

July 30, 2010

**The 1st Quarter of the Fiscal Year Ending March 31, 2011 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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Information meeting for quarterly financial results: No

(Rounded down to the nearest million yen)

1. Consolidated Financial Results for the Three Months (April 1, 2010 to June 30, 2010)

(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, 2010 - June 30, 2010	335,757	-1.9	20,147	-24.9	11,585	-42.1
April 1, 2009 - June 30, 2009	342,121	-0.4	26,822	197.2	20,003	—

	Net income		EPS	Fully-diluted EPS
	(Unit: million yen)	(%)	(Unit: yen)	(Unit: yen)
April 1, 2010 - June 30, 2010	-6,511	—	-13.76	
April 1, 2009 - June 30, 2009	12,477	258.8	26.37	

(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, 2010	4,048,094	1,063,191	25.8	2,211.69
As of March 31, 2010	4,054,192	1,089,066	26.4	2,265.59

(Reference)

Shareholders' equity: As of June 30, 2010 : 1,046,278 million yen As of March 31, 2010: 1,071,792 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)
FY2009		30.00		30.00	60.00
FY2010					
FY2010(projected)		30.00		30.00	60.00

(Note) Revision of projected dividends: No

3. Forecasts for Consolidated Financial Results for FY2010 (April 1, 2010 to March 31, 2011)

(% 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	727,000	0.1	59,000	-28.5	42,000	-37.8	14,000	-67.2	29.59
Full-year	1,478,000	2.3	89,000	-10.8	56,000	-17.2	22,000	-47.4	46.50

(Note) Revision of forecasts for consolidated financial results: No

4. Other (For details, see page 5 "Other Information" of attached material.)

(1) Changes in significant subsidiaries during the period : No

(Note) Changes in scope of consolidated subsidiaries during the period

(2) Adoption of simplified methods or specific methods : No

(Note) Adoption of simplified methods or methods specific in preparing quarterly consolidated financial statements in accounting practice

(3) Changes in the accounting principles, procedures and disclosure

Changes in line with revised accounting standards : Yes

Other than : No

(Note) Changes in the accounting principles, procedures and disclosure regarding preparation of quarterly consolidated financial statements, written in "Changes in significant items regarding preparation of quarterly consolidated financial statements"

(4) Number of common stocks issued and outstanding

Total stocks including treasury stocks	FY2010 1Q: 474,183,951 shares FY2009: 474,183,951 shares
Treasury stocks	FY2010 1Q: 1,116,087 shares FY2009: 1,110,624 shares
Average number of shares during the period	FY2010 1Q: 473,068,997 shares FY2009 1Q: 473,155,491 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

The 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.

(Reference) Non-consolidated Forecast for FY2010 (April 1, 2010 to March 31, 2011)

(% 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	682,000	0.2	55,000	-29.3	40,000	-35.8	13,000	-66.5	27.46
Full-year	1,383,000	3.2	78,000	-8.1	46,000	-8.7	16,000	-43.5	33.80

(Note) Revision of forecasts for non-consolidated financial results: No

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1. Qualitative Information regarding Quarterly Financial Results

(1) Qualitative information regarding consolidated business performance

The Japanese economy continued to show signs of recovery in this period (April to June 2010). Although the employment market remained difficult, corporate earnings improved on the back of increases in export and production, and capital expenditures stopped decreasing.

Revenue and Expenditure

On the revenue side, consolidated sales (operating revenues) decreased by 1.9% to ¥335.7 billion compared with the 1Q of FY2009 and the ordinary revenues decreased by 1.9% to ¥338.6 billion affected by the business performances in electricity business as charge unit price decreased mainly due to the effect of fuel cost adjustment system while electricity sales volume increased.

On the expenditure side, ordinary expenses increased by 0.6% to ¥327.0 billion affected by the business performances in electricity business as fuel costs increased mainly due to the increase of electricity sales volume and the rise of fuel prices while maintenance cost decreased.

As a result, the ordinary income for the 1Q of FY2010 decreased by 42.1% to ¥11.5 billion compared with the 1Q of FY2009.

The net loss was ¥6.5 billion due to the recording of an extraordinary loss of ¥18.4 billion with the application of “Accounting Standards for Asset Retirement Obligations”.

Sales and Supply Overview

The demand for electric light, power for commercial operations and other general demands increased by 4.0% compared with the 1Q of the previous year mainly due to longer metering period than last year and proliferation of all electrification houses. The power demand from large industrial customers increased by 8.1% compared with the 1Q of the previous year due to the increase in main industries such as Electric and Transportation machinery and Chemicals and Non-ferrous metals.

Consequently, the total electricity sales for the 1Q of FY2010 increased by 5.1% to 19.98 billion kWh.

Electricity Sales Volume

(Unit: million kWh, %)

		FY2010 1Q (A)	FY2009 1Q (B)	Difference (A-B)	Change (A/B)
Lighting		6,981	6,496	485	107.5
Power		13,001	12,516	485	103.9
Electricity Sales Total		19,982	19,012	970	105.1
(Figures are included above)	Customers other than large-scale industrial	14,261	13,717	544	104.0
	Large-scale industrial customers	5,721	5,295	426	108.1

On the supply side, owing to the overall operation of power-generating facilities including nuclear power plants, we have provided stable supply of electricity to our customers.

Generated and Received Electricity

(Unit: million kWh, %)

		FY2010 1Q (A)	FY2009 1Q (B)	Difference (A-B)	Change (A/B)
Own facilities	Hydro (Water flow rate)	1,354 (116.2)	680 (55.2)	674 (61.0)	199.2
	Thermal	7,746	7,869	-123	98.5
	Nuclear (Utilization rate)	8,938 (77.8)	9,439 (82.2)	-501 (-4.4)	94.7
	New Energy	360	365	-5	98.5
	Subtotal	18,398	18,353	45	100.2
From other companies (New Energy [included above])		2,951 (363)	2,352 (315)	599 (48)	125.5 (115.3)
Interchange			8	-8	
For pumping		-53	-77	24	70.2
Total		21,296	20,636	660	103.2

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

(2) Qualitative information regarding consolidated financial condition

Consolidated assets, debt, and shareholders' equity overview

Consolidated assets decreased by ¥6.0 billion compared with the end of the previous fiscal year to ¥4,048.0 billion mainly because of the decrease in fixed assets due to the progress of depreciation while it increased along with the application of "Accounting Standards for Asset Retirement Obligations".

Consolidated liabilities increased by ¥19.7 billion to ¥2,984.9 billion in spite of the payment of construction costs accrued to the end of the previous period due to an increase in interest-bearing debts and the inclusion of asset retirement obligations. The interest-bearing debts increased by ¥58.2 billion to ¥2,063.0 billion.

Consolidated shareholders' equity decreased by ¥25.8 billion to ¥1,063.1 billion as the dividends were paid and the net loss for this quarter has been recorded. Consequently the shareholders' equity ratio went down to 25.8%.

Consolidated cash flow overview

Cash inflow from operating activities decreased by ¥57.2 billion to ¥16.5 billion from the 1Q of the previous year mainly due to a decrease in electricity sales revenue in electricity business and an increase in fuel costs and costs to purchase electricity from other companies.

Cash outflow from investing activities increased by ¥1.3 billion to ¥66.1 billion from the 1Q of the previous year mainly due to the decrease in gain on sale of marketable securities while capital investments decreased.

Cash inflow from financing activities was ¥43.4 billion. (Cash outflow for the 1Q of the previous year was ¥36.6 billion.)

As a result, the balance of cash and cash equivalents at the end of this first quarter decreased by ¥6.2 billion to ¥61.9 billion compared with the end of the previous fiscal year.

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

There is no change about financial forecasts for FY2010 from the numbers announced in April 2010.

2. Other Information

- (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) Changes in accounting principles, procedures or disclosure regarding preparation of quarterly consolidated financial statements

Application of the accounting standards for asset retirement obligations

The Company applied the Accounting Standards for Asset Retirement Obligations (ASBJ Statement No. 18; March 31, 2008) and the Guidance on Accounting Standards for Asset Retirement Obligations (ASBJ Guidance No. 21; March 31, 2008) starting in the first quarter of the current consolidated fiscal year. The Ministerial Ordinance on Reserve for Decommissioning of Nuclear Power Plants (Ordinance of the Ministry of Economy, Trade and Industry) was revised in conjunction with the application of the above standards and guidance.

As a result, operating income and ordinary income decreased by ¥188 million each, and the income before income taxes and minority interests decreased by ¥18.617 billion. The amount recorded as the asset retirement obligation as the result of application of these accounting standards and guidance was ¥204.634 billion (of which ¥164.931 billion was transferred from the reserve for the decommissioning of nuclear power plants).

Application of the accounting standards for business combinations

The Company applied the Accounting Standard for Business Combinations (ASBJ Statement No. 21; December 26, 2008), the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22; December 26, 2008), the Partial Amendments to Accounting Standard for Research and Development Costs (ASBJ Statement No. 23; December 26, 2008), the Revised Accounting Standard for Business Divestitures (ASBJ Statement No. 7; December 26, 2008), the Revised Accounting Standard for Equity Method of Accounting for Investments (ASBJ Statement No. 16; December 26, 2008) and the Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10; December 26, 2008) starting in the first quarter of the current consolidated fiscal year.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

	(Unit: million yen)	
	As of June 30th, 2010	As of March 31st, 2010
Assets		
Fixed Assets	3,766,494	3,776,231
Utility property, plant and equipment	2,478,515	2,479,444
Hydro	308,222	311,589
Thermal	227,793	233,364
Nuclear	255,007	239,258
Internal combustion	21,778	22,304
New energy power production facilities	14,111	14,561
Transmission	656,732	659,753
Transformation	246,386	247,041
Distribution	613,857	615,752
General	127,088	128,195
Other	7,536	7,623
Other fixed assets	307,051	310,531
Construction in progress	251,657	247,077
Construction and retirement in progress	251,657	247,077
Nuclear fuel	265,740	269,663
Loaded nuclear fuel	58,059	57,433
Nuclear fuel in processing	207,681	212,230
Investments and other assets	463,529	469,513
Long-term investments	96,980	104,473
Reserve for reprocessing of irradiated nuclear fuel	160,439	167,769
Deferred tax assets	129,096	119,708
Other assets	78,088	78,615
Allowance for doubtful accounts	-1,075	-1,054
Current Assets	281,600	277,961
Cash and cash equivalent	63,345	69,813
Trade notes and accounts receivable	101,711	96,033
Inventories at average cost	73,930	63,845
Deferred tax assets	14,006	16,567
Other current assets	29,736	32,780
Allowance for doubtful accounts	-1,130	-1,079
Assets Total	4,048,094	4,054,192

	(Unit: million yen)	
	As of June 30th, 2010	As of March 31st, 2010
Liabilities		
Long-term Liabilities	2,422,842	2,432,904
Bonds	1,171,504	1,211,503
Long-term loans	496,011	508,094
Accrued retirement benefits	143,487	141,699
Reserve for reprocessing of irradiated nuclear fuel	348,900	350,780
Reserve for preparation of reprocessing of irradiated nuclear fuel	19,339	18,439
Reserve for decommissioning of nuclear power plant	-	164,931
Asset retirement obligations	204,634	-
Deferred tax liabilities	43	16
Other fixed liabilities	38,921	37,439
Current Liabilities	560,470	532,221
Current portion of long-term debt	235,073	177,320
Short-term borrowings	112,526	111,886
Notes and accounts payable	43,357	47,964
Income tax payable	14,150	41,912
Other current liabilities	155,361	153,137
Reserves under the special law	1,589	-
Reserve for fluctuation in water levels	1,589	-
Liabilities Total	2,984,902	2,965,126
Net Assets		
Shareholders' Equity	1,034,096	1,054,819
Common stock	237,304	237,304
Additional paid-in capital	31,140	31,140
Retained earnings	767,825	788,538
Treasury stock	-2,174	-2,164
Valuation and translation adjustments	12,182	16,973
Unrealized gain on other securities	13,185	16,382
Gain on deferred hedge	234	1,879
Foreign currency translation adjustments	-1,238	-1,289
Minority Interests	16,913	17,273
Net Assets Total	1,063,191	1,089,066
Liabilities and Net Assets Total	4,048,094	4,054,192

(2) Quarterly Consolidated Income Statements

(Unit: million yen)

	April 1, 2009-June 30, 2009	April 1, 2010-June 30, 2010
Operating Revenues	342,121	335,757
Electricity	313,172	304,773
Other	28,949	30,983
Operating Expenses	315,299	315,609
Electricity	288,250	286,995
Other	27,048	28,613
Operating Income	26,822	20,147
Other Revenues	3,040	2,864
Proceed from dividends	1,356	935
Proceed from interests	634	734
Equity in earnings of affiliates	101	-
Other	946	1,194
Other Expenses	9,859	11,426
Interest expenses	8,930	8,567
Equity in loss	-	453
Other	929	2,404
Total Ordinary Revenues	345,161	338,621
Total Ordinary Expenses	325,158	327,035
Ordinary Income	20,003	11,585
Provision or reversal of reserve fluctuation in water levels	-	1,589
Provision of reserve fluctuation in water levels	-	1,589
Extraordinary Loss	-	18,428
Loss on adjustment for changes of accounting standard for asset	-	18,428
Income (Loss) before Income Taxes and Minority Interests in income	20,003	-8,433
Income Taxes	6,362	2,197
Income Taxes-Deferred	1,130	-4,144
Income Taxes Total	7,493	-1,946
Loss before Minority Interests	-	-6,486
Minority Interests	32	25
Net Income (Loss)	12,477	-6,511

(3) Quarterly Consolidated Statements of Cash Flows

	(Unit: million yen)	
	April 1, 2009- June 30, 2009	April 1, 2010- June 30, 2010
Operating Activities		
Income(Loss) before income taxes and minority interests	20,003	-8,433
Depreciation and amortization	58,818	57,797
Decommissioning cost of nuclear power plants	-	1,843
Amortization of nuclear fuel	5,371	6,028
Loss on disposal of property, plant and equipment	1,515	1,891
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	18,428
Increase(decrease) in liability for retirement benefits	713	1,788
Provision for reserve for reprocessing of used fuel	333	-1,879
Provision for preparation for reprocessing of irradiated nuclear fuel	881	900
Provision for reserve for decommissioning of nuclear power plants	1,790	-
Increase (decrease) in reserve for fluctuation in water levels	-	1,589
Interest revenue and dividends received	-1,991	-1,669
Interest expense	8,930	8,567
Loss on equity under the equity method	-101	453
Decrease in fund for reprocessing of irradiated nuclear fuel	8,216	7,330
Decrease in accounts receivable	12,712	-6,732
Decrease in inventories, principally fuel, at average cost	1,751	-10,084
Increase in accounts payable	-8,888	-4,824
Other	-22,444	-24,602
Sub Total	<u>87,612</u>	<u>48,392</u>
Receipt of interest and cash dividends	2,320	1,801
Interest paid	-12,705	-12,104
Income tax paid	-3,408	-21,559
Net cash provided by operating activities	<u>73,819</u>	<u>16,530</u>
Cash Flows from Investing Activities		
Purchases of property, plant and equipment	-71,141	-67,336
Payment for investments and other	-1,288	-1,351
Proceeds for recoveries from investments and other	5,763	1,296
Other	1,940	1,265
Net cash used in investing activities	<u>-64,726</u>	<u>-66,125</u>

	(Unit: million yen)	
	April 1, 2009- June 30, 2009	April 1, 2010- June 30, 2010
Cash Flows from Financing Activities		
Proceeds from issuance of bonds	19,935	29,906
Redemption of bonds	-40,000	-
Proceeds from long-term loans	10,300	23,800
Repayment of long-term loans	-31,378	-48,194
Net increase (decrease) in short-term borrowings	-11,014	639
Net increase in commercial paper	30,000	52,000
Cash dividends paid	-14,224	-14,220
Other	-305	-521
Net cash used in financing activities	-36,687	43,409
Effect of exchange rate changes on cash and cash equivalents	-42	-65
Changes in cash and cash equivalents	-27,636	-6,251
Cash and cash equivalents at beginning of the fiscal year	88,124	68,178
Increase in cash and cash equivalent due to the merger of consolidated subsidiaries	-	20
Cash and cash equivalents at end the of the 1Q	60,487	61,947

(4) Notes on the premise of going concern
N/A

(5) Notes in case of drastic changes in the amount of Equity
N/A

4. Supplementary Information

Income and Expenditure (Non-consolidated)

(Unit: 100 million yen, %)

		FY2010 1Q (A)	FY2009 1Q (B)	Difference (A-B)	Change (A/B)	Composition Ratio	
						FY2010 1Q	FY2011 1Q
Ordinary Revenues	Lighting	1,305	1,308	-3	99.7	41.5	40.6
	Power	1,679	1,785	-106	94.0	53.3	55.5
	(Subtotal)	(2,984)	(3,094)	(-109)	(96.4)	(94.8)	(96.1)
	Other	162	125	37	129.7	5.2	3.9
	[Sales]	[3,118]	[3,195]	[-77]	[97.6]	[99.1]	[99.2]
	Total	3,147	3,219	-72	97.7	100.0	100.0
Ordinary Expenses	Labor	392	421	-28	93.2	12.9	13.8
	Fuel	567	510	56	111.1	18.7	16.8
	Maintenance	418	470	-51	89.0	13.8	15.4
	Depreciation	492	495	-2	99.5	16.2	16.3
	Power purchase	291	251	40	116.0	9.6	8.3
	Interest	80	83	-2	96.4	2.6	2.7
	Tax & public dues	237	228	8	103.9	7.8	7.5
	Nuclear back-end	117	124	-6	94.5	3.9	4.1
	Other	440	460	-19	95.8	14.5	15.1
		Total	3,039	3,045	-6	99.8	100.0
	[Operating Income]	[179]	[244]	[-64]	[73.6]		
	Ordinary Income	107	174	-66	61.8		
	Reserve for fluctuation in water levels	15	-	15	-		
	Extraordinary Gain	183	-	183	-		
	Income before income taxes	-91	174	-265	-		
	Income taxes	-27	65	-92	-		
	Net Income	-64	108	-172	-		

(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)

	FY2010 1Q [A]	FY2009 1Q [B]	Difference [A-B]
Crude oil (CIF) price	81.3 \$/b	52.6\$/b	28.7\$/b
Exchange rate	92.0 ¥/\$	97.4 ¥/\$	-5.4 ¥/\$