

Meeting Management Objectives

To remain competitive in the current power market, we will need to make our management stance clearer to our customers and stakeholders, while speeding up the progress of our management reforms. In March 2000, Kyushu Electric Power set forth the management objectives listed below, seeking more efficiency throughout all our management processes and operations.

Our results for fiscal 2000 indicate steady progress in meeting these objectives, while efficiency should continue to improve throughout fiscal 2001.

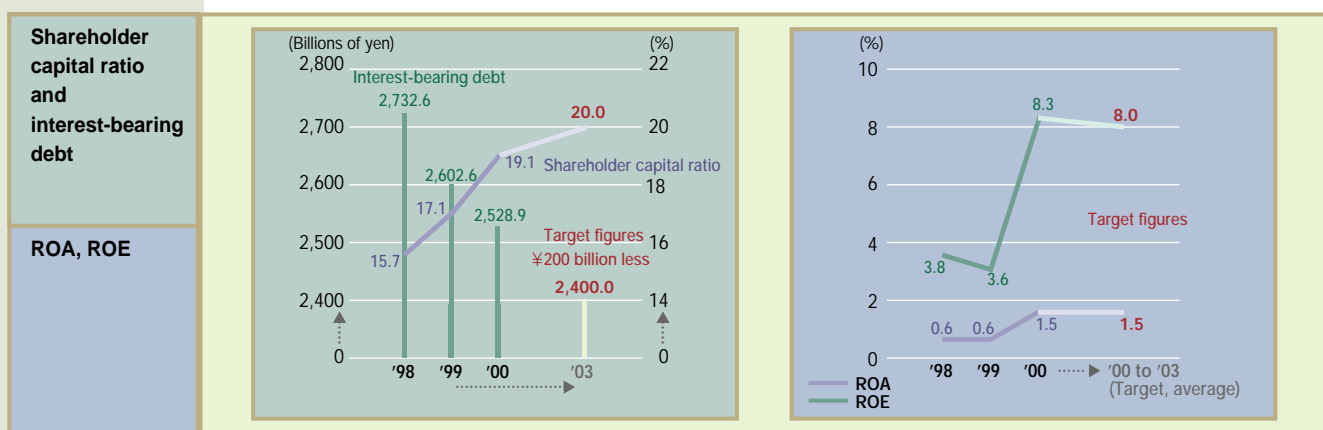
Management Objectives

Increasing the stability of our financial foundation by:

- Raising our shareholder capital ratio to at least 20% by the end of fiscal 2003
- Lowering our interest-bearing debt by about ¥200 billion (between fiscal 2000 and 2003)

Increasing profitability and asset efficiency by:

- Increasing our ROA to about 1.5% (average for fiscal 2000 through 2003)
- Increasing our ROE to about 8% (average for fiscal 2000 through 2003)
- Ensuring a recurring profit of about ¥90 billion (average for fiscal 2000 through 2003)



Meeting management objectives

We steadily advanced toward our management objectives in fiscal 2000, while efficiency should continue to improve throughout fiscal 2001.

| Meeting management objectives | FY 1998 | FY 1999 | FY 2000 | FY 2001 [Forecast] | Management objectives |
|--|---------|---------|------------------|--------------------|---|
| Shareholder capital ratio | 15.7% | 17.1% | [18.0%] 19.1% | [18.6%] 19.8% | 20% (by end of FY 2003) |
| Interest-bearing debt (Billions of yen) | 2,732.6 | 2,602.6 | 2,528.9 | 2,504.0 | 2,400.0 (by end of FY 2003) |
| ROA (profit for the term/total assets) | 0.6% | 0.6% | [1.5%] 1.5% | [1.5%] 1.5% | 1.5% (average of FY 2000 through 2003) |
| ROE | 3.8% | 3.6% | [8.7%] 8.3% | [8.1%] 7.5% | 8.0% (average of FY 2000 through 2003) |

Note: Figures in brackets are net of difference in appraised values of securities.

Reference

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|---|------|------|------|------|
| ROA (after-tax operating profit/total assets) | 2.4% | 2.8% | 3.3% | 2.7% |
|---|------|------|------|------|