

Message From the Chairperson and the President



From left
Masayoshi Nuki
Chairperson
Michiaki Uriu
President

Toward A Strong and Supple Company

Our Vision

- A Company serving its customers faithfully
- A Company taking up the challenge of making changes swiftly and flexibly
- A Company continuously reviewing its business activities in pursuing higher efficiency
- A Company supporting local communities by providing electricity

Kyushu Electric Power pursues business activities in line with our brand message, "Enlighten Our Future," which expresses our social mission as a responsible energy provider: to remain consistent in stably supplying electric power and energy to our customers.

Society's trust in nuclear power safety was damaged by the serious accident at Tokyo Electric Power's Fukushima Daiichi Nuclear Power Station. At Kyushu Electric Power, we have suspended operations at all of our nuclear power plants since then, which has made it very challenging to supply enough electric power to meet demand. We have also seen a rapid deterioration in the balance of revenues and expenses as well as our financial condition.

To address this situation, we have received tremendous cooperation from our customers in conserving energy and we have worked as hard as we can on both the supply and demand sides. As a result, we have managed to maintain a stable supply of electric power. In addition, we have implemented multiple emergency management responses as we have worked to improve the balance of revenues and expenses.

However, the increase in costs such as fuel for thermal power stations used as alternatives to nuclear power stations has greatly exceeded the cost reductions we achieved through our emergency management responses. Given this situation, we then determined that any further deterioration in our financial condition would make it difficult to provide a stable supply of electric power, and consequently we were left with no choice but to increase the electricity rates. Specifically, from May 1, 2013, we increased electricity rates by an average of 6.23% for customers in the regulated area, and since April 2013 we have gradually implemented a rate increase averaging 11.94% for customers in the deregulated area. **Please refer to page 11-12**

Going forward, we will continue with our thorough efforts to increase management efficiency and to provide a stable supply of electric power. We aim to be a company trusted by society as a result of sincerely addressing customers' concerns about issues such as nuclear power safety and electricity rates.

Also, we will accurately respond to any revisions to the national government's energy policies and reforms to electric power systems, as well as to other changes in the areas of energy and electric power.

It was from this standpoint that this April we formulated our Midterm Management Policy, which highlights the management direction and key initiatives we will undertake over the upcoming three years ending with fiscal 2015. Going forward, we will steadfastly address the issues surrounding Kyushu Electric Power by carrying out operations in line with this Midterm Management Policy. **Please refer to page 7-10**

We ask for the understanding and support of all our shareholders and investors as we move toward our goals.

August, 2013

Chairperson
Masayoshi Nuki



President
Michiaki Uriu

