

April 28, 2017

**The Fiscal Year Ended March 31, 2017 Financial Results Overview [Japan GAAP] (Consolidated)
Kyushu Electric Power Co., Inc.**

Stock code: 9508 URL: http://www.kyuden.co.jp/en_index

Stock listed on: Tokyo SE, Fukuoka SE

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Shareholders' Meeting: June 28, 2017

Commencement of payment of year-end dividend: June 29, 2017

Projected date for submitting annual security report: June 29, 2017

Preparation of supplementary materials for financial results: Yes

Information meeting for financial results: Yes (for analysts and institutional investors)

(Rounded down to the nearest million yen)

1. Consolidated Financial Results for FY2016 (April 1, 2016 to March 31, 2017)

(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)	(%)
FY2016 ended March 31, 2017	1,827,524	-0.4	122,640	2.0	94,234	3.6
FY2015 ended March 31, 2016	1,835,692	-2.0	120,256	—	90,916	—

(Note) Comprehensive income : FY2016 82,037 million yen (65.9%) FY2015 49,450 million yen (—%)

	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)	(%)	(%)	(%)
FY2016 ended March 31, 2017	79,270	7.9	159.97	159.78	15.4	2.0	6.7
FY2015 ended March 31, 2016	73,499	—	155.17	—	16.1	1.9	6.6

(Reference) Investment Profit/Loss under Equity Methods : FY2016 7,211 million yen FY2015 6,052 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)
FY2016 ended March 31, 2017	4,587,541	574,577	12.0	944.69
FY2015 ended March 31, 2016	4,748,237	499,903	10.1	787.01

(Reference) Shareholders' equity: FY2016 550,965 million yen FY2015 479,929 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)
FY2016 ended March 31, 2017	188,016	-275,047	78,380	419,831
FY2015 ended March 31, 2016	329,491	-288,321	-126,184	429,757

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)	(%)	(%)
FY2015 ended March 31, 2016	—	0.00	—	5.00	5.00	2,369	3.2	0.7
FY2016 ended March 31, 2017	—	0.00	—	15.00	15.00	7,109	9.4	1.7
FY2017 ending March 31, 2018 (forecast)	—	—	—	—	—	—	—	—

(Note) Year-end dividend for FY2017 ending March 31, 2018 has yet to be decided. We will promptly inform you of a dividend when it is possible for us to make our forecasts.

Dividends mentioned the above is regarding common shares. Regarding preferred shares which differ in shareholders' rights from common shares, see "Dividends for preferred shares".

3. Forecast for FY2017 (April 1, 2017 to March 31, 2018)

(% shows 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	1,960,000	7.2	—	—	—	—	—	—	—

(Note) The outlook for operating income, ordinary income and profit attributable to owners of parent are currently not able to be estimated, because we can't calculate expenses like fuel costs reasonably due to uncertainty of the timing of Genkai nuclear power station's restart.

It will be disclosed as soon as forecasting becomes possible (Please see Page 7 of the attachment " Business Forecasts").

※ 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 outstanding shares

- ① Number of outstanding shares at year end (including treasury stock):
FY2016 ended March 2017 474,183,951 shares FY2015 ended March 2016 474,183,951 shares
- ② Number of treasury stock at year end
FY2016 ended March 2017 522,731 shares FY2015 ended March 2016 523,345 shares
- ③ Average number of shares outstanding during the period
FY2016 ended March 2017 473,662,147 shares FY2015 ended March 2016 473,665,972 shares

(Note) Regarding the number of shares which were used as fundamentals in the calculation of the net income per share (consolidated), please see page 20 of the attachment "Per share data").

(Reference) Outline of Non-consolidated Financial Results

1. Non-consolidated Financial Results for FY2016 (April 1, 2016 to March 31, 2017)

(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)	(%)
FY2016 ended March 31, 2017	1,696,731	-0.5	99,535	1.7	68,883	-7.3
FY2015 ended March 31, 2016	1,705,485	-3.2	97,846	—	74,338	—

	Net income		Net earnings per share	Fully-diluted net earnings per share
	(Unit: million yen)	(%)	(Unit: yen)	(Unit: yen)
FY2016 ended March 31, 2017	61,057	-6.5	121.44	121.29
FY2015 ended March 31, 2016	65,328	—	137.83	—

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(Unit: million yen)	(Unit: million yen)	(%)	(Unit: yen)
FY2016 ended March 31, 2017	4,141,556	436,464	10.5	702.51
FY2015 ended March 31, 2016	4,321,442	385,190	8.9	586.60

(Reference) Shareholders' equity: FY2016 436,464 million yen FY2015 385,190 million yen

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

(% 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: yen)						
Full-year	1,825,000	7.6	—	—	—	—	—	—	—

(Note) The outlook for operating income, ordinary income and profit attributable to owners of parent are currently not able to be estimated, because we can't calculate expenses like fuel costs reasonably due to uncertainty of the timing of Genkai nuclear power station's restart.

It will be disclosed as soon as forecasting becomes possible (Please see page 7 of the attachment "Business Forecasts").

*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 quarterly financial results on our website.

(Reference) Dividends for Preferred Shares

The breakdown of dividend per preferred 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)
FY2015 ended March 31, 2016	—	0.00	—	7,153,763.00	7,153,763.00
FY2016 ended March 31, 2017	—	0.00	—	3,500,000.00	3,500,000.00
FY2017 ending March 31, 2018 (forecast)	—	—	—	—	—

(Note) Year-end dividend for Preferred Shares for FY2017 ending March 31, 2018 has yet to be decided. It will be disclosed as soon as forecasting becomes possible.

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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 FY2016 has been recovering gently judging from an increase in capital investment, though there has been delay of recovery in export and others. The economy in Kyushu has been recovering gently, with being lessened the impact of the Kumamoto Earthquake in 2016, reflecting an increase in productions, house and capital investments and the growth in export volume.

The earnings in FY2016 were in the black due to group-wide cost reduction efforts and a decrease in fuel costs because of a stable operation of Sendai nuclear power, which restarted in August 2015, though extraordinary losses, associated with the Kumamoto Earthquake in 2016, were recorded and Genkai nuclear power station unit No.3 and 4 have not achieved to restart. In addition, the consolidated ordinary income increased due to an increase in dividends from overseas energy business.

A. Revenue and expenditure

On the revenue side, consolidated sales (operating revenues) decreased by 0.4% to ¥1,827.5 billion compared to FY2015 as lighting and power revenue decreased mainly due to a decline in charge unit price with the effect of fuel cost adjustment system and a decrease in electricity sales volume, while the grant based on the Act on Purchase of Renewable Energy Sourced Electricity and electricity sales for other companies increased. And ordinary revenues decreased by 0.3% to ¥1,845.6 billion compared to FY2015 mainly due to an increase in dividends from Energy-related business.

On the expenditure side, ordinary expenses decreased by 0.5% to ¥1,751.4 billion compared to FY2015 due to group-wide cost reduction efforts and a decrease in fuel costs because of a stable operation of Sendai nuclear power and a decline in fuel price, while power purchase from renewable energy increased.

As a result, ordinary income increased by 3.6% to ¥94.2 billion compared to FY2015.

Also, profit attributable to owners of parent was increased by 7.9% to ¥79.2 billion mainly due to a decrease in income taxes, while extraordinary losses, associated with the Kumamoto Earthquake in 2016, were recorded.

The review for Genkai nuclear power station unit No.3 and No.4 on conformity to new regulatory requirements is ongoing. We will make every group-wide effort to promote initiatives for early restarting Genkai nuclear power station on the premise of ensuring safety, compliance and stable supply, and also achieve thorough cost efficiency.

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, %)

		FY2016 (A)	FY2015 (B)	Difference (A-B)	Change (A/B)
Electricity	Sales	16,850	16,923	-72	99.6
	Operating Income(Loss)	983	961	21	102.3
Energy-related	Sales	1,852	1,846	5	100.3
	Operating Income(Loss)	100	108	-7	93.0
IT & Telecommunication	Sales	1,014	1,035	-21	98.0
	Operating Income(Loss)	84	102	-17	82.7
Other	Sales	249	268	-18	93.0
	Operating Income(Loss)	45	43	2	104.6

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

(a) Electricity Business

Sales decreased by 0.4% to ¥1,685.0 billion compared to FY2015 as lighting and power revenues decreased due to a decline in unit price with the effect of the fuel costs adjustment and a decrease in electricity sales volume, while grant based on the Act on Purchase of Renewable Energy Sourced Electricity increased. On the other side, operating costs decreased by 0.6% to ¥1,586.7 billion compared to FY2015 due to group-wide cost reduction efforts and a decrease in fuel costs because of a stable operation of Sendai nuclear power and a decline in fuel price, while power purchase from renewable energy increased. As a result, ordinary income in FY2016 increased by 2.3% to ¥98.3 billion.

(b) Energy-related Business

Energy-related business has developed sales of gas and LNG, renewable energy and energy service businesses for customer's satisfaction regarding energy in addition to some businesses, which contribute to stable supply of electricity like construction and maintenance of electric facilities. We've also implemented to strengthen of overseas and outside Kyushu energy business with leveraging our group-wide techniques and experiences.

Sales increased by 0.3% to ¥185.2 billion compared to FY2015 due to an increase in maintenance works of power plants, though entrusted maintenances of existing meters decreased because of installation of smart-meters. And operating income decreased by 7.0% to ¥10.0 billion due to a decrease in entrusted maintenances of existing meters because of installation of smart-meters.

(c) IT and Telecommunication Business

IT and Telecommunication business has developed data communications, optical broadband, works and maintenances of telecommunication, development of information systems and data center businesses with leveraging our experiences and telecommunication infrastructures like optical fiber networks and data center.

Sales decreased by 2.0% to ¥101.4 billion compared to FY2015 due to a decrease in entrusted developments of information systems, though sales regarding optical broadband services increased. Operating income decreased by 17.3% to ¥8.4 billion compared to FY2015 mainly due to an increase in tax effects and depreciation costs, which comes with an expand of broadband services.

(d) Other Businesses

Other business has developed some businesses like real estate, housing, life services mainly like nursing care, and environment and recycle.

Sales decreased by 7.0% to ¥24.9 billion compared to FY2015 mainly due to a decrease in sales of real estate. Operating income increased by 4.6% to ¥4.5 billion mainly due to a decrease in depreciation of rental buildings.

B. Sales and Supply overview

Lighting demands increased by 1.5% compared to FY2015 due to an increase in air conditioning demands resulted from higher temperature from June to October compared to the same period of FY2015. Power demands decreased by 2.0% compared to FY2015 due to a decrease in production in some factories.

As a results, total electricity sales volume came to 78,620 million kWh, decreased by 0.7% compared to FY2015.

Electricity Sales Volume

(Unit: million kWh, %)

	FY2016 (A)	FY2015 (B)	Difference (A-B)	Change (A/B)
Lighting	28,535	28,100	434	101.5
Power	50,084	51,110	-1,025	98.0
Total	78,619	79,210	-591	99.3

(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 entire operation of power plants like the pumping considered with an increase in new energy received from other companies.

Generated and Received Electricity

(Unit: million kWh, %)

		FY2016 (A)	FY2015 (A)	Difference (A-B)	Change (A/B)
Own facilities	Hydro (Water flow rate)	4,788 (115.0)	4,776 (111.4)	12 (3.6)	100.3
	Thermal	45,615	45,768	-153	99.7
	Nuclear (Utilization rate)	12,455 (31.9)	8,108 (20.7)	4,347 (11.2)	153.6
	New Energy	1,133	1,199	-66	94.4
	Subtotal	63,991	59,851	4,140	106.9
From other companies/Interchange (New Energy [included above])		19,969 (8,590)	23,912 (7,081)	3,943 (1,509)	83.5 (121.3)
For pumping		-1,306	-677	-629	192.8
Total		82,654	83,086	-432	99.5

(Note1) The figures of own facilities' generation have changed from generation-end to transmission-end on this fiscal year. Along with that, the figures are different from those in FY2015.

(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 FY2016.

(2) Overview of Financial Condition in Current Period

Assets decreased by ¥160.6 billion to ¥4,587.5 billion compared to the end of FY2015 mainly due to a decrease in fixed assets with a reversal of reserve for reprocessing of irradiated nuclear fuel because of an enforcing of “The Act for Partial Amendment of the Spent Nuclear Fuel Reprocessing Fund Act” (hereinafter the "Amending Act") in spite of an increase in construction in progress with countermeasure constructions of nuclear power stations to improve safety.

Liabilities decreased by ¥235.3 billion to ¥4,012.9 billion mainly due to a reversal of reserve for reprocessing of irradiated nuclear fuel and reserve for preparation of reprocessing of irradiated nuclear fuel because of an enforcing of the Amending act, though we issued convertible bond-type bonds with subscription rights to shares. Interest-bearing debts increased by ¥89.0 billion to ¥3,313.9 billion.

Shareholders' equity increased by ¥74.6 billion to ¥574.5 billion mainly due to the post of net income attributable to the parent company, while we paid out dividends. Shareholders' equity ratio went up to 12.0%.

(3) Overview of Cash Flow in Current Period

Cash inflow from operating activities decreased by ¥141.4 billion to ¥188.0 billion compared to FY2015 mainly due to expenditures for outstanding contributions for reprocessing of irradiated nuclear fuel with an enforcing of the Amending act, in addition to a decrease in electricity sales revenues and an increase in electricity purchase costs from other companies, though an expenditure for fuel decreased.

Cash outflow from investing activities decreased by ¥13.2 billion to ¥275.0 billion compared to FY2015 mainly due to a decrease in capital investment.

Cash flow from financing activities turned inflow of ¥78.3 billion from outflow of ¥126.1 billion in FY2015 mainly due to an increase in revenue resulted from an issuance of bonds.

As a result, the balance of cash and cash equivalents at the end of FY2016 decreased by ¥9.9 billion to ¥419.8 billion compared to FY2015.

(4) Business Forecasts

A. Business forecasts in FY2017

We expect that sales will increase to ¥1,960.0 billion mainly due to an increase in lighting and power revenues because of an increase in charge unit price effected by the fuel costs adjustment system, while electricity sales will decrease.

Income is currently not able to be estimated because we can't calculate expenses like fuel costs reasonably due to uncertainty of the timing of Genkai nuclear power station's restart. We will promptly inform you of our forecasts when it is possible for us to make them.

Forecast for operational performance on FY2017

[Consolidated]

(Unit: 100 million yen)

	FY2017	FY2016	Difference
	(A)	(B)	(A-B)
Sales	19,600 [107.2%]	18,275 [99.6%]	1,325
Operating income	—	1,226	—
Ordinary income	—	942	—
Profit attributable to owners of parent	—	792	—

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

[Non-Consolidated]

(Unit: 100 million yen)

	FY2017	FY2016	Difference
	(A)	(B)	(A-B)
Sales	18,250 [107.6%]	16,967 [99.5%]	1,283
Operating income	—	995	—
Ordinary income	—	688	—
Profit attributable to owners of parent	—	610	—

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

Sensitivity factors

	FY2017	FY2016	Difference
	(A)	(B)	(A-B)
Electricity sales volume	76.3 billion kWh [100.1%]	78.6 billion kWh [100.2%]	-23.0 billion kWh
Crude oil (CIF) price	60 \$/b	48 \$/b	12 \$/b
Exchange rate	¥ 115 /\$	¥ 108 /\$	¥ 7 /\$

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

B. Dividends forecasts in FY2017

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.

Dividend of common shares and class A preferred share for FY2017 have not been decided, given that the period of the resumption of operations of Genkai nuclear power station unit No.1 and 4 remains unclear.

We will promptly inform you of our dividend forecast when it is possible for us to make them.

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.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: million yen)

	As of March 31, 2016	As of March 31, 2017
Assets		
Non-current assets	4,019,437	3,817,910
Electric utility plant and equipment	2,319,959	2,337,449
Hydroelectric power production facilities	274,879	270,206
Thermal power production facilities	154,958	206,881
Nuclear power production facilities	261,036	239,979
Internal combustion engine power production facilities	17,496	16,839
Renewable power production facilities	13,606	13,562
Transmission facilities	641,128	629,154
Transformation facilities	219,456	219,907
Distribution facilities	616,508	620,995
General facilities	115,107	114,099
Other electric utility plant and equipment	5,782	5,823
Other non-current assets	336,714	330,060
Construction in progress	438,058	487,450
Construction and retirement in progress	417,187	467,401
Special account related to nuclear power decommissioning	20,870	20,048
Nuclear fuel	283,227	252,138
Loaded nuclear fuel	69,932	73,956
Nuclear fuel in processing	213,295	178,182
Investments and other assets	641,477	410,811
Long-term investments	112,146	149,743
Reserve fund for reprocessing of irradiated nuclear fuel	270,095	—
Net defined benefit asset	9,403	11,041
Deferred tax assets	136,691	129,562
Other	114,505	121,822
Allowance for doubtful accounts	-1,364	-1,357
Current assets	728,799	769,630
Cash and deposits	420,340	414,476
Notes and accounts receivable - trade	171,148	191,348
Inventories	59,827	64,344
Deferred tax assets	29,425	39,437
Other	48,870	60,983
Allowance for doubtful accounts	-813	-959
Total assets	4,748,237	4,587,541

(Unit: million yen)

	As of March 31, 2016	As of March 31, 2017
Liabilities		
Non-current liabilities	3,408,330	3,165,756
Bonds payable	994,286	1,104,296
Long-term loans payable	1,741,967	1,684,741
Provision for reprocessing of irradiated nuclear fuel	279,585	—
Provision for preparation of reprocessing of irradiated nuclear fuel	30,009	—
Reserve for restoration costs of natural disaster	—	188
Net defined benefit liability	101,961	99,526
Asset retirement obligations	213,006	217,278
Deferred tax liabilities	95	354
Other	47,417	59,370
Current liabilities	832,376	838,636
Current portion of non-current liabilities	378,586	414,545
Short-term loans payable	116,912	117,272
Notes and accounts payable - trade	86,662	59,412
Accrued taxes	29,527	17,059
Reserve for restoration costs of natural disaster	—	1,238
Deferred tax liabilities	61	—
Other	220,626	229,108
Reserves under special laws	7,627	8,570
Reserve for fluctuation in water levels	7,627	8,570
Total liabilities	4,248,333	4,012,964
Net assets		
Shareholders' equity	500,663	570,410
Capital stock	237,304	237,304
Capital surplus	130,368	120,844
Retained earnings	133,675	212,945
Treasury shares	-684	-685
Accumulated other comprehensive income	-20,734	-19,444
Valuation difference on available-for-sale securities	2,839	3,597
Deferred gains or losses on hedges	-1,255	-1,389
Foreign currency translation adjustment	-2,280	-3,590
Remeasurements of defined benefit plans	-20,037	-18,062
Non-controlling interests	19,973	23,611
Total net assets	499,903	574,577
Total liabilities and net assets	4,748,237	4,587,541

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

	(Unit: million yen)	
	As of March 31, 2016	As of March 31, 2017
Operating revenue	1,835,692	1,827,524
Electric utility operating revenue	1,688,328	1,681,066
Other business operating revenue	147,364	146,458
Operating expenses	1,715,435	1,704,883
Electric utility operating expenses	1,584,556	1,574,890
Other business operating expenses	130,879	129,993
Operating profit	<u>120,256</u>	<u>122,640</u>
Non-operating income	16,283	18,122
Dividend income	1,921	3,311
Interest income	4,161	2,351
Share of profit of entities accounted for using equity method	6,052	7,211
Other	4,148	5,248
Non-operating expenses	45,623	46,528
Interest expenses	39,317	36,008
Other	6,306	10,519
Total ordinary revenue	1,851,976	1,845,646
Total ordinary expenses	1,761,059	1,751,412
Ordinary profit	90,916	94,234
Provision or reversal of reserve for fluctuation in water levels	5,934	943
Provision of reserve for fluctuation in water levels	5,934	943
Extraordinary income	7,518	—
Gain on sales of non-current assets	1,683	—
Gain on sales of securities	2,935	—
Gain on revision of retirement benefit plan	2,899	—
Extraordinary losses	—	10,450
Contingent loss	—	297
Extraordinary loss on natural disaster	—	10,153
Profit before income taxes	<u>92,499</u>	<u>82,840</u>
Income taxes - current	12,038	5,745
Income taxes - deferred	5,320	-3,515
Total income taxes	<u>17,359</u>	<u>2,230</u>
Profit	<u>75,140</u>	<u>80,610</u>
Profit attributable to non-controlling interests	<u>1,641</u>	<u>1,339</u>
Profit attributable to owners of parent	<u>73,499</u>	<u>79,270</u>

Consolidated Comprehensive Income Statements

	(Unit : million yen)	
	As of March 31, 2016	As of March 31, 2017
Profit	75,140	80,610
Other comprehensive income		
Valuation difference on available-for-sale securities	-865	585
Deferred gains or losses on hedges	-1,843	-158
Foreign currency translation adjustment	-2,106	-731
Remeasurements of defined benefit plans, net of tax	-19,173	1,807
Share of other comprehensive income of entities accounted for using equity method	-1,700	-75
Total other comprehensive income	-25,689	1,427
(Breakdown)	49,450	82,037
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	48,394	80,560
Comprehensive income attributable to non-controlling interests	1,056	1,477

(3) Consolidated Statements of Changes in Shareholders' Equity
Previous consolidated fiscal year (April 1, 2015 to March 31, 2016)

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	237,304	130,344	60,175	-666	427,157
Changes of items during period					
Changes in equity of parent from transaction of non controlling interest		24			24
Dividends of surplus					—
Profit attributable to owners of parent			73,499		73,499
Purchase of treasury shares				-18	-18
Disposal of treasury shares		—		—	—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	24	73,499	-17	73,506
Balance at end of current period	237,304	130,368	133,675	-684	500,663

(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	4,097	596	-18	-305	4,370	19,462	450,990
Changes of items during period							
Changes in equity of parent from transaction of non controlling interest							24
Dividends of surplus							—
Profit attributable to owners of parent							73,499
Purchase of treasury shares							-18
Disposal of treasury shares							—
Net changes of items other than shareholders' equity	-1,257	-1,852	-2,262	-19,732	-25,105	511	-24,593
Total changes of items during period	-1,257	-1,852	-2,262	-19,732	-25,105	511	48,912
Balance at end of current period	2,839	-1,255	-2,280	-20,037	-20,734	19,973	499,903

Current 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
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
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

(4) Consolidated Statements of Cash Flows

	(Unit: million yen)	
	As of March 31, 2016	As of March 31, 2017
Cash flows from operating activities		
Profit before income taxes	92,499	82,840
Depreciation	197,282	206,745
Decommissioning costs of nuclear power units	4,640	4,589
Amortization of special account related to nuclear power decommissioning	821	821
Amortization of nuclear fuel	5,778	8,596
Loss on retirement of non-current assets	6,833	7,261
Increase (decrease) in provision for reprocessing of irradiated nuclear fuel	-14,759	-6,388
Increase (decrease) in provision for other reprocessing of irradiated nuclear fuel	1,688	1,117
Increase (decrease) in net defined benefit liability	440	2,943
Increase (decrease) in reserve for fluctuation in water levels	5,934	943
Interest and dividend income	-6,082	-5,662
Interest expenses	39,317	36,008
Share of (profit) loss of entities accounted for using equity method	-6,052	-7,211
Gain on sales of noncurrent assets	-1,683	—
Gain on sales of securities	-2,935	—
Gain on revision of retirement benefit plan	-2,899	—
Contingent loss	—	297
Extraordinary loss on natural disaster	—	10,153
Decrease (increase) in reserve fund for reprocessing of irradiated nuclear fuel	11,975	15,409
Decrease (increase) in notes and accounts receivable - trade	8,209	-20,521
Decrease (increase) in inventories	21,606	-4,366
Increase (decrease) in notes and accounts payable - trade	-12,796	-27,701
Payments of accrued contributions for reprocessing of irradiated nuclear fuel	—	-36,123
Other, net	21,705	-35,279
Subtotal	371,525	234,472
Interest and dividend income received	8,075	8,711
Interest expenses paid	-40,107	-36,667
Payments for extraordinary loss on natural disaster	—	-8,820
Income taxes paid	-10,001	-9,679
Net cash provided by (used in) operating activities	329,491	188,016
Cash flows from investing activities		
Purchase of non-current assets	-318,495	-304,688
Proceeds from contribution received for construction	17,859	27,006
Payments of investment and loans receivable	-2,314	-5,542
Collection of investment and loans receivable	12,506	5,645
Other, net	2,121	2,531
Net cash provided by (used in) investing activities	-288,321	-275,047

(Unit: million yen)

	As of March 31, 2016	As of March 31, 2017
Cash flows from financing activities		
Proceeds from issuance of bonds	59,821	299,365
Redemption of bonds	-219,360	-130,000
Proceeds from long-term loans payable	200,167	161,130
Repayments of long-term loans payable	-161,299	-241,235
Net increase (decrease) in short-term loans payable	-1,538	210
Cash dividends paid	-76	-9,583
Other, net	-3,898	-1,507
Net cash provided by (used in) financing activities	-126,184	78,380
Effect of exchange rate change on cash and cash equivalents	-2,327	-1,276
Net increase (decrease) in cash and cash equivalents	-87,342	-9,926
Cash and cash equivalents at beginning of period	516,480	429,757
Increase in cash and cash equivalents from newly consolidated subsidiary	620	—
Cash and cash equivalents at end of period	429,757	419,831

(5) Notes on Consolidated Financial Statements

(Note on the premise of going concern)

N/A

(Segment information)

1. Segment information

(1) Overview of reporting segments

Our reporting 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 reporting segments, classified in consideration of the types of products and business activities Electricity, Energy-related, IT/Telecommunication, and Other businesses.

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

Reporting 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 reporting segment

Accounting method of Reporting segment is the same to the Preparation of consolidated financial statements. Reporting 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 reporting segment

Previous consolidated fiscal year (April 1, 2015 to March 31, 2016)

(Unit: million yen)

	Reportable segment					Adjusted amount*1	Consolidated financial statements*2
	Electricity	Energy-related	IT/Telecommunication	Other	Total		
Sales							
Sales to outside customers	1,688,328	64,196	69,348	13,819	1,835,692	-	1,835,692
Inter-segment sales	3,988	120,453	34,208	12,984	171,634	-171,634	-
Total	1,692,316	184,649	103,557	26,804	2,007,327	-171,634	1,835,692
Segment income (loss)	96,183	10,852	10,277	4,327	121,641	-1,384	120,256
Segment asset	4,155,999	419,465	186,791	142,522	4,904,778	-156,541	4,748,237
Other items							
Depreciation (including amortization of nuclear fuel)	172,806	8,433	20,051	4,473	205,764	-2,703	203,060
Increase in tangible fixed assets and intangible fixed assets	284,090	18,130	25,583	1,091	328,897	-5,039	323,858

*1 Adjusted amount of segment income (loss) of -¥1,384 million and adjusted amount of segment asset of -¥156,541 million are inter-segment elimination.

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

Current 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 (loss) is adjusted with operating loss within consolidated income statements.

2. Related information

Previous consolidated fiscal year (April 1, 2015 to March 31, 2016) and Current consolidated fiscal year (April 1, 2016 to March 31, 2017)

(1) Information by product and service

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

(2) Information by region

①Sales

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

②Property, 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 reporting segment

Previous consolidated fiscal year (April 1, 2015 to March 31, 2016) and Current consolidated fiscal year (April 1, 2016 to March 31, 2017)

Because this information lacks materiality, it is omitted.

4. Information relating to goodwill amortization and unamortized balance by reporting segment Previous consolidated fiscal year (April 1, 2015 to March 31, 2016) and Current consolidated fiscal year (April 1, 2016 to March 31, 2017)

Because this information lacks materiality, it is omitted.

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

Previous consolidated fiscal year (April 1, 2015 to March 31, 2016) and Current consolidated fiscal year (April 1, 2016 to March 31, 2017)

N/A

(Per share data)

	FY2015 (April 1, 2015- March 31, 2016)	FY2016 (April 1, 2016- March 31, 2017)
Shareholders' equity per share (BPS)	¥787.01	¥944.69
Net profit (loss) per share (EPS)	¥155.17	¥159.97
Net profit and fully diluted net profit per share	—	¥159.78

(Note) 1. Diluted EPS for the previous fiscal year is abbreviated as there are no dilutive securities.

2. Basic data for calculation of them is as below.

(1) Shareholders' equity per share

	FY2015 (As of March 31, 2016)	FY2016 (As of March 31, 2017)
Shareholders' equity total	¥499,903 million	¥574,577 million
Deductible from shareholders' equity (Paid in amount of the preferred shares)	¥127,127 million (¥100,000 million)	¥127,111 million (¥100,000 million)
(cumulative dividends payable for Preferred shares)	(¥7,153 million)	(¥3,500 million)
(Minority interest)	(¥19,973 million)	(¥23,611 million)
Shareholders' equity allocated to common stock outstanding	¥372,775 million	¥447,465 million
Number of common stock outstanding at the end of each fiscal year	473,661 thousand	473,661 thousand

(2) Net loss per share

	FY2015 (April 1, 2015- March 31, 2016)	FY2016 (April 1, 2016- March 31, 2017)
Net profit per share		
Profit (Loss) attributable to owners of parent	¥73,499 million	¥79,270 million
Amount not allocated to shareholders (Preferred dividends)	— (—)	3,500 million (3,500 million)
Profit (Loss) attributable to owners of parent allocated to common stock outstanding	¥73,499 million	¥75,770 million
Weighted average number of common stock outstanding during each fiscal year	473,666 thousand	473,662 thousand
Fully diluted net profit per share		
Adjustment of profit attributable to owners of parent	—	—
(Preferred dividends)	(—)	(—)
Increase in the number of common stocks (Convertible bond-type bonds with subscription)	— (—)	566 thousand (566 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