

Business Overview

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.

Looking Ahead to Ensure Stable Power Supplies

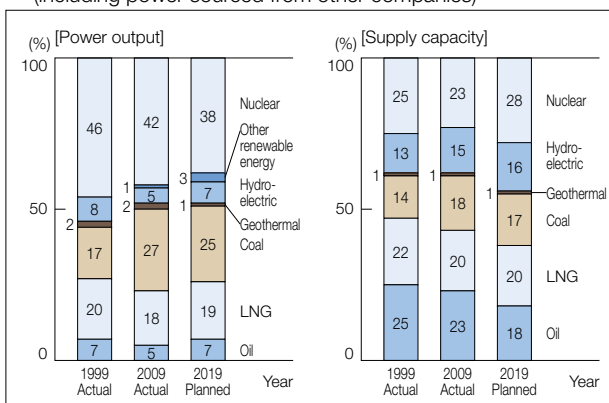
Promoting Nuclear Power and Introducing Renewable Energy

Japan can only obtain 4% (or 19% if including nuclear power) of the self-sufficiency of energy supply. Because the nation imports most energy resources, global developments greatly affect its energy supplies. So, it is extremely important to maintain energy security.

Reducing CO₂ and other greenhouse gas emissions is a pressing and ongoing challenge for combating global warming.

While positioning and promoting nuclear power as a core power source, Kyushu Electric Power is deploying such renewables as solar and wind power to stabilize its energy supplies over the long term and contribute to the national government's goal of a low-carbon society (see Focus 1 for details).

▼ Power source diversification plans (including power sourced from other companies)



Building Facilities to Ensure Long-Term Stability and Efficiency

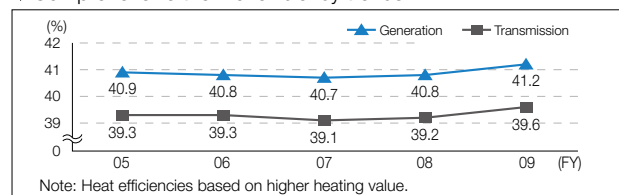
● High-Efficiency Thermal Power Generation

To ensure stable, long-term fuel supplies, we diversified our thermal power generation resources to include liquid natural gas and coal. At the same time, we are improving thermal power generation efficiency to lower CO₂ emissions and harness energy more effectively.

Specific efforts

- Replacing turbines at No. 1 unit of Shin Oita Power Station
- Developing 400,000-kilowatt turbines for No. 3 unit of Shin Oita Power Station

▼ Comprehensive thermal efficiency trends



● Steadily Developing Omarugawa Power Station

Our pumped storage power stations accommodate peak demand and emergencies, as they offer excellent load following and speedy startups and shutdowns. The Omarugawa Power Station operates two units. We will continue developing this facility to start operating four 300,000-kilowatt units by FY2011, boosting maximum capacity to 1.2 million kilowatts.

● Building Robust and Simple Transmission Lines to Prevent Large 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 suffer outages because of normally foreseeable accidents or breakdowns. Our long-term goal is to build a trunk transmission system that will not succumb to large outages, even in the event of a natural disaster. We are constructing a 500 kV trunk line in Kitakyushu with the understanding and collaboration of stakeholders. We plan to construct a 500 kV trunk line in Hyuga (between Oita and Miyazaki).



Providing High-Value-Added Services that Balance Comfort and Environmental Concerns

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 is even more important to stably supply high-quality electricity. We thus daily patrol our facilities, conduct inspections and repairs, maintain safe and efficient operations, and 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 distances between power lines and other objects and trim trees to prevent outages and facility damage, first obtaining the understanding and cooperation of relevant parties.

Responding to Major Disasters

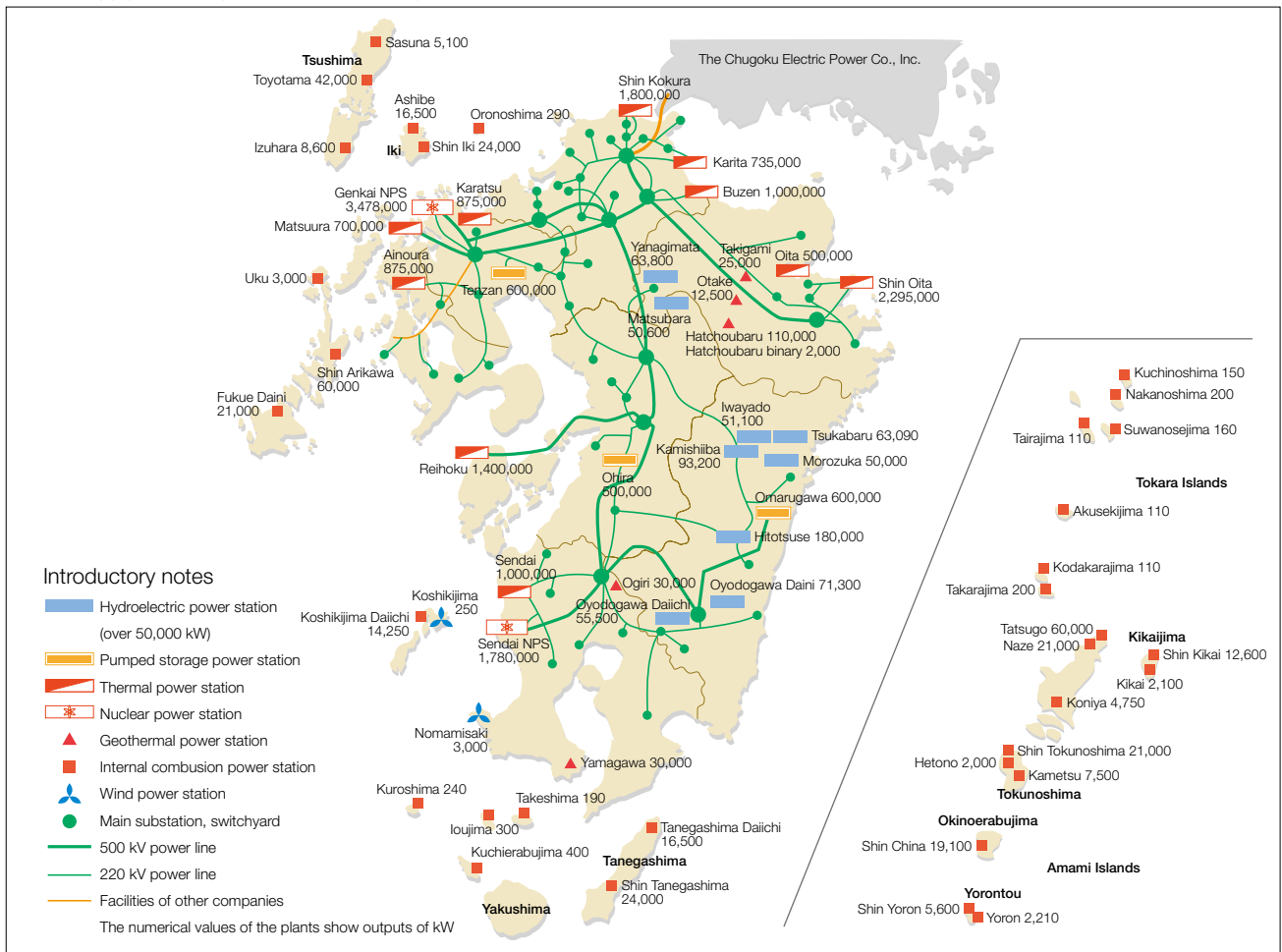
We initiate our emergency management structure in response to predictions or occurrences of typhoons, earthquakes and other disasters. We keep in close contact with affiliates, business partners and government bodies in such circumstances so we can swiftly restore services.

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 helicopters of the Self-Defence Forces can quickly carry generator trucks and other special vehicles to sites lacking power. We will continue to hold joint drills with the Self-Defence Forces so we can swiftly restore services to areas without power because of typhoons, earthquakes and other disasters.

▼ Main supply facilities (as of March 31, 2010)



Ubiquitous society
Binary

Pumped storage generation

Developing and Supplying Services to Meet Customer Needs

● Better Interaction with Customers

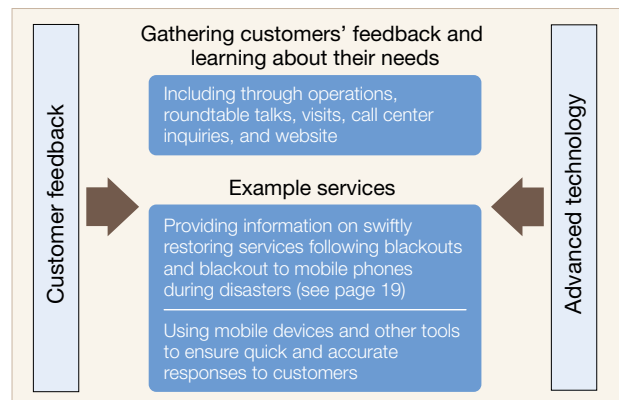
We take every opportunity to gather customers' feedback and learn about their needs through roundtable talks, visits, and other means. We deliver optimal services that draw on information technology and other advanced tools.

● Planned Introduction of New Power Meters

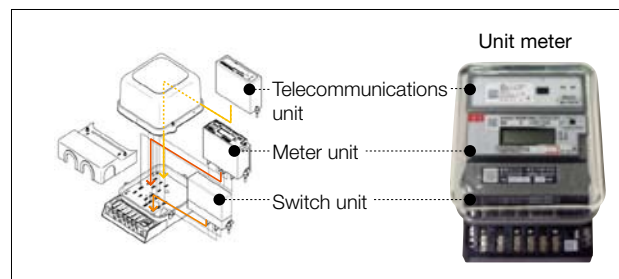
We began deploying low-voltage electric meters with telecommunications capabilities in November 2009 to improve customer services and streamline operations. We will continue to systematically deploy this product.

After low-voltage electric meters come into common use, we will eventually be able to provide power usage status data, propose energy-saving and comfortable living through consultations, restore service more swiftly by identifying low-voltage outage

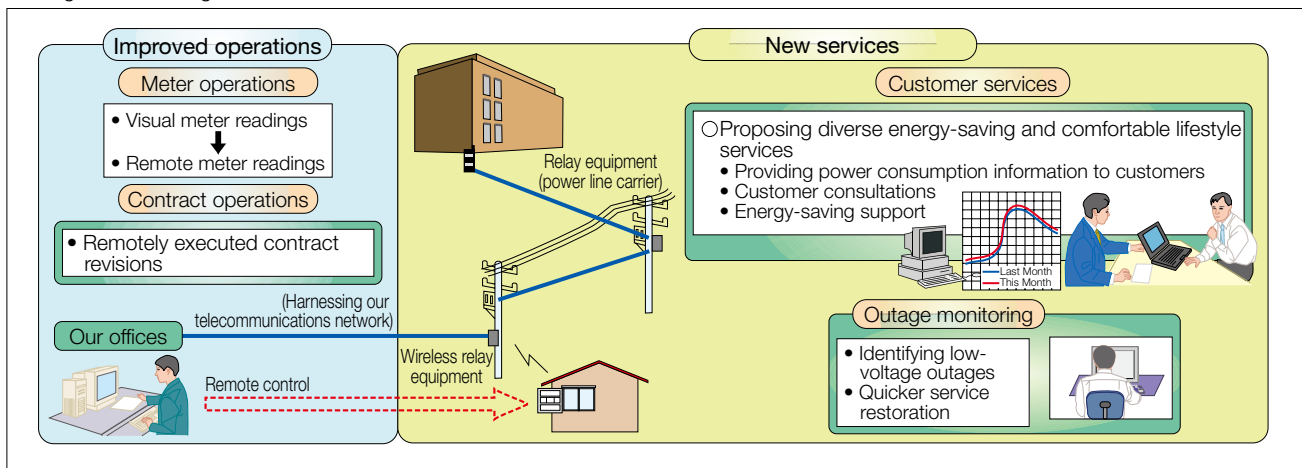
▼ Deploying optimal services



areas, and handle meter operations efficiently by remote control.



▼ Image of low-voltage electric meters come into common use



● Initiatives to Popularize Electric Vehicles

We are developing rapid chargers and other equipment to build the infrastructure essential for popularizing electric vehicles.

We began developing and conducting tests of a rapid charger in FY2006, and started selling this product through Group company Kyuki Corporation in September 2009. We made the charger compact and incorporated a personal ID card capability to improve convenience.

We will continue striving to improve user convenience and lower the cost to help popularize electric vehicles.

* It takes around 30 minutes to attain an 80% charge with an i-MiEV (and about 14 hours to fully charge at 100 volts).



Electric vehicle at a rapid recharging stand

Providing Services to Help Customers Improve Energy Efficiency

● Energy Savings and Comfortable Living

In keeping with greater concerns about global environmental issues, natural resources and energy issues, we collaborate with customers in exploring lifestyles that are comfortable and use energy efficiently.

● Comprehensive Energy Proposals

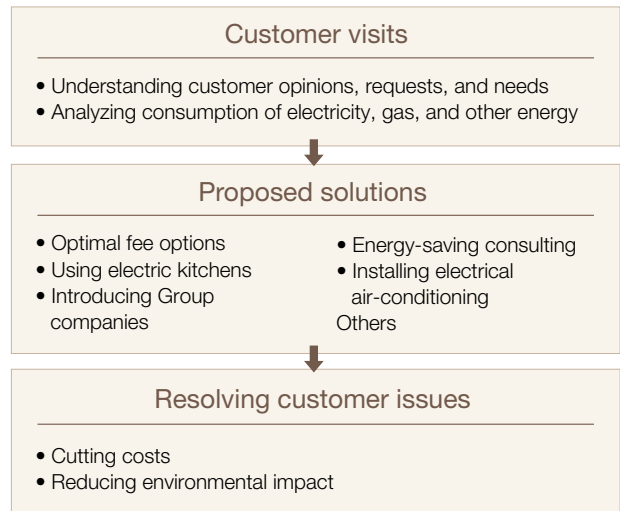
Account managers at each customer service office help us to better address the issues and needs of corporate customers. The managers draw on Group resources to handle comprehensive energy requests and counseling needs, create fee proposals that reflect power consumption, and consult on electric kitchens, electrical air-conditioning and other energy-saving ideas.

Specific initiatives

- Proactive publicity on saving energy, such as introducing "using power skillfully," by home advisors and staff members from Iris.
- Promoting all-electric housing centered around energy-efficient Eco Cute equipment.

FY2010 energy-saving goal

Cut CO₂ emissions by 90,000 metric tons annually



Energy-Related Business

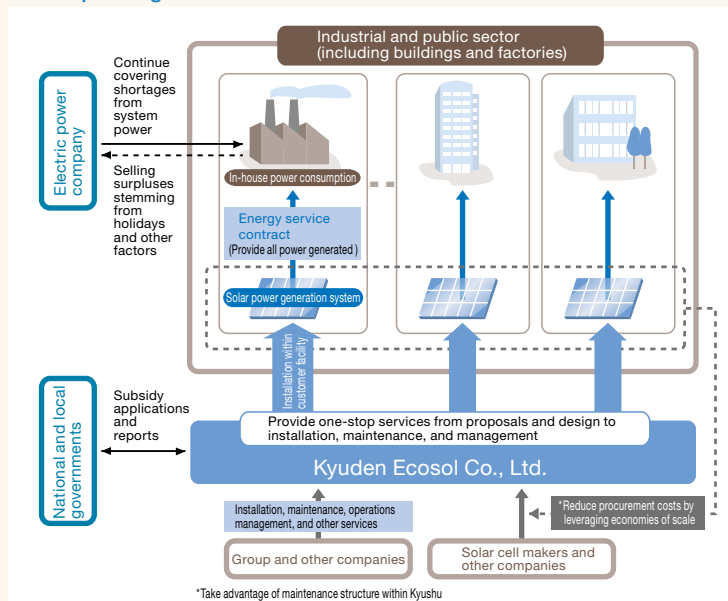
Onsite Solar Power Generation —Kyuden Ecosol Co., Ltd.— <http://www.q-ecosol.co.jp>

To help promote and expand the use of renewable energy in Kyushu, in December 2009 we established Kyuden Ecosol Co., Ltd. This onsite solar power business targets industrial and public sector customers.

Kyuden Ecosol's one-stop offerings range from design to maintenance and management. It installs solar power generation equipment at factories, buildings, and other facilities to supply customers with power.

To date, Kyuden Ecosol has provided high-quality, low-cost services to customers, promoting its business by harnessing Group strengths, including technologies from electric power business. Kyuden Ecosol aims to help popularize solar power generation in Kyushu.

Onsite power generation framework



- Customer benefits of onsite power generation**
1. No initial investment necessary for solar power equipment
 2. Customer does not have to deal with various application procedures when installing equipment
 3. Operational company takes care of all operations, including equipment maintenance and operations



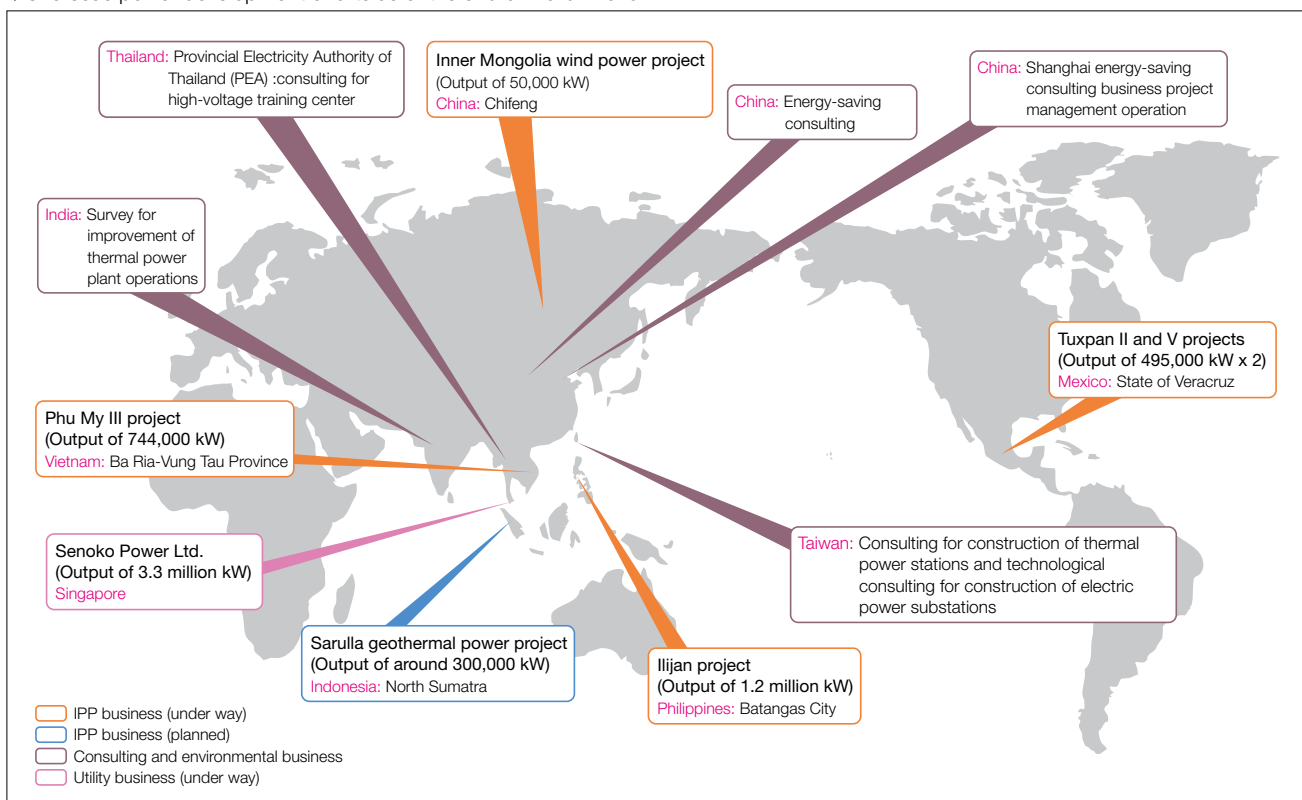
Overseas Operations

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.

In FY2009, we opened our first overseas office, in Singapore, to collect information and support overseas business projects.

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

▼Overseas power development efforts as of the end of March 2010



Opening of Singapore Office

In July 2009, we opened our first overseas office in Singapore, to collect information on cultivating business activities, mainly in Indonesia, Vietnam, the Philippines, India, and other areas around Asia that complement Kyushu's geographical location. The office also supports overseas business projects.

We plan to use this office as a foothold for expanding our business by taking advantage of our technologies and expertise, collecting information on new projects and managing existing ones.



Inside Singapore office



President Toshio Manabe speaking at opening ceremony