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**Issuance of Kyushu Electric Power Company's 436<sup>th</sup>, 437<sup>th</sup> Bonds**

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Kyushu Electric Power Company Incorporated has decided to issue its 436<sup>th</sup> and 437<sup>th</sup> domestic straight bonds. This offering is arranged for institutional investors.

|                      | 436 <sup>th</sup> Bonds   | 437 <sup>th</sup> Bonds  |
|----------------------|---|--|
| 1 Issue amount       | 10 billion yen  | 10 billion yen   |
| 2 Coupon             | 0.390%  | 0.685%   |
| 3 Issue price        | 100%  |  |
| 4 Yield to investors | 0.390%  | 0.685%   |
| 5 Denomination       | 1 million yen   |  |
| 6 Offering period    | January 13, 2016  |  |
| 7 Issue date         | January 19, 2016  |  |
| 8 Maturity date      | January 25, 2022<br>(6-year bullet bond)  | January 23, 2026<br>(10-year bullet bond)  |
| 9 Use of proceeds    | General capital expenditure and debt repayment  |  |
| 10 Lead manager      | Mitsubishi UFJ Morgan<br>Stanley Securities Co., Ltd.<br>SMBC Nikko Securities Inc.<br>Nomura Securities Co., Ltd.<br>Mizuho Securities Co., Ltd. | Mitsubishi UFJ Morgan<br>Stanley Securities Co., Ltd.<br>SMBC Nikko Securities Inc.<br>Daiwa Securities Co., Ltd.<br>Mizuho Securities Co., Ltd. |
| 11 Rating            | R&I (Rating & Investment Information, Inc.) Rating: A<br>JCR (Japan Credit Rating Agency, Ltd.) Rating: AA-<br>Moody's Japan K.K.: A3             |  |

This announcement is for information purposes only and should not be regarded as an offer to sell or as a solicitation of an offer to buy any financial product.