July 31, 2024

The 1st Quarter of the Fiscal Year Ending March 31, 2025 Financial Results Overview [Japan GAAP] (Consolidated)

Kyushu Electric Power Co., Inc.

Stock code: 9508 URL: https://www.kyuden.co.jp/english_index.html Stock listed on: Tokyo SE, Fukuoka SE

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

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Date to start dividend payments: —

Preparation of supplementary materials for financial results: Yes

Information meeting for financial results: No

(Rounded down to the nearest million yen)

1. Consolidated Financial Results for the Three Months (April 1, 2024 to June 30, 2024)

(1) Consolidated Operational Results

(% shows the changes from the same quarter period of the previous FY)

	Sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)
April 1, 2024 - June 30, 2024	501,180	0.9	49,844	-50.3	51,114	-49.2	36,641	-48.7
April 1, 2023 - June 30, 2023	496,524	13.7	100,218	—	100,688	—	71,457	—

(Note) Comprehensive income : FY2024 1Q 50,554 million yen (-35.6%) FY2023 1Q 78,461 million yen (—%)

	EPS	Fully-diluted EPS
	(Unit: yen)	(Unit: yen)
April 1, 2024 - June 30, 2024	74.42	—
April 1, 2023 - June 30, 2023	150.02	—

(Note) Fully-diluted EPS for FY2024 1Q and FY2023 1Q are not indicated because there are no delutive potential shares

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	(Unit: million yen)	(Unit: million yen)	(%)
As of June 30, 2024	5,664,586	955,551	16.3
As of March 31, 2024	5,727,240	921,043	15.5

(Reference) Shareholders' equity: As of June 30, 2024 924,981 million yen As of March 31, 2024 890,529 million yen

2. Dividends

	Annual dividends per share				
	1Q	2Q	3Q	Year-end	Total
	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)
FY2023 ended March 31, 2024	—	0.00	—	25.00	25.00
FY2024 ended March 31, 2025	—				
FY2024 ending March 31, 2025(forecast)		25.00	—	25.00	50.00

(Note) Revision of the dividend forecast : No

Dividends mentioned the above are regarding common shares. See 'Dividends for Class Shares' regarding dividends for class shares which differ in shareholders' right from common shares.

3. Forecast of Financial result for FY2024 (April 1, 2024 to March 31, 2025)

	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	2,200,000	2.8	130,000	-49.0	110,000	-53.8	80,000	-51.9	156.91

(Note) Revision of the consolidated financial results forecast : No

※ Note

(1)Significant changes in scope of consolidation : No

Newly added:- Excluded:-

(2) Adoption of methods specific in preparing quarterly consolidated financial statements in accounting practice : No

(3) Changes in accounting principles, changes in accounting estimates, restatement

① Changes in accounting principles in line with revised accounting standards : No
② Changes in accounting principles other than ① : Yes
③ Changes in accounting estimates : No
④ Restatement : No

(4) Number of common stocks issued and outstanding

① Total stocks including treasury stocks at the end of period

FY2024 1Q	474,183,951 shares	FY2023	474,183,951 shares

② Treasury stocks at the end of period

FY2024 1Q	1,310,442 shares	FY2023	1,307,901 shares

③ Average number of stocks during the period

FY2024 1Q	472,874,243 shares	FY2023 1Q	472,766,566 shares

(Note) The number of our shares regarding "Board Benefit Trust (BBT)" held by the Trust was included in the number of treasury stocks at the end of period (723,000 shares as of FY2024 1Q and 723,000 shares as of FY2023) . In addition, the number of our shares held by the Trust was included in the number of treasury stocks, which was to be deducated from the calculation of the average number of stocks during the period. (723,000 shares for FY2024 1Q and 842,000 shares for FY2023 1Q)

*Review of the accompanying quarterly consolidated financial statements by a certified public accountant or auditing firm : No

*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 B preferred shares	Annual dividends per share				
	1Q	2Q	3Q	Year-end	Total
	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)
FY2023 ended March 31, 2024	—	0.00	—	1,933,333.00	1,933,333.00
FY2024 ended March 31, 2025	—				
FY2024 ending March 31, 2025(forecast)		1,450,000.00	—	1,450,000.00	2,900,000.00

(Note) Revision of the dividend forecast : No

○ **Table of Contents of Attached Material**

1. Summary of Business Results ・・・

1. Summary of Business Results

This information is included in the “Financial Results for FY2024 1Q” disclosed on the Company's website today.

URL：https://www.kyuden.co.jp/english_ir_library_index.html

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(Unit: million yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Non-current assets	4,799,251	4,831,024
Electric utility plant and equipment	3,055,350	3,027,576
Hydroelectric power production facilities	270,935	269,750
Thermal power production facilities	203,932	200,075
Nuclear power production facilities	758,883	730,145
Internal combustion engine power production facilities	25,657	25,481
Renewable power production and related facilities	42,260	42,057
Transmission facilities	682,793	682,522
Transformation facilities	243,593	244,435
Distribution facilities	669,537	669,395
General facilities	147,833	153,815
Other electric utility plant and equipment	9,923	9,896
Other non-current assets	387,658	386,034
Construction in progress	456,893	487,988
Construction and retirement in progress	291,509	313,965
Special account related to nuclear power decommissioning	30,537	31,908
Special account related to reprocessing of spent nuclear fuel	134,846	142,114
Nuclear fuel	233,961	232,074
Loaded nuclear fuel	45,277	47,610
Nuclear fuel in processing	188,683	184,464
Investments and other assets	665,386	697,351
Long-term investments	259,435	273,934
Retirement benefit asset	19,991	20,463
Deferred tax assets	148,191	136,192
Other	238,903	267,955
Allowance for doubtful accounts	-1,134	-1,194
Current assets	927,988	833,561
Cash and deposits	392,761	228,938
Notes and accounts receivable - trade, and contract assets	182,421	206,585
Inventories	130,018	125,381
Other	225,339	275,266
Allowance for doubtful accounts	-2,552	-2,611
Total assets	5,727,240	5,664,586

(Unit: million yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Non-current liabilities	3,684,914	3,719,116
Bonds payable	1,405,000	1,465,000
Long-term borrowings	1,819,197	1,819,807
Contribution payable for nuclear reactor decommissioning	—	264,742
Retirement benefit liability	60,154	58,408
Asset retirement obligations	300,002	9,177
Deferred tax liabilities	16,675	18,445
Other	83,883	83,534
Current liabilities	1,119,049	987,136
Current portion of non-current liabilities	426,273	399,351
Short-term borrowings	123,410	124,810
Commercial papers	—	35,000
Notes and accounts payable - trade	127,846	132,829
Accrued taxes	63,496	16,728
Other	378,021	278,415
Reserves under special laws	2,232	2,781
Reserve for water shortage	2,232	2,781
Total liabilities	4,806,196	4,709,034
Net assets		
Shareholders' equity	827,098	848,021
Share capital	237,304	237,304
Capital surplus	193,520	193,520
Retained earnings	397,802	418,729
Treasury shares	-1,529	-1,533
Accumulated other comprehensive income	63,431	76,960
Valuation difference on available-for-sale securities	10,052	10,931
Deferred gains or losses on hedges	24,781	31,849
Foreign currency translation adjustment	13,325	19,602
Remeasurements of defined benefit plans	15,271	14,577
Non-controlling interests	30,513	30,569
Total net assets	921,043	955,551
Total liabilities and net assets	5,727,240	5,664,586

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

(Quarterly Consolidated Income Statements)

(Unit: million yen)

	April 1,2023- June 30, 2023	April 1,2024- June 30, 2024
Operating revenue	496,524	501,180
Electric utility operating revenue	442,525	444,316
Other business operating revenue	53,998	56,863
Operating expenses	396,305	451,335
Electric utility operating expenses	346,607	399,004
Other business operating expenses	49,698	52,330
Operating profit	100,218	49,844
Non-operating income	8,557	10,566
Dividend income	249	266
Interest income	557	844
Foreign exchange gains	2,265	3,140
Share of profit of entities accounted for using equity method	3,719	4,263
Other	1,766	2,050
Non-operating expenses	8,087	9,296
Interest expenses	6,881	7,119
Other	1,205	2,177
Total ordinary revenue	505,082	511,746
Total ordinary expenses	404,393	460,632
Ordinary profit	100,688	51,114
Provision or reversal of reserve for water shortage	211	548
Provision of reserve for water shortage	211	548
Profit before income taxes	100,477	50,565
Income taxes - current	11,884	1,330
Income taxes - deferred	16,915	12,333
Total income taxes	28,799	13,664
Profit	71,678	36,900
Profit attributable to non-controlling interests	220	259
Profit attributable to owners of parent	71,457	36,641

(Quarterly Consolidated Comprehensive Income Statements)

（Unit：million yen）

	April 1,2023- June 30, 2023	April 1,2024- June 30, 2024
Profit	71,678	36,900
Other comprehensive income		
Valuation difference on available-for-sale securities	1,241	957
Deferred gains or losses on hedges	3,603	4,034
Foreign currency translation adjustment	412	5,307
Remeasurements of defined benefit plans, net of tax	550	-689
Share of other comprehensive income of entities accounted for using equity method	975	4,043
Total other comprehensive income	6,783	13,653
Comprehensive income	78,461	50,554
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	78,195	50,170
Comprehensive income attributable to non-controlling interests	266	383

(3) Notes on Quarterly Consolidated Financial Statements

(Change in accounting policy)

Due to the transfer of our geothermal business to our consolidated subsidiary, Kyuden Mirai Energy Co., Ltd., on April 1, 2024, Kyuden Mirai Energy Co., Ltd. has adopted the “Electric Utility Accounting Regulations” from the start of the current consolidated first quarter. Regarding the accounting treatment of lighting and power charges, the method of recording the charges calculated based on the usage measured by monthly meter readings as sales (operating revenue) for the month (hereinafter referred to as the “meter reading date basis”) has been adopted, and the account titles are displayed in accordance with the “Electric Utility Accounting Regulations”.

To reflect this change in accounting policy, the ¥23,860 million that was included in “Other non-current assets” under “Non-current assets” in the consolidated balance sheet of the previous consolidated fiscal year has been reclassified as “Electric utility plant and equipment.” Additionally, in the consolidated statement of income for the first quarter of the previous consolidated fiscal year, the ¥14,409 million that was included in “Other business operating revenue” under “Operating revenue” has been reclassified as “Electric utility operating revenue” and the ¥10,803 million that was included in “Other business operating expenses” under “Operating expenses” has been reclassified as “Electric utility operating expenses”. The impact of the change to the meter reading date basis is minimal.

(Notes to Segment Information)

I Previous quarterly consolidated fiscal year (April 1, 2023 to June 30, 2023)

Information regarding sales and profits by Reportable segment

(Unit: millions of Yen)

	Reportable segment							Other*1	Total	Reconciliation*2	Quarterly consolidated financial statements*3
	Energy services				ICT services businesses	Urban Development Businesses	Total				
	Japanese electric power		Overseas Businesses	Other energy services businesses							
	Power and Retail businesses	Transmission and Distribution businesses									
Sales											
Revenue from contracts with customers	340,829	39,629	229	28,194	19,959	1,057	429,899	1,015	430,914	—	430,914
Other revenue*4	53,567	8,496	848	352	299	2,045	65,609	—	65,609	—	65,609
Sales to outside customers	394,396	48,125	1,077	28,547	20,258	3,102	495,509	1,015	496,524	–	496,524
Inter-segment sales	33,777	104,394	–	32,750	7,742	2,452	181,116	1,184	182,301	-182,301	–
Total	428,174	152,519	1,077	61,297	28,000	5,555	676,626	2,200	678,826	-182,301	496,524
Segment income	78,184	12,866	2,612	5,272	445	1,332	100,713	115	100,829	-140	100,688

*1 The "Other" segment is a business segment that is not included in the reportable segments and includes the fee-based nursing home business, outsourcing office work business and temporary staffing business.

*2 Reconciliation of Segment income (¥-140 million) is intersegment transaction eliminations.

*3 Segment income is adjusted to reflect ordinary income in the quarterly consolidated statements of incomes.

*4 In the ‘Other Revenues’ of the ‘Power and Retail businesses’, ‘Transmission and Distribution businesses’, ‘Other energy services businesses’, and ‘ICT services businesses’, subsidies received from ‘the national government based on their measures to mitigate sharp fluctuations in electricity and gas rates’, a measure based on the ‘the Comprehensive Economic Measures for Overcoming Price Increases and Revitalizing the Economy’, are included, amounting to ¥53,409 million, ¥1,500 million, ¥329 million, and ¥29 million respectively.

Ⅱ Current quarterly consolidated fiscal year (April 1, 2024 to June 30, 2024)

Information regarding sales and profits by Reportable segment

(Unit: millions of Yen)

	Reportable segment							Other*1	Total	Reconciliation*2	Quarterly consolidated financial statements*3
	Energy services										
	Japanese electric power				ICT services businesses	Urban Development Businesses	Total				
	Power and Retail businesses	Transmission and Distribution businesses	Overseas Businesses	Other energy services businesses							
Sales											
Revenue from contracts with customers	372,328	43,746	223	30,116	21,532	1,068	469,016	1,008	470,024	—	470,024
Other revenue*4	23,410	4,821	658	180	240	1,843	31,155	—	31,155	—	31,155
Sales to outside customers	395,739	48,568	882	30,296	21,772	2,912	500,171	1,008	501,180	–	501,180
Inter-segment sales	36,223	107,091	–	33,944	6,441	2,764	186,465	1,377	187,843	-187,843	–
Total	431,963	155,660	882	64,241	28,214	5,676	686,637	2,385	689,023	-187,843	501,180
Segment income	34,852	6,026	1,880	6,819	734	900	51,214	111	51,326	-211	51,114

*1 The "Other" segment is a business segment that is not included in the reportable segments and includes the fee-based nursing home business, outsourcing office work business and temporary staffing business

*2 Reconciliation of Segment income (¥-211 million) is intersegment transaction eliminations.

*3 Segment income is adjusted to reflect ordinary income in the quarterly consolidated statements of incomes.

*4 In the ‘Other Revenues’ of the ‘Power and Retail businesses’, ‘Transmission and Distribution businesses’, ‘Other energy services businesses’, and ‘ICT services businesses’, subsidies received from ‘the national government based on their measures to mitigate sharp fluctuations in electricity and gas rates’, a measure based on the ‘Comprehensive Economic Measures to End Deflation Completely’ are included, amounting to ¥23,319 million, ¥459 million, ¥129 million, and ¥13 million respectively.

(Notes in case of drastic changes in the amount of equity)

N/A

(Note on the premise of going concern)

N/A

(Notes to Statements of Cash Flows)

The consolidated cash flow statement for the first quarter of the fiscal year has not been prepared. Depreciation (including amortization related to intangible assets excluding goodwill) and Amortization of nuclear fuel impairment for the first quarter are as follows.

	Previous quarterly consolidated fiscal year (April 1, 2023 to June 30, 2023)	Current quarterly consolidated fiscal year (April 1, 2024 to June 30, 2024)
Depreciation	¥54,922 million	¥54,764 million
Amortization of nuclear fuel	¥6,315 million	¥5,898 million

(Additional Information)

(The revision of the Electric Utility Accounting Regulations due to the enforcement of "Act for Partial Revision of the Electricity Business Act and Other Acts for Establishing Electricity Supply Systems for Realizing a Decarbonized Society"

On April 1, 2024, the "Act for Partial Revision of the Electricity Business Act and Other Acts for Establishing Electricity Supply Systems for Realizing a Decarbonized Society" (Act No. 44 of 2023, hereinafter referred to as the "Revised Act") and the "Ordinance for the Arrangement of Related Ministerial Ordinances, etc. due to the Enforcement of the Act for Partial Revision of the Electricity Business Act and Other Acts for Establishing Electricity Supply Systems for Realizing a Decarbonized Society" (Ordinance No. 21 of the Ministry of Economy, Trade and Industry of 2024, hereinafter referred to as the "Revised Ordinance") were enforced. As a result, the "Ordinance on the Reserve Fund for the Reserve for Decommissioning of Nuclear Power Generation Facilities" (Ordinance No. 30 of the Ministry of International Trade and Industry of 1989, hereinafter referred to as the "Decommissioning Ordinance") was abolished, and the Electric Utility Accounting Regulations were revised.

The costs necessary for the decommissioning of commercial nuclear power reactors were traditionally recorded as Asset Retirement Obligations. For assets corresponding to these obligations, the "Guidance on Accounting Standard for Asset Retirement Obligations" (Implementation Guidance No. 21, March 25, 2011) Section 8 was applied. Based on Decommissioning Ordinance, the total estimated cost of decommissioning nuclear power generation facilities was calculated annually using the formula specified in the Guidelines for Handling Reserve Funds for the Decommissioning of Nuclear Power Generation Facilities (a method for estimating costs based on the types and quantities of waste generated by decommissioning). This amount was then recorded using the straight-line method over the expected operational period of the power generation facilities. However, from the enforcement date of the Revised Ordinance, the decommissioning contributions stipulated in Article 11, Paragraph 2 of the "Act on the Implementation of Reprocessing of Spent Fuel and Promotion of Decommissioning in Nuclear Power Generation" as amended by Article 3 of the Revised Act will be recorded as electricity business operating expenses.

Nuclear operators have traditionally been responsible for securing funds for the decommissioning of their own commercial power reactors. Under the Revised Act, they will fulfill their cost burden responsibility by paying decommissioning contributions to the Nuclear Reprocessing Organization of Japan (hereinafter referred to as the "Organization") annually. The Organization will then bear the economic responsibility for securing, managing, and disbursing the funds necessary for decommissioning.

As a result, during the first quarter of the current consolidated accounting period, Asset retirement obligation-related assets of ¥18,995 million and Asset retirement obligations of ¥291,011 million have been reversed. In accordance with Article 10, Paragraph 1 of the Supplementary Provisions of the Revised Act, the amount of ¥274,782 million that must be paid to the Organization for the costs of decommissioning promotion operations has been recorded as Contribution payable for nuclear reactor decommissioning in accordance with Article 7 of the Supplementary Provisions of the Revised Ordinance. This has no impact on profit and loss. Of this amount, ¥10,039 million has been reclassified as Current portion of non-current liabilities. Additionally, ¥2,765 million has been recorded in Special account related to nuclear power decommissioning account in accordance with Article 8 of the Supplementary Provisions of the Revised Ordinance.