

July 29, 2016

**The 1st Quarter of the Fiscal Year Ending 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.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): August 5, 2016

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, 2016 to June 30, 2016)**

**(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, 2016 - June 30, 2016	429,860	-5.2	44,714	59.6	37,927	78.9
April 1, 2015 - June 30, 2015	453,563	2.0	28,017	—	21,197	—

(Note) Comprehensive income : FY2016 1Q 19,211 million yen (27.2%) FY2015 1Q 15,099 million yen (—%)

	Profit attributable to owners of parent		EPS	Fully-diluted EPS
	(Unit: million yen)	(%)	(Unit: yen)	(Unit: yen)
April 1, 2016 - June 30, 2016	21,607	14.9	43.77	
April 1, 2015 - June 30, 2015	18,807	—	39.71	

**(2) Consolidated Financial Position**

	Total assets	Net assets	Shareholders' equity ratio
	(Unit: million yen)	(Unit: million yen)	(%)
As of June 30, 2016	4,636,095	509,428	10.6
As of March 31, 2016	4,748,237	499,903	10.1

(Reference) Shareholders' equity : As of June 30, 2016 : 489,276 million yen As of March 31, 2016: 479,929 million yen

**2. Dividends**

	Annual dividends per share				
	1Q	2Q	3Q	Year-end	Total
	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)
FY2015		0.00		5.00	5.00
FY2016					
FY2016 (Forecast)					

(Note) Revision of the dividend forecast : No

Year-end dividend for FY2016 ending March 31, 2017 has yet to be decided.

Dividends mentioned the above is regarding common shares. See 'Dividends for preferred shares' regarding dividends for preferred shares which differ in shareholders' right from common shares.

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

(% shows the changes from the same financial periods of the previous 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)
2Q	905,000	-2.8	—	—	—	—	—	—	—
Full-year	1,810,000	-1.4	—	—	—	—	—	—	—

(Note) Revision of financial results forecasts : Yes

Operating income, Ordinary income and Profit attributable to owners of parent are currently not able to be estimated because we are now in the process of considering measures for improving income to offset effect of the 2016 Kumamoto Earthquake, and it is difficult to calculate fuel costs rationally under uncertain prospects for the restart of Genkai nuclear power station.

We will make every effort for efficiency to achieve making profits while ensuring safety, compliance, and stable supply.

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

(See page 4 "(2)Explanation regarding forecasts for the consolidated operating performance and dividends")

**Note**

**(1) Changes in significant subsidiaries : No**

**(changes in scope of consolidated subsidiaries)**

**Newly added: 0 Excluded: 0**

**(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**

**Changes in accounting principles in line with revised accounting standards : No**

**Changes in accounting principles other than : No**

**Changes in accounting estimates : No**

**Restatement : No**

**(4) Number of common stocks issued and outstanding**

**Total stocks including treasury stocks FY2016 1Q: 474,183,951 shares FY2015: 474,183,951 shares**

**Treasury stocks FY2016 1Q: 525,047 shares FY2015: 523,345 shares**

**Average number of shares during the period FY2016 1Q: 473,641,278 shares FY2015 1Q: 473,670,875 shares**

**\*Notes on implementation status of quarterly review procedure**

This financial results overview is not the object of quarterly review procedure based on Financial Instruments and Exchange Act, and at the time of this disclosure, quarterly review procedure of quarterly consolidated financial reports based on Financial Instruments and Exchange Act is under implementation.

**\*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 for 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		0.00		7,153,763.00	7,153,763.00
FY2016					
FY2016 (Forecast)					

(Note1) Revision of the dividend forecast : No

Year-end dividend for FY2016 ending March 31, 2017 has yet to be decided.

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

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

	Sales		Operating income		Ordinary income		Profit		EPS
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: yen)
2Q	845,000	-2.9	—	—	—	—	—	—	—
Full-year	1,680,000	-1.5	—	—	—	—	—	—	—

(Note) Revision of financial results forecasts : Yes

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## 1. Qualitative Information regarding Quarterly Financial Results

### (1) Explanation regarding business performance

The Japanese economy during April to June, 2016 has been seem recovering gently judging from increases in capital investment and so on, although production, export and others were a weak move. The economy in Kyushu has been weak mainly in tourism due to the 2016 Kumamoto Earthquake, but progress of restoring production facilities, damaged by the disaster, is making it recover mainly in production and so on.

The earnings for the first quarter of FY2016 was in the black due to group-wide cost reduction efforts, and a decrease of fuel costs caused by restarting units 1 and 2 of Sendai nuclear power station and decline of fuel prices, while extraordinary losses, associated with the 2016 Kumamoto Earthquake, are recorded. In addition to decreases of costs, delaying reflection of electricity rate decrease to the next quarter in fuel cost adjustment system, on the revenue side, also contributed to make profits.

#### Revenue and Expenditure

Consolidated sales (operating revenues) decreased by 5.2% to ¥429.8 billion compared with the 1Q of FY2015 and the ordinary revenues decreased by 5.3% to ¥433.3 billion as lighting and power revenue decreased mainly due to a decrease in charge unit price with the effect of fuel cost adjustment system and in electricity sales volume, while grant based on the Act on Purchase of Renewable Energy Sourced Electricity, on the revenue side, increased.

On the expenditure side, ordinary expenses decreased by 9.4% to ¥395.4 billion compared with the 1Q of FY2015 due to group-wide cost reduction efforts, and a decrease of fuel cost caused by restarting units 1 and 2 of Sendai nuclear power station and decline of fuel prices, while power purchase from renewable energy increased.

As a result, the ordinary income increased by 78.9% to ¥37.9 billion.

Profit attributable to owners of parent increased by 14.9% to ¥21.6 billion mainly because restoring costs of facilities, damaged by the 2016 Kumamoto Earthquake, were recorded as extraordinary losses.

The Kyushu Electric Power Group is still on the way to a full-scale recovery in earnings due to the ongoing shutdown of Units 1 and 2 of Genkai nuclear power station under the review on conformity to new regulatory requirements. We will make every group-wide effort to achieve thorough efficiency while ensuring safety, compliance, and stable supply, and also promote initiatives for early restarting Genkai nuclear power station.

### Sales and Supply Overview

Lighting demand decrease by 1.0% compared with the 1Q of FY2015 due to different meter-reading period. Power demand decreased by 4.8% compared with the 1Q of FY2015 due to a decrease of production in some factories. As a result, total electricity sales volume decreased by 3.5% to 18.14 billion kWh.

### Electricity Sales Volume

(Unit: million kWh, %)

	FY2016 1Q (A)	FY2015 1Q (B)	Difference (A-B)	Change (A/B)
Lighting	6,267	6,330	-63	99.0
Power	11,870	12,472	-603	95.2
Total	18,137	18,802	-665	96.5

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

On the supply side, our own facilities' generation decreased due to the restart of units 1 and 2 of Sendai nuclear power station in addition to a decrease of electric sales volume, and an increase of purchase from new energy.

### Generated and Received Electricity

(Unit: million kWh, %)

		FY2016 1Q (A)	FY2015 1Q (B)	Difference (A-B)	Change (A/B)
Own facilities	Hydro (Water flow rate)	1,442 (123.1)	1,267 (112.0)	175 (11.1)	113.8
	Thermal	8,720	11,790	-3,070	74.0
	Nuclear (Utilization rate)	3,908 (39.9)	-58 (-)	3,966 (39.9)	-
	New Energy	254	296	-42	85.8
	Subtotal	14,324	13,295	1,029	107.7
Interchange / Purchase from other companies (New Energy [included above])		4,942 (2,317)	6,214 (1,902)	-1,272 (415)	79.5 (121.8)
For pumping		-377	-101	-276	373.9
Total		18,889	19,408	-519	97.3

(Note1) The figures of own facilities' generation have changed from generation-end to transmission-end on this fiscal year.

Along with that, the figures of 'FY2015 1Q' are different from last year's one.

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

(2) Explanation regarding forecasts for the consolidated operating performance and dividends

Forecasts for Consolidated operating performance

Sales of FY2016 will be around ¥905.0 billion in the first half and around ¥1,810.0 billion in the full year, which are below the previous forecasts on April 2016, because lighting and power revenue will decrease due to a decrease of electricity sales volume and grant based on the Act on Purchase of Renewable Energy Sourced Electricity will also decrease.

Income forecasts are currently not able to be estimated because we are now in the process of considering measures for improving income to offset effect of the 2016 Kumamoto Earthquake, and it is difficult to calculate fuel costs rationally under uncertain prospects for the restart of Genkai nuclear power station. We will make every effort for efficiency to achieve making profits while ensuring safety, compliance, and stable supply.

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

Forecasts for the Second Quarter of FY2016 Financial Results

[ Consolidated ]

	The Revised Forecasts	The Previous Forecasts	Deference from The Previous Forecasts		FY2015 2Q (Actual)
			Changes in Amount	Rate of Changes	
Sales (100 million yen, %)	9,050	9,200	-150	-1.6	9,313
Operating income (100 million yen, %)	-	-	-	-	805
Ordinary income (100 million yen, %)	-	-	-	-	655
Profit attributable to owners of parent (100 million yen, %)	-	-	-	-	535
EPS (yen)	-	-			113.09

[ Non-consolidated ]

	The Revised Forecasts	The Previous Forecasts	Deference from the Previous Forecasts		FY2015 2Q (Actual)
			Changes in Amount	Rate of Changes	
Sales (100 million yen, %)	8,450	8,600	-150	-1.7	8,703
Operating income (100 million yen, %)	-	-	-	-	714
Ordinary income (100 million yen, %)	-	-	-	-	652
Net income (100 million yen, %)	-	-	-	-	565
EPS (yen)	-	-			119.41

Forecasts for full-year of FY2016 Financial Results

[ Consolidated ]

		The Revised Forecasts	The Previous Forecasts	Deference from The Previous Forecasts		FY2016 Full-year (Actual)
				Changes in Amount	Rate of Changes	
Sales	(100 million yen, %)	18,100	18,300	-200	-1.1	18,356
Operating income	(100 million yen, %)	-	-	-	-	1,202
Ordinary income	(100 million yen, %)	-	-	-	-	909
Profit attributable to owners of parent	(100 million yen, %)	-	-	-	-	734
EPS	(yen)	-	-			155.17

[ Non-consolidated ]

		The Revised Forecasts	The Previous Forecasts	Deference from the Previous Forecasts		FY2016 Full-year (Actual)
				Changes in Amount	Rate of Changes	
Sales	(100 million yen, %)	16,800	17,000	-200	-1.2	17,054
Operating income	(100 million yen, %)	-	-	-	-	978
Ordinary income	(100 million yen, %)	-	-	-	-	743
Net income	(100 million yen, %)	-	-	-	-	653
EPS	(yen)	-	-			137.83

Sensitivity factors

	2 Q		Full-year	
	The Revised Forecasts	The Previous Forecasts	The Revised Forecasts	The Previous Forecasts
Electricity sales volume	39.1 billion kWh	39.5 billion kWh	79.0 billion kWh	79.4 billion kWh
Crude oil (CIF) price	46 \$/b	40 \$/b	48 \$/b	40 \$/b
Exchange rate	107 ¥/\$	115 ¥/\$	106 ¥/\$	115 ¥/\$

Dividends Forecasts

Year-end dividend for FY2016 ending March 31, 2017 has yet to be decided. We will promptly inform you of our forecasts when it is possible for us to make them.

## 2. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

	(Unit: million yen)	
	As of March 31, 2016	As of June 30, 2016
Assets		
Non-current assets	4,019,437	4,011,037
Electric utility plant and equipment	2,319,959	2,372,498
Hydroelectric power production facilities	274,879	271,472
Thermal power production facilities	154,958	214,550
Nuclear power production facilities	261,036	252,058
Internal combustion engine power production facilities	17,496	16,858
Renewable power production facilities	13,606	13,723
Transmission facilities	641,128	641,271
Transformation facilities	219,456	224,621
Distribution facilities	616,508	616,258
General facilities	115,107	115,901
Other electric utility plant and equipment	5,782	5,782
Other non-current assets	336,714	331,544
Construction in progress	438,058	393,434
Construction and retirement in progress	417,187	372,769
Special account related to nuclear power decommissioning	20,870	20,665
Nuclear fuel	283,227	280,236
Loaded nuclear fuel	69,932	67,239
Nuclear fuel in processing	213,295	212,997
Investments and other assets	641,477	633,323
Long-term investments	112,146	114,115
Reserve fund for reprocessing of irradiated nuclear fuel	270,095	262,519
Net defined benefit asset	9,403	10,082
Deferred tax assets	136,691	135,176
Other	114,505	112,771
Allowance for doubtful accounts	-1,364	-1,341
Current assets	728,799	625,058
Cash and deposits	420,340	274,558
Notes and accounts receivable - trade	171,148	200,655
Inventories	59,827	64,197
Deferred tax assets	29,425	27,841
Other	48,870	58,762
Allowance for doubtful accounts	-813	-956
Total assets	4,748,237	4,636,095

Kyushu Electric Power Co., Inc. (9508)  
Financial Results Overview for FY2016 1Q

	(Unit: million yen)	
	As of March 31, 2016	As of June 30, 2016
<b>Liabilities</b>		
Non-current liabilities	3,408,330	3,354,010
Bonds payable	994,286	994,290
Long-term loans payable	1,741,967	1,690,284
Provision for reprocessing of irradiated nuclear fuel	279,585	275,944
Provision for preparation of reprocessing of irradiated nuclear fuel	30,009	30,640
Reserve for restoration costs of natural disaster	-	676
Net defined benefit liability	101,961	101,508
Asset retirement obligations	213,006	213,948
Deferred tax liabilities	95	92
Other	47,417	46,624
Current liabilities	832,376	764,519
Current portion of non-current liabilities	378,586	383,543
Short-term loans payable	116,912	117,544
Notes and accounts payable - trade	86,662	59,784
Accrued taxes	29,527	14,538
Reserve for restoration costs of natural disaster	-	7,151
Deferred tax liabilities	61	61
Other	220,626	181,895
Reserves under special laws	7,627	8,137
Reserve for fluctuation in water levels	7,627	8,137
<b>Total liabilities</b>	<b>4,248,333</b>	<b>4,126,667</b>
<b>Net assets</b>		
Shareholders' equity	500,663	512,747
Capital stock	237,304	237,304
Capital surplus	130,368	120,845
Retained earnings	133,675	155,282
Treasury shares	-684	-685
Accumulated other comprehensive income	-20,734	-23,471
Valuation difference on available-for-sale securities	2,839	2,365
Deferred gains or losses on hedges	-1,255	-3,199
Foreign currency translation adjustment	-2,280	-2,901
Remeasurements of defined benefit plans	-20,037	-19,736
Non-controlling interests	19,973	20,152
<b>Total net assets</b>	<b>499,903</b>	<b>509,428</b>
<b>Total liabilities and net assets</b>	<b>4,748,237</b>	<b>4,636,095</b>

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

	(Unit:million yen)	
	April 1, 2015 - June 30, 2015	April 1, 2016 - June 30, 2016
Operating revenue	453,563	429,860
Electric utility operating revenue	418,877	395,918
Other business operating revenue	34,685	33,941
Operating expenses	425,546	385,146
Electric utility operating expenses	395,750	354,707
Other business operating expenses	29,795	30,438
Operating income	28,017	44,714
Non-operating income	3,924	3,486
Interest income	1,048	922
Share of profit of entities accounted for using equity method	706	986
Other	2,169	1,577
Non-operating expenses	10,744	10,273
Interest expenses	10,081	9,325
Other	662	947
Total ordinary revenue	457,487	433,346
Total ordinary expenses	436,290	395,419
Ordinary income	21,197	37,927
Provision or reversal of reserve for fluctuation in water levels	981	510
Provision of reserve for fluctuation in water levels	981	510
Extraordinary income	2,935	-
Gain on sales of securities	2,935	-
Extraordinary losses	-	10,018
Contingent loss	-	228
Extraordinary loss on natural disaster	-	9,790
Profit before income taxes	23,151	27,397
Income taxes - current	2,617	2,468
Income taxes - deferred	1,309	2,996
Total income taxes	3,927	5,465
Profit	19,224	21,932
Profit attributable to non-controlling interests	416	324
Profit attributable to owners of parent	18,807	21,607

(Quarterly Consolidated Comprehensive Income Statements)

	(Unit: million yen)	
	April 1, 2015 - June 30, 2015	April 1, 2016 - June 30, 2016
Profit	19,224	21,932
Other comprehensive income		
Valuation difference on available-for-sale securities	-303	-309
Deferred gains or losses on hedges	-2,017	-1,831
Foreign currency translation adjustment	-1,600	518
Remeasurements of defined benefit plans, net of tax	-695	342
Share of other comprehensive income of entities accounted for using equity method	491	-1,440
Total other comprehensive income	-4,124	-2,720
Comprehensive income	15,099	19,211
(Breakdown)		
Comprehensive income attributable to owners of parent	14,694	18,870
Comprehensive income attributable to non-controlling interests	404	341

(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

(Additional information)

A consolidated tax payment system is adopted from the first quarter of this fiscal year.

### 3. Supplementary Information

#### (1) Income and Expenditure (Non-consolidated)

(Unit: 100 million yen, %)

		FY2016 1Q (A)	FY2015 1Q (B)	Difference (A-B)	Change (A/B)	Composition Ratio	
						FY2016 1Q	FY2015 1Q
Ordinary Revenues	Lighting	1,315	1,436	-120	91.6	32.5	32.9
	Power	1,816	2,105	-289	86.3	44.9	48.3
	(Subtotal)	(3,131)	(3,542)	(-410)	(88.4)	(77.4)	(81.2)
	Other	913	820	93	111.4	22.6	18.8
	[Sales]	[3,993]	[4,233]	[-240]	[94.3]	[98.7]	[97.1]
	Total	4,045	4,362	-316	92.7	100.0	100.0
Ordinary Expenses	Labor	330	312	17	105.6	9.0	7.6
	Fuel	468	1,086	-617	43.2	12.8	26.5
	Power purchase	1,054	1,084	-30	97.2	28.7	26.4
	Maintenance	317	271	46	117.0	8.6	6.6
	Depreciation	439	398	41	110.4	12.0	9.7
	Interest	87	95	-8	90.9	2.4	2.3
	Tax & public dues	196	202	-6	96.8	5.3	4.9
	Nuclear back-end	64	39	24	162.2	1.7	1.0
	Other	716	614	102	116.6	19.5	15.0
		Total	3,675	4,106	-431	89.5	100.0
	[Operating Income(Loss)]	[411]	[277]	[183]	[180.7]		
	Ordinary Income(Loss)	370	255	114	144.6		
	Reserve for fluctuation in water levels	5	9	-4	52.0		
	Extraordinary Gain	-	24	-24	-		
		97	-	97	-		
	Income before income taxes	267	270	-3	98.8		
	Income taxes	45	22	22	201.5		
	Net Income	222	248	-25	89.5		

(Note) Nuclear back-end expenses include the costs below:  
 -Costs for reprocessing of irradiated nuclear fuel  
 -Costs for preparation of reprocessing of irradiated nuclear fuel  
 -Costs for disposal of transuranic waste  
 -Costs for decommissioning nuclear power plants

(Reference)

	FY2016 1Q [A]	FY2015 1Q [B]	Difference [A-B]
Crude oil (CIF) price	41 \$/b	60 \$/b	-19 \$/b
Exchange rate	108 ¥/\$	121 ¥/\$	-13 ¥/\$

(2) Information regarding consolidated financial condition

(Unit: 100 million yen)

	June 30, 2016 [A]	March 31, 2016 [B]	Difference [A-B]
Interest-bearing Debt	31,784	32,248	-464

(Unit: 100 million yen)

	April 1 – June 30, 2016	April 1 – June 30, 2015
Depreciation	513	471
Amortization of nuclear fuel	26	-