

Financial Results for 4/2003-3/2004
and
Financial Forecasts for 4/2004-3/2005

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Kyushu Electric Power Co., Inc.

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Financial Highlights

Non-Consolidated (Billions of yen , %)

	FY2003 (A)	FY2002 (B)	Change	
			(A)-(B)	(A)/(B)
Sales	1,318.3	1,358.6	-40.2	97.0
Operating income	190.6	173.1	17.5	110.1
Ordinary income	107.9	90.7	17.1	118.9
Net income	70.1	62.5	7.5	112.1

Consolidated (Billions of yen , %)

	FY2003 (A)	FY2002 (B)	Change	
			(A)-(B)	(A)/(B)
Sales	1,391.6	1,421.3	-29.6	97.9
Operating income	198.9	180.0	18.9	110.5
Ordinary income	114.4	88.1	26.2	129.8
Net income	72.7	64.3	8.4	113.2

(Note) ·Consolidation: 19 significant subsidiaries (13 for FY2002)

·Application of the equity method: 13 Significant subsidiaries (0 for FY2002) and
11 Significant associated companies (6 for FY2002)

Demand and Supply Condition

1 Demand (Electricity Sales Volume) (Billion kWh, %)

	FY2003 (A)	FY2002 (B)	Change	
			(A)-(B)	(A)/(B)
Residential	26.3	26.2	0.1	100.2
Commercial and industrial	33.9	33.7	0.2	100.7
Total (Non specific-size demand)	60.2	59.9	0.3	100.5
Specific-size demand	17.1	16.7	0.4	102.0
Total electricity sales volume	77.3	76.6	0.7	100.8

Reposted	Ordinary demand	56.7	56.3	0.4	100.7
	Large industrial demand	20.6	20.3	0.3	101.3

2 Supply (Generated and Received Electricity Volume) (Billion kWh, %)

	FY2003 (A)	FY2002 (B)	Change		
			(A)-(B)	(A)/(B)	
Company-generated	Hydro (Water release factor)	4.7 (106.9)	3.9 (87.4)	0.8 (19.5)	119.9
	Thermal	28.9	30.1	-1.2	96.1
	Nuclear (Utilization factor)	41.0 (88.9)	39.5 (85.9)	1.5 (3.0)	103.8
	Total	74.6	73.5	1.1	101.5
Received from other companies	12.2	13.7	-1.5	89.0	
Power interchange	-1.5	-2.5	1.0	60.7	
Pumping energy	-0.4	-0.4	-	87.0	
Total	84.9	84.3	0.6	100.7	

Summary of Non-Consolidated Results

1 Comparative Table of Revenues and Expenses

(Billions of yen, %)

	FY2003 (A)	FY2002 (B)	Change		Main factors in changes	
			(A)-(B)	(A)/(B)		
Ordinary revenues	Residential	550.7	565.4	-14.7	97.4	Lower electricity rates: -43.3, Increase in sales: 8.6
	Commercial and industrial	724.9	744.9	-20.0	97.3	
	Sales to other companies	20.8	28.3	-7.4	73.6	Sales to other electric power companies: -9.0, other: 1.5
	Other	24.8	23.5	1.2	105.2	
	[Sales]	[1,318.3]	[1,358.6]	[-40.2]	[97.0]	
Total	1,321.4	1,362.4	-41.0	97.0		
Ordinary expenses	Personnel expenses	201.5	190.9	10.6	105.6	Employee retirement benefit: 13.0, Salary expenses: -1.3
	Fuel costs	126.5	137.9	-11.4	91.7	Increase of water release: -4.0, Increase in nuclear power generation: -4.0
	Maintenance costs	153.2	158.8	-5.6	96.5	Thermal power: -4.0
	Depreciation	232.1	247.8	-15.7	93.7	Nuclear power: -8.0, Thermal power: -5.5
	Purchased power	95.9	104.6	-8.7	91.6	Purchases from other companies: -10.5
	Interest charges	73.5	73.6	-	99.9	Conducting debt assumption: 13.9, Lower interest rates: -7.4 (2.51% to 2.16%), Decrease in the balance of interest bearing debts: -4.6
	Other	330.5	357.7	-27.1	92.4	Reprocessing costs of irradiated nuclear power units: -22.7, Decommissioning costs of nuclear power unit: -5.0
Total	1,213.4	1,271.6	-58.1	95.4		
[Operating Income]	[190.6]	[173.1]	[17.5]	[110.1]		
Ordinary income	107.9	90.7	17.1	118.9		
Provision for reserve for fluctuations in water level	2.0	-	2.0	-		
Extraordinary gain	-	23.1	-23.1	-	[FY2002]Gain on sales of securities (KDDI) : -23.1	
Extraordinary loss	-	15.4	-15.4	-	[FY2002]Unrealized losses on shares in affiliates (QTNet) : -15.4	
Net Income	70.1	62.5	7.5	112.1		

2 Main Reference Data

(¥/\$, \$/b, %)

	FY2003 (A)	FY2002 (B)	Change (A)-(B)
Exchange rate	113.2	122.0	-8.8
Oil CIF price	29.4	27.4	2.0
Water release factor	106.9	87.4	19.5
Nuclear power plant utilization factor	88.9	85.9	3.0

Summary of Consolidated Results

Revenues and Expenses Condition

(Billions of yen, %)

		FY2003 (A)	FY2002 (B)	Change		Consolidated/ Non-Consolidated
				(A)-(B)	(A)/(B)	
Ordinary revenues	Revenues from electricity businesses	1,308.8	1,350.6	-41.8	96.9	-
	Revenues from other businesses	82.8	70.6	12.2	117.3	-
	Operating Revenues (Sales)	1,391.6	1,421.3	-29.6	97.9	1.06
	Non-operating revenues	6.8	4.7	2.1	144.0	-
	Total	1,398.5	1,426.0	-27.5	98.1	-
Ordinary expenses	Expenses from electricity businesses	1,108.1	1,170.6	-62.5	94.7	-
	Expenses from other businesses	84.6	70.6	13.9	119.8	-
	Operating expenses	1,192.7	1,241.2	-48.5	96.1	-
	Non-operating expenses	91.3	96.6	-5.2	94.6	-
	Total	1,284.0	1,337.8	-53.7	96.0	-
[Operating income]		[198.9]	[180.0]	[18.9]	[110.5]	[1.04]
Ordinary income		114.4	88.1	26.2	129.8	1.06
Provision for reserve for fluctuations in water level		2.0	-	2.0	-	-
Extraordinary gain		-	23.1	-23.1	-	-
Extraordinary loss		-	8.9	-8.9	-	-
Net income		72.7	64.3	8.4	113.2	1.04

Summary of Consolidated Statements of Cash Flows

Comparative Table of Statement of Cash flows

(Billions of yen , %)

	FY2003 (A)	FY2002 (B)	Change		Main factors in changes
			(A)-(B)	(A)/(B)	
Cash flows from operating activities	386.8	459.6	-72.8	84.2	Lower electricity rates: -43.3 Income tax paid: -29.9
Cash flows from investing activities	-199.8	-244.4	44.6	81.7	Capital expenditures including nuclear fuel: 54.9, Proceeds from sales of investment securities and collections of advances: -18.3
(Capital expenditures including nuclear fuel) [Reposted]	[-211.8]	[-266.7]	[54.9]	[79.4]	
Cash flows from financing activities	-198.1	-222.8	24.6	88.9	Repayments of bond and borrowings: 22.1 (2003: -173.7 2002: -195.9)
Total	-11.1	-7.6	-3.4	-	
Free cash flows	175.0	192.8	-17.8	90.7	

(Note) Free cash flows = Cash flows from operating activities - Capital expenditures including nuclear fuel

Financial Highlights of Results Projection for FY2004

Non - Consolidated (Billions of yen , %)

	FY2004 (A)	FY2003 (B)	Change	
			(A)-(B)	(A)/(B)
Sales	1,315.0 (approx.)	1,318.3	-3.3	99.7
Operating income	187.0 (approx.)	190.6	-3.6	98.1
Ordinary income	140.0 (approx.)	107.9	32.1	129.7
Net income	89.0 (approx.)	70.1	18.9	126.9

Consolidated (Billions of yen , %)

	FY2004 (A)	FY2003 (B)	Change	
			(A)-(B)	(A)/(B)
Sales	1,390.0 (approx.)	1391.6	-1.6	99.9
Operating income	196.0 (approx.)	198.9	-2.9	98.5
Ordinary income	143.0 (approx.)	114.4	28.6	124.9
Net income	89.0 (approx.)	72.7	16.3	122.3

Sensitivity Factors for FY2004 Projection

(Billions of yen)

	FY2004	FY2003
Exchange rate (¥ / \$)	1.0 (approx.)	0.9 (approx.)
Oil CIF price (\$ / b)	2.2 (approx.)	2.4 (approx.)
Water release factor (1 %)	0.2 (approx.)	0.2 (approx.)
Nuclear power plant utilization factor (1 %)	1.4 (approx.)	1.3 (approx.)
Interest rate (1 %)	3.6 (approx.)	4.4 (approx.)

Appendix

Comparison with the Company's Projection for FY2003

Comparison with the Company's Projection for FY2003

Non-Consolidated (Billions of yen , %)

	FY2003 (Actual) (A)	Projection as of 11/2003 (B)	Change	
			(A)-(B)	(A)/(B)
Sales	1,318.3	1,320.0 (approx.)	-1.7	99.9
Operating income	190.6	169.0 (approx.)	21.6	112.8
Ordinary income	107.9	105.0 (approx.)	2.9	102.8
Net income	70.1	65.0 (approx.)	5.1	107.8

Consolidated (Billions of yen , %)

	2003 (Actual) (A)	Projection as of 11/2003 (B)	Change	
			(A)-(B)	(A)/(B)
Sales	1,391.6	1,390.0 (approx.)	1.6	100.1
Operating income	198.9	175.0 (approx.)	23.9	113.7
Ordinary income	114.4	108.0 (approx.)	6.4	105.9
Net income	72.7	65.0 (approx.)	7.7	111.8

Statements made in this overview of operations regarding Kyushu Electric Power's strategies and forecasts and other statements that are not historical facts are forward-looking statements based on management's assumptions and beliefs in lights of information currently available, and should not be interpreted as promises or guarantees.

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

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