

Message from the Chairperson and the President



M. Nuki

Chairperson

M. Uruu

President

To our shareholders and investors,

First, I would like to express my gratitude to all of you for your loyal patronage and support of Kyushu Electric Power.

In response to the serious accidents at the Fukushima Daiichi Nuclear Power Station, Kyushu Electric also suspended operations at all its nuclear power Stations. Given the ongoing difficulties since that time in our revenue/expense balance, financial condition and supply and demand situation, we have done our utmost to enhance management efficiency, introduced measures to cope with supply-demand circumstances, raised electricity rates and issued preferred shares.

However, the suspension of operations at nuclear power Stations has continued for longer than we had expected, resulting in ballooning thermal fuel costs. As a result, in fiscal 2014 the Company posted an ordinary loss of ¥73.6 billion and a net loss of ¥114.6 billion.

Faced with these results, it is with regret that we decided to forego dividends in fiscal 2014. We apologize to our shareholders for this situation.

Concerning the resumption of operations at our nuclear power operations, our topmost management priority, after working throughout the Group to comply with national government reviews and testing to ensure safety, Unit 1 of the Sendai Nuclear Power Station recommenced commercial operations in September 2015. We are doing everything in our power to facilitate an early resumption of operations at Unit 2 of the plant, following pre-operation tests, as well as at Units 3 and 4 of the Genkai Nuclear Power Station. Furthermore, in response to the difficult management conditions we currently face, we are introducing a variety of measures as we concentrate on maximizing efforts to improve our revenue and expense situation.

At the same time, we are moving into a period of real competition, led by the full-scale liberalization of the retail power sector forecast in line with the 2016 electricity system reforms.

Against this backdrop, we recognize the need to accelerate groupwide reforms in order to ensure the trust of our shareholders and remain their energy supplier of choice. As part of this effort, in April 2015 we formulated our "Vision for 2030" and the "Kyushu Electric Power Group Medium-Term Management Policy" to outline our management directions for the next five years.

Under this new management policy, we will push forward as a group on a number of initiatives with a view to ensuring sustainable growth and providing value to our stakeholders.

I would like to request your generous understanding and continuous support for our business.

September 2015