

October 27, 2011

**The 2nd Quarter of the Fiscal Year Ending March 31, 2012 Financial Results Overview [Japan GAAP] (Consolidated)
Kyushu Electric Power Co., Inc.**

Stock code: 9508 URL: http://www.kyuden.co.jp/en_index.html

Stock listed on: Tokyo SE, Osaka SE, Fukuoka SE

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Date to start dividend payments: November 30, 2011

Preparation of supplementary materials for quarterly financial results: Yes

Information meeting for quarterly financial results: Yes

(Rounded down to the nearest million yen)

1. Consolidated Financial Results for the Six Months (April 1, 2011 to September 30, 2011)

(1) Consolidated Operational Results

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

	Sales		Operating income		Ordinary income	
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)
April 1, 2011 - September 30, 2011	742,261	0.7	-7,273	—	-19,048	—
April 1, 2010 - September 30, 2010	736,781	1.4	76,192	-7.7	57,258	-15.2

(Note) Comprehensive income : FY2011 2Q -18,076 million yen (—%) FY2010 2Q 13,629 million yen (—%)

	Net income		EPS	Fully-diluted EPS
	(Unit: million yen)	(%)	(Unit: yen)	(Unit: yen)
April 1, 2011 - September 30, 2011	-13,313	—	-28.15	—
April 1, 2010 - September 30, 2010	21,836	-48.8	46.16	—

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	(Unit: million yen)	(Unit: million yen)	(%)
As of September 30, 2011	4,233,551	1,047,438	24.3
As of March 31, 2011	4,185,460	1,079,679	25.4

(Reference) Shareholders' equity: As of September 30, 2011 : 1,029,756 million yen As of March 31, 2011: 1,062,458 million yen

2. Dividends

(Record date)	Annual dividends per share				
	1Q	2Q	3Q	Year-end	Total
	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)
FY2010	—	30.00	—	30.00	60.00
FY2011	—	30.00	—	—	—
FY2011(projected)	—	—	—	—	—

(Note) Revision of projected dividends: No

Year-end dividend of FY2011 ending March 31, 2012 has yet to be decided.

We will promptly inform you of year-end dividend when it is possible for us to make our forecasts.

3. Forecasts for Consolidated Financial Results for FY2011 (April 1, 2011 to March 31, 2012)

Our year-end financial results forecasts for FY2011 are undetermined given the difficulty of assessing trends in electrical power supply and demand of the second half because it is still uncertain regarding the schedule for the resumption of the operations of reactors of our nuclear power stations.

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

(See page 4 "(3)Qualitative information regarding forecasts for the consolidated operating performance" of Attached Material)

4. Other

(1) Changes in significant subsidiaries (changes in scope of consolidated subsidiaries) : No

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

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

① **Changes in accounting principles in line with revised accounting standards : No**

② **Changes in accounting principles other than ① : No**

③ **Changes in accounting estimates : No**

④ **Restatement : No**

(4) Number of common stocks issued and outstanding

① **Total stocks including treasury stocks** **FY2011 2Q: 474,183,951 shares FY2010: 474,183,951 shares**

② **Treasury stocks** **FY2011 2Q: 1,209,399 shares FY2010: 1,202,882 shares**

③ **Average number of shares during the period** **FY2011 2Q: 472,976,859 shares FY2010 2Q: 473,064,635 shares**

*Notes on implementation status of quarterly review procedure

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

*Notes on the proper use of the forecasts

Looking-forward statements are based on information available at the date of the release of this document. Due to various factors, the actual result may differ from these statements.

○ **Table of Contents of Attached Material**

1. Qualitative Information regarding Quarterly Financial Results	2
(1) Qualitative information regarding consolidated business performance	2
(2) Qualitative information regarding consolidated financial condition	4
(3) Qualitative information regarding forecasts for the consolidated operating performance	4
2. Quarterly Consolidated Financial Statements	5
(1) Quarterly Consolidated Balance Sheets	5
(2) Quarterly Consolidated Income Statements and Quarterly Consolidated Comprehensive Income Statements	7
(3) Consolidated Statements of Cash Flow	9
(4) Notes on the premise of going concern	11
(5) Notes in case of drastic changes in the amount of equity	11
(6) Additional information	11
3. Supplementary Information	12
Income and Expenditure (Non-consolidated)	12

1. Qualitative Information regarding Quarterly Financial Results

(1) Qualitative information regarding consolidated business performance

Although exports and production fell stemming from the repercussions of the Great East Japan Earthquake, the Japanese economy in this period (April-September) has continued to recover steadily due to the rebuilding of supply chain.

Regarding our group, we were able to get through electric power supply for this summer mainly due to our customers' cooperation in power savings, while there was concern about power shortages under the influence of the deferred resumption of the operations of reactors of our nuclear power stations, which had been under suspension.

① Revenue and Expenditure

Under these economic conditions, on the revenue side, consolidated sales (operating revenues) increased by 0.7% to ¥742.2 billion compared with the 2Q of FY2010 and the ordinary revenues increased by 1.2% to ¥750.6 billion affected by the business performances in electricity business as charge unit price increased mainly due to the effect of fuel cost adjustment system while electricity sales volume decreased.

On the expenditure side, ordinary expenses increased by 12.5% to ¥769.7 billion affected by the business performances in electricity business as thermal fuel costs and costs for power purchases increased mainly due to the influence of the deferred resumption of the operations of reactors of our nuclear power stations and the rise of fuel prices.

As a result, the ordinary loss for the 2Q of FY2011 was ¥19.0 billion and the net loss was ¥13.3 billion.

② Sales and Supply Overview

The demand for electric light, power for commercial operations and other general demands decreased by 3.9% compared with the 2Q of the previous year mainly due to an effect of our customers' power savings and a decrease in the air-conditioning demand as the temperature in August through September was lower than the previous year's level. The power demand from large industrial customers increased by 2.3% compared with the 2Q of the previous year mainly due to the increase in production of Steel and Iron and Chemicals in spite of the decrease in Transportation Machinery shortly after the March 2011 Great East Japan Earthquake.

Consequently, the total electricity sales for the 2Q of FY2011 decreased by 2.2% to 42.97 billion kWh.

Electricity Sales Volume

(Unit: million kWh, %)

		FY2011 2Q (A)	FY2010 2Q (B)	Difference (A-B)	Change (A/B)
Lighting		14,260	14,928	-668	95.5
Power		28,712	29,006	-294	99.0
Electricity Sales Total		42,972	43,934	-962	97.8
(Figures are included above)	Customers other than large-scale industrial	30,666	31,900	-1,234	96.1
	Large-scale industrial customers	12,306	12,034	272	102.3

On the supply side, under the influence of the deferred resumption of the operations of reactors of our Unit 2, Unit 3 at the Genkai nuclear power station and Unit 1 at the Sendai nuclear power station, we have provided supply of electricity to our customers by increasing own thermal generation and electricity received from other companies.

Generated and Received Electricity

(Unit: million kWh, %)

		FY2011 2Q (A)	FY2010 2Q (B)	Difference (A-B)	Change (A/B)
Own facilities	Hydro (Water flow rate)	2,898 (97.6)	2,951 (103.8)	-53 (-6.2)	98.2
	Thermal	22,546	18,652	3,894	120.9
	Nuclear (Utilization rate)	12,032 (52.1)	18,817 (81.5)	-6,785 (-29.4)	63.9
	New Energy	705	720	-15	97.9
	Subtotal	38,181	41,140	-2,959	92.8
From other companies (New Energy [included above])		8,808 (848)	7,214 (701)	1,594 (147)	122.1 (120.9)
Interchange		93	1	92	—
For pumping		-739	-497	-242	148.5
Total		46,343	47,858	-1,515	96.8

(Note) “New Energy” includes Solar, Wind, Biomass, Waste and Geothermal.

(2) Information regarding consolidated financial condition

① Consolidated assets, debt, and shareholders' equity overview

Consolidated assets increased by ¥48.0 billion compared with the end of the previous fiscal year to ¥4,233.5 billion mainly because of an increase in current assets such as cash and cash equivalent and an increase in inventories at average cost due to thermal fuel procurement associated with the deferred resumption of the operations of reactors of nuclear power stations, in spite of a decrease in fixed assets as depreciation progressed.

Consolidated liabilities increased by ¥80.3 billion to ¥3,186.1 billion mainly due to an increase in interest-bearing debts in spite of the payment of construction costs accrued to the end of the previous period. The interest-bearing debts increased by ¥130.1 billion to ¥2,219.5 billion.

Consolidated shareholders' equity decreased by ¥32.2 billion to ¥1,047.4 billion mainly as the dividends were paid and the net loss for this quarter has been recorded. Consequently the shareholders' equity ratio went down to 24.3%.

② Consolidated cash flow overview

Cash inflow from operating activities decreased by ¥88.6 billion to ¥44.0 billion from the previous year mainly due to an increase in thermal fuel costs and costs for power purchases while electricity sales revenue increased in electricity business.

Cash outflow from investing activities decreased by ¥40.8 billion to ¥119.4 billion from the previous year mainly due to a decrease in payments for purchases of marketable securities.

Cash inflow from financing activities increased by ¥69.8 billion to ¥114.1 billion from the previous year.

As a result, the balance of cash and cash equivalents at the end of this second quarter increased by ¥38.6 billion to ¥164.6 billion compared with the end of the previous fiscal year.

(3) Qualitative information regarding forecasts for the consolidated operating performance

Our year-end financial results forecasts for FY2011 are undetermined given the difficulty of assessing trends in electrical power supply and demand of the second half because it is still uncertain regarding the schedule for the resumption of the operations of reactors of our nuclear power stations.

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

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Unit: million yen)

	As of March 31st, 2011	As of September 30th, 2011
Assets		
Fixed Assets	3,855,624	3,805,010
Utility property, plant and equipment	2,486,150	2,518,249
Hydro	328,419	335,182
Thermal	220,033	208,380
Nuclear	258,552	243,109
Internal combustion	20,821	19,774
New energy power production facilities	17,307	15,598
Transmission	644,859	699,627
Transformation	237,708	242,012
Distribution	618,276	617,717
General	132,913	129,765
Other	7,257	7,081
Other fixed assets	299,138	295,364
Construction in progress	247,836	171,063
Construction and retirement in progress	247,836	171,063
Nuclear fuel	263,380	261,992
Loaded nuclear fuel	72,572	70,830
Nuclear fuel in processing	190,807	191,162
Investments and other assets	559,118	558,340
Long-term investments	126,216	123,975
Reserve for reprocessing of irradiated nuclear fuel	197,273	196,706
Deferred tax assets	136,027	138,788
Other assets	100,672	100,009
Allowance for doubtful accounts	-1,072	-1,139
Current Assets	329,836	428,540
Cash and cash equivalent	116,338	148,819
Trade notes and accounts receivable	100,939	124,107
Inventories at average cost	58,620	83,016
Deferred tax assets	17,995	26,173
Other current assets	36,917	47,200
Allowance for doubtful accounts	-974	-776
Assets Total	4,185,460	4,233,551

	(Unit: million yen)	
	As of March 31st, 2011	As of September 30th, 2011
Liabilities		
Long-term Liabilities	2,475,388	2,543,006
Bonds	1,192,255	1,122,256
Long-term loans	516,347	649,961
Accrued retirement benefits	144,687	148,567
Reserve for reprocessing of irradiated nuclear fuel	346,568	341,879
Reserve for preparation of reprocessing of irradiated nuclear fuel	22,362	23,357
Asset retirement obligations	207,855	210,135
Deferred tax liabilities	17	14
Other fixed liabilities	45,294	46,833
Current Liabilities	630,392	643,105
Current portion of long-term debt	236,932	185,532
Short-term borrowings	120,771	125,270
Commercial paper	30,000	143,000
Notes and accounts payable	56,454	65,704
Income tax payable	34,974	16,763
Other current liabilities	151,259	106,833
Liabilities Total	3,105,781	3,186,112
Net Assets		
Shareholders' Equity	1,054,976	1,027,456
Common stock	237,304	237,304
Additional paid-in capital	31,137	31,135
Retained earnings	788,867	761,355
Treasury stock	-2,333	-2,339
Accumulated other comprehensive income	7,481	2,300
Unrealized gain on other securities	11,356	9,096
Gain on deferred hedge	-1,871	-3,938
Foreign currency translation adjustments	-2,003	-2,857
Minority Interests	17,220	17,682
Net Assets Total	1,079,679	1,047,438
Liabilities and Net Assets Total	4,185,460	4,233,551

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

(Unit: million yen)

	April 1, 2010- September 30, 2010	April 1, 2011- September 30, 2011
Operating Revenues	736,781	742,261
Electricity	676,408	678,462
Other	60,372	63,799
Operating Expenses	660,588	749,534
Electricity	604,634	691,747
Other	55,954	57,787
Operating Income(Loss)	76,192	-7,273
Other Revenues	4,646	8,417
Proceed from dividends	988	1,732
Proceed from interests	1,494	1,687
Equity in earnings of affiliates	-	496
Gains incurred from negative goodwill	140	2,591
Other	2,022	1,909
Other Expenses	23,580	20,192
Interest expenses	17,204	16,430
Equity in loss	5	-
Other	6,370	3,762
Total Ordinary Revenues	741,428	750,678
Total Ordinary Expenses	684,169	769,727
Ordinary Income(Loss)	57,258	-19,048
Provision or reversal of reserve fluctuation in water levels	859	-
Provision of reserve fluctuation in water levels	859	-
Extraordinary Income(Loss)	18,428	-
Loss on adjustment for changes of accounting standard for asset	18,428	-
Loss before Income Taxes and Minority Interests in income	37,970	-19,048
Income Taxes	23,832	2,347
Income Taxes-Deferred	-7,770	-8,507
Income Taxes Total	16,062	-6,160
Loss before Minority Interests	21,908	-12,887
Minority Interests	71	425
Net Loss	21,836	-13,313

(Quarterly Consolidated Comprehensive Income Statements)

	(Unit: million yen)	
	April 1, 2010- September 30, 2010	April 1, 2011- September 30, 2011
Net Income(Loss) before Minority Interests	21,908	-12,887
Other comprehensive income		
Unrealized gain on other securities	-4,898	-2,204
Gain on deferred hedge	-2,990	-2,059
Foreign currency translation adjustments	-	-105
Equity in equity method companies	-390	-819
Total other comprehensive income	-8,278	-5,188
Comprehensive income	13,629	-18,076
Comprehensive income related to		
Comprehensive income related to parent company shareholders	13,577	-18,494
Comprehensive income related to minority interests	52	418

(3) Consolidated Statements of Cash Flow

	(Unit: million yen)	
	April 1, 2010- September 30, 2010	April 1, 2011- September 30, 2011
Operating Activities		
Income(Loss) before income taxes and minority interests	37,970	-19,048
Depreciation and amortization	115,145	117,210
Decommissioning cost of nuclear power plants	3,930	2,564
Amortization of nuclear fuel	12,858	7,369
Loss on disposal of property, plant and equipment	3,754	4,087
Loss on adjustment for changes of accounting standard for asset retirement obligations	18,428	-
Increase(decrease) in liability for retirement benefits	1,346	3,845
Provision for reserve for reprocessing of used fuel	-2,655	-4,689
Provision for preparation for reprocessing of irradiated nuclear fuel	1,966	994
Increase (decrease) in reserve for fluctuation in water levels	859	-
Interest revenue and dividends received	-2,483	-3,419
Interest expense	17,204	16,430
Loss on equity under the equity method	5	-496
Gains incurred from negative goodwill	-140	-2,591
Decrease in fund for reprocessing of irradiated nuclear fuel	666	566
Decrease in accounts receivable	-29,497	-22,719
Decrease in inventories, principally fuel, at average cost	271	-24,395
Increase in accounts payable	-4,276	10,149
Other	-7,077	-10,332
Sub Total	<u>168,276</u>	<u>75,525</u>
Receipt of interest and cash dividends	2,708	3,836
Interest paid	-16,876	-16,632
Income tax paid	-21,434	-18,687
Net cash provided by operating activities	<u>132,674</u>	<u>44,042</u>
Cash Flows from Investing Activities		
Purchases of property, plant and equipment	-124,063	-119,815
Payment for investments and other	-40,720	-2,437
Proceeds for recoveries from investments and other	3,292	1,265
Other	1,130	1,519
Net cash used in investing activities	<u>-160,361</u>	<u>-119,468</u>

	(Unit: million yen)	
	April 1, 2010- September 30, 2010	April 1, 2011- September 30, 2011
Cash Flows from Financing Activities		
Proceeds from issuance of bonds	69,755	-
Redemption of bonds	-	-110,000
Proceeds from long-term loans	43,840	165,100
Repayment of long-term loans	-53,957	-42,966
Net increase (decrease) in short-term borrowings	-215	4,499
Net increase in commercial paper	-	113,000
Cash dividends paid	-14,221	-14,219
Other	-921	-1,247
Net cash used in financing activities	44,279	114,166
Effect of exchange rate changes on cash and cash equivalents	-136	-102
Changes in cash and cash equivalents	16,455	38,637
Cash and cash equivalents at beginning of the fiscal year	68,178	125,988
Increase in cash and cash equivalent due to the merger of consolidated subsidiaries	20	-
Cash and cash equivalents at end the of the 1Q	84,654	164,626

(4) Notes on the premise of going concern

N/A

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

N/A

(6) Additional information

As for changes and corrections of errors in the period starting in the beginning of the first quarter of this consolidated fiscal year, we have applied the Accounting Standard for Accounting Changes and Error Corrections (ASBJ Statement No.24; December 4, 2009) and the Guidance on Accounting Standard for Accounting Changes and Error Corrections (ASBJ Guidance No.24; December 4, 2009).

3. Supplementary Information

Income and Expenditure (Non-consolidated)

(Unit: 100 million yen, %)

		FY2011 2Q (A)	FY2010 2Q (B)	Difference (A-B)	Change (A/B)	Composition Ratio	
						FY2011 2Q	FY2010 2Q
Ordinary Revenues	Lighting	2,794	2,874	-79	97.2	39.9	41.4
	Power	3,856	3,762	94	102.5	55.1	54.1
	(Subtotal)	(6,651)	(6,636)	(14)	(100.2)	(95.0)	(95.5)
	Other	349	309	40	113.0	5.0	4.5
	[Sales] Total	[6,956] 7,000	[6,901] 6,945	[55] 54	[100.8] 100.8	[99.4] 100.0	[99.4] 100.0
Ordinary Expenses	Labor	849	812	36	104.5	11.7	12.7
	Fuel	2,115	1,345	770	157.3	29.1	21.0
	Power purchase	837	641	195	130.5	11.5	10.0
	Maintenance	710	831	-120	85.5	9.8	13.0
	Depreciation	1,006	979	26	102.8	13.9	15.3
	Interest	155	162	-7	95.5	2.1	2.5
	Tax & public dues	466	488	-21	95.6	6.4	7.6
	Nuclear back-end	202	241	-39	83.8	2.8	3.8
	Other Total	923 7,267	903 6,405	20 862	102.3 113.5	12.7 100.0	14.1 100.0
[Operating Income(Loss)]		[-124]	[716]	[-841]	[-]		
Ordinary Income(Loss)		-267	540	-807	-		
Reserve for fluctuation in water levels		-	8	-8	-		
Extraordinary Gain		-	183	-183	-		
Income(Loss) before income taxes		-267	348	-615	-		
Income taxes		-82	146	-228	-		
Net Income(Loss)		-184	202	-386	-		

(Note) Nuclear back-end expenses include the costs below:

- Costs for reprocessing of irradiated nuclear fuel
- Costs for preparation of reprocessing of irradiated nuclear fuel
- Costs for disposal of transuranic waste
- Costs for decommissioning nuclear power plants

(Reference)

	FY2011 2Q [A]	FY2010 2Q [B]	Difference [A-B]
Crude oil (CIF) price	114 \$/b	78 \$/b	36 \$/b
Exchange rate	80 ¥/\$	89 ¥/\$	-9 ¥/\$