

October 31, 2017

**The 2nd Quarter of the Fiscal Year Ending 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](http://www.kyuden.co.jp/en_index.html)

Stock listed on: Tokyo SE, Fukuoka SE

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Quarterly financial report submission date (plan): November 9, 2017

Date to start dividend payments: November 30, 2017

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, 2017 to September 30, 2017)**

**(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, 2017 - September 30, 2017	989,204	6.6	92,552	-19.4	78,853	-21.4
April 1, 2016 - September 30, 2016	928,297	-0.3	114,763	42.4	100,371	53.1

(Note) Comprehensive income : FY2017 2Q 74,138 million yen (-4.9%) FY2016 2Q 77,927 million yen (62.4%)

	Profit attributable to owners of parent		EPS	Fully-diluted EPS
	(Unit: million yen)	(%)	(Unit: yen)	(Unit: yen)
April 1, 2017 - September 30, 2017	70,609	-13.3	145.38	119.26
April 1, 2016 - September 30, 2016	81,444	52.0	168.25	—

**(2) Consolidated Financial Position**

	Total assets	Net assets	Shareholders' equity ratio
	(Unit: million yen)	(Unit: million yen)	(%)
As of September 30, 2017	4,517,885	637,994	13.6
As of March 31, 2017	4,587,541	574,577	12.0

(Reference) Shareholders' equity : As of September 30, 2017 : 613,782 million yen As of March 31, 2017: 550,965 million yen

**2. Dividends**

	Annual dividends per share				
	1Q	2Q	3Q	Year-end	Total
	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)
As of March 31, 2017	—	0.00	—	15.00	15.00
As of March 31, 2018	—	10.00	—	—	—
As of March 31, 2018 (Forecast)	—	—	—	10.00	20.00

(Note) Revision of the dividend forecast : No

Dividends mentioned 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 FY2017 (April 1, 2017 to March 31, 2018)**

(% 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	1,945,000	6.4	95,000	-22.5	65,000	-31.0	50,000	-36.9	98.17

(Note) Revision of financial results forecasts : No



**(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)
As of March 31, 2017	—	0.00	—	3,500,000.00	3,500,000.00
As of March 31, 2018	—	1,750,000.00			
As of March 31, 2018 (Forecast)			—	1,750,000.00	3,500,000.00

(Note1) Revision of the dividend forecast : No

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

(% 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	1,810,000	6.7	75,000	-24.6	45,000	-34.7	35,000	-42.7	66.46

(Note) Revision of financial results forecasts : No

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## 1. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

	(Unit: million yen)	
	As of March 31, 2017	As of September 30, 2017
<b>Assets</b>		
Non-current assets	3,817,910	3,842,975
Electric utility plant and equipment	2,337,449	2,296,218
Hydroelectric power production facilities	270,206	266,728
Thermal power production facilities	206,881	204,307
Nuclear power production facilities	239,979	226,391
Internal combustion engine power production facilities	16,839	15,783
Renewable power production facilities	13,562	12,827
Transmission facilities	629,154	618,503
Transformation facilities	219,907	214,556
Distribution facilities	620,995	620,269
General facilities	114,099	111,028
Other electric utility plant and equipment	5,823	5,821
Other non-current assets	330,060	323,422
Construction in progress	487,450	547,156
Construction and retirement in progress	467,401	526,499
Special account related to nuclear power decommissioning	20,048	19,637
Manufacturing process in progress related to reprocessing of irradiated nuclear fuel	—	1,019
Nuclear fuel	252,138	259,894
Loaded nuclear fuel	73,956	68,489
Nuclear fuel in processing	178,182	191,404
Investments and other assets	410,811	416,285
Long-term investments	149,743	151,452
Net defined benefit asset	11,041	11,974
Deferred tax assets	129,562	128,694
Other	121,822	125,456
Allowance for doubtful accounts	-1,357	-1,292
Current assets	769,630	674,909
Cash and deposits	414,476	261,716
Notes and accounts receivable - trade	191,348	251,092
Inventories	64,344	73,010
Deferred tax assets	39,437	44,125
Other	60,983	45,789
Allowance for doubtful accounts	-959	-825
<b>Total assets</b>	<b>4,587,541</b>	<b>4,517,885</b>

(Unit: million yen)

	As of March 31, 2017	As of September 30, 2017
<b>Liabilities</b>		
Non-current liabilities	3,165,756	3,050,441
Bonds payable	1,104,296	1,084,496
Long-term loans payable	1,684,741	1,587,812
Reserve for restoration costs of natural disaster	188	125
Net defined benefit liability	99,526	99,642
Asset retirement obligations	217,278	219,144
Deferred tax liabilities	354	751
Other	59,370	58,468
Current liabilities	838,636	821,305
Current portion of non-current liabilities	414,545	379,005
Short-term loans payable	117,272	120,304
Notes and accounts payable - trade	59,412	54,457
Accrued taxes	17,059	39,753
Reserve for restoration costs of natural disaster	1,238	1,018
Other	229,108	226,766
Reserves under special laws	8,570	8,144
Reserve for fluctuation in water levels	8,570	8,144
<b>Total liabilities</b>	<b>4,012,964</b>	<b>3,879,890</b>
<b>Net assets</b>		
Shareholders' equity	570,410	630,402
Capital stock	237,304	237,304
Capital surplus	120,844	120,846
Retained earnings	212,945	272,945
Treasury shares	-685	-694
Accumulated other comprehensive income	-19,444	-16,620
Valuation difference on available-for-sale securities	3,597	4,250
Deferred gains or losses on hedges	-1,389	-1,389
Foreign currency translation adjustment	-3,590	-2,278
Remeasurements of defined benefit plans	-18,062	-17,202
Non-controlling interests	23,611	24,212
<b>Total net assets</b>	<b>574,577</b>	<b>637,994</b>
<b>Total liabilities and net assets</b>	<b>4,587,541</b>	<b>4,517,885</b>

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

	(Unit: million yen)	
	April 1, 2016 - September 30, 2016	April 1, 2017 - September 30, 2017
Operating revenue	928,297	989,204
Electric utility operating revenue	859,257	917,229
Other business operating revenue	69,039	71,974
Operating expenses	813,533	896,651
Electric utility operating expenses	751,896	830,185
Other business operating expenses	61,636	66,465
Operating profit	<u>114,763</u>	<u>92,552</u>
Non-operating income	8,833	8,276
Dividend income	1,894	2,773
Interest income	1,836	227
Share of profit of entities accounted for using equity method	2,547	3,141
Other	2,554	2,134
Non-operating expenses	23,225	21,976
Interest expenses	18,341	17,008
Other	4,883	4,967
Total ordinary revenue	937,130	997,480
Total ordinary expenses	836,758	918,627
Ordinary profit	100,371	78,853
Provision or reversal of reserve for fluctuation in water levels	487	-426
Provision of reserve for fluctuation in water levels	487	-
Reversal of reserve for fluctuation in water levels	-	-426
Extraordinary losses	10,021	-
Contingent loss	316	-
Extraordinary loss on natural disaster	9,704	-
Profit before income taxes	<u>89,862</u>	<u>79,279</u>
Income taxes - current	11,998	13,051
Income taxes - deferred	-4,259	-5,031
Total income taxes	<u>7,738</u>	<u>8,019</u>
Profit	<u>82,124</u>	<u>71,259</u>
Profit attributable to non-controlling interests	680	650
Profit attributable to owners of parent	<u>81,444</u>	<u>70,609</u>

(Quarterly Consolidated Comprehensive Income Statements)

	(Unit: million yen)	
	April 1, 2016 - September 30, 2016	April 1, 2017 - September 30, 2017
Profit	82,124	71,259
Other comprehensive income		
Valuation difference on available-for-sale securities	208	467
Deferred gains or losses on hedges	-1,980	-23
Foreign currency translation adjustment	-1,167	990
Remeasurements of defined benefit plans, net of tax	684	931
Share of other comprehensive income of entities accounted for using equity method	-1,941	513
Total other comprehensive income	-4,196	2,879
Comprehensive income	77,927	74,138
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	77,157	73,433
Comprehensive income attributable to non-controlling interests	769	704

(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

\* Be advised that the Japanese version shall prevail if in any case a discrepancy arises between the original and English translation