Outline of Business Management Plan for FY2010

March 2010

Kyushu Electric Power Company Inc.

Kyushu Electric Power's Mission

Enlighten Our Future

Towards a comfortable and environment-friendly lifestyle

today and for generations to come

To fulfill this mission, we are dedicated to achieving the following 4 goals:

1. **Steady and reliable, Earth-friendly energy.**
2. **Services that truly satisfy.**
3. **In company with Kyushu. And to Asia and the world.**
4. **Discovering solutions, and putting them into practice.**

(Established April 2007)

Contents

Introduction

o In March of last year, aware of the major changes happening in our business environment and the special attributes of the electric power industry, where facilities take 20-30 years to configure, we established our Long-term Management Vision, to carry out Kyushu Electric Power's Mission, while also establishing our Mid-term Management Policy, covering the three years FY2009 - FY2011, to advance initiatives on issues from a medium to long-term perspective. We are presently taking concrete actions based on these criteria.

5 prioritized measures (management objectives) in the Mid-term Management Policy

I. Measures toward stable supply of electricity and responses to global environmental issues
II. Highly value added services that fulfill both comfort and eco-consciousness
III. Contribution on establishing sustainable society in Kyushu, Asia and worldwide
IV. Measures to enhance account structure capable of changes in circumstances
V. Personnel enhancement to attract next generation workforce

o This leaflet is prepared for better understanding of customers, shareholders and investors on our detailed plan based on Mid-term Management Policy.

o Kyushu Electric Power will continue to work steadily to realize our Long-term Management Vision and achieve the aims of our Mid-term Management Policy.

o Through these initiatives, we will satisfy all stakeholders in our business activities and thereby enhance our corporate value. We would like to request your support and cooperation for our efforts to further improve business management.

March 2010
Kyushu Electric Power Co., Inc.

Ⅰ Measures for stable supply of electricity and global environmental issues

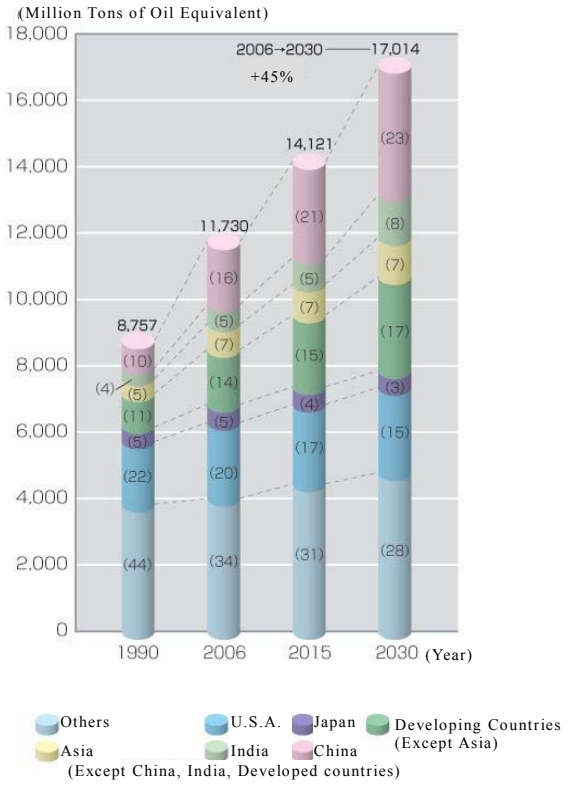
Most of the energy consumed worldwide now comes from fossil fuels like oil and coal, but these resources have limits.

As economies develop and populations increase, we can expect world energy demand to continue growing, especially in China, India and other parts of Asia, leading to sharp competition among consumer countries to procure resources. For that reason, the worldwide supply and demand of energy will come under increasing stress, and there is a real fear that obtaining the required energy resources will become harder and harder.

Particularly in Japan, which is poor in energy resources and has only a 4% energy self-sufficiency rate (or 19%, if nuclear power is considered a domestic form of energy), most of our energy sources must be imported. World affairs thus impact the nation greatly and achieving energy security is extremely important.

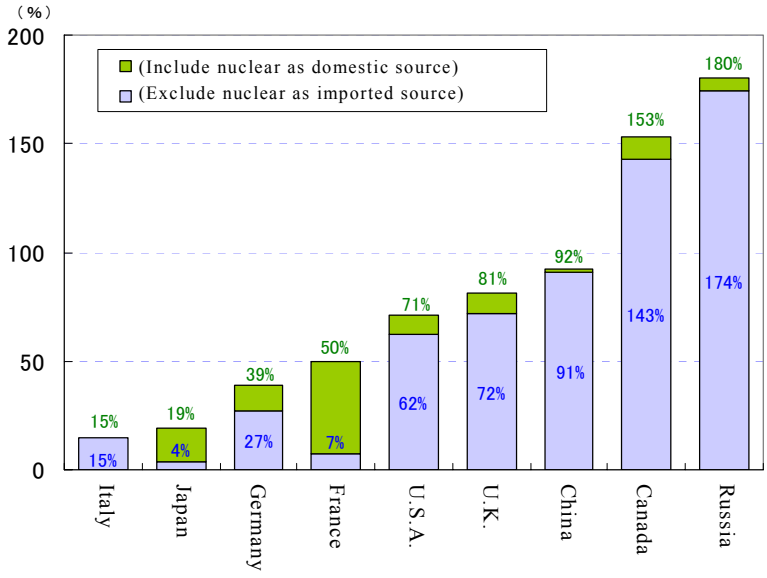
Additionally, initiatives to reduce greenhouse gases like CO2 are an urgent, ongoing challenge as a way of responding to global warming.

〔Global Energy Consumption〕



*Because of rounding, individual items may not add up to the total shown.
Source: Agency for Natural Resources and Energy "Nuclear 2009"

〔Self-sufficiency Rate of Energy〕



Source : Agency for Natural Resources and Energy "Nuclear 2009"

To secure long-term energy stability and achieve the low-carbon society Japan seeks, Kyushu Electric Power uses nuclear power as a core power source and is actively adopting renewable energy sources such as solar and wind power.

We will also improve thermal efficiency and take steady measures on aged facilities to develop and maintain long-term stable facility formation to respond to global environmental issues and from viewpoint of an effective use of energy.

〔Significance of Power Sources for a Low-carbon Society〕

	Power Source	Significance
Non-fossil Energy	Renewable	・ We are actively developing and implementing these power sources because they can help us use domestic energy sources effectively and help to prevent global warming. 〔Development target: about 10% of electric power mix〕
	Nuclear	・ We are actively developing nuclear power as a core power source because of its overall advantages in terms of energy security and value as a global warming countermeasure: it provides long-term fuel procurement stability, produces no CO2 during operation, and is highly economical. 〔Development target: about 50% of electric power mix〕
Thermal Power	Coal	・ Coal is a plentiful resource, offering procurement stability and economy, and therefore we can use it effectively in existing facilities for the time being. We will continue to monitor development of clean coal technologies such as integrated gasification combined cycle (IGCC), advanced ultra-supercritical (A-USC) and CO2 capture and storage (CCS) technologies, and will develop these as needed in keeping with electric power demand trends.
	LNG	・ LNG offers long-term fuel procurement stability and has environmental and operating performance advantages. We will develop it as needed to deal with medium and peak demand, taking into account electric power demand trends and the fuel situation as well as the elimination of aging oil-fired thermal electric power facilities. As we do so, we will work to use energy effectively and reduce CO2 by implementing high-efficiency gas combined cycle technology.
	Oil	・ Because oil reserves are limited and the resource can be used for so many applications, we expect its price to rise sharply in the future, making procurement difficult. We have therefore secured enough to let us meet peak and emergency demand, but we are systematically phasing out existing oil-fired thermal electric power facilities that are aging and inefficient.
Pumped Storage		・ Since pumped storage offers excellent load following and can be immediately started up and shut down, we are developing it to meet peak and emergency demand.

1 We will work to promote nuclear power generation and to actively develop and introduce renewable energy

➢Development of Unit3 at the Sendai Nuclear Power Station

o Nuclear power generation takes an important role in energy security and measures on global environmental issues and has great economic efficiency.

o Given that the developing economies of China, India and elsewhere will make procurement of fossil fuels more difficult, and understanding Japan's policies on global warming countermeasures, Kyushu Electric Power recognizes the need to develop Unit 3 at the Sendai Nuclear Power Station soon, on the way to achieving a low-carbon society. Ensuring the safety of this form of power is our utmost priority as we work toward starting operation of the new unit in FY2019.

Development Plan of Unit3 at the Sendai Nuclear Power Station

・ As a result of the environmental survey conducted since October 2003 at the site of Sendai Nuclear Power Station, we confirmed the feasibility of the additional development and submitted an overture to local governments at Kagoshima Prefecture and Satsuma-Sendai City.

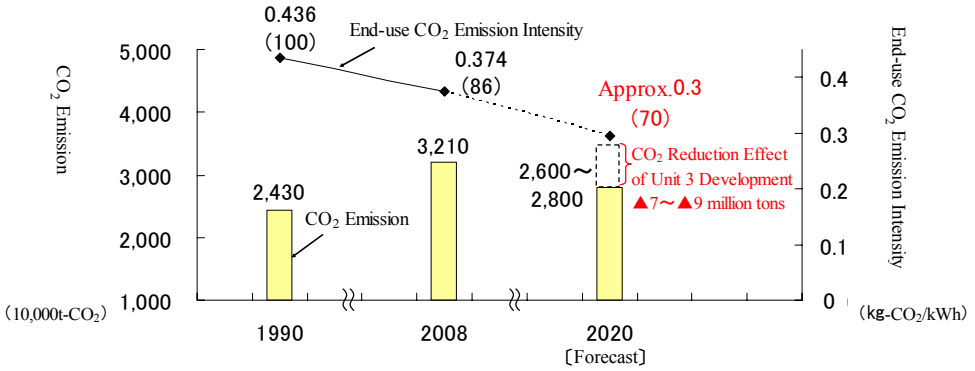
（－Outline of Facilities－
・System: Advanced pressurized water reactor (Advanced PWR)
・Output: 1.59 million kW）

・ We have submitted an environmental impact assessment that reflects the opinion of the governor of Kagoshima Prefecture, recommendations of the Minister of Economy, Trade and Industry, and so on, and have undergone inspection by the national government as well as a subsequent public inspection. As of March 2010, we have completed all necessary procedures.

・ Since our overture was submitted, to win local community understanding of the Unit 3 development plan, we have held informational meetings in all 72 local areas of Satsuma-Sendai City and neighboring Ichiki-kushikino and Akune cities and have hosted visits as we actively seek support.

・ Kyushu Electric Power believes that these community-based activities to win understanding are of the greatest importance to our development plan, and therefore we will continue to listen closely to the people of the community and reflect their opinions appropriately in the Unit 3 development plan.

■ CO_2 Reduction Effect of Unit 3 Development at the Sendai Nuclear Power Station



Note: CO_2 Emission Intensity is the amount of CO_2 (kg) emitted upon consumption of 1 kWh electricity

■Nuclear Power Station Operation and Construction Status

Half a century has passed since the world's first commercial nuclear power station began operating. As of January 1, 2009, there were 433 reactors generating approximately 390 million kW at operating nuclear power stations worldwide.

Nuclear power has been getting a second look in recent years with its potential for dealing with global warming and providing a stable supply of energy, and several nations are building or planning new plants. China, for example, plans to expand nuclear power to 70 million kW by 2020 and 160 million kW by 2030, while India has plans to expand to 63 million kW by about 2030. Even countries that do not currently have nuclear power stations, such as Asian nations like Vietnam and Indonesia, and Middle Eastern ones like the UAE, plan to build new plants.

Japan has a four-decade history of commercial nuclear power generation, and as of January 1, 2010, it has 54 reactors generating about 49 million kW.

〔The World's Nuclear Power Stations（As of January 1, 2009)〕

Country	In Operation		Under Construction		Under Planning※		Total	
	Output (10,000kW)	Number (Reactor)	Output (10,000kW)	Number (Reactor)	Output (10,000kW)	Number (Reactor)	Output (10,000kW)	Number (Reactor)
U.S.	10,630.2	104	120.0	1	940.0	8	11,690.2	113
France	6,602.0	59	163.0	1			6,765.0	60
Japan	4,884.7	54	303.6	3	1,655.2	12	6,843.5	69
Russia	2,319.4	27	621.0	8	585.0	5	3,525.4	40
Germany	2,145.7	17					2,145.7	17
Korea	1,771.6	20	680.0	6	280.0	2	2,731.6	28
Ukraine	1,381.8	15	200.0	2			1,581.8	17
Canada	1,328.8	18					1,328.8	18
U.K.	1,195.2	19					1,195.2	19
Sweden	938.4	10					938.4	10
China	911.8	11	1,333.5	13	1,360.9	13	3,606.2	37
Spain	772.7	8					772.7	8
Belgium	611.7	7					611.7	7
Taiwan	516.4	6	270.0	2			786.4	8
India	412.0	17	316.0	6	680.0	8	1,408.0	31
Other	2,713.2	41	676.8	9	1,035.6	18	4,425.6	68
Total	39,135.6	433	4,683.9	51	6,536.7	66	50,356.2	550

*Total number of stations with established furnace type and output

Source: Japan Atomic Industrial Forum, "World Nuclear Power Development Trends 2009"

Data on Japan was revised to be valid for January 1, 2010. Includes the Monju plant (280,000 kW).

➢Promotion of Measures to Establish Nuclear Fuel Cycle

- o Nuclear fuel cycle is a recycling system to reprocess spent nuclear fuel used at nuclear power stations and by extracting resources reusable as nuclear fuels and is a crucial system for resource-poor Japan to secure stable energy. It is also an essential solution for reducing amounts of high-level radioactive waste and ensuring nuclear non-proliferation.
- o As part of the effort, Kyushu Electric Power began generating pluthermal power at Unit 3 at Genkai Nuclear Power Station in December 2009. This form of power takes plutonium from reprocessed spent fuel and uses it as MOX fuel.
- o Moreover, the spent fuel for our nuclear power stations is temporarily stored in storage pools on site before shipping to reprocessing facilities. To ensure spare capacity for the growing amount of spent fuel in the future, we plan to expand the spent fuel storage capacity of Unit 3 at Genkai Nuclear Power Station.
- o As a long-term measure, we will conduct surveys and investigation aiming to install interim storage facilities to ensure flexibility of the overall nuclear fuel cycle.

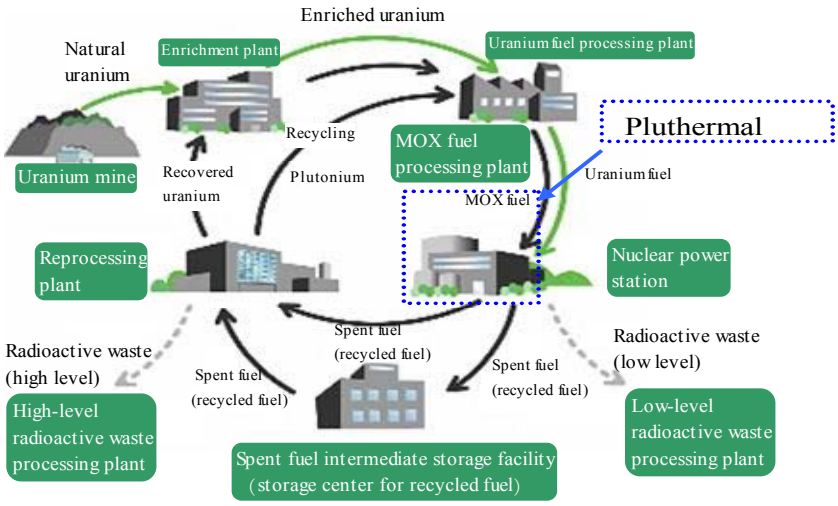
Pluthermal Project for Unit 3 at the Genkai Nuclear Power Station

- Kyushu Electric Power began generating pluthermal power at Unit 3 at Genkai Nuclear Power Station in December 2009.
- We will steadily implement the pluthermal project with the safe operation of nuclear power stations as our priority.

（Background）

- May 2004 Petition for national government approval of changes to nuclear power facility
  Submission of preliminary agreement request to Saga Prefecture and Genkai-cho
- September 2005 Government's approval for changes in nuclear reactor installation
- March 2006 Preliminary agreement of Saga Prefecture and Genkai-cho based on safety agreement
- October 2007 Commencement of manufacture of 16 MOX fuel assemblies
- May 2009 Shipping of 16 MOX fuel assemblies from France completed
- October 2009 16 MOX fuel assemblies loaded during 12th regular inspection
- December 2009 Resumption of ordinary operation

■Nuclear Fuel Cycle



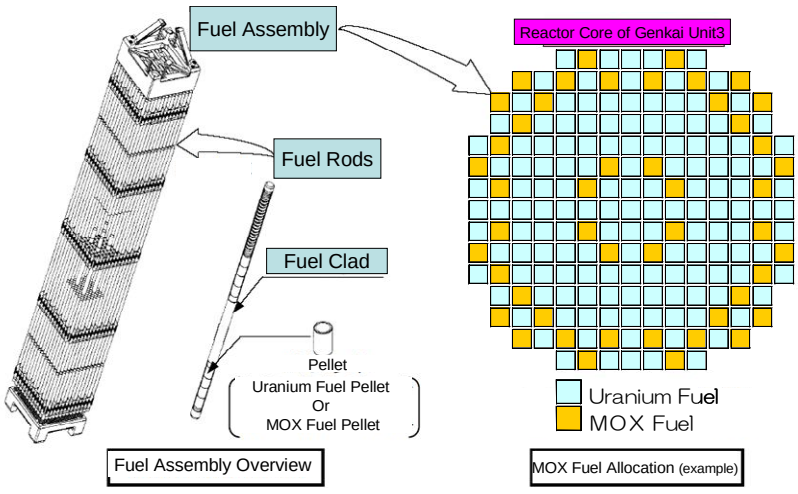
■Pluthermal

Uranium fuel (spent nuclear fuel) used at nuclear power stations contains a substance called plutonium, which can be recycled as fuel.

“Pluthermal” involves utilizing the plutonium extracted from spent fuels as Mixed Oxide (MOX) fuel. MOX fuel is made of plutonium extracted from spent fuels and uranium, and is loaded into the nuclear reactor currently in use (thermal reactor).

Unit 3 at Genkai Nuclear Power Station uses 16 MOX fuel assemblies among its total of 193. Hereafter, we plan to use MOX fuel in up to one-fourth (48) of all assemblies.

〔Fuel Assembly and Example of MOX Fuel Allocation〕



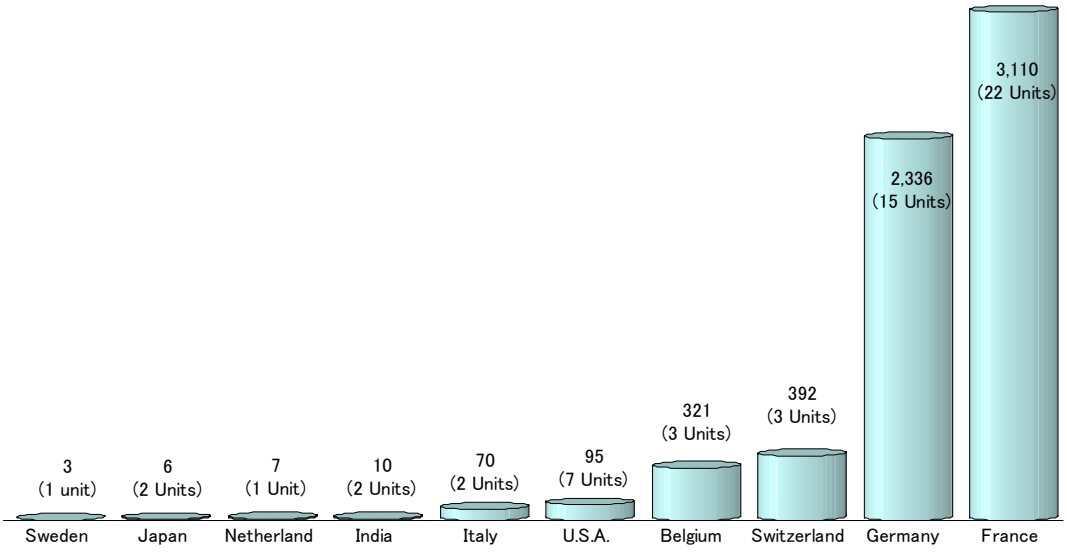
■Pluthermal Performance

Pluthermal has been implemented at nuclear power plants all over the world since 1960's. At 58 units mainly in France, Germany, Belgium, and other European countries, approximately 6,350 units of MOX fuel have been safely loaded.

In Japan, The Japan Atomic Power Company's Unit 1 at the Tsuruga Nuclear Power Station and The Kansai Electric Power Company's Unit1 of the Mihama Nuclear Power Station have experimentally implemented pluthermal and confirmed its safety.

Pluthermal power is also being generated at Unit 3 at Kyushu Electric Power's Genkai and has begun as well at Unit 3 at Shikoku Electric Power's Ikata Nuclear Power Station.

〔Number of MOX Fuel Assemblies Used (Unit Loaded)(Accumulative at the End of 2008)〕



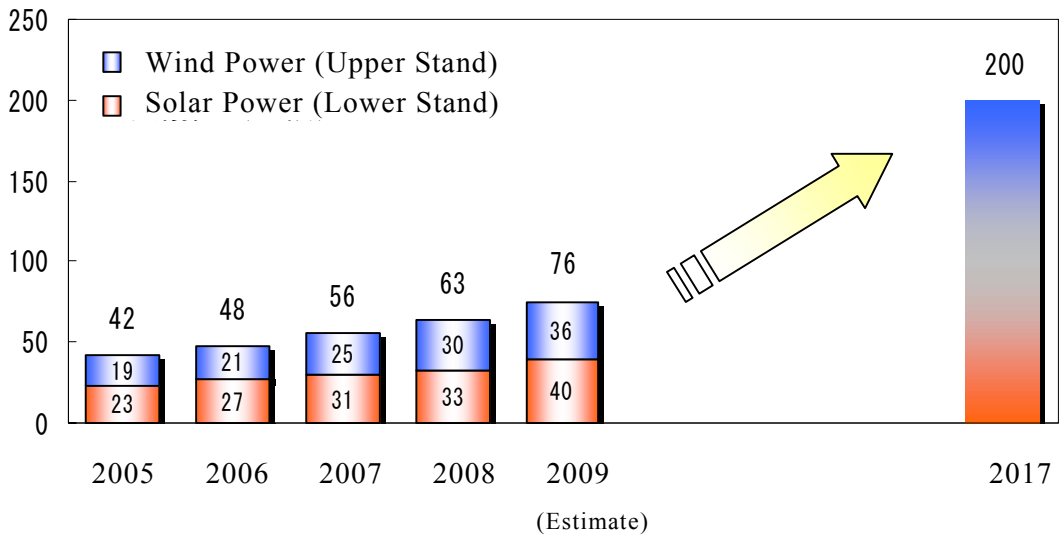
Source: Agency for Natural Resources and Energy "Nuclear 2009"

➢Active Development and Introduction of Renewable Energy

- o We engaged in active development and introduction of renewable energy sources such as wind, solar, hydro, and geothermal power generation.
- o We are working to implement 2 million kW of total equipment capacity from wind and solar power by FY2017.
- o Additionally, in preparation for the large-scale implementation of dispersed renewable energy in the future, we are studying next-generation electric power systems (the "Kyuden Smart Grid"), which will feature transmission, transformation and distribution facility measures and supply/demand and system efficiencies.
- o Our obligation under RPS law for FY2009 (890 million kWh) is expected to be achieved.

*RPS (Renewables Portfolio Standard) Law: A special measures law related to the use of new energies by electrical enterprises.

〔Facility Capacity Implemented of Wind Power and Solar Power〕



Note:Facility capacity implemented: Figures include surplus electric power contracts with other companies.

(a) Wind Power

- o Presently about 360,000 kW have been implemented, in comparison to the Kyushu main island wind power integration limit of 1 million kW, taking into account the assessment of impact on the system according to actual power generation data. We continue to accept wind power integration applications from private producers and are working to expand the amount of wind power implemented.
- o We are also studying wind patterns and evaluating promising sites where operations can be harmonized with the surrounding environment in the hope of developing new projects in-house.

(b) Solar Power

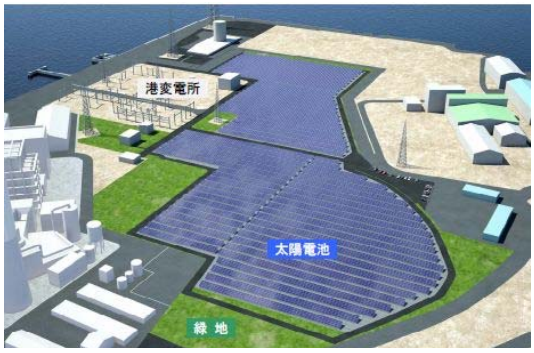
o We will develop solar power facilities at our brunch offices, sales offices and power station sites. (FY2017: approx. 30,000kW)

o Since November 2009, a new system has been in place, under national law, in which regional electric power companies purchase excess electric power at a set price from homes and others who generate solar power. Solar power generation is expected to spread quickly going forward. We will implement proper countermeasures to technical issues including voltage spikes and frequency fluctuations in case of a large-scale feed-in to our electric power network.

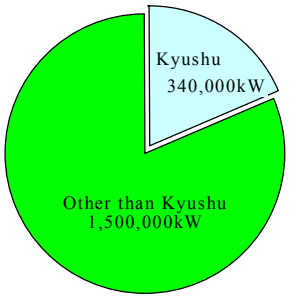
—Specific Examples—

- Development of Mega-solar Omuta Power Station (Output:3,000 kW, scheduled commencement in November 2010)
- Installation of solar power equipment at all of our offices by FY2013 with 5,000 kW output capacity total
- Kyuden Ecosol Co., Ltd., a provider of on-site solar power services to industrial and public sector customers, established in December 2009

〔Mega-solar Omuta Power Station〕



〔Solar Power Facility〕



Source: Agency for Natural Resources and Energy RPS Law website "Facility Status as of Dec. 31, 2009"

〔Outline of Mega-solar Omuta Power Station〕

Location	Omuta City, Fukuoka
Output Capacity	3,000kW
Annual Generation	Approx. 3,200,000kWh
CO_2 Reduction/year	Approx. 1,200t
Method of Operation	Completely Automated
Commencement Schedule	November 2010 (Plan)

Kyuden Ecosol's Business

【On-site Power Generation】

o In its on-site power generation business, Kyuden Ecosol installs solar power generating equipment within customer facilities (factories, office buildings, etc.) and provides the generated electricity to the customer.

【Solar Power System Integration】

o When a customer implements solar power generation, we offer a range of services including design, construction and maintenance of facilities.

(c) Biomass and Waste Power Generation

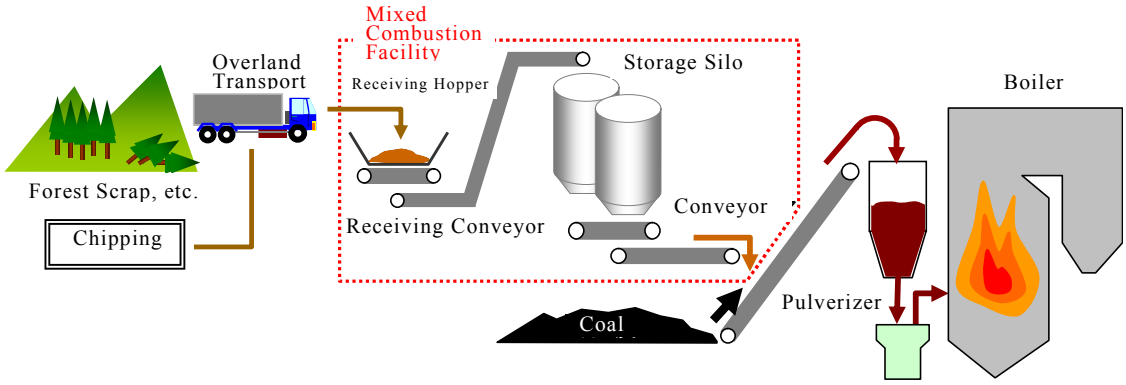
o Our Reihoku Power Station is conducting proving tests* of electric power generation with woody biomass mixed combustion, burning otherwise unused forest resources such as scraps from forest operations. (Period of proving tests: FY2010 - FY2014)

* Government subsidized project "FY2009 forest scrap biomass/coal mixed combustion electric power generation proving project"

o We are also cooperating in efforts to promote electric power generation with biomass and waste by purchasing power from producers of the same.

〔Overview of Woody Biomass Mixed Combustion at Reihoku Power Station〕

・Reihoku Power Station has new equipment for woody biomass mixed combustion. Wood chips are crushed along with coal using a coal pulverizer and burnt in a boiler.



(d) Hydroelectric Power

o We will conduct regular development and surveys on hydroelectric power stations suited to economics and site environment, and develop power generation using river dam maintenance flows*.

*Minimum stream to maintain river environment to protect ecosystem around downstream of dams

—Specific Examples—

・Development of Kasegawa Power Station (2,800kW output, Saga Pref. FY2011)

・Development of Shin-Kosa Power Station (7,200kW output, Kumamoto Pref. FY2014) *

・Development of maintenance flows power generation at 3 locations (Kawahara, Kami-Shiiba, and Hitotsuse in Miyazaki Prefecture, 730 kW total output)

*Redevelopment of existing Kosa power station (Upscale of output 3,900→7,200 kW)

(e) Geothermal Power

o With an eye on new development of this scheme, we will conduct survey and collect data on sites considered promising in terms of an abundance of geothermal resources, taking technical, economic and site environment aspects into account.

o Geothermal power generation can provide more stable electricity all throughout the year than other renewable energy sources.

〔Utility Factor of Renewable Energy Sources〕

	Geothermal	Solar	Wind
Utility Factor	Approx.70%	Approx.12%	Approx.20%

Source: Agency for Natural Resources and Energy

2 We will promote stable and efficient facility formation by improving facility efficiency and maintaining aged facilities.

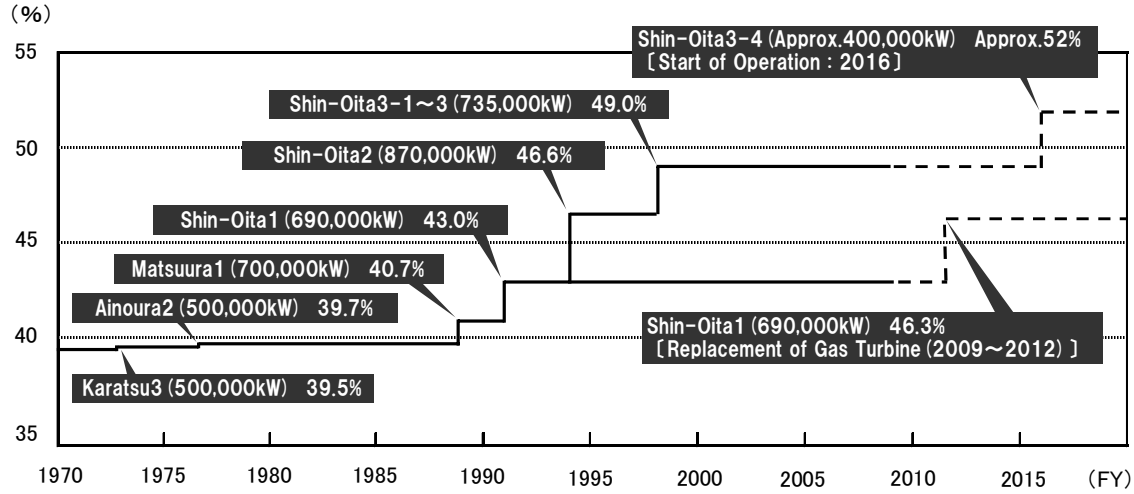
➢Efficiency Improvement of Thermal Power Generation Facilities

o We will work to improve thermal efficiency in view of energy utilization and in response to global environmental issues.

－Specific Examples－

・Replacement of gas turbine of Unit 1 at Shin-Oita thermal power station (FY2009-2012)
・Development of 400,000 kW-size Unit3-4 at Shin-Oita thermal power plant (FY2016)

〔Thermal Efficiency of Kyushu Electric's Thermal Power Facilities〕



➢Steady Development of Omarugawa Power Station

o As pumped storage power station has great load following capability with prompt start and stop, we position pumped storage to be a ready source at peak and emergency. We will steadily develop Omarugawa Power Station, where two units have started operation by FY2008, to complete commencement of all units with maximum output of 1.2 million kW (4 units of 300,000 kW each) by FY2011.

➢Promotion of Dam Management Advancement and Renewal in Main Streams

o We will work on power station renewal aiming to utilize hydro resources. We will also promote advanced dam management to response appropriately to changes in natural environments including torrential rains and the aging of facilities.

－Specific Examples－

・General update of Tsukabaru Power Station (FY2018)
・Dam renovation aiming to improve stream capacity and sand elimination function
・Additional installation of meteorological and hydrometeor equipment to improve the forecast accuracy of rainfall and river flow
・Reinforcement of monitoring network on river condition

➢Configuring Facilities to Conform Accurately to Demand Trends, etc.

o We endeavor to configure facilities efficiently and to conform accurately to demand trends, while attempting to keep even rare incidents, such as transmission line route failures (i.e., two lines down at the same time), from causing power outages over large areas or lengths of time.

－Specific Examples－

・Expansion of 500,000 V trunk line system including Kitakyushu main line and Hyuga main line (construction of 500,000 V loop system, etc.)

・Expansion of local systems to respond to demand trends, such as building of new Ito substation

➢Proper Maintenance and Renovation of Aged Facilities

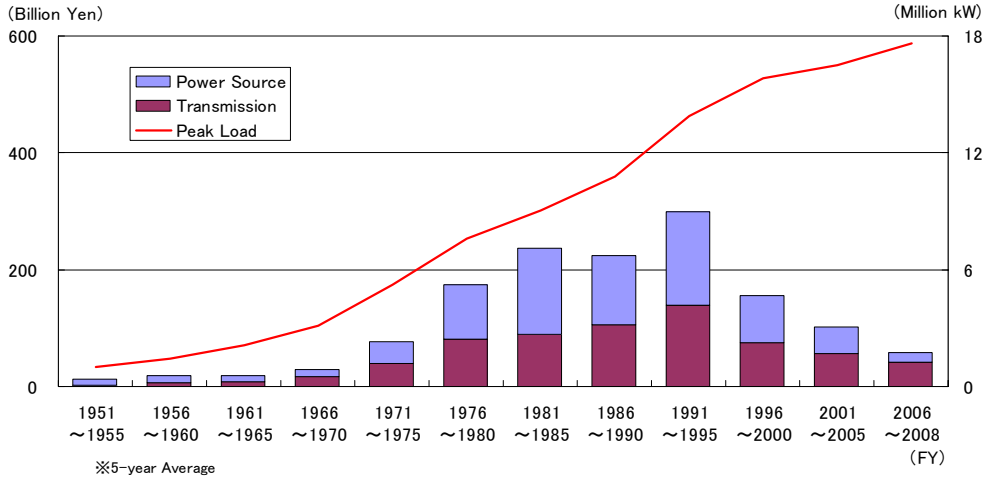
o Many of our power generation facilities were built to meet growing electricity demand along with high economic growth and the composition of aged facilities will rise in the future. In order to maintain stable facility formation in the long run, we will implement systematic maintenance and renewal of aging facilities.

－Specific Examples－

・Detailed inspection and maintenance of aged facilities and systematic replacement

・Accuracy improvement of the estimate on lifetime of electric wire based on the result of the data analysis of facility troubles and deterioration

〔Capital Investment (Extension Work)〕



➢Research on Electric Power Facility Maintenance

o As our facilities age, we develop technology that can both reduce costs and provide a stable supply of electric power through technology to evaluate and extend remaining life.

－Specific Examples－

・Cost reduction by evaluating the remaining life of thermal power plant boiler materials

・Technology preventing rust and prolonging the life of power facilities by spraying metal, etc.

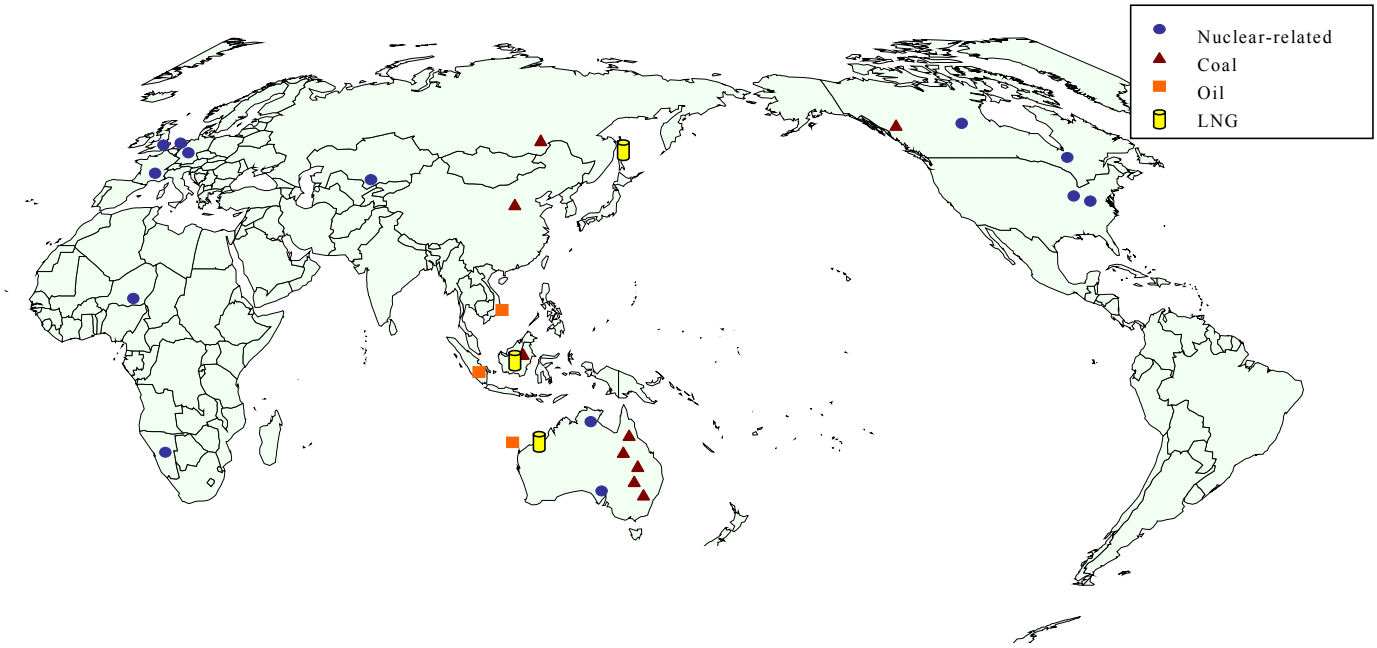
・Identification of deteriorating parts by dismantling and inspecting scrapped equipment and conducting accelerated aging tests, and verifying the mechanisms of deterioration

3 We will address long-term and stable fuel procurement

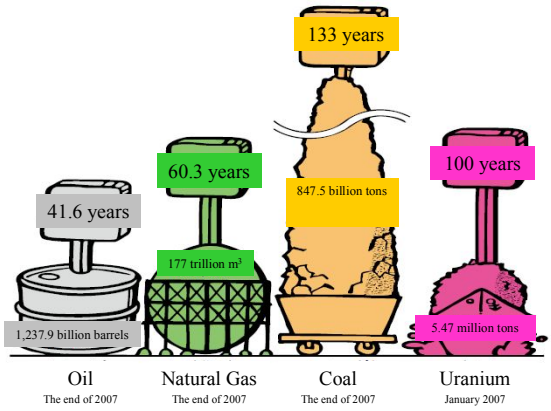
➢Promotion of diversified supply sources

o The tightness of world energy supply and demand is driving concerns that resources will become increasingly nationalized, making it harder to ensure fuel supplies and pushing resource prices higher. To ensure a stable supply of fuel over the long term, Kyushu Electric Power is using mostly long-term contracts, diversifying its fuel supply sources and strengthening relationships with the supply chain, including fuel production, shipping, receiving and sales.

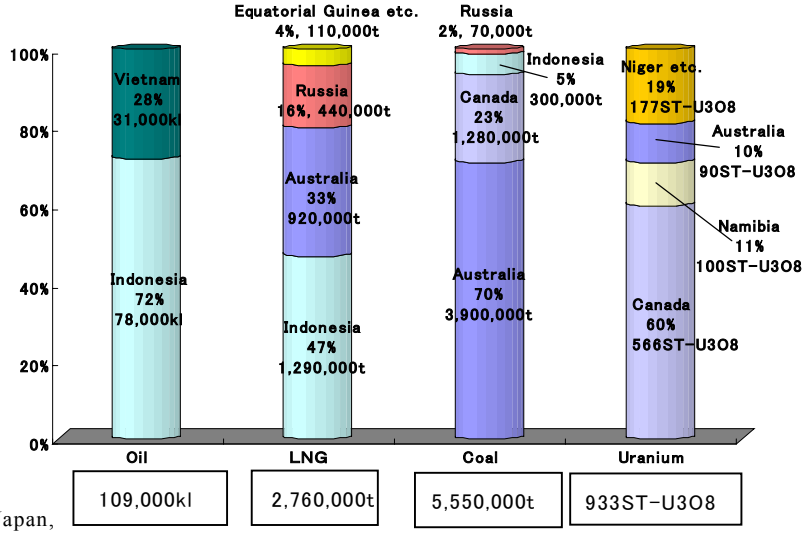
■ Diversification of Procurement Destination



〔Identifiable Reserve/Production Ratio〕



〔Fuel Procurement (FY2009 estimated)〕



Source : The Federation of Electric Power Companies of Japan, "Nuclear Energy" drawing collection 2009

(Note 1) Crude oil is purchased from direct oil dealers in Japan, among others

(Note 2) ST-U3O8 is a unit of trade of uranium ore, and refers to the ore's weight in triuranium octoxide, a form of yellowcake (1 short ton = 0.91 tons).

➢Initiatives to Acquire Upstream Rights to Uranium, etc.

o As the worldwide supply and demand of energy grows tighter, Kyushu Electric Power is working to win upstream rights to ensure a steady supply of the fuel we need over the long term. These efforts include taking part in a new uranium mine development and production project in the Republic of Kazakhstan since September 2007, and concluding a basic agreement in January 2010 to participate in a new LNG development and production project in Australia.

Participation in Uranium Mine Project (Republic of Kazakhstan)

- Name：Kharassan Mine
- Production：5,000t(MTU)/year
- Procurement：50t(MTU)/year
- Rights acquisition percentage：2.5%※

※Our percentage among six Japanese companies

Participation in LNG project (content of basic agreement) (Australia)

- Project Name：Wheatstone Project
- Production：8,600,000 tons/year（planned）
- Procurement：800,000 tons/year (rights to 116,000 tons/year, purchasing 684,000 tons/year)
- Rights acquisition percentage：1.3725%

➢Stable and Efficient Fuel Transportation

o We are reducing transportation costs and ensuring reliable vessel procurement by utilizing our own LNG vessel (the Pacific Enlighten, commissioned in April 2009) as well as a coal vessels just for our use.

➢Participation in Plan to Build Major LNG Receiving Facility in Hibikinada, Kitakyushu City

o Together with Saibu Gas Company Ltd., we have established Hibiki LNG Company Ltd. to build and operate a major LNG receiving facility in the Hibikinada section of Kitakyushu City. This will provide backup to the Tobata LNG terminal owned and operated by our group company Kitakyushu LNG Company Ltd.

Hibiki LNG Company Ltd.

- Capital: ¥10 billion (¥400 million upon establishment)
- Ownership breakdown: Saibu Gas 90%, Kyushu Electric Power 10%
- Established: April 1, 2010
- Facilities: 2 tanks of 180,000 kl each, vaporizer, etc.
- Start of business: November 2014 (planned)

4 We will work to reduce CO_2 emission with a goal of 20% reduction in end-use CO_2 emission intensity over FY2008-2012 in comparison to our FY1990 actual result

➢ Maintaining a High Nuclear Utilization Rate by Pursuing Safe and Stable Operation of Nuclear Power Facilities

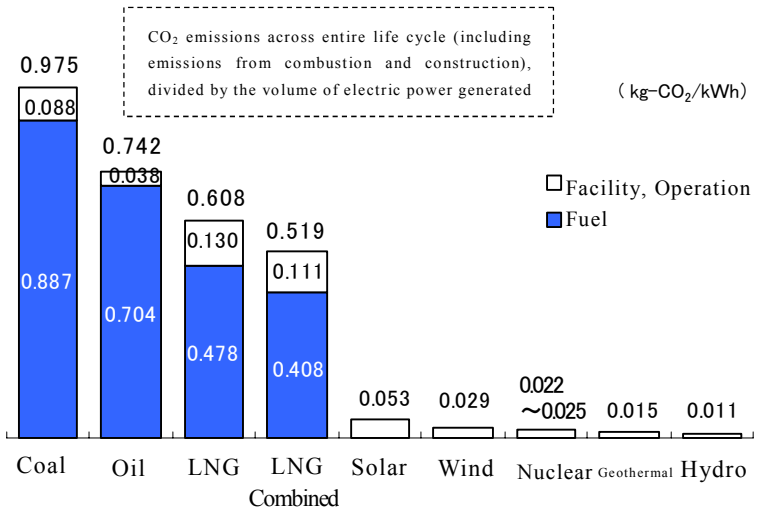
o As nuclear power emits no carbon dioxide during power generation process, it is taking an important role in pursing measures against global warming. In order to maintain high utilization rate of nuclear power, we will work to maintain safe and stable operation of nuclear power stations and implement constant rated nuclear power operation* and thorough preventive maintenance. (1% improvement of utilization factor has CO_2 reduction effect of 300,000t / year)

*Method to operate nuclear power facility while keeping reactor thermal power around the maximum approved level. In winter time when water temperature in the ocean is low, thermal efficiency becomes higher and output increases by 1 to 4%)

o We are working to ensure smooth operation by steadily implementing seismic safety evaluations and seismic safety margin improvements while responding properly to the introduction of the new inspection system*.

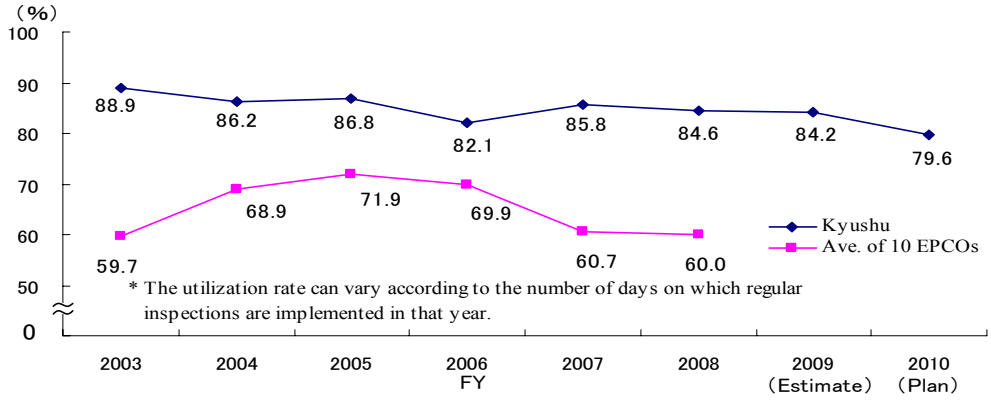
*Revised from the fixed inspection based on schedule applied to all nuclear power facilities, this system requires regular maintenance to inspect facility condition in operation based on detailed maintenance plan suited for each facility based on the characteristics to enhance safety and reliability.

〔Lifecycle CO2 Emission Intensity by Power Source〕



Note: The figures include all energy consumed from resource mining to construction of power generation facilities, transportation and refinement of fuel, operation and maintenance. Nuclear also includes reprocessing of irradiated nuclear fuel, pluthermal operation, and disposal of high-level radioactive waste. Source: Report from Central Research Institution of Electric Power Industry

〔Nuclear Power Utilization Rate〕



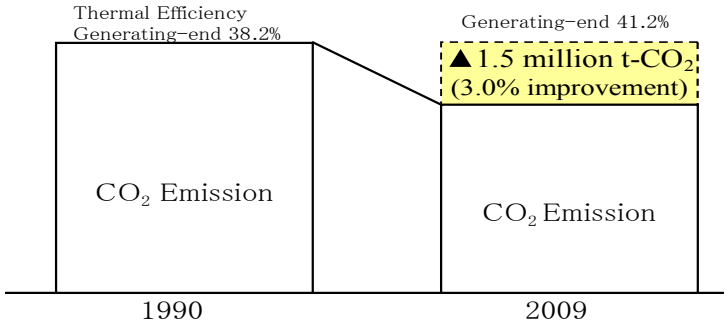
➢ Maintenance and Improvement of Thermal Efficiency

o By improving thermal efficiency at thermal power stations, we can reduce fuel consumption amount and CO_2 emission. Therefore, we will work to maintain and improve thermal efficiency by developing high-efficiency LNG combined cycle power generation and maintaining high utilization rate operation at thermal power stations in order to reduce CO_2 emission.

o In FY2009, we consumed fossil fuel equivalent to approximately 7 million kilo liter of heavy oil, which means we saved approximately 510 thousand kilo liter of fuel by improving thermal efficiency compared to FY1990. With this reduction amount, we reduced CO_2 emission by approximately 1.5 million t-CO_2.

(Improving thermal efficiency by 1% leads to fuel saving equivalent to approximately 170,000 kilo liter of heavy oil and approximately 500,000t of CO_2 emission annually based on consumption amount in FY2008)

〔CO2 Reduction Effect of Thermal Efficiency Improvement〕

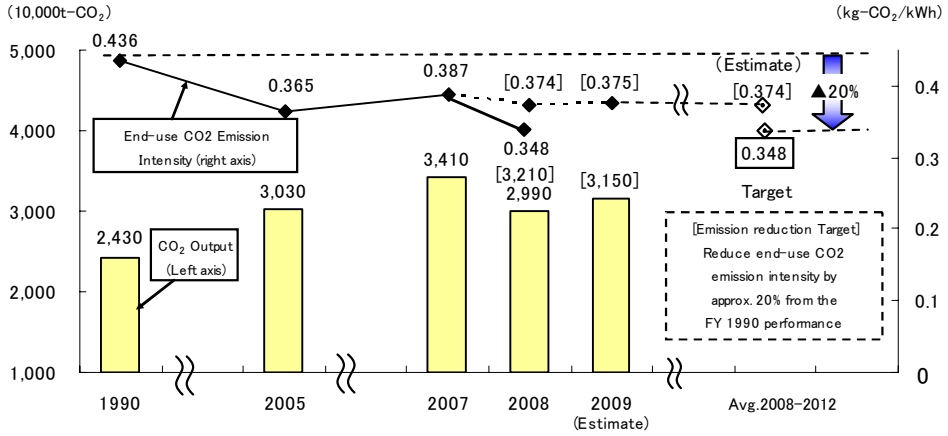


➢ Utilization of Kyoto mechanism including CDM*

o We are utilizing Kyoto mechanism, which is globally recognized system to reduce greenhouse effect gases including investments in Prototype Carbon Fund, Japan Greenhouse gas Reduction Fund and other funds and purchases of carbon credit, while participating in domestic credit system.

*CDM: Clean Development Mechanism: a mechanism where developed countries support emission reduction projects of developing countries and gain the reduction amount

〔Trends in CO_2 Emissions per Volume of Electric Power Sold〕



(Note) 1 Figures in parentheses for FY2008 and beyond give total CO_2 emissions and CO_2 emissions per volume of electric power sold before reflecting CO_2 emissions credits, and are given for reference.

2 Total CO_2 emissions and CO_2 emissions per volume of electric power sold after reflecting CO_2 emissions credits in FY2009 are to be reported by the end of July as required by the Act on the Promotion of Global Warming Countermeasures.

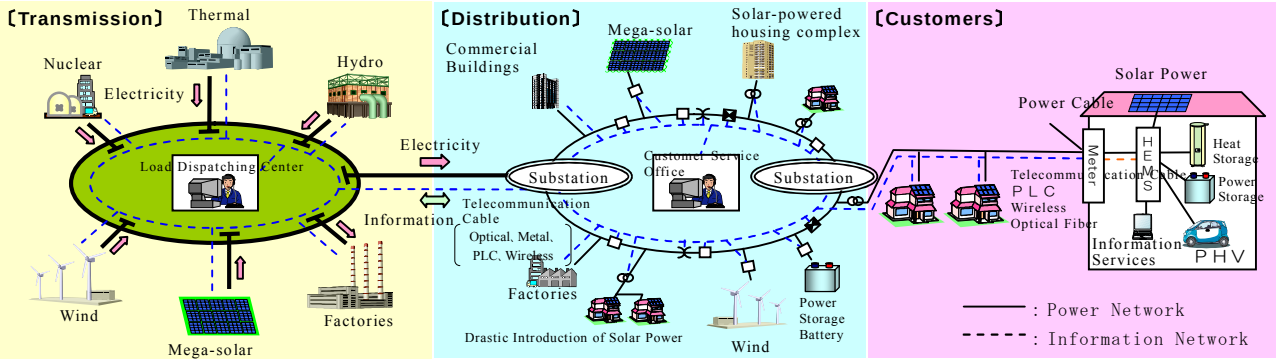
5 We will work on research and development for safe and stable supply of environmentally-friendly energy

➢Research on Smart Grids and Expanding Use of Renewable Energy

- Investigation of the impact of drastic introduction of solar power on power network
- Research on biomass fuel and biomass power generation using local resources such as animal compost
- Research on Smart Grids

■Image of Smart Grids

A next-generation power distribution network that is capable of linking to renewable energy on a large scale thanks to the use of information and communication technology



P L C : Power line communication, a technology in which power lines also serve as communication lines
H E M S : Home energy management system, a system that optimizes electric energy use in the home based on appliance monitoring and usage status and season of the year
P H V : Plug-in hybrid vehicle, a hybrid car whose battery can be directly charged by plugging into a household outlet

➢R&D of New Resources and Forms of Energy

- Development of technology to dewater and dry low-quality coal (high-moisture lignite) whose use is limited to the producing region

➢R&D on Reduction of CO_2 Emission and Improvement of Energy Efficiency

- Technical evaluation research on Carbon Dioxide Capture and Storage (CCS)
- Research on technical assessment of Advanced Ultra Super Critical (A-USC) and Integrated Gasification Combined Cycle (IGCC) envisioning future introduction on own thermal facilities
- R&D aiming for electrification in agricultural, forestry and fishery industries utilizing heat pump technology
- R&D on superconductivity

➢R&D on High-Efficiency Lithium-Ion Battery and Power Storage

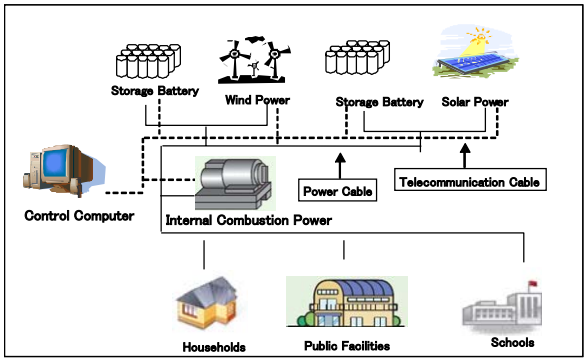
- Development of clean and eco-friendly equipment utilizing high-efficiency lithium-ion battery and research on power storage equipment
- Research on building infrastructure to encourage widespread of electric vehicles including high speed battery charger

6 We will work on stable and efficient supply of electricity in isolated islands based on each island's geographical characteristics

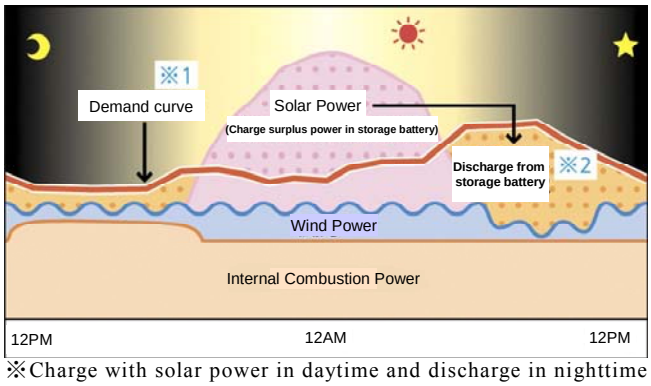
➢Demonstration Experiment of Micro Grid Combining Solar, Wind and Other Power Sources

- o On isolated islands with no power network connected to the main island, electricity is mainly provided by internal combustion (diesel power) facilities on each island. To ensure energy security, global environment conservation and economic efficiency, we are investigating optimal power supply systems suited to each island's characteristics.
- o As part of the investigation, since FY2009 we have been developing micro grid systems combining renewable energy sources (solar and wind) and storage batteries with existing internal combustion facilities on six Kagoshima Prefecture islands (Kuroshima, Takeshima, Nakanoshima, Suwanosejima, Kodakarajima and Takarajima). Proving tests beginning in FY2010 are examining and evaluating power network operation and control issues and economic efficiency. (Period of proving tests: FY2010 - FY2012)

〔Micro Grid System for Isolated Islands〕

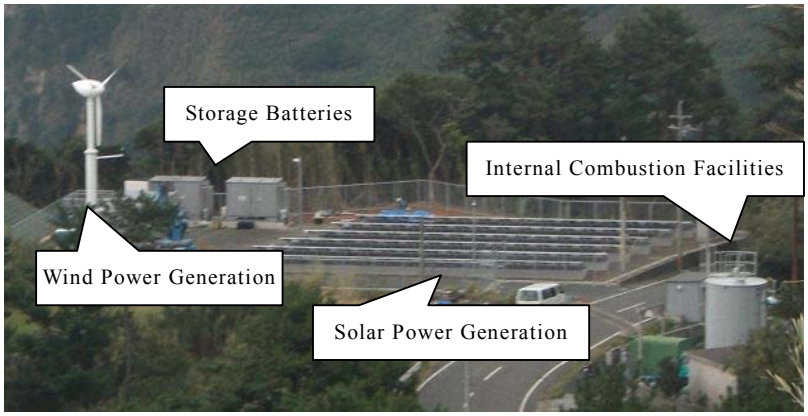


〔Daily Demand and Supply Balance〕



※Charge with solar power in daytime and discharge in nighttime

〔Verification Test Facility in Kuroshima〕



Ⅱ Highly value added services that fulfill both comfort and eco-consciousness

We will provide quality electricity to response to the rising importance of electricity as a lifeline as well as services to meet customers' sophisticated and diversified expectation and needs.

We will also actively support customers' energy-saving efforts to reduce CO_2 emission by promoting "Comfort and Eco-friendly Lifestyle" and proposing comprehensive solutions to energy-related problems customers face.

1 We will provide stable and quality electricity to customers.

➢ Maintaining High Supply Reliability

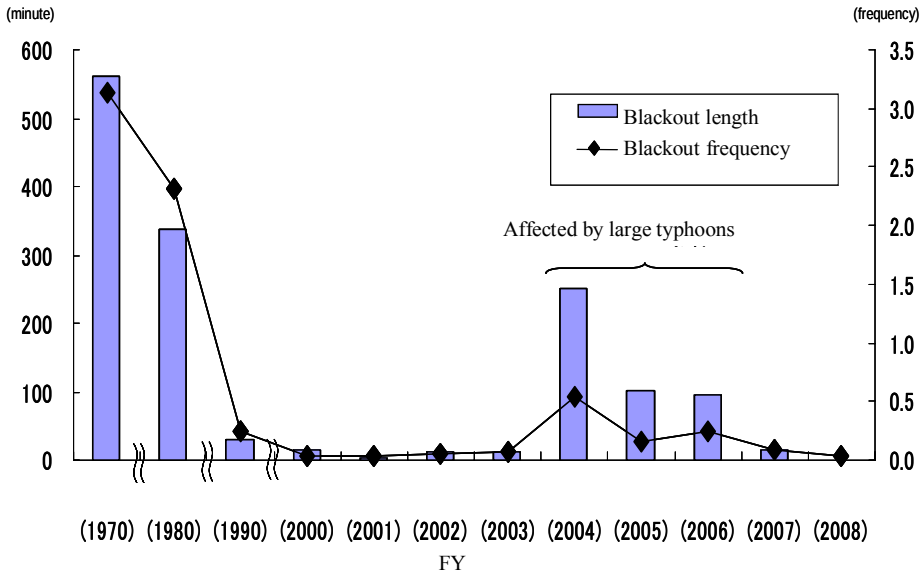
We will maintain the level of trust by improving transmission and distribution network, improving operation and maintenance techniques, and sophisticating facility operation and management.

We are additionally working to efficiently and practically configure facilities adapted to demand trends and customer needs.

- Specific Examples –

- Take supply measures suited to needs at an early date, such as when customers requiring special high-voltage service come to the area
- Installation of current limiting arcing horn to reduce impacts of thunder to customers
- Systematically expand remote control systems using optical communications to prevent problems on distribution lines and enable more advanced voltage monitoring and control
- Airlift training of generator vehicle and other specialized vehicles by large helicopter of Japanese Self-Defense Forces

[Annual Blackout Frequency per Household]

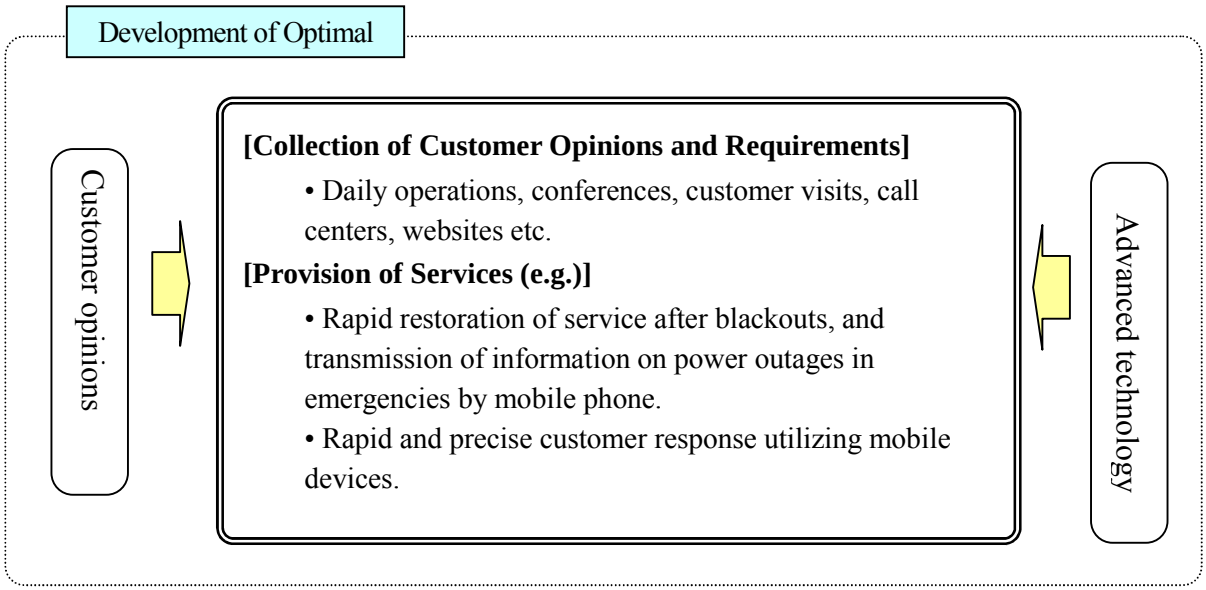


〔Airlift training of generator vehicle with Japanese Self-Defense Forces〕

2 We will develop and provide services that meet customers' needs.

➢ Enhancement of Interactive Communication with Customers

o Utilizing every opportunity including customers' round-tables and customer visits, we will listen to comments and needs from customers and provide optimal services to customers utilizing cutting edge IT and other technologies.

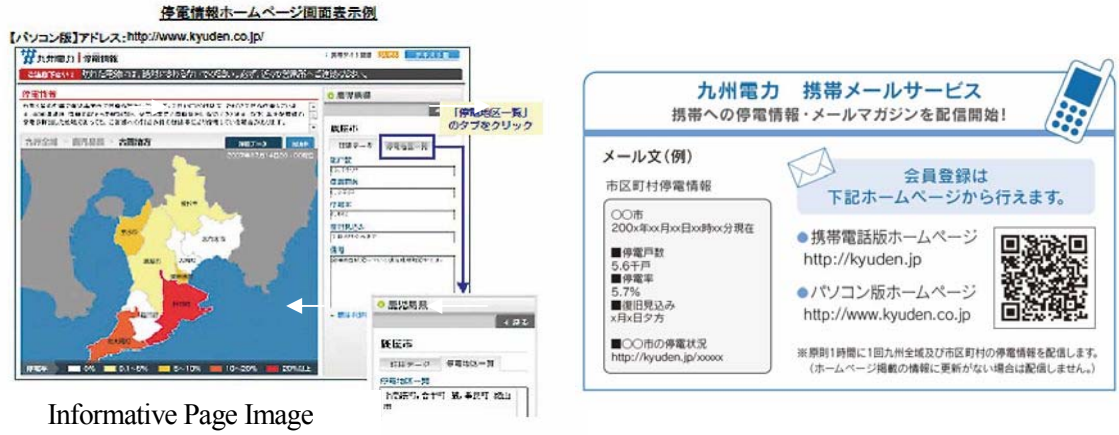


➢ Enhancement of Blackout Information Mail Delivery Service

o When typhoons and other emergency disasters cause blackouts, we provide detailed information including estimated recovery time on our website both for PC and for mobile device, as well as text messages to customers' mobile device registered in advance.

o We also use email, etc., to notify customers of the operating status of our nuclear power station in the event of a major earthquake.

■ Information Transmission in Emergency and Disasters



Informative Page Image

➢ Systematic Introduction of New Electric Meters

o We started introducing new electronic meters (unit meters) with a communication function for low-voltage customers in November 2009 and will continue to implement these units systematically.

-Main Expected Future Effect after Introduction of Low-voltage New Electric Mater-

○ Improvement of Customer Service

· Data service on electricity usage and propose of "Energy-saving and Comfortable Lifestyle" including energy-saving consultation

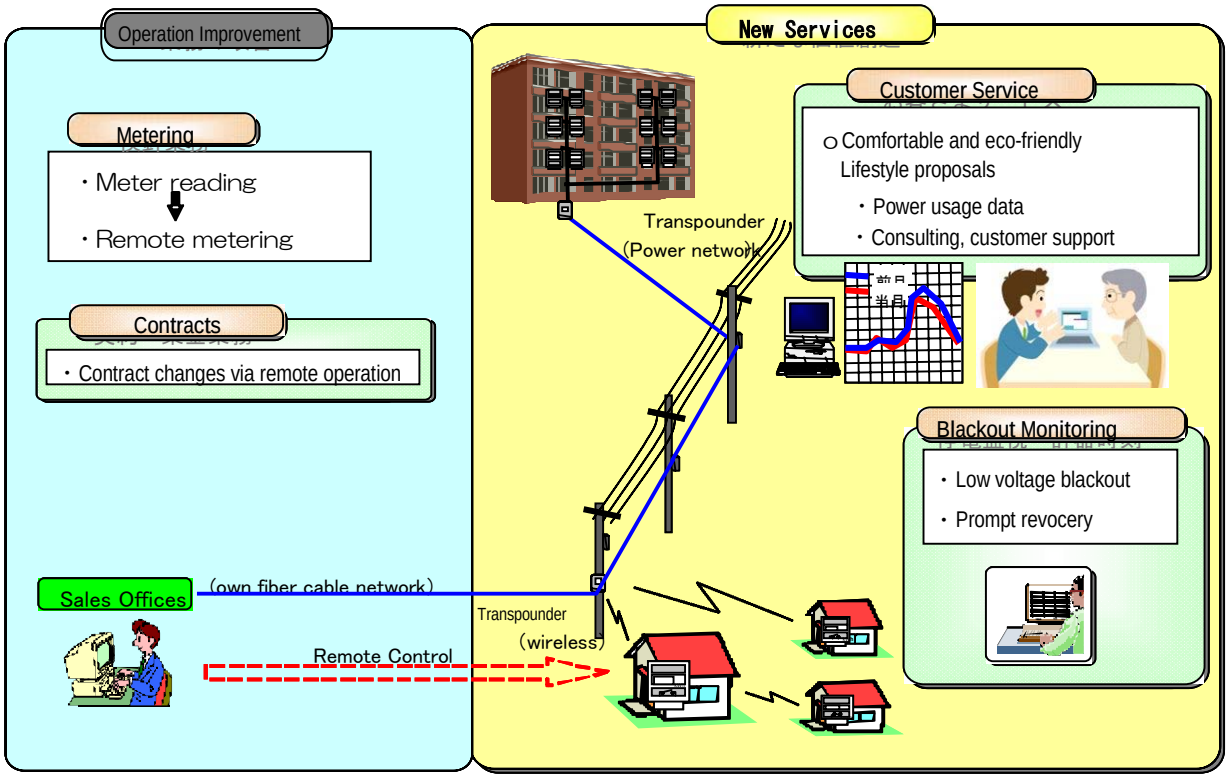
· Prompt recovery by determining the low-voltage blackout area

○ Improvement of Operation Efficiency

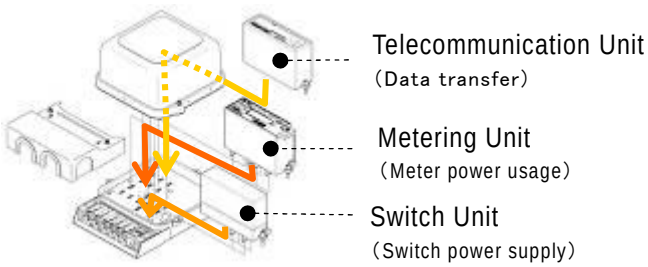
· Operation efficiency improvement by remote mater-reading

※Includes monthly meter reading, various tasks such as when a customer moves (confirming meter figures when service starts or ends, turning power on or off), and switching meters when a contract changes.

[Operation Flow after Widespread of Low-voltage New Electric Meter]

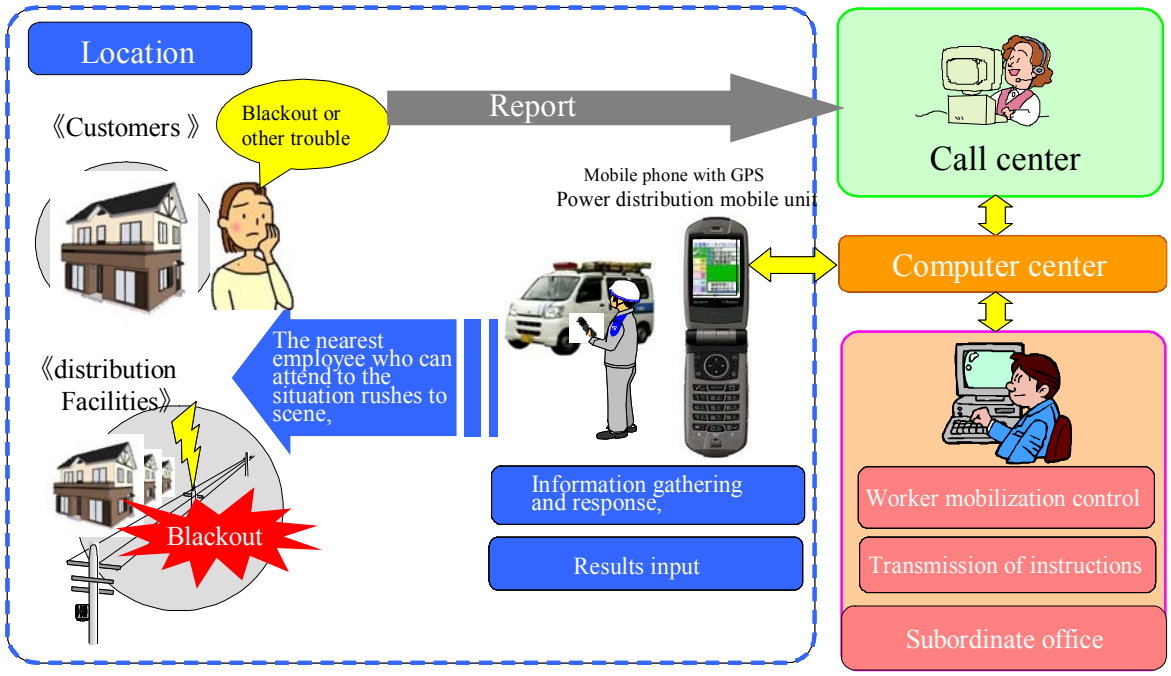


■New Low-Voltage Meter (Unit meter)



➢ Prompt and Accurate Customer Service Utilizing Mobile Devices

o We will work to provide prompt and accurate customer services including prompt services by closest workers to the location utilizing GPS function installed in mobile phones and smooth one-stop procedure at site utilizing mobile devices.



➢ Measures to Develop Technologies and Build Infrastructure to Encourage the Spread of Electric Vehicles

o We are developing rapid and ordinary-speed chargers and studying the charging infrastructure that will be required as electric vehicles become common. As part of this effort, one of our group companies in September 2009 began selling a rapid charger we developed.

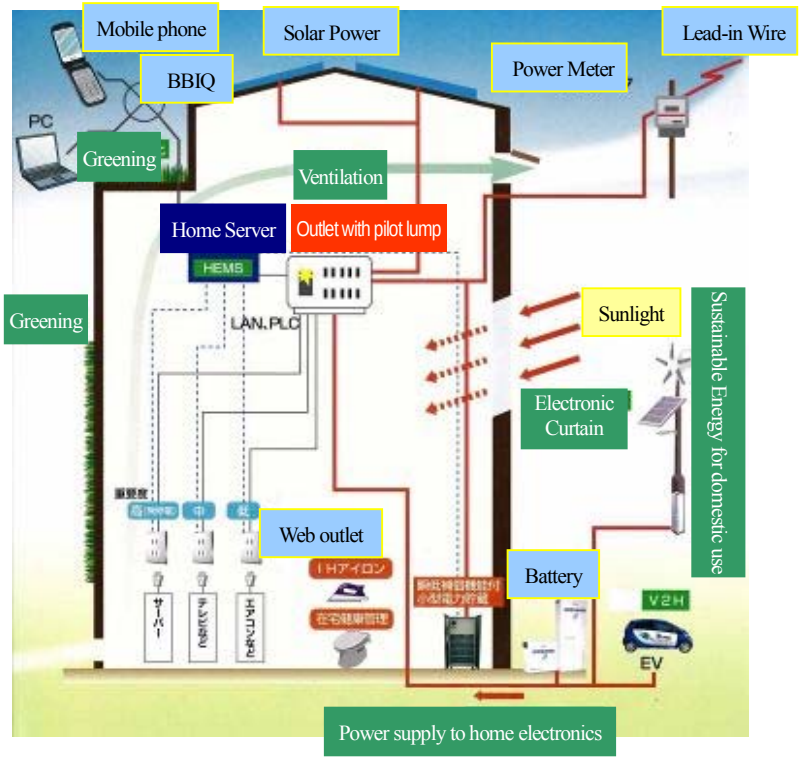
[Electric Vehicle and High-speed Charger]

➢ Development and Investigation of New Ways to Use Electricity Including Intelligent Houses Utilizing Information Technology

o Intelligent house is an experimental house utilizing electric technologies and IT to realize ease-of-mind, safe, and comfortable life with eco-friendliness and cost-savings.

o Through research conducted at this experimental house, including development of a home energy management system*, we are offering lifestyle ideas anticipating the needs of the times, including energy saving.

*A system that optimizes electric energy use in the home based on appliance monitoring and usage status and season of the year



3 We will provide services to improve energy use efficiency of customers.

By promoting an "Energy-saving and Comfortable Lifestyle" and providing comprehensive energy ideas, we are aiming to reduce customer CO_2 emissions by 90,000 t in FY2010. In addition, we aim to have a cumulative 500,000 household Eco Cute units in service by the end of FY2013.

➢ Promotion of "Energy-saving and Comfortable Lifestyle"

o Based on the rising awareness of global environmental issues and energy resources issues, we will cooperate and work with customers on "Energy-saving and Comfortable Lifestyle" to support customers to use electricity skillfully and in an efficient manner to achieve a comfortable and eco-friendly lifestyle.

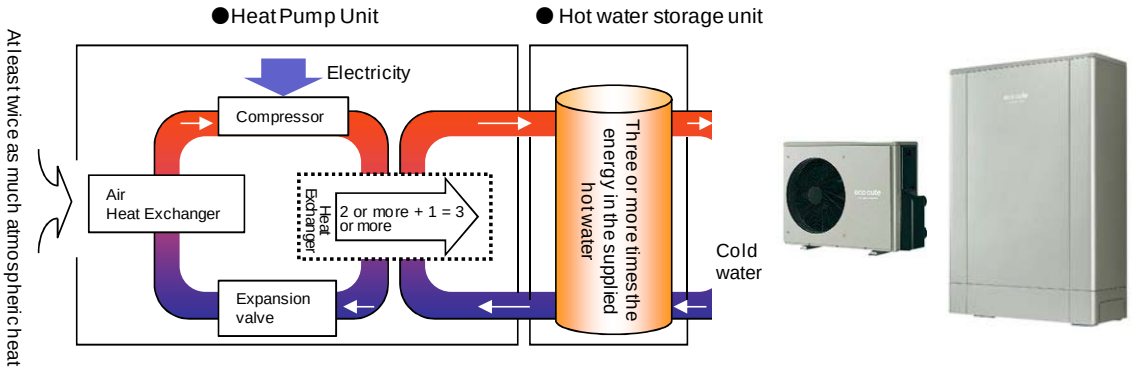
－Specific Examples－

· Active PR on energy-savings

· Proliferation of all-electric especially of highly energy saving Eco Cute

Eco Cute

Eco Cute is a high-efficiency heat pump making effective use of the natural heat in the air, and as such is able to extract more than four times as much thermal energy as the energy employed in extraction.



➢ Comprehensive Proposal on Energy

o In response to corporate customers' eco-consciousness and desires for comfort, we will develop solution activities to meet various needs from customers and fix problems that customers face.

- Specific Examples –

・ Introducing effective energy saving techniques and energy-saving devices

・ Promotion of efficient and comfortable all-electric kitchens

・ Promotion of high-efficiency heat pump air conditioning and hot water systems

・ Promotion of electrification in agricultural, forestry and fishery industries utilizing heat pump technology

Ⅲ Contribution on establishing sustainable society in Kyushu, Asian and worldwide

While leading eco-friendly business activities, we will cooperate and work with customers and the community toward the enhancement of local industries and cultures.

We will contribute to a stable supply of energy in Asia and worldwide, as well as to a reduction of CO_2 emission in global level by utilizing our expertise and technologies.

1 We will pursue fair and highly transparent business activities

- Improvement of Compliance Awareness and Thorough Implementation of Fair Business
  - o To earn trust from the community and society, we intend to enhance compliance awareness, not only by complying with laws and regulations but also by promoting fair and highly transparent business activities.
    - Specific Examples –
      - ・ Using our intranet, etc., to thoroughly familiarize employees with information on legal changes and compliance, and conduct compliance training
      - ・ Training in legal knowledge required for operations such as inviting guest speakers for legal training seminars and holding group-company study sessions

- Enhancement of Compliance Management Promotion System
  - o We work to ensure objectiveness and transparency of management by proposing, examining and monitoring the guidelines and measures on compliance management at the Compliance Committee chaired by the president and composed of Directors and external knowledgeable experts. We have also established Compliance Consultation Desks, both inside and outside the company, as part of an in-house notification system.
  - o We have established an information security system, with the president having overall responsibility, to ensure correct handling of information. To ensure compliance with the Private Information Protection Law, we have also established rules governing identification of the purpose of use of private information, methodologies for responding to requests for disclosure of such information, and appropriate management.

- Full Disclosure of Information from Point of View of Customers, Shareholders and Investors
  - o We endeavor to disclose information promptly and accurately to ensure management transparency to earn the understanding and trust of our customers, shareholders and investors.
  - o We intend to continue actively disclosing information, through press conferences, our web site and other means, as it relates not only to management but also to any trouble in our nuclear or thermal power stations.

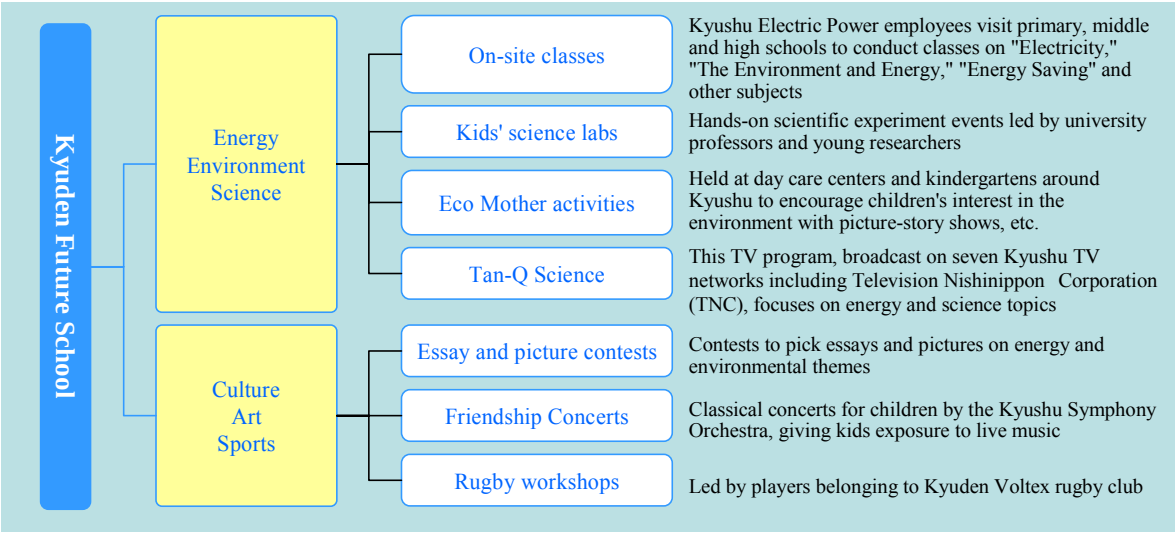
- Promotion of Management with Full Respect for Human Rights
  - o To encourage employees' understandings on human rights and right action, we will continuously maintain and improve awareness on human rights through systematic education and promotion activities.

2 We will enhance communication with the society on energy and environmental issues

- Promotion Activities on Our Measures to Tackle Energy and Environmental Issues
  - Through Kyuden Advisory Board and customers' round-tables, we will gather comments and requests on our overall management from outside experts and local opinion leaders to enhance interactive communication with customers.
  - Through our CSR Report, Environment Action Report, web site and more, we will actively disclose information on our energy and environmental initiatives and listen to comments and requests to enhance interactive communication.

- Energy and Environmental Education for the Next Generation (Kyuden Future School)
  - We conduct a variety of initiatives around Kyushu to help children of the region learn about energy, the environment, culture, arts, and more in order for them to have a greater awareness of energy and the environment.

[Kyuden Future School]



Eco Mother Activity

Eco-Mother activities are held at kindergartens around Kyushu to encourage children's awareness on the importance of eco-friendliness in easy-to-understand ways with picture-story shows and leaflets.

On-site Classes

On-site classes are for elementary to junior high school students to learn about "Electricity", "The Environment and Energy", and "Energy Saving" in experimental and enjoyable way.

3 We will take the lead in eco-friendly business activities in cooperation with customers and local society

- Active Cooperation with Customers and Local Society Utilizing Regional Characteristics Including Development of Renewable Energy
  - o We will conduct feasibility study on the development of regional renewable energy including small-size hydroelectric power generation facilities at sites unused for water supply or agricultural use and geothermal binary power generation using unused hot spring water while providing technical support for design and installation of power generation equipment.
  - o We will work in cooperation with local community on issues we share with the community including forest protection and river environment protection.
  - o We are developing cooperative activities with the community including "Kyushu Homeland Forestation Program" to plant 1 million trees over 10 years (2001-2011).
  - o From our perspective as an energy business, we take an active part in local government initiatives, etc., to create low-carbon cities, such as by introducing electric vehicles and developing eco-friendly urban areas.

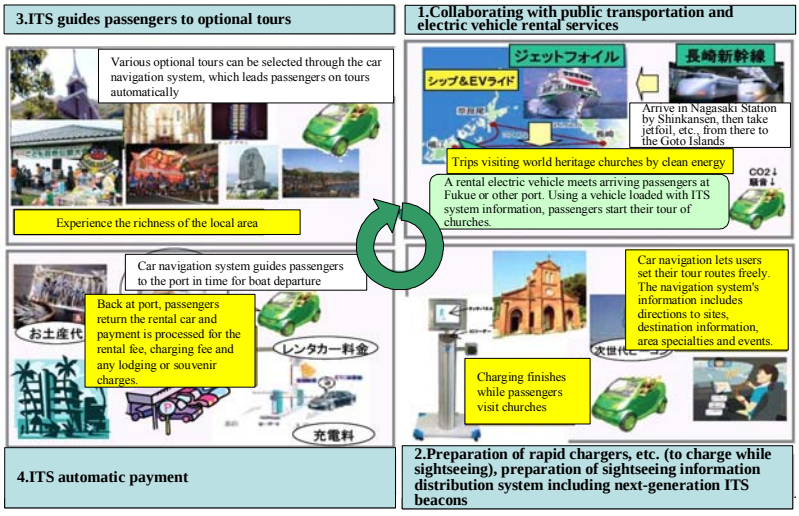
Taking part in Nagasaki EV & ITS

In March 2009, the Ministry of Economy, Trade and Industry chose Nagasaki Prefecture as an "EV/PHV Town[*1]." In the main project of this effort, the prefecture is working to prove the effectiveness of a "Future Drive Tourism System[*2]," which brings together electric vehicles and intelligent transportation systems, in the Goto Islands.

Kyushu Electric Power takes part as a member in the "Nagasaki EV & ITS Consortium," a partnership of academia and experienced experts, automobile manufacturers, car navigation and device manufacturers, and government organizations, established in October 2009. We also participate in working groups and are helping to promote the concept.

〔Nagasaki EV＆ITS〕

Source：Nagasaki Pref.

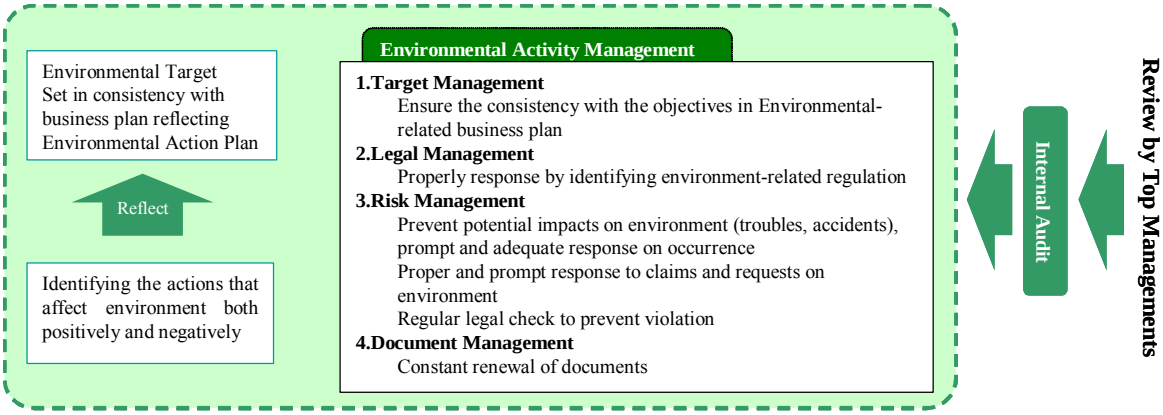


※1. EV/PHV Town: The Ministry of Economy, Trade and Industry has chosen eight such locations nationwide as proving grounds for promoting electric vehicles (EV) and plug-in hybrids (PHV). (Nagasaki Prefecture has the only such site in Kyushu.)

※2. Intelligent Transport Systems

- Development of Zero-Emission Activities and Adequate Operation of Environment Management Systems (EMS)
  - o We undertake zero emissions activities that pursue the three R's: Reducing, Reusing and Recycling wastes generated by business activities.
  - o We will promote “Green Procurement” to procure eco-friendly products.
  - o We will work to build biodiversity-conscious facilities with lower impact on environment by implementing environmental assessment based on the latest knowledge and local condition upon planning power generation facility construction.
  - o We will properly manage chemicals such as PCB (polychlorinated biphenyl) and asbestos and work to reduce and avoid the risk of environmental contamination.
  - o We ensure all of our business locations adopt our Environmental Management Systems (EMS) properly and continuously work to reduce environmental burden by planning, implementing, evaluating, and reviewing voluntary eco-activities.

[Outline of Environment Management System (EMS)]



- Active Introduction of Electric Vehicles as Company Cars and Promotion of Energy Savings at Own Facilities
  - o We will introduce 1,000 units of electric vehicles including plug-in hybrid vehicles by FY2020 for company use (36 vehicles introduced in FY2009).
  - o We will work to reduce electricity usage at the workplace by introducing high-efficiency type of lighting and air conditioning equipment.

- Promotion of Earth-Conscious and Aesthetic Undergrounding
  - o Undergrounding has been systematically implemented in close cooperation with road managers and local parties in consideration of urban landscape and to ensure safe and comfortable traffic space. (By the end of FY2008, 683 km of lines had been laid underground.)

4 We will work in harmony with local community to develop local industries and cultures

➢ Support for Local Cultural and Sport Events and Employees' Volunteering Activities

o Measures for Regional Revitalization

	Activities
Cooperative regional invigoration activities	- Activities in cooperation with local governments, etc., to revitalize local economies - Holding of "Kyushu Tourism and Food Fair" in the Tokyo area in cooperation with the Kyushu Tourism Promotion Organization and other enterprises.
Support for Regional industries	- Holding of exhibitions of local products in cooperation with the Regional Industries Promotion Center.
Support for Traditional handicrafts industry	- Support for local and overseas training for young handicraft artists. - A range of support for traditional handicraft artists.
Support for local informatization	- A range of support for advanced IT specialist training and R&D under Industry-academia-government collaboration

o Support for Local Culture (Corporate Patronage Activities)

	Activities
Music	- Hosting of the Kyushu Symphony Orchestra's "Kyuden Fureai Concerts ~Classical Music for Everyone~".
Literature	- Hosting of casual writing contests such as the Family Essay Contest.
Festival participation	- Participation of branch and sales offices and employees of group companies in local festivals in each service area
Cultural activities for the younger generation	- Hosting local cultural activities such as essay contests for younger people, art exhibitions, and music events.
Support for local events	- Support for local cultural events such as concerts and art exhibitions.

o Support for Local Sports Activities

· We will continue our support for local sports activities in order to revitalize and raise the level of sports activities in the community, and to create a cheerful and healthy regional community.

－Specific Examples－

· The company's flagship sport is rugby, and our rugby team is working to establish a team supported by community, providing lessons to regional junior rugby teams and participating in local events to support invigoration of regional sports.

o Support for Volunteering Activities of Employees

· We support the individual volunteer activities of employees through volunteer vacation programs and programs supporting the acquisition of social welfare qualifications.

➢ Cooperative Promotion to Attract Enterprises with Local Authorities and Economic Organization

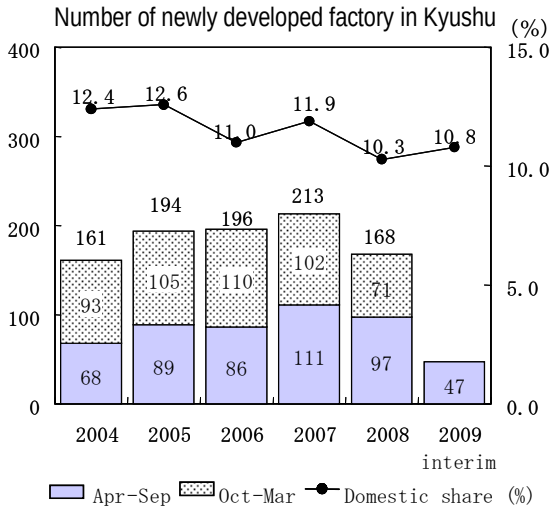
o Kyushu Electric Power partners with local governments, business groups, etc., to find business relocation information, promptly supply electric power, and provide support that encourages relocation within the region, such as offering energy solutions that utilize the business resources of our group companies.

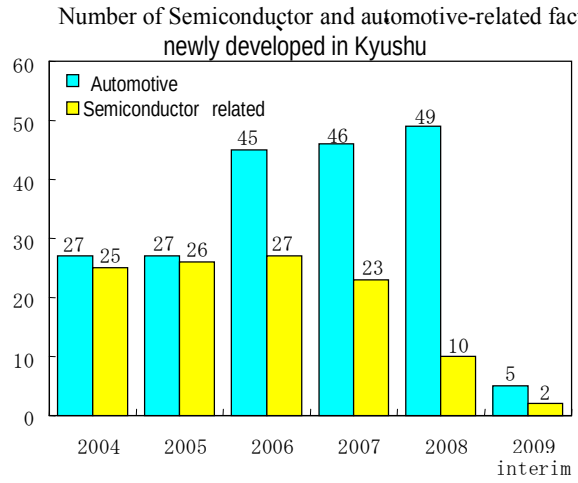
Our Website "Invest in Kyushu, JAPAN"

As one example of providing information to encourage relocation in Kyushu, our web site includes information on Kyushu's attractions and facts about locating a business here. (This information is accessed 80,000 times annually)

We provide a central source of relocation information about the Kyushu region as a whole, as well as the latest industry trends, to meet the needs of local governments seeking to attract businesses and of customers who are considering where to locate.

(http://www.kyuden.co.jp/firm-location_index.html)





* Completed contracts in January -June 2007 with factory site of more than 1,000 ㎡

➢ Initiatives for Promoting Local Industry

o We conduct initiatives to harness the potential of the Kyushu region and cluster more industries together here, for example by supporting agriculture with our technology (farm electrification, etc.), taking part in industry-academia-government R&D, helping to formulate urban strategies, and otherwise cooperating with local business groups.

Kyushu Power Academy Initiative

The Kyushu Power Academy was founded in June 2009 to help form personal networks among Kyushu area universities, technical colleges and businesses, foster engineers and researchers to support electrical engineering in Kyushu and Asia, and contribute to industrial and academic development.

(Major initiatives)

- Conducting "Primary and Middle School Student Craftsmanship Courses" and "Environment and Energy Training" for young people
- Holding a symposium and "Industry-Academia Partnership Fest" to encourage ties between the business and academic worlds

5 We will develop businesses overseas including IPP businesses and energy-saving and environment-related consulting businesses

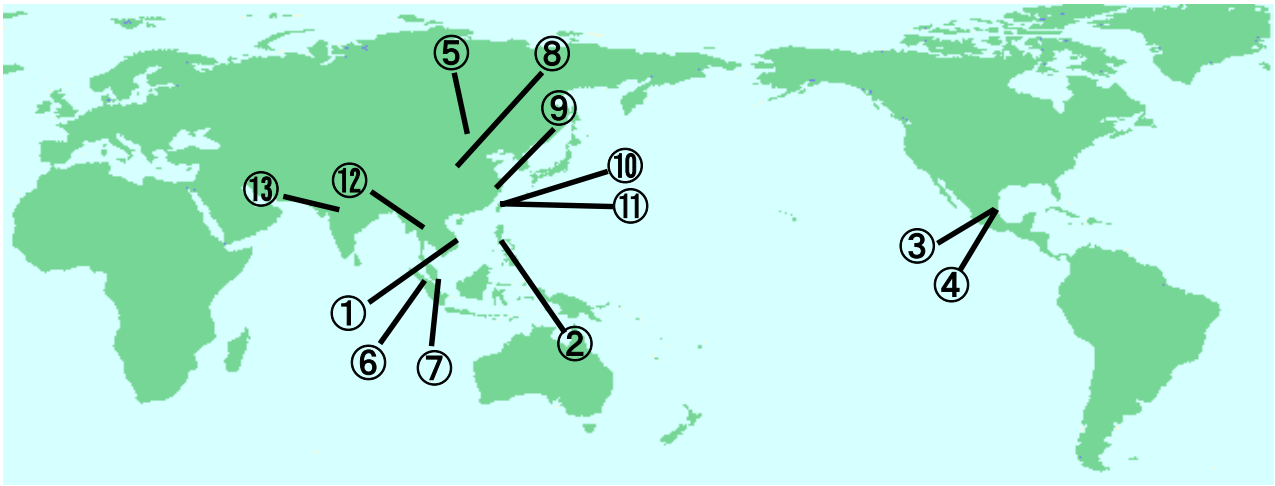
➢ Development of Overseas Businesses

o We will promote high-efficiency thermal power, power generation with renewable energy resources, and energy saving consulting businesses utilizing our own expertise and techniques mainly in growing Asian region.

o Over the coming 10 years, we plan to expand our investment in overseas business to about ¥100 billion (equivalent to an output share* of 3 million kW).

*The amount of electric power output from each project corresponding to Kyushu Electric Power's investment share (approximately 1.3 million kW as of March 31, 2010).

[Business Development Overseas (as of March 31, 2010)]



◆ Power Generation Business (in operation)

①	Phu My Ⅲ, Vietnam (gas combined cycle)
②	Ilijan, Philippines (gas combined cycle)
③	Tuxpan Ⅱ, Mexico (gas combined cycle)
④	Tuxpan V, Mexico (gas combined cycle)
⑤	Inner Mongolia wind power IPP, China (in preparation)

◆ Power Generation Business (under review)

⑥	Sarulla geothermal power IPP, Indonesia

◆ Electricity Business (in operation)

⑦	Senoko Energy, Singapore

◆ Consulting, environment-related business

⑧	China Energy conservation consulting
⑨	China Project management for ESCO business in Shanghai
⑩	Consulting for Taiwan Thermal power plant construction
⑪	Taiwan Technical consulting for substation construction
⑫	Thailand Consulting for Thai Provincial Electricity (PEA) HV training center
⑬	India Study on enhancement of thermal power plant operation

➢ Information Gathering and Business Development Based in Overseas Locations

o In July 2009, Kyushu Electric Power set up its first overseas office in Singapore, a place chosen as a hub of information for advancing business activities and providing support for overseas business ventures, primarily in Asia (Indonesia, Vietnam, the Philippines, India, etc.) because of Kyushu's geographical location. We will use the Singapore office from here on to collect information on new business ventures and manage existing projects.

6 Utilizing group-wide resources, we will develop businesses to meet needs of customers and community

➢ Business Development Based on the Social Meanings, Synergy Effect with Eco-friendly Energy Business (Core Business) and Valuation of the Risk and Profitability

o Kyushu Electric Power actively promotes projects to generate electric power from new sources of energy (such as wind, solar and geothermal) and develops information-communication, environmental and recycling, lifestyle service and other "social and lifestyle service businesses" by taking into account the social significance of such businesses, their synergy with our core business, and by evaluating their risk and profitability.

Business Domains

[Environmentally-friendly Energy Business]

- Power generation from new forms of energy including wind, solar, biomass, geothermal and municipal waste
- Solar power system integration
- Overseas IPP projects, electricity business and energy saving/environmental consulting
- Gas and LNG sales to local gas companies

[Society and Lifestyle-oriented Service Business]

<IT and telecommunication business>

- Ultra-high-speed internet access service and other broadband businesses
- IT solution businesses providing telecommunications infrastructure design, development, operation and applications
- Fiber-optic cable leasing service for local authorities, telecommunication companies and CATV businesses

<Environmental and Recycling Business>

- Waste recycling of used fluorescent tubes from companies and households
- Waste recycling of confidential documents from local governments and companies

<Lifestyle-oriented Service Business>

- A senior apartment complex business to support a rich and comfortable lifestyle of senior citizens and to provide nursing services
- A building inspection business to provide compatibility assessment of buildings to building codes and a residential building evaluation business to provide evaluation of residential buildings

Ⅳ Measures to enhance an account structure capable of handling changes in circumstances

We will implement measures to establish a flexible account structure with multiple revenue sources capable of coping with changes in circumstances including measures to shift to non fossil energy, to improve energy efficiency on both demand and supply sides, and to ensure new revenue sources by developing businesses overseas and in new business domains.

Based on a risk evaluation, we will allocate management resources properly and improve efficiency while working to reduce fuel cost through the establishment of flexible fuel procurement portfolio based on changes in business circumstances.

We will strive to maintain the leading level of cost in the industry and continue stable dividends.

1 We will strive to allocate management resources properly based on a risk evaluation and to improve efficiency

➢ Risk Management Enhancement

o We will pursue thorough risk management by sorting out crucial risks based on regular risk analysis and reflecting the countermeasures to business management plans aiming for prompt and adequate response to increasingly complex and diversified risks.

o We will sort out and prioritize risks from midium to long term perspective and allocate management resources based on the degree of importance and emargency.

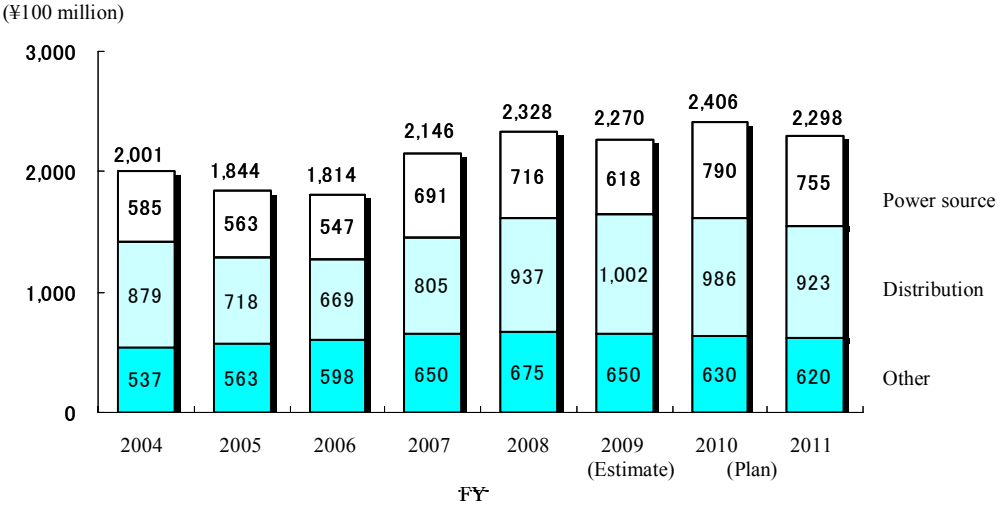
➢ Improvement of Capital Investment Efficiency

o We work to improve efficiency by reviewing of safety repair schedules and construction scopes, in addition to working for a low-carbon society and maintaining supply reliability by using fossil fuels effectively, expanding the use of renewable energy, and dealing with the aging of existing facilities.

－Specific Examples－

- Review of planning criteria and repair standards
  (Reschedule of repair based on the analysis of facility troubles and deterioration as well as the estimate on lifetime determined by the accumulated data on deterioration of removed parts)
- Revision of design basis and specifications and construction cost reduction
  (Reduction of material amount and construction procedures by reviewing facility design and construction area based on the result of data analysis)

[Capital Investment]



➢ Efficiency Improvement in Maintenance and Miscellaneous cost

o We will work thoroughly to improve overall efficiency in operation by rescheduling construction based on the risk evaluation including inspection results, reviewing construction area based on cost-effectiveness and renegotiating unit prices, while there are factors of increase such as the aging of facilities.

－Specific Examples－

- Reschedule of maintenance work and revision of repair area based on the detailed consideration of the degree of emergency and impact)
- Revision of outsourcing cost (outsourcing area, unit cost) and rent, miscellaneous cost reduction

➢ Cost Reduction in Equipment Procurement and Construction

We work to reduce costs by dealing correctly with the risk of procurement difficulties (as prices of raw materials fluctuate and Japan's population ages), thereby ensuring stable procurement of materials and construction work. We effectively use strategic purchasing techniques in a three-way partnership that includes our suppliers, our materials procurement department and our facilities department (for example, by working to plan purchasing prices and practicing supply chain management (SCM)). We also diversify purchasing arrangements and use competitive estimates.

o By disclosing related information on our website, we will provide open market opportunities to new supplyers both domestic and overseas while working to reduce procurement cost by actively utilizing e-commerce.

Purchase Cost Proposals and SCM

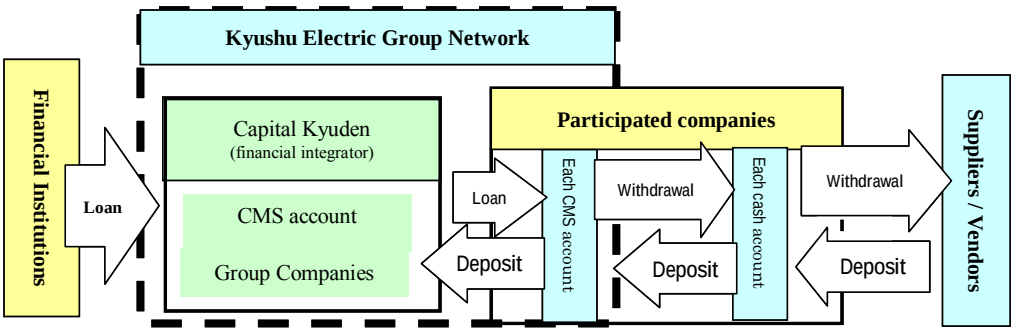
As a cooperative effort among our materials procurement department, department in charge of facility and suppliers, we will seek to reduce overall procurement cost in a series of processes from suppliers' manufacturing to procurement and operation. Examples include efficiency improvements of parts procurement and manufacturing process, revision of specification, optimization of operational process overall.

Information on our material procurement is available on our website.
（http://www.kyuden.co.jp/company_procurement_shizai_index）

➢Cutting Financing Cost by Efficient Funding among Group Companies

o By enhancing cash management system (CMS) function and introducing long-term financing system, we will encourage fund financing among group companies and reduce financing cost.

〔Outline of CMS〕



2 We will work to reduce fuel cost by economic fuel procurement and operation based on energy proce volatility risk

- Measures to Establish a Flexible Fuel Procurement Portfolio Including Diversified Contract Methods
  - o While ensuring stable procurement, we will promote diversification of suppliers, contract periods and methods to determine prices aiming to reduce stabilize fuel cost.

[Example of measures to diversify fuel procurement contracts]

	Supply Sources	Measures for cost reduction and stable procurement
LNG	Indonesia Australia Sakhalin etc	・ Diversified contract terms including mid-term and spot yet mainly long-term contracts ・ Efficient operation of our first own LNG vessel ・ Conclusion of basic agreements to participate in and purchase LNG from the Wheatstone LNG project in Australia and purchase LNG from the Gorgon LNG project in Australia (procurement diversification, enhancement of procurement stability)
Coal	Australia Canada Indonesia etc	・ Diversified contract terms including multiple years, single year, and spot contracts ・ Ensuring stability, economic efficiency and flexibility by properly combining exclusive-use vessel, exclusive-route vessel and vessel for spot transaction
Uranium	Australia Canada African region Kazakhstan etc	・ Diversification of contracts, including start of new procurement from the Republic of Kazakhstan ・ Participation in Western Australia uranium mine development project feasibility study, through our affiliate Japan Australia Uranium Resources Development Co., Ltd.
Oil	Vietnam Indonesia Domestic etc	・ Diversified suppliers and transportation methods aiming to reduce risk of demand volatility(Enhancement of stable procurement by securing exclusive domestic carrier, direct import of C heavy oil)

- Economic Power Plant Operation and Flexible Use of Electric Power Exchange
  - o By combining hydroelectric, thermal and nuclear power generation, we will work to achieve the most economic power plant operation to fulfill demands while flexibly utilizing electricity purchased from other companies and electric power exchange to reduce fuel cost.

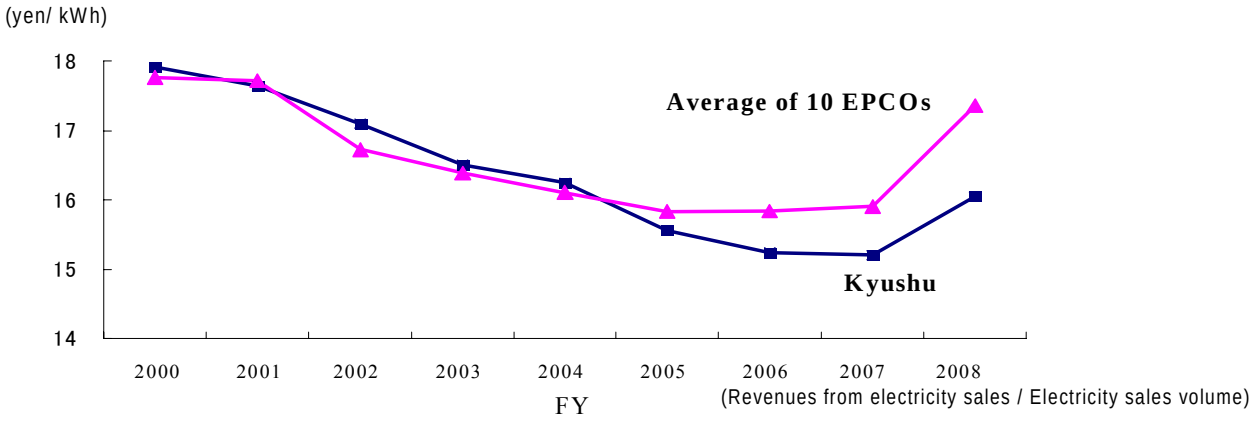
3 We will develop electricity rate plans based on changes in business circumstances and needs from customers

➢ Investigation of Electricity Rate Plans Based on Our Response to Requests from Society

- o We will thoroughly improve overall management efficiency and work to reduce electric rates while providing wide range or rate plans to choose from based on customers' needs. (see page 47 and 48 for details)
- o We will also investigate rate system based on our response to requests from society including an introduction of renewable energy.

○ Through measures outlined in 1 to 3 above, we have conducted rate reduction several times and in FY2008 we realized the leading level of cost in the industry.

[Electricity Rate of Kyushu Electric Power]



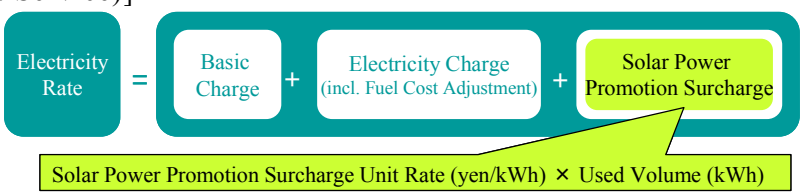
*The FY2008 rate was revised downward 1%, but it actually rose under the fuel cost adjustment system because of the high price of fuel.

Solar Power Promotion Surcharge

Since November 2009, a new system has been in place under national law in which electric power companies are required to purchase surplus solar power.

Under this system, beginning in April 2010, the cost of surplus solar power purchased in the previous year is passed on to all electricity customers as a Solar Power Promotion Surcharge on their electricity bill in the current year. This is designed to be fair, as the surcharge is based on the amount of electricity used.

[Image of How the Solar Power Promotion Surcharge Works (In the Case of Metered Service)]



Note: The unit cost of the Solar Power Promotion Surcharge in FY2010 is ¥0.0 because the system just began in November 2009, the purchase cost was low, and because any amount less than ¥0.1 is rounded down.
Therefore, the cost from FY2009 purchases will be combined with those from FY2010 for billing in April 2011 and beyond.

Ⅴ Personnel enhancement to attract next generation's workforce

Based on the impacts of increasing difficulty in securing human resources due to an aging population with low birthrates and the changes in employees' future age composition on our future business operation, we will rebuild personnel system and review operational system from a long term point of view.

While responding to new needs from society and employees, including satisfying work and family balance and enhanced opportunities for female employees, we will also work to establish a vigorous and motivating organization where each and every employee can maximize their capabilities and pursue personal development through their work.

1 We will establish an operational and organizational structure based on changes in current business situations

- Development of Corporate Governance Structure
  - In line with the Corporate Law, we have established our "Principal Policy on Corporate Governance Structure" including legal compliance of the directors and employees.
  - We have established an implementation system of internal audit (financial audit) on corporate governance system for financial reporting based on the Financial Product Trading Law.
  - We will continue our efforts to build and enhance the system in order to ensure sound corporate management.

- An Organization that Accounts For Changes in the Business Environment
  - So that we can propose initiatives that will allow us to coexist with the local community, develop overseas business, and so on, we aim to expand our head office/headquarters system and build a system capable of leveraging its full strength as we seek to use our management resources effectively and step up human resources development.

- Promotion of Efficient and Advanced Business Operation by Introducing the Latest Technologies and Restructuring Operational Processes
  - We will promote efficient and advanced business operation by restructuring operational processes utilizing ICT and by reviewing business allocation group-wide.

- Measures to Establish Operational Structure Based on Employees' Future Age Composition
  - From a long term point of view, we will discuss and implement measures to effectively hand down expertise to younger employees as well as measures to utilize knowledge and experiences of middle-aged and older employees in consideration of the impacts of increasing difficulty in securing human resources due to an aging population with low birthrates and the changes in employees' future age composition on our future business operation.

- Inheritance of the Electronic Core Technologies and Expertise Group-wide
  - By actively exchanging workers and improving educational environment, we will work on human resources development in cooperation with group companies and affiliated companies aiming to maintain and hand down our electronic expertise.

2 We will develop an environment where various workforces can maximize their capabilities and work vigorously

➢ Comprehensive Reformation of Personnel Structure

o Seeking personal growth and a job-satisfaction for our employees, we will clarify the mindset and skills required of them in the future in order to comprehensively rebuild our personnel and work systems, including that for recruiting, training, personnel assignment and transfers, evaluation and employee treatment.

➢ Investigation and Development of Various Ways to Work as well as Employment Systems to Enhance the Balance of Work and Family

o We have introduced shorter work hours and shorter, flexible work hours to support employees who raise children and provide nursing care. We will continue to examine system improvements including work systems that will accommodate diverse working styles not limited to certain times and places.

➢ Career Support for Female Employees and Enhancement of Awareness in the Workplace

o We will enhance the balance of work and family by providing a system to support childcare and nursing care and support female employees building their careers over the long term by providing more opportunities for them to demonstrate their skills. We will additionally hold seminars and workplace dialog to change employee awareness and foster a corporate culture to support these goals.

- Specific Examples-

・ Transferring and assigning women to jobs few women have held before

・ Hosting seminars for management level employees with female subordinates, seminars for employees raising children, and roundtable talks among female employees company-wide

Tri-Forum, a Roundtable for Female Employees Company-wide

At Tri-Forum, a roundtable held to promote networking among female employees and create opportunities for "growth through work," participants attended lectures and panel and group discussions. The participants will hold lively conversation from a female perspective on how to promote communication in the workplace.

➢ Expanding Employment Opportunities for Elder Workforce Including People over 60 Years Old

o We will expand the range of activities in which older workers are engaged under the current senior employment system and take initiatives to raise awareness among all employees about older workers on the job.

➢ Active Internal and Cross-functional Communication both Inside the Workplace and Beyond Functional and Institutional Boundaries

o To build organizational strength, we will work to enhance internal communication through such events as study meetings in which employees from different departments come together.

3 We will support employees' self-development

- Improvement of Leadership and Management Skills of Management Level Employees
  - To inspire the ambition of their subordinates and promote independent growth on the job, management will study how to help those subordinates have a common set of growth objectives based on close communication.
  - We will give training to improve the management skills of management level employees while enhancing educational programs to give employees the awareness and skills to be promoted to management level jobs.

- Development of Employee Education to Enhance Corporate Culture Emphasizing Human Resources Development and Activation
  - Based on the Kyushu Electric Power Educational Charter (our employee training guideline), we will revise our educational programs so that they incite a desire for independent growth as employees seek the awareness and skills they will need in the future.
  - We will conduct educational programs for younger employees focusing on fostering faculties as a person and ambition.

4 We will develop group-wide business management functions

- Establishment of Solid Group Management Basis with a Sense of Unity Shared Group-wide
  - We established the Kyushu Electric Power Group CSR Promotion Committee to promote CSR measures group-wide.
  - With the utilization of group companies' management resources including funds and facilities, group-wide cooperative business development, and enhancement of sales capabilities, we will improve group-wide management capabilities.
  - We will also work to establish group-wide business management to promote each group company's autonomous management improvement and support group-wide united efforts to hand down skills and expertise and enhance frontline capabilities.
  - We will work to centralize common tasks including accounting and personnel work (shared services) to improve group companies' efficiency.

- Enhancement of Capacity to Respond to Emergency Situations
  - We will build our group risk control and response system, including preparation of regulations, give periodic training, and enhance and strengthen systems to ensure we are able to fulfill our responsibility to supply electric power, even during emergency situations.

- Promotion of TQM Aiming to Improve Company-wide Management Quality
  - Based on the four basic principles of Japan Quality Award (Customer Focus, Employee Oriented, Unique Capabilities and Public Responsibility), we have made a group-wide commitment to promote TQM (Total Quality Management) so as to improve management quality.

5 Based on safety and health, we will create workplace where we all treat each employee with respect

➢ Thorough Implementation of the Safety-first Policy

o We are committed as a group, including group companies and contractors, to thorough implementation of the safety first policy by reviewing our safety promotion and management system and enhancing training to prevent workplace accidents.

－Specific Examples－

・Building an organization for thorough safety promotion and management
・Reforming awareness and behavior to prevent human error-caused accidents, through training such as training that gives participants a feel for danger
・Risk assessments and introduction of system auditing to establish a safety and hygiene management system

➢ Promotion of Health Management Pertaining to both Mental and Physical Aspects of Employee Well Being

o We will engage in initiatives focused on occupational health such as mental health measures, measures to prevent health problems through overwork, and illness prevention measures based on results of health checkups, etc.

－Specific Examples－

・ Reducing workplace stress by using the results of employee stress surveys
・ Making sure that employees get regular checkups and promptly get re-examined/examined in detail, and encouraging them to get a checkup if they have not yet done so

Safety and Hygiene Management Policy for FY2010

◆ Basic Philosophy

"Safety and Health Come First"

-Prevention of all possible disasters (zero-disaster principle), ensuring of mental and physical health, and establishment of a comfortable workplace-

◆ Targets

〔Safety〕 Thorough risk prediction in all tasks/work activities
Zero-disaster from electric shock, arc, falling, fallen objects and being stuck

〔Hygiene〕 Promotion of a comfortable workplace with minimal fatigue and stress
Improved self-awareness of mental and physical health

◆ Points of Emphasis

· Creation of a workplace giving maximum priority to safety and mental & physical health
· Promotion of measures toward the establishment of labor safety and hygiene management system
· Safety and hygiene activities that involve company departments and group companies working together
· Promotion of basic measures toward prevention of disasters
· Promotion of measures to prevent accidents in the workplace
· Promotion of measures to prevent traffic accidents
· Promotion of measures to prevent accidents at subcontractor sites
· Promotion of measures to prevent accidents involving the public
· Promotion of measures for the management of mental and physical health
· Steady promotion of measures toward prevention of occupational illnesses
· Promotion of measures to prevent infection and diffusion of new types of influenza

References

1. Outline of the Supply Plan

[Actual electricity sales and outlook]

FY	2008 (Actual)	2009 (Estimate)	2010	2011	2012	2013	2014	2019	Av. annual growth 2019/2008 (%)
Electric power sold (100 million kWh)	859 (853)	839 (835)	851	863	868	877	885	925	0.7 (0.7)
Peak demand (10,000 kW)	1,677 (1,686)	1,601 (1,627)	1,656	1,672	1,687	1,702	1,717	1,790	0.6 (0.5)

Note1: ( ) after compensation for air temperature
Note2: Peak demand is the August figure

[Peak demand and supply balance]

FY		2009 (Actual)	2010	2011	2012	2013	2014	2019
Demand	(10,000kW)	1,601	1,656	1,672	1,687	1,702	1,717	1,790
Supply capacity	(10,000kW)	1,914	1,844	1,983	1,875	1,886	1,886	1,934
Reserve capacity	(10,000kW)	313	188	311	188	184	169	144
Reserve margin	(%)	19.5	11.4	18.6	11.2	10.8	9.8	8.1

[Development Plan]

Classification	Type	Power plant & unit		Output (10,000kW)	Construction schedule	
					Commencement of work	Commencement of commercial operation
Under construction	Hydro power	Omarugawa	Unit 1	30	February 1999	July 2010
			Unit 2	30		July 2011
		Kasegawa		0.28	June 2008	March 2012
	Thermal power (coal)	Matsuura unit 2		100	March 2001	FY2023 or later
	Solar	Omuta		0.3	November 2009	November 2010
In preparation for construction	Hydro power	Kawahara2*		0.015	June 2010	May 2011
		Kami-Shiiba3*		0.031	June 2011	March 2013
		Hitotsuse3*		0.027	June 2012	October 2013
		Shin-Kosa**		0.72	June 2012	October 2014
	Thermal power (LNG)	Shin Oita unit 3-4		Approx. 40	July 2013	July 2016
	Nuclear	Sendai unit 3		159	FY2013	FY2019

*River dam maintenance flows
**Existing Kosa power station is planned to be discontinued (June 2012) with the new construction of Shin-Kosa power station

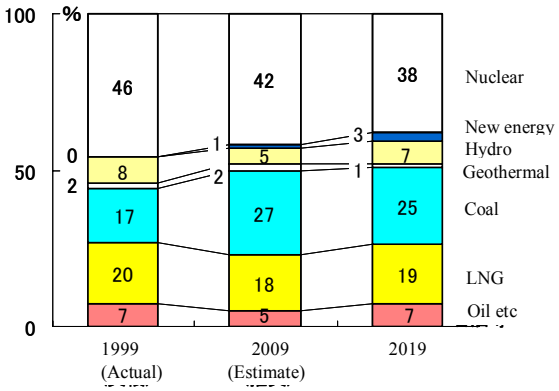
[Decommission Plan]

	Type	Power plant & unit	Output(kW)	実施時期
Decommission	Thermal power (petroleum)	Karita unit New 2	375,000	FY2011
		Oita unit 1&2	250,000 , 250,000	FY2012

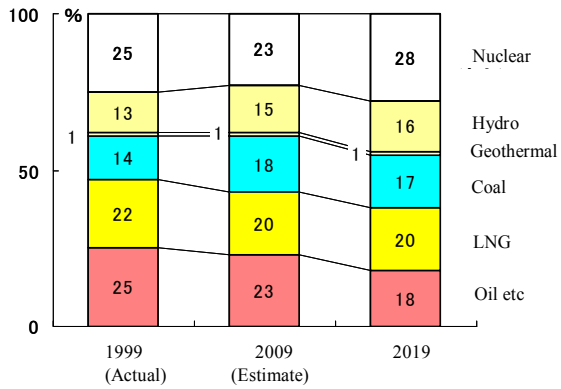
[Reference] Plans under suspension	Thermal power (petroleum)	Karatsu unit 2 & 3	375,000 , 500,000	FY2004-2019

[Power Source Diversification Plan (Including Purchases from Other Companies)]

(Electricity Generated)



(Power generation facility)



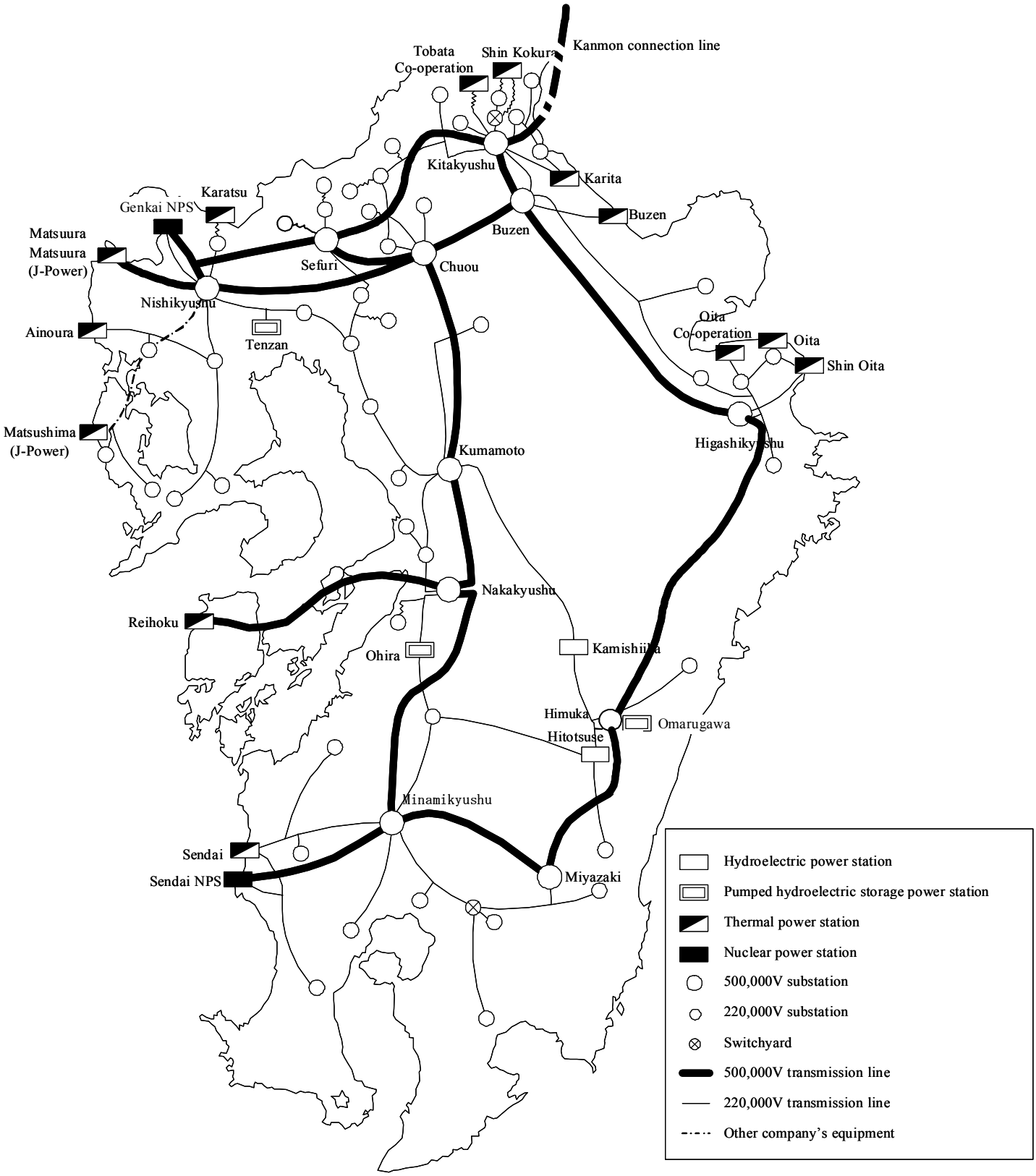
[Main Transmission Facility Construction Plan]

Classification	Line	Construction Outline		Construction Schedule		Construction Reason
		Voltage (10,000V)	Length (㎞)	Commencement of work	Commencement of commercial operation	
Under construction	Kitakyushu main line	50	84	April 2006	June 2011	Fukuoka~Kitakyushu 500,000V route accident countermeasures (making to 2 routes)〔new〕
In preparation for construction	Hyuga main line	50	124	November 2014	June 2019	Northern Kyushu~Southern Kyushu 500,000V route accident countermeasures (making to 2 routes)〔new〕
	Higashi Fukuoka New main line	22	21	November 2010	February 2011	Kitakyushu main line, new (changed)
	Hitotsuse main line Himuka substation π pull-in line	22	8	February 2012	June 2014	Hyuga / Nobeoka area demand measures 〔new〕
	Sefuri-Ito line	22	19	July 2012	June 2015	Western Fukuoka / Itoshima area demand measures 〔new〕
	Kagoshima main line	22	44	April 2012	June 2015	Kagoshima area demand measures 〔expansion〕

〔Main Transformation Facility Construction Plan〕

Classification	Substation	Construction Outline		Construction schedule		Construction Reason
		Voltage (10,000V)	Capacity (10,000kVA)	Commencement of work	Commencement of commercial operation	
Under construction	Midorikawa substation	22/6.6	30	May 2009	June 2010	Southern Kumamoto area demand measures 〔expansion〕
In preparation for construction	Himuka substation	50/22	100	November 2011	June 2014	Hyuga / Nobeoka area demand measures 〔new〕
	Higashi Sasebo substation	22/6.6	30	July 2011	June 2012	Sasebo area demand measures 〔expansion〕
	Ito substation	22/6.6	60	November 2013	June 2015	Western Fukuoka / Itoshima area demand measures 〔new〕
	Kagoshima substation	22/6.6	30	March 2014	June 2015	Kagoshima area demand measures (expansion)

Trunk Electric Power System Plan (As of end of FY2019)



2. Renewable Energy Power Generation Facilities

[Kyushu Electric Power and Group Facilities]

<Wind Power Generation> (kW)

	Existing Facilities					Plan	Total
	Koshikijima	Nomamisaki	Kuroshima	Nagashima※	Amami Oshima※	Washiodake※	
Location	Kagoshima	Kagoshima	Kagoshima	Kagoshima	Kagoshima	Nagasaki	
Output	250	3,000	10	50,400	1,990	12,000	67,650

Note: *Developed by group companies
The Washiodake wind power plant's full operation is scheduled in February 2011.

<Solar Power Generation> (kW)

	Existing Facilities	Plan		Total
	Installation at branch offices, sales offices etc		Mega-solar Omuta	
Output	1,312	Approx. 4,000	3,000	Approx. 8,300

Note: The Mega-solar Omuta's full operation is scheduled in November 2010.

<Biomass and Waste Product Power Generation> (kW)

	Existing Facilities		Plan	Total
	Miyazaki Biomass Recycling※1	Fukuoka Clean Energy※1	Reihoku※2	
燃　料	Biomass (Poultry manure)	Non-industrial waste	Biomass (Wood chips)	
Output	11,350	29,200	—	40,550

※1 Developed by group companies
※2 Existing Reihoku Power Station (coal-fired, 700,000kW×2 units) is conducting proving tests of electric power generation with woody biomass mixed combustion. (Period of proving tests: FY2010 - FY2014)

<Hydro Power Generation> (kW)

	Existing	Plan					Total
	136 locations	Kasegawa	Kawahara2	Kami-Shiiba3	Hitotsuse3	Shin-Kosa	
Output	1,278,696	2,800	150	310	270	7,200 (▲3,900)	1,285,526

Note: General hydro power (excluding pumped storage)
Negative figure of 3,900 kW in Shin-Kosa refers to the discontinued Kosa power plant

<Geothermal Power Generation> (kW)

	Otake	Hatchoubaru	Yamakawa	Ogiri	Takigami	Hatchoubaru Binary	Total
Output	12,500	110,000	30,000	30,000	25,000	2,000	209,500

*Feasibility studies are under implementation on sites considered promising in terms of an abundance of geothermal resources for new development

3. Capital Investment Breakdown

(Unit: ¥100 million)

		FY2009 (Estimate)	FY2010 (Plan)	FY2011 (Plan)
Power Source	Hydro	149	189	191
	Thermal	146	209	156
	Nuclear	323	392	408
	Subtotal	618	790	755
Distribution	Transmission	486	479	430
	Transformation	214	193	189
	Distribution	302	314	304
	Subtotal	1,002	986	923
Other	General	225	279	274
	Nuclear fuel	368	281	302
	Incidental	57	70	44
	Subtotal	650	630	620
Total		2,270	2,406	2,298

4. Wide Variety of Rate Plans to Choose From

Customers in the Regulated Sector

	Overview of Plans	Main Target Customers
Lighting Contract with time-of-day rates/ seasonal rates (*Denka de Night*)	- Charged with three time-of-day rates: daytime, living-time and nighttime. - Customers can save by shifting their concentration of electricity use from daytime to living-time and nighttime hours.	All-electric households General households with electric water heaters
Lighting Contract with time-of-day (*Yoka Night 10*)	- Charged with higher daytime rate and lower nighttime rate than regular lighting contracts. - Customers can save by shifting their concentration of electricity use from daytime to nighttime.	General households Small shops and stores
Lighting Contract for high-load facilities	- Demand charges are set higher and energy charges are set lower than regular lighting contracts. - Charged with time-of-day rates - Customers can save by raising operating rate of their facilities.	Small shops and stores with relatively large-scale facilities that use electricity relatively efficiently
Low Voltage Power Contract with time-of-day/seasonal rates	- Charged with time-of-day and seasonal rates: summer-daytime, other-daytime, and nighttime. - Customers can save by shifting their concentration of electricity use to nighttime hours.	Small shops, stores and offices with large electric appliances
Discount for Power Contract with Thermal Storage Facilities (Optional)	- Discounted in proportion to the volume of electricity shifted to nighttime due to implementation of thermal storage facilities.	Small shops, stores, and offices with thermal storage facilities (air-conditioning facilities etc.)
Account Transfer Payment Discount (Optional)	- Discounted when electricity bill is paid via account transfer on the first payment date.	All customers who pay their electricity bills monthly by account transfer payment

Customers in the Liberalized Sector

	Overview of Plans	Main Target Customers
Power Contract with time-of-day/seasonal rates	- Charged with time-of-day/seasonal rates: peak-time, summer-daytime, other-daytime, and nighttime hours. - Customers can save by shifting their concentration of electricity use to nighttime hours.	Hospitals Hotels Industrial plants
Weekend/holiday Economy Power Contract for Commercial Customers	- Charged with lower rates in weekends and holidays than weekdays - Customers can save by shifting electricity use to weekends and holidays.	Department stores Leisure facilities
Contracts by load factor	- Discounted energy charges in proportion to load factor	Office buildings Industrial plants
Discount for Power Contract with Electric Kitchen Appliance (Optional)	- Discounted in proportion to the use of electric kitchen appliances (cooking appliances such as microwave and regular ovens).	Restaurants and shopping malls with 20kW worth or more of electrical kitchen appliances.
Discount for Power Contract with Thermal Storage Facilities (Optional)	- Discounted in proportion to the volume of electricity shifted to night-time due to implementation of thermal storage facilities.	Office buildings, large shops and stores, and plants with thermal storage facilities (air-conditioning facilities etc.)
Discount for Power Contract with Electric Air-Conditioning Facilities (Optional)	- Discounted in proportion to the volume of electricity used by the non-thermal-type electric air conditioning facilities when used in combination with thermal-type air conditioning facilities.	Office buildings and plants that use non-thermal and thermal-type air conditioning facilities in combination.
Discount for Power Contract with All-Electric Facilities (Optional)	- Discounted for customers who use electricity for all sources of energy including air-conditioning, kitchen, and water heater	All-electric restaurants and shopping malls with 20kW worth or more of electrical kitchen appliances.

5. Overview of Group Companies

< Energy Related Business>

	Company name	Main business description
Facility Construction and Maintenance	Kyushu Rinsan Co.	Greening of power plants, etc.
	Nishinippon Plant Engineering and Construction Co., Ltd.	Investigation, maintenance and repair of power generation facilities
	Kyuden Sangyo CO., INC.	Environmental preservation activities in power generation facilities
	West Japan Engineering Consultants, Inc.	Consultation and planning of civil engineering and construction
	Kyudenko Co., Inc.	Engineering works for power supply facilities
	Nishikyushu Kyodo Kowan Co., Ltd.	Maintenance, control and operation of coal unloading facilities
	Kyuken Corporation	Construction and repair of electric lines
	Nishigi Kogyo Co., Inc.	Maintenance and repair of hydroelectric power generation facilities
	Nihon FRB Co., Ltd.	Design, manufacture, repair and installation of hardened plastic
	Nishida Techno Service Co., Ltd.	Maintenance, inspection, design, manufacture and construction of water gate and dam facilities
	NISHIGI SURVEYING AND DESIGN CO., LTD.	Investigation, survey, design, draft and supervision of civil construction projects
	Plaswire Co., Ltd.	Thermal spraying (painting) work
Procurement of Materials & Equipment	KYUKI CORPORATION	Manufacture and sales of electric machinery
	NISHI NIPPON AIRLINES CO., LTD.	Transportation of cargo by aircraft
	Kyushu Meter & Relay Engineering Corporation	Repair and maintenance of electronic instruments
	KOYO Electric Industrial Company, Incorporated	Manufacturing and sales of high/low voltage insulators
	KYUHEN Co., Inc.	Manufacture and sale of electric equipment
	Kyushu Kouatsu Concrete Industries Co., Ltd.	Manufacture and sale of concrete poles
	CONTEX	Manufacture and sale of concrete products
	SEISHIN CORPORATION	Sale of electric equipment
	Nishi Nihon Denki Tekkou Co., Ltd.	Design, manufacture and sales of steel towers, steel structures, etc.
	Japan Australia Uranium Resource Development Co., Ltd.	Acquisition and sales of natural uranium
Electric Power Wholesalers / Energy Business	Tobata Co-operative Thermal Power company, Inc.	Wholesale electricity supply
	Oita Co-operative Thermal Power company, Inc.	Wholesale electricity supply
	Kyuden International Corporation	Acquiring and owning securities of overseas power companies
	Oita Liquefied Natural Gas Company	Receipt, storage, vaporization and delivery of LNG
	KITAKYUSHU LIQUEFIED NATURAL GAS CO., INC.	receipt, storage, vaporization and delivery of LNG
	Nishinippon Environmental Energy Co., Inc.	Dispersed power system business and consultation about Energy efficiency
	Kyuden Ecosol Company , Incorporated	On-site power generation business and solar power system integration business
	Fukuoka Energy Service Company Incorporated	Heat supply business
	Miyazaki Biomass Recycle Co., Inc.	Power generation using poultry manure
	Nagashima Windhill Corporation	Sales of electricity generated by wind power
	Amami Oshima Wind Powr Co., Ltd.	Sales of electricity generated by wind power
	Washiodake Wind Power., Ltd.	Sales of electricity generated by wind power
	KYUSHU CRYOGENICS CO., LTD	Manufacturing and sales of liquefied oxygen, liquefied nitrogen and liquefied argon
	Kitakyushu LNG Lorry Sales	LNG (lorry) sales
	Fukuoka Clean Energy Corporation	Incineration of non-industrial waste and power generation
	Pacific Hope Shipping Limited	Owning and operation of LNG ships
	Kyuden Ilijan Holding Corporation	Investment to Ilijan IPP Project Company
	Servicios de Negocio de Electricidad en Mexico, S.de R.L.deC.V.	Taking commissions for and managing general work of Tuxpan No.2 and No.5 IPP Projects
	Phu My 3 BOT Power Co., Ltd	Operation and management of power plant in Phu My 3 IPP Project
	Electricidad Aguila de Tuxpan, S.de R.L.deC.V.	Operation and management of power plant in Tuxpan No.2 IPP Project
	Electricidad Sol de Tuxpan, S.de R.L.deC.V.	Operation and management of power plant in Tuxpan No.5 IPP Project
	Kyuden Sarulla	Investment to Sarulla geothermal power IPP project
	Sarulla Operation	Sarulla geothermal I`` project
	Lion Power	Investment to Senoko Power Limited
	Datang China-Japan (Chifeng) Corporation	Operation and management of power plants in China Datang Wind Power Project

<IT & Telecommunications Business>

Company name	Main business description
Kyuden Infocom Company, Inc.	IT planning/consultation, data center business
Kyushu Telecommunication Network Co., Inc.	Fiber-optic cable, broadband service and IP phone service
NISHIMU ELECTRONICS INDUSTRIES, Co., Ltd.	Manufacturing, sale, installation and maintenance of telecommunication devices
Q-DEN BUSINESS SOLUTIONS Co., Inc.	Development, operation and maintenance of Information system
Kagoshima Hikari Television Co., Inc.	Cable television broadcast business
RKK Computer Service Co., Inc.	Development and sales of computer software
RKKCS Software Ltd.	Development of computer software
COARA Co., Ltd.	Internet connections and creation of website contents

<Environmental/Recycling Business>

Company name	Main business description
Kyushu Environmental Management Corporation	Recycle of confidential documents
Japan Recycling Light Technology & System	Recycle of spent fluorescent tube and dry cell battery

<Lifestyle-Oriented Service>

Company name	Main business description
DENKI BLDG. CO., LTD.	Management and rental of real estate
Kyuden Good-Life Corporation	Overall control of retirement complex (nursing care included) business (Kyuden Good Life Higashifukuoka, Kumamoto, Kagoshima, Fukuokajousui)
Kyuden Good Life Higashifukuoka Company, Inc.	Management of paid nursing homes and nursing care business
Kyuden Good Life Kumamoto Company, Inc.	Management of paid nursing homes and nursing care business
Kyuden Good Life Kagoshima Company, Inc.	Management of paid nursing homes and nursing care business
Kyuden Good Life Fukuokajousui Company, Inc.	Management of paid nursing homes and nursing care business
Kyuden Real Estate Co., Ltd.	Leasing of company housing and other real estate
Kyuden Office Partner Co., Ltd.	Indirect clerical tasks and consulting business
Kyuden Business Front Inc.	Worker dispatching and paid job placement service
Kyushu Housing Guarantee Corporation	Residential home performance evaluation and inspection of building certificates
Kyuden HOME SECURITY Co., Inc.	Home security and safety/supervision service
Kyuden Shared Business Corporation	Undertaking of accounting and tasks regarding personnel labor
Kyushu Captioning Co-production Center Inc.	Creation of captions for broadcasted programs (special subsidiary of Kyushu Electric Power)
Oak Ltd.	Apartment management
Kyushu Kougen Kaihatsu	Management of golf courses
Ito Golf Cub	Management of golf courses
Fukuoka Shintoshin Kaihatsu	Management and rental of real estate
Midorigaoka Living Support	Construction, rental and management of residences for civil service workers
Capital Kyuden Corporation	Acquiring, owning of Securities and loan to group companies

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