

ANNUAL REPORT 2011

Kyushu Electric Power Company



KYUSHU ELECTRIC
POWER CO., INC.

Financial Highlights

Consolidated Financial Summary

Years Ended March 31

(Million of U.S. Dollars)

For the year (Billions of Yen)	2011	2010	2009	2008	2007	2011
Operating Revenues	¥ 1,486.0	¥ 1,444.9	¥ 1,524.1	¥ 1,482.3	¥ 1,408.3	\$17,872
Operating Income	98.9	99.7	84.7	105.5	155.1	1,189
Net Income	28.7	41.8	33.9	41.7	65.9	345
Electricity Sales Volume (Millions of kWh)	87,474	83,392	85,883	88,082	84,399	
General Demand (Millions of kWh)	63,636	60,985	61,859	62,873	60,706	
Large Industrial (Millions of kWh)	23,838	22,407	24,024	25,209	23,693	
At year-end (Billions of Yen)						
Total Assets	4,185.4	4,054.1	4,110.8	4,059.7	4,038.8	50,336
Shareholders' Equity ¹	1,062.4	1,071.7	1,054.7	1,067.0	1,081.6	12,777
Interest-bearing Debt	2,089.4	2,004.7	2,110.6	2,040.0	2,031.7	25,128
Per share of common stock						
Net Income (yen and U.S. dollars)	60.73	88.38	71.84	88.19	139.37	0.73
Cash Dividends (yen and U.S. dollars)	60.00	60.00	60.00	60.00	60.00	0.72
Financial ratios (%)						
ROA ²	1.5	1.6	1.3	1.7	2.4	
ROE ³	2.7	3.9	3.2	3.9	6.2	
Equity Ratio	25.4	26.4	25.7	26.3	26.8	

¹ Shareholders' Equity = Equity - Minority Interests

² ROA = After-tax Operating Income/Average Total Assets at beginning and ending of the Fiscal Year

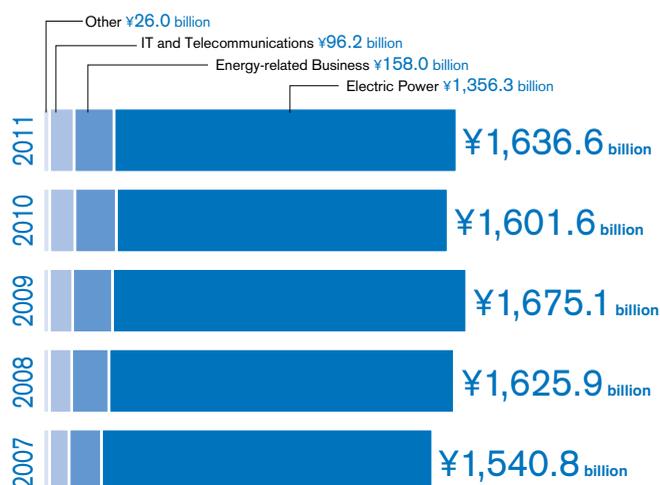
³ ROE = Net Income/Average Equity at beginning and ending of the Fiscal Year

⁴ The figures under one billion are rounded down.

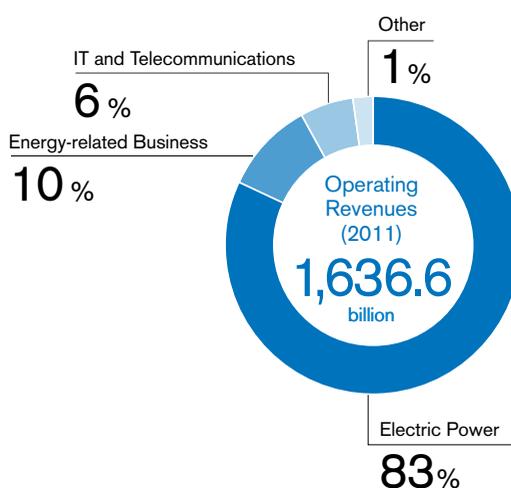
(U.S. dollar amounts have been translated from yen, for convenience, at the rate of ¥83.15=U.S.\$1, the approximate rate of exchange at March 31, 2011.)

Segment Information (before eliminating internal transactions)

Operating Revenues



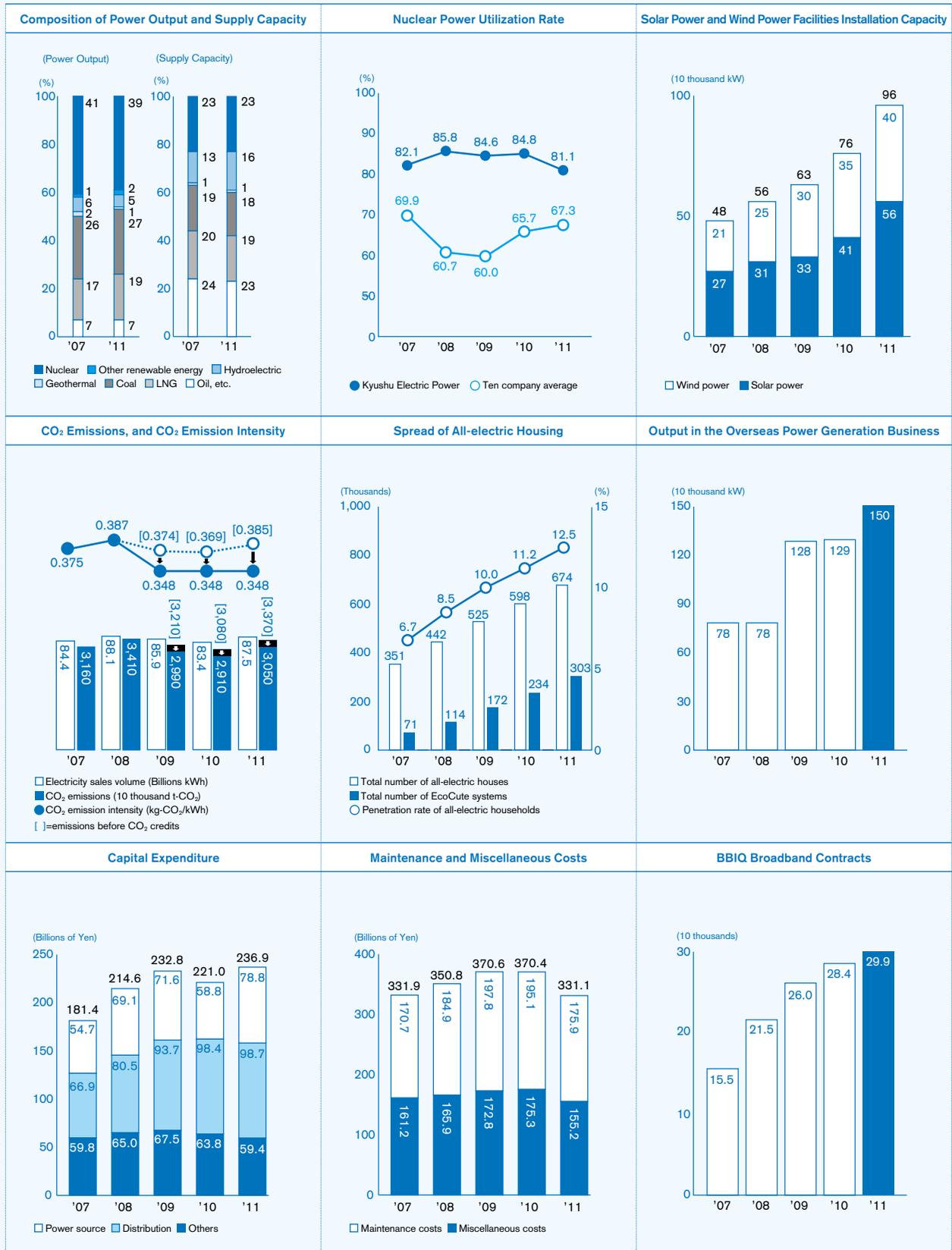
Revenue Share by Segment





Major Operating Data

Years Ended March 31



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FINANCIAL INFORMATION

Consolidated Eleven-Year Financial Summary

Kyushu Electric Power Company, Incorporated and Consolidated Subsidiaries
Years Ended March 31,

For the Year:	2001	2002	2003	2004	2005
Operating revenues	¥ 1,448,376	¥ 1,458,066	¥ 1,421,310	¥ 1,391,684	¥ 1,408,728
Electric	1,410,010	1,381,440	1,350,675	1,308,843	1,320,581
Other	38,366	76,626	70,635	82,841	88,147
Operating expenses	1,236,344	1,260,308	1,241,296	1,192,718	1,194,993
Electric	1,199,237	1,184,382	1,170,655	1,108,104	1,107,744
Other	37,107	75,926	70,641	84,614	87,249
Interest charges	89,952	85,653	77,897	77,121	49,522
Income before income taxes and minority interests	97,447	99,464	102,363	112,451	146,797
Income taxes	37,595	39,808	38,417	39,086	57,858
Net income	59,191	61,120	64,319	72,792	89,288
Per share of common stock (yen and U.S. dollars):					
Net income:					
Basic	¥ 124.83	¥ 128.90	¥ 135.13	¥ 153.05	¥ 187.91
Diluted	123.65	—	—	—	—
Cash dividends applicable to the year	60.00	60.00	50.00	50.00	60.00
At year-end:					
Total assets	¥ 4,166,489	¥ 4,290,132	¥ 4,204,566	¥ 4,114,378	¥ 4,049,713
Net property	3,459,859	3,595,794	3,523,273	3,394,855	3,300,740
Long-term debt, less current portion	2,071,192	2,130,149	1,984,702	1,858,512	1,739,660
Equity	810,018	824,928	840,245	910,838	979,252

Management Discussion and Analysis

Summary

Despite a growth in sales, profits declined, following the growth in the previous year.

· In the electricity business:

- Electricity sales increased due to higher electricity sales volume and other factors.
- Despite reduction of maintenance costs and overhead due to streamlining efforts in all areas of management, fuel costs increased due to electricity sales volume and higher fuel prices.
- An extraordinary loss was recorded due to the application of the Accounting Standard for Asset Retirement Obligations.

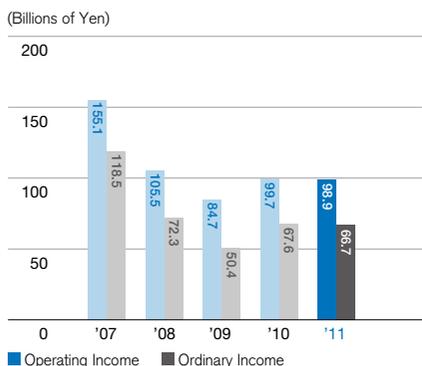
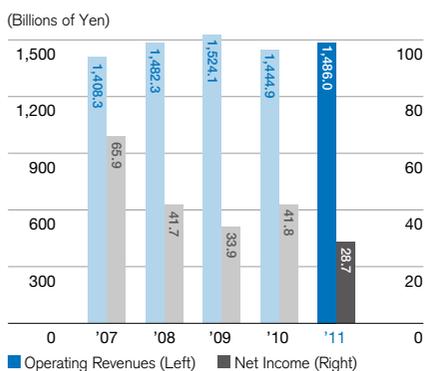
Operating Results

In the year ended March 31, 2011 (fiscal 2010), Kyushu Electric Power recorded a 2.8% year-on-year increase in consolidated operating revenues to ¥1,486.0 billion as a result of an increase in electricity sales volume in the electricity business, despite lower sales from the energy-related business.

With regard to expenditures, operating expenses increased by 3.1% to ¥1,387.1 billion due to higher fuel costs in the electric business resulting from the increase in electricity sales volume and higher fuel prices, despite lower maintenance costs. As a result, operating income fell by 0.8% to ¥98.9 billion.

						Millions of Yen (except for per share data)	Thousands of U.S. Dollars (except for per share data)
2006	2007	2008	2009	2010	2011	2011	
¥ 1,401,752	¥ 1,408,328	¥ 1,482,352	¥ 1,524,193	¥ 1,444,941	¥ 1,486,083	\$ 17,872,315	
1,311,996	1,307,737	1,363,424	1,398,577	1,310,085	1,354,204	16,286,278	
89,756	100,591	118,928	125,616	134,856	131,879	1,586,037	
1,230,467	1,253,155	1,376,811	1,439,470	1,345,214	1,387,174	16,682,790	
1,140,797	1,155,414	1,260,616	1,317,216	1,220,537	1,261,426	15,170,487	
89,670	97,741	116,195	122,254	124,677	125,748	1,512,303	
41,130	38,354	36,938	35,771	35,292	34,026	409,213	
120,790	112,887	72,463	55,859	67,610	48,319	581,106	
43,038	46,075	29,853	21,481	25,405	19,246	231,461	
76,850	65,968	41,727	33,992	41,813	28,730	345,520	
¥ 161.67	¥ 139.37	¥ 88.19	¥ 71.84	¥ 88.38	¥ 60.73	\$ 0.73	
—	—	—	—	—	—	—	
60.00	60.00	60.00	60.00	60.00	60.00	0.72	
¥ 4,102,319	¥ 4,038,839	¥ 4,059,775	¥ 4,110,878	¥ 4,054,192	¥ 4,185,461	\$ 50,336,272	
3,217,982	3,140,200	3,109,293	3,080,447	3,037,055	3,033,125	36,477,751	
1,724,179	1,689,107	1,712,949	1,811,744	1,724,973	1,714,430	20,618,521	
1,052,785	1,092,601	1,084,213	1,072,375	1,089,066	1,079,679	12,984,714	

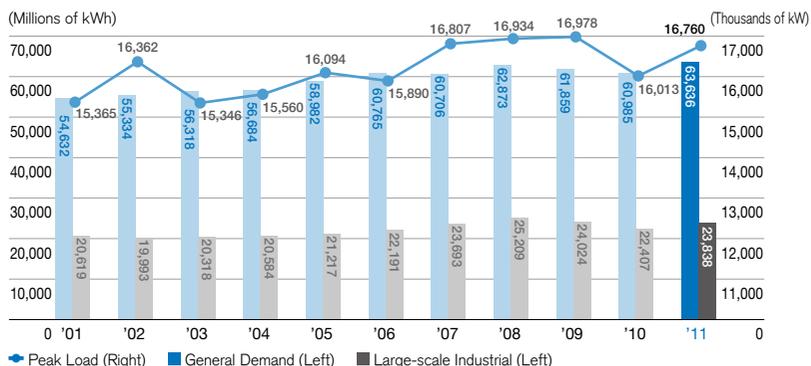
(U.S. dollar amounts have been translated from yen, for convenience, at the rate of ¥83.15 = U.S. \$1, the approximate rate of exchange at March 31, 2011.)



Other revenues rose by 7.8% from the previous year to ¥12.2 billion. The revenue increase is attributable to an increase in the gain on sales of investment securities, despite lower proceeds from dividends and investment returns from equity method affiliates. Other expenses rose by 2.1% year on year to ¥44.3 billion.

As a result, ordinary revenues rose by 2.9% from the previous year to ¥1,498.2 billion, and ordinary expenses rose by 3.1% to ¥1,431.5 billion, resulting in a 1.3% year-on-year decrease in ordinary income to ¥66.7 billion, following an increase in the previous year.

Electricity Sales Volume (Millions of kWh) and Peak Load (Thousands of kW)



Net income fell by 31.3% from the previous year to ¥28.7 billion as a result of the recording of an extraordinary loss of ¥18.4 billion due to the application of the Accounting Standard for Asset Retirement Obligations. Net earnings per share fell ¥27.65 to ¥60.73.

Segment Information (Before Elimination of Internal Transactions)

(1) Electric Power

Electricity sales volume rose by 4.3% from the previous year due to an increase in general demand, including domestic lighting and commercial demand, as a result of factors including higher air conditioning demand caused by higher temperatures in summer and lower temperatures in winter than the previous year. Large-scale industrial demand rose by 6.4% due to increased production of iron and steel, chemicals, non-ferrous metals and other industrial products. As a result, total sales volume rose by 4.9% year on year to 87.47 billion kWh.

On the supply side, our nuclear power stations and other power generation facilities continued to operate steadily, allowing us to maintain reliable sources of electric power. Analysis of the energy mix, including power generated by Kyushu Electric Power and power purchased from other companies, shows nuclear power to account for 39%, thermal power for 52%, hydroelectric for 6% and new energy sources for 3% of total power.

For the electric power segment, operating revenues rose by 3.4% from the previous year to ¥1,356.3 billion, due to an increase in electricity sales volume, despite lower charge unit prices resulting from the impact of fuel cost adjustment and other factors. Operating income rose by 4.4% year on year to ¥86.5 billion due to streamlining efforts in all areas of management, including maintenance costs.

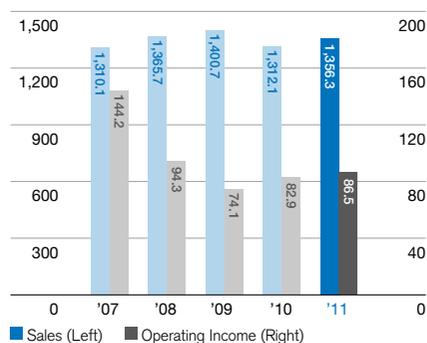
(2) Energy-Related Business

Operating revenues in the energy-related segment fell by 3.5% year on year to ¥158.0 billion, owing to a decrease in sales from completed power plant construction projects and maintenance work. Operating income fell by 59.2% from the previous year to ¥3.0 billion, mainly due to the impact of higher LNG purchase prices.

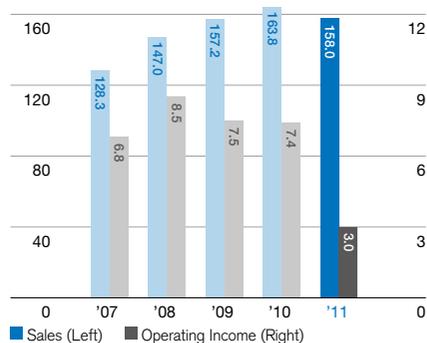
(3) IT and Telecommunications

Operating revenues fell by 3.0% year on year to ¥96.2 billion. The lower revenues are attributable to factors including a decrease in large-lot IT system development, despite increases in the number of broadband service lines under contract and telecommunications construction work. Operating income rose by 1.9% to ¥6.4 billion as a result of factors including cost reductions.

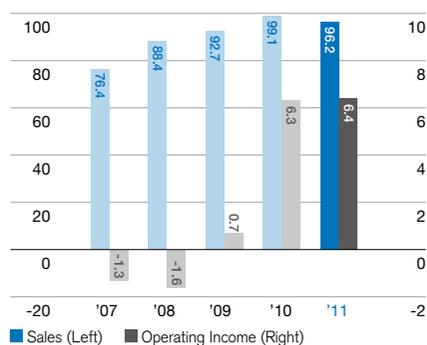
Electric Power (Billions of Yen)



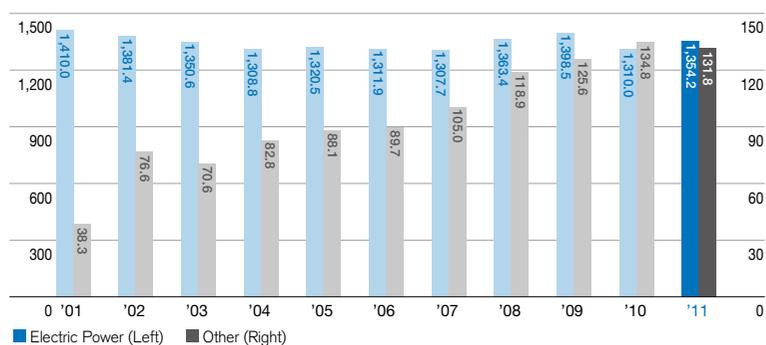
Energy-related Business (Billions of Yen)



IT and Telecommunications (Billions of Yen)



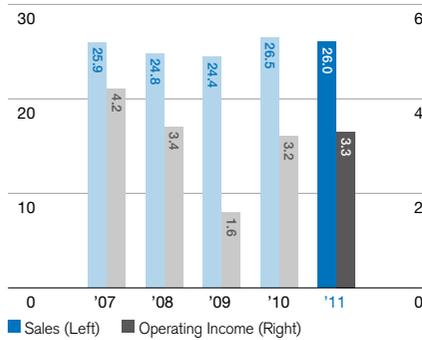
Trends of Operating Revenues by Segments (after eliminating internal transactions) (Billions of Yen)



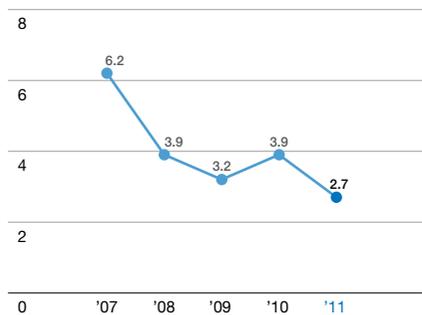
(4) Other

Operating revenues from other business fell by 1.7% year on year to ¥26.0 billion on lower revenues from real estate sales, despite an increase in revenues from the opening of condominiums for senior citizens in new areas. Operating income rose by 5.1% to ¥3.3 billion as a result of factors including cost reductions.

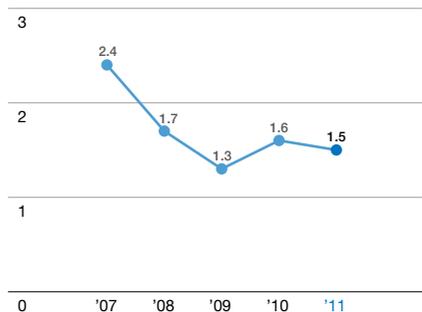
Other Activities (Billions of Yen)



ROE (%)



ROA (%)



Financial Position

(1) Cash Flows

Cash flows from operating activities decreased by 14.3% from the previous year to ¥301.3 billion due to factors including an increase in fuel costs, which offset an increase in electricity sales revenue in the electricity business.

Cash flows for investment activities increased by 25.8% from the previous year to ¥296.0 billion. The increase is attributable to factors including higher capital expenditures and payments for the acquisition of investment securities.

Cash flows for financing activities was ¥52.9 billion (compared to ¥135.9 billion in cash used the previous year).

As a result of the above, cash and cash equivalents on March 31, 2011 stood at ¥125.9 billion, an increase of ¥57.8 billion from the end of the previous year.

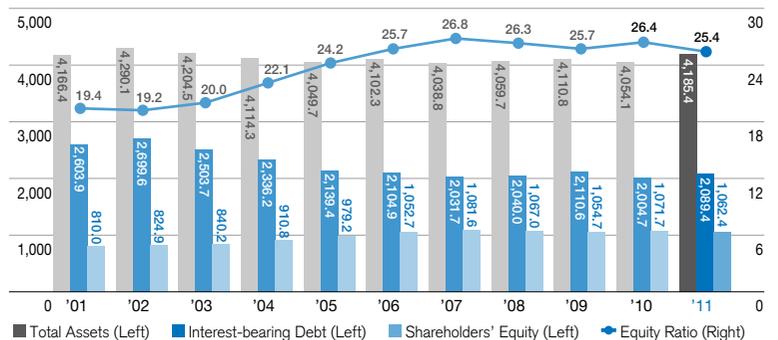
(2) Assets, Liabilities and Net Assets

Total assets at the end of the year in review were ¥4,185.4 billion, an increase of 3.2% from the end of the previous year. The increase is attributable to higher fixed assets resulting from increases in the reserve for reprocessing of irradiated nuclear fuel and long-term investments and to higher current assets, such as cash and cash equivalents.

Total liabilities at the end of the year under review were ¥3,105.7 billion, an increase of 4.7% from the end of the previous year. The increase is attributable to factors including higher interest-bearing debt and the recording of asset retirement obligations. Outstanding interest-bearing debt increased ¥84.6 billion to ¥2,089.4 billion.

Net assets fell by 0.9% from the end of the previous year to ¥1,079.6 billion due to the payment of cash dividends and a decrease in the unrealized gain on available-for-sale securities, despite the recording of net income. The equity ratio was 25.4%.

Consolidated Interest-bearing Debt and Equity Ratio (Billions of Yen, %)



Business Risk Factors

The following is a list of some significant risk factors that may have an effect on the operating results, financial position and other aspects of the Group (consolidated).

Forward-looking statements in this report reflect the judgment of the Company as of June 28, 2011 and may be affected by factors including change in the economic situation due to the Great East Japan Earthquake or the Japanese government's review of energy policy following the accident at the Tokyo Electric Power Company Fukushima Daiichi Nuclear Power Station.

1

Economic Conditions and Weather Conditions

The sales volume in the electric power business reflects economic conditions and seasonal changes in temperatures. These factors may have a material impact on the results and financial condition of the Kyushu Electric Power Group.

2

Fuel Price Fluctuations

Fuel expenses in electricity business fluctuate as a result of trends in CIF prices and in the foreign exchange markets because we procure sources of fuel for thermal power generation including liquefied natural gas (LNG) and coal from overseas.

However, fluctuations in fuel prices are reflected in electric rates through the fuel cost adjustment system, which in our opinion helps to limit the impact of fuel price volatility on the Kyushu Electric Power Group.

3

Nuclear Fuel Cycle Costs

The uncertainties in the long-term prospects of nuclear fuel cycle operations pose a risk, but operator risk is being reduced through measures proposed by the Japanese government. However, Group performance could be affected by the burden of increased costs based on revised cost estimates for future expenses.

4

Cost of Measures to Combat Global Warming

The Kyushu Electric Power Group is undertaking numerous measures to combat global warming. One key measure is to maintain a high utilization rate as a result of nuclear power safety and stable operations. Other initiatives include maintenance and enhancement of thermal power efficiency, reduced losses in the transmission network and the active development and introduction of renewable power. However, Group performance may be affected by the increased cost burden from policy trends related to global warming.

5

Businesses Other than Electricity

The Kyushu Electric Power Group is enhancing its revenue basis by utilizing the group's management resources and steadily developing new business area beyond electricity business. In the business operation, we put emphasis on the profitability and work to improve efficiency while pursuing the growth. In case securing the planned profits cannot be achieved due to the worsening business conditions, the Kyushu Electric Power Group's performance may be affected.

6

Interest Rate Fluctuations

The Kyushu Electric Power Group's balance of interest-bearing debt as of the end of March 2011 is ¥2,089.4 billion, which accounts for 50% of total assets of the group. Future changes in interest rates have potential to affect the Kyushu Electric Power Group's financial condition.

However, 93% of outstanding interest-bearing debt comprises long-term debt, and most of these bear interest at fixed rates. The impact of fluctuating interest rates on Kyushu Electric Power Group is therefore viewed as limited.

7

Leakage of Information

The Kyushu Electric Power Group has established strict internal frameworks to manage in-house information and personal information, which Group companies hold, to ensure information security. Additionally, we have implemented thorough information management by establishing internal policies and guidelines on handling information as well as familiarizing employees with the handling procedures. However, in case of the leaking of in-house information and personal information, the Kyushu Electric Power Group's operation may be affected.

8

Natural Disasters

To ensure a stable supply of electricity to our customers, the Kyushu Electric Power Group implements inspection and maintenance of the facilities systematically to prevent any trouble from occurring. However, large-scaled natural disasters such as typhoons, torrential rains and earthquakes or tsunami as well as unexpected accidents and illicit acts have the potential to affect the Kyushu Electric Power Group's operations.

In light of the accident at the Tokyo Electric Power Company Fukushima No. 1 Nuclear Power Station, the Company has implemented emergency safety measures and other measures to increase the safety of its nuclear power stations in accordance with instructions from the government of Japan. The government has indicated that these measures have been appropriately implemented. The Company will continue to implement safety measures to ensure nuclear power plant safety and will promptly and appropriately reflect any newly obtained knowledge in these measures.

We are also developing a risk management system and are preparing for numerous risks that may have a material impact on business operations. Improper actions taken in response to an emergency situation may adversely affect the Kyushu Electric Power Group's business performance.

The Company has received instructions from the national government for comprehensive safety evaluation of nuclear power generation facilities (stress testing) and will appropriately evaluate its nuclear power generation facilities to further increase their safety and ensure the peace of mind and confidence of area residents.

In addition, in light of factors including the impact of a delay in the resumption of operation of nuclear power facilities and the occurrence of compliance violations such as recruiting pro-nuclear opinions for a television program aired for residents of Saga Prefecture in Kyushu, the Company decided on August 11, 2011 to release two important additions to the above items previously posted on June 28, 2011, as follows:

9

Decrease in the Nuclear Power Utilization Rate

A decrease in the nuclear power utilization rate due to comprehensive safety evaluation of nuclear power generation facilities (stress testing), a review of the national government's energy policy or any other reason may adversely affect the Kyushu Electric Power Group's business performance due to higher fuel costs or funding costs.

10

Compliance

The Company has lost public trust due to compliance violations, such as recruiting positive opinions concerning safety measures at the Genkai Nuclear Power Station for a television program viewed by residents of Saga Prefecture in Kyushu and sponsored by the Ministry of Economy, Trade, and Industry. In response, the Company is striving to promote awareness of the nature and importance of compliance, and executive management and all employees are working to regain public trust. Nevertheless, any delay in restoring public trust may adversely affect the Kyushu Electric Power Group's business performance.

Consolidated Balance Sheets

Kyushu Electric Power Company, Incorporated and Consolidated Subsidiaries
March 31, 2011 and 2010

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
ASSETS			
PROPERTY (Note 3):			
Plant and equipment	¥ 9,367,143	¥ 9,213,586	\$ 112,653,554
Construction in progress	247,837	247,078	2,980,601
Total	9,614,980	9,460,664	115,634,155
Less-			
Contributions in aid of construction	157,208	150,818	1,890,655
Accumulated depreciation	6,424,647	6,272,791	77,265,749
Total	6,581,855	6,423,609	79,156,404
Net property	3,033,125	3,037,055	36,477,751
NUCLEAR FUEL	263,381	269,663	3,167,541
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Notes 4 and 15)	113,188	87,237	1,361,251
Investments in and advances to non-consolidated subsidiaries and affiliated companies (Note 15)	98,106	75,946	1,179,868
Reserve funds for reprocessing of irradiated nuclear fuel (Notes 8 and 15)	197,273	167,770	2,372,495
Deferred tax assets (Note 11)	136,028	119,709	1,635,935
Other assets	14,523	18,851	174,660
Total investments and other assets	559,118	469,513	6,724,209
CURRENT ASSETS:			
Cash and cash equivalents (Note 15)	125,989	68,178	1,515,201
Receivables (Note 15)	113,883	110,592	1,369,609
Allowance for doubtful accounts	(975)	(1,080)	(11,726)
Inventories, principally fuel	58,621	63,846	705,003
Deferred tax assets (Note 11)	17,996	16,567	216,429
Prepaid expenses and other	14,323	19,858	172,255
Total current assets	329,837	277,961	3,966,771
TOTAL	¥ 4,185,461	¥ 4,054,192	\$ 50,336,272

See notes to consolidated financial statements.

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
LIABILITIES AND EQUITY			
LONG-TERM LIABILITIES:			
Long-term debt, less current portion (Notes 6 and 15)	¥ 1,714,430	¥ 1,724,973	\$ 20,618,521
Liability for employees' retirement benefits (Note 7)	144,687	141,699	1,740,072
Reserve for reprocessing of irradiated nuclear fuel (Note 8)	368,931	369,220	4,436,934
Reserve for decommissioning of nuclear power units (Note 9)		164,931	
Asset retirement obligations (Note 9)	207,855		2,499,759
Other	39,486	32,081	474,877
Total long-term liabilities	2,475,389	2,432,904	29,770,163
CURRENT LIABILITIES:			
Current portion of long-term debt (Notes 6 and 15)	232,082	174,799	2,791,124
Short-term borrowings (Notes 10 and 15)	120,771	111,887	1,452,447
Commercial paper (Note 15)	30,000		360,794
Notes and accounts payable (Notes 14 and 15)	117,302	99,838	1,410,728
Accrued income taxes (Note 15)	18,737	21,344	225,340
Accrued expenses	72,870	80,398	876,368
Other	38,631	43,956	464,594
Total current liabilities	630,393	532,222	7,581,395
COMMITMENTS AND CONTINGENCIES (Note 17)			
EQUITY (Note 12):			
Common stock, authorized, 1,000,000,000 shares; issued, 474,183,951 shares in 2011 and 2010	237,305	237,305	2,853,939
Capital surplus	31,138	31,141	374,480
Retained earnings	788,867	788,538	9,487,276
Treasury stock-at cost 1,202,882 shares in 2011 and 1,110,624 shares in 2010	(2,334)	(2,165)	(28,070)
Accumulated other comprehensive income			
Unrealized gain on available-for-sale securities	11,356	16,383	136,572
Deferred gain (loss) on derivatives under hedge accounting	(1,871)	1,880	(22,502)
Foreign currency translation adjustments	(2,003)	(1,290)	(24,089)
Total	1,062,458	1,071,792	12,777,606
Minority interests	17,221	17,274	207,108
Total equity	1,079,679	1,089,066	12,984,714
TOTAL	¥ 4,185,461	¥ 4,054,192	\$ 50,336,272

Consolidated Statements of Income

Kyushu Electric Power Company, Incorporated and Consolidated Subsidiaries
Years Ended March 31, 2011 and 2010

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
OPERATING REVENUES:			
Electric	¥ 1,354,204	¥ 1,310,085	\$ 16,286,278
Other	131,879	134,856	1,586,037
Total operating revenues	1,486,083	1,444,941	17,872,315
OPERATING EXPENSES (Note 13):			
Electric	1,261,426	1,220,537	15,170,487
Other	125,748	124,677	1,512,303
Total operating expenses	1,387,174	1,345,214	16,682,790
OPERATING INCOME	98,909	99,727	1,189,525
OTHER EXPENSES (INCOME):			
Interest charges	34,026	35,292	409,213
Gain on sales of investment securities (Note 4)	(2,276)	(37)	(27,372)
Loss on adjustment for changes of accounting standard for asset retirement obligations (Note 9)	18,429		221,636
Other-net	411	(3,138)	4,942
Total other expenses-net	50,590	32,117	608,419
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	48,319	67,610	581,106
INCOME TAXES (Note 11):			
Current	32,107	29,646	386,133
Deferred	(12,861)	(4,241)	(154,672)
Total income taxes	19,246	25,405	231,461
NET INCOME BEFORE MINORITY INTERESTS	29,073	42,205	349,645
MINORITY INTERESTS IN NET INCOME OF CONSOLIDATED SUBSIDIARIES	(343)	(392)	(4,125)
NET INCOME	¥ 28,730	¥ 41,813	\$ 345,520

PER SHARE OF COMMON STOCK (Note 2.s.):	Yen		U.S. Dollars
	2011	2010	2011
Basic net income	¥ 60.73	¥ 88.38	\$ 0.73
Cash dividends applicable to the year	60.00	60.00	0.72

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

Kyushu Electric Power Company, Incorporated and Consolidated Subsidiaries
Years Ended March 31, 2011

	Millions of Yen	Thousands of U.S. Dollars (Note 1)
	2011	2011
NET INCOME BEFORE MINORITY INTERESTS	¥ 29,073	\$ 349,645
OTHER COMPREHENSIVE INCOME (Note 18):		
Unrealized loss on available-for-sale securities	(4,891)	(58,821)
Deferred loss on derivatives under hedge accounting	(3,752)	(45,123)
Foreign currency translation adjustments	(336)	(4,041)
Share of other comprehensive income in non-consolidated subsidiaries and affiliated companies	(523)	(6,290)
Total other comprehensive income	(9,502)	(114,275)
COMPREHENSIVE INCOME (Note 18)	19,571	235,370
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO (Note 18):		
Owners of the parent	¥ 19,238	\$ 231,365
Minority interests	333	4,005

See notes to consolidated financial statements.

Consolidated Statements of Changes in Equity

Kyushu Electric Power Company, Incorporated and Consolidated Subsidiaries
Years Ended March 31, 2011 and 2010

	Thousands of Shares / Millions of Yen											
	Common Stock				Treasury Stock		Accumulated other comprehensive income			Total	Minority Interests	Total Equity
	Shares	Amount	Capital Surplus	Retained Earnings	Shares	Amount	Unrealized Gain on Available-for-sale Securities	Deferred Gain (loss) on Derivatives under Hedge Accounting	Foreign Currency Translation Adjustments			
BALANCE AT APRIL 1, 2009	474,184	¥ 237,305	¥ 31,147	¥ 775,130	1,024	¥ (2,000)	¥ 13,099	¥ 1,393	¥ (1,341)	¥ 1,054,733	¥ 17,642	¥ 1,072,375
Net income				41,813						41,813		41,813
Cash dividends, ¥60 per share				(28,405)						(28,405)		(28,405)
Purchase of treasury stock					101	(200)				(200)		(200)
Disposal of treasury stock			(6)		(14)	35				29		29
Net change in the year							3,284	487	51	3,822	(368)	3,454
BALANCE AT MARCH 31, 2010	474,184	237,305	31,141	788,538	1,111	(2,165)	16,383	1,880	(1,290)	1,071,792	17,274	1,089,066
Net income				28,730						28,730		28,730
Cash dividends, ¥60 per share				(28,401)						(28,401)		(28,401)
Purchase of treasury stock					98	(184)				(184)		(184)
Disposal of treasury stock			(3)		(6)	15				12		12
Net change in the year							(5,027)	(3,751)	(713)	(9,491)	(53)	(9,544)
BALANCE AT MARCH 31, 2011	474,184	¥ 237,305	¥ 31,138	¥ 788,867	1,203	¥ (2,334)	¥ 11,356	¥ (1,871)	¥ (2,003)	¥ 1,062,458	¥ 17,221	¥ 1,079,679

	Thousands of U.S. Dollars (Note 1)									
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Accumulated other comprehensive income			Total	Minority Interests	Total Equity
					Unrealized Gain on Available-for-sale Securities	Deferred Gain (loss) on Derivatives under Hedge Accounting	Foreign Currency Translation Adjustments			
BALANCE AT MARCH 31, 2010	\$ 2,853,939	\$ 374,516	\$ 9,483,319	\$ (26,037)	\$ 197,029	\$ 22,609	\$ (15,514)	\$ 12,889,861	\$ 207,745	\$ 13,097,606
Net income			345,520					345,520		345,520
Cash dividends, \$0.72 per share			(341,563)					(341,563)		(341,563)
Purchase of treasury stock				(2,213)				(2,213)		(2,213)
Disposal of treasury stock		(36)		180				144		144
Net change in the year					(60,457)	(45,111)	(8,575)	(114,143)	(637)	(114,780)
BALANCE AT MARCH 31, 2011	\$ 2,853,939	\$ 374,480	\$ 9,487,276	\$ (28,070)	\$ 136,572	\$ (22,502)	\$ (24,089)	\$ 12,777,606	\$ 207,108	\$ 12,984,714

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Kyushu Electric Power Company, Incorporated and Consolidated Subsidiaries
Years Ended March 31, 2011 and 2010

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
CASH FLOWS FROM OPERATING ACTIVITIES:			
Income before income taxes and minority interests	¥ 48,319	¥ 67,610	\$ 581,106
Adjustments for:			
Income taxes-paid	(34,741)	(11,188)	(417,811)
Depreciation and amortization	259,078	256,700	3,115,791
Decommissioning costs of nuclear power units	7,524		90,487
Provision for liability for employees' retirement benefits	2,986	4,015	35,911
Provision for (reversal of) reserve for reprocessing of irradiated nuclear fuel	(289)	2,783	(3,476)
Provision for reserve for decommissioning of nuclear power units		9,093	
Loss on disposal of plant and equipment	8,436	8,953	101,455
Loss on adjustment for changes of accounting standard for asset retirement obligations	18,429		221,636
Gain on sales of investment securities	(2,276)	(37)	(27,372)
Changes in assets and liabilities, net of effects from merger of a non-consolidated subsidiary with a consolidated subsidiary:			
Increase in reserve funds for reprocessing of irradiated nuclear fuel	(29,503)	(31,758)	(354,817)
Decrease (increase) in trade receivables	(4,825)	16,249	(58,028)
Decrease in inventories	5,225	12,635	62,838
Increase in trade payables	9,148	2,173	110,018
Other-net	13,836	14,210	166,398
Total adjustments	253,028	283,828	3,043,030
Net cash provided by operating activities	301,347	351,438	3,624,136
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures including nuclear fuel	(243,750)	(235,613)	(2,931,449)
Payments for investments and advances	(64,210)	(13,296)	(772,219)
Proceeds from sales of investment securities and collections of advances	8,547	9,451	102,790
Other-net	3,398	4,107	40,866
Net cash used in investing activities	(296,015)	(235,351)	(3,560,012)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of bonds	129,574	59,803	1,558,317
Repayments of bonds	(69,950)	(50,000)	(841,251)
Proceeds from long-term bank loans	88,830	25,230	1,068,310
Repayments of long-term bank loans	(103,871)	(119,324)	(1,249,200)
Net increase (decrease) in short-term borrowings	8,884	(21,758)	106,843
Net increase in commercial paper	30,000		360,794
Cash dividends paid	(28,413)	(28,398)	(341,708)
Other-net	(2,111)	(1,526)	(25,388)
Net cash provided by (used in) financing activities	52,943	(135,973)	636,717
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	(485)	(60)	(5,833)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	57,790	(19,946)	695,008
CASH AND CASH EQUIVALENTS OF A NON-CONSOLIDATED SUBSIDIARY MERGED WITH A CONSOLIDATED SUBSIDIARY	21		253
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	68,178	88,124	819,940
CASH AND CASH EQUIVALENTS AT END OF YEAR	¥ 125,989	¥ 68,178	\$ 1,515,201

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Kyushu Electric Power Company, Incorporated and Consolidated Subsidiaries
Years Ended March 31, 2011 and 2010

1. BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

Kyushu Electric Power Company, Incorporated (the "Company") has prepared the accompanying consolidated financial statements in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act, the Electricity Business Act and their related accounting regulations and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards. Especially accounting related to the nuclear power generation is regulated by the above accounting regulations which are dependent on a governmental long term nuclear energy policy.

Under Japanese GAAP, a consolidated statement of comprehensive income is required from the fiscal year ended March 31, 2011 and has been presented herein. Accordingly, accumulated other comprehensive income is presented in the consolidated balance sheet and the consolidated statement of changes in equity. Information with respect

to other comprehensive income for the year ended March 31, 2010 is disclosed in Note 18.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made to the consolidated financial statements for the year ended March 31, 2010 to conform to the classifications used in the consolidated financial statements for the year ended March 31, 2011.

The United States dollar amounts included herein are provided solely for the convenience of readers and are stated at the rate of ¥83.15 = U.S. \$1, the approximate exchange rate prevailing on March 31, 2011. The translations should not be construed as representations that the Japanese yen amounts could be converted into United States dollars at that or any other rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Consolidation and Application of the Equity Method — The consolidated financial statements as of March 31, 2011 include the accounts of the Company and its thirty-six (thirty-four for 2010) subsidiaries (together, the "Companies"). All significant intercompany transactions and balances have been eliminated in consolidation. Investments in sixteen (eighteen for 2010) non-consolidated subsidiaries and fourteen (thirteen for 2010) affiliated companies are accounted for by the equity method.

The Company adopts the control or influence concept. Under the concept, those companies in which the Company, directly or indirectly, is able to exercise control over operations are treated as subsidiaries and those companies over which the Companies have the ability to exercise significant influence are treated as affiliated companies.

The excess of the cost of an acquisition over the fair value of the net assets of the acquired subsidiary at the date of acquisition is being amortized over a period of five years.

Consolidation of the remaining subsidiaries and the application of the equity method to the remaining affiliated companies would not have a material effect on the accompanying consolidated financial statements.

The fiscal year-end of two consolidated subsidiaries and several non-consolidated subsidiaries and affiliated companies is December 31. The Company consolidates such consolidated subsidiaries' financial statements and accounts for investments in such non-consolidated subsidiaries and affiliated companies by the equity method using their financial results for the year ended December 31. The effects of any significant transactions during the period between the subsidiaries' and affiliated companies' fiscal year-end and the Company's fiscal year-end are reflected in the consolidated financial statements.

b. Business Combination — In December 2008, the Accounting Standards Board of Japan (the "ASBJ") issued a revised accounting standard for business combinations, ASBJ Statement No.21,

"Accounting Standard for Business Combinations." Major accounting changes under the revised accounting standard are as follows: (1) The revised standard requires accounting for business combinations only by the purchase method. As a result, the pooling of interests method of accounting is no longer allowed. (2) The current accounting standard accounts for the research and development costs to be charged to income as incurred. Under the revised standard, in-process research and development (IPR&D) acquired in the business combination is capitalized as an intangible asset. (3) The previous accounting standard provided for a bargain purchase gain (negative goodwill) to be systematically amortized over a period not exceeding 20 years. Under the revised standard, the acquirer recognizes the bargain purchase gain in profit or loss immediately on the acquisition date after reassessing and confirming that all of the assets acquired and all of the liabilities assumed have been identified after a review of the procedures used in the purchase allocation. This standard was applicable to business combinations undertaken on or after April 1, 2010.

The Companies applied this accounting standard effective April 1, 2010.

c. Property and Depreciation — Property is stated at cost. Contributions in aid of construction including those made by customers are deducted from the cost of the related assets.

Depreciation is principally computed using the declining-balance method based on the estimated useful lives of the assets. Depreciation of easements is computed using the straight-line method based on the estimated useful lives of the transmission lines.

d. Impairment of Fixed Assets — The Companies review their fixed assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the

carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

e. Amortization of Nuclear Fuel — Amortization of nuclear fuel is computed based on the proportion of current heat produced to the estimated total potential heat production over the estimated useful life of the nuclear fuel.

f. Investment Securities — Investment securities are classified and accounted for, depending on management's intent, as follows:

i) held-to-maturity debt securities are stated at cost with discounts or premiums amortized throughout the holding periods; ii) available-for-sale securities, which are not classified as the aforementioned securities and investment securities in non-consolidated subsidiaries and affiliated companies, are stated at market value; and securities without market value are stated at cost.

The Companies record unrealized gains or losses on available-for-sale securities, net of deferred taxes, in equity presented as "Unrealized gain on available-for-sale securities."

For other than temporary declines in fair value, investment securities are written down to net realizable value by a charge to income.

g. Cash Equivalents — Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash equivalents include time deposits and mutual funds investing in bonds that represent short-term investments, all of which mature or become due within three months of the date of acquisition.

h. Inventories — Inventories are stated at the lower of cost, principally determined by the average method, or net selling value.

i. Foreign Currency Transactions — Receivables and payables denominated in foreign currencies are translated into Japanese yen at the rates in effect as of the each balance sheet date.

j. Foreign Currency Financial Statements — The balance sheet accounts of the consolidated foreign subsidiary, and non-consolidated foreign subsidiaries and foreign affiliated companies which are accounted for by the equity method, are translated into Japanese yen at the current exchange rate as of the balance sheet date except for equity, which is translated at the historical rate. Differences arising from such translation were shown as "Foreign currency translation adjustments" under accumulated other comprehensive income in a separate component of equity.

Revenue and expense accounts of consolidated foreign subsidiary are translated into yen at the average exchange rate.

k. Derivatives and Hedging Activities — Derivative financial instruments and foreign currency transactions are classified and accounted for as follows: a) all derivatives are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the income statement and b) for

derivatives used for hedging purposes, if derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions.

Liabilities denominated in foreign currencies for which foreign exchange forward contracts and currency swaps are used to hedge the foreign currency fluctuations are translated at the contracted rate if the forward contracts and currency swaps qualify for hedge accounting. Forward contracts and currency swaps applied for committed transactions are measured at the fair value and the unrealized gains / losses are deferred until the underlying transactions are completed.

The interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value but the differential paid or received under the swap agreements are recognized and included in interest charges.

l. Severance Payments and Pension Plans — The Companies have unfunded retirement plans for most of their employees and the Company and most of the consolidated subsidiaries also have contributory funded defined benefit pension plans covering substantially all of their employees.

The Companies account for the liability for employees' retirement benefits based on the projected benefit obligations and plan assets of the pension fund at the end of the fiscal year.

m. Reserve for Reprocessing of Irradiated Nuclear Fuel — This reserve is provided for reprocessing costs of irradiated nuclear fuel. The annual provision is calculated in accordance with the accounting regulations set by the Japanese Government applicable to electric utility providers in Japan.

n. Reserve for Decommissioning of Nuclear Power Units — Provision is made for future disposition costs of nuclear power units based on a proportion of the current generation of electric power to the estimated total life-time generation of electric power of each unit in accordance with the accounting regulations set by the Japanese Government applicable to electric utility providers in Japan.

o. Asset Retirement Obligations — In March 2008, the ASBJ published the accounting standard for asset retirement obligations, ASBJ Statement No.18 "Accounting Standard for Asset Retirement Obligations" and ASBJ Guidance No.21 "Guidance on Accounting Standard for Asset Retirement Obligations". This standard was effective for fiscal years beginning on or after April 1, 2010. In March 2010, with the standard coming into effect, the Japanese Government, i.e. the Ministry of Economy, Trade and Industry revised the accounting regulations applicable to electric utility providers in Japan.

The Companies applied this accounting standard and accounting regulations effective April 1, 2010.

Under this accounting standard, an asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development and the normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset. The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement.

The Company recognizes the asset retirement obligation as the

sum of the future decommissioning costs imposed by the "Law on the Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors", discounted at 2.3%.

Asset retirement obligations as of April 1, 2010 include the amount transferred from "Reserve for decommissioning of nuclear power units" in the consolidated balance sheets as of March 31, 2010.

Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense based on a proportion of the current generation of electric power to the estimated total life-time generation of electric power of each unit.

The effect of this change was to decrease operating income by ¥769 million (\$9,248 thousand) and income before income taxes and minority interests by ¥19,198 million (\$230,884 thousand).

p. Income Taxes — The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

q. Reserve for Fluctuations in Water Level — This reserve is provided to stabilize the Company's income level based on the Electricity Business Act and related accounting regulations. This

reserve is recorded when the volume of water for generating hydroelectric power is abundant and available for future power generation, and reversed in years when there is an insufficient volume of water. Also this reserve must be shown as a liability under the act and regulations. Neither provision nor reversal of the reserve was made for the years ended March 31, 2011 and 2010.

r. Treasury Stock — The accounting standard for treasury stock requires that where an affiliated company holds a parent company's stock, a portion which is equivalent to the parent company's interest in such stock should be presented as treasury stock as a separate component of equity and the carrying value of the investment in the affiliated company should be reduced by the same amount.

s. Net Income and Cash Dividends per Share — Basic earnings per share ("EPS") is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding during the year and diluted EPS reflects the potential dilution that could occur if securities were exercised or converted into common stock.

Diluted EPS is not disclosed for the years ended March 31, 2011 and 2010, because potentially dilutive securities were not outstanding.

Cash dividends per share represent actual amounts applicable to earnings of the respective years.

t. Research and Development Costs — Research and development costs are charged to income as incurred.

3. PROPERTY

The breakdown of property as of March 31, 2011 and 2010 was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Costs:			
Electric power production facilities:			
Hydroelectric power	¥ 771,572	¥ 734,019	\$ 9,279,279
Thermal power	1,461,980	1,459,043	17,582,441
Nuclear power	1,603,145	1,564,071	19,280,156
Internal-combustion engine power	127,026	126,269	1,527,673
Renewable power	104,978	99,217	1,262,514
	4,068,701	3,982,619	48,932,063
Transmission facilities	1,648,706	1,628,237	19,828,094
Transformation facilities	964,429	960,966	11,598,665
Distribution facilities	1,345,637	1,329,468	16,183,247
General facilities	391,761	379,864	4,711,497
Other electricity-related facilities	41,460	41,456	498,617
Other plant and equipment	906,449	890,976	10,901,371
Construction in progress	247,837	247,078	2,980,601
Total	9,614,980	9,460,664	115,634,155
Less contributions in aid of construction	157,208	150,818	1,890,655
Less accumulated depreciation	6,424,647	6,272,791	77,265,749
Carrying amount	¥ 3,033,125	¥ 3,037,055	\$ 36,477,751

4. INVESTMENT SECURITIES

The costs and aggregate fair values of investment securities at March 31, 2011 and 2010 were as follows:

March 31, 2011	Millions of Yen			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	¥ 13,034	¥ 19,298	¥ 524	¥ 31,808
Debt securities	230	29	4	255
Other securities	420	7	28	399
Held-to-maturity	6,370	29	808	5,591

March 31, 2010	Millions of Yen			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	¥ 14,530	¥ 27,041	¥ 801	¥ 40,770
Debt securities	2,119	32	829	1,322
Other securities	431	10	27	414
Held-to-maturity	7,074	52	733	6,393

March 31, 2011	Thousands of U.S. Dollars			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	\$ 156,753	\$ 232,086	\$ 6,302	\$ 382,537
Debt securities	2,766	349	48	3,067
Other securities	5,051	84	336	4,799
Held-to-maturity	76,609	349	9,718	67,240

The information of the available-for-sale securities which were sold during the year ended March 31, 2011 was as follows:

March 31, 2011	Millions of Yen		
	Proceeds	Realized gains	Realized loss
Available-for-sale:			
Equity securities	¥ 2,930	¥ 2,225	
Debt securities	653		¥ 61
Other securities	6		4
Total	¥ 3,589	¥ 2,225	¥ 65

March 31, 2011	Thousands of U.S. Dollars		
	Proceeds	Realized gains	Realized loss
Available-for-sale:			
Equity securities	\$ 35,238	\$ 26,759	
Debt securities	7,853		\$ 734
Other securities	72		48
Total	\$ 43,163	\$ 26,759	\$ 782

Such information for the year ended March 31, 2010 is not disclosed because that is immaterial.

5. PLEDGED ASSETS

All of the Company's assets amounting to ¥3,890,891 million (\$46,793,638 thousand) are subject to certain statutory preferential rights established to secure bonds and loans borrowed from The Development Bank of Japan Inc. and bonds transferred to banks under debt assumption agreements (see Note 17).

Certain assets of the consolidated subsidiaries, amounting to

¥79,747 million (\$959,074 thousand), are pledged as collateral for a portion of their long-term debt at March 31, 2011.

Investments in affiliated companies held by a consolidated subsidiary, amounting to ¥24,417 million (\$293,650 thousand), are pledged as collateral for bank loans of the affiliated companies and the subsidiary of the affiliated company at March 31, 2011.

6. LONG-TERM DEBT

Long-term debt consisted of the following at March 31, 2011 and 2010:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Yen bonds, 0.35% to 3.65%, due serially to 2031	¥ 1,323,342	¥ 1,262,514	\$ 15,915,117
Swiss franc bonds, 2.625%, due 2014	18,913	18,939	227,456
Loans from The Development Bank of Japan Inc., 0.70% to 4.85%, due serially to 2028	149,472	175,391	1,797,619
Loans, principally from banks and insurance companies, 0.25% to 2.5%, due serially to 2026			
Collateralized	38,541	31,224	463,512
Unsecured	408,332	404,771	4,910,788
Obligations under finance leases	7,912	6,933	95,153
Total	1,946,512	1,899,772	23,409,645
Less current portion	232,082	174,799	2,791,124
Long-term debt, less current portion	¥ 1,714,430	¥ 1,724,973	\$ 20,618,521

The annual maturities of long-term debt outstanding at March 31, 2011 were as follows:

Year ending March 31	Millions of Yen	Thousands of U.S. Dollars
2012	¥ 232,082	\$ 2,791,124
2013	182,563	2,195,586
2014	233,288	2,805,628
2015	170,752	2,053,542
2016	178,049	2,141,299
Thereafter	949,778	11,422,466
Total	¥ 1,946,512	\$ 23,409,645

7. SEVERANCE PAYMENTS AND PENSION PLANS

Employees terminating their employment with the Companies, either voluntarily or upon reaching mandatory retirement age, are entitled, under most circumstances, to severance payments based on credits earned in each year of service, length of service and certain other factors. As for the Company, if the termination is made voluntarily at one of a number of specified ages, the employee is entitled to certain additional payments.

Additionally, the Company and most of the consolidated subsidiaries

have contributory funded defined benefit pension plans covering substantially all of their employees. In general, eligible employees retiring at the mandatory retirement age receive pension payments for the several fixed terms selected by them. As for the Company, eligible employees retiring after at least 20 years of service but before the mandatory retirement age, receive a lump-sum payment upon retirement and annuities.

The liability for employees' retirement benefits at March 31, 2011 and 2010 consisted of the followings:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Projected benefit obligation	¥ 493,205	¥ 492,766	\$ 5,931,509
Fair value of plan assets	(330,737)	(327,610)	(3,977,595)
Unrecognized actuarial loss	(17,921)	(23,763)	(215,526)
Unrecognized prior service cost (deduction of liability)	140	306	1,684
Net liability	¥ 144,687	¥ 141,699	\$ 1,740,072

The components of net periodic benefit costs for the years ended March 31, 2011 and 2010 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Service Cost	¥ 15,204	¥ 14,689	\$ 182,850
Interest Cost	9,678	9,606	116,392
Expected return on plan assets	(6,730)	(678)	(80,938)
Recognized actuarial loss	4,143	10,328	49,826
Amortization of prior service cost	(943)	(196)	(11,341)
Net periodic benefit costs	¥ 21,352	¥ 33,749	\$ 256,789

Assumptions for actuarial computations for the years ended March 31, 2011 and 2010 are as follows:

	2011	2010
Discount rate	2.0%	2.0%
Expected rate of return on plan assets	mainly 2.0%	mainly 0.0%
Recognition period of actuarial gain / loss	mainly 5 years	mainly 5 years
Amortization period of prior service cost	mainly 5 years	mainly 5 years

8. RESERVE FOR REPROCESSING OF IRRADIATED NUCLEAR FUEL

The reserve is provided for reprocessing costs of irradiated nuclear fuel resulting from operation of nuclear power production facilities. The annual provision is calculated in accordance with the accounting regulations set by the Japanese Government applicable to electric utility providers in Japan.

The reserve is consisted of three portions and each of them is calculated in different ways.

- The costs reprocessed in Japan Nuclear Fuel Limited ("JNFL") are calculated based on the expected future cash flows discounted at 1.5% and 1.3% at March 31, 2011 and 2010, respectively,
- the costs reprocessed in the other reprocessing companies are calculated based on the quantities to be reprocessed as of each balance sheet date and contracted reprocessing rate,
- the costs of irradiated nuclear fuels which have no authorized definite reprocessing plan are calculated based on the expected future cash flows discounted at 4.0%.

As of April 1, 2005, unrecognized prior costs of ¥130,495 million, which had not been recognized in the past as liability, were incurred because new accounting regulations to estimate the reprocessing costs for irradiated nuclear fuel were applicable on or after April 1, 2005. These costs were amortized on a straight-line basis over 15 years. The Company recalculated an estimate in accordance with a

specific law. As a result, the unrecognized prior costs as of April 1, 2008 were changed from ¥104,397 million to ¥90,977 million, and these costs are amortized over 12 years, beginning on April 1, 2008. The balance of unrecognized past costs as of March 31, 2011 was ¥68,233 million (\$820,601 thousand). The Company is permitted to recover these reprocessing costs by including them in the admitted cost elements for electric rate.

In addition, if any changes are made in the assumptions for the calculations of the reserve, such as expected future cash flows and the discount rate, unrecognized difference might be incurred. The balance of unrecognized difference as of March 31, 2011 is a gain of ¥9,424 million (\$113,337 thousand). In accordance with the accounting regulations, the difference will be amortized on a straight-line basis beginning the following year the change was made, over the period in which the irradiated nuclear fuel was produced. The annual amortization is treated as operating expenses.

An independent fund managing body was set up based on a specific law and the Company is obliged to contribute the same amounts as the balance of reserve for reprocessing of irradiated nuclear fuel to reserve funds in 15 years. The reserve funds is provided to ensure the appropriate reprocessing of irradiated nuclear fuel and presented as "Reserve funds for reprocessing of irradiated nuclear fuel."

9. ASSET RETIREMENT OBLIGATIONS

The changes in asset retirement obligations for the year ended March 31, 2011 were as follows:

March 31, 2011	Millions of Yen	Thousands of U.S. Dollars
Balance at beginning of year	¥ 203,325	\$2,445,279
Net change in the year	4,530	54,480
Balance at end of year	¥ 207,855	\$2,499,759

10. SHORT-TERM BORROWINGS

Short-term borrowings are generally represented by bank loans, bearing interest at rates ranging from 0.24% to 1.88% and from 0.43% to 1.88% at March 31, 2011 and 2010, respectively.

11. INCOME TAXES

The Companies are subject to national and local income taxes. The aggregate normal statutory tax rates for the Company approximated 36.1% for the years ended March 31, 2011 and 2010.

The tax effects of significant temporary differences and tax loss carryforwards which resulted in deferred tax assets and liabilities at March 31, 2011 and 2010 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Deferred Tax Assets:			
Pension and severance costs	¥ 52,950	¥ 51,858	\$ 636,801
Depreciation	35,632	33,816	428,527
Asset retirement obligations	28,083		337,739
Reserve for reprocessing of irradiated nuclear fuel	23,443	21,280	281,936
Reserve for decommissioning of nuclear power units		15,025	
Unrealized profits arising from the elimination of intercompany transactions in consolidation	9,774	9,644	117,547
Accrued bonus to employees	7,714	7,645	92,772
Other	39,504	37,277	475,093
Less valuation allowance	(28,546)	(28,089)	(343,307)
Deferred tax assets	¥ 168,554	¥ 148,456	\$ 2,027,108
Deferred Tax Liabilities:			
Unrealized gain on available-for-sale securities	¥ 6,551	¥ 9,342	\$78,785
Capitalized asset retirement costs	6,122		73,626
Other	1,875	2,854	22,550
Deferred tax liabilities	¥ 14,548	¥ 12,196	\$ 174,961
Net deferred tax assets	¥ 154,006	¥ 136,260	\$ 1,852,147

A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statements of income for the year ended March 31, 2011 was as follows:

	2011
Normal effective statutory tax rate	36.1%
Increase in valuation allowance	4.0
Expenses not deductible taxable for income tax purposes	3.0
Tax credit for R&D	(1.7)
Other-net	(1.6)
Actual effective tax rate	39.8%

Such reconciliation for the year ended March 31, 2010 is not disclosed because the difference between the normal effective statutory tax rate and the actual effective tax rate is immaterial.

12. EQUITY

Japanese companies are subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

(a) Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders meeting. For companies that meet certain criteria, the Board of Directors may declare dividends (except for dividends in kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. However, the Company cannot do so because it does not meet all the above criteria.

The Companies Act permits companies to distribute dividends-in-kind (non-cash assets) to shareholders subject to a certain limitation and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

(b) Increases / decreases and transfer of common stock, reserve and surplus

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account that was charged upon the payment of such dividends until the total of aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

(c) Treasury stock and treasury stock acquisition rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by specific formula. Under the Companies Act, stock acquisition rights are presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

13. RESEARCH AND DEVELOPMENT COSTS

Research and development costs charged to income were ¥10,692 million (\$128,587 thousand) and ¥10,442 million for the years ended March 31, 2011 and 2010, respectively.

14. RELATED PARTY DISCLOSURES

Significant transactions of the Company with an affiliated company for the years ended March 31, 2011 and 2010 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
KYUDENKO CORPORATION			
Transactions:			
Purchase of construction works on distribution facilities and other	¥ 45,362	¥ 42,014	\$ 545,544
Balances at year end:			
Payables for construction works	4,504	5,213	54,167

15. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Items Pertaining to Financial Instruments

(a) The Companies' policy for financial instruments

The Companies use financial instruments, mainly long-term debt including bonds and loans, to raise funds required for investments in electric utility plant and equipment, and repayments of bonds and loans. Cash surpluses, if any, are invested in low risk financial assets. Derivatives are used, not for speculative purposes, but to avoid financial risks as described in (b) below.

(b) Nature and extent of risks arising from financial instruments, and risk control system

Investment securities, mainly held-to-maturity debt securities and equity securities issued by companies related through business, and investments in and advances to non-consolidated subsidiaries and affiliated companies which have a quoted market price in an active market, are exposed to the risk of market price fluctuations. Such market risk is managed by monitoring market values and financial position of issuers on a regular basis. Investment securities and investments in and advances to non-consolidated subsidiaries and affiliated companies which do not have a quoted market price in an active market are managed by monitoring financial position of issuers on a regular basis. In addition, the Company requires its non-consolidated subsidiaries and affiliated companies to submit business plans and performance reports, and to consult in advance on any items that could have a significant impact on the Companies' business activities.

Reserve funds for reprocessing of irradiated nuclear fuel is provided in accordance with a specific law to ensure the appropriate reprocessing of irradiated nuclear fuel resulting from operation of

nuclear power production facilities.

Receivables are exposed to customer credit risk. Payment term is set forth in electric power supply agreements and so on. The Companies manage their credit risk from receivables by monitoring of payment term and balances of each customer and identifying and reduction of the default risk of customers in early stage.

Bonds and loans are mainly used to raise funds for investments in electric utility plant and equipment. Bonds in a foreign currency are exposed to the market risk of fluctuation in foreign currency exchange rates, which is mitigated by using currency swaps. Although a part of loans are exposed to market risk from changes in variable interest rates, a consolidated subsidiary of the Company mitigates such risk from long-term loans by using interest rate swaps.

Payments terms of notes and accounts payable are less than one year. Although a part of accounts payable to purchase fuel in foreign currencies are exposed to the market risk of fluctuations in foreign exchange and fuel price, such risk is mitigated by using foreign exchange forward contracts, currency swaps and energy swap agreements.

The Companies use foreign exchange forward contracts, currency swaps, interest rate swaps and energy swap agreements to manage their exposures to fluctuations in foreign exchange, interest rates and fuel price, respectively.

Please see Note 16 for more detail about derivatives.

Liquidity risk comprises the risk that the Companies cannot meet their contractual obligations in full on maturity dates. The Companies manage their liquidity risk by holding adequate volumes of liquid assets based on monthly financial planning and diversifying sources of their financing.

Fair values of financial instruments

The carrying amounts and aggregate fair values of financial instruments at March 31, 2011 and 2010 were as follows:

March 31, 2011	Millions of Yen		
	Carrying amount	Fair value	Unrecognized loss
Investment securities:			
Held-to-maturity debt securities	¥ 6,370	¥ 5,591	¥ 779
Available-for-sale securities	32,462	32,462	
Investments in and advances to non-consolidated subsidiaries and affiliated companies	18,235	11,879	6,356
Reserve funds for reprocessing of irradiated nuclear fuel	197,273	197,273	
Cash and cash equivalents	125,989	125,989	
Receivables	113,883	113,883	
Total	¥ 494,212	¥ 487,077	¥ 7,135
Long-term debt:			
Bonds	¥ 1,342,255	¥ 1,384,020	¥ 41,765
Loans	596,345	615,122	18,777
Short-term borrowings	120,771	120,771	
Commercial paper	30,000	30,000	
Notes and accounts payable	117,302	117,302	
Accrued income taxes	18,737	18,737	
Total	¥ 2,225,410	¥ 2,285,952	¥ 60,542
Derivatives	¥ (2,746)	¥ (2,746)	
March 31, 2010			
Investment securities:			
Held-to-maturity debt securities	¥ 7,074	¥ 6,393	¥ 681
Available-for-sale securities	42,506	42,506	
Investments in and advances to non-consolidated subsidiaries and affiliated companies	17,890	12,574	5,316
Reserve funds for reprocessing of irradiated nuclear fuel	167,770	167,770	
Cash and cash equivalents	68,178	68,178	
Receivables	110,592	110,592	
Total	¥ 414,010	¥ 408,013	¥ 5,997
Long-term debt:			
Bonds	¥ 1,281,453	¥ 1,328,114	¥ 46,661
Loans	611,386	634,544	23,158
Short-term borrowings	111,887	111,887	
Notes and accounts payable	99,838	99,838	
Accrued income taxes	21,344	21,344	
Total	¥ 2,125,908	¥ 2,195,727	¥ 69,819
Derivatives	¥ 3,126	¥ 3,126	

March 31, 2011	Thousands of U.S.Dollars		
	Carrying amount	Fair value	Unrecognized loss
Investment securities:			
Held-to-maturity debt securities	\$ 76,609	\$ 67,240	\$ 9,369
Available-for-sale securities	390,403	390,403	
Investments in and advances to non-consolidated subsidiaries and affiliated companies	219,303	142,863	76,440
Reserve funds for reprocessing of irradiated nuclear fuel	2,372,495	2,372,495	
Cash and cash equivalents	1,515,201	1,515,201	
Receivables	1,369,609	1,369,609	
Total	\$ 5,943,620	\$ 5,857,811	\$ 85,809
Long-term debt:			
Bonds	\$ 16,142,573	\$ 16,644,859	\$ 502,286
Loans	7,171,919	7,397,739	225,820
Short-term borrowings	1,452,447	1,452,447	
Commercial paper	360,794	360,794	
Notes and accounts payable	1,410,728	1,410,728	
Accrued income taxes	225,340	225,340	
Total	\$ 26,763,801	\$ 27,491,907	\$ 728,106
Derivatives	\$ (33,025)	\$ (33,025)	

The securities whose fair value cannot be reliably determined are excluded from investment securities and investments in and advances to non-consolidated subsidiaries and affiliated companies (see (b) below).

Advances are excluded from investments in and advances to non-consolidated subsidiaries and affiliated companies because they are immaterial.

Long-term debt contains current portion of them, and obligations under finance leases are excluded because they are immaterial.

Derivatives are stated at the net amount.

(a) Methods used to calculate fair values of financial instruments
Investment securities, and investments in and advances to non-consolidated subsidiaries and affiliated companies

The fair values of investment securities and investments in and advances to non-consolidated subsidiaries and affiliated companies are measured at the quoted market price of the exchanges for the equity securities and some of debt securities, and principally at the quoted price obtained from the financial institution for other debt securities. The information of the fair values for the investment securities by classification is included in Note 4.

Reserve funds for reprocessing of irradiated nuclear fuel

Reserve funds for reprocessing of irradiated nuclear fuel is provided in accordance with a specific law to ensure the appropriate reprocessing of irradiated nuclear fuel resulting from operation of nuclear power production facilities.

The funds must be used in accordance with a plan approved by the Japanese Government. The fair value is based on the carrying amount determined by discounting the cash flows related to the using plan.

Cash and cash equivalents, and receivables

The carrying amounts of cash and cash equivalents, and receivables

approximate fair values because of their short maturities.

Bonds

The fair values of bonds are based on market price. Bonds denominated in a foreign currency for which currency swaps are used to hedge the foreign currency fluctuations (see Note 16) are treated as yen-denominated bonds. The fair values are determined by discounting the cash flows related to the bonds at the Company's assumed corporate borrowing rate.

Long-term loans

The fair values of long-term loans at fixed interest rates are determined by discounting the cash flows related to the loans at the Company's assumed corporate borrowing rate. Because loans at variable interest rates reflect short-term movements in market interest rates and there has been no substantial change in the Company's credit position since the loans were implemented, the carrying amounts approximate fair values. A part of loans are subjected to interest rate swaps which qualify for hedge accounting and meet specific matching criteria (see Note 16), the fair values are determined by discounting the cash flows related to the loans with the interest rate swaps at the Company's assumed corporate borrowing rate.

Short-term borrowings, commercial paper, notes and accounts payable, and accrued income taxes

The carrying amounts of short-term borrowings, commercial paper, notes and accounts payable and accrued income taxes approximate fair values because of their short maturities.

Derivatives

The information of the fair value for derivatives is included in Note 16.

(b) Financial instruments whose fair value cannot be reliably determined

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Investment securities:			
Available-for-sale:			
Equity securities	¥ 72,446	¥ 35,696	\$ 871,269
Other securities	1,910	1,961	22,970
Investments in and advances to non-consolidated subsidiaries and affiliated companies:			
Equity securities	70,747	48,068	850,836
Other securities	6,986	7,400	84,017
Total	¥ 152,089	¥ 93,125	\$ 1,829,092

Maturity analysis for financial assets and securities with contractual maturities

March 31, 2011	Millions of Yen			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Investment securities:				
Held-to-maturity debt securities	¥ 941	¥ 1,245	¥ 710	¥ 3,474
Available-for-sale securities with contractual maturities	7	241	26	
Reserve funds for reprocessing of irradiated nuclear fuel	30,898			
Cash and cash equivalents	125,989			
Receivables	113,883			
Total	¥ 271,718	¥ 1,486	¥ 736	¥ 3,474

March 31, 2011	Thousands of U.S. Dollars			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Investment securities:				
Held-to-maturity debt securities	\$ 11,317	\$ 14,973	\$ 8,539	\$ 41,780
Available-for-sale securities with contractual maturities	84	2,898	313	
Reserve funds for reprocessing of irradiated nuclear fuel	371,594			
Cash and cash equivalents	1,515,201			
Receivables	1,369,609			
Total	\$ 3,267,805	\$ 17,871	\$ 8,852	\$ 41,780

Reserve funds for reprocessing of irradiated nuclear fuel is provided for reprocessing costs of irradiated nuclear fuel charged by JNFL. Using plan of the reserve funds is disclosed only about due in one year or

less, to comply with agreements with JNFL and to avoid disadvantage, possibly caused by disclosure, to the interested parties.

Please see Note 6 for annual maturities of long-term debt.

16. DERIVATIVES

The Company enters into foreign exchange forward contracts, currency swaps, interest rate swaps and energy swap agreements to manage its exposures to fluctuations in foreign exchanges, interest rates and fuel price, respectively.

A consolidated subsidiary of the Company enters into interest rate swaps to manage exposure to fluctuations in interest rates.

The Companies do not enter into derivatives for trading or speculative purposes.

Foreign exchange forward contracts, currency swaps, interest rate swaps and energy swap agreements are not subject to any market risk

except for abandoning potential income by market fluctuations in hedged items.

The Companies do not anticipate any losses arising from credit risk which is the possibility that a loss may result from counterparties' failure to perform according to the terms and conditions of the contract, because the counterparties to those derivatives have high credit ratings.

The derivative transactions are executed by the specific sections and administrative section monitors them based on internal policies.

Derivative transactions to which hedge accounting is applied

At March 31, 2011	Millions of Yen			Fair Value
	Hedged item	Contract Amount	Contract Amount due after One Year	
Currency swaps:				
Buying CHF (Note b)	Bonds	¥ 19,863	¥ 19,523	
Buying U.S.\$ (Note a)	Accounts payable	¥ 52,147	¥ 36,819	¥ (3,129)
Energy swap agreements: (fixed price payment, floating price receipt) (Note a)				
	Accounts payable	¥ 9,275	¥ 6,660	¥ 383
Interest rate swaps: (fixed rate payment, floating rate receipt) (Note b)				
	Long-term loans	¥ 3,991	¥ 3,299	
Total				¥ (2,746)

At March 31, 2010	Millions of Yen			Fair Value
	Hedged item	Contract Amount	Contract Amount due after One Year	
Currency swaps:				
Buying CHF (Note b)	Bonds	¥ 20,203	¥ 19,863	
Buying U.S.\$ (Note a)	Accounts payable	¥ 40,882	¥ 29,550	¥ (46)
Energy swap agreements: (fixed price payment, floating price receipt) (Note a)				
	Accounts payable	¥ 4,549	¥ 3,599	¥ 3,172
Interest rate swaps: (fixed rate payment, floating rate receipt) (Note b)				
	Long-term loans	¥ 4,667	¥ 3,991	
Total				¥ 3,126

At March 31, 2011	Thousands of U.S. Dollars			Fair Value
	Hedged item	Contract Amount	Contract Amount due after One Year	
Currency swaps:				
Buying CHF (Note b)	Bonds	\$ 238,882	\$ 234,793	
Buying U.S.\$ (Note a)	Accounts payable	\$ 627,144	\$ 442,802	\$ (37,631)
Energy swap agreements: (fixed price payment, floating price receipt) (Note a)				
	Accounts payable	\$ 111,545	\$ 80,096	\$ 4,606
Interest rate swaps: (fixed rate payment, floating rate receipt) (Note b)				
	Long-term loans	\$ 47,998	\$ 39,675	
Total				\$ (33,025)

Notes:

a) The fair value of derivative transactions is measured at the quoted price obtained from the financial institution.

b) Bonds denominated in foreign currencies for which currency swaps are used to hedge the foreign currency fluctuations are translated at the contracted rate if the currency swaps qualify for hedge accounting.

The interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value but the differential paid or received under the swap agreements are recognized and included in interest charges.

As a result, the fair values of such currency swaps and interest rate swaps are included in those of hedged items (i.e. bonds and long-term loans, respectively) in Note 15.

c) The contract or notional amounts of derivatives which are shown in the above table do not represent the amounts exchanged by the parties and do not measure the Companies' exposure to market risk.

17. COMMITMENTS AND CONTINGENCIES

At March 31, 2011, the Companies had a number of fuel purchase commitments, most of which specify quantities and dates for fuel deliveries. However, most of purchase prices are contingent upon fluctuations in market prices.

Contingent liabilities as of March 31, 2011 were as follows:

	Millions of Yen	Thousands of U.S. Dollars
Co-guarantees of loans, mainly in connection with procurement of fuel	¥ 95,410	\$ 1,147,444
Guarantees of employees' loans	82,013	986,326
Guarantees under debt assumption agreements	70,000	841,852
Other	15,203	182,838

Under the debt assumption agreements, the Company was contingently liable for the redemption of the domestic bonds transferred to banks.

18. COMPREHENSIVE INCOME

Total comprehensive income for the year ended March 31, 2010 was the following:

	2010
Total comprehensive income attributable to:	
Owners of the parent	¥ 45,636
Minority interests	429
Total comprehensive income	¥ 46,065

Other comprehensive income for the year ended March 31, 2010 consisted of the following:

	2010
Other comprehensive income:	
Unrealized gain on available-for-sale securities	¥ 3,048
Deferred gain on derivatives under hedge accounting	478
Share of other comprehensive income in non-consolidated subsidiaries and affiliated companies	334
Total other comprehensive income	¥ 3,860

19. SEGMENT INFORMATION

For the years ended March 31, 2011 and 2010

In March 2008, the ASBJ revised ASBJ Statement No. 17 "Accounting Standard for Segment Information Disclosures" and issued ASBJ Guidance No.20 "Guidance on Accounting Standard for Segment Information Disclosures". Under the standard and guidance, an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. This accounting standard and the guidance are applicable to segment information disclosures for the fiscal years beginning on or after April 1, 2010.

The segment information for the year ended March 31, 2010 under the revised accounting standard is also disclosed hereunder as required. However, with regard to segment information for the previous fiscal year, disclosure of segment information for the previous fiscal year prepared on the basis of the revised accounting standard has been omitted since information similar to that was disclosed.

(a) Description of reportable segments

The Companies' reportable segments are those for which separately financial information is available and regular evaluation by the Company's management is being performed in order to decide how resources are allocated among the Companies. Therefore, the Companies consist of the industry Electric power, Energy related Business, IT and telecommunications and Other.

Energy related business consists of obtaining, storing, gasifying, supplying and selling LNG and other businesses related to energy.

IT and telecommunications consists of provision of telecommunications.

Other consists of environment and recycling, lifestyle-oriented services and others.

(b) Methods of measurement for the amounts of sales, profit, assets and other items for each reportable segment

The accounting policies of each reportable segment are consistent to those disclosed in Note 2, "Summary of Significant Accounting Policies".

(c) Information about sales, profit, assets and other items is as follows.

	Millions of Yen							
	2011						Reconciliations	Consolidated
	Electric Power	Energy related Business	IT and telecommunications	Other	Total			
Sales:								
Sales to external customers	¥ 1,354,204	¥ 59,768	¥ 60,913	¥ 11,198	¥ 1,486,083		¥ 1,486,083	
Intersegment sales or transfers	2,114	98,247	35,315	14,899	150,575	¥ (150,575)		
Total	1,356,318	158,015	96,228	26,097	1,636,658	(150,575)	1,486,083	
Segment profit	86,599	3,023	6,484	3,381	99,487	(578)	98,909	
Segment assets	3,741,007	300,947	147,890	154,974	4,344,818	(159,357)	4,185,461	
Other:								
Depreciation	222,956	14,130	19,625	5,325	262,036	(2,958)	259,078	
Increase in property and nuclear fuel	228,812	6,465	23,669	7,601	266,547	(4,731)	261,816	

Thousands of U.S. Dollars							
2011							
	Reportable segment					Reconciliations	Consolidated
	Electric Power	Energy related Business	IT and telecommunications	Other	Total		
Sales:							
Sales to external customers	\$ 16,286,278	\$ 718,797	\$ 732,568	\$ 134,672	\$ 17,872,315		\$ 17,872,315
Intersegment sales or transfers	25,424	1,181,564	424,714	179,182	1,810,884	\$(1,810,884)	
Total	16,311,702	1,900,361	1,157,282	313,854	19,683,199	(1,810,884)	17,872,315
Segment profit	1,041,479	36,356	77,980	40,661	1,196,476	(6,951)	1,189,525
Segment assets	44,991,064	3,619,327	1,778,593	1,863,788	52,252,772	(1,916,500)	50,336,272
Other:							
Depreciation	2,681,371	169,934	236,019	64,041	3,151,365	(35,574)	3,115,791
Increase in property and nuclear fuel	2,751,798	77,751	284,654	91,413	3,205,616	(56,897)	3,148,719

Notes:

(a) Reconciliations of the segment profit and the segment assets are intersegment transaction eliminations.

(b) Segment profit is adjusted to reflect operating income on the consolidated statements of income.

For the year ended March 31, 2010

Information by business segments for the years ended March 31, 2010 is as follows:

Business Segments

Millions of Yen						
2010						
	Electric Power	Energy-related Business	IT and telecommunications	Other	Eliminations/Corporate	Consolidated
Sales to customers	¥ 1,310,085	¥ 65,503	¥ 58,143	¥ 11,210		¥ 1,444,941
Intersegment sales	2,019	98,297	41,042	15,350	¥ (156,708)	
Total sales	1,312,104	163,800	99,185	26,560	(156,708)	1,444,941
Operating expenses	1,229,155	156,398	92,824	23,344	(156,507)	1,345,214
Operating income	¥ 82,949	¥ 7,402	¥ 6,361	¥ 3,216	¥ (201)	¥ 99,727
Total assets	¥ 3,645,116	¥ 281,893	¥ 142,979	¥ 146,973	¥ (162,769)	¥ 4,054,192
Depreciation	219,834	14,628	19,903	5,229	(2,894)	256,700
Impairment loss	1,786			200		1,986
Capital expenditures	215,507	4,901	18,994	9,372	(4,593)	244,181

Geographic segment information is not disclosed because the Companies' overseas operations are immaterial.

Information for overseas sales is not disclosed due to overseas sales being immaterial compared with consolidated net sales.

20. SUBSEQUENT EVENT

At the general shareholders meeting held on June 28, 2011, the Company's shareholders approved the following appropriation of retained earnings as of March 31, 2011:

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥30.00 (\$0.36) per share	¥ 14,198	\$ 170,752



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Kyushu Electric Power Company, Incorporated:

We have audited the accompanying consolidated balance sheets of Kyushu Electric Power Company, Incorporated (the "Company") and consolidated subsidiaries as of March 31, 2011 and 2010, and the related consolidated statements of income for the years then ended, the consolidated statement of comprehensive income for the year ended March 31, 2011, and the related consolidated statements of changes in equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Kyushu Electric Power Company, Incorporated and consolidated subsidiaries as of March 31, 2011 and 2010, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

As discussed in Note 2.o. to the consolidated financial statements, effective April 1, 2010, the consolidated financial statements have been prepared in accordance with the new accounting standard for asset retirement obligations.

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu LLC

June 28, 2011

Member of
Deloitte Touche Tohmatsu Limited

Non-consolidated Five-Year Financial Summary

Kyushu Electric Power Company, Incorporated
Years Ended March 31, 2011 and 2010 (Unaudited)

For the Year:	Millions of Yen (except for per share data)					Thousands of U.S. Dollars (except for per share data)
	2011	2010	2009	2008	2007	2011
Operating revenues	¥ 1,387,518	¥ 1,339,808	¥ 1,430,162	¥ 1,392,060	¥ 1,333,038	\$ 16,686,927
Electric	1,356,318	1,312,104	1,400,792	1,365,701	1,310,170	16,311,702
Other	31,200	27,704	29,370	26,359	22,868	375,225
Operating expenses	1,269,719	1,229,155	1,326,654	1,271,380	1,165,874	15,270,222
Personnel	162,651	172,720	136,794	138,313	144,806	1,956,115
Fuel	284,858	213,008	305,600	279,930	211,318	3,425,833
Purchased power	137,063	113,668	149,940	123,276	112,603	1,648,382
Depreciation	197,978	196,742	195,232	197,343	189,004	2,380,974
Maintenance	175,986	195,118	197,807	184,938	170,789	2,116,488
Reprocessing costs of irradiated nuclear fuel	30,796	33,787	34,167	41,579	49,859	370,367
Decommissioning costs of nuclear power units	7,524	9,093	8,309	21,357	6,546	90,487
Disposal cost of high-level radioactive waste	8,885	10,373	8,669	9,125	8,822	106,855
Disposition of property	15,181	16,478	22,877	16,329	17,866	182,574
Taxes other than income taxes	87,680	87,474	88,453	87,107	87,216	1,054,480
Subcontract fee	67,729	79,226	74,835	70,721	65,657	814,540
Rent	32,789	34,334	35,760	36,547	36,515	394,336
Other	60,599	67,134	68,211	64,815	64,873	728,791
Interest charges	32,151	33,145	33,444	34,426	35,800	386,663
Income before income taxes	35,778	50,356	44,165	60,162	100,085	430,283
Net income	20,444	28,308	26,917	35,683	59,237	245,869
Per share of common stock (yen and U.S. dollars):						
Basic net income	¥ 43.19	¥ 59.80	¥ 56.85	¥ 75.37	¥ 125.07	\$ 0.52
Cash dividends applicable to the year	60.00	60.00	60.00	60.00	60.00	0.72
At year-end:						
Total assets	¥ 3,890,891	¥ 3,776,569	¥ 3,834,125	¥ 3,784,701	¥ 3,790,112	\$ 46,793,638
Net property	2,811,194	2,811,064	2,847,639	2,878,537	2,926,322	33,808,707
Long-term debt, less current portion	1,627,260	1,641,073	1,715,780	1,620,563	1,595,429	19,570,174
Total equity	967,516	984,109	981,540	999,679	1,018,804	11,635,791

(U.S. dollar amounts have been translated from yen, for convenience, at the rate of ¥83.15 = U.S. \$1, the approximate rate of exchange at March 31, 2011.)

Non-consolidated Balance Sheets

Kyushu Electric Power Company, Incorporated
March 31, 2011 and 2010 (Unaudited)

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
ASSETS			
PROPERTY:			
Plant and equipment	¥ 8,732,411	¥ 8,592,420	\$ 105,019,976
Construction in progress	245,260	246,824	2,949,609
Total	8,977,671	8,839,244	107,969,585
Less-			
Contributions in aid of construction	149,323	143,024	1,795,827
Accumulated depreciation	6,017,154	5,885,156	72,365,051
Total	6,166,477	6,028,180	74,160,878
Net property	2,811,194	2,811,064	33,808,707
NUCLEAR FUEL	263,381	269,663	3,167,541
INVESTMENTS AND OTHER ASSETS:			
Investment securities	104,139	76,414	1,252,423
Investments in and advances to subsidiaries and affiliated companies	150,753	134,056	1,813,025
Reserve funds for reprocessing of irradiated nuclear fuel	197,273	167,770	2,372,495
Deferred tax assets	117,874	101,793	1,417,607
Other assets	11,145	15,771	134,035
Total investments and other assets	581,184	495,804	6,989,585
CURRENT ASSETS:			
Cash and cash equivalents	85,105	41,681	1,023,512
Receivables	90,882	87,637	1,092,989
Allowance for doubtful accounts	(596)	(711)	(7,168)
Fuel and supplies	39,232	47,135	471,822
Deferred tax assets	13,164	11,440	158,316
Prepaid expenses and other	7,345	12,856	88,334
Total current assets	235,132	200,038	2,827,805
TOTAL	¥ 3,890,891	¥ 3,776,569	\$ 46,793,638

(U.S. dollar amounts have been translated from yen, for convenience, at the rate of ¥83.15 = U.S. \$1, the approximate rate of exchange at March 31, 2011.)

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
LIABILITIES AND EQUITY			
LONG-TERM LIABILITIES:			
Long-term debt, less current portion	¥ 1,627,260	¥ 1,641,073	\$ 19,570,174
Liability for employees' retirement benefits	127,722	124,225	1,536,043
Reserve for reprocessing of irradiated nuclear fuel	368,931	369,220	4,436,934
Reserve for decommissioning of nuclear power units		164,931	
Asset retirement obligations	207,690		2,497,775
Other	23,742	15,758	285,532
Total long-term liabilities	2,355,345	2,315,207	28,326,458
CURRENT LIABILITIES:			
Current portion of long-term debt	200,512	153,929	2,411,449
Short-term borrowings	116,000	104,600	1,395,069
Commercial paper	30,000		360,794
Accounts payable	95,707	77,447	1,151,016
Accrued income taxes	16,856	17,908	202,718
Accrued expenses	80,756	91,520	971,209
Other	28,199	31,849	339,134
Total current liabilities	568,030	477,253	6,831,389
EQUITY :			
Common stock, authorized, 1,000,000,000 shares; issued, 474,183,951 shares in 2011 and 2010	237,305	237,305	2,853,939
Capital surplus:			
Additional paid-in capital	31,087	31,087	373,867
Other capital surplus	28	30	337
Retained earnings:			
Legal reserve	59,326	59,326	713,482
Retained earnings - carryforward	632,893	640,850	7,611,461
Unrealized gain on available-for-sale securities	10,728	15,481	129,020
Deferred gain (loss) on derivatives under hedge accounting	(1,755)	1,998	(21,107)
Treasury stock-at cost 905,742 shares in 2011 and 835,566 shares in 2010	(2,096)	(1,968)	(25,208)
Total equity	967,516	984,109	11,635,791
TOTAL	¥ 3,890,891	¥ 3,776,569	\$ 46,793,638

Non-consolidated Statements of Income

Kyushu Electric Power Company, Incorporated
Years Ended March 31, 2011 and 2010 (Unaudited)

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
OPERATING REVENUES:			
Electric	¥ 1,356,318	¥ 1,312,104	\$ 16,311,702
Other	31,200	27,704	375,225
Total operating revenues	1,387,518	1,339,808	16,686,927
OPERATING EXPENSES:			
Electric:			
Personnel	162,651	172,720	1,956,115
Fuel	284,858	213,008	3,425,833
Purchased power	137,063	113,668	1,648,382
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Maintenance	175,986	195,118	2,116,488
Reprocessing costs of irradiated nuclear fuel	30,796	33,787	370,367
Decommissioning costs of nuclear power units	7,524	9,093	90,487
Disposal cost of high-level radioactive waste	8,885	10,373	106,855
Disposition of property	15,181	16,478	182,574
Taxes other than income taxes	87,680	87,474	1,054,480
Subcontract fee	67,729	79,226	814,540
Rent	32,789	34,334	394,336
Other	60,599	67,134	728,791
Total	1,269,719	1,229,155	15,270,222
Other	32,726	25,743	393,578
Total operating expenses	1,302,445	1,254,898	15,663,800
OPERATING INCOME	85,073	84,910	1,023,127
OTHER EXPENSES (INCOME):			
Interest charges	32,151	33,145	386,663
Gain on sales of investment securities	(2,225)	(30)	(26,759)
Loss on adjustment for changes of accounting standard for asset retirement obligations	18,326		220,397
Other-net	1,043	1,439	12,543
Total other expenses-net	49,295	34,554	592,844
INCOME BEFORE INCOME TAXES	35,778	50,356	430,283
INCOME TAXES:			
Current	28,334	24,619	340,758
Deferred	(13,000)	(2,571)	(156,344)
Total income taxes	15,334	22,048	184,414
NET INCOME	¥ 20,444	¥ 28,308	\$ 245,869

PER SHARE OF COMMON STOCK:	Yen		U.S. Dollars
	2011	2010	2011
Basic net income	¥ 43.19	¥ 59.80	\$ 0.52
Cash dividends applicable to the year	60.00	60.00	0.72

(U.S. dollar amounts have been translated from yen, for convenience, at the rate of ¥83.15 = U.S. \$1, the approximate rate of exchange at March 31, 2011.)

Overview of Power Generation Facilities

(As of March 31, 2011)

Nuclear Power Stations (two facilities/maximum output 5,258,000 kW)

Station name	Maximum output (kW)	Operation commencement date	System	Location
Genkai	3,478,000 (559,000×2 1,180,000×2)	Oct. 1975	Pressurized water reactor	Genkai-cho, Higashi Matsuura-gun, Saga Prefecture
Sendai	1,780,000 (890,000×2)	Jul. 1984	Pressurized water reactor	Satsumasendai-shi, Kagoshima Prefecture

Thermal Power Stations (10 facilities/maximum output 11,180,000 kW)

Station name	Maximum output (kW)	Operation commencement date	Main fuel	Location
Shin Kokura	1,800,000 (600,000×3)	Sep. 1978	LNG	Kokura Kita-ku, Kitakyushu-shi, Fukuoka Prefecture
Karita	735,000 (360,000×1 375,000×1)	Apr. 1972	Coal/heavy oil/crude oil	Kanda-machi, Miyako-gun, Fukuoka Prefecture
Buzen	1,000,000 (500,000×2)	Dec. 1977	Heavy oil/crude oil	Buzen-shi, Fukuoka Prefecture
Karatsu	875,000 (375,000×1 500,000×1)	Jul. 1971	Heavy oil/crude oil	Karatsu-shi, Saga Prefecture
Matsuura	700,000	Jun. 1989	Coal	Matsuura-shi, Nagasaki Prefecture
Ainoura	875,000 (375,000×1 500,000×1)	Apr. 1973	Heavy oil/crude oil	Sasebo-shi, Nagasaki Prefecture
Oita	500,000 (250,000×2)	Jul. 1969	Heavy oil	Oita-shi, Oita Prefecture
Shin Oita	2,295,000 (115,000×6 217,500×4 245,000×3)	Jun. 1991	LNG	Oita-shi, Oita Prefecture
Reihoku	1,400,000 (700,000×2)	Dec. 1995	Coal	Reihoku-machi, Amakusa-gun, Kumamoto Prefecture
Sendai	1,000,000 (500,000×2)	Jul. 1974	Heavy oil/crude oil	Satsumasendai-shi, Kagoshima Prefecture

Hydroelectric Power Stations (139 facilities/maximum output 3,278,696 kW)

Station name	Maximum output (kW)	Operation commencement date	System	Location
Tenzan	600,000	Dec. 1986	Dam and conduit system (pure pumped-storage)	Karatsu-shi, Saga Prefecture
Yanagimata	63,800	Jun. 1973	Dam and conduit system	Hita-shi, Oita Prefecture
Matsubara	50,600	Aug. 1971	Dam system	Hita-shi, Oita Prefecture
Ohira	500,000	Dec. 1975	Dam and conduit system (pure pumped-storage)	Yatsushiro-shi, Kumamoto Prefecture
Iwayado	51,100	Jan. 1942	Dam and conduit system	Shiiba-son, Higashi Usuki-gun, Miyazaki Prefecture
Kamishiiba	93,200	May 1955	Dam and conduit system	Shiiba-son, Higashi Usuki-gun, Miyazaki Prefecture
Tsukabaru	63,090	Oct. 1938	Dam and conduit system	Morotsuka-son, Higashi Usuki-gun, Miyazaki Prefecture
Morotsuka	50,000	Feb. 1961	Dam and conduit system	Morotsuka-son, Higashi Usuki-gun, Miyazaki Prefecture
Omarugawa	900,000	Jul. 2007	Dam and conduit system (pure pumped-storage)	Kijo-cho, Koyu-gun, Miyazaki Prefecture
Hitotsuse	180,000	Jun. 1963	Dam and conduit system	Saito-shi, Miyazaki Prefecture
Oyodogawa Daiichi	55,500	Jan. 1926	Dam system	Miyakonojo-shi, Miyazaki Prefecture
Oyodogawa Daini	71,300	Mar. 1932	Dam and conduit system	Miyazaki-shi, Miyazaki Prefecture

*with outputs of 50,000 kW or higher

Geothermal Power Stations (6 facilities/maximum output 212,000 kW)

Station name	Maximum output (kW)	Operation commencement date	Location
Tagigami	27,500	Nov. 1996	Kokonoe-machi, Kusu-gun, Oita Prefecture
Otake	12,500	Aug. 1967	Kokonoe-machi, Kusu-gun, Oita Prefecture
Hatchoubaru	110,000 (55,000×2)	Jun. 1977	Kokonoe-machi, Kusu-gun, Oita Prefecture
Hatchoubaru Binary	2,000	Apr. 2006	Kokonoe-machi, Kusu-gun, Oita Prefecture
Ogiri	30,000	Mar. 1996	Kirishima-shi, Kagoshima Prefecture
Yamagawa	30,000	Mar. 1995	Ibusuki-shi, Kagoshima Prefecture

Wind Power Stations (two facilities/maximum output total 3,250 kW)

Station name	Maximum output (kW)	Operation commencement date	Location
Koshikijima wind power	250	Mar. 2003	Satomura, Satsuma-gun, Kagoshima Prefecture
Noma-misaki wind park	3,000	Mar. 2003	Minami satsuma-shi, Kagoshima Prefecture

Internal Combustion Power Stations (34 facilities/maximum output 395,270 kW) *including gas turbines

Station name	Maximum output (kW)	Operation commencement date	Location
Shinarikawa	60,000 (10,000×6)	Jun. 1982	Shinkamigotou-chou, Minami matsuura-gun, Nagasaki Prefecture
Tatsugo	60,000 (10,000×6)	Jun. 1980	Tatsugo-chou, Oshima-gun, Kagoshima Prefecture

*with outputs of 50,000 kW or higher

Subsidiaries and Affiliated Companies

(As of March 31, 2011)

Consolidated Subsidiaries

Company Name	Capital (Millions of yen)	Equity Ownership (%)	Business
Energy Business in Kyushu			
Oita Liquefied Natural Gas Co., Inc.	7,500	98.0	Receipt, storage, vaporization and delivery and sales of LNG
Kitakyushu Liquefied Natural Gas Co., Inc.	4,000	75.0	Receipt, storage, vaporization and delivery and sales of LNG
Pacific Hope Shipping Limited	4,071	60.0	Purchasing, operating, chartering and renting of LNG carriers
Nishinippon Environmental Energy Co., Inc.	1,010	100.0	Distributed power system business and consultation about energy efficiency
Kyuden Ecosol Co., Ltd.	495	100.0	On-site solar power generation business
Kyushu Rinsan Co.	490	100.0	Greening construction at power stations and other facilities
Nagashima Windhill Co., Ltd.	490	86.0	Sales of electricity generated by wind power
Fukuoka Energy Service Co., Inc.	490	80.0	Heat supply business
KYUKI CORPORATION	305	67.0	Manufacture and sales of electric machinery
NISHI NIPPON AIRLINES CO., LTD.	360	54.7	Air cargo transportation
Nishinippon Plant Engineering and Construction Co., Ltd.	150	85.0	Construction, maintenance and repair of power generation facilities
Kyushu Kouatsu Concrete Industries Co., Ltd.	240	51.3	Manufacture and sales of concrete poles
Kyuden Sangyo Co., Inc.	117	100.0	Environmental preservation work at power stations
Miyazaki Biomass Recycle Co., Inc.	100	42.0	Power-generation activities using poultry dung fuel
West Japan Engineering Consultants, Inc.	40	100.0	Consultation and planning of civil engineering and construction
Kyushu Meter & Relay Engineering Corporation	22	98.6	Repair and maintenance of electronic instruments
Koyo Denki Kogyo Co., Ltd.	20	95.9	Manufacture and sales of HV and LV insulators and other items
Nishigi Kogyo, Co., Inc.	20	74.0	Conduit maintenance for hydroelectric power stations
Energy Business Overseas			
Kyuden International Corporation	23,150	100.0	Acquisition and holding of securities of overseas electric companies
Kyuden International Netherlands B.V.	6,497	100.0	Acquisition and holding of securities of overseas electric companies
kyuden Hsin Tao Power Holdings	6,476	100.0	Investment in Hsin Tao IPP business company
IT and Telecommunications			
Kyushu Telecommunication Network Co., Inc.	22,020	97.5	Fiber-optic cable and broadband services
Kyuden Infocom Company, Inc.	480	100.0	IT-related planning and consultation, and data center business
Nishimu Electronics Industries, Co., Ltd.	300	100.0	Manufacture, sales, installation and maintenance of telecommunication devices
Kyuden Business Solutions Co., Inc.	100	100.0	Development, operation and maintenance of information systems
RKK Computer Service Co., Inc.	100	61.3	Development and sales of computer softwares
Lifestyle-oriented Services			
DENKI BLDG. CO., Ltd.	3,395	91.9	Leasing and management of real estate
Capital Kyuden Corporation	600	100.0	Acquiring and owning of securities, loans to group companies
Kyuden Good Life Company, Inc.	300	100.0	Paid elderly nursing home management and nursing services
Kyuden Good Life Kumamoto Company, Inc.	200	100.0	Paid elderly nursing home management and nursing services
Kyuden Business Front Inc.	100	100.0	Temporary staffing and job-placement services
Kyuden Good Life Fukuoka Josui Company, Inc.	100	100.0	Paid elderly nursing home management and nursing services
Kyuden Good Life Kagoshima Company, Inc.	100	90.0	Paid elderly nursing home management and nursing services
Kyuden Good Life Higashifukuoka Company, Inc.	100	70.0	Paid elderly nursing home management and nursing services
Kyuden Fudousan Co., Ltd.	32	98.1	Leasing of real estate and site management
Kyuden Office Partner Co., Inc.	30	100.0	Clerical work acceptance on trust and consulting business

Non-consolidated Subsidiaries and Affiliated Companies Accounted for under Equity Method

Company Name	Capital (Millions of yen)	Equity Ownership (%)	Business
Energy Business in Kyushu			
Tobata Co-operative Thermal Power Co., Inc.	9,000	50.0	Wholesale electricity supply
Fukuoka Clean Energy Co., Ltd.	5,000	49.0	Waste incineration and power generation business
Kyudenko Corporation	7,901	30.9	Electric work
Oita Co-operative Thermal Power Co., Inc.	4,000	50.0	Wholesale electricity supply
KYUSYU CRYOGENICS CO., LTD.	450	50.0	Manufacture and sales of liquid oxygen, liquid nitrogen and liquid argon
Kyuhon Co., Ltd.	225	35.9	Manufacture and sales of electrical equipment
Seishin Corporation	200	26.5	Sale of electrical equipment
Kyukon Corporation	100	15.2	Construction and repair of transmission lines
Plazwire Co., Ltd.	50	100.0	Flame spray coating (painting) business
Nishikyushu Kyodo Kowan Co., Ltd.	50	50.0	Operation and maintenance of coal handling equipment
Nihon FRP Co., Inc.	30	65.0	Design fabrication, repair and installation of reinforced plastic
Nishi Nihon Denki Tekkou Co., Ltd.	30	33.5	Design, production and sales of steel towers and steel conduits
NISHIDA TECHNO SERVICE Co., Inc.	20	65.0	Inspection, maintenance, design, production and construction of sluice and weir equipment
Washiodake Wind Power Co., Ltd.	10	100.0	Development of wind power generation facilities and sales of generated electric power
NISHIGI SURVEYING AND DESIGN CO., LTD.	10	100.0	Investigation, measurement, design, drafting and care of civil engineering/construction projects
Amami Oshima Wind Power Co., Ltd.	10	75.0	Sales of electric power from wind generation
Energy Business Overseas			
KYUDEN ILIJAN HOLDING CORPORATION	3,050 (Thousands of U.S. dollars)	100.0	Investment in Ilijan IPP business company
Kyushu Tohoku Enrichment Investing S.A.S	103,960 (Thousands of Euro)	50.0	Investment in uranium enrichment business
KYUDEN SARULLA PTE. LTD.	6,824 (Thousands of Singapore dollars)	100.0	Geothermal power generation
Electricidad Aguila de Tuxpan, S.deR.L.deC.V.	641,743 (Thousands of Mexico Pesos)	50.0	Power-generation activities using natural gas fuel
Electricidad Sol de Tuxpan, S.deR.L.deC.V.	493,407 (Thousands of Mexico Pesos)	50.0	Power-generation activities using natural gas fuel
IT and Telecommunications			
RKKCS Software	10	100.0	Developments and sales of computer software
Environment and Recycling Business			
J-Re-Lights Co., Ltd.	275	100.0	Recycling of used fluorescent bulbs
Kyushu Environmental Management Corporation	80	98.1	Recycling of confidential documents
Lifestyle-oriented Services			
Kyushu Housing Guarantee Corporation	272	33.3	Housing and building assessments, security services affairs
Kyushu Highlands Development Co., Ltd.	300	100.0	Management of golf courses
Kyuden Home Security Co., Inc.	250	97.5	Home security and monitoring business
Kyuden Shared Business Co., Ltd.	80	100.0	Accounting and personnel services
Kyushu Captioning Co-Production Center Inc.	60	76.7	Subtitle production for broadcasting
Oak Co., Ltd.	3	100.0	Real estate management

Outline of Kyushu Electric Power's History

(As of March 31, 2011)

(Fiscal Year)	Noteworthy Events
1951	Kyushu Electric Power is established.
1953	Kyushu Electric Power receives its first postwar loan (approximately ¥3.8 billion) in Japan from the International Bank for Reconstruction and Development (the World Bank).
1955	The Kamishiiba Power Station, the first in Japan with an arch dam, becomes operational. Unit 1 at the Karita Thermal Power Station, an advanced, high-capacity system (75,000 kW) becomes operational.
1957	Kyushu Electric Power completes its Central Line (220,000 V), its first super-high-voltage transmission line. Thermal generation capacity exceeds hydroelectric capacity.
1960	Frequency unification is completed.
1967	The Otake Power Station, Japan's first commercial geothermal generation facility, becomes operational with a capacity of 11,000 kW. Unit 1 at the Karatsu Power Station (156,000 kW) becomes operational as Kyushu Electric Power's first generation facility with a control computer.
1969	Unit 1 at the Oita Power Station (250,000 kW), Kyushu Electric Power's first facility designed to run exclusively on heavy fuel oil, becomes operational.
1970	The provision of electric lighting to all homes is completed.
1975	Unit 1 at the Genkai Power Station (559,000 kW), Kyushu Electric Power's first nuclear facility, becomes operational. The Ohira Power Station, then Japan's biggest pumped-storage facility (500,000 kW) becomes operational.
1977	Unit 1 at the Hatchoubaru Geothermal Power Station, one of the biggest in Japan, becomes operational, initially with a capacity of 23,000 kW.
1980	Kyushu Electric Power builds the Central and West Kyushu Substations (500,000 V) and raises the voltage on its Saga Line to 500,000 V. The 500,000 V Trans-Kanmon Line becomes operational.
1982	The Kyushu Energy Center is opened.
1984	Unit 1 at the Sendai Nuclear Power Station (890,000 kW) becomes operational.
1986	Unit 1 at the Tenzan Power Station (300,000 kW), a large-capacity pumped-storage facility, becomes operational. Kyushu Electric Power begins to use automatic control systems on its distribution lines.
1989	Kyushu Electric Power achieves a zero outage record for work on high-and low-voltage facilities for the first time in Japan.
1990	The No. 1 System at the Shin Oita Power Station (690,000 kW) becomes operational. Designed to use LNG, this combined-cycle unit provides excellent thermal efficiency.
1992	Kyushu Electric Power begins to purchase surplus electric power from distributed generation facilities, including solar and wind power systems.
1998	Kyushu Electric Power begins to operate a superconducting storage system as an electric power facility. It is the first of its type in Japan and one of the largest in the world.
2000	The Genkai Energy Park is opened.
2001	A loan agreement is signed for the Tuxpan II IPP project in Mexico. The Kyushu Homeland Forestation Program is launched.
2002	Dedicated sales representatives are assigned to corporate customers.
2004	The Call Center is extended to the entire corporate organization.
2005	The Goto Archipelago Link, Japan's longest sea-bed cable, becomes operational.
2007	"Kyushu Electric Power's Mission" and brand message "Enlighten Our Future" are adopted.
2009	Implementation of Japan's first pluthermal operation.
2010	The Omuta mega solar power plant, our first largescale solar power generation station, becomes operational.

Corporate Data

(As of March 31, 2011)

Company Overview

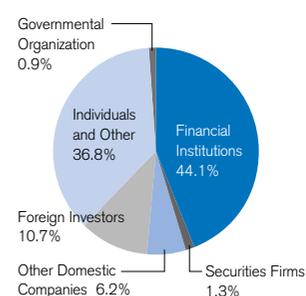
Trade Name	Kyushu Electric Power Company, Incorporated
Head Office	1-82, Watanabe-dori 2-chome, Chuo-ku, Fukuoka 810-8720, Japan Phone +81-92-761-3031
Tokyo Branch Office	7-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-0006, Japan Phone +81-3-3281-4931
Date of Establishment	May 1, 1951
Paid-in Capital	¥237,304,863,699
Number of Employees	12,689

Stock Information

Total Number of Shares Authorized	1,000,000,000
Number of Shares Issued and Outstanding	474,183,951
Number of Shareholders	185,010
Shareholders' Meeting	June
Fiscal Year-end	March 31
Stock Listings	Tokyo Stock Exchange, Osaka Securities Exchange, Fukuoka Stock Exchange (Code: 9508)
Transfer Agent and Registrar	The Chuo Mitsui Trust and Banking Co., Ltd. 33-1, Shiba 3-chome, Minato-ku, Tokyo, Japan
Accounting Auditor	Deloitte Touche Tohmatsu

Composition of Shareholders

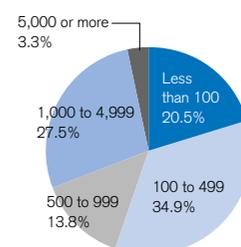
By Type of Shareholder



Major Shareholders

Name	Number of Shares Held (Thousands of Shares)	Shareholding Ratio (%)
Meiji Yasuda Life Insurance	22,882	4.83
The Master Trust Bank of Japan, Ltd.(trust unit)	22,081	4.66
Japan Trustee Services Bank, Ltd. (trust unit)	18,845	3.97
Nippon Life Insurance Company	18,454	3.89
Mizuho Corporate Bank, Ltd.	9,669	2.04
Mizuho Trust and Banking, Retirement Benefit Trust Fukuoka Bank unit	8,637	1.82
Sumitomo Mitsui Banking Corporation	8,474	1.79
Kyushu Electric Power Co., Inc. Employees' Shareholding Association	7,640	1.61
SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS	7,427	1.57
Kochi Sinkin Bank	6,989	1.47

By Number of Shares Held



Stock Price Movement

