

October 28, 2010

**The 2nd 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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Date to start dividend payments: November 30, 2010

Preparation of supplementary materials for quarterly financial results: Yes

Information meeting for quarterly financial results: Yes

(Rounded down to the nearest million yen)

1. Consolidated Financial Results for the Six Months (April 1, 2010 to September 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 - September 30, 2010	736,781	1.4	76,192	-7.7	57,258	-15.2
April 1, 2009 - September 30, 2009	726,441	-4.4	82,569	183.9	67,505	401.2

	Net income		EPS	Fully-diluted EPS
	(Unit: million yen)	(%)	(Unit: yen)	(Unit: yen)
April 1, 2010 - September 30, 2010	21,836	-48.8	46.16	—
April 1, 2009 - September 30, 2009	42,668	281.9	90.18	—

(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 September 30, 2010	4,110,396	1,088,085	26.1	2,264.29
As of March 31, 2010	4,054,192	1,089,066	26.4	2,265.59

(Reference)

Shareholders' equity: As of September 30, 2010 : 1,071,130 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	—	30.00	—	—	—
FY2010(projected)	—	—	—	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)
Full-year	1,471,000	1.8	96,000	-3.7	62,000	-8.3	24,000	-42.6	50.73

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

4. Other (For details, see page 6 "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

① Changes in line with revised accounting standards : Yes

② Other than ① : 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

① Total stocks including treasury stocks	FY2010 2Q: 474,183,951 shares FY2009: 474,183,951 shares
② Treasury stocks	FY2010 2Q: 1,130,429 shares FY2009: 1,110,624 shares
③ Average number of shares during the period	FY2010 2Q: 473,064,635 shares FY2009 2Q: 473,148,255 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. For sensitivity factors etc. of the forecasts, see page 5 "Qualitative information regarding forecasts for the consolidated operating performance" of attached material.

(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: yen)						
Full-year	1,376,000	2.7	85,000	0.1	52,000	3.3	18,000	-36.4	38.03

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

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1. Qualitative Information regarding Quarterly Financial Results

(1) Qualitative information regarding consolidated business performance

The Japanese economy in this period (April to September 2010) heightened uncertainty toward the end of the first half year mainly due to strong yen and fears of overseas economic slowdown in addition to the difficult employment market, although gradual recovery continued as corporate earnings improved on the back of increases in export and production, and capital expenditures turned to recovery.

① Revenue and Expenditure

On the revenue side, consolidated sales (operating revenues) increased by 1.4% to ¥736.7 billion compared with the 2Q of FY2009 and the ordinary revenues increased by 1.4% to ¥741.4 billion affected by the business performances in electricity business as electricity sales volume increased while charge unit price decreased mainly due to the effect of fuel cost adjustment system.

On the expenditure side, ordinary expenses increased by 3.0% to ¥684.1 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 2Q of FY2010 decreased by 15.2% to ¥57.2 billion compared with the 2Q of FY2009.

The net income decreased by 48.8% to ¥21.8 billion due to the recording of an extraordinary loss of ¥18.4 billion with the application of “Accounting Standards for Asset Retirement Obligations”.

② Sales and Supply Overview

The demand for electric light, power for commercial operations and other general demands increased by 4.6% compared with the 2Q of the previous year mainly due to an increase in the air-conditioning demand as the temperature in this summer was higher than the previous year’s level. The power demand from large industrial customers increased by 7.1% compared with the 2Q of the previous year due to the increase in production of Electric and Transportation machinery and Chemicals and Non-ferrous metals.

Consequently, the total electricity sales for the 2Q of FY2010 increased by 5.3% to 43.93 billion kWh.

Electricity Sales Volume

(Unit: million kWh, %)

		FY2010 2Q (A)	FY2009 2Q (B)	Difference (A-B)	Change (A/B)
Lighting		14,928	13,863	1,065	107.7
Power		29,006	27,876	1,130	104.1
Electricity Sales Total		43,934	41,739	2,195	105.3
(Figures are included above)	Customers other than large-scale industrial	31,900	30,499	1,401	104.6
	Large-scale industrial customers	12,034	11,240	794	107.1

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 2Q (A)	FY2009 2Q (B)	Difference (A-B)	Change (A/B)
Own facilities	Hydro (Water flow rate)	2,951 (103.8)	1,808 (63.8)	1,143 (40.0)	163.3
	Thermal	18,652	17,259	1,393	108.1
	Nuclear (Utilization rate)	18,817 (81.5)	19,678 (85.2)	-861 (-3.7)	95.6
	New Energy	720	742	-22	97.0
	Subtotal	41,140	39,487	1,653	104.2
From other companies (New Energy [included above])		7,214 (701)	6,473 (611)	741 (90)	111.4 (114.8)
Interchange		1	7	-6	5.7
For pumping		-497	-345	-152	144.4
Total		47,858	45,622	2,236	104.9

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

(2) Qualitative information regarding consolidated financial condition

① Consolidated assets, debt, and shareholders' equity overview

Consolidated assets increased by ¥56.2 billion compared with the end of the previous fiscal year to ¥4,110.3 billion mainly because of the increase in fixed assets due to the increase in long-term investments and because of the increase in current assets such as trade notes and accounts receivable while depreciation progressed.

Consolidated liabilities increased by ¥57.1 billion to ¥3,022.3 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 ¥59.9 billion to ¥2,064.6 billion.

Consolidated shareholders' equity decreased by ¥0.9 billion to ¥1,088.0 billion mainly as the dividends were paid and unrealized gain on other securities decreased while the net income for this quarter has been recorded. Consequently the shareholders' equity ratio went down to 26.1%.

② Consolidated cash flow overview

Cash inflow from operating activities decreased by ¥57.5 billion to ¥132.6 billion from the 2Q 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 ¥38.8 billion to ¥160.3 billion from the 2Q of the previous year mainly due to the increase in payments for purchases of marketable securities.

Cash inflow from financing activities was ¥44.2 billion. (Cash outflow for the 2Q of the previous year was ¥50.4 billion.)

As a result, the balance of cash and cash equivalents at the end of this second quarter increased by ¥16.4 billion to ¥84.6 billion compared with the end of the previous fiscal year.

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

Electricity sales volume is expected to increase compared with the previous announcement in July 2010 mainly due to an increase in air-conditioning demand as the temperature in this summer was higher than the average year's level.

For this reason, both consolidated and non-consolidated forecasts of operating income, ordinary income and net income are expected to increase compared with the previous announcement.

Both consolidated and non-consolidated forecasts of sales are expected to decrease compared with the previous announcement as charge unit price is expected to decrease due to the effect of fuel cost adjustment system.

Consolidated Financial Forecasts for FY2010

(Unit: 100 million yen, %)

	Full-year	Previous Forecasts		FY2009 Actual Results
		Difference	Change	
Sales	14,710	-70	-0.5	14,449
Operating income	960	70	7.9	997
Ordinary income	620	60	10.7	676
Net income	240	20	9.1	418

Non-consolidated Financial Forecasts for FY2010

(Unit: 100 million yen, %)

	Full-year	Previous Forecasts		FY2009 Actual Results
		Difference	Change	
Sales	13,760	-70	-0.5	13,398
Operating income	850	70	9.0	849
Ordinary income	520	60	13.0	503
Net income	180	20	12.5	283

Sensitivity factors (Non-consolidated)

	FY2010 full-year	
	Current	Previous
Electricity sales volume	86.7 billion kWh	85.1 billion kWh
Crude oil (CIF) price	80 \$/b	82 \$/b
Exchange rate	89 ¥/\$	95 ¥/\$
Nuclear power generation capacity utilization rate	80.9%	79.6%
Water release rate	102.4%	100.0%

(Reference) FY2010 The impact of sensitivity factors on non-consolidated financial performance

	Full-year
Crude oil (CIF) price \$1/b	¥ 1.7 billion
Exchange rate ¥1/\$	¥ 2.7 billion
Nuclear power generation capacity utilization rate 1%	¥ 2.6billion

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

- ① 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 ¥401 million each, and the income before income taxes and minority interests decreased by ¥18.83 billion. The amount recorded as the asset retirement obligation as the result of application of these accounting standards and guidance was ¥205.94 billion (of which ¥164.931 billion was transferred from the reserve for the decommissioning of nuclear power plants).

- ② 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 September 30th, 2010	As of March 31st, 2010
Assets		
Fixed Assets	3,788,273	3,776,231
Utility property, plant and equipment	2,501,257	2,479,444
Hydro	334,915	311,589
Thermal	224,768	233,364
Nuclear	265,645	239,258
Internal combustion	21,143	22,304
New energy power production facilities	13,676	14,561
Transmission	650,918	659,753
Transformation	242,076	247,041
Distribution	614,174	615,752
General	126,503	128,195
Other	7,437	7,623
Other fixed assets	304,780	310,531
Construction in progress	216,473	247,077
Construction and retirement in progress	216,473	247,077
Nuclear fuel	262,730	269,663
Loaded nuclear fuel	56,131	57,433
Nuclear fuel in processing	206,598	212,230
Investments and other assets	503,032	469,513
Long-term investments	128,995	104,473
Reserve for reprocessing of irradiated nuclear fuel	167,102	167,769
Deferred tax assets	130,070	119,708
Other assets	77,938	78,615
Allowance for doubtful accounts	-1,073	-1,054
Current Assets	322,122	277,961
Cash and cash equivalent	82,689	69,813
Trade notes and accounts receivable	125,900	96,033
Inventories at average cost	63,574	63,845
Deferred tax assets	18,462	16,567
Other current assets	32,393	32,780
Allowance for doubtful accounts	-898	-1,079
Assets Total	4,110,396	4,054,192

	(Unit: million yen)	
	As of September 30th, 2010	As of March 31st, 2010
Liabilities		
Long-term Liabilities	2,439,786	2,432,904
Bonds	1,171,755	1,211,503
Long-term loans	509,346	508,094
Accrued retirement benefits	143,045	141,699
Reserve for reprocessing of irradiated nuclear fuel	348,124	350,780
Reserve for preparation of reprocessing of irradiated nuclear fuel	20,405	18,439
Reserve for decommissioning of nuclear power plant	-	164,931
Asset retirement obligations	205,940	-
Deferred tax liabilities	38	16
Other fixed liabilities	41,130	37,439
Current Liabilities	581,665	532,221
Current portion of long-term debt	277,322	177,320
Short-term borrowings	111,670	111,886
Notes and accounts payable	43,474	47,964
Income tax payable	42,002	41,912
Other current liabilities	107,194	153,137
Reserves under the special law	859	-
Reserve for fluctuation in water levels	859	-
Liabilities Total	3,022,310	2,965,126
Net Assets		
Shareholders' Equity	1,062,416	1,054,819
Common stock	237,304	237,304
Additional paid-in capital	31,139	31,140
Retained earnings	796,174	788,538
Treasury stock	-2,202	-2,164
Valuation and translation adjustments	8,713	16,973
Unrealized gain on other securities	11,351	16,382
Gain on deferred hedge	-1,138	1,879
Foreign currency translation adjustments	-1,499	-1,289
Minority Interests	16,954	17,273
Net Assets Total	1,088,085	1,089,066
Liabilities and Net Assets Total	4,110,396	4,054,192

(2) Quarterly Consolidated Income Statements

	(Unit: million yen)	
	April 1, 2009-September 30, 2009	April 1, 2010-September 30, 2010
Operating Revenues	726,441	736,781
Electricity	667,416	676,408
Other	59,025	60,372
Operating Expenses	643,872	660,588
Electricity	589,138	604,634
Other	54,733	55,954
Operating Income	82,569	76,192
Other Revenues	5,068	4,646
Proceed from dividends	1,388	988
Proceed from interests	1,292	1,494
Equity in earnings of affiliates	535	-
Other	1,851	2,163
Other Expenses	20,132	23,580
Interest expenses	17,857	17,204
Equity in loss	-	5
Other	2,275	6,370
Total Ordinary Revenues	731,510	741,428
Total Ordinary Expenses	664,004	684,169
Ordinary Income	67,505	57,258
Provision or reversal of reserve fluctuation in water levels	-	859
Provision of reserve fluctuation in water levels	-	859
Extraordinary Loss	-	18,428
Loss on adjustment for changes of accounting standard for asset	-	18,428
Income before Income Taxes and Minority Interests in income	67,505	37,970
Income Taxes	26,415	23,832
Income Taxes-Deferred	-1,594	-7,770
Income Taxes Total	24,821	16,062
Income before Minority Interests	-	21,908
Minority Interests	16	71
Net Income	42,668	21,836

(3) Quarterly Consolidated Statements of Cash Flows

	(Unit: million yen)	
	April 1, 2009- September 30, 2009	April 1, 2010- September 30, 2010
Operating Activities		
Income before income taxes and minority interests	67,505	37,970
Depreciation and amortization	117,497	115,145
Decommissioning cost of nuclear power plants	-	3,930
Amortization of nuclear fuel	10,867	12,858
Loss on disposal of property, plant and equipment	2,870	3,754
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	18,428
Increase(decrease) in liability for retirement benefits	281	1,346
Provision for reserve for reprocessing of used fuel	359	-2,655
Provision for preparation for reprocessing of irradiated nuclear fuel	1,867	1,966
Provision for reserve for decommissioning of nuclear power plants	3,750	-
Increase (decrease) in reserve for fluctuation in water levels	-	859
Interest revenue and dividends received	-2,681	-2,483
Interest expense	17,857	17,204
Loss on equity under the equity method	-535	5
Decrease in fund for reprocessing of irradiated nuclear fuel	-267	666
Decrease in accounts receivable	-3,549	-29,497
Decrease in inventories, principally fuel, at average cost	4,190	271
Increase in accounts payable	-3,129	-4,276
Other	-8,875	-7,217
Sub Total	208,010	168,276
Receipt of interest and cash dividends	3,036	2,708
Interest paid	-17,732	-16,876
Income tax paid	-3,101	-21,434
Net cash provided by operating activities	190,212	132,674
Cash Flows from Investing Activities		
Purchases of property, plant and equipment	-120,513	-124,063
Payment for investments and other	-10,503	-40,720
Proceeds for recoveries from investments and other	6,793	3,292
Other	2,715	1,130
Net cash used in investing activities	-121,507	-160,361

	(Unit: million yen)	
	April 1, 2009- September 30, 2009	April 1, 2010- September 30, 2010
Cash Flows from Financing Activities		
Proceeds from issuance of bonds	39,868	69,755
Redemption of bonds	-40,000	-
Proceeds from long-term loans	13,230	43,840
Repayment of long-term loans	-38,101	-53,957
Net increase (decrease) in short-term borrowings	-10,653	-215
Cash dividends paid	-14,224	-14,221
Other	-580	-921
Net cash used in financing activities	-50,461	44,279
Effect of exchange rate changes on cash and cash equivalents	-117	-136
Changes in cash and cash equivalents	18,126	16,455
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	106,251	84,654

(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 2Q (A)	FY2009 2Q (B)	Difference (A-B)	Change (A/B)	Composition Ratio	
						FY2010 2Q	FY2009 2Q
Ordinary Revenues	Lighting	2,874	2,777	97	103.5	41.4	40.6
	Power	3,762	3,821	-59	98.4	54.1	55.8
	(Subtotal)	(6,636)	(6,598)	(37)	(100.6)	(95.5)	(96.4)
	Other	309	244	65	126.6	4.5	3.6
	[Sales] Total	[6,901] 6,945	[6,804] 6,842	[97] 103	[101.4] 101.5	[99.4] 100.0	[99.4] 100.0
Ordinary Expenses	Labor	812	866	-54	93.7	12.7	13.9
	Fuel	1,345	1,064	280	126.3	21.0	17.1
	Maintenance	831	909	-78	91.4	13.0	14.6
	Depreciation	979	987	-8	99.1	15.3	15.9
	Power purchase	641	562	78	114.0	10.0	9.1
	Interest	162	167	-4	97.1	2.5	2.7
	Tax & public dues	488	481	6	101.4	7.6	7.7
	Nuclear back-end	241	249	-7	96.9	3.8	4.0
	Other	903	929	-26	97.2	14.1	15.0
	Total	6,405	6,219	185	103.0	100.0	100.0
[Operating Income]		[716]	[777]	[-60]	[92.2]		
Ordinary Income		540	622	-82	86.7		
Reserve for fluctuation in water levels		8	-	8	-		
Extraordinary Gain		183	-	183	-		
Income before income taxes		348	622	-274	55.9		
Income taxes		146	235	-89	62.2		
Net Income		202	387	-185	52.2		

(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 2Q	FY2009 2Q	Difference
	[A]	[B]	[A-B]
Crude oil (CIF) price	78 \$/b	62\$/b	16\$/b
Exchange rate	89 ¥/\$	96 ¥/\$	-7 ¥/\$