

Message from the Chairperson and the President Interview with the President

## Message from the Chairperson and the President



*M. Nuki*

Chairperson

*M. Uruu*

President

I would like to begin by expressing my gratitude to our shareholders and investors for their support.

As a result of all of our nuclear power plants remaining closed and the continuation of tight supply and demand conditions, as well as the rapid deterioration of our balance of revenues and expenses, and consequently our financial condition, we raised our rates, effective from April 2013. Despite the rate hike, our consolidated operating revenues for the year ended March 31, 2014, were marked by an ordinary loss of ¥131.4 billion and a net loss of ¥96 billion.

Taking such results into consideration, it is with deep regret that we must refrain from providing a dividend for fiscal 2013. We would like to offer our humblest apologies to our shareholders.

Our efforts to restart our nuclear power plants, which is a priority issue for us, included applying in July 2013 for permission for a change in reactor installation license at Sendai (Units 1 & 2) and Genkai (Units 3 & 4). Subsequently, in April and June 2014 we submitted supplements to our application, which pertain to items indicated in inspections of Sendai Units 1 & 2, to the Nuclear Regulation Authority. The authority on July 16 acknowledged and announced that the inspection proposal in the application is in line with the new regulatory standards. Next, a call was put out for scientific and technical opinions concerning the inspection proposal during the 30-day period from July 17 through August 15. We will continue to make an all-out companywide effort to deal with the national government's inspections of nuclear facilities, with the goal of restarting our reactors, including Genkai (Units 3 & 4), as soon as possible.

Given that we have posted a net loss for three consecutive fiscal years and that our equity ratio (non-consolidated) has fallen to 8.1%, in order to stabilize operations by increasing equity capital we deemed it necessary to issue 1,000 shares of Class A preferred stock for ¥100 billion to the Development Bank of Japan Inc. by way of third-party allotment, effective August 1, 2014.

Kyushu Electric Power will continue to do its utmost to make operations as efficient as possible while ensuring a stable supply of electric power. Furthermore, we aim to maintain public trust by responding directly to customer concerns about nuclear power safety and electricity rates.

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

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