

Financial Results for 4/2006–9/2006 and Financial Forecasts for 4/2006–3/2007

October 27, 2006



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Owing to various uncertainties, actual results may differ materially from these statements. Investors are hereby cautioned against making investment decisions solely on the basis of forward-looking statements contained herein.

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FY2006 Interim Financial Results Summary

【Outline】

As a result of more than expected electricity sales volume, both sales and incomes rebounded on consolidated and non-consolidated bases.

Consolidated

(Units: Billions of Yen, %)

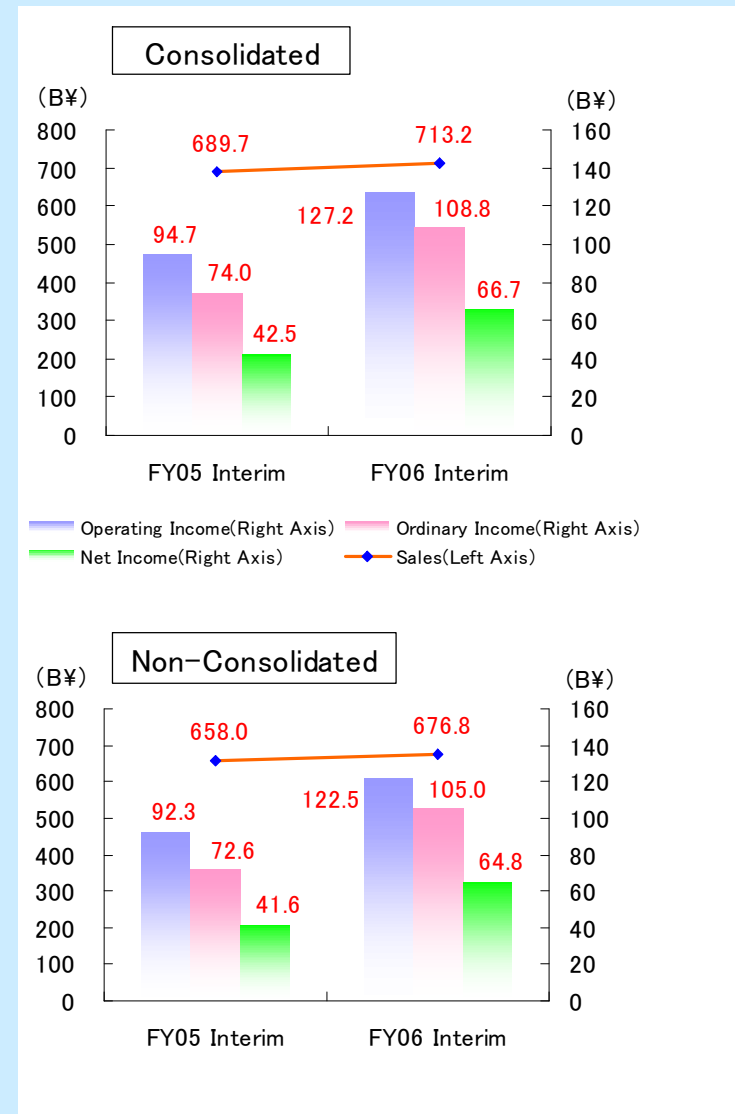
	FY06 Interim (A)	FY05 Interim (B)	Difference (A)-(B)	% Change (A)/(B)
Sales	713.2	689.7	23.4	103.4
Operating Income	127.2	94.7	32.5	134.3
Ordinary Income	108.8	74.0	34.8	147.0
Net Income	66.7	42.5	24.2	157.0

(Note) Scope of Consolidation and Companies Accounted for by Equity Method
 Consolidated Subsidiaries: 29
 Non-Consolidated Subsidiaries accounted for by Equity Method: 12
 Affiliated Companies accounted for by Equity Method: 13

Non-Consolidated

(Units: Billions of Yen, %)

	FY06 Interim (A)	FY05 Interim (B)	Difference (A)-(B)	% Change (A)/(B)
Sales	676.8	658.0	18.8	102.9
Operating Income	122.5	92.3	30.1	132.7
Ordinary Income	105.0	72.6	32.4	144.7
Net Income	64.8	41.6	23.2	155.9



■ FY2006 Interim Power Demand and Supply ■

1 Power Demand (Electricity Sales Volume)

(Units:Billions of kWh, %)

		FY06 Interim (A)	FY05 Interim (B)	Difference (A)-(B)	% Change (A)/(B)
Residential		14.0	13.6	0.4	103.0
Commercial and Industrial		29.1	28.1	1.0	103.6
Total Electricity Sales Volume		43.1	41.7	1.4	103.4
Breakdown	General Demand	31.3	30.6	0.7	102.4
	Large Industrial Demand	11.8	11.1	0.7	106.1

2 Power Supply (Generated and Received)

(Units:Billions of kWh, %)

		FY06 Interim (A)	FY05 Interim (B)	Difference (A)-(B)	% Change (A)/(B)
Generated	Hydro (Water Release Rate)	2.7 (113.3)	1.9 (75.6)	0.8 (37.7)	144.4
	Thermal	16.3	16.3	-	99.5
	Nuclear (Utilization Rate)	20.5 (88.7)	19.4 (83.9)	1.1 (4.8)	105.8
	Subtotal	39.5	37.6	1.9	105.0
Received from Other Companies		7.7	8.3	-0.6	93.6
Power Interchange		-0.1	-	-0.1	-
Pumped Storage Use		-0.2	-0.2	-	119.3
Total		46.9	45.7	1.2	102.8

■ FY2006 Interim Income Statements Summary (Non-Consolidated) ■

(Units: Billions of Yen, %)

		FY06 Interim (A)	FY05 Interim (B)	Difference (A)-(B)	% Change (A)/(B)	Explanations
Ordinary Revenues	Residential	276.8	271.9	4.8	101.8	Rate Reduction -8.0,
	Commercial and Industrial	378.8	371.1	7.7	102.1	Increase in Electric Power Sales(+1.4 BkWh) and other 20.5
	Sales to Other Companies	4.4	1.6	2.8	275.3	Sales to Other Electric Power Companies 1.8, Sales to Other Companies 1.0
	Other	20.3	15.5	4.7	130.4	Incidental Businesses 3.5
	(Sales)	(676.8)	(658.0)	(18.8)	(102.9)	
Total		680.4	660.2	20.1	103.1	
Ordinary Expenses	Personnel	74.2	87.7	-13.5	84.6	Employees' Retirement Benefits -11.8
	Fuel	99.6	90.0	9.5	110.6	Crude Oil CIF Price 4.9, Exchange Rate 3.1
	Maintenance	70.8	71.6	-0.7	98.9	
	Depreciation	95.2	102.4	-7.1	93.0	Thermal -2.9, Nuclear -1.5, Substation Facility -0.8
	Purchased Power	55.8	57.2	-1.4	97.5	Purchase from Other Companies -1.4
	Interest Charges	17.4	18.3	-0.9	95.0	Decrease in Interest Rate -0.6, Decrease in Interest-bearing Debt -0.3
	Back-end Costs for Nuclear Power Generation	22.0	19.7	2.2	111.6	Reprocessing Costs of Nuclear Fuel 2.0
Other	140.0	140.3	-0.2	99.8	Incidental Businesses 2.6	
Total		575.3	587.6	-12.2	97.9	
(Operating Income)		(122.5)	(92.3)	(30.1)	(132.7)	
Ordinary Income		105.0	72.6	32.4	144.7	
Provision for (Reversal of) Reserve for Fluctuations in Water Level		1.3	-4.2	5.6	-	
Extraordinary Loss		-	11.2	-11.2	-	Loss on Business Restructuring(FY2006 Interim) -11.2
Net Income		64.8	41.6	23.2	155.9	

(References)

(Units: ¥/\$, \$/b,%)

	FY06 Interim (A)	FY05 Interim (B)	Difference (A)-(B)
Exchange Rate	115.4	109.5	5.9
Crude Oil CIF Price	67.6	53.1	14.5
Water Release Rate	113.3	75.6	37.7
Nuclear Power Generation Capacity Utilization Rate	88.7	83.9	4.8

■ FY2006 Interim Balance Sheets Summary (Non-Consolidated) ■

【Assets】

(Unit:Billions of Yen)

	FY06 Interim (Sep. 30, 2006) (A)	FY2005 (Mar. 31, 2006) (B)	Difference (A)-(B)	Explanations
Utility Plant and Equipment	2,592.0	2,652.1	-60.0	Depreciation -95.2 Construction Completed 39.6
Investments and Other Assets	400.6	437.9	-37.2	Reserve Funds for Reprocessing of Irradiated Nuclear Fuel -21.5 Investment Securities (Decrease in Unrealized Holding Gains) -12.7 Deferred Tax Assets (Investment Securities) 4.6
Other	821.8	767.2	54.5	Accounts Receivable 24.9 Construction in Progress 17.3
Total	3,814.5	3,857.3	-42.7	

【Liabilities and Shareholders' Equity】

(Unit:Billions of Yen)

	FY06 Interim (Sep. 30, 2006) (A)	FY2005 (Mar. 31, 2006) (B)	Difference (A)-(B)	Explanations
Interest-bearing Debt	1,934.0	1,975.1	-41.0	[Interest-bearing Debt Ratio] Sep., 06 50.7%←Mar., 06 51.2%
Other Liabilities	838.7	886.4	-47.6	Accrued Expenses -21.1 Liabilities for Affiliate Companies -20.1
Shareholders' Equity	1,041.6	995.6	46.0	Net Income 64.8 Dividends Paid -14.2 Net Decrease in Unrealized Holding Gains on Available-for-Sale Securities -8.1 [Equity Ratio] Sep., 06 27.3%←Mar., 06 25.8%
Total	3,814.5	3,857.3	-42.7	

■ FY2006 Interim Income Statements Summary (Consolidated) ■

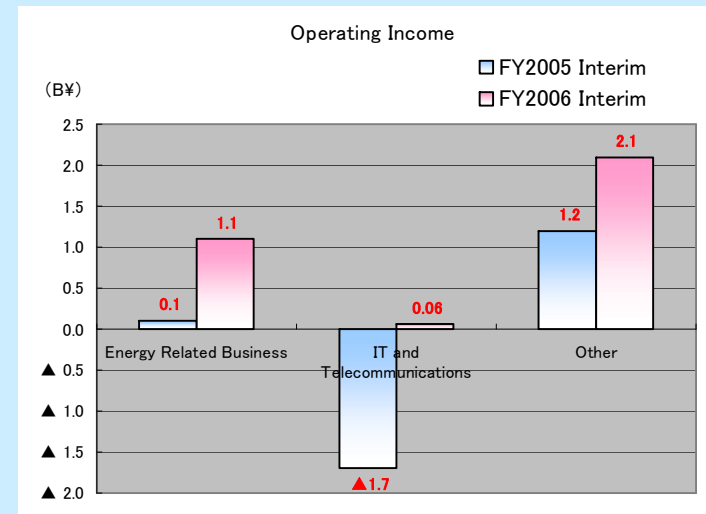
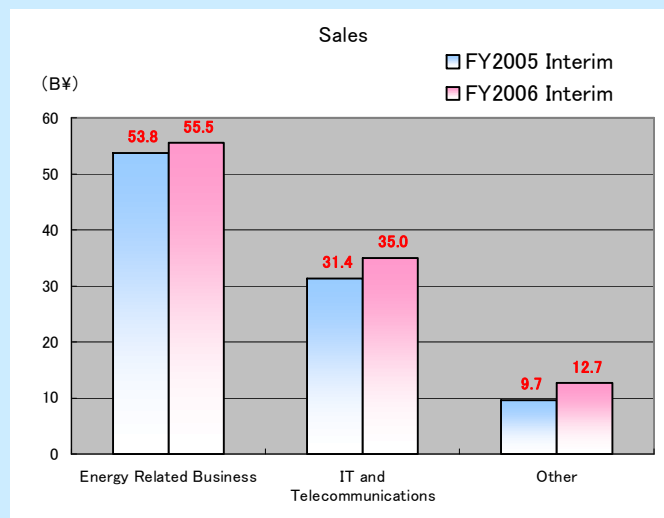
(Units: Billions of Yen, %)

		FY06 Interim (A)	FY05 Interim (B)	Difference (A)-(B)	% Change (A)/(B)	(Consolidated Ratio)
Ordinary Revenues	Electric	666.1	650.8	15.2	102.3	
	Other	47.1	38.8	8.2	121.2	
	Operating Revenues(Sales)	713.2	689.7	23.4	103.4	(1.05)
	Non-Operating Revenues	4.1	3.3	0.7	123.4	
	Total	717.3	693.1	24.2	103.5	
Ordinary Expenses	Electric	541.2	556.2	-15.0	97.3	
	Other	44.7	38.6	6.0	115.5	
	Operating Expenses	585.9	594.9	-9.0	98.5	
	Non-Operating Expenses	22.5	24.0	-1.5	93.7	
	Total	608.5	619.0	-10.5	98.3	
(Operating Income)		(127.2)	(94.7)	(32.5)	(134.3)	(1.04)
Ordinary Income		108.8	74.0	34.8	147.0	(1.04)
Provision for (Reversal of) Reserve for Fluctuations in Water Level		1.3	-4.2	5.6	-	
Extraordinary Loss		-	10.5	-10.5	-	
Net Income		66.7	42.5	24.2	157.0	(1.03)

FY2006 Interim Segment Information

(Unit: Billions of Yen)

	Sales				Operating Income	
	Sales to Customers (A)	Intersegment Sales (B)	Total Sales (A + B)	Change from FY2005 Interim		Change from FY2005 Interim
Electric	666.1	1.2	667.3	15.2	123.3	29.2
Energy Related Business	22.2	33.2	55.5	1.6	1.1	1.0
IT and Telecommunications	18.9	16.0	35.0	3.6	-	1.7
Other	5.8	6.8	12.7	2.9	2.1	0.8
Subtotal	713.2	57.4	770.6	23.6	126.6	32.9
Eliminations/Corporate	-	-57.4	-57.4	-0.1	0.6	-0.3
Consolidated	713.2	-	713.2	23.4	127.2	32.5



■ FY2006 Interim Cash Flows Summary (Consolidated) ■

(Unit: Billions of Yen)

	FY06 Interim (A)	FY05 Interim (B)	Difference (A)-(B)	Explanations
Cash Flows from Operating Activities	172.1	137.5	34.5	Income before Income Taxes and Minority Interests 39.7 Reserve Funds for Reprocessing of Irradiated Nuclear Fuel 21.5 Liability for Employees' Retirement Benefits -12.6 Loss on Business Restructuring (FY2005 Interim) -10.5
Cash Flows from Investing Activities	-110.8	-102.7	-8.0	
(Capital Expenditures including Nuclear Fuel)	(-108.9)	(-104.1)	(-4.7)	
Cash Flows from Financing Activities	-64.7	-34.9	-29.8	Decrease in Interest-bearing Debt -32.1 (FY2006 Interim -50.3←FY2005 Interim -18.2) Decrease in Dividends Paid 2.3 (FY2006 Interim 14.2← FY2005 Interim 16.5)
Total	-3.4	-0.1	-3.2	

Free Cash Flows (※)	63.1	33.3	29.8
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(※) Free Cash Flows = Cash Flows from Operating Activities - Capital Expenditure including Nuclear Fuel

FY2006 Financial Forecasts Summary

【Outline】

In FY2006, power sales volume is expected to increase. However, factors such as rate reduction, increased fuel costs and a legislation to reserve for additional nuclear fuel reprocessing costs also decrease incomes. Sales would level off, and both ordinary and net incomes are forecast to decline.

Consolidated

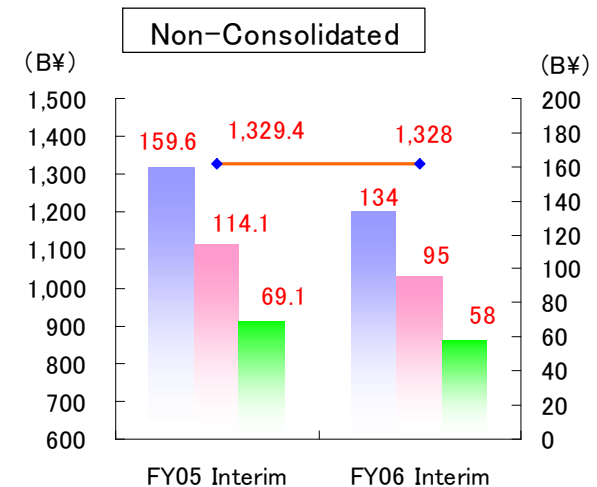
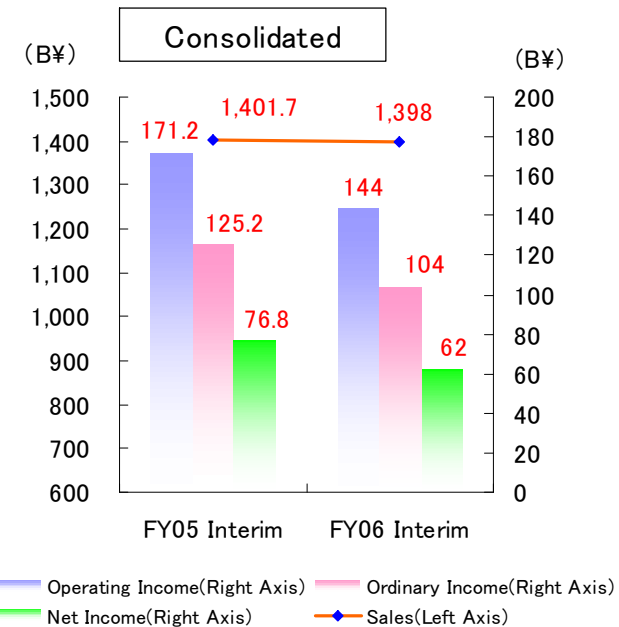
(Units: Billions of Yen, %)

	FY06 (A)	FY05 (B)	Difference (A)-(B)	% Change (A)/(B)
Sales	1,398	1,401.7	-3.7	99.7
Operating Income	144	171.2	-27.2	84.1
Ordinary Income	104	125.2	-21.2	83.0
Net Income	62	76.8	-14.8	80.7

Non-Consolidated

(Units: Billions of Yen, %)

	FY06 (A)	FY05 (B)	Difference (A)-(B)	% Change (A)/(B)
Sales	1,328	1,329.4	-1.4	99.9
Operating Income	134	159.6	-25.6	83.9
Ordinary Income	95	114.1	-19.1	83.2
Net Income	58	69.1	-11.1	83.9



■ FY2006 Sensitivity Factors (Non-Consolidated) ■

(Unit:Billions of Yen)

	FY2006	FY2005
Exchange Rate (1¥/\$)	1.6	1.4
Crude Oil CIF Price (1\$/b)	2.5	2.4
Water Release Rate (1%)	0.3	0.3
Nuclear Power Generation Capacity Utilization Rate (1%)	2.2	1.9
Interest Rate (1%)	2.8	3.2

■ ■ ■ **Appendix** ■ ■ ■

FY2006 Financial Forecast

Comparison with April 2006 Projection

P1

FY2006 Financial Forecast Comparison with April 2006 Projection

【Outlines】

- In response to strong power demand by large industrial users and increasing air conditioning needs in summer, both consolidated and non-consolidated sales are expected to rise approximately 380M yen.
- By the end of FY2006, a new scheme is legislated to reserve for additional nuclear fuel reprocessing costs. Ordinary and net incomes are projected to stay same because of appropriations for such additional reprocessing costs.

Consolidated

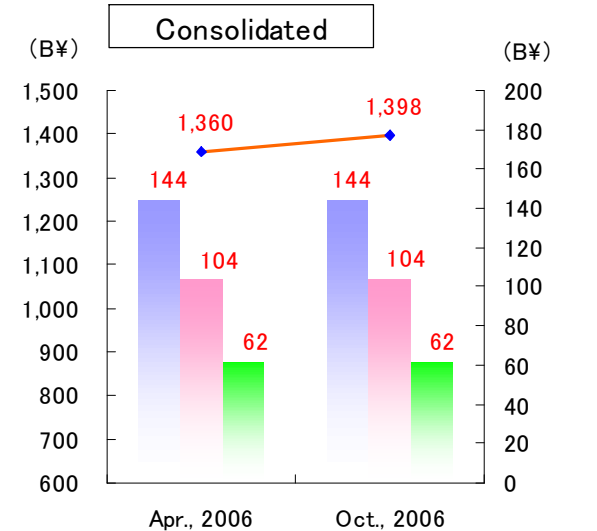
(Units: Billions of Yen, %)

	Oct., 2006 (A)	Apr., 2006 (B)	Difference (A)-(B)	% Change (A)/(B)
Sales	1,398	1,360	38	102.8
Operating Income	144	144	-	100.0
Ordinary Income	104	104	-	100.0
Net Income	62	62	-	100.0

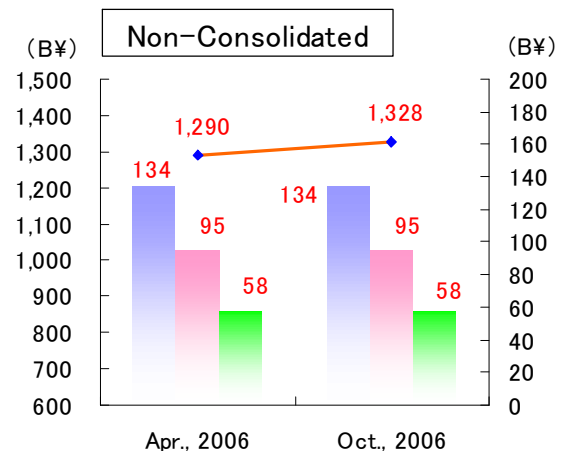
Non-Consolidated

(Units: Billions of Yen, %)

	Oct., 2006 (A)	Apr., 2006 (B)	Difference (A)-(B)	% Change (A)/(B)
Sales	1,328	1,290	38	102.9
Operating Income	134	134	-	100.0
Ordinary Income	95	95	-	100.0
Net Income	58	58	-	100.0



■ Operating Income(Right Axis) ■ Ordinary Income(Right Axis)
■ Net Income(Right Axis) ◆ Sales(Left Axis)





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