

July 29, 2009

The 1st Quarter of the Fiscal Year Ending March 31, 2010 Financial Results Overview
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

Representative: Mr. Toshio Manabe, President

Contact: Investor Relations Group, Corporate Planning Division. Tel: +81-92-726-1575

Quarterly financial report submission date (plan): August 12, 2009

Date to start dividend payments: -

(Rounded down to the nearest million yen)

1. Consolidated Financial Results for the Three Months (April 1, 2009 to June 30, 2009)

(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, 2009 - June 30, 2009	342,121	-0.4	26,822	197.2	20,003	—
April 1, 2008 - June 30, 2008	343,456	—	9,025	—	1,280	—

	Net income		EPS	Fully-diluted EPS
	(Unit: million yen)	(%)	(Unit: yen)	(Unit: yen)
April 1, 2009 - June 30, 2009	12,477	258.8	26.37	
April 1, 2008 - June 30, 2008	3,477	—	7.35	

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(Unit: million yen)	(Unit: million yen)	(%)	(Unit: yen)
As of June 30, 2009	4,041,460	1,076,679	26.2	2,239.67
As of March 31, 2009	4,110,877	1,072,374	25.7	2,229.13

(Reference)

Shareholders' equity: As of June 30, 2009 : 1,059,706 million yen As of March 31, 2009: 1,054,732 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)
FY2008		30.00		30.00	60.00
FY2009					
FY2009(projected)		30.00		30.00	60.00

(Note) Revision of projected dividends: No

3. Forecasts for Consolidated Financial Results for FY2009 (April 1, 2009 to March 31, 2010)

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

	Sales		Operating income		Ordinary income		Net income		EPS
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: yen)
2Q	735,000	-3.3	66,000	127.0	49,000	263.8	30,000	168.5	63.40
Full-year	1,458,000	-4.3	90,000	6.2	57,000	13.0	35,000	3.0	73.97

(Note) Revision of forecasts for consolidated financial results: Yes

4. Other

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

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

(3) Changes in the accounting practices, procedures, or disclosure regarding preparation of quarterly consolidated financial statements

Changes in line with revised accounting standards : Yes

Other than : No

(Note) For details, see page 8 "Qualitative information regarding forecast for the consolidated operating performance" 4. Other.

(4) Number of common stocks issued and outstanding

Total stocks including treasury stocks	FY2009 1Q: 474,183,951 shares	FY2008: 474,183,951 shares
Treasury stocks	FY2009 1Q: 1,030,114 shares	FY2008: 1,024,166 shares
Average number of shares during the period	FY2009 1Q: 473,155,491 shares	FY2008 1Q: 473,157,430 shares

***Notes on the proper use of the forecasts**

(1) The above forecasts 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 forecasts. For the assumptions applied to the above forecasts, see page 7.

(Reference) Non-consolidated Forecast for FY2009 (April 1, 2009 to March 31, 2010)

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

	Sales		Operating income		Ordinary income		Net income		EPS
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: yen)
2Q	686,000	-4.0	61,500	149.4	45,000	391.8	27,000	205.0	57.03
Full-year	1,360,000	-4.9	79,000	5.6	45,000	16.1	27,000	0.3	57.03

(Note) Revision of forecasts for non-consolidated financial results: Yes

[Qualitative Information and Financial Statements]

1. Qualitative information regarding consolidated business performance

Japanese economy in this period (April-June) stayed in a fierce phase due to the global economy turndown since the autumn of the last year. While capital investment kept drastically decreasing and the employment situation kept deteriorated, exports and production showed rallies due to the economic stimulus and advanced inventory adjustment. .

(1) Consolidated Financial Overview

On revenue side, while electricity sales volume decreased, electricity sales revenue stayed on a par with the 1Q of FY2008 as the electricity rates were revised in September 2008 to reflect the progress of management efficiency improvement and the rising fuel prices. Consolidated sales (operating revenues), however, decreased by 0.4% to ¥342.1 billion compared with the 1Q of FY2008 and the ordinary revenues decreased by 0.3% to ¥345.1 billion mainly affected by the decreased electricity sales to other companies.

On the expenditure side, ordinary expenses decreased by 5.7% to ¥325.1 billion mainly because of the decreased cost to purchase electricity from other companies and the decreased fuel affected by the drop of fuel prices and the decrease of electricity sales volume in electricity business.

As a result, the ordinary income for the 1Q of FY2009 was ¥20.0 billion and the net income was ¥12.4 billion.

(2) Sales and Supply Overview

The demand for electric light, power for commercial operations and other general demands stayed on a par with the 1Q of FY2008 as small sized factories and stores decreased, while the diffusion of all-electric housings brought an increase in the demand. The power demand from large industrial customers decreased by 16.6% compared with the 1Q of the previous year due to the decrease in main industries such as electric and transportation machinery and steel industries.

Consequently, the total electricity sales for the 1st quarter of FY2009 decreased by 5.3% to 19.01 billion kWh.

Electricity Sales Volume

(Unit: million kWh, %)

		FY2009 1Q (A)	FY2008 1Q (B)	Difference (A-B)	Change (A/B)
Lighting		6,496	6,398	98	101.5
Power		12,516	13,675	-1,159	91.5
Electricity Sales Total		19,012	20,073	-1,061	94.7
(Figures are included above)	Customers other than large-scale industrial	13,717	13,722	-5	100.0
	Large-scale industrial customers	5,295	6,351	-1,056	83.4

On the supply side, mainly owing to the smooth operation of nuclear power plants, we have provided stable supply of electricity to our customers.

Generated and Received Electricity

(Unit: million kWh, %)

		FY2009 1Q (A)	FY2008 1Q (B)	Difference (A-B)	Change (A/B)
Own facilities	Hydro (Water flow rate)	681 (55.2)	1,213 (98.6)	-532 (-43.4)	56.1
	Thermal	8,233	8,478	-245	97.1
	Nuclear (Utilization rate)	9,439 (82.2)	8,584 (74.7)	855 (7.5)	110.0
	Subtotal	18,353	18,275	78	100.4
From other companies		2,352	3,594	-1,242	65.4
Interchange		8	-3	11	
For pumping		-77	-139	62	54.7
Total		20,636	21,727	-1,091	95.0

2. Qualitative information regarding consolidated financial condition

(1) Consolidated assets, debt, and shareholders' equity overview

Consolidated assets decreased by ¥69.4 billion compared with the end of previous fiscal year to ¥4,041.4 billion mainly because of the decrease in fixed assets due to the progress of depreciation and the decrease in current assets such as cash and deposit.

Consolidated debt decreased by ¥73.7 billion to ¥2,964.7 billion due to the payment of outstanding construction fees recorded in the end of the previous fiscal year and the decreased interest-bearing debt. The interest-bearing debt decreased by ¥22.1 billion to ¥2,088.5 billion.

Consolidated shareholders' equity increased by ¥4.3 billion to ¥1,076.6 billion as the net income for this quarter has been recorded and unrealized gain on other securities increased while the dividends were paid. Consequently the shareholders' equity ratio went up to 26.2%.

(2) Consolidated cash flow overview

Cash inflow from operating activities increased by 239.9% to ¥73.8 billion from the 1Q of the previous year mainly due to the decrease in fuel costs and costs to purchase electricity from other companies in electricity business.

Cash outflow from investing activities decreased by 16.7% to ¥64.7 billion from the 1Q of the previous year mainly due to the decrease in capital investments.

Cash outflow from financing activities decreased by ¥78.1 billion to ¥36.6 billion from the 1Q of the previous year.

As a result, the balance of cash and cash equivalents at the end of this first quarter decreased by ¥27.6 billion to ¥60.4 billion compared with the end of the previous fiscal year.

3. Qualitative information regarding forecasts for the consolidated operating performance

Consolidated and non-consolidated sales revenues are projected to increase from the previous announcement in April 2009 as the electricity sales revenue is projected to increase due to the fuel cost adjustment system while the electricity sales volume for the quarter period is projected to decrease in electricity business.

Consolidated and non-consolidated operating income, ordinary income and net income are projected to be in a par with the previous forecasts mainly due to increased fuel costs and cost to purchase electricity from other companies because of soaring fuel prices while the sales revenues is projected to increase.

Consolidated and non-consolidated sales revenue, operating income, ordinary income and net income for the first two quarters are projected to be on a par with the previous forecasts.

Consolidated Financial Forecasts for FY2009

	Full-year	Previous Forecasts		FY2008 Actual Results
		Difference	Change	
Sales	14,580	100	0.7	15,241
Operating income	900			847
Ordinary income	570			504
Net income	350			339

(Unit: 100 million yen, %)

Non-consolidated Financial Forecasts for FY2009

	Full-year	Previous Forecasts		FY2008 Actual Results
		Difference	Change	
Sales	13,600	100	0.7	14,301
Operating income	790			748
Ordinary income	450			387
Net income	270			269

(Unit: 100 million yen, %)

Sensitivity factors (Non-consolidated)

	FY2009 1Q-2Q		FY2009 full-year	
	Current	Previous	Current	Previous
Electricity sales volume	42.2 billion kWh	42.6 billion kWh	84.3 billion kWh	84.7 billion kWh
Crude oil (CIF) price	60 \$/b	55 \$/b	65 \$/b	55 \$/b
Exchange rate	99 ¥/\$	100 ¥/\$	99 ¥/\$	100 ¥/\$
Nuclear power generation capacity utilization rate	83.8%	82.4%	84.0%	83.3%
Water release rate	79.6%	100.0%	87.3%	100.0%

(Reference) FY2009 The impact of sensitivity factors on non-consolidated financial performance

	Full-year
Crude oil (CIF) price \$1/b	¥ 1.4 billion
Exchange rate ¥1/\$	¥ 1.9 billion
Nuclear power generation capacity utilization rate 1%	¥ 2.2billion

4. Other

(1) Changes in significant subsidiaries (changes in scope of consolidated subsidiaries)

N/A

(2) Adoption of simplified methods or methods specific in preparing quarterly consolidated financial statements in accounting practices

N/A

(3) Any changes in accounting practices, procedures, or disclosure regarding preparation of quarterly consolidated financial statements

Changes in standards to record construction revenue and cost of completed construction work

As the Accounting Standards on Construction Contracts (Accounting Standards Board of Japan Statement No.15, Dec. 27, 2007) and the Guideline to Apply the Accounting Standards on Construction Contracts (Guideline to Apply the Accounting Standards Board of Japan Statement No.18, Dec. 27, 2007) have been adopted since this first quarter of consolidated fiscal year, Kyushu Electric Power has revised the standards to record revenues on contract work. As a result, for the construction contracts launched during this first quarter, the percentage of completion basis method with cost proportion method to estimate the progress of construction is applied for the construction works with assured progress as of the end of this first quarter, and the completed work basis method is applied for other construction works.

This change gives minor effect on the Company's sales (operating revenue), profit and loss.

5. Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheets

	(Unit: million yen)	
	As of June 30th, 2009	As of March 31st, 2009
Assets		
Fixed Assets	3,761,371	3,785,418
Utility property, plant and equipment	2,536,713	2,547,312
Hydro	321,967	326,212
Thermal	259,492	267,214
Nuclear	252,461	257,522
Internal combustion	23,682	24,255
Transmission	675,617	671,145
Transformation	255,665	249,756
Distribution	614,307	616,215
General	124,344	125,648
Other	9,175	9,341
Other fixed assets	317,679	320,964
Construction in progress	209,309	212,169
Construction and retirement in progress	209,309	212,169
Nuclear fuel	268,104	264,205
Loaded nuclear fuel	46,850	40,816
Nuclear fuel in processing	221,253	223,388
Investments and other assets	429,564	440,766
Long-term investments	104,812	101,000
Reserve for reprocessing of irradiated nuclear fuel	127,795	136,011
Deferred tax assets	115,197	117,743
Other assets	82,691	86,931
Allowance for doubtful accounts	-933	-921
Current Assets	280,089	325,459
Cash and cash equivalent	60,922	88,359
Trade notes and accounts receivable	100,062	112,214
Inventories at average cost	74,729	76,481
Deferred tax assets	14,221	16,284
Other current assets	31,481	33,405
Allowance for doubtful accounts	-1,328	-1,286
Assets Total	4,041,460	4,110,877

	(Unit: million yen)	
	As of June 30th, 2009	As of March 31st, 2009
Liabilities		
Long-term Liabilities	2,494,166	2,506,368
Bonds	1,241,451	1,221,451
Long-term loans	549,588	587,088
Accrued retirement benefits	138,397	137,683
Reserve for reprocessing of irradiated nuclear fuel	352,165	351,832
Reserve for preparation of reprocessing of irradiated nuclear fuel	15,486	14,604
Reserve for decommissioning of nuclear power plant	157,629	155,838
Deferred tax liabilities	11	7
Other fixed liabilities	39,435	37,862
Current Liabilities	470,614	532,133
Current portion of long-term debt	147,722	170,822
Short-term borrowings	122,630	133,645
Notes and accounts payable	36,710	46,475
Income tax payable	18,460	21,111
Other current liabilities	145,090	160,079
Liabilities Total	2,964,781	3,038,502
Net Assets		
Shareholders' Equity	1,039,844	1,041,582
Common stock	237,304	237,304
Additional paid-in capital	31,144	31,146
Retained earnings	773,404	775,130
Treasury stock	-2,010	-1,999
Valuation and translation adjustments	19,862	13,150
Unrealized gain on other securities	19,233	13,099
Gain on deferred hedge	1,595	1,392
Foreign currency translation adjustments	-966	-1,341
Minority Interests	16,972	17,642
Net Assets Total	1,076,679	1,072,374
Liabilities and Net Assets Total	4,041,460	4,110,877

(2) Quarterly Consolidated Income Statements for the 1st quarter of FY2009

(Unit: million yen)

	April 1, 2008-June 30, 2008	April 1, 2009-June 30, 2009
Operating Revenues	343,456	342,121
Electricity	314,981	313,172
Other	28,475	28,949
Operating Expenses	334,430	315,299
Electricity	305,835	288,250
Other	28,595	27,048
Operating Income	9,025	26,822
Other Revenues	2,588	3,040
Proceed from dividends	1,092	1,356
Proceed from interests	550	634
Equity in earnings of affiliates	-	101
Other	945	946
Other Expenses	10,333	9,859
Interest expenses	8,718	8,930
Loss on affiliates	83	-
Other	1,531	929
Total Ordinary Revenues	346,044	345,161
Total Ordinary Expenses	344,764	325,158
Ordinary Income	1,280	20,003
Extraordinary Gain	5,400	-
Gain on sale of marketable securities	5,400	-
Income before Income Taxes	6,680	20,003
Income Taxes	416	6,362
Income Taxes-Deferred	2,694	1,130
Income Taxes Total	3,111	7,493
Minority Interests	91	32
Net Income	3,477	12,477

(3) Consolidated Statements of Changes in Shareholders' Equity

	(Unit: million yen)	
	April 1, 2008- June 30, 2008	April 1, 2009- June 30, 2009
Operating Activities		
Income before income taxes and minority interests	6,680	20,003
Depreciation and amortization	57,628	58,818
Amortization of nuclear fuel	4,406	5,371
Loss on disposal of property, plant and equipment	1,558	1,515
Increase(decrease) in liability for retirement benefits	-4,490	713
Provision for reserve for reprocessing of used fuel	-402	333
Provision for preparation for reprocessing of irradiated nuclear fuel	719	881
Provision for reserve for decommissioning of nuclear power plants	1,620	1,790
Interest revenue and dividends received	-1,642	-1,991
Interest expense	8,718	8,930
Loss on equity under the equity method	83	-101
Loss on sale of marketable securities	-5,400	-
Decrease in fund for reprocessing of irradiated nuclear fuel	7,637	8,216
Decrease in accounts receivable	11,170	12,712
Decrease in inventories, principally fuel, at average cost	-19,173	1,751
Increase in accounts payable	-6,177	-8,888
Other	-26,187	-22,444
Sub Total	<u>36,750</u>	<u>87,612</u>
Receipt of interest and cash dividends	1,657	2,320
Interest paid	-12,421	-12,705
Income tax paid	-4,267	-3,408
Net cash provided by operating activities	<u>21,720</u>	<u>73,819</u>
Cash Flows from Investing Activities		
Purchases of property, plant and equipment	-78,125	-71,141
Payment for investments and other	-1,675	-1,288
Proceeds for recoveries from investments and other	967	5,763
Other	1,152	1,940
Net cash used in investing activities	<u>-77,682</u>	<u>-64,726</u>

	(Unit: million yen)	
	April 1, 2008- June 30, 2008	April 1, 2009- June 30, 2009
Cash Flows from Financing Activities		
Proceeds from issuance of bonds	59,818	19,935
Redemption of bonds	-40,000	-40,000
Proceeds from long-term loans	15,940	10,300
Repayment of long-term loans	-19,373	-31,378
Net increase (decrease) in short-term borrowings	-500	-11,014
Net increase in commercial paper	39,000	30,000
Cash dividends paid	-13,379	-14,224
Other	-58	-305
Net cash used in financing activities	41,447	-36,687
Effect of exchange rate changes on cash and cash equivalents	28	-42
Changes in cash and cash equivalents	-14,486	-27,636
Cash and cash equivalents at beginning of the fiscal year	58,766	88,124
Increase in cash and cash equivalent due to the merger of consolidated subsidiaries	46	-
Cash and cash equivalents at end the of the 1Q	44,326	60,487

- (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. Other Information

Income and Expenditure (Non-consolidated)

(Unit: 100 million yen, %)

		FY2009 1Q (A)	FY2008 1Q (B)	Difference (A-B)	Change (A/B)	Composition Ratio	
						FY2009 1Q	FY2008 1Q
Ordinary Revenues	Lighting	1,308	1,261	47	103.7	40.6	38.8
	Power	1,785	1,827	-41	97.7	55.5	56.3
	(Subtotal)	(3,094)	(3,089)	(5)	(100.2)	(96.1)	(95.1)
	Electricity Sales	10	32	-21	33.1	0.3	1.0
	Other	114	125	-10	91.4	3.6	3.9
	[Sales]	[3,195]	[3,223]	[-27]	[99.1]	[99.2]	[99.3]
	Total	3,219	3,247	-27	99.2	100.0	100.0
Ordinary Expenses	Labor	421	332	88	126.6	13.8	10.3
	Fuel	510	740	-229	69.0	16.8	22.8
	Maintenance	470	419	50	112.1	15.4	13.0
	Depreciation	495	490	4	101.0	16.3	15.1
	Power purchase	251	360	-109	69.7	8.3	11.1
	Interest	83	81	2	102.8	2.7	2.5
	Tax & public dues	228	239	-11	95.3	7.5	7.4
	Nuclear back-end	124	113	11	110.0	4.1	3.5
	Other	460	463	-3	99.3	15.1	14.3
Total	3,045	3,240	-195	94.0	100.0	100.0	
[Operating Income]		[244]	[78]	[165]	[311.4]		
Ordinary Income		174	6	167	-		
Extraordinary Gain		-	54	-54	-		
Income before income taxes		174	60	113	288.3		
Income taxes		65	23	42	280.6		
Net Income		108	37	71	293.1		

(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)

	FY2009 1Q [A]	FY2008 1Q [B]	Difference [A-B]
Crude oil (CIF) price	52.5 \$/b	109.9 \$/b	-57.4\$/b
Exchange rate	97.4 ¥/\$	104.6 ¥/\$	-7.2 ¥/\$