during period	772	-23	1,684	6,185	8,619	1,210	79,386
Balance at end of current period	4,369	-1,412	-1,905	-11,876	-10,825	24,822	653,963

(4) Consolidated Statements of Cash Flows

	(Unit: million yen)	
	FY2016 (April 1, 2016- March 31, 2017)	FY2017 (April 1, 2017- March 31, 2018)
Cash flows from operating activities		
Profit before income taxes	82,840	73,558
Depreciation	206,745	200,489
Decommissioning costs of nuclear power units	4,589	4,603
Amortization of special account related to nuclear power decommissioning	821	821
Amortization of nuclear fuel	8,596	9,965
Loss on retirement of non-current assets	7,261	7,999
Increase (decrease) in provision for reprocessing of irradiated nuclear fuel	-6,388	—
Increase (decrease) in provision for other reprocessing of irradiated nuclear fuel	1,117	—
Increase (decrease) in net defined benefit liability	2,943	3,559
Increase (decrease) in reserve for fluctuation in water levels	943	119
Interest and dividend income	-5,662	-4,387
Interest expenses	36,008	33,416
Share of loss (profit) of entities accounted for using equity method	-7,211	-7,257
Contingent loss	297	—
Extraordinary loss on natural disaster	10,153	—
Decrease (increase) in reserve fund for reprocessing of irradiated nuclear fuel	15,409	—
Decrease (increase) in notes and accounts receivable - trade	-20,521	-25,108
Decrease (increase) in inventories	-4,366	-5,693
Increase (decrease) in notes and accounts payable - trade	-27,701	22,983
Decrease/increase in consumption taxes receivable/payable	-31,645	38,378
Payments of accrued contributions for reprocessing of irradiated nuclear fuel	-36,123	—
Other, net	-3,634	35,169
Subtotal	234,472	388,617
Interest and dividend income received	8,711	7,298
Interest expenses paid	-36,667	-33,987
Payments for extraordinary loss on natural disaster	-8,820	—
Income taxes paid	-9,679	-5,932
Net cash provided by (used in) operating activities	188,016	355,995
Cash flows from investing activities		
Purchase of non-current assets	-304,688	-352,763
Proceeds from contribution received for construction	27,006	24,905
Payments of investment and loans receivable	-5,542	-6,518
Collection of investment and loans receivable	5,645	12,340
Other, net	2,531	284
Net cash provided by (used in) investing activities	-275,047	-321,751

	(Unit: million yen)	
	FY2016 (April 1, 2016- March 31, 2017)	FY2017 (April 1, 2017- March 31, 2018)
Cash flows from financing activities		
Proceeds from issuance of bonds	299,365	189,396
Redemption of bonds	-130,000	-190,000
Proceeds from long-term loans payable	161,130	150,414
Repayments of long-term loans payable	-241,235	-217,915
Net increase (decrease) in short-term loans payable	210	-1,200
Cash dividends paid	-9,583	-17,065
Other, net	-1,507	-3,962
Net cash provided by (used in) financing activities	<u>78,380</u>	<u>-90,334</u>
Effect of exchange rate change on cash and cash equivalents	<u>-1,276</u>	<u>2,134</u>
Net increase (decrease) in cash and cash equivalents	<u>-9,926</u>	<u>-53,955</u>
Cash and cash equivalents at beginning of period	<u>429,757</u>	<u>419,831</u>
Cash and cash equivalents at end of period	<u>419,831</u>	<u>365,875</u>

(5) Notes on Consolidated Financial Statements

(Note on the premise of going concern)

N/A

(Segment information)

1. Segment information

(1) Overview of reportable segments

Our reportable segments are based on the units that compose our company for which separate financial information is available. The segments are subject to regular review by the Board of Directors to evaluate performance.

We are composed of four reportable segments, “Electricity”, “Energy-related”, “IT/Telecommunication” and “Other businesses”, classified in consideration of the types of products and business activities.

The main products and business activities belonging to each Reportable segment are described below.

Reportable segment	Main products and business activities
Electricity	Supply of electricity
Energy-related	Receipt, storage, vaporization, delivery and sales of LNG, renewable energy business, manufacturing and sales of electric machinery, construction, maintenance and repair of electric power facilities, maintenance and repair of power generation facilities, manufacturing and sales of concrete poles, environmental preservation activities around power generation facilities, consultation and planning of civil engineering and construction
IT/ Telecommunication	Fiber-optic cable and broadband service, manufacturing, sales, installation and maintenance of telecommunication devices, development, operation and maintenance of information system
Other	Acquiring and owning of securities, loan to group companies, leasing and management of real estate, contracted sitting work

(2) Calculation method of amount of sales, income or loss, asset and other items by Reportable segment

Accounting method of Reportable segment is the same to the Preparation of consolidated financial statements. Reportable segment income is on operating income basis. Inter-segment sales are based on a market price.

(3) Information regarding amount of sales, income or loss, asset and other items by Reportable segment

Previous consolidated fiscal year (April 1, 2016 to March 31, 2017)

(Unit: million yen)

	Reportable segment					Adjusted amount*1	Consolidated financial statements*2
	Electricity	Energy-related	IT/Telecommunication	Other	Total		
Sales							
Sales to outside customers	1,681,066	64,559	70,181	11,716	1,827,524	-	1,827,524
Inter-segment sales	4,016	120,660	31,259	13,200	169,136	-169,136	-
Total	1,685,082	185,220	101,440	24,917	1,996,661	-169,136	1,827,524
Segment income (loss)	98,365	10,088	8,499	4,528	121,481	1,159	122,640
Segment asset	3,972,388	453,092	183,795	142,460	4,751,737	-164,196	4,587,541
Other items							
Depreciation (including amortization of nuclear fuel)	184,993	8,405	20,848	4,112	218,359	-3,017	215,342
Increase in tangible fixed assets and intangible fixed assets	271,967	18,039	23,312	1,147	314,466	-4,369	310,096

*1 Adjusted amount of Segment income(loss) of ¥1,159 million and adjusted amount of Segment asset of ¥-164,196 million are inter-segment elimination.

*2 Segment income is adjusted with operating loss within consolidated income statements.

Current consolidated fiscal year (April 1, 2017 to March 31, 2018)

(Unit: million yen)

	Reportable segment					Adjusted amount*1	Consolidated financial statements*2
	Electricity	Energy-related	IT/Telecommunication	Other	Total		
Sales							
Sales to outside customers	1,804,418	73,134	70,512	12,293	1,960,359	-	1,960,359
Inter-segment sales	3,892	118,335	36,175	13,288	171,691	-171,691	-
Total	1,808,311	191,470	106,687	25,581	2,132,051	-171,691	1,960,359
Segment income (loss)	81,422	11,732	7,321	4,824	105,301	-2,177	103,123
Segment asset	4,038,218	487,956	185,515	149,497	4,861,188	-151,029	4,710,158
Other items							
Depreciation (including amortization of nuclear fuel)	180,179	8,044	21,408	3,795	213,428	-2,972	210,455
Increase in tangible fixed assets and intangible fixed assets	318,488	20,094	22,837	2,417	363,838	-4,885	358,953

*1 Adjusted amount of Segment income (loss) of ¥-2,177 million and adjusted amount of Segment asset of ¥-151,029 million are inter-segment elimination.

*2 Segment income is adjusted with operating income within consolidated income statements.

2. Related information

Previous consolidated fiscal year (April 1, 2016 to March 31, 2017) and Current consolidated fiscal year (April 1, 2017 to March 31, 2018)

(1) Information by product and service

Because similar information is disclosed in segment information, this information is omitted.

(2) Information by region

① Sales

Because domestic sales to external customers account for over 90% of the sales stated in the Consolidated Income Statements, this information is omitted.

② Property, plant and equipment

Because property, plant and equipment located in Japan accounts for over 90% of the property, plant and equipment stated in the Consolidated Balance Sheets, this information is not stated

(3) Information by main customers

Because there are no customers that account for over 10% of sales stated in the Consolidated Income Statements for sales to external customers, this information is omitted.

3. Information relating to impairment loss of fixed assets by reportable segment

Previous consolidated fiscal year (April 1, 2016 to March 31, 2017) and Current consolidated fiscal year (April 1, 2017 to March 31, 2018)

Because this information lacks materiality, it is omitted.

4. Information relating to goodwill amortization and unamortized balance by reportable segment

Previous consolidated fiscal year (April 1, 2016 to March 31, 2017)

Because this information lacks materiality, it is omitted.

Current consolidated fiscal year (April 1, 2017 to March 31, 2018)

N/A

5. Information relating to gains incurred from negative goodwill by reportable segment

Previous consolidated fiscal year (April 1, 2016 to March 31, 2017) and Current consolidated fiscal year (April 1, 2017 to March 31, 2018)

N/A

(Per share data)

	FY2016 (April 1, 2016- March 31, 2017)	FY2017 (April 1, 2017- March 31, 2018)
Shareholders' equity per share (BPS)	¥944.69	¥1,113.43
Net profit (loss) per share (EPS)	¥159.97	¥175.56
Net profit and fully diluted net profit per share	¥159.78	¥144.03

(Note) 1. Basic data for calculation of them is as below.

(1) Shareholders' equity per share

	FY2016 (As of March 31, 2017)	FY2017 (As of March 31, 2018)
Shareholders' equity total	¥574,577 million	¥653,963 million
Deductible from shareholders' equity (Paid in amount of the preferred shares) (cumulative dividends payable for Preferred shares) (Minority interest)	¥127,111 million (¥100,000 million) (¥3,500 million) (¥23,611 million)	¥126,572 million (¥100,000 million) (¥1,750 million) (¥24,822 million)
Shareholders' equity allocated to common stock outstanding	¥447,465 million	¥527,390 million
Number of common stock outstanding at the end of each fiscal year	473,661 thousand	473,664 thousand

(2) Net profit per share

	FY2016 (April 1, 2016- March 31, 2017)	FY2017 (April 1, 2017- March 31, 2018)
Net profit per share		
Profit (Loss) attributable to owners of parent	¥79,270 million	¥86,657 million
Amount not allocated to shareholders (Preferred dividends)	¥3,500 million (¥3,500 million)	¥3,500 million (¥3,500 million)
Profit (Loss) attributable to owners of parent allocated to common stock outstanding	¥75,770 million	¥83,157 million
Weighted average number of common stock outstanding during each fiscal year	¥473,662 thousand	¥473,662 thousand
Fully diluted net profit per share		
Adjustment of profit attributable to owners of parent	—	—
Increase in the number of common stocks (Convertible bond-type bonds with subscription)	566 thousand (566 thousand)	103,705 thousand (103,705 thousand)
Outline of potentially dilutive shares not included in calculation of fully diluted net profit per share because they don't have dilutive effects	—	—

(Significant post-balance sheet event)

N/A