Presentation Materials for IR meeting

May 9, 2016

Section1 Business Update

Section2 Financial Results of FY2015

KYUSHU ELECTRIC POWER CO.,INC.

Table of Contents（Section1 Business Update）

1 Business Update

Strategy to make the most of the upcoming total liberalization of electricity retailing (in Kyushu)

The New Rate Plans

○ Various initiatives are underway to achieve our 2030 vision of becoming "the corporate group that provides Japan's best energy services" as set forth in the Kyuden Group's medium-term management plan last April.

○ We introduced three new pricing plans to accommodate the diversifying lifestyles and life patterns of customers who use power in their homes, stores, and elsewhere.

- Intensive power users : 『Smart Family Plan』 『Smart Business Plan』
- Customers who consume more power at night and on the weekends : 『Electric Night Select Plan』

For families

Smart Family Plan

- Recommended for customers using more 350kWh/month.
- Prepared the option “Discount for two-years contract”.

For customers using at night or in holidays

Electric Night Select Plan

- Recommended for customers making their homes all-electric.
- Prepared three types of night time fitting customers life style.

①21:00~7:00 ②22:00~8:00 ③23:00~9:00

For private shops

Smart Business Plan

- Recommended for customers using more 550kWh/month.

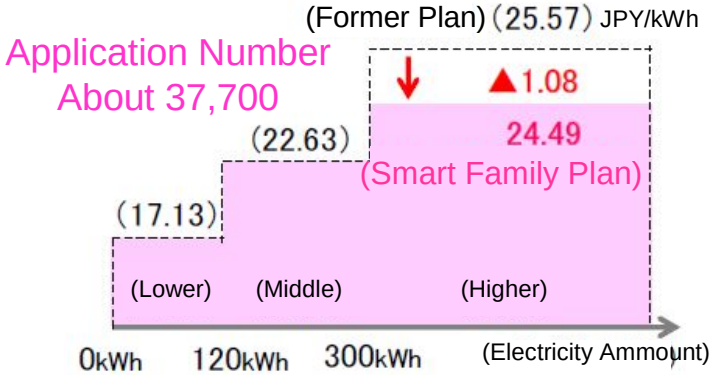
Liberalization in Kyushu

◯ As of April 28, we had received roughly 56,300 applications for our new pricing plans.

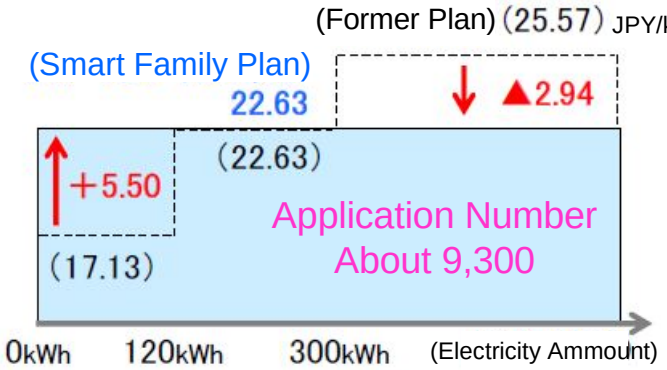
◯ As of April 22, about 20,700 customers had switched* from our company to another.
(ca. 0.3% of low-voltage agreements)

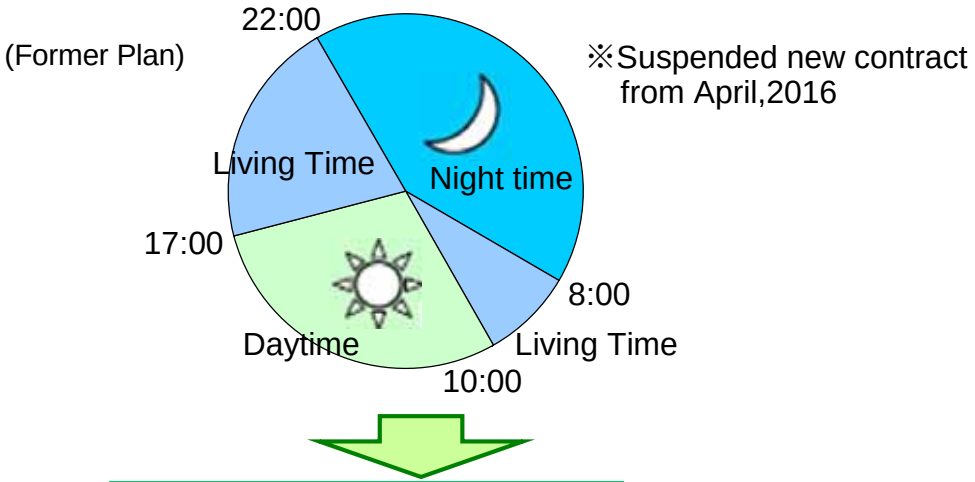
* According to the official announcement by the Organization for Cross-regional Coordination of Transmission Operators, Japan

For families
Smart Family Plan



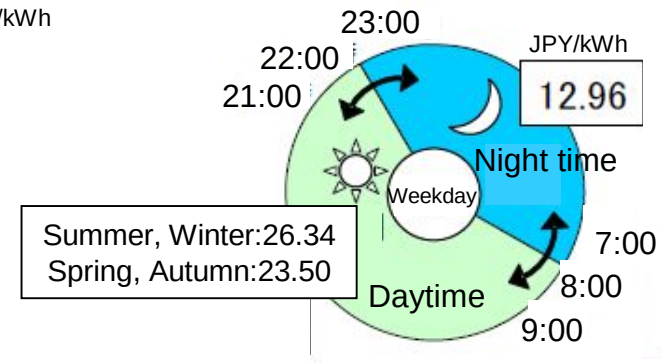
For private shops
Smart Business Plan

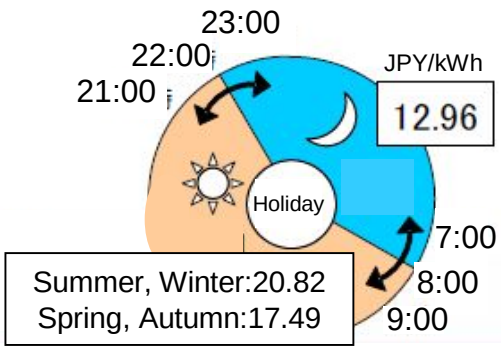




For customers
using at night or in holidays
Electric Night Select Plan

Application Number
About 9,300





New Services

○ New services to offer more benefits besides just a competitive price

“Kyushu electric safe support”

●Provided one stop services for difficulties in lives

- o Monitoring Support （ Monitoring senior customers by used amounts. ）
- o Daily Lives Support （ e.g. cleaning, baby-sitting, pruning ）
- o Electric Support （ e.g. leakage, damaged breaker ）
- o Filial support （visiting parents' remote homes on behalf of customers ）

“Q point for comfort” (point service)

- ● Ponts given according to used amount of electricity
- ● Points that never disappear and keep on accumulating
- ● Prizes given by lottely according to points

Member’s website “Kirei Life Plus”

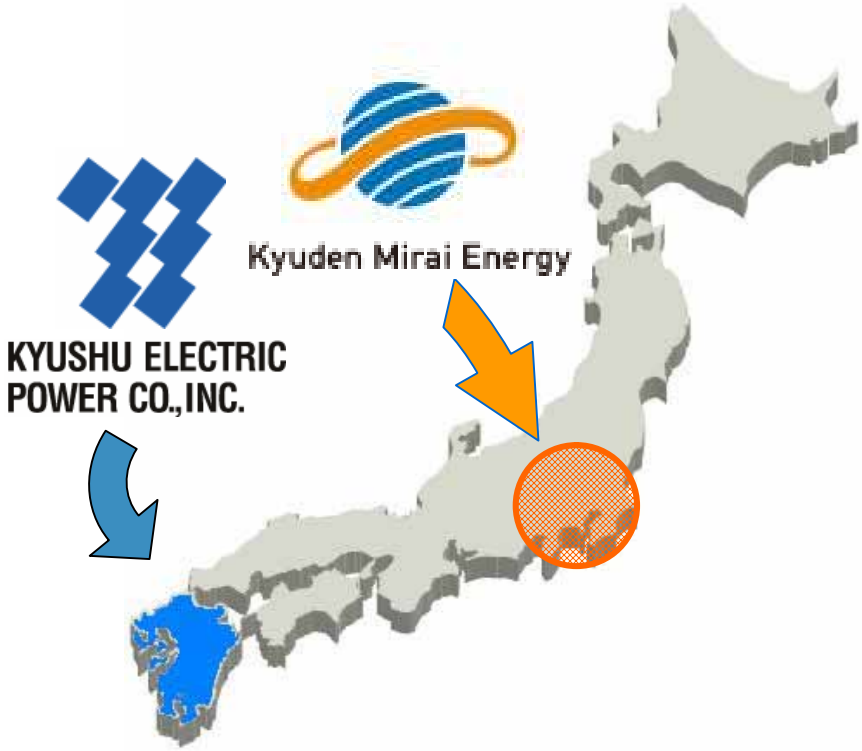
- ● Visualized consumption
- ● Notification of the optimal price plan
- ● Up-to-date local information provided by mobilizing our network of sales offices throughout the Kyushu region

Strategy to make the most of the upcoming total liberalization of electricity retailing (Outside Kyushu)

Strategies beyond the Kyushu region

- ○ Kyuden Mirai Energy, our 100%-owned subsidiary, began to sell electricity in the Kanto region in April 2016.
- ○ Kyushu Electric Company and Kyuden Mirai Energy will continue to build up the Kyuden Group's revenue base through proactive business operation.
- ○ We set a target of winning 10,000 contracts for FY 2016.

Items		Contents
Sales Area		Kanto region (excluding some customers living on remote islands and apartments that have signed up for high-voltage lump-sum power contracts)
Rate Plan	Basic Plan M	Customers with contracted current of 40 A, 50 A, or 60 A
	Basic Plan L	Customers with contracted capacity of 6kVA or more



Initiatives for boosting power supply competitiveness and introducing renewable energy

Boosting power supply competitiveness

○ We will combine decommissioning and planned shutdown of aging heavy-oil-fired thermal power stations with the establishment of new highly efficient LNG- and coal-fired thermal power stations in order to boost the competitiveness of steam-power stations.

[Boosting competitiveness of our own steam-power stations]

＜As of March, 2016＞

(Total 9.81GW)

- Oil 3.25GW (4 stations)
- LNG 4.10GW (2 stations)
- Coal 2.46GW (3 staions)

＜Decommisioning and planed shutdown and establishment of steam-power stations＞

	Fuel	Station Name	Output	Schedule
Decommissioning	Oil	Karita No.1	375MW	FY2017
Planed Shutdown	Oil	Ainoura No.1 and 2	875MW	FY2018～
Establishment	LNG	Shin oita No.3×4	459.4MW	July 2016
	Coal	Matsuura No.2	1,000MW	December 2019※

※Operation of Matsuura No.2 will start sooner to ensure competitiveness.

FY2006～ FY2013 Developing Plan

FY2014 Tender for thermal power supply

FY2016 Developing Plan

[Guidelines for application] After April, 2023

[Bidding by our company] Until June, 2021

June, 2020

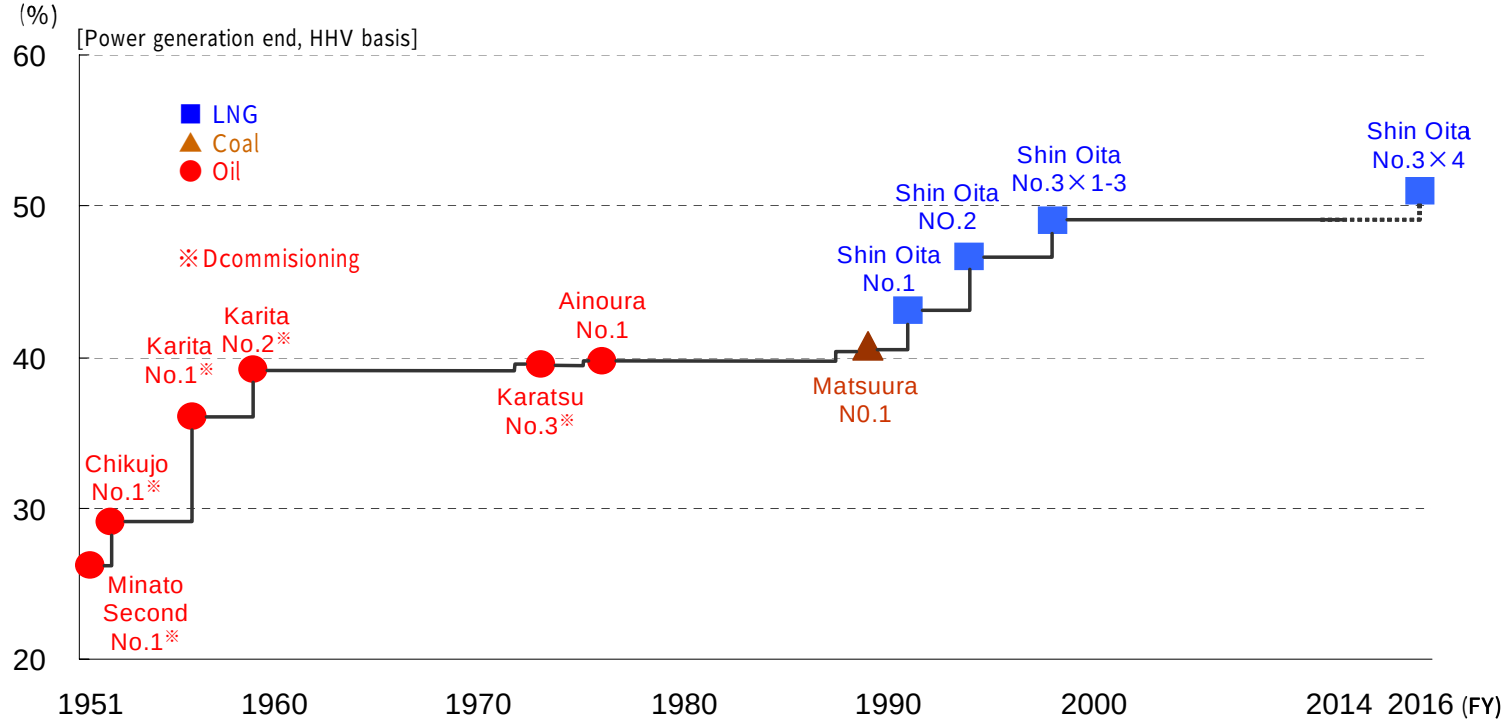
December, 2019

Advancing the operation date

[Outline of the development of new power sources]

Station Name	Shin Oita No.3×4	Matsuura No.2
Fuel	LNG	Coal
System	Combined Cycle	Pulverized coal-burning, Ultra-super critical (USC) power generation
Output	459.4MW	1,000MW
Efficiency	Around 51% (HHV Basis) Around 57% (LHV Basis)	Over 43% (HHV Basis) Over 45% (LHV Basis)
Operation Date	July 2016	December 2019

[Changes in efficiency]

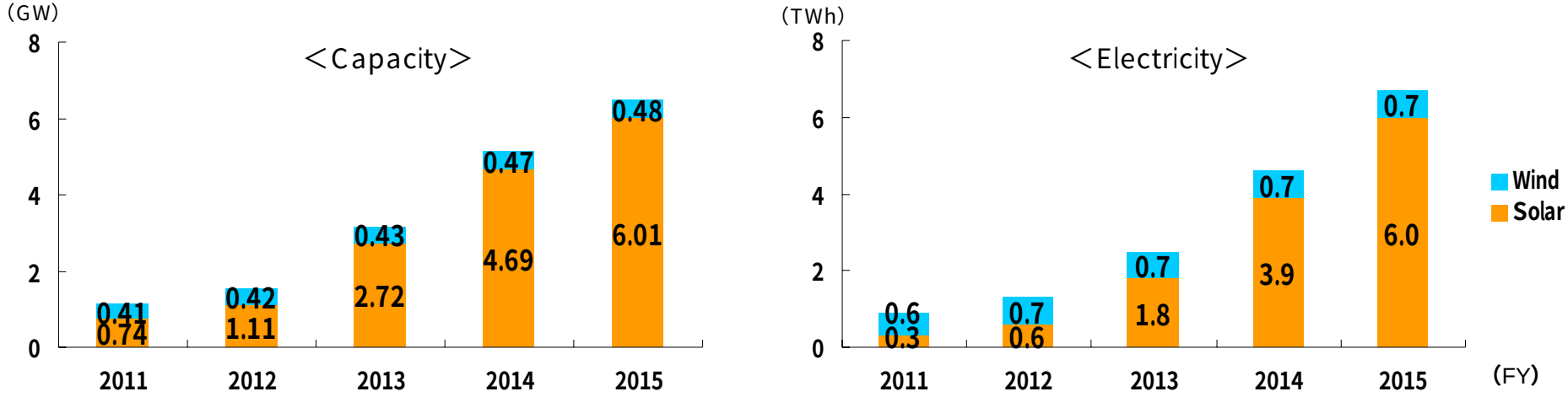


State of renewable energy sources

○ Application of renewable energy sources, mainly photovoltaic power generation, rapidly expanded after the introduction of the feed-in-tariff in 2012.

○ Output was controlled on the remote islands of Tanegashima and Iki as supply was expected to overwhelm demand.

[Introduction amount of Solar and Wind Power] ※amount that purchased from other companies



[Total introduced renewable energy of FY 2015] * Total of our company and others

Facility	Solar	Wind	Hydro	Geothermal	Biomass etc.	Total
Electricity amount(TWh)	6.0	0.7	6.3	1.3	0.4	14.7
Share of generated and purchased power output	7.0%	0.8%	7.3%	1.6%	0.4%	17.2%

※The total may not add up due to rounding

※Output was controlled on remote islands in response to increased installed capacity from renewable energy sources (as of May 5).

Tanegashima island	FY2015：7 times FY2016：5 times
Iki island	FY2016：5 times

Demonstration of large-scale batteries

○ In March 2016, we constructed Buzen Battery Substation, which has one of the largest power storage system capacities in the world.

○ We will carry out a demonstration to test efficient operation of the large-capacity power storage system while charging and discharging the batteries in order to improve the supply-demand balance in accordance with photovoltaic power generation output.

[Large-capacity power storage system demonstration project for improved supply-demand balance (subsidized by the national government)]

■ Demonstration

○ Improvement of the supply-demand balance with a power storage function comparable to pumped-power storage generation.

○ Frequency adjustment and efficient operation of the power storage system in addition to continued validation of grid voltage control.

■ Output

50MW

(electricity volume：300MWh)

■ Location

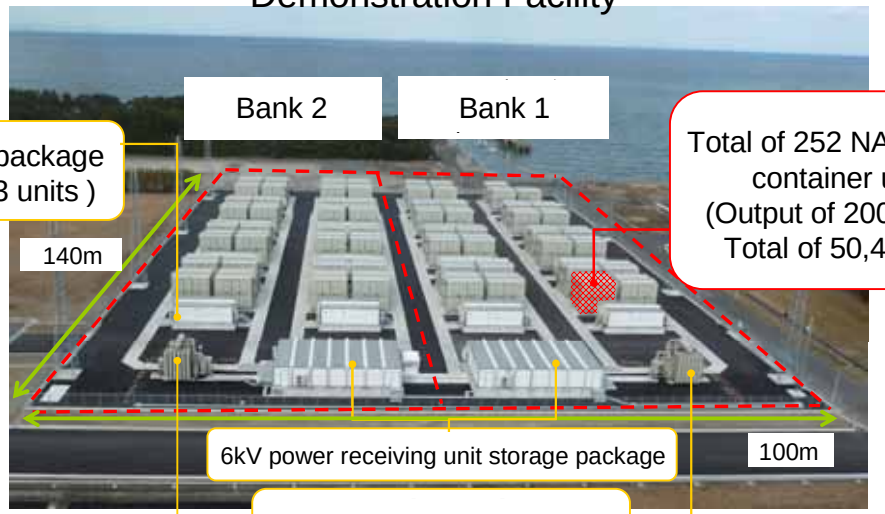
in Buzen thermal power station

(Buzen city, Fukuoka prefecture)

■ Period

FY2015～2016

Demonstration Facility



Site area of ca. 14,000㎡

Activities for resuming operation of the Genkai Nuclear Power Station

Status of the conformity review of Units 3 and 4 of the Genkai Nuclear Power Station

○ With respect to the risks imposed by earthquakes and tsunamis, we presented a summary on volcanic activity in the February 26 review meeting following an on-site inspection by the Nuclear Regulation Authority last December.

○ A review meeting was convened on March 31 to resume the national review of plants, to which our company is responding with the best of intentions.

○ We are drafting amendments and other materials for review to apply for approval of the construction plan and modified operational safety program along with the application for approval of changes to reactor installation.

＜July 12, 2013＞

Application for conformity to new regulatory standards

Permission for changes to Reactor Installation

Approval for Construction Plans

Approval for Changes to Safety Regulations

＜September 12, 2014＞

All explanations have been given and most items with respect to earthquakes and tsunamis have been confirmed.

Standard Seismic Motion

- reflecting active faults around the station
  ：Largest 540gal
- reflecting the earthquake south of the Rumoe Branch Office in Hokkaido
  ：Latgest 620gal

Maximum Tsunami Height

–Sea level +around 4m (the plant site：11m above sea level)

＜November 20, 2015＞

- We submitted materials (summaries) for review by the Nuclear Regulation Authority to obtain approval of the changes to the reactor installations.
- Review of volcanic activity, the ground, earthquakes, and tsunamis was resumed after an approximately one-year interval.

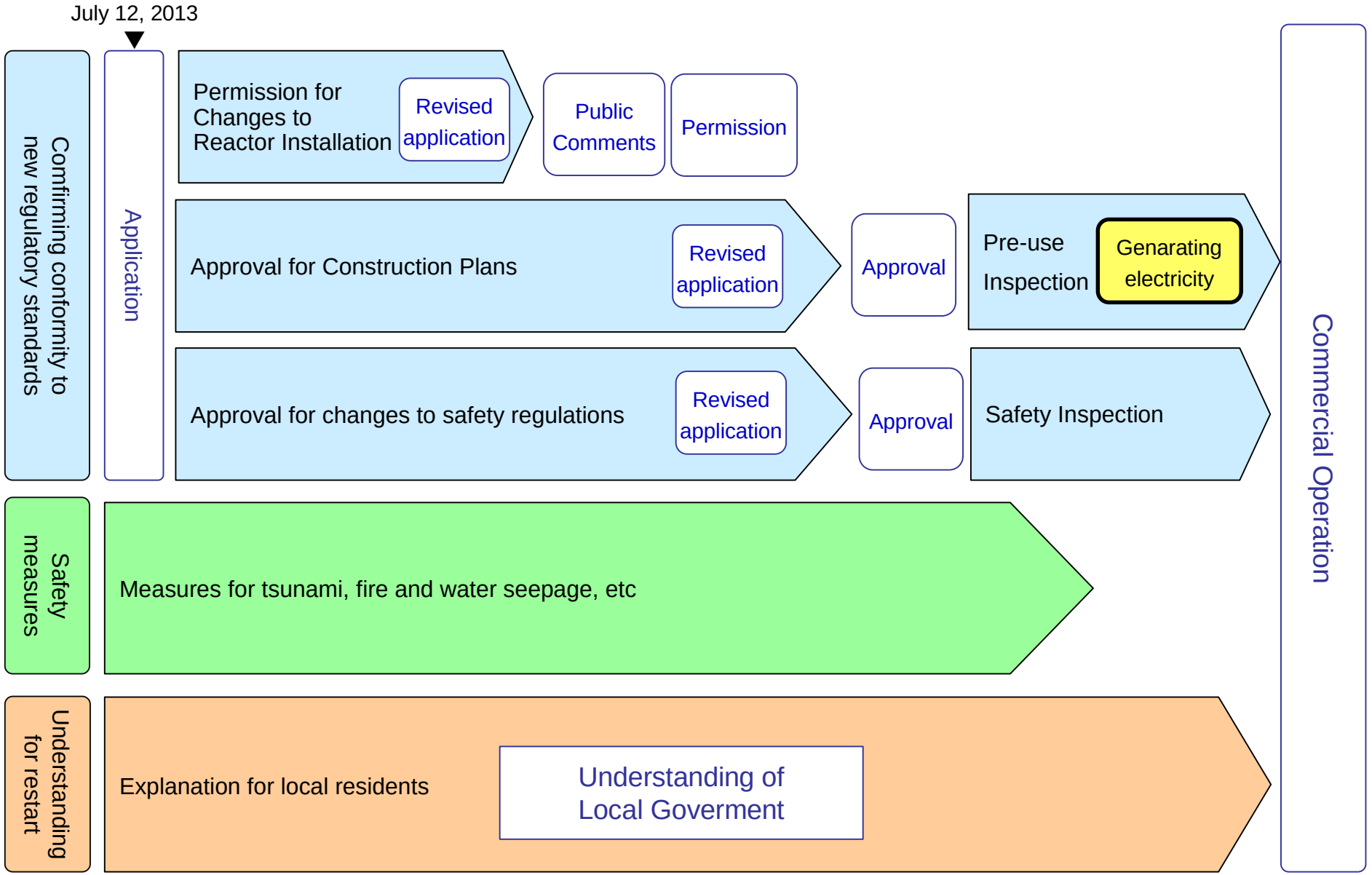
＜Feburary 26, 2016＞

- Verification of the volcanic impact assessment was mostly completed.

＜March 31, 2016＞

- During the plant review of the Genkai NPS Units 3 and 4, we made an explanation regarding unaddressed items and points previously brought to light by other plants.
- We are giving explanations as necessary for early application of amendments based on the materials we have submitted so far.

[The schedule for restart of Genkai Nuclear Power Station No.3 and 4]



Construction to improve safety

○ Construction work to further improve safety is underway in addition to the work planned in July 2013 when we filed the application for the conformity review.

Completed

○ Foundation work to consolidate the grounds where mobile large-scale power generators are installed
○ Installation of an electric hydrogen combustion unit (diversification of means to prevent hydrogen explosions inside the containment), etc.

Under construction

○ Additional installation of fire detectors and halon fire extinguishers
○ Installation of nets and other means of protecting safety-related equipment from flying objects (following the practices of other plants)
○ Reinforced support to enhance seismic safety

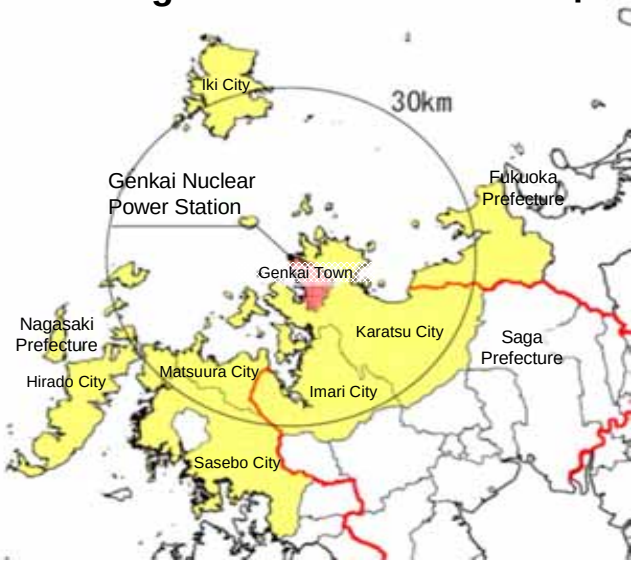
Understanding of local governments

○ Following the accident at the Fukushima Daiichi Nuclear Power Station, we signed the Agreement on Nuclear Power with the municipalities surrounding the Genkai Nuclear Power Station. An agreement that includes a commitment to swiftly provide information in the event of any emergency has already been signed between Genkai and Saga Prefecture, where the station is located.
○ We signed a safety agreement with Imari City in February 2016 after frequent consultations that started in September 2012.

[**Safety agreements, etc. signed with local governments**]

Date	Local Goverments
April 2012	Fukuoka pref., Itoshima City, Fukuoka City
June 2012	Nagasaki pref., Matsuura City, Sasebo City, Hirado City, Iki City
October 2012	Karatsu City
March 2013	Kumamoto Pref.
August 2013	17 cities and towns in Saga pref. (exclude Genkai Town, Karatsu City, Imari City)
Feburary 2016	Imari City

[**30-km range from the Genkai NPS**]



(Reference) Ensuring safe, stable operation for Units 1 and 2 of the Sendai Nuclear Power Station

Ensuring safe, stable operation

○ We will expend all possible means to ensure safe, stable operation of Units 1 and 2 of the Sendai Nuclear Power Station, engage in voluntary and continued efforts to improve their safety and reliability, and thus strive to reassure local community members and gain their trust.

- Both Units 1 and 2 of the Sendai Nuclear Power Station met the new national standards after due reinforcement and augmentation in terms of safety measures against natural disasters and severe accidents. Thanks to constant efforts to ensure safe operation, Unit 1 resumed normal operation on September 10, 2015, and Unit 2 resumed operation on November 17, 2015.

- We are making efforts to install facilities for responding to specific severe accidents in order to further improve safety and reliability.

- Power station personnel and affiliated companies will work in unison to ensure continued safe, stable operation. We will share information proactively to ensure peace of mind among local community members and gain their trust.

(Reference) Shutdown periods for regular inspections (planned for FY 2016)

Sendai Unit 1: Oct. 6 – Dec. 11
Sendai Unit 2: Dec. 16 – Feb. 27

■ Monitoring of power station operation

■ Information published on our website

Reference Introduction of an in-house company system for the power transmission and distribution business, etc.

Business environment

Intensifying competition due to reforms to the power system and gas system

- Introduction of a licensing system (for power generation, transmission, distribution, and retailing) (2016)
- Total liberalization of electricity retailing (2016)
- Total liberalization of gas retailing (2017)
- Legal division of power transmission and distribution (2020)

Organizational reforms

■Transmission and distribution business

introduce an in-house company to transmission and distribution business in order to ensure high neutrality on April, 2017

■Power generation and retail business

establishing organization with swiftness and flexibility on power generation and retail business in order to survive intense competition

(Reference)

■ In response to the total liberalization of electricity retailing and the introduction of a licensing system in April 2016:

- In FY 2015, we restructured our business operations in advance for each type of license, such as by establishing a distribution division and a sales division.
- We will properly operate transmission and distribution business, not using consignment information other than for intended purposes and not discriminating its treatments discriminatory, based on 'Guidelines for proper power transaction' established by government, because facing business entry of newcomer and introduction of license system on April, 2016.

Reference　Mutual cooperation in the nuclear power business

Overview

○ This April, an agreement for mutual cooperation in the nuclear power business was signed among Kansai Electric Power Company, Chugoku Electric Power Company, Shikoku Electric Power Company, and our company.

Cooperation in the event of a nuclear disaster

Purpose	To promptly respond through mutual cooperation, including dispatch of supporters and provision of materials and equipment, by making the most of the four companies' geographical proximity.
Key areas of cooperation	1. Dispatch of supporters In addition to cooperation based on existing agreements, the four companies will dispatch from 100 to 200 supporters. - Environmental radiation monitoring, inspection in the event of evacuations - Public relations through branches, sales offices, and so on - Operation of transport vehicles to power stations in need 2. Provision of materials and equipment In addition to increased supplies according to existing agreements, each company will provide available materials and equipment. (Examples) Heavy machinery for removing debris, cistern trucks, and Tyvek suits 3. Assistance such as advice provided from the top management of nuclear departments of other companies to the company experiencing the disaster through videoconferencing 4. Regular drills for participants from each company

Cooperation in decommissioning

■ Purpose: To enhance the safety of decommissioning and respond to reviews

■ Main areas of cooperation: Discussion of technologies and procurement involved in major construction, information sharing regarding decommissioning status

Cooperation in installation of facilities for responding to specific severe accidents

■ Purpose: To enhance safety related to facility installation in order to respond to specific severe accidents and respond to reviews

■ Main areas of cooperation: Discussion of unified specifications for facilities and information sharing regarding existing plants' statuses

(Provisional title) Overview of the construction plan for Sodegaura Thermal Power Station in Chiba

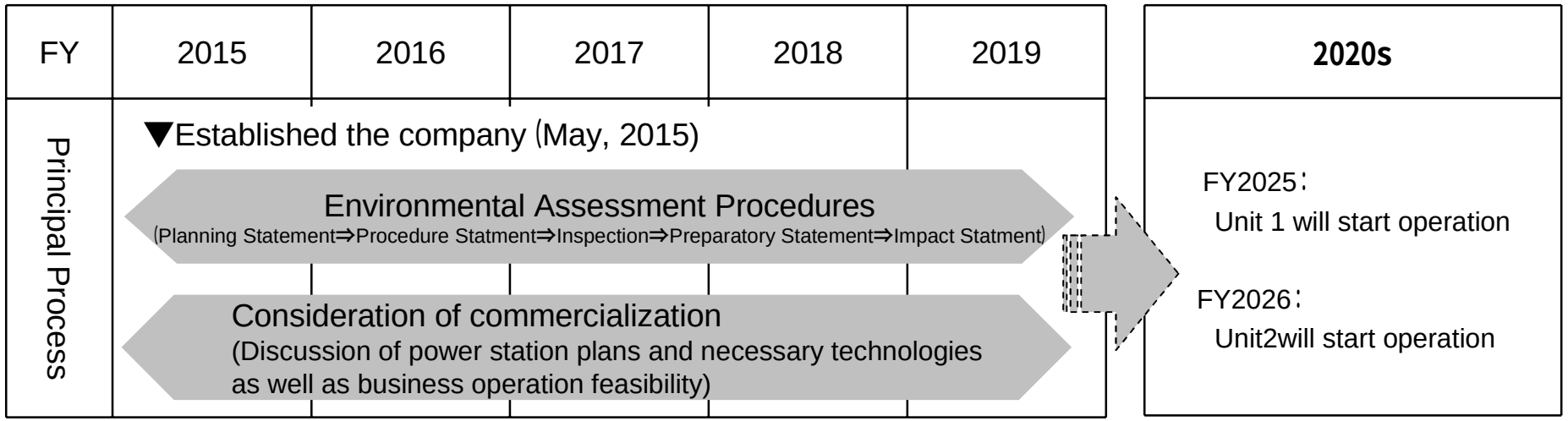
○ Our company has forged an alliance with Idemitsu Kosan and Tokyo Gas. The three companies established Chiba Sodegaura Energy (CSE) in May 2015 after agreeing to consider development of a coal-fired thermal power station with a maximum capacity of two million kW.

○ In January 2016, CSE submitted a report on the environmental impact assessment method to the Minister of Economy, Trade and Industry, which was also sent to the governor of Chiba Prefecture and three mayors (of Sedegaura, Kisarazu, and Ichihara). This report was made available for public inspection from February 1 to March 1 of the same year.

[Outline of power station Plan]

Place (Headquarter)	Sodegaura City, Chiba Pref.	Output	Maximum 2GW (Unit1 : 1GW、Unit 2 : 1GW)
System	Ultra-super critical (USC) power generation	Start of Operation	Unit1：FY2025(scheduled) Unit2：FY2026(scheduled)
Fuel	Coal（Burning a mixture of biomass and coal is also under consideration）		

[Outline of Schedule for Start of Operation]



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Reference Overview of the Kumamoto earthquakes and their impact on our company

Overview of earthquakes and associated blackouts

○ Beginning on April 14, earthquakes with a maximum intensity of 7 caused blackouts among up to 476,600 households around their epicenters in the Kumamoto region of Kumamoto Prefecture.

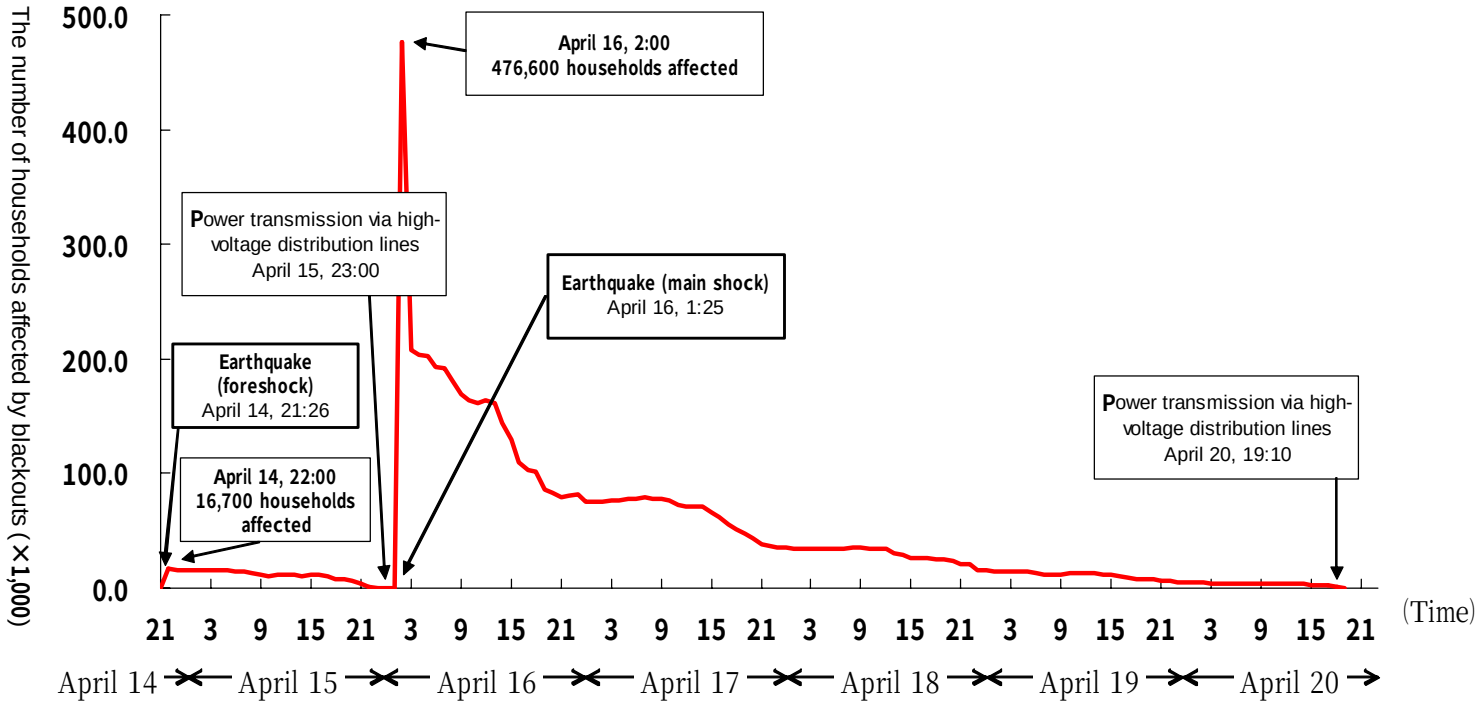
○ Up to 3,600 workers throughout the entire group were mobilized for the recovery operation, which was assisted by about 600 additional supporters from other electric power companies. By April 20, power transmission to high-voltage distribution lines was complete except for segments where landslides, damaged roads, and the like had made recovery impossible.

○ Power was supplied by generator trucks to the villages of Aso, Takamori, and Minami-Aso, which were affected by mudslides. Provisional recovery work was completed on April 27 via alternative routes. Power supply has now been switched back to supply from a substation.

[Overview of main shock]

Date and time	April 16, 2016 at 1:25	Magnitude	M7．3
Location and depth of epicencer	Kumamoto region, Kumamoto Pref. at a depth of ca.12km	Intensity	7 ：Mashiki and Nishihara Village in Kumamoto Pref. 6+：Minami-Aso Village in Kumamoto Pref.

[Blackouts]

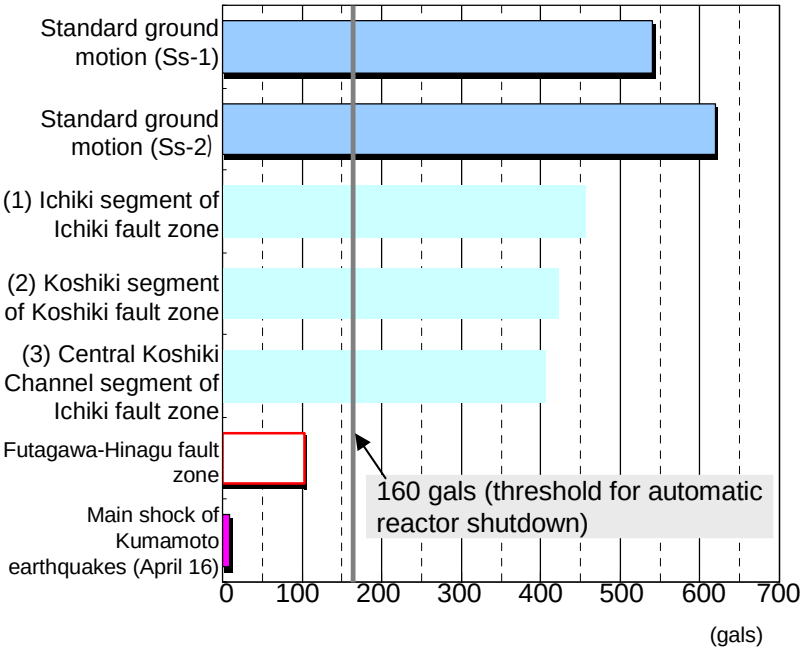


Safety of the Sendai Nuclear Power Station against the Kumamoto earthquakes

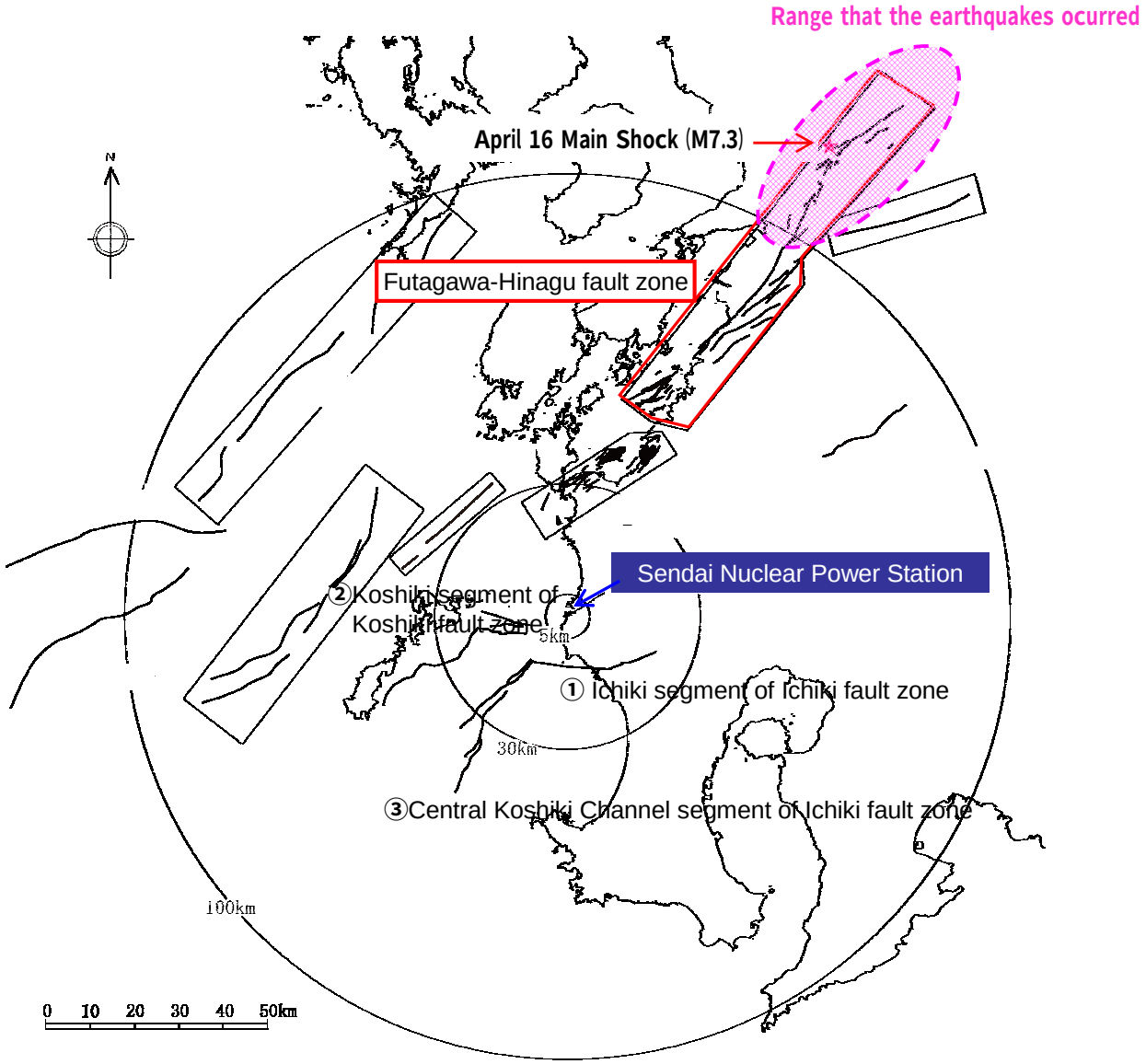
- ○ Standard ground motion was determined by assuming an earthquake of around 100 gals caused along the entire Futagawa-Hinagu fault zone (M 8.1).
- ○ Standard ground motion Ss-1 of 540 gals was determined by considering three active faults that are near the site and that affected more than the Futagawa-Hinagu fault zone. Ground motion Ss-2 of 620 gals was determined without specifying an epicenter.
- ○ The Sendai Nuclear Power Station is designed to safely and automatically shut down in the event of an earthquake of 160 gals with a sufficient margin against these standard ground motions.
- ○ The recent earthquakes were associated with dislocation of part of the Futagawa-Hinagu fault zone (M 7.3). The observed earthquake of 8.6 gals is much smaller than standard ground motions and the threshold for automatic reactor shutdown.

Comparison between assumptions for establishing standard ground motions and observation records

Earthquake name	Magnitude	Distance from site	Degree of shaking	
Assumption for establishing standard ground motions				
Ground motion determined by identifying an epicenter for each site (Ground motion determined based on active faults around the site)				
(1) Ichiki segment of Ichiki fault zone	M7.2	ca. 12 km	ca. 460 gals	540 gals (Ss-1)
(2) Koshiki segment of Koshiki fault zone	M7.5	ca. 26 km	ca. 420 gals	
(3) Central Koshiki Channel segment of Ichiki fault zone	M7.5	ca. 29 km	ca. 410 gals	
Futagawa-Hinagu fault zone	M8.1	ca. 92 km	ca. 100 gals	
Ground motion established without specifying an epicenter	—	—	620 gals	
Threshold for automatic reactor shutdown	—	—	160 gals	
Observation record [2016 Kumamoto earthquakes (part of the Futagawa-Hinagu fault zone)]				
Main shock (April 16, 2016 at 1:25)	M7.3	ca. 116k m	8.6 gals	



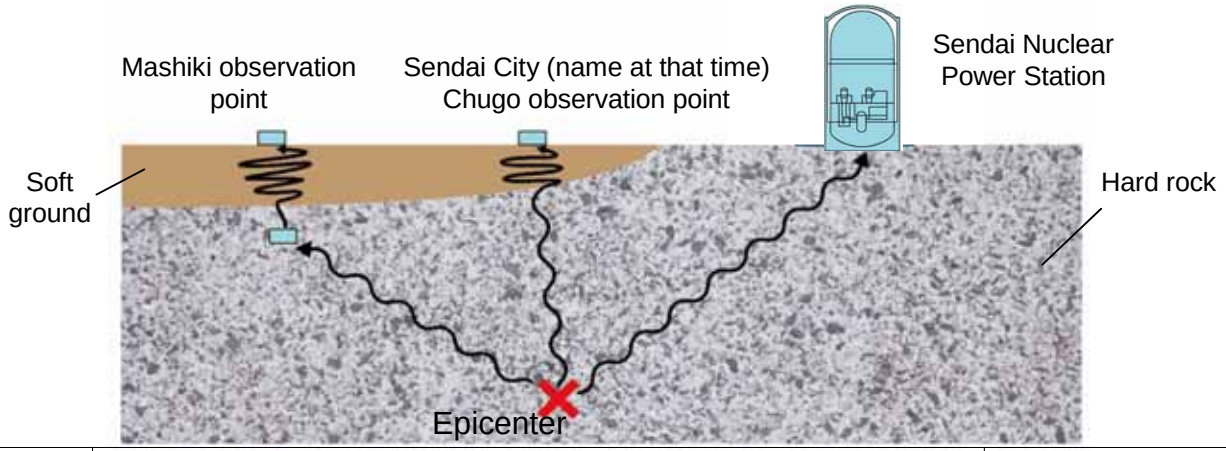
(Active faults around Sendai Nuclear Power Station)



Different degrees of shaking at the Sendai Nuclear Power Station and surrounding observation points

- ○ The foreshock of the earthquake on April 14 (M 6.5) caused a major shaking of 1,580 gals observed in Mashiki, Kumamoto Prefecture (resulting from three components of 760 gals north-south, 925 gals east-west, and 1,399 gals up-down), which is thought to be associated with the soft ground.
- ○ Sendai Nuclear Power Station stands on hard rock, which is less likely to experience major shaking.
- ○ In Mashiki, Kumamoto Prefecture, there are two observation points at the same location – one on the ground surface and another underground. The former, which is on soft ground, registered shaking of 1,580 gals, while the latter, which is on hard rock, experienced a maximum shaking of 237 gals.
- ○ In another earthquake that hit northwestern Kagoshima in May 1997, Chugo in Sendai City (name at that time), which is located on soft ground, experienced shaking of 470 gals, while the Sendai Nuclear Power Station, which is on hard rock, experienced shaking of 68 gals.

Difference in shaking on soft ground and rock caused by actual earthquakes



- Standard ground motion for the Sendai Nuclear Power Station (620 gals on hard rock) would cause major damage with an intensity of 7 in the urban area of Satsuma Sendai located on soft ground. The power station has a sufficient margin to withstand such shaking.

	Mashiki, Kumamoto Prefecture Foreshock (M 6.5) of Kumamoto earthquakes on April 14, 2016	**Sendai City (name at that time), Kagoshima Prefecture** Earthquake (M 6.4) in the northwestern part of Kagoshima Prefecture on May 13, 1997
Soft ground	[Observation point on ground surface]: Epicentral distance of 11 km North-south 760 gals, east-west 925 gals, and up-down 1,399 gals 1,580 gals Intensity of 7	[Chugo observation point in Sendai City (name at that time)]: Epicentral distance of 13 km 470 gals (maximum value in the horizontal direction) Intensity of 6-
Hard rock	[Observation point underground]: Epicentral distance of 11 km North-south 237 gals, east-west 178 gals, and up-down 127 gals	[Sendai Nuclear Power Station] Epicentral distance of 17 km 68 gals (maximum value in the horizontal direction)

Reference Initiatives to Achieve Greater Operational Efficiency

○ The group has been pursuing efficient management (140 billion yen reduction on average for three years), which was reflected in the spring 2013 price increase.
○ In FY 2015, we reduced costs in total by 267 billion yen, including a 114 billion yen reduction achieved by short-term measures to pursue further efficiency. Considering the gain of 4.4 billion yen on assets sold, the reduction achieved solely in FY 2015 was 153 billion yen.
○ Despite the unpredictable timing for resumption of operation of the Genkai Nuclear Power Station and the increase in costs associated with nuclear safety measures and reforms for power systems, we will pursue further efficiency in business operations in FY 2016 by cutting costs reflected in the price.

[Status of Operational Streamlining Initiatives]

※1 Figures in parentheses indicate nine cost items (outsourcing expense, rental expense, supplies expense, etc.) .
※2 Nuclear power was not operational in fi scal 2014, so the supply–demand balance is a preliminary calculation that differs substantially from rate costs.

(Billions of yen)

Item	Fiscal 2014 streamlining initiative results [A]+[B]	Cost of streamlining factored into electricity rate costs (2014 only) [A]	Streamlining efforts (2014 only) [B]	Cost of streamlining factored into electricity rate costs (2013–2015 average)
Maintenance costs	-910	-280	-630	-320
Miscellaneous costs, etc. ※1	-590 (-230)	-220 (-200)	-370 (-30)	-220 (-200)
Personnel costs	-250	-510	+260	-480
Fuel costs, cost of electricity purchases ※2	-520	-220	-300	-180
Depreciation expenses (capital expenditure)	-400	-300	-100	-230
Total [Excluding fuel costs and the cost of purchased power]	-2,670 [-2,150]	-1,530 [-1,310]	-1,140 [-840]	Reduction of around ¥14.0 billion

[Results of Asset Sales]

※3 Figures in parentheses indicate gains on sales

(Billions of yen)

Item	Sales results (2015 only) ※3	Sales results (total for 2013 to 2015) [A]+[B] ※3	Sales plan upon receipt of acceptance to raise the rate (total for 2013 to 2015) [A]	Streamlining effect [B]
Property	21 (20)	441 (390)	100	341
Available-for-sale securities	45 (24)	469 (327)	40	429
Total	66 (44)	910 (717)	140	770

【Establishment】

	Fuel	Station Name	Output	Construction schedule	
				Commencement of construction	Commencement of commercial operation
Under Construction	LNG	Shin Oita No.3×4	459.4MW	July, 2013	July, 2016
	Coal	Matsuura No.2	1,000MW	March, 2001	December, 2019
In preparation for construction	Nuclear	Sendai Nuclear No.3	1,590MW	TBD	TBD
	Geothermal	Otake	12.5→14.5MW	—	December, 2020

【Decommissioning】

Fuel	Station Name	Output	Schedule
Oil	Karita No.2	375MW	FY2017

【 Planed Shutdown 】

Fuel	Station Name	Output	Schedule
Oil	Ainoura No.1 and 2	875MW	FY2018～

Table of Contents (Section2 Financial Results of FY2015)

Financial Results and Forecasts Summary

FY2015 Financial Results

Financial Results and Forecasts Summary

FY2015 Financial Results Summary

We got into the black due to the time lag of reflection of declining fuel prices in lighting and power prices based on fuel costs adjustment system, on the revenue side, in addition to every group-wide effort to achieve thorough cost savings, the restart of generating electricity of Sendai nuclear power station No.1, 2 and a decrease in fuel costs along with the significant decline of fuel prices.

On the revenue side, consolidated sales decreased by 2.0% to ¥1,835.6 billion compared with FY2014 and the ordinary revenues decreased by 2.0% to ¥1,851.9 billion as lighting and power revenues decreased due to the reduction of unit price with the effect of the fuel costs adjustment in addition to the decrease of electricity sales, while grant based on the Act on Purchase of Renewable Energy Sourced Electricity increased.

On the expenditure side, ordinary expenses decreased by 10.3% to ¥1,761.0 billion compared with FY2014 affected by the expenditure restraints in entire group, in addition to decreasing fuel costs along with the significant decline of fuel prices and the restart generating electricity of Sendai nuclear power station No.1 and No.2, while the costs for power purchases from renewable energy increased.

As a result, the ordinary income was ¥90.9 billion, improved from loss of ¥73.6 billion for the FY2014, and the profit attributable to owners of the parent was ¥73.4 billion, improved from loss of ¥114.6 billion for the FY2014.

(On both a consolidated and non-consolidated , the ordinary income was in the black for the first time in five quarters.)

【Consolidated】

(Billions of Yen,%)

	FY2015	FY2014	Difference	Change
Ordinary revenue	1,851.9	1,890.0	-38.0	98.0
Sales [Figures are included above]	1,835.6	1,873.4	-37.7	98.0
Ordinary expense	1,761.0	1,963.7	-202.6	89.7
(Operating Income (Loss))	(120.2)	(-43.3)	(163.5)	(-)
Ordinary Income (Loss)	90.9	-73.6	164.6	-
Net Income (Loss) attributable to owners of parent	73.4	-114.6	188.1	-

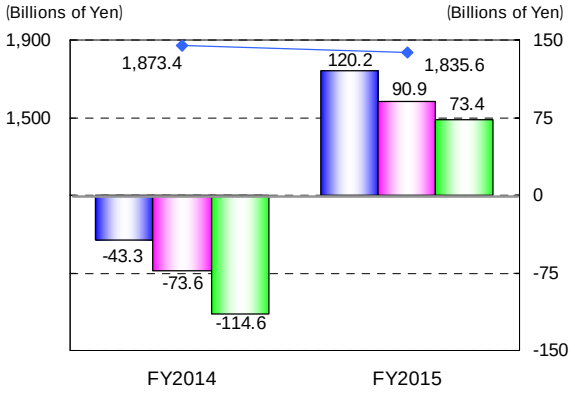
Note: As of the end of FY2015, 68 affiliates were subject to consolidated accounting.
Breakdown:
Consolidated subsidiaries: 41 companies (increase of 1 company from the end of FY2014: 1 company included)
Equity method companies: 27 companies (decrease of 2 companies from the end of FY2014: 2 companies excluded)

【Non-Consolidated】

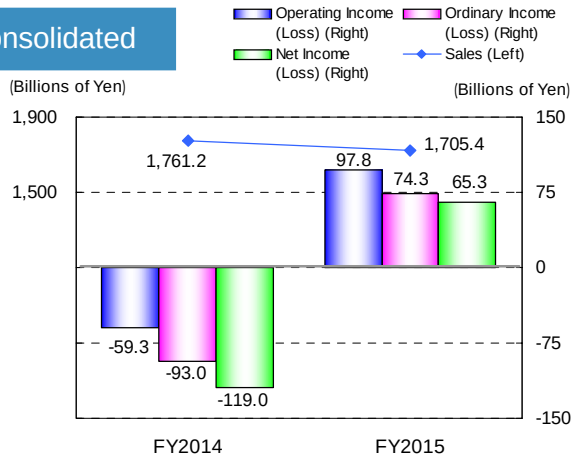
(Billions of Yen,%)

	FY2015	FY2014	Difference	Change
Ordinary revenue	1,723.7	1,771.9	-48.1	97.3
Sales [Figures are included above]	1,705.4	1,761.2	-55.7	96.8
Ordinary expense	1,649.4	1,865.0	-215.6	88.4
(Operating Income (Loss))	(97.8)	(-59.3)	(157.2)	(-)
Ordinary Income (Loss)	74.3	-93.0	167.4	-
Net Income (Loss)	65.3	-119.0	184.3	-

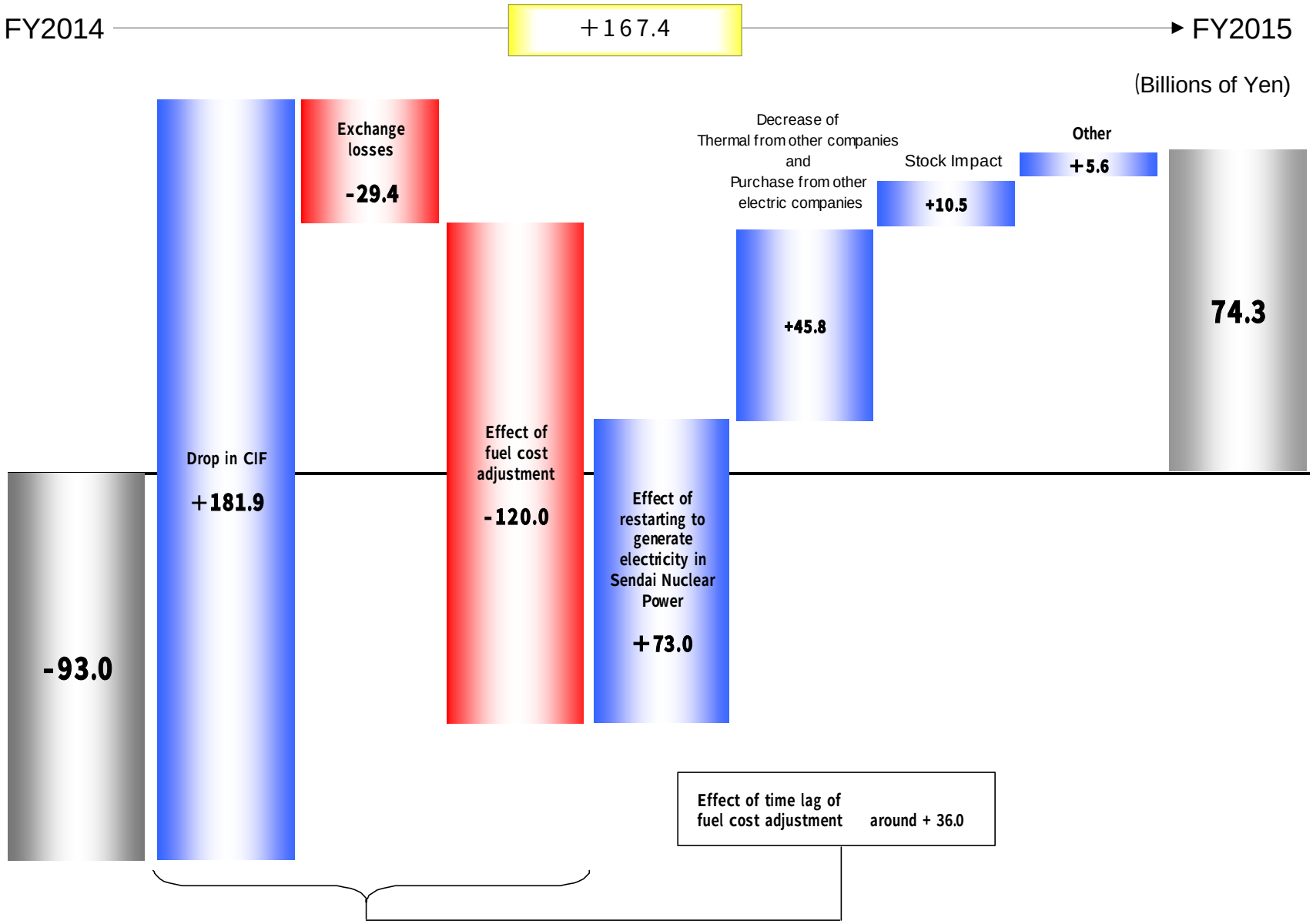
Consolidated



Non-Consolidated



Factors contributing to change in Ordinary Income (Loss) (Non-Consolidated)



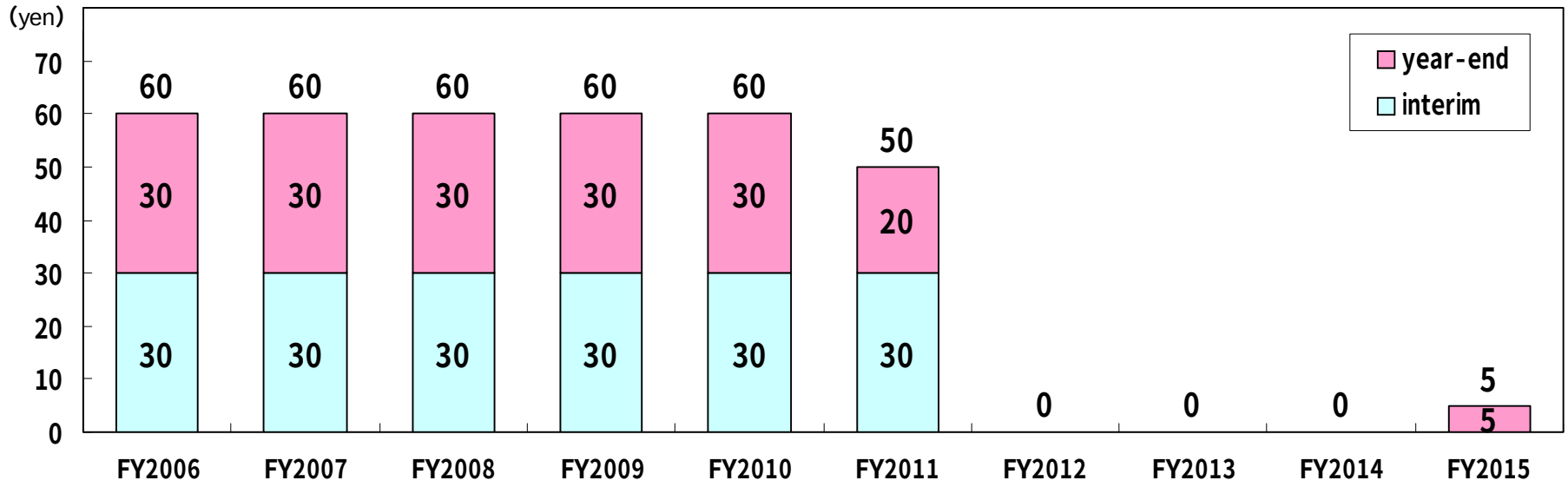
FY2015 Year-end Dividend

Considering the review of efficiency hereafter in addition to the performance in the FY2015 comprehensively, we had discussed about year-end dividend.

We have decided to pay out ¥5 per common share, in view of return to our shareholders, with improving deteriorated financial condition.

We have also decided to pay out year-end dividend of class A preferred shares, total amount ¥7.15 billion, for the FY2014 and the FY2015.

【Dividend per share (common stock)】



FY2016 Financial Results Forecasts and Dividend Forecasts

【Financial Result Forecasts】

We expect that our sales will be ¥1,830.0 billion, same level as the FY2015, due to an increase in grant based on the Act on Purchase of Renewable Energy Sourced Electricity while decreasing in electricity sales for lighting in the electricity business caused by the decrease in charge unit price due to the fuel cost adjustment system.

The income in the FY2016 is currently not able to be estimated. There are two primary reasons. The first is that the period of the resumption of operations of Genkai nuclear power stations are unclear. The second is that we cannot make sure the progress of efficiency in general cost, though we have made efforts for since beginning of the fiscal year while securing safety, compliance and stable supply. Because Sendai nuclear power stations will suspend due to the periodic inspection in the second half of the fiscal year.

We will promptly inform you of our forecasts when it is possible for us to make them.

【Dividend Forecasts】

Dividend for FY2016, though we will do our best to pay out a certain amount as well as FY2015, have not been decided yet, because the period of the resumption of operations of Genkai nuclear power stations are unclear.
We will promptly inform you of our forecasts when it is possible for us to make them.

【Consolidated】

(Billions of Yen,%)

	FY2016	FY2015	Difference	Change
Sales	1,830.0	1,835.6	-5.6	99.7
Operating Income	-	120.2	-	-
Ordinary Income	-	90.9	-	-
Net Income attributable to owners of parent	-	73.4	-	-

【Non-Consolidated】

(Billions of Yen,%)

	FY2016	FY2015	Difference	Change
Sales	1,700.0	1,705.4	-5.4	99.7
Operating income	-	97.8	-	-
Ordinary income	-	74.3	-	-
Net Income	-	65.3	-	-

【Reference：Key Fundamentals】

	FY2016	FY2015	Difference
Electricity Sales Volume	79.4 Bln kWh	79.2 Bln kWh	0.2 Bln kWh
Crude oil CIF price	40 $/b	49 $/b	-9 $/b
Exchange rate	115 yen/$	120 yen/$	-5 yen/$

FY2015 Financial Results

Electricity Sales Volume

In FY2015, general demands such as lighting and power for commercial operations decreased by 2.3% from FY2014 due to a decrease in business power demand and the air-heating demand as the temperature from December to March was higher than the previous year's level.

The power demands from large industrial customers decreased by 3.1% from FY2014 due to a decrease in production of Steel and Iron and Chemicals.

Consequently, the total electricity sales for FY2015 decreased by 2.5% to ¥79.21 billion kWh compared with FY2014.

【Electricity Sales Volume】

(Million-kWh,%)

		FY2015	vs.FY2014	
			Difference	Change
Lighting		28,100	-418	98.5
Power		51,110	-1,651	96.9
Total		79,210	-2,069	97.5
(Figures are included above)	Customers other than large-scale industrial	56,517	-1,343	97.7
	Large-scale industrial customers	22,693	-726	96.9

【Reference: Electricity Sales Volume (by sector)】

(Million-kWh,%)

			FY2015	vs.FY2014	
				Difference	Change
Demand other than under liberalization	Lighting		28,100	-418	98.5
	Power	Low voltage	4,125	-76	98.2
		Others	619	-47	93.0
	Subtotal		32,844	-541	98.4
Demand under liberalization	Commercial		17,487	-794	95.7
	Industrial		28,879	-734	97.5
	Subtotal		46,366	-1,528	96.8
Total			79,210	-2,069	97.5

【Large-scale industrial customers by sector】

(Million-kWh,%)

		FY2015	vs.FY2014	
			Difference	Change
Machinery Total		6,519	117	101.8
(Figures are included above)	Electronics	4,310	29	100.7
	Transportation	1,716	91	105.6
Steel and Iron		2,230	-327	87.2
Chemicals		2,475	-202	92.5
Clay and Stone		897	-77	92.1
Non-ferrous Metals		1,867	25	101.4
Pulps and Papers		302	-31	90.6
Foodstuffs		2,290	-49	97.9
Others		6,113	-182	97.1
Total		22,693	-726	96.9

Generated and Received Electricity

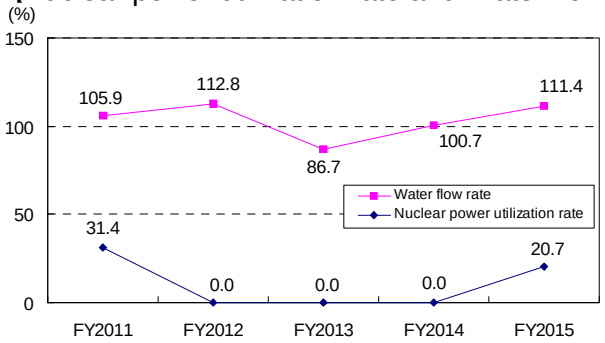
On the supply side, our own thermal facilities decreased due to the restart generating electricity of Sendai nuclear power station No.1 and 2 in addition to a decrease in demands and increase in new energy received from other companies.

【Generated and Received Electricity】 (Million-kWh,%)

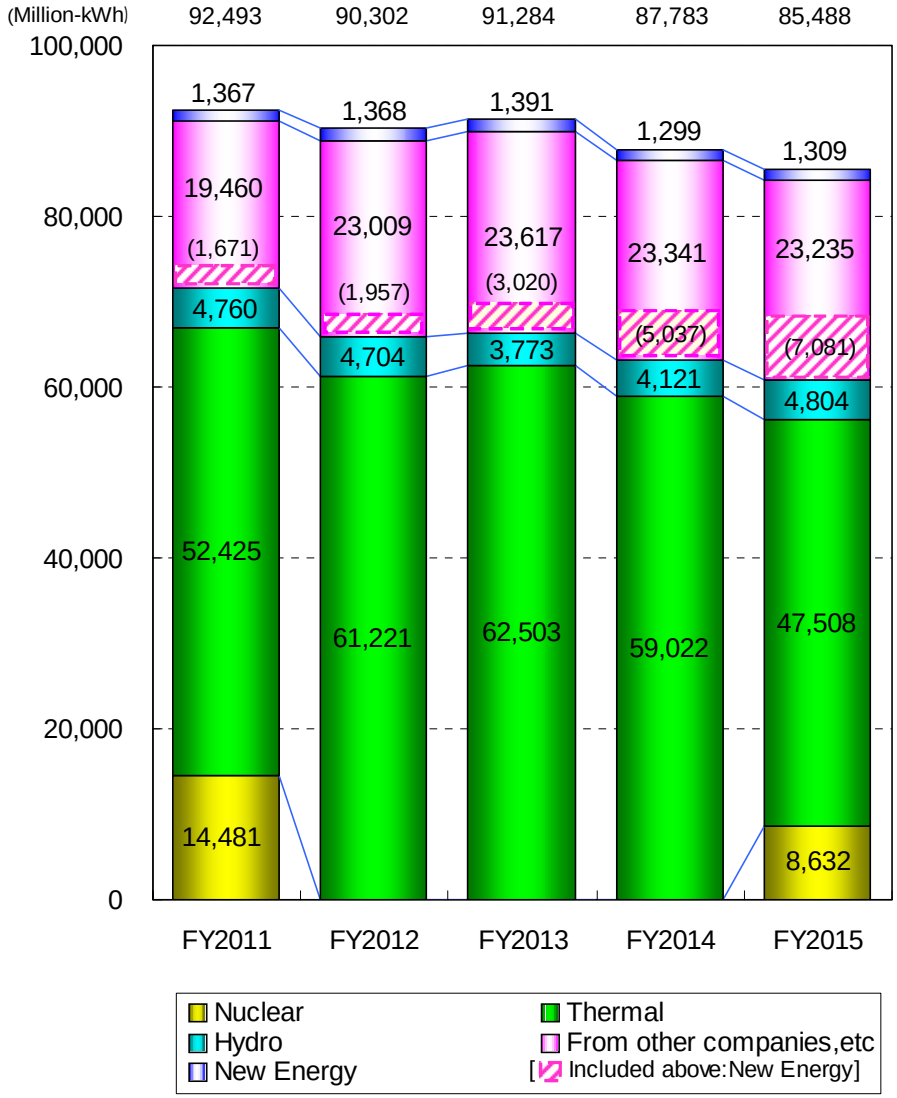
		FY2015	vs.FY2014 Difference	vs.FY2014 Change
Own facilities	Hydro	4,804	683	116.6
	(Water flow rate)	(111.4)	(10.7)	
	Thermal	47,508	-11,514	80.5
	Nuclear	8,632	8,632	-
	(Utilization rate)	(20.7)	(20.7)	
	New Energy※	1,309	10	100.7
	Subtotal	62,253	-2,189	96.6
From other companies	Hydro	1,944	178	110.0
	Thermal	14,630	-1,196	92.4
	New Energy※	7,081	2,044	140.6
	Subtotal	23,655	1,026	104.5
Interchange		257	-660	28.0
For pumping		-677	-472	329.8
Total		85,488	-2,295	97.4

※Note: "New Energy" includes Solar, Wind, Biomass, Waste and Geothermal

【Nuclear power utilization rate and Water flow rate】



【Trends in Generated and Received Electricity】



Income Statement Summary (Non-Consolidated)

(Billions of Yen,%)

		FY2015	FY2014	Difference	Change	Explanations
Ordinary Revenues	Lighting	614.2	648.5	-34.2	94.7	Decrease in electricity sales volume -35.7 Effect of fuel cost adjustment -120.0(-32.2 ← 87.8)
	Power	823.6	897.6	-73.9	91.8	Renewable Energy Power Promotion Surcharge 53.1(104.1 ← 50.9) Solar Power Promotion Surcharge -1.8
	Other	285.8	225.8	60.0	126.6	Grant based on the Act on Purchase of Renewable Energy Sourced Electricity 69.5(203.7 ← 134.1) Proceed from dividends 9.4 Incidental Business Operating Revenues -26.2
	(Sales)	(1,705.4)	(1,761.2)	(-55.7)	(96.8)	
	Total	1,723.7	1,771.9	-48.1	97.3	
Ordinary Expenses	Labor	131.0	113.1	17.9	115.9	Employee retirement benefits 8.2 Salary 7.8
	Fuel	364.7	678.4	-313.7	53.8	Drop in CIF -181.9 Exchange losses 29.4 Effect of restarting to generate electricity in Sendai Nuclear Power -72.0 Stock Impact -10.5 Increase in Water flow -6.1
	Power purchase	386.8	372.4	14.3	103.9	Purchase from other companies 29.1 [Figures are included above：Purchase of Renewable Energy Sourced Electricity 77.0(247.3 ← 170.2) Thermal from other companies -47.1] Purchase from other electric companies -14.7
	Maintenance	144.4	126.6	17.8	114.1	Nuclear 7.6 Thermal 6.7 Distribution 4.9
	Depreciation	167.0	164.7	2.3	101.4	Trial operations depreciation 1.9 Regular depreciation 0.3
	Interest	37.0	38.6	-1.6	95.8	
	Tax and public dues	85.2	86.0	-0.7	99.1	
	Nuclear back-end	21.7	21.4	0.3	101.5	
	Other	311.2	263.4	47.7	118.1	Levy based on the Act on Purchase of Renewable Energy Sourced Electricity 53.1(104.1 ← 50.9) Overhead expenses 12.1 Incidental Business Operating Expenses -18.7
	Total	1,649.4	1,865.0	-215.6	88.4	Effect of restarting to generate electricity in Sendai Nuclear Power -73.0 (Decrease in Fuel -72.0 Decrease in Power purchase -16.0 Increase in nuclear back-end 6.0 Increase in Depreciation 9.0)
(Operating Income (Loss))		(97.8)	(-59.3)	(157.2)	(-)	
Ordinary Income (Loss)		74.3	-93.0	167.4	-	
Reserve for fluctuation In water levels		5.9	1.6	4.2	350.7	
Extraordinary gain		7.4	9.8	-2.4	75.1	Gain on sale of fixed assets -7.8 Gain on revision of retirement benefit plan 2.8 Gain on sale of securities 2.4
Income taxes		10.4	34.1	-23.6	30.7	Income Taxes 4.4 Income Taxes-Deferred -28.0
Net Income (Loss)		65.3	-119.0	184.3	-	

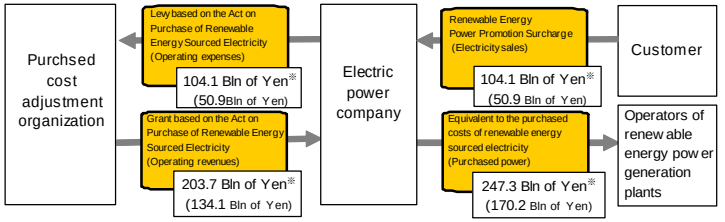
Note: The underlined parts are related to Feed-in Tariff Power purchase and sale system of renewable energy

【Reference 1 :Key Fundamentals】

(Billions of Yen)

	FY2015	FY2014	Difference	Financial impact	
Crude oil CIF price	49 $/b	90 $/b	-41 $/b	($1/b)	4.5
Exchange rate	120 yen/$	110 yen/$	10 yen/$	(1yen/$)	3.0
Nuclear power utilization rate	20.7 %	- %	20.7 %	(1%)	4.0
Water flow rate	111.4 %	100.7 %	10.7 %	(1%)	0.7

【Reference 2 :Structure of Feed-in Tariff power purchase and sale system of renewable energy】



※ Note：Figures for FY2015 and FY2014 in parenthesis.

(Reference) The effect of time lag of fuel cost adjustment

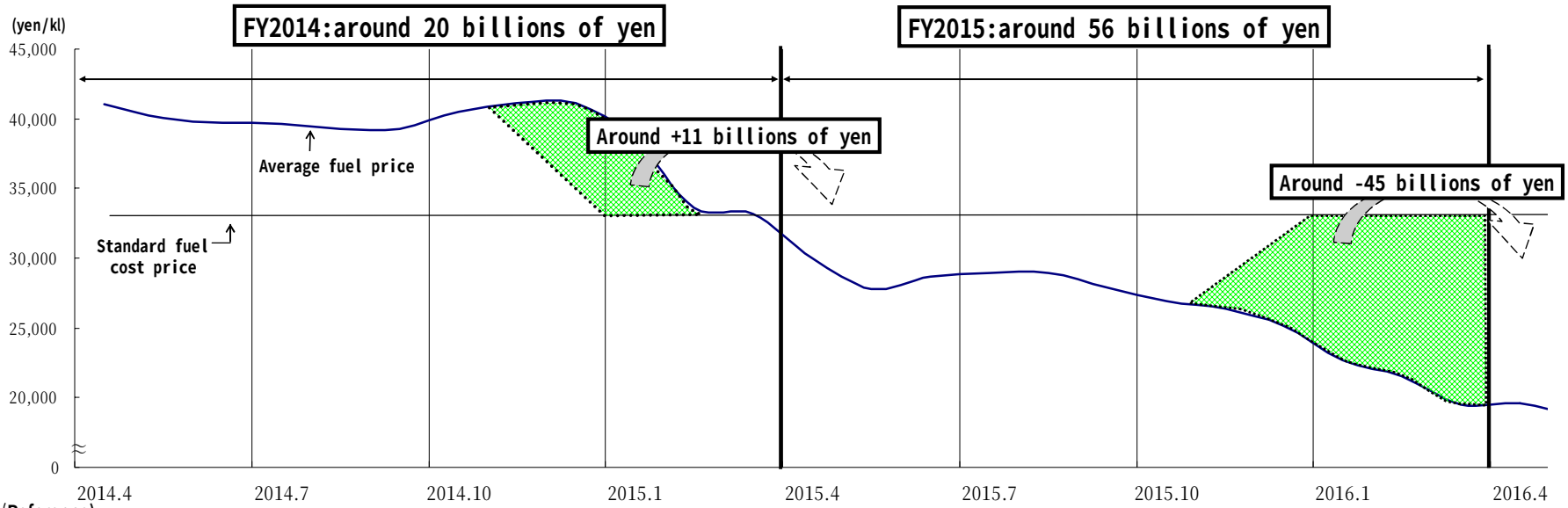
The effect of the significant decline of fuel prices from the latter half of FY2014

- Fuel prices in the latter half of FY2014 above the standard fuel price were reflected as the increase income in FY2015 [around 11 billions of yen]
- A part of the fuel prices of FY2015 below the standard fuel price weren't reflected as the decrease income in FY2015 and brought forward after FY2016. [around 45 billions of yen]

The income and expenditure improved due to the effect of this time lag of fuel cost adjustment *. [around 56 billions of yen] (FY2014: around 20 billions of yen)

*The average fuel prices in each three month are reflected two months later.

○The effect of the decline of fuel prices (The image of time lag of fuel cost adjustment)



(Reference)

	2014.4	2014.5	2014.6	2014.7	2014.8	2014.9	2014.10	2014.11	2014.12	2015.1	2015.2	2015.3	2015.4	2015.5	2015.6	2015.7	2015.8	2015.9	2015.10	2015.11	2015.12	2016.1	2016.2	2016.3
JCC($/b)	109	109	110	112	111	106	101	91	79	63	50	55	56	59	64	64	59	51	48	48	44	37	30	32
JLC($/t)	874	851	840	837	825	807	824	848	815	770	689	630	528	459	449	463	473	497	491	468	438	404	407	-

[Explanations] Ordinary Revenues

(Billions of Yen,%)

	FY2015	FY2014	Difference	Change
Lighting and Power	1,437.9	1,546.1	-108.2	93.0

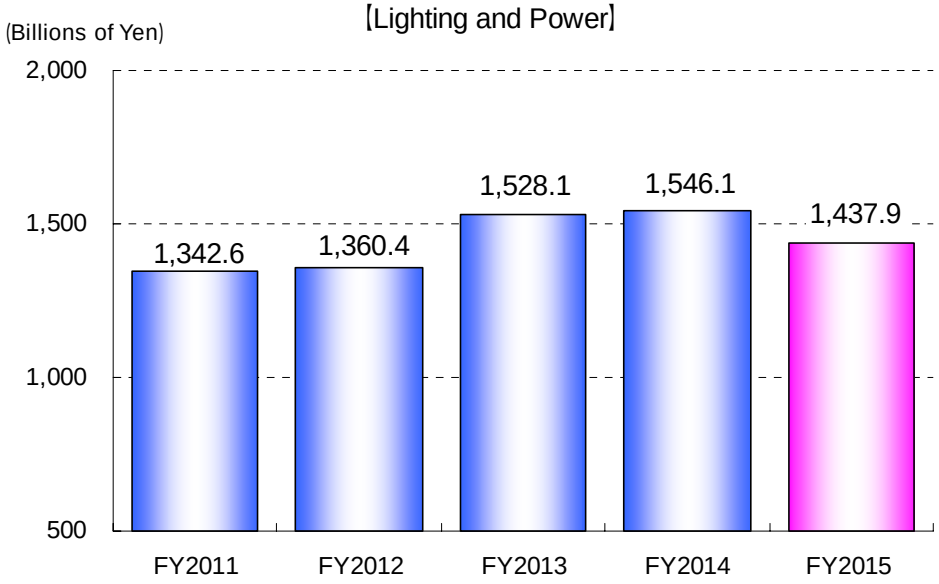
	Difference	FY2015	FY2014
1. Decrease in electricity sales volume	-35.7		
2. Effect of fuel cost adjustment	-120.0	(-32.2 ←	87.8)
3. Renewable Energy Power Promotion Surcharge	53.1	(104.1 ←	50.9)

(Billions of Yen,%)

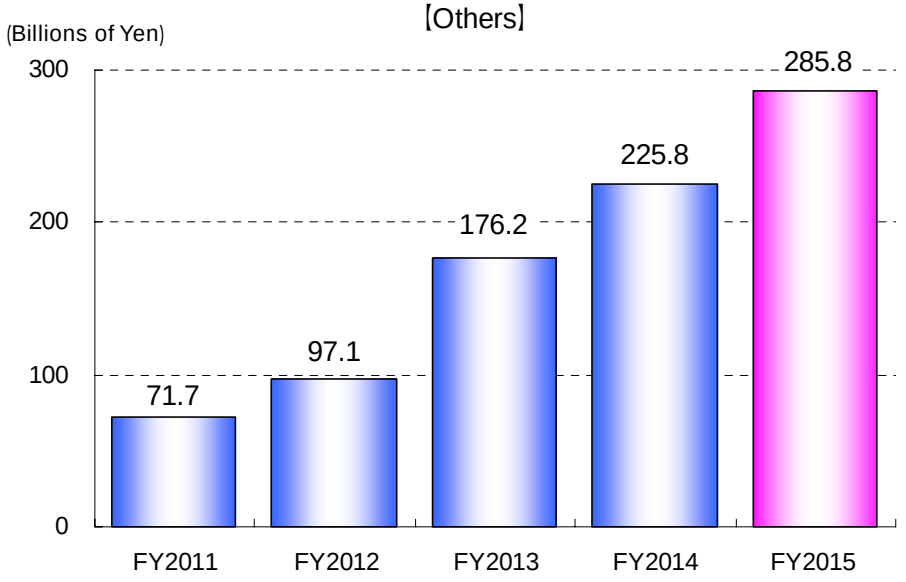
	FY2015	FY2014	Difference	Change
Others	285.8	225.8	60.0	126.6

	Difference	FY2015	FY2014
1. Grant based on the Act on Purchase of Renewable Energy Sourced Electricity	69.5	(203.7 ←	134.1)
2. Proceed from dividends	9.4	(11.2 ←	1.7)
3. Incidental Business Operating Revenues	-26.2	(13.1 ←	39.4)

【Lighting and Power】



【Others】



[Explanations] Fuel, Power purchase

(Billions of Yen,%)

	FY2015	FY2014	Difference	Change
Fuel	364.7	678.4	-313.7	53.8

	Difference
1. Drop in CIF	-181.9
2. Exchange losses	29.4
3. Effect of restarting to generate electricity in Sendai Nuclear Power	-72.0
4. Stock Impact	-10.5
5. Increase in Water flow	-6.1

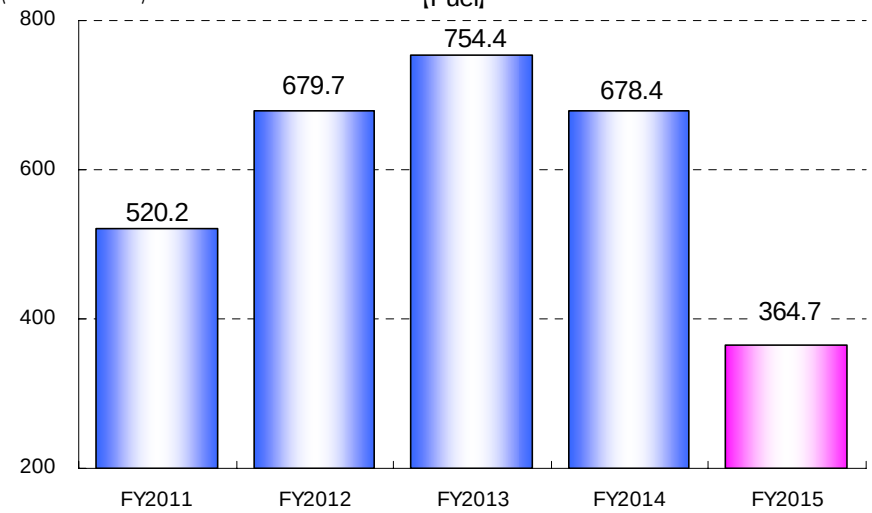
[Reference1] All Japan CIF prices

	FY2015	FY2014	Difference
Coal($/t)	76	93	-17
LNG($/t)	460	798	-338
Crude oil($/b)	49	90	-41

[Reference2] Fuel consumption

	FY2015	FY2014	Difference
Coal (thousand. ton)	5,694	6,150	-456
Heavy oil (thousand. kiloliter)	923	1,671	-748
Crude oil (thousand. kiloliter)	397	699	-302
LNG (thousand. ton)	3,806	4,717	-911

(Billions of Yen)

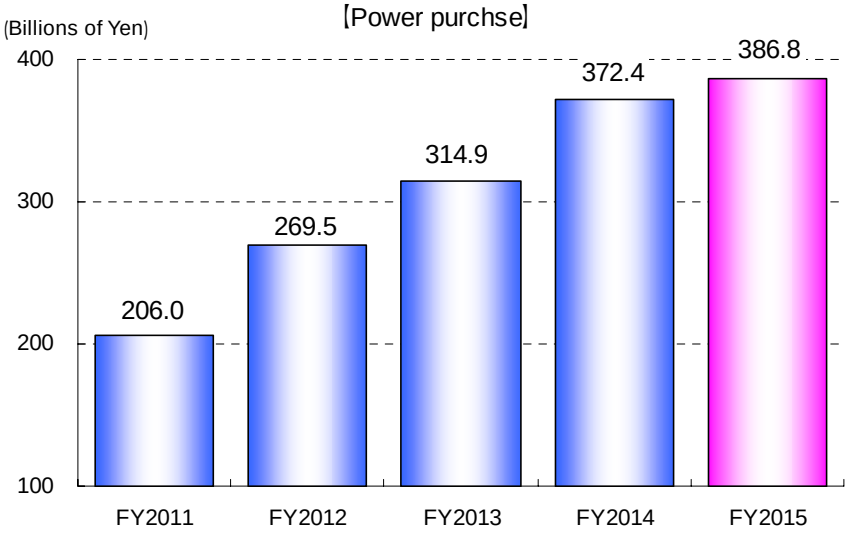


(Billions of Yen,%)

	FY2015	FY2014	Difference	Change
Power purchase	386.8	372.4	14.3	103.9

	Difference	FY2015		FY2014
1. Purchase from other companies	29.1	(381.4	←	352.3)
◆ Purchase of Renewable Energy Sourced Electricity	77.0	(247.3	←	170.2)
◆ Received thermal from other companies	-47.1	(117.1	←	164.2)
(Figures are included above : Effect of restarting to generate electricity in Sendai Nuclear Power	-16.0)			
2. Purchase from other electric companies	-14.7	(5.3	←	20.1)

(Billions of Yen)



[Explanations] Maintenance, Depreciation

(Billions of Yen,%)

	FY2015	FY2014	Difference	Change
Maintenance	144.4	126.6	17.8	114.1

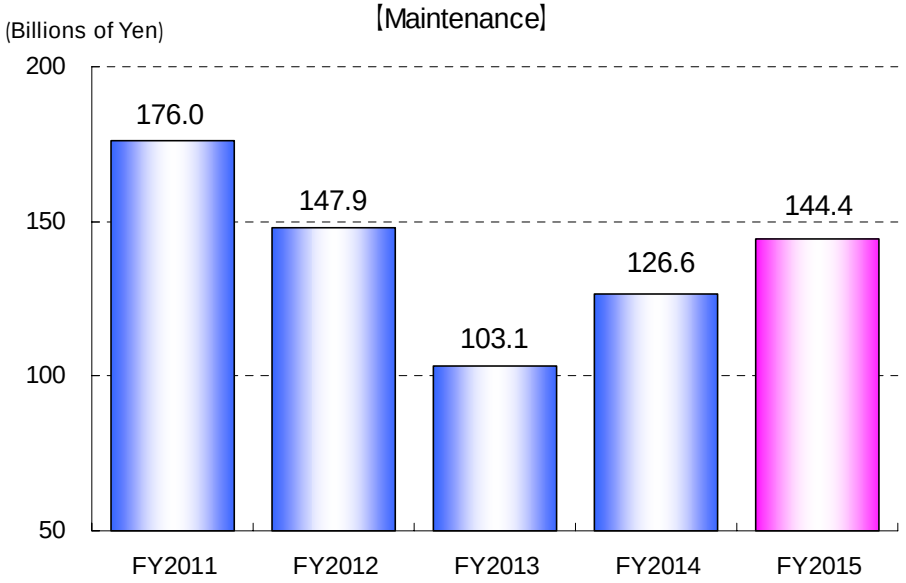
	Difference	FY2015		FY2014
1. Nuclear	7.6	(28.5	←	20.9)
2.Thermal	6.7	(36.9	←	30.2)
3. Distribution	4.9	(46.4	←	41.4)

(Billions of Yen,%)

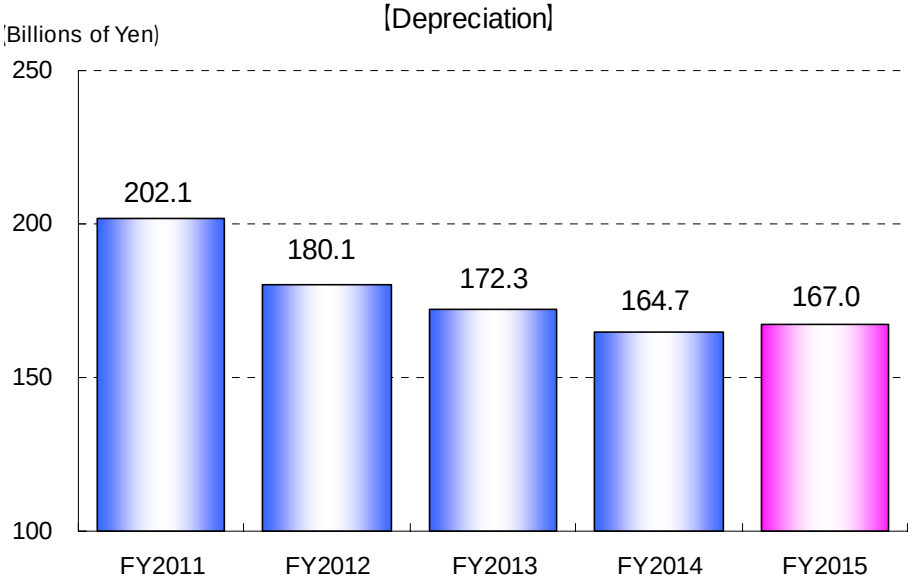
	FY2015	FY2014	Difference	Change
Depreciation	167.0	164.7	2.3	101.4

	Difference	FY2015		FY2014
1. Trial operations depreciation	1.9	(1.9	←	-)
2. Regular depreciation	0.3	(165.0	←	164.7)

【Maintenance】



【Depreciation】



[Explanations] Labor, Others

(Billions of Yen,%)

	FY2015	FY2014	Difference	Change
Labor	131.0	113.1	17.9	115.9

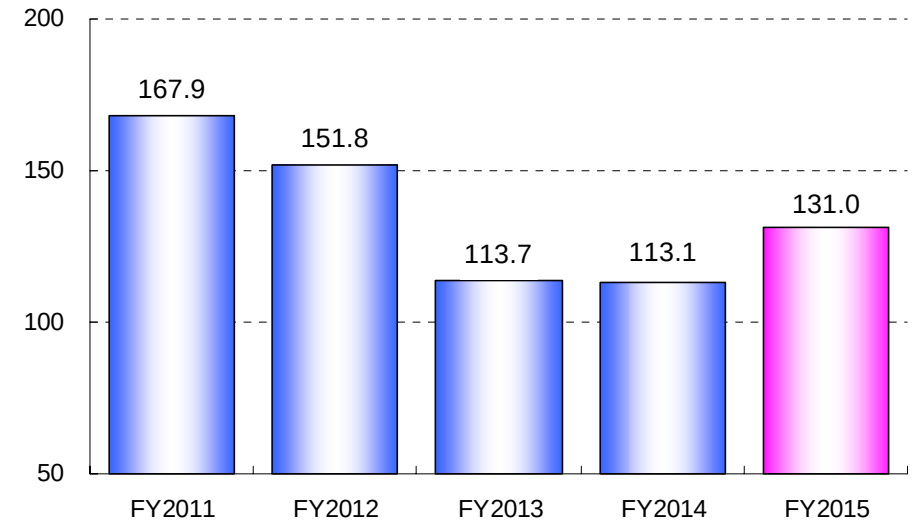
	Difference	FY2015		FY2014
1. Employee retirement benefits	8.2	(4.2	←	-3.9)
2. Salary	7.8	(98.6	←	90.7)

(Billions of Yen,%)

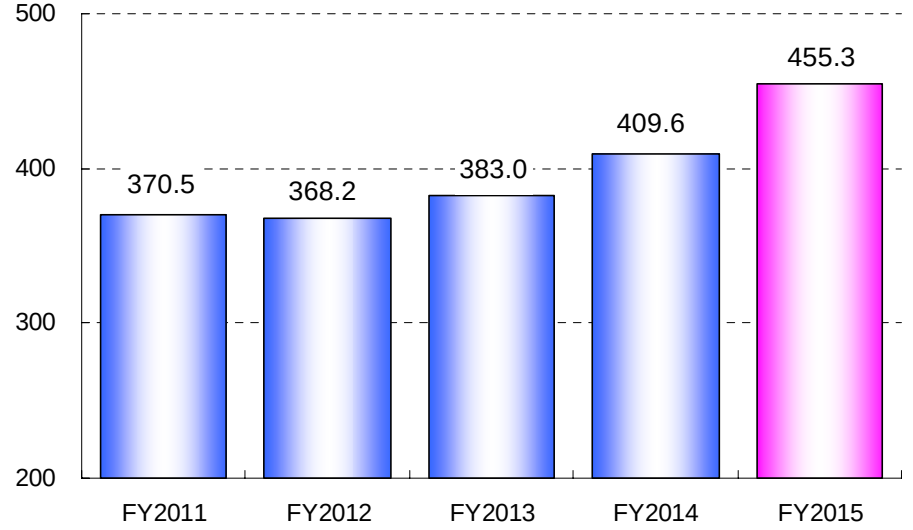
	FY2015	FY2014	Difference	Change
Others	455.3	409.6	45.6	111.1

	Difference	FY2015		FY2014
1. Levy based on the Act on Purchase of Renewable Energy Sourced Electricity	53.1	(104.1	←	50.9)
2. Overhead expenses	12.1	(154.4	←	142.3)
3. Incidental Businesses Operating Expenses	-18.7	(11.5	←	30.3)

【Labor】



【Others】



Balance Sheet Summary (Non-Consolidated)

Assets

(Billions of Yen)

	Mar. 31, 2016	Mar. 31, 2015	Difference	Explanations
Utility Property, Plant and Equipment	2,354.1	2,281.2	72.8	Construction completed 274.3 Depreciation -165.0
Investments and Other Assets	670.8	684.4	-13.5	
Others	1,296.4	1,425.1	-128.7	Cash and cash equivalents -94.7 （Mar. 31, 2016 371.4 ← Mar. 31, 2015 466.1） Construction in progress 5.4（appropriation 278.6 adjustment -271.2)
Total	4,321.4	4,390.9	-69.4	

Liabilities and Equity

(Billions of Yen)

	Mar. 31, 2016	Mar. 31, 2015	Difference	Explanations
Liabilities	3,936.2	4,068.6	-132.3	Interest-bearing Debt -148.2
Equity	385.1	322.2	62.8	FY2015 Net Income 65.3 [Equity Ratio] Mar. 31, 2016 8.9% ← Mar. 31, 2015 7.3%
Total	4,321.4	4,390.9	-69.4	

【Reference: Interest-bearing Debt】

(Billions of Yen)

	Mar. 31, 2016	Mar. 31, 2015	Difference
Bonds	1,124.4	1,283.7	-159.3
Loans	1,895.6	1,884.4	11.1
Total	3,020.0	3,168.2	-148.2

Income Statement Summary , Balance Sheet Summary (Consolidated)

Income Statement Summary

(Billions of Yen,%)

		FY2015	FY2014	Difference	Change	FY2015 Consolidated Ratio
Ordinary Revenues	Operating Revenues (Sales)	1,835.6	1,873.4	-37.7	98.0	(1.08)
	Electric	1,688.3	1,719.5	-31.2	98.2	
	Other	147.3	153.8	-6.5	95.8	
	Other Revenues	16.2	16.5	-0.3	98.2	
	Total	1,851.9	1,890.0	-38.0	98.0	
Ordinary Expenses	Operating Expenses	1,715.4	1,916.7	-201.3	89.5	
	Electric	1,584.5	1,779.7	-195.1	89.0	
	Other	130.8	137.0	-6.1	95.5	
	Other Expenses	45.6	46.9	-1.3	97.1	
	Total	1,761.0	1,963.7	-202.6	89.7	
(Operating Income (Loss))		(120.2)	(-43.3)	(163.5)	(-)	(1.23)
Ordinary Income (Loss)		90.9	-73.6	164.6	-	(1.22)
Reserve for Fluctuation In Water Levels		5.9	1.6	4.2	-	
Extraordinary gain		7.5	2.4	5.0	-	
Net Income (Loss) attributable to owners of parent		73.4	-114.6	188.1	-	(1.13)
Comprehensive Income (Loss)		49.4	-143.1	192.6	-	

Balance Sheet Summary

(Billions of Yen,%)

		Mar. 31, 2016	Mar. 31, 2015	Difference
Total Assets		4,748.2	4,784.7	-36.4
Liabilities		4,248.3	4,333.7	-85.4
	Interest-bearing Debt	3,224.8	3,337.9	-113.0
Equity		499.9	450.9	48.9
【Reference】Equity Ratio		10.1	9.0	1.1

Segment Information

○ Energy-related business

・The sales revenues from energy-related business decreased by 1.1% to ¥184.6 billion compared with FY2014 mainly due to a decrease in sales amount of gas, though consolidated subsidiaries increased. Operating income decreased by 1.2% to ¥10.8 billion.

○ IT and Telecommunications

・The sales revenues from IT and telecommunication business increased by 7.3% to ¥103.5 billion compared with the FY2014 mainly due to an increase in consigned information system developments. Operating income decreased by 10.0% to ¥10.2 billion compared with the FY2014 mainly due to an increase in depreciation which comes with expand of broadband services.

○ Others

・The sales revenues from other businesses increased by 4.2% to ¥26.8 billion compared with FY2014 mainly due to an increase in sales of real estate. Operating income increased by 17.7% to ¥4.3 billion mainly due to a decrease in depreciation of rental buildings.

(Billions of Yen)

	Electric Power	Energy-related business	IT and Telecommunications	Other	Eliminations/ corporate	Total [Consolidated]
Sales	1,692.3	184.6	103.5	26.8	-171.6	1,835.6
	(-29.5)	(-2.0)	(7.0)	(1.0)	(-14.2)	(-37.7)
Sales to customers [Figures are included above]	1,688.3	64.1	69.3	13.8	-	1,835.6
	(-31.2)	(-7.5)	(0.1)	(0.9)	(-)	(-37.7)
Operating Income (Loss)	96.1	10.8	10.2	4.3	-1.3	120.2
	(164.6)	(-0.1)	(-1.1)	(0.6)	(-0.4)	(163.5)
Segment Assets	4,155.9	419.4	186.7	142.5	-156.5	4,748.2
	(-79.6)	(44.0)	(10.6)	(1.0)	(-12.5)	(-36.4)
Capital Expenditures	284.0	18.1	25.5	1.0	-5.0	323.8
	(55.7)	(-4.6)	(0)	(0.1)	(-0.3)	(50.9)

Note：Figures in parentheses denote change from FY2014

Cash Flow Summary (Consolidated)

(Billions of Yen,%)

	FY2015	FY2014	Difference	Explanations
Cash flows from operating activities (A)	329.4	88.7	240.7	Increase due to the decrease in payments for fuel costs 323.1 Decrease due to the decrease in lighting and power revenue -87.4
Cash flows from investing activities	-288.3	-268.4	-19.9	Increase in purchases of property, plant and equipment -24.5 Increase in revenue from redemption and sales of securities 9.2
Reposting of capital expenditures including nuclear fuel [Figures are included above] (B)	(-318.4)	(-293.9)	(-24.5)	
Cash flows from financing activities	-126.1	310.8	-436.9	Decrease in proceeds from issuance of stock -99.5 (0 ← 99.5) Decrease in proceeds from issuance of bonds and loans -160.9 Increase in repayments of bonds and loans -175.7
Change in cash & cash equivalents	-86.7	131.7	-218.4	

(Reference) Free cash flows (A) + (B)	10.9	-205.2	216.2

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