

Kyushu Electric Power will always endeavor to properly deliver electric power and energy to its customers. By providing services that improve society and enhance quality of life, we contribute to building a comfortable, environmentally friendly and sustainable society.

Electric Power Business

Our mission and prime social responsibility in the electric power business is to provide safe, dependable and efficient supplies of electricity to our customers. To this end, we accommodate trends in electricity demand through efficient use of our facilities, while taking steps to reduce outages, optimally operating and managing those facilities and swiftly restoring power after disasters. These efforts have enabled us to raise our supply reliability standards while continuing to ensure universal service.

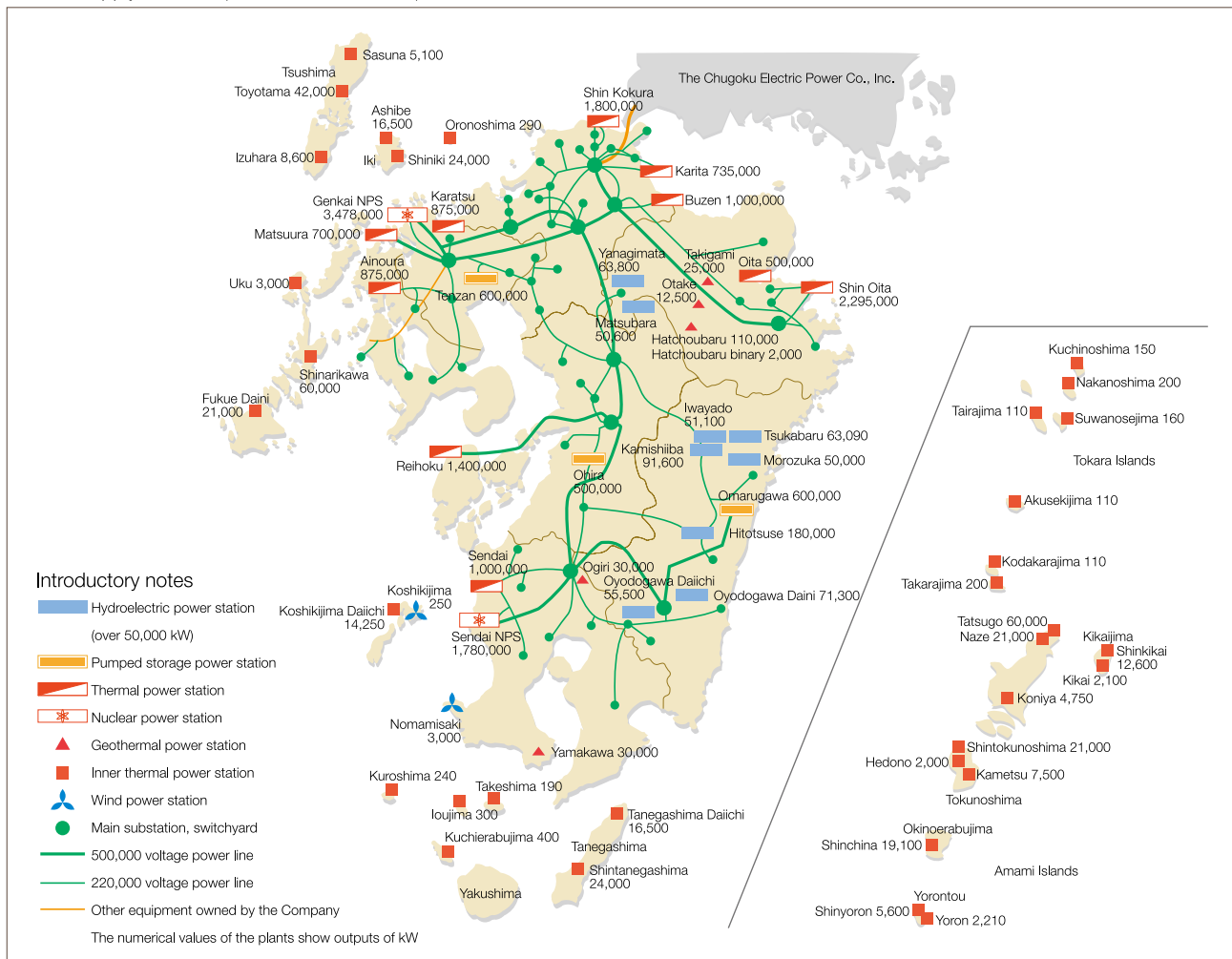
Building and Maintaining Facilities to Ensure Long-Term Stability and Efficiency

● Building Robust and Simple Transmission Lines to Prevent Major or Long-Term Outages

We build efficient facilities from a long-term perspective, comprehensively taking into account such factors as demand trends, supply reliability from customer perspectives, safety, operational aspects of facilities and costs.

We ensure that facilities do not cause outages because of accidents or breakdowns. Our long-term goal is to build a trunk transmission system that will not succumb to widespread outages, even in the

▼ Main Supply Facilities (as of March 31, 2009)



event of a natural disaster. We are constructing a 500,000-volt trunk line in northern Kyushu with the understanding and collaboration of stakeholders.

● Planned Facilities Upgrades

Power distribution facilities that we installed during Japan's era of fast economic growth will age considerably. We are therefore inspecting and repairing facilities, and intend to launch a planned replacement program to ensure long-term and stable maintenance. Key priorities are distribution facilities (including towers and power lines), transmission facilities (including transformers and circuit breakers) and power equipment (notably, power poles, lines and power pole-mounted transformers).

We are undertaking surveys and analysis to formulate plans for upgrading aging facilities. This will include improving the accuracy in power line life expectancy forecasts by evaluating any problems at our facilities and the data on deterioration.

Efforts to Maintain Reliable Supplies

The emergence of a society that increasingly relies on ubiquitous, advanced information and all-electric housing has made customer needs more diverse and sophisticated. It has thus become even more important to stably supply high-quality electricity. We therefore patrol our facilities daily, conduct inspections and repairs, maintain safe and efficient operations and also routinely develop and improve engineering techniques.

● Preventing Outages

We prevent transmission and distribution line outages by stepping up patrols and countermeasures to identify risks and stop birds and other wildlife from nesting in our facilities. We constantly survey power lines and trim trees to prevent outages and facility damage, first obtaining the understanding and cooperation of relevant parties.

We also improve facilities to safeguard against lightning strikes, typhoons and other natural disasters and provide detailed maintenance services.

● Advanced Facilities Operations and Management

The division that operates our power systems monitors frequencies, voltages and system reliability, and manages equipment around-the-clock. For example, when adjusting power source operations or discontinuing or switching over power systems, the division ensures a steady supply of power through different routes by automatically isolating outage sites from the rest of the system, in keeping with regular equipment and load conditions. Fast and proper handling by the division minimizes the scale of any outages that may occur.

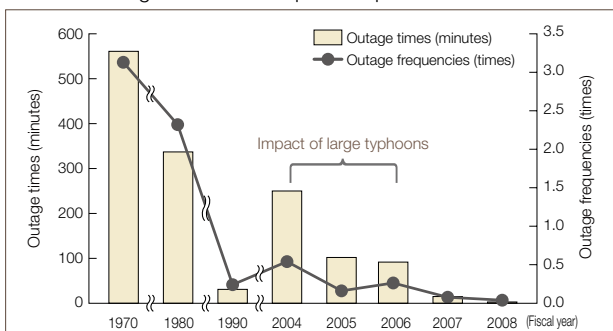
The division that builds and manages power generation and transmission and transformation facilities uses computerized systems to set up files for all equipment and a database that monitors all the information from its facilities and operations to quickly identify abnormalities and analyze deterioration trends. The Distribution Department helps maintain supply reliability by expanding its use of fiber-optic remote control systems and also through computerized operational improvements.

We are also undertaking interruption-free line work to minimize our impact on customers.



Interruption-free line work

▼ Annual outage times and frequencies per customer



Developing Technologies to Improve Supply Reliability

We pursue ongoing technological development and research programs to supply power more reliably. Examples of this include the following:

- Research to prevent corrosion on electric power facilities (power generation, transmission and distribution)
- Using technologies to assess the remaining service lives of metallic materials at thermal power plants
- Researching the impact of large solar power systems on our grid

● Reducing Temporary Drops in Voltage

To prevent outages from lightning strikes, our transmission lines shut off the grid for 50 to 200 milliseconds, causing short drops in voltage. These drops have almost no effect on household appliances which are in use, although some customers have found that equipment that is sensitive to such changes either shuts off or malfunctions.

We will minimize the frequency of such temporary voltage drops by improving facilities, more swiftly addressing breakdowns, installing even more lightning surge arrestors (current-limiting arc horns) on transmission lines and deploying other equipment.

We provide technical consulting for customers when needed as part of our customer facility evaluations, and make improvements in locations that are most vulnerable to voltage drops.

Responding to Major Disasters

We initiate our emergency management structure in response to predictions or occurrences of typhoons, earthquakes and other disasters. We keep in close contact with affiliates, business partners and government bodies in such circumstances so we can swiftly restore service.

Every July before typhoon season in Kyushu, we conduct emergency drills for large-scale disasters. These drills focus on:

1. Confirming roles under the command system
2. Quickly assessing disaster conditions and formulating and implementing restoration initiatives
3. Quickly supplying accurate information in-house and to external bodies
4. Swiftly and accurately responding to customers

We have drawn on our disaster experiences to improve systems in which large military helicopters can quickly carry generator trucks and other special vehicles to sites lacking power because of typhoons, earthquakes and other disasters.



Joint training where a military helicopter transports a Kyushu Electric high-voltage generator trunk

TOPIC

Developing and Supplying Services to Meet Customer Needs

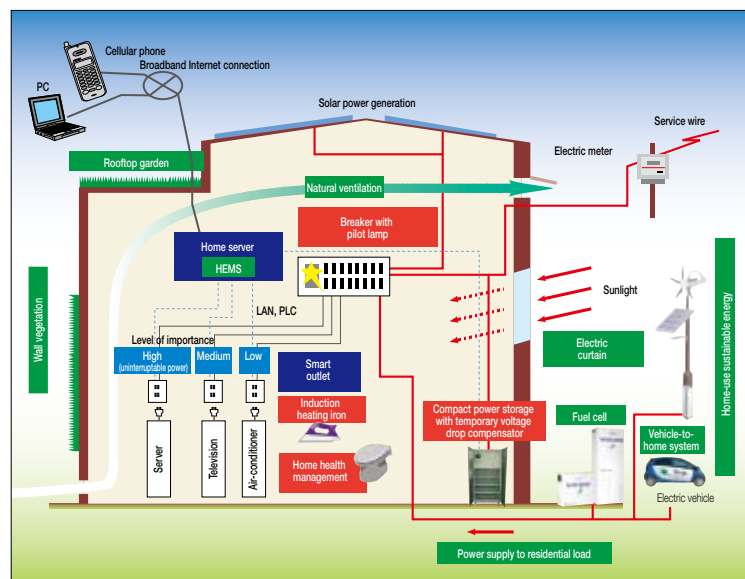
We deliver services that match customer expectations and needs.

1 Intelligent Housing

We built an experimental "intelligent house" within our Research Laboratory. The structure provides security, safety and comfort and is both environmentally friendly and economical. It also employs a host of technological and IT applications that use electricity.

We employed various systems in the house for research, including an induction heating iron and an energy management system that optimizes appliance loads and electric sources by monitoring operations.

We will draw on our knowledge from this research to innovate lifestyles using energy-saving and ecological technologies.



2 Mobile Power Information System

This system employs GPS-equipped cellular phones that support various field services, including the handling of customer applications and outage restoration.

This system enhances operations and enables us to serve customers more quickly and accurately. This is because 1) it shortens site arrival times because we can better identify current locations and operational situations, 2) we can obtain required information at sites, and 3) its robust security helps safeguard information.

We developed and deployed this system, which won a Grand Prix award at the 2009 MCPC Awards of the Mobile Computing Promotion Consortium, which is sponsored by the Ministry of Internal Affairs and Communications and Ministry of Economy, Trade and Industry. We also received the Prime Minister's Award.

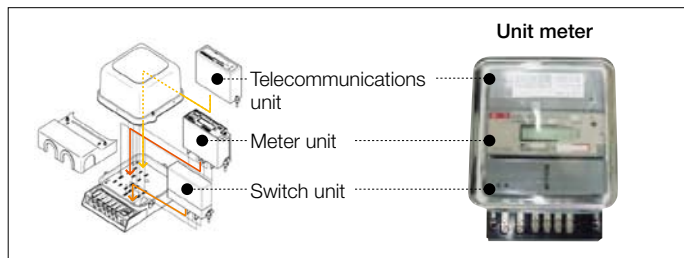


3 Planned Introduction of New Power Meters

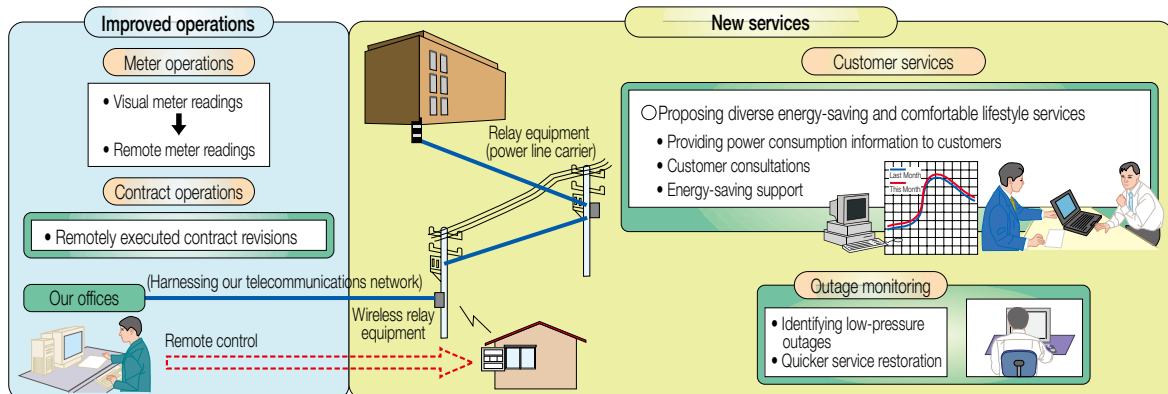
We are developing a low-pressure unit meter with telecommunications capabilities to improve customer services and streamline operations. We will then systematically deploy this product.

The envisaged benefits include being able to restore service more swiftly by identifying low-pressure outage areas, providing power usage status data, proposing energy-saving and comfortable living through consultations and handling meter operations by remote control.

In FY2009, we will install these meters at around 10,000 customer premises and start trials for commercializing remote meter reading systems.



Envisaged benefits of low-pressure electric meters



Overseas Operations

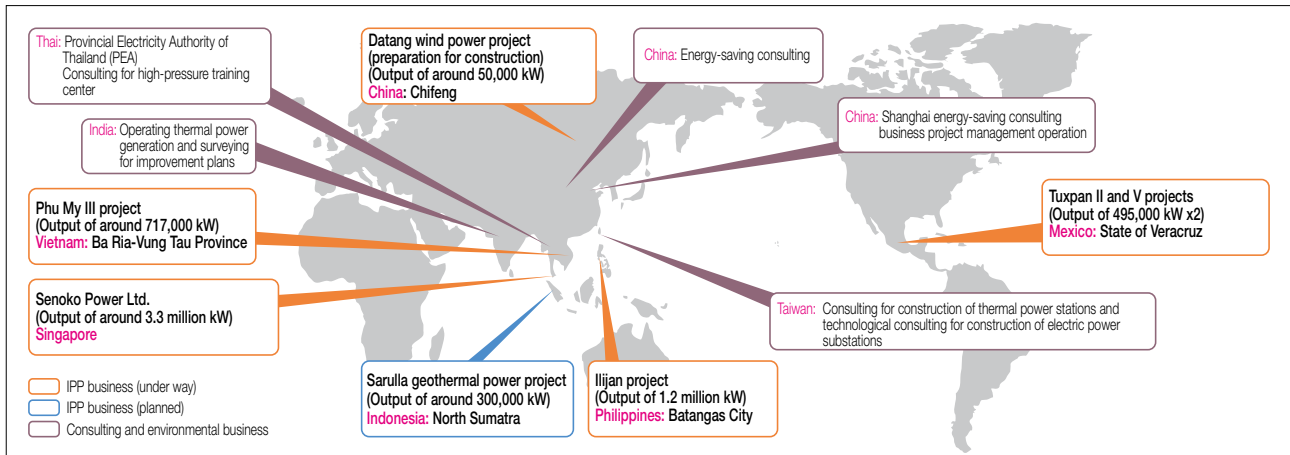
The Group draws on expertise from its domestic electric power operations and personnel with advanced technological capabilities to build its overseas electric power businesses and consulting businesses, with particular focus on Asia. Consulting covers power source development, surveying and designing transmission and substation facilities, and energy savings and the environment.

We are collecting information to develop business

activities focused on Asia (particularly Indonesia, Vietnam, the Philippines and India), taking advantage of Kyushu's location, and are looking into deploying support bases for overseas projects.

Through these operations, we aim to provide stable supplies of electricity in Asia, where demand is soaring, while contributing to environmental measures, cultivating resources and building new businesses.

▼ Overseas power development efforts as of the end of March 2009



Harnessing Group Management Resources to Cultivate Businesses

Our energy-related businesses include the wholesale of electricity, constructing and maintaining equipment, supplying materials and equipment and providing energy, including renewable sources. We are also building diverse businesses that meet customer and local needs in the social and lifestyle

areas, encompassing telecommunications, lifestyle operations and environmental and recycling. We will continue to develop businesses that match the needs of customers and local communities by drawing on Group management resources.

Energy-Related Businesses

Kyukun Corporation Constructing and Repairing Transmission Lines

<http://www.qken.co.jp>

This subsidiary operates in the crucial fields of overhead and underground power transmission line engineering and also in maintaining transmission systems. It draws on the technological and response capabilities it has amassed since starting operations in 1953.

The company works around-the-clock after a disaster to restore power lines as swiftly as possible. It also conducts regular construction engineering and maintenance work on lines that transmit high-voltage electricity to substations from our power stations.

Kyukun develops and exploits diverse new technologies and ideas, including those for rebuilding

transmission towers without interrupting supply and providing engineering services for laying submarine cables.

This company will proudly continue to serve and satisfy customers by drawing on its highly skilled workforce.



Telecommunications Business

Kyuden Infocom Company, Inc. Data Center and IT Consulting Businesses

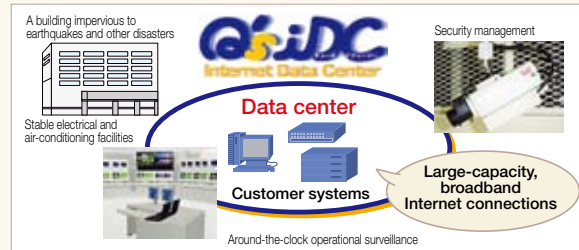
<http://www.qic.co.jp>

This subsidiary operates data center and IT consulting businesses that harness advanced expertise and infrastructures.

The data center business manages information systems for local governments and corporations and employs diverse security systems, including biometric authentication and around-the-clock manned surveillance systems. Its facilities feature seismically isolated buildings.

The IT consulting business develops and provides applications for local governments, universities and corporations, and provides network solutions consulting.

Kyuden Infocom will continue to help society exploit information technology by creating services that match customer needs.



Environmental and Recycling Business

Japan Recycling Light Technology & System Recycling Used Fluorescent Bulbs

<http://www.j-relights.co.jp>

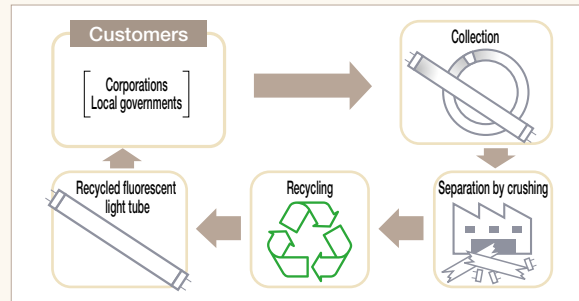
This subsidiary recycles the glass, phosphorous, mercury and metals from fluorescent light tubes collected from corporations, schools and local governments.

The company contracts the production of lamps made from the recycled materials and sells them under the Yoka Lamp and Top Star brands, which comply with the Act for Promoting Green Purchasing. The company also maintains a used battery recycling business.

In recognition of its high social value, this company received an award in February 2008 from the Kitakyushu City government for excellence in industrial waste disposal. In December 2008, it received a Special Jury Award in the Eco Services Category at The 5th Eco-Products Awards.

The company will remain committed to resolving social issues by fostering recycling and preventing pollution.

▼ Fluorescent tube recycling business



Lifestyle-Oriented Business

Kyuden Good-Life Corporation Developing Apartment Complexes for Senior Citizens

<http://www.kyuden-gl.co.jp/>

This subsidiary develops modern apartments for senior citizens in central urban locations. These facilities ensure safety through medical support and other services and provide comfortable lifestyles. The company operates such facilities in Fukutsu in Fukuoka Prefecture, and in Kumamoto and Kagoshima. It is constructing a new senior apartment complex in the Josui district of Fukuoka. The scheduled opening will be in May 2010.

Kyuden Good-Life will continue to serve senior citizens who wish to remain active.



Grand Garden Fukuoka-Josui

*Artist's impression

Outline of Group Companies



Energy-Related Businesses



Facilities Construction and Maintenance

Company	Main Business
Kyushu Rinsan, Co. Inc.	Planting vegetation at power stations and other facilities
Nishi nippon Plant Engineering and Construction Co., Inc.	Constructing, maintaining and repairing power facilities
Kyuden Sangyo Co., Inc.	Environmental preservation activities at power generation facilities
West Japan Engineering Consultants, Inc.	Civil engineering surveys and design and construction engineering
Kyudenko Co., Inc	Engineering for power facilities
Nishikyushu Kyodo Kowan Co, Ltd.	Operating, maintaining and managing coal unloading and transportation equipment
Kyuden Corporation	Constructing and repairing power lines
Nishigi Kogyo Co., Inc.	Maintaining conduits for hydroelectric power stations
Nihon FRP Co., Ltd.	Designing, producing, repairing and installing reinforced plastic equipment
Nishida Techno Service Co. Ltd.	Maintaining, inspecting, design, production and construction of floodgate and dam facilities
NISHIGI SURVEYING AND DESIGN Co., Ltd.	Surveying, measuring, designing, producing drawings and managing civil engineering construction
Plazwire Co., Ltd.	Thermal spraying work



Equipment and Materials Supply

Company	Main Business
KYUKI Corporation	Manufacturing and selling electrical machinery
NISHI NIPPON AIRLINES CO., LTD.	Transporting air cargo
Kyushu Meter & Relay Engineering Corporation	Repairing and maintaining electronic instruments
KOYO Electric Industrial Company Incorporated	Manufacturing and selling high- and low-voltage insulators and other equipment
Kyuhen Co., Ltd.	Manufacturing and selling electric equipment
Kyushu Koatsu Concrete Industries Co., Ltd.	Manufacturing and selling concrete poles
CONTEX	Manufacturing and selling concrete products
SEISHIN CORPORATION	Selling electric equipment
Nishi Nippon Denki Tekko Co. Ltd.	Designing, producing and selling steel towers and other steel structures
Japan Australia Uranium Resource Development Co., Ltd.	Acquiring and selling natural uranium



Wholesale Electric Power and Energy

Company	Main Businesses
Tobata Co-operative Thermal Power Company Inc.	Supplying wholesale power
Oita Co-operative Thermal Power Co., Inc.	Supplying wholesale power
Kyuden International Corporation	Acquiring and owning shares in overseas power companies
Oita Liquefied Natural Gas Company	Receiving, storing, vaporizing and delivering liquefied natural gas
KITAKYUSHU LIQUEFIED NATURAL GAS Co., Inc.	Receiving, storing, vaporizing and delivering liquefied natural gas
Nishinippon Environmental Energy Co., Inc.	Maintaining distributed power systems business and providing energy efficiency consulting
Fukuoka Energy Service Company Incorporated	Supplying heat
Miyazaki Biomass Recycling Co., Inc.	Generating power with poultry dung
Nagashima Windhill Corporation	Selling wind-generated electricity
Amami Oshima Wind Power Co., Ltd.	Selling wind-generated electricity
Washiodake Wind Power Co., Ltd.	Selling wind-generated electricity
KYUSHU CRYOGENICS CO., LTD.	Manufacturing and selling liquid oxygen, liquid nitrogen and liquid argon
Kitakyushu LNG Lorry Sales	Transporting and selling liquefied natural gas
Fukuoka Clean Energy Corporation	Incinerating general waste and generating power
Pacific Hope Shipping Limited	Purchasing, operating, chartering and renting liquefied natural gas carriers
Kyuden Ilijan Holding Corporation	Investing in Ilijan independent power producer company
Phu My3. BOT Power Co., Ltd.	Operating power station and managing No. 3 unit of Phu My independent power producer project
Electricidad Aguila de Tuxpan, S. de R.L. de C.V	Operating power station and managing No. 2 unit of Tuxpan independent power producer project
Electricidad Sol de Tuxpan, S.de R.L. de C.V	Operating power station and managing No. 5 unit of Tuxpan independent power producer project
Kyuden Sarulla	Investing in Sarulla geothermal independent power producer business company
Sarulla Operation	Operating power station and managing Sarulla geothermal IPPP project
Lion Power Holdings Pte Limited	Investing in Senoko Power Ltd.
Datang China-Japan (Chifeng) Corporation	Operating power station and managing Datang wind power project in China



Telecommunications

Company	Main Businesses
Kyushu Telecommunication Network Co., Inc.	Providing fiber-optic cable and broadband services
Kyuden Infocom Company, Inc.	Providing information technology planning and consultation and managing data centers
NISHIMU ELECTRONICS INDUSTRIES, Co., Ltd.	Manufacturing, selling, installing and maintaining telecommunications equipment
Q-DEN BUSINESS SOLUTIONS Co., Inc.	Developing, operating and maintaining information systems
RKK Computer Service Co., Inc.	Developing and selling computer software
Kagoshima Hikari Television Co., Inc.	Cable television broadcasting
RKKCS Software Co., Ltd.	Computer programming
COARA Co., Ltd.	Internet connection and contents production



Environment and Recycling

Company	Main Businesses
Kyushu Environmental Management Corporation	Recycling confidential documents
Japan Recycling Light Technology & System	Recycling fluorescent bulbs and dry-cell batteries



Lifestyle Services

Company	Main Businesses
DENKI BLDG. Co., Ltd.	Leasing and managing real estate
Kyuden Good-Life Corporation	Supervising condominium businesses for elderly citizens (Kyuden Good-Life Higashifukuoka, Kumamoto, Kagoshima and Fukuoka-Josui)
Kyuden Good Life Higashifukuoka Company, Inc.	Managing nursing homes and services
Kyuden Good Life Kumamoto Company, Inc.	Managing nursing homes and services
Kyuden Good Life Kagoshima Company, Inc.	Managing nursing homes and services
Kyuden Good Life Fukuoka-Josui Corporation	Managing nursing homes and services
Kyuden Real Estate Co., Ltd.	Leasing real estate and acquiring land
Kyuden Office Partner Co., Inc.	Providing clerical and consulting services
Kyuden Business Front Inc.	Providing staffing and recruiting services
Kyushu Housing Guarantee Corporation	Assessing houses and other buildings and providing security services
Kyuden HOME SECURITY Co., Inc.	Providing home security and monitoring
Kyuden Shared Business Corporation	Providing corporate accounting services and personnel and labor services
Kyushu Captioning Co-Production Center Inc.	Producing subtitles for television shows (special-purpose subsidiary under the Disabled People Employment Promotion Act)
Oak Ltd.	Managing condominiums
Kyushu Kougen Kaihatsu	Managing golf courses
Ito Golf Club	Managing golf courses
Fukuoka Shintoshin Kaihatsu	Managing and leasing real estate
Midorigaoka Living Support	Constructing, leasing and managing housing for civil servants
Capital Kyuden Corporation	Acquiring and owning securities and lending to Group companies