

April 30, 2013

The Fiscal Year Ended March 31, 2013 Financial Results Overview (Japan GAAP) (Consolidated)

Kyushu Electric Power Co., Inc.

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

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

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Shareholders' Meeting: June 26, 2013

Commencement of payment of year-end dividend: -

Projected date for submitting annual security report: June 27, 2013

Preparation of supplementary materials for financial results: Yes

Information meeting for financial results: Yes

(Rounded down to the nearest million yen)

1. Consolidated Financial Results for FY2012 (April 1, 2012 to March 31, 2013)

(1) Consolidated Operational Results

(% shows the changes from the previous FY)

	Sales		Operating income		Ordinary income	
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)
FY2012 ended March 31, 2013	1,545,919	2.5	-299,428	—	-331,206	—
FY2011 ended March 31, 2012	1,508,084	1.5	-184,854	—	-213,534	—

(Note) Comprehensive income : FY2012 -320,860 million yen (—%) FY2011 -163,236 million yen (—%)

	Net income		Net earnings per share	Fully-diluted net earnings per share	Net return on shareholders' equity	Ratio of current income to total capital	Ratio of current income to sales
	(Unit: million yen)	(%)	(Unit: yen)	(Unit: yen)	(%)	(%)	(%)
FY2012 ended March 31, 2013	-332,470	—	-702.98	—	-47.2	-7.4	-19.4
FY2011 ended March 31, 2012	-166,390	—	-351.80	—	-17.2	-5.0	-12.3

(Reference) Investment Profit/Loss under Equity Methods : FY2012 2,015 million yen FY2011 956 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(Unit: million yen)	(Unit: million yen)	(%)	(Unit: yen)
FY2012 ended March 31, 2013	4,526,513	557,799	11.9	1,141.13
FY2011 ended March 31, 2012	4,428,093	888,131	19.7	1,840.37

(Reference) Shareholders' equity: FY2012 539,684 million yen FY2011 870,396 million yen

(3) Consolidated Cash Flow

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financing activities	Cash and cash equivalents balance as of term-end
	(Unit: million yen)	(Unit: million yen)	(Unit: million yen)	(Unit: million yen)
FY2012 ended March 31, 2013	-135,130	-176,546	412,248	379,207
FY2011 ended March 31, 2012	16,909	-228,279	363,319	277,945

2. Dividends

(Record date)	Annual dividends per share					Total dividends (annual)	Payout ratio (consolidated)	Dividend rate for net assets (consolidated)
	1Q	Interim	3Q	Year-end	Total			
FY2011 ended March 31, 2012	(Unit: yen)	30.00	(Unit: yen)	20.00	50.00	(Unit: million yen)	(%)	(%)
FY2012 ended March 31, 2013	(Unit: yen)	0.00	(Unit: yen)	0.00	0.00	23,663	—	2.4
FY2013 ending March 31, 2014 (forecast)	(Unit: yen)	0.00	(Unit: yen)					

(Note) Dividend of FY2013 ending March 2014 has yet to be decided.

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

3. Forecast for FY2013 ending March 2014 (April 1, 2013 to March 31, 2014)

(% show s the changes from the same financial periods of the previous year)

	Sales		Operating income		Ordinary income		Net income		Net earnings per share
	(Unit: billion yen)	(%)	(Unit: billion yen)	(%)	(Unit: billion yen)	(%)	(Unit: billion yen)	(%)	(Unit: yen)
2Q	860	12.7	—	—	—	—	—	—	—
Year-end	1,760	13.8	—	—	—	—	—	—	—

(Note) Our operating income, ordinary income and net income forecasts for FY2013 are undetermined because it is unable to reasonably assess cost such as fuel cost due to the uncertain 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 5 "(1)Analysis regarding business performance Forecast for FY2013" of Attached Material)

Note

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

Newly added:0 Excluded:0

*Notes on the scope of consolidation and the application of the equity method

Consolidated subsidiaries: 40

Non-consolidated subsidiaries accounted for under the equity method: 17

Affiliated companies accounted for under the equity method: 14

Changes in the scope of consolidation and the application of the equity method from March 31, 2012

Consolidated subsidiaries Newly added: 1 Excluded: 0

Under the equity method Newly added: 1 Excluded: 0

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

Changes in accounting principles in line with revised accounting standards : Yes

Changes in accounting principles other than : No

Changes in accounting estimates : Yes

Restatement : No

(Note) It corresponds when it is difficult to distinguish Changes in accounting principles from Changes in accounting estimates.

For details, please refer to Page21 "Changes in accounting principles, changes in accounting estimates, restatement" of Attached Material.

FY2012 ended March 2013 474,183,951 shares FY2011 ended March 2012 474,183,951 shares

Number of treasury stock at year end

FY2012 ended March 2013 1,246,883 shares FY2011 ended March 2012 1,236,366 shares

Average number of shares outstanding during the period

FY2012 ended March 2013 472,941,554 shares FY2011 ended March 2012 472,967,920 shares

(Note) For the number of shares applied in calculation of consolidated net earnings per share, see page 25 "Per share data."

(Reference) Outline of Non-consolidated Financial Results

1. Non-consolidated Financial Results for FY2012 (April 1, 2012 to March 31, 2013)

(1) Non-Consolidated Operational Results

(% shows the changes from the previous FY)

	Sales		Operating income		Ordinary income	
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)
FY2012 ended March 31, 2013	1,448,876	3.0	-305,812	—	-339,959	—
FY2011 ended March 31, 2012	1,406,770	1.4	-195,722	—	-228,538	—

	Net income		Net earnings per share	Fully-diluted net earnings per share
	(Unit: million yen)	(%)	(Unit: yen)	(Unit: yen)
FY2012 ended March 31, 2013	-338,050	—	-714.33	
FY2011 ended March 31, 2012	-174,983	—	-369.74	

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(Unit: million yen)	(Unit: million yen)	(%)	(Unit: yen)
FY2012 ended March 31, 2013	4,201,704	429,287	10.2	907.13
FY2011 ended March 31, 2012	4,110,950	766,700	18.7	1,620.09

(Reference) Shareholders' equity: FY2012 429,287 million yen FY2011 766,700 million yen

2. Non-consolidated Forecast for FY2013 ending March 2014 (April 1, 2013 to March 31, 2014)

(% show s the changes from the same financial periods of the previous year)

	Sales		Operating income		Ordinary income		Net income		Net earnings per share
	(Unit: billion yen)	(%)	(Unit: billion yen)	(%)	(Unit: billion yen)	(%)	(Unit: billion yen)	(%)	(Unit: yen)
2Q	810	12.7	—	—	—	—	—	—	—
Year-end	1,660	14.6	—	—	—	—	—	—	—

***Notes on implementation status of audit procedure**

This financial results overview is not the object of audit procedure based on Financial Instruments and Exchange Act,

and at the time of this disclosure, audit procedure of financial reports based on Financial Instruments and Exchange Act is under implementation.

***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.

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Please note that this purports to be an accurate and complete translation of the original Japanese version prepared for the convenience of our English-speaking audience. However, in the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

1. Analysis Regarding Business Performance and Financial Condition

(1) Analysis regarding business performance

While Japan's economy continued to be weak in some sectors during this period, a trend towards improvement was observed against the background of factors including recovery-related demand, the government's economic policies, and improvement in the export environment. A similar trend was also observed in the Kyushu economy, but due to factors including a continuing decline in production and exports for China and other Asian countries among the region's main industries, there was little change overall.

Although power supplies remain tight due to factors such as the ongoing shutdown of operation at nuclear power stations, the Kyushu Electric Power Group has managed to pull through without any major obstacles to power supply by making full efforts to secure alternative power sources such as thermal power, and through the cooperation of customers in reducing power consumption.

Business performance of FY2012

A. Revenue and expenditure

Under these economic conditions, on the revenue side, consolidated sales (operating revenues) increased by 2.5% to ¥1,545.9 billion compared with FY2011 and the ordinary revenues increased by 2.5% to ¥1,560.1 billion affected by the business performances in electricity business as lighting and power price increased mainly due to the increase in charge unit price with the effect of fuel cost adjustment system and grant corresponding to purchase results recorded based on a feed-in tariff power purchase and sale system of renewable energy had started in July last year while electricity sales volume decreased. On the expenditure side, ordinary expenses increased by 9.0% to ¥1,891.3 billion affected by the business performances in electricity business as thermal fuel costs and costs for power purchases drastically increased due to the influence of the shutdown of operations at our nuclear power stations while we made maximum efforts to advance management rationalization and improve revenue and expenditure.

As a result, the ordinary loss for FY2012 was ¥331.2 billion and the net loss was ¥332.4 billion.

Operating results for each of our business segments (before eliminating internal transactions) are as follows:

Operating Results (before eliminating internal transactions)

(Unit: 100 million yen, %)

		FY2012 (A)	FY2011 (B)	Difference (A-B)	Change (A/B)
Electricity	Sales	14,083	13,695	388	102.8
	Operating Income(Loss)	-3,126	-1,999	-1,126	-
Energy-related	Sales	1,606	1,645	-39	97.6
	Operating Income(Loss)	25	47	-22	53.9
IT & Telecommunication	Sales	945	969	-23	97.5
	Operating Income(Loss)	76	66	9	114.7
Other	Sales	272	273	-	99.9
	Operating Income(Loss)	24	31	-6	78.8

(Note) Electricity includes the company's business operations except incidental businesses

(a) Electricity Business

The sales revenue from electricity business increased by 2.8% to ¥1,408.3 billion compared with the previous year mainly due to an increase in lighting and power price because of the increase of charge unit price with the effect of fuel cost adjustment system in spite of decreased electricity sales volume. Operating income decreased by ¥112.6 billion to ¥-312.6 billion mainly due to a large increase in thermal fuel costs and costs for power purchases.

(b) Energy-related Business

The sales revenues from energy-related business decreased by 2.4% to ¥160.6 billion compared with the previous year mainly due to a decrease in the revenue of repair work at electrical power station. Operating income decreased by 46.1% to ¥2.5 billion.

(c) IT and Telecommunication Business

The sales revenues from IT and telecommunication business decreased by 2.5% to ¥94.5 billion compared with the previous year mainly due to a decrease in information system development and sale of information equipment. Operating income increased by 14.7% to ¥7.6 billion mainly due to a decrease in depreciation regarding business for rent of fiber-optic core wire.

(d) Other Businesses

The sales revenues from other businesses was ¥27.2 billion as well as the previous year. Operating income decreased by 21.2% to ¥2.4 billion mainly due to an increase in depreciation regarding completion of rental buildings.

B. Sales and Supply overview

In FY2012, the demand for electric light, power for commercial operations and other general demands decreased by 2.0% from FY2011 due to the effect of power saving and a decrease in the air-conditioning demand as the temperature from June to July was lower than the previous year's level and also from February to March was higher than the previous year's level. The power demand from large industrial customers decreased by 1.4% from FY2011 due to the decrease in production of Electric Machinery and the effect of power saving in spite of the increase in production of Steel and Iron, Chemicals.

Consequently, the total electricity sales for FY2012 decreased by 1.8% to 83.78 billion kWh compared with the previous year.

Electricity Sales Volume

(Unit: million kWh, %)

		FY2012 (A)	FY2011 (B)	Difference (A-B)	Change (A/B)
Demand other than those under Liberalization	Lighting	29,509	29,990	-481	98.4
	Power	5,204	5,475	-271	95.1
	Total	34,713	35,465	-752	97.9
Demand under Liberalization		49,074	49,887	-813	98.4
Electricity Sales Total		83,787	85,352	-1,565	98.2
Figures are included above	Customers other than large-scale industrial	60,173	61,408	-1,235	98.0
	Large-scale industrial customers	23,614	23,944	-330	98.6

On the supply side, under the influence of the shutdown of the operations of reactors of our nuclear power stations, 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, %)

		FY2012 (A)	FY2011 (B)	Difference (A-B)	Change (A/B)
Own facilities	Hydro (Water flow rate)	4,704 (112.8)	4,760 (105.9)	-56 (6.9)	98.8
	Thermal	61,221	52,425	8,796	116.8
	Nuclear (Utilization rate)	- (-)	14,481 (31.4)	-14,481 (-31.4)	-
	New Energy	1,368	1,367	1	100.1
	Subtotal	67,293	73,033	-5,740	92.1
From other companies (New Energy [included above])		21,248 (1,957)	19,167 (1,671)	2,081 (286)	110.9 (117.2)
Interchange		2,402	1,326	1,076	181.1
For pumping		-641	-1,033	392	62.1
Total		90,302	92,493	-2,191	97.6

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

Forecast for FY2013

Our sales for FY2013 expect to increase due to the increase in electricity sales volume, electricity rate and charge unit price with the effect of fuel cost adjustment system.

Our incomes for FY2013 are undetermined because it is unable to reasonably assess cost such as fuel cost due to the uncertain 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.

Forecast for operational performance on FY2013

(Unit: 100 million yen, %)

	Consolidated		Non-consolidated	
	2Q	Year-end	2Q	Year-end
Sales	8,600 [112.7%]	17,600 [113.8%]	8,100 [112.7%]	16,600 [114.6%]
Operating income	-	-	-	-
Ordinary income	-	-	-	-
Net income	-	-	-	-

(Note) the percentage figures in [] show the comparison from the previous year

Sensitivity factors

	2Q	Year-end
Electricity sales volume	42.3billion kWh [100.5%]	84.7 billion kWh [101.1%]
Crude oil (CIF) price	110 \$/b	
Exchange rate	¥ 95 /\$	

(Note) the percentage figures in [] show the comparison from the previous year

(2) Analysis regarding financial condition

Analysis regarding consolidated assets, debt, shareholders' equity and cash flow overview

A. Consolidated assets, debt, and shareholders' equity overview

Consolidated assets increased by ¥98.4 to ¥4,526.5 billion compared with the end of the previous fiscal year mainly due to the increase in current assets such as cash and cash equivalent while fixed assets decreased due to the effort of the efficiency of equipment investment and promotion of depreciation.

Consolidated liabilities increased by ¥428.7 billion to ¥3,968.7 billion mainly due to an increase in interest-bearing debts. The interest-bearing debts increased by ¥427.4 billion to ¥2,910.7 billion.

Consolidated shareholders' equity decreased by ¥330.3 billion to ¥557.7 billion mainly as the net loss for this fiscal year has been recorded. Consequently the shareholders' equity ratio went down to 11.9%.

B. Consolidated cash flow overview

Cash flow from operating activities shifted to the cash outflow of ¥135.1 billion from the cash inflow of ¥16.9 billion in 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 ¥51.7 billion to ¥176.5 billion from the previous year mainly due to the effort of the efficiency of equipment investment.

Cash inflow from financing activities increased by ¥48.9 billion to ¥412.2 billion.

As a result, the balance of cash and cash equivalents at the end of this fiscal year increased by ¥101.2 billion to ¥379.2 billion compared with the end of the previous fiscal year.

Consolidated cash flow indication

	FY2008	FY2009	FY2010	FY2011	FY2012
Shareholders' equity ratio (%)	25.7	26.4	25.4	19.7	11.9
Shareholders' equity ratio at market value (%)	25.4	23.7	18.4	12.6	10.2
Interest-bearing debt / Cash flow ratio	8.5	5.7	6.9	146.9	-
Interest coverage ratio	7.0	9.9	8.7	0.5	-

(Note)

Shareholders' equity ratio = Shareholders' equity / Total assets

Shareholders' equity ratio at market value = Total market value of shares / Total assets

Interest-bearing debt / Cash flow ratio = Interest-bearing debt / Cash flow from operating activities

Interest coverage ratio = Cash flow from operating activities / Interest payment

*Each index is calculated based on the consolidated financial data

*Total market value of shares is calculated as closing stock price at the end of fiscal year multiplied by the number of shares outstanding (after excluding treasury stocks) at the end of fiscal year

*Cash flow from operating activities and interest payment are calculated based on consolidated cash flow statements.

*Interest-bearing debt includes corporate debt and long-term debt (both includes those due within a year), short-term debt and commercial papers. The amount of corporate debt used here is not the book value but the face value (par).

* Interest-bearing debt / Cash flow ratio and Interest coverage ratio are not written because of cash outflow from operating activities for FY2012.

(3) Basic policy regarding the appropriation of profits and dividends for FY2012 and FY2013

We have based our policy regarding the appropriation of profits on expanding shareholders' interest in medium to long-term perspective while maintaining the consecutive dividends.

However net loss for FY2012 was ¥338.0 billion because of the large increase in thermal fuel costs due to the shutdown of the operations of reactors of our nuclear power stations.

Considering current extremely severe business environment, we have decided to pay out no year-end dividend for FY2012 as well as interim.

We regret to plan no interim dividend for FY 2013 because extremely severe performance is continued. We are very sorry for shareholders and apologize deeply. Kyushu Electric Power will announce year-end dividend for FY2013 as soon as forecasts for financial results become possible in the future.

(4) Business risks factors

The following is a list of some significant risk factors that may have an effect on the operating results, financial position, and other aspects of the Group (consolidated).

Forward-looking statements in this report reflect the judgment of the company as of the end of current consolidated fiscal year.

①Changes in systems affecting the electricity business

The Cabinet has approved the Policy on Electricity System Reform, among the aims of which are the liberalization of the retail power sector as a whole in order to give customers a greater range of choice, the invigoration of the wholesale power market in order to stimulate a competitive environment, and the realization of broader coverage and greater neutrality in the transmission and distribution sector. Discussions towards the implementation of the Policy are proceeding.

The government is also proceeding with the re-examination of the Basic Energy Plan, which establishes the nation's basic orientation in relation to energy supply and demand, encompassing elements such as the best mix of energy and nuclear energy policy.

Changes such as these to the systems affecting the electricity business could have an impact on the Group's performance.

②Status of environment surrounding nuclear power

Turning to regulations concerning nuclear power, the revision of the Nuclear Reactor Regulation Law in June 2012 saw the introduction of a variety of measures, including the enhancement of countermeasures for severe accidents and the introduction of a system for approval of extension of operating periods and a back-fit system. The Nuclear Regulation Authority is currently progressing with deliberations towards the establishment of detailed regulations to be enforced.

Believing, even in the wake of the accident at the Tokyo Electric Power Company's Fukushima Daiichi Nuclear Power Station in March 2011, that the importance of nuclear power has not declined, Kyushu Electric Power is working steadily to further increase safety by introducing emergency safety measures in order to ensure power sources and a water supply in the event of an accident, in addition to implementing safety measures including the installation of a seismically isolated building as a command post, as specified in 30 items of the Technical Findings concerning the Fukushima Power Station Accident.

In addition, looking towards the recommencement of operation of our nuclear power stations at an early stage, we are seeking to respond appropriately to the full range of regulations that are being enforced by working to increase safety through initiatives including putting in place measures to respond to major accidents.

In future, basing ourselves firmly on the lessons learned from the accident at the Fukushima Daiichi Nuclear Power Station, we will work continuously to implement voluntary measures to further increase our safety and reliability, at the same time as actively seeking to gain the understanding of the residents of our region.

However, depending on the status of operation of our nuclear power stations as it will be affected by the future trends in regulations (the progress of governmental studies towards restart, etc.) and other factors, it is possible that the results of the Kyushu Electric Group will be affected by factors including increases in costs such as fuel costs and the cost of procuring funds, and our judgment regarding the realizability of our deferred tax assets resulting from the continuation of these cost burdens.

③Fluctuations in electricity sales volume

Electricity sales volume in the electricity business fluctuates according to factors such as economic trends, temperature changes, the spread of residential solar power systems, and trends in regulations and institutional reforms relating to energy conservation. As a result, changes in these factors could have an impact on the Group's performance.

④Fuel Price Fluctuations

Fuel expenses in electricity business fluctuate as a result of trends in CIF prices and in the foreign exchange markets because we procure sources of fuel for thermal power generation including liquefied natural gas (LNG) and coal from overseas.

However, fluctuations in fuel prices are reflected in electric rates through the fuel cost adjustment system, which helps to ease the impact of fuel price volatility on the Group's performance.

⑤Nuclear Fuel Cycle Costs

The uncertainties in the long-term prospects of nuclear fuel cycle operations pose a risk, but operator risk is being reduced through measures proposed by the Japanese government. However, the Group's performance could be affected by discussion trends related to nuclear fuel cycle policy and increased costs based on revised cost estimates for future expenses.

⑥Cost of Measures to Combat Global Warming

In response to global warming, the Group aims for more efficient power generation that uses less carbon, and to this end the Group conducts a variety of measures, such as safe and stable nuclear power station operations, active development and introduction of renewable energy, and maintenance and improvement of total thermal efficiency for thermal power stations. Future changes in policies related to global warming could have an impact on the Group's performance.

⑦Businesses Other than Electricity

The Group is enhancing its revenue basis by utilizing the group's management resources and steadily developing new business area beyond electricity business. In the business operation, we put emphasis on the profitability and work to improve efficiency while pursuing the growth. In case securing the planned profits cannot be achieved due to the worsening business conditions, the Group's performance may be affected.

⑧Interest Rate Fluctuations

The Group's balance of interest-bearing debt as of the end of March 2013 is ¥2,910.7 billion, which accounts for 64% of total assets of the group. Future changes in interest rates have potential to affect the Group's financial condition.

However, 95% of outstanding interest-bearing debt comprises long-term debt, and most of these bear interest at fixed rates. The impact of fluctuating interest rates on the Group's performance is therefore viewed as limited.

⑨Leakage of Information

The Group has established strict internal frameworks to manage in-house information and personal information, which Group companies hold, to ensure information security. Additionally, we have implemented thorough information management by establishing internal policies and guidelines on handling information as well as familiarizing employees with the handling procedures. However, in case of the leaking of in-house information and personal information, the Group's performance may be affected.

⑩Natural Disasters

To ensure a stable supply of electricity to our customers, the Group implements inspection and maintenance of the facilities systematically to prevent any trouble from occurring. However, large-scaled natural disasters such as typhoons, torrential rains and earthquakes or tsunami as well as unexpected accidents and illicit acts have the potential to affect the Group's performance.

We are also developing a risk management system and are preparing for numerous risks that may have a material impact on business operations. Proper actions not taken in response to a risk may adversely affect the Group's performance.

⑪Compliance

To be worthy of the trust of all its stakeholders, the Group conducts its business activities from the perspective of its customers and local people in the regions it operate in by working together to fully instill an awareness of compliance and complying with laws and regulations. However, if problems such as compliance violations were to cause the Group's social credibility to decline, this could have an impact on the Group's performance.

The Group will continue to work to build trust-based relationships with all its stakeholders.

2. Management Policy

Based on Kyushu Electric Power's Mission, which incorporates our brand message, "Enlighten Our Future," we proceed in our business activities as a responsible power utility with the mission of providing our customers with a stable supply of electricity and energy.

Unfortunately, the accident at the Fukushima Daiichi Nuclear Power Station has resulted in a major loss of confidence in power companies, related to concerns over the safety of nuclear power and other issues. At Kyushu Electric Power, we have faced an ongoing situation of very tight supply and demand and rapid change in our financial status with the shutdown of all our nuclear power stations, and we have had no choice but to ask our customers to share in that burden by increasing our fees, at the same time as working to achieve maximum efficiency.

We recognize that it is essential for us to sincerely respond to our customers' concerns in proceeding with measures such as the comprehensive rationalization of our management procedures, at the same time as responding decisively to the issues that face our company, including the revision of the government's energy policy and the progress of discussions concerning the reform of the nation's power system. Based on these twin necessities, in April this year we formulated a Midterm Management Policy that establishes our management orientation and defines the major initiatives that we will implement over the next three years.

On the basis of this plan, we will be putting the following measures into effect.

○ In order to provide support for our customers' daily lives and business activities and for the regional community more generally, and to achieve sustainable development together with all our stakeholders, we will seek complete efficiency in all of our operations.

Seeking to fulfill our responsibilities as an electric utility while responding appropriately to the reform of the power system (across the board liberalization of the retail sector, etc.) and avoiding any further worsening of our finances against the background of an ongoing severe business situation, the Kyushu Electric Group will work as a single entity to manage costs and realize comprehensive efficiency. By this means, we will realize a stable structure of income and expenditure, and provide value to all of our stakeholders, in particular our customers, shareholders and investors.

In concrete terms, looking towards the reduction of supply and demand related costs, we will make efforts to realize low-cost power procurement via the wholesale market and economical fuel procurement based on the status of fuel markets (trends in shale gas, etc.).

We will examine costs related to safety, compliance with laws and regulations, and the maintenance of a stable supply of power, and work to achieve further reductions in equipment and facility investments, maintenance costs, miscellaneous expenses and other costs by means of expanding our procurement of materials and equipment based on the principle of competition and promoting efficiency across the board.

In addition, we will work together with our business partners to promote efficiency and maintain and improve our technological capacity, and strive to enhance the management culture of our Group companies.

○ We will provide our customers with a stable supply of high quality power in an environment undergoing significant changes.

Against the background of a supply and demand situation which continues to be tight, we will work to implement a full range of both supply and demand side measures in order to realize a stable supply of power.

We believe that the importance of nuclear power remains unchanged from the perspectives of energy security and the fight against global warming. Seeking to realize the world's highest level of safety, in addition to complying precisely with New Nuclear Regulatory Requirements established by the Nuclear Regulatory Authority, we will also proceed with voluntary initiatives in order to further increase safety. At the same time, we will work actively to ensure the understanding of the residents of the region, and spare no efforts in attempting to

recommence operation of our reactors at an early stage.

As interim measures to ensure a continuing supply of power, we will work to comprehensively guarantee safe and stable operation of our power facilities, in addition to flexibly ensuring supply capacity, for example by making use of the power market depending on trends in supply and demand.

In addition, we will work together as a Group to actively develop renewable energy sources such as solar generation, and at the same time respond smoothly to significantly increasing requests for interconnection to the power system, seeking to maintain the quality of our power supply.

With regard to demand side measures, we will work to curb peak demand and conserve energy together with our customers and the regional community, for example by proposing a fee menu and services to promote the efficient use of energy, and to introduce initiatives including increased provision of information to the public concerning the status of supply and demand.

In addition, we will proceed with studies to help us realize an optimal balance of power sources, taking into consideration factors including the characteristics of specific power sources and future fuel trends, in addition to studies towards the securing of power sources that will be competitive against the background of power system reforms.

○ We will proceed with measures designed to make us more open and to help us win the trust of the public

The trust of our stakeholders is the foundation of our business operations, and in order to win that trust, in addition to working to reflect the opinions of our stakeholders in our business procedures, we will make comprehensive efforts in the area of CSR management, for example by further increasing the transparency of our business activities.

Specifically, in addition to providing accurate information to the public concerning the power industry and quickly and precisely making our own initiatives known, we will listen sincerely to the voices of our customers and all of our stakeholders, and appropriately reflect their opinions and desires in our business activities.

Further, we will be thorough in instituting appropriate business procedures that incorporate the objectives and specialized viewpoints of experts outside the company and other qualified individuals, at the same time as working to increase transparency and to contribute to society with consideration of our customers' perspective.

Striving to become a strong and flexible company that is trusted and actively chosen by its customers, Kyushu Electric Power will work to change itself by increasing its sensitivity to changes in attitudes among its customers and society more generally towards power companies, and challenging itself to respond to future social needs on the basis of new concepts.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(Unit: million yen)	
	As of March 31st, 2012	As of March 31st, 2013
Assets		
Fixed Assets	3,894,665	3,883,590
Utility property, plant and equipment	2,494,171	2,414,522
Hydro	332,652	320,052
Thermal	199,503	183,858
Nuclear	242,824	232,756
Internal combustion	19,358	18,918
New energy	15,202	13,494
Transmission	690,539	667,527
Transformation	237,025	228,372
Distribution	617,804	614,503
General	132,516	128,380
Other	6,743	6,659
Other fixed assets	318,204	305,774
Construction in progress	184,857	220,817
Construction and retirement in progress	184,857	220,817
Nuclear fuel	267,124	278,941
Loaded nuclear fuel	84,008	84,103
Nuclear fuel in processing	183,115	194,837
Investments and other assets	630,309	663,534
Long-term investments	127,915	139,395
Reserve for reprocessing of irradiated nuclear fuel	220,293	240,155
Deferred tax assets	178,753	176,988
Other assets	104,330	107,978
Allowance for doubtful accounts	-984	-984
Current Assets	533,427	642,922
Cash and cash equivalent	168,283	368,995
Trade notes and accounts receivable	115,213	123,311
Inventories at average cost	77,908	73,077
Deferred tax assets	28,202	31,203
Other current assets	144,647	47,279
Allowance for doubtful accounts	-827	-945
Assets Total	4,428,093	4,526,513

	(Unit: million yen)	
	As of March 31st, 2012	As of March 31st, 2013
Liabilities		
Long-term Liabilities	2,957,548	3,298,927
Bonds	1,072,256	1,048,396
Long-term loans	1,109,344	1,469,610
Accrued retirement benefits	153,850	163,875
Reserve for reprocessing of irradiated nuclear fuel	334,000	321,276
Reserve for preparation of reprocessing of irradiated nuclear fuel	24,651	25,637
Asset retirement obligations	211,989	221,025
Deferred tax liabilities	10	5
Other fixed liabilities	51,444	49,100
Current Liabilities	581,197	665,478
Current portion of long-term debt	192,379	250,343
Short-term borrowings	118,000	119,532
Commercial paper	-	33,000
Notes and accounts payable	93,337	101,690
Income tax payable	17,602	17,201
Deferred tax liabilities	100	87
Other current liabilities	159,776	143,622
Reserves under the special law	1,216	4,308
Reserve for fluctuation in water levels	1,216	4,308
Liabilities Total	3,539,962	3,968,713
Net Assets		
Shareholders' Equity	860,151	518,207
Common stock	237,304	237,304
Additional paid-in capital	31,133	31,130
Retained earnings	594,080	252,145
Treasury stock	-2,366	-2,373
Accumulated other comprehensive income	10,245	21,477
Unrealized gain on other securities	12,331	19,212
Gain on deferred hedge	-179	3,747
Foreign currency translation adjustments	-1,907	-1,481
Minority Interests	17,735	18,114
Net Assets Total	888,131	557,799
Liabilities and Net Assets Total	4,428,093	4,526,513

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

(Unit: million yen)

	April 1, 2011-March 31, 2012	April 1, 2012-March 31, 2013
Operating Revenues	1,508,084	1,545,919
Electricity	1,367,610	1,406,218
Other	140,474	139,700
Operating Expenses	1,692,939	1,845,347
Electricity	1,562,055	1,715,262
Other	130,883	130,085
Operating Loss	-184,854	-299,428
Other Revenues	13,900	14,184
Proceed from dividends	3,238	2,680
Proceed from interests	3,459	3,733
Equity in earnings of affiliates	956	2,015
Gains incurred from negative goodwill	2,592	-
Other	3,654	5,754
Other Expenses	42,581	45,961
Interest expenses	34,025	37,407
Other	8,555	8,554
Total Ordinary Revenues	1,521,985	1,560,103
Total Ordinary Expenses	1,735,520	1,891,309
Ordinary Loss	-213,534	-331,206
Reserves under the special law	1,216	3,092
Reserve for fluctuation in water level:	1,216	3,092
Loss before Income Taxes	-214,750	-334,298
Income Taxes	3,585	3,674
Income Taxes for Prior Periods	494	-
Income Taxes-Deferred	-52,839	-5,869
Income Taxes Total	-48,760	-2,195
Loss before Minority Interests	-165,990	-332,102
Minority Interests	400	367
Net Loss	-166,390	-332,470

(Consolidated Comprehensive Income Statements)

(Unit: million yen)

	April 1, 2011-March 31, 2012	April 1, 2012-March 31, 2013
Net Loss before Minority Interests	-165,990	-332,102
Other comprehensive income		
Unrealized gain on other securities	920	6,503
Gain on deferred hedge	1,695	3,918
Foreign currency translation adjustmer	730	-709
Equity in equity method companies	-593	1,529
Total other comprehensive income	<u>2,753</u>	<u>11,242</u>
Comprehensive income	<u>-163,236</u>	<u>-320,860</u>
Comprehensive income related to		
Comprehensive income related to parent company shareholders	-163,627	-321,237
Comprehensive income related to minority interests	390	376

(3) Consolidated Statements of Changes in Shareholders' Equity

	(Unit: million yen)	
	April 1, 2011- March 31, 2012	April 1, 2012- March 31, 2013
Shareholders' Equity		
Paid-in Capital		
Balance at the start of FY	237,304	237,304
Balance at the end of FY	237,304	237,304
Additional Paid-in Capital		
Balance at the start of FY	31,137	31,133
Changes during FY		
Disposal of Treasury Stock	-4	-2
Total Changes during FY	-4	-2
Balance at the end of FY	31,133	31,130
Retained Earnings		
Balance at the start of FY	788,867	594,080
Changes during FY		
Dividend Declared	-28,396	-9,464
Net Loss	-166,390	-332,470
Total Changes during FY	-194,787	-341,935
Balance at the end of FY	594,080	252,145
Treasury Stock		
Balance at the start of FY	-2,333	-2,366
Changes during FY		
Acquisition of Treasury Stock	-43	-10
Disposal of Treasury Stock	10	3
Total Changes during FY	-33	-6
Balance at the end of FY	-2,366	-2,373
Shareholders' Equity Total		
Balance at the start of FY	1,054,976	860,151
Changes during FY		
Dividend Declared	-28,396	-9,464
Net Loss	-166,390	-332,470
Acquisition of Treasury Stock	-43	-10
Disposal of Treasury Stock	5	1
Total Changes during FY	-194,825	-341,944
Balance at the end of FY	860,151	518,207

(Unit: million yen)		
	April 1, 2011- March 31, 2012	April 1, 2012- March 31, 2013
Accumulated other comprehensive income		
Unrealized gain on other securities		
Balance at the start of FY	11,356	12,331
Changes during FY		
Net changes during FY other than Shareholders' Equity	975	6,880
Total Changes during FY	975	6,880
Balance at the end of FY	12,331	19,212
Gain and loss on deferred hedge		
Balance at the start of FY	-1,871	-179
Changes during FY		
Net changes during FY other than Shareholders' Equity	1,691	3,927
Total Changes during FY	1,691	3,927
Balance at the end of FY	-179	3,747
Foreign currency translation adjustment		
Balance at the start of FY	-2,003	-1,907
Changes during FY		
Net changes during FY other than Shareholders' Equity	95	425
Total Changes during FY	95	425
Balance at the end of FY	-1,907	-1,481
Total accumulated other comprehensive income		
Balance at the start of FY	7,481	10,245
Changes during FY		
Net changes during FY other than Shareholders' Equity	2,763	11,232
Total Changes during FY	2,763	11,232
Balance at the end of FY	10,245	21,477
Minority Interests		
Balance at the start of FY	17,220	17,735
Changes during FY		
Net changes during FY other than Shareholders' Equity	514	379
Total Changes during FY	514	379
Balance at the end of FY	17,735	18,114
Equity Total		
Balance at the start of FY	1,079,679	888,131
Changes during FY		
Dividend Declared	-28,396	-9,464
Net Loss	-166,390	-332,470
Acquisition of Treasury Stock	-43	-10
Disposal of Treasury Stock	5	1
Net changes during FY other than Shareholders' Equity	3,277	11,612
Total Changes during FY	-191,547	-330,331
Balance at the end of FY	888,131	557,799

(4) Consolidated Statements of Cash Flows

	(Unit: million yen)	
	April 1, 2011- March 31, 2012	April 1, 2012- March 31, 2013
Operating Activities		
Loss before income taxes	-214,750	-334,298
Depreciation and amortization	235,563	212,735
Decommissioning cost of nuclear power plants	3,106	2,627
Amortization of nuclear fuel	8,906	-
Loss on disposal of property, plant and equipment	9,784	8,338
Increase(decrease) in liability for retirement benefits	9,129	10,024
Provision for reserve for reprocessing of used fuel	-12,567	-12,724
Provision for preparation for reprocessing of irradiated nuclear fuel	2,288	986
Increase(decrease) in reserve for fluctuation in water levels	1,216	3,092
Interest revenue and dividends received	-6,697	-6,414
Interest expense	34,025	37,407
Equity in net earnings under the equity method	-956	-2,015
Gains incurred from negative goodwill	-2,592	-
Increase in fund for reprocessing of irradiated nuclear fuel	-23,020	-19,862
Increase in accounts receivable	-13,961	-8,284
Increase in inventories, principally fuel, at average cost	-19,287	4,830
Increase in accounts payable	40,552	7,567
Other	13,306	-4,586
Sub Total	64,044	-100,575
Receipt of interest and cash dividends	7,294	7,230
Interest paid	-33,905	-37,809
Income tax paid	-20,523	-3,976
Net cash provided by operating activities	16,909	-135,130
Cash Flows from Investing Activities		
Purchases of property, plant and equipment	-229,351	-183,922
Payment for investments and other	-6,729	-442
Proceeds for recoveries from investments and other	4,204	3,640
Other	3,596	4,177
Net cash used in investing activities	-228,279	-176,546

	(Unit: million yen)	
	April 1, 2011- March 31, 2012	April 1, 2012- March 31, 2013
Cash Flows from Financing Activities		
Proceeds from issuance of bonds	-	139,736
Redemption of bonds	-150,000	-120,000
Proceeds from long-term loans	657,634	439,967
Repayment of long-term loans	-80,553	-69,296
Net increase (decrease) in short-term borrowings	-2,770	1,531
Net changes in commercial paper	-30,000	33,000
Cash dividends paid	-28,408	-9,489
Other	-2,582	-3,200
Net cash used in financing activities	<u>363,319</u>	<u>412,248</u>
Effect of exchange rate changes on cash and cash equivalents	<u>7</u>	<u>690</u>
Changes in cash and cash equivalents	<u>151,956</u>	<u>101,262</u>
Cash and cash equivalents at beginning of the year	<u>125,988</u>	<u>277,945</u>
Cash and cash equivalents at end the of the year	<u>277,945</u>	<u>379,207</u>

(5) Notes on Consolidated Financial Statements

(Note on the premise of going concern)

N/A

(Changes in accounting principles, changes in accounting estimates, restatements)

- Changes in accounting principles that are difficult to distinguish from changes in accounting estimates

The Kyushu Electric Power Group posted depreciation by applying the depreciation method based on the revised Corporation Tax Act to tangible fixed assets newly acquired on or after April 1, 2012 beginning with the current fiscal year, following the revision of the Corporation Tax Act.

The effect of this application was a decrease of ¥115.2 million in depreciation and a decrease of the same amount in both ordinary loss and Loss before Income Taxes and Minority Interests in income in comparison to the previous method.

The effect on segment information is written on “Segment information, etc.”

(Segment information, etc)

1. Segment information

(1) Overview of reporting segments

The Company's reporting segments are based on the units that compose our Company for which separate financial information is available. The segments are subject to regular review by the Board of Directors to evaluate performance.

The Company is composed of four reporting segments, classified in consideration of the types of products and business activities: the Electricity Business, the Energy-related Business, the IT/Telecommunication Business, and Other Businesses.

The main products and business activities belonging to each reporting segment are described below.

Reporting segment	Main products and business activities
Electricity	Supply of electricity
Energy-related	Receipt, storage, vaporization, delivery and sales of LNG, manufacturing and sales of electric machinery, construction, maintenance and repair of power generation facilities, manufacturing and sales of concrete poles, environmental preservation activities around power generation facilities, consultation and planning of civil engineering and construction
IT/Telecommunication	Fiber-optic cable and broadband service, manufacturing, sales, installation and maintenance of telecommunication devices, development, operation and maintenance of information system
Other	Acquiring and owning of securities, loan to group companies, leasing and management of real estate, contracted siting work

(2) Calculation method of amount of sales, income or loss, asset and other items by reporting segment

Accounting method of Reporting segment is the same to the Preparation of consolidated financial statements.

Reporting segment income is on operating income basis. Inter-segment sales is based on a market price.

As described in "Changes in accounting principles, changes in accounting estimates, restatements", depreciation method of reporting segment was changed as well, because the Kyushu Electric Power Group posted depreciation by applying the depreciation method based on the revised Corporation Tax Act to tangible fixed assets newly acquired on or after April 1, 2012 beginning with the current fiscal year, following the revision of the Corporation Tax Act.

The effect of this application was a decrease of ¥115.2 million in depreciation and a decrease of the same amount in both ordinary loss and Loss before Income Taxes and Minority Interests in income in comparison to the previous method.

Effects of segment income in reporting segment except electricity are minimal.

(3) Information regarding amount of sales, income or loss, asset and other items by reporting segment

Previous consolidated fiscal year (April 1, 2011 to March 31, 2012)

(Unit: million yen)

	Reportable segment					Adjusted amount*1	Consolidated financial statements*2
	Electricity	Energy-related	IT/Telecommunication	Other	Total		
Sales							
Sales to outside customers	1,367,610	67,039	61,151	12,283	1,508,084	-	1,508,084
Inter-segment sales	1,927	97,517	35,811	15,026	150,283	-150,283	-
Total	1,369,537	164,557	96,963	27,310	1,658,368	-150,283	1,508,084
Segment income (loss)	-199,995	4,779	6,628	3,145	-185,442	587	-184,854
Segment asset	3,962,355	312,340	146,244	155,274	4,576,215	-148,121	4,428,093
Other items							
Depreciation (including amortization of nuclear fuel)	211,074	12,059	19,066	5,266	247,467	-2,996	244,470
Increase in tangible fixed assets and intangible fixed assets	193,856	20,231	21,432	11,679	247,199	-3,237	243,962

*1 Adjusted amount of segment income (loss) of 587 million yen and adjusted amount of segment asset of -148,121 million yen are inter-segment elimination.

*2 Segment income (loss) is adjusted with operating loss within consolidated income statements.

Current consolidated fiscal year (April 1, 2012 to March 31, 2013)

(Unit: million yen)

	Reportable segment					Adjusted amount*1	Consolidated financial statements*2
	Electricity	Energy-related	IT/Telecommunication	Other	Total		
Sales							
Sales to outside customers	1,406,218	65,997	60,732	12,970	1,545,919	-	1,545,919
Inter-segment sales	2,121	94,637	33,849	14,310	144,918	-144,918	-
Total	1,408,339	160,634	94,581	27,281	1,690,837	-144,918	1,545,919
Segment income (loss)	-312,666	2,578	7,600	2,477	-300,010	581	-299,428
Segment asset	4,053,317	325,456	141,469	149,749	4,669,992	-143,479	4,526,513
Other items							
Depreciation (including amortization of nuclear fuel)	180,189	10,241	18,716	6,358	215,505	-2,770	212,735
Increase in tangible fixed assets and intangible fixed assets	155,668	9,662	17,421	1,528	184,281	-2,985	181,295

*1 Adjusted amount of segment income (loss) of 581 million yen and adjusted amount of segment asset of -143,479 million yen are inter-segment elimination.

*2 Segment income (loss) is adjusted with operating loss within consolidated income statements.

2. Related information

Previous consolidated fiscal year (April 1, 2011 to March 31, 2012) and Current consolidated fiscal year (April 1, 2012 to March 31, 2013)

(1) Information by product and service

Because similar information is disclosed in segment information, this information is omitted.

(2) Information by region

① Sales

Because domestic sales to external customers account for over 90% of the sales stated in the Consolidated Income Statements, this information is omitted.

② Property, plant and equipment

Because property, plant and equipment located in Japan accounts for over 90% of the property, plant and equipment stated in the Consolidated Balance Sheets, this information is not stated.

(3) Information by main customers

Because there are no customers that account for over 10% of sales stated in the Consolidated Income Statements for sales to external customers, this information is omitted.

3. Information relating to impairment loss of fixed assets by reporting segment

Previous consolidated fiscal year (April 1, 2011 to March 31, 2012) and Current consolidated fiscal year (April 1, 2012 to March 31, 2013)

Because this information lacks materiality, it is omitted.

4. Information relating to goodwill amortization and unamortized balance by reporting segment

Previous consolidated fiscal year (April 1, 2011 to March 31, 2012) and Current consolidated fiscal year (April 1, 2012 to March 31, 2013)

Because this information lacks materiality, it is omitted.

5. Information relating to gains incurred from negative goodwill by reporting segment)

Previous consolidated fiscal year (April 1, 2011 to March 31, 2012)

Material negative goodwill was incurred in the other business segments due to the additional acquisition of shares of Kyushu Maintenance Co., LTD during the current fiscal year. Note that 2,470 million yen in negative goodwill (non-operating revenues) was posted as a result of this event during the current fiscal year.

Current consolidated fiscal year (April 1, 2012 to March 31, 2013)

N/A

(Per share data)

	FY2011 (April 1, 2011-March 31, 2012)	FY2012 (April 1, 2012-March 31, 2013)
Shareholders' equity per share (BPS)	¥1,840.37	¥1,141.13
Net loss per share (EPS)	¥-351.80	¥-702.98

(Note) 1. Diluted EPS is abbreviated as there are no dilutive securities and it is net loss per share.

2. Basic data for computation of the per share data

(1) Shareholders' equity per share

	FY2011 (As of March 31, 2012)	FY2012 (As of March 31, 2013)
Shareholders' equity total	¥888,131 million	¥557,799 million
Deductible from shareholders' equity (Minority interest)	¥17,735 million (¥17,735 million)	¥18,114 million (¥18,114 million)
Shareholders' equity allocated to common stock outstanding	¥870,396 million	¥539,684 million
Number of common stock outstanding at the end of each fiscal year	472,948 thousand shares	472,937 thousand shares

(2) Net loss per share

	FY2011 (April 1, 2011-March 31, 2012)	FY2012 (April 1, 2012-March 31, 2013)
Net loss	¥-166,390 million	¥-332,470 million
Amount not allocated to shareholders	-	-
Net loss allocated to common stock outstanding	¥-166,390 million	¥-332,470 million
Weighted average number of common stock outstanding during each fiscal year	472,968 thousand shares	472,942 thousand shares

(Significant post-balance sheet event)

N/A

4. Non-consolidated Financial Statements

(1) Balance Sheets

	(Unit: million yen)	
	As of March 31st, 2012	As of March 31st, 2013
Assets		
Property, Plant and Equipment	3,675,144	3,662,870
Utility property, plant and equipment	2,528,900	2,449,405
Hydro power production facilities	333,906	323,129
Thermal power production facilities	201,750	185,834
Nuclear power production facilities	244,533	234,529
Internal combustion power production facilities	19,922	19,475
New energy power production facilities	15,550	13,766
Transmission facilities	698,305	675,042
Transformation facilities	241,268	232,561
Distribution facilities	631,294	627,512
General facilities	135,618	130,886
Suspended facilities	968	883
Facilities on loan	5,782	5,782
Incidental businesses property and equipment	36,971	34,015
Nonoperating property and equipment	4,504	4,976
Plant and equipment suspense account	186,647	215,616
Construction in progress	184,007	213,515
Retirement in progress	2,639	2,100
Nuclear Fuel	267,124	278,941
Loaded nuclear fuel	84,008	84,103
Nuclear fuel in processing	183,115	194,837
Investments and other assets	650,996	679,914
Long-term investments	113,811	126,661
Investments in subsidiaries and affiliated companies	151,627	150,372
Fund for reprocessing of irradiated nuclear fuel	220,293	240,155
Long-term prepaid expenses	4,352	4,890
Deferred tax assets	161,466	158,382
Allowance for doubtful accounts	-554	-548
Current Assets	435,806	538,834
Cash and cash equivalents	131,959	324,155
Accounts receivable	91,496	98,816
Receivables	15,047	18,065
Short-term investments	100,000	-
Inventories	63,160	59,839
Prepaid expenses	377	547
Receivables from subsidiaries and affiliated companies	2,852	3,493
Deferred tax assets	24,784	28,283
Other current assets	6,638	6,144
Allowance for doubtful accounts	-511	-512
Assets Total	4,110,950	4,201,704

(Unit: million yen)

	As of March 31st, 2012	As of March 31st, 2013
Liabilities		
Long-term Liabilities	2,817,264	3,155,145
Bonds	1,072,556	1,048,695
Long-term loans	1,013,915	1,373,256
Long-term accrued liabilities	8,495	7,964
Long-term lease liabilities	1,968	2,494
Long-term liabilities to affiliates	2,229	1,664
Liability for employees' retirement benefits	136,875	147,341
Reserve for reprocessing of irradiated nuclear fuel	334,000	321,276
Reserve for preparation of reprocessing of irradiated nuclear fuel	24,651	25,637
Asset retirement obligations	211,840	219,450
Other long-term liabilities	10,731	7,363
Current Liabilities	525,769	612,964
Current portion of long-term debt	167,980	223,475
Short-term borrowings	111,000	117,000
Commercial papers	-	33,000
Accounts payable-trade	81,712	87,575
Accounts payable	33,990	28,533
Accrued expenses	67,854	59,232
Accrued income tax	13,337	13,106
Deposit	2,073	1,880
Short-term liabilities to subsidiaries and affiliated companies	40,503	41,598
Other advances	5,168	5,701
Other current liabilities	2,149	1,860
Reserves under the special law	1,216	4,308
Reserve for fluctuation in water levels	1,216	4,308
Liabilities Total	3,344,250	3,772,417
Shareholders' Equity		
Common stock	755,124	407,601
Paid-in capital	237,304	237,304
Additional paid-in capital	31,110	31,107
Capital reserve	31,087	31,087
Other additional paid-in capital	22	19
Retained earnings	488,839	141,323
Legal reserve	59,326	59,326
Retained earnings - carryforward	429,512	81,997
Reserves for losses on overseas investment, etc.	11	11
Cost behavior adjustment reserves	100,300	-
Contingent reserves	456,000	357,000
Deferred retained earnings	-126,798	-275,013
Treasury stock	-2,129	-2,134
Valuation and translation adjustments	11,575	21,685
Unrealized gain on other securities	11,634	17,826
Gain on deferred hedge	-59	3,859
Total Shareholders' Equity	766,700	429,287
Liabilities and Shareholders' Equity Total	4,110,950	4,201,704

(2) Income Statements

(Unit: million yen)

	April 1, 2011-March 31, 2012	April 1, 2012-March 31, 2013
Operating Revenues	1,406,770	1,448,876
Electricity	1,369,537	1,408,339
Lighting	587,251	591,514
Power	755,431	768,910
Sales to other electric companies	3,407	1,214
Sales to other companies	6,143	8,656
Revenues from wheeling service charges	3,402	2,960
Gains from adjustment among electric companies	3,202	3,092
Grant based on the Act on Purchase of Renewable Energy	-	18,030
Sourced Electricity	-	18,030
Miscellaneous revenues from electricity	10,287	13,549
Revenues from loaned equipment	411	411
Incidental-Business Operating Revenues	37,232	40,536
Fiber-optic cable leasing service	12,644	13,142
Gas supply	20,138	23,072
Other	4,449	4,321
Operating Expenses	1,602,492	1,754,689
Electricity	1,569,533	1,721,006
Hydro power	44,470	43,210
Thermal power	579,601	736,663
Nuclear power	184,279	132,608
Internal combustion power	28,663	30,511
New energy power	11,041	9,480
Purchase from other electric companies	25,141	48,153
Purchase from other companies	180,900	221,429
Transmission	85,634	87,013
Transformation	44,351	41,125
Distribution	142,207	133,846
Sales	56,499	53,511
Suspended facilities	938	581
Facilities on loan	39	35
General	138,105	124,705
Levy based on the Act on Purchase of Renewable Energy	-	11,365
Sourced Electricity	-	11,365
Promotion of power resources development tax	32,390	31,817
Enterprise tax	15,319	15,004
Electricity account transfer (Credit)	-52	-58
Incidental Businesses Operating Expenses	32,959	33,683
Fiber-optic cable leasing service	11,411	9,947
Gas supply	18,630	20,932
Other	2,917	2,803
Operating Loss	-195,722	-305,812

(Unit: million yen)

	April 1, 2011-March 31, 2012	April 1, 2012-March 31, 2013
Other Revenues	7,674	8,702
Financial revenues	5,654	5,702
Proceed from dividends	2,201	1,959
Proceed from interests	3,453	3,742
Non-operating revenues	2,019	3,000
Gain on sale of property and equipment	184	1,169
Other	1,835	1,831
Other Expenses	40,490	42,849
Financial expenses	32,266	35,845
Interest expenses	32,266	35,581
Stock issuance costs	-	-
Bond issuance costs	-	263
Non-operating expenses	8,224	7,003
Loss on sales of tangible fixed assets	99	205
Other losses	8,125	6,798
Total Ordinary Revenues	1,414,444	1,457,579
Total Ordinary Expenses	1,642,983	1,797,538
Ordinary Loss	-228,538	-339,959
Provision or reversal of reserve fluctuation in water levels	1,216	3,092
Provision of reserve fluctuation in water levels	1,216	3,092
Loss before Income Taxes	-229,754	-343,051
Corporation Tax, Residence Tax and Enterprise Tax	-	64
Income Taxes for Prior Periods	486	-
Income Taxes-Deferred	-55,257	-5,065
Income Taxes Total	-54,771	-5,001
Net Loss	-174,983	-338,050

(3) Statements of Changes in Shareholders' Equity

(Unit: million yen)

	April 1, 2011- March 31, 2012	April 1, 2012- March 31, 2013
Shareholders' Equity		
Paid-in Capital		
Balance at the start of FY	237,304	237,304
Balance at the end of FY	237,304	237,304
Additional Paid-in Capital		
Capital reserve		
Balance at the start of FY	31,087	31,087
Balance at the end of FY	31,087	31,087
Other additional paid-in capital		
Balance at the start of FY	27	22
Changes during FY		
Disposal of Treasury Stock	-4	-2
Total Changes during FY	-4	-2
Balance at the end of FY	22	19
Additional Paid-in Capital Total		
Balance at the start of FY	31,114	31,110
Changes during FY		
Disposal of Treasury Stock	-4	-2
Total Changes during FY	-4	-2
Balance at the end of FY	31,110	31,107
Retained Earnings		
Legal reserve		
Balance at the start of FY	59,326	59,326
Balance at the end of FY	59,326	59,326
Other retained earnings		
Accumulation of reserve for losses on overseas investment, etc		
Balance at the start of FY	10	11
Changes during FY		
Accumulation of reserve for losses on overseas investment, etc	-	-
Total Changes during FY	-	-
Balance at the end of FY	11	11
Cost behavior adjustment reserves		
Balance at the start of FY	100,300	100,300
Changes during FY		
Reversal of cost behavior adjustment reserves	-	-100,300
Total Changes during FY	-	-100,300
Balance at the end of FY	100,300	-
Contingent reserves		
Balance at the start of FY	456,000	456,000
Changes during FY		
Reversal of contingent reserves	-	-99,000
Total Changes during FY	-	-99,000
Balance at the end of FY	456,000	357,000

(Unit: million yen)

	April 1, 2011- March 31, 2012	April 1, 2012- March 31, 2013
Deferred retained earnings		
Balance at the start of FY	76,582	-126,798
Changes during FY		
Accumulation of reserve for losses on overseas investment,etc	-	-
Reversal of cost behavior adjustment reserves	-	100,300
Reversal of contingent reserves	-	99,000
Dividend Declared	-28,396	-9,464
Net Loss	-174,983	-338,050
Total Changes during FY	<u>-203,380</u>	<u>-148,215</u>
Balance at the end of FY	<u>-126,798</u>	<u>-275,013</u>
Retained earnings total		
Balance at the start of FY	692,219	488,839
Changes during FY		
Accumulation of reserve for losses on overseas investment,etc	-	-
Reversal of cost behavior adjustment reserves	-	-
Reversal of contingent reserves	-	-
Dividend Declared	-28,396	-9,464
Net Loss	-174,983	-338,050
Total Changes during FY	<u>-203,380</u>	<u>-347,515</u>
Balance at the end of FY	<u>488,839</u>	<u>141,323</u>
Treasury Stock		
Balance at the start of FY	-2,096	-2,129
Changes during FY		
Acquisition of Treasury Stock	-43	-9
Disposal of Treasury Stock	10	3
Total Changes during FY	<u>-33</u>	<u>-5</u>
Balance at the end of FY	<u>-2,129</u>	<u>-2,134</u>
Shareholders' Equity Total		
Balance at the start of FY	958,542	755,124
Changes during FY		
Accumulation of reserve for losses on overseas investment,etc	-	-
Reversal of cost behavior adjustment reserves	-	-
Reversal of contingent reserves	-	-
Dividend Declared	-28,396	-9,464
Net Loss	-174,983	-338,050
Acquisition of Treasury Stock	-43	-9
Disposal of Treasury Stock	5	1
Total Changes during FY	<u>-203,418</u>	<u>-347,523</u>
Balance at the end of FY	<u>755,124</u>	<u>407,601</u>

(Unit: million yen)		
	April 1, 2011- March 31, 2012	April 1, 2012- March 31, 2013
Valuation and Translation Adjustments		
Unrealized gain on other securities		
Balance at the start of FY	10,727	11,634
Changes during FY		
Net changes during this year other than Shareholders' Equity	907	6,191
Total Changes during FY	907	6,191
Balance at the end of FY	11,634	17,826
Gain / Loss on deferred hedge		
Balance at the start of FY	-1,754	-59
Changes during FY		
Net changes during this year other than Shareholders' Equity	1,695	3,918
Total Changes during FY	1,695	3,918
Balance at the end of FY	-59	3,859
Valuation and Translation Adjustments Total		
Balance at the start of FY	8,972	11,575
Changes during FY		
Net changes during this year other than Shareholders' Equity	2,602	10,109
Total Changes during FY	2,602	10,109
Balance at the end of FY	11,575	21,685
Equity Total		
Balance at the start of FY	967,515	766,700
Changes during FY		
Accumulation of reserve for losses on overseas investment, etc	-	-
Reversal of cost behavior adjustment reserves	-	-
Reversal of contingent reserves	-	-
Dividend Declared	-28,396	-9,464
Net Loss	-174,983	-338,050
Acquisition of Treasury Stock	-43	-9
Disposal of Treasury Stock	5	1
Net changes during this year other than Shareholders' Equity	2,602	10,109
Total Changes during FY	-200,815	-337,413
Balance at the end of FY	766,700	429,287

5. Other

Income and Expenditure (Non-consolidated)

(Unit: 100 million yen, %)

		FY2012 (A)	FY2011 (B)	Difference (A-B)	Change (A/B)	Composition Ratio	
						FY2012	FY2011
Ordinary Revenues	Lighting	5,915	5,872	42	100.7	40.6	41.5
	Power	7,689	7,554	134	101.8	52.7	53.4
	(Subtotal)	(13,604)	(13,426)	(177)	(101.3)	(93.3)	(94.9)
	Other	971	717	253	135.4	6.7	5.1
	[Sales]	[14,488]	[14,067]	[421]	[103.0]	[99.4]	[99.5]
	Total	14,575	14,144	431	103.0	100.0	100.0
Ordinary Expenses	Labor	1,518	1,679	-161	90.4	8.4	10.2
	Fuel	6,797	5,202	1,594	130.6	37.8	31.7
	Power purchase	2,695	2,060	635	130.8	15.0	12.5
	Maintenance	1,479	1,760	-280	84.0	8.2	10.7
	Depreciation	1,801	2,021	-219	89.1	10.0	12.3
	Interest	355	322	33	110.3	2.0	2.0
	Tax & public dues	839	848	-8	98.9	4.7	5.2
	Nuclear back-end	232	307	-75	75.5	1.3	1.9
	Other	2,255	2,227	28	101.3	12.6	13.5
Total	17,975	16,429	1,545	109.4	100.0	100.0	
[Operating Income(loss)]		[-3,058]	[-1,957]	[-1,100]	[-]		
Ordinary Income		-3,399	-2,285	-1,114	-		
Reserve fluctuation in water levels		30	12	18	254.3		
Income(loss) before income taxes		-3,430	-2,297	-1,132	-		
Income taxes		-50	-547	497	-		
Net Income(loss)		-3,380	-1,749	-1,630	-		

(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)

	FY2012 (A)	FY2011 (B)	Change (A-B)
Crude Oil (CIF) Price	\$114/b	\$114/b	- \$/b
Exchange Rate	¥83/\$	¥79/\$	¥4/\$