

July 31, 2015

**The 1st Quarter of the Fiscal Year Ending March 31, 2016 Financial Results Overview [Japan GAAP] (Consolidated)
Kyushu Electric Power Co., Inc.**

Stock code: 9508 URL: http://www.kyuden.co.jp/en_index.html

Stock listed on: Tokyo SE, Fukuoka SE

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Quarterly financial report submission date (plan): August 7, 2015

Date to start dividend payments: —

Preparation of supplementary materials for quarterly financial results: Yes

Information meeting for quarterly financial results: No

(Rounded down to the nearest million yen)

1. Consolidated Financial Results for the Three Months (April 1, 2015 to June 30, 2015)

(1) Consolidated Operational Results

(% shows the changes from the same quarter period of the previous FY)

	Sales		Operating income		Ordinary income	
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)
April 1, 2015 - June 30, 2015	453,563	2.0	28,017	—	21,197	—
April 1, 2014 - June 30, 2014	444,631	14.3	-28,111	—	-36,510	—

(Note) Comprehensive income: FY2015 1Q 15,099 million yen (—%) FY2014 1Q -45,061 million yen (—%)

	profit attributable to owners of parent		EPS	Fully-diluted EPS
	(Unit: million yen)	(%)	(Unit: yen)	(Unit: yen)
April 1, 2015 - June 30, 2015	18,807	—	39.71	—
April 1, 2014 - June 30, 2014	-40,637	—	-85.92	—

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	(Unit: million yen)	(Unit: million yen)	(%)
As of June 30, 2015	4,645,407	465,564	9.6
As of March 31, 2015	4,784,735	450,990	9.0

(Reference) Shareholders' equity: As of June 30, 2015: 446,216 million yen As of March 31, 2015: 431,528 million yen

2. Dividends

	Annual dividends per share				
	1Q	2Q	3Q	Year-end	Total
	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)
FY2014	—	0.00	—	0.00	0.00
FY2015(forecast)	—	—	—	—	—
FY2015(forecast)	—	0.00	—	—	—

(Note) Revision of the dividend forecast: No

Year-end dividend for FY2015 ending March 31, 2016 has yet to be decided. We will promptly inform you of our forecasts when it is possible for us to make them.

Dividends mentioned the above is regarding common shares. Regarding preferred shares which differ in shareholders' rights from common shares, see "Dividends for preferred shares".

3. Forecasts for Consolidated Financial Results for FY2015 (April 1, 2015 to March 31, 2016)

	Sales		Operating income		Ordinary income		profit attributable to owners of parent		EPS
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: yen)
2Q	940,000	1.1	—	—	—	—	—	—	—
Full-year	1,895,000	1.1	—	—	—	—	—	—	—

(Note) Revision of financial results forecast: Yes

We will promptly inform you of Fiscal 2015 2nd Quarter forecasts for operating income, ordinary income and profit attributable to owners of parent based on operation after the resumption of Sendai nuclear power station Unit No.1 which is going ahead with preparations for the resumption.

Fiscal 2015 full-year forecasts for operating income, ordinary income and profit attributable to owners of parent is currently not able to be estimated due to the difficult situations that we can not calculate fuel costs rationally under uncertain prospects for the resumption of Sendai and Genkai nuclear power stations. We will promptly inform you of our forecasts when it is possible for us to make them.

※ Note

(1) Changes in significant subsidiaries (changes in scope of consolidated subsidiaries) : No

Newly added: 0 Excluded: 0

(2) Adoption of methods specific in preparing quarterly consolidated financial statements in accounting practice : No

(3) Changes in accounting principles, changes in accounting estimates, restatement

① Changes in accounting principles in line with revised accounting standards : Yes

② Changes in accounting principles other than ① : No

③ Changes in accounting estimates : No

④ Restatement : No

(Note) For details, please refer to Changes in accounting policies, changes of accounting estimates, and restatement on page 5 of attached materials.

(4) Number of common stocks issued and outstanding

① Total stocks including treasury stocks FY2015 1Q: 474,183,951 shares FY2014: 474,183,951 shares

② Treasury stocks FY2015 1Q: 514,927 shares FY2014: 509,481 shares

③ Average number of shares during the period FY2015 1Q: 473,670,875 shares FY2014 1Q: 472,968,025 shares

*Notes on implementation status of quarterly review procedure

This financial results overview is not the object of quarterly review procedure based on Financial Instruments and Exchange Act,

and at the time of this disclosure, quarterly review procedure of quarterly consolidated financial reports based on Financial Instruments and Exchange Act is under implementation.

*Notes on the proper use of the forecasts

Looking-forward statements are based on information available at the date of the release of this document. Due to various factors, the actual result may differ from these statements.

We will post supplementary materials for quarterly financial results on our website.

(Reference) Dividends for Preferred Shares

The breakdown of dividend per preferred shares which differ in shareholders' rights from common shares is as follows.

Class A preferred shares	Annual dividends per share				
	1Q	2Q	3Q	Year-end	Total
	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)
FY2014	—	0.00	—	0.00	0.00
FY2015	—				
FY2015(forecast)		0.00	—	—	—

(Note 1) Revision of the dividend forecast : No

Year-end dividend for FY2015 ending March 31, 2016 has yet to be decided.

(Reference) Non-consolidated Operating Performance Forecasts**Non-consolidated Operating Performance Forecasts for FY2015 (April 1, 2015 to March 31, 2016)**

(% shows the changes from the same financial periods of the previous year)

	Sales		Operating income		Ordinary income		profit attributable to owners of parent		EPS
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: yen)
2Q	880,000	0.3	—	—	—	—	—	—	—
Full-year	1,765,000	0.2	—	—	—	—	—	—	—

(Note) Revision of operating performance forecasts : Yes

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1. Qualitative Information regarding Quarterly Financial Results

(1) Explanation regarding business performance

The Japanese economy during this period (April-June, 2015) has been recovering gently as a whole, while some sectors in production have been declining. The economy in Kyushu has been also recovering that consumption has picked up, as well as export, reflecting the improvement of employment and income environment, even though there have been signs of reduction in production in some businesses.

The Kyushu Electric Power Group has faced an ongoing situation of the severe revenue and expenditure and our financial condition in electricity business under the long-term shutdown of our nuclear power station which resulted in rising fuel costs. So we have implemented the expenditure restraints, which are short term limited, such as deferring repair work to another period within this fiscal year. Under these conditions, the ordinary income of the 1Q of FY2015 was in the black due to the time lag of reflection of decreasing fuel prices in lighting and power prices, based on fuel costs adjustment system, while fuel costs has decreased along with the significant decline of fuel prices from the latter half of the previous fiscal year.

We have made every group-wide effort to achieve thorough cost savings and an early resumption of our nuclear power station with consideration of safety, compliance and stable supply.

① Revenue and Expenditure

On the revenue side, consolidated sales (the operating revenue) increased by 2.0% to ¥453.5 billion compared with the 1Q of FY2014 and the ordinary revenue increased by 2.3% to ¥457.4 billion due to the increased grant based on the Act on Purchase of Renewable Energy Sourced Electricity, while lighting and power revenues decreased due to the reduction of unit price with the effect of the fuel costs adjustment.

On the expenditure side, the ordinary expense decreased by 9.8% to ¥436.2 billion compared with the 1Q of FY2014 affected by decreasing fuel costs along with the significant decline of fuel prices and expenditure restraints in entire group, while the costs for power purchases from renewable energy increased. As a result, the ordinary income for the 1Q of FY2015 was ¥21.1 billion, increased ¥57.7 billion compared with the 1Q of FY2014, and the profit attributable to owners of the parent was ¥18.8 billion, increased ¥59.4 billion compared with the 1Q of FY2014.

② Sales and Supply Overview

As for electricity sales, the general demand such as electric light and power for commercial operation decreased by 0.6% compared with the 1Q of FY2014 due to a decrease in power for commercial operation. The power demand from large industrial customers decreased by 2.3% compared with the 1Q of FY2014 due to a decrease in the production of Steel, Iron and Chemical.

Consequently, the total electricity sales during the 1Q of FY2015 decreased by 1.1% to 18.8 billion kWh.

Electricity Sales Volume

(Unit: million kWh, %)

		FY2015 1Q (A)	FY2014 1Q (B)	Difference (A-B)	Change (A/B)
Demand other than those under Liberalization	Lighting	6,330	6,321	9	100.1
	Power	1,056	1,059	-3	99.8
	Total	7,386	7,380	6	100.1
Demand under Liberalization		11,416	11,637	-221	98.1
Electricity Sales Total		18,802	19,017	-215	98.9
Figures are included above	Customers other than large-scale industrial	13,002	13,079	-77	99.4
	Large-scale industrial customers	5,800	5,938	-138	97.7

On the supply side, under the ongoing shutdown of the operations of our nuclear power stations, we have provided electricity to our customers by adjusting own thermal facilities, while demand decreased and new energy received from other company increased.

Generated and Received Electricity

(Unit: million kWh, %)

		FY2015 1Q (A)	FY2014 1Q (B)	Difference (A-B)	Change (A/B)
Own facilities	Hydro	1,273	1,062	211	119.9
	(Water flow rate)	(112.0)	(88.9)	(23.1)	
	Thermal	12,232	13,095	-863	93.4
	Nuclear	—	—	—	—
	(Utilization rate)	(—)	(—)	(—)	
	New Energy	323	314	9	103.0
	Subtotal	13,828	14,471	-643	95.6
From other companies (New Energy [included above])		6,009 (1,902)	5,585 (1,285)	424 (617)	107.6 (148.1)
Interchange		205	147	58	139.9
For pumping		-101	-36	-65	278.7
Total		19,941	20,167	-226	98.9

(Note) “New Energy” includes Solar, Wind, Biomass, Waste and Geothermal.

(2) Explanation regarding forecasts for the consolidated operating performance

The outlook on performance of sales during the FY2015, which is expected to surpass the previous forecast, is said to be around ¥940.0 billion in a half-year, and around ¥1,895.0 billion in a full-year due to an increase in grant based on the Act on Purchase of Renewable Energy Sourced Electricity, while electricity sales decreased.

We will promptly inform you of the 2Q of FY2015 forecasts for the profit based on operation after the resumption of Sendai nuclear power station unit No.1 which is going ahead with preparations for the resumption.

Fiscal 2015 full-year forecasts for the profit is currently not able to be estimated due to the difficult situations that we can not calculate fuel costs rationally under uncertain prospects for the resumption of Sendai and Genkai nuclear power stations. We will promptly inform you of our forecasts when it is possible for us to make them.

Forecast for the 2nd Quarter of FY2015 Financial Results

[Consolidated]

	The Revised Forecast	The Previous Forecast	Deference from The Previous Forecast		FY2014 2Q (Actual)
			Changes in Amount	Rate of Changes	
Sales (100 million yen, %)	9,400	9,300	100	1.1	9,295
Operating income (100 million yen, %)	—	—	—	—	-162
Ordinary income (100 million yen, %)	—	—	—	—	-319
Profit attributable to owners of parent (100 million yen, %)	—	—	—	—	-359
EPS (yen)	—	—			-75.91

[Non-consolidated]

	The Revised Forecast	The Previous Forecast	Deference from the Previous Forecast		FY2014 2Q (Actual)
			Changes in Amount	Rate of Changes	
Sales (100 million yen, %)	8,800	8,700	100	1.1	8,769
Operating income (100 million yen, %)	—	—	—	—	-242
Ordinary income (100 million yen, %)	—	—	—	—	-415
Net income (100 million yen, %)	—	—	—	—	-346
EPS (yen)	—	—			-73.18

Forecast for full-year of FY2015 Financial Results

[Consolidated]

	The Revised Forecast	The Previous Forecast	Deference from The Previous Forecast		FY2014 Full-year (Actual)
			Changes in Amount	Rate of Changes	
Sales (100 million yen, %)	18,950	18,800	150	0.8	18,734
Operating income (100 million yen, %)	—	—	—	—	-433
Ordinary income (100 million yen, %)	—	—	—	—	-736
Profit attributable to owners of parent (100 million yen, %)	—	—	—	—	-1,146
EPS (yen)	—	—			-242.38

[Non-consolidated]

	The Revised Forecast	The Previous Forecast	Deference from the Previous Forecast		FY2014 Full-year (Actual)
			Changes in Amount	Rate of Changes	
Sales (100 million yen, %)	17,650	17,500	150	0.9	17,612
Operating income (100 million yen, %)	—	—	—	—	-593
Ordinary income (100 million yen, %)	—	—	—	—	-930
Net income (100 million yen, %)	—	—	—	—	-1,190
EPS (yen)	—	—			-251.32

Sensitivity factors

	2 Q		Full-year	
	The Revised Forecast	The Previous Forecast	The Revised Forecast	The Previous Forecast
Electricity sales volume	40.2billion kWh	40.4billion kWh	81.7billion kWh	81.9billion kWh
Crude oil (CIF) price	62 \$/b	65 \$/b	64 \$/b	65 \$/b
Exchange rate	¥ 123 /\$	¥ 120 /\$	¥ 124 /\$	¥ 120 /\$

2. Matters regarding Summary Information (Notes)

Changes in accounting policies, changes of accounting estimates, and restatement

"Accounting Standards for Business Combination" (Accounting Standards Board of Japan Statement No. 21, issued on September 13, 2013, hereinafter, "Business Combination Accounting Standards"), "Accounting Standards for Consolidated Financial Statements" (Accounting Standards Board of Japan Statement No. 22, issued on September 13, 2013, hereinafter, "Consolidated Accounting Standards"), and "Accounting Standard for Business Divestitures" (Accounting Standards Board of Japan Statement No. 7, issued on September 13, 2013, hereinafter, "Business Divestitures Accounting Standards"), etc., are applied from the first quarter of the current fiscal year, and reported as capital surplus differences due to changes in Company equity that arose at subsidiaries we continued to control, while shifting to the method of reporting acquisition-related expenses as those for the consolidated accounting period in which such expenses were defrayed. Meanwhile, with respect to business combinations that take effect after the beginning of the current quarter of the consolidated accounting period, we will change to the method reflecting reviews of acquisition expenses allocated after provisional accounting becomes definite on financial statements for the quarter of the consolidated accounting period to which the day of business combination belongs. In addition, we changed the method to indicate quarterly net income and other results and the method of indication from minority interests to non-controlling interests. To reflect these changes of indication, we rearranged the consolidated quarterly financial statements and annual consolidated financial statements for the previous quarter of the consolidated accounting period and the previous consolidated accounting period as a whole.

We followed the transitional treatment stipulated in Section 58-2(4) of the Business Combination Accounting Standards, Section 44-5(4) of the Consolidated Accounting Standards, and Section 57-4(4) of the Business Divestitures Accounting Standards, and started to apply these standards at the beginning of the current quarter of the consolidated accounting period and will continue to do so in the future.

These changes do not affect amounts in the consolidated quarterly financial statements for the current quarter of the consolidated accounting period.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

	(Unit: million yen)	
	As of March 31, 2015	As of June 30, 2015
Assets		
Fixed Assets	3,925,720	3,927,480
Utility property, plant and equipment	2,248,572	2,255,515
Hydro	285,370	282,147
Thermal	156,633	154,919
Nuclear	196,062	192,001
Internal combustion	17,909	17,487
New energy power production facilities	14,673	14,171
Transmission	625,131	636,520
Transformation	216,918	224,838
Distribution	613,880	612,439
General	116,210	115,207
Other	5,782	5,782
Other fixed assets	327,314	324,593
Construction in progress	431,741	427,359
Construction and retirement in progress	410,049	405,872
Special account related to nuclear power decommissioning	21,692	21,487
Nuclear fuel	280,616	280,628
Loaded nuclear fuel	75,531	75,531
Nuclear fuel in processing	205,084	205,096
Investments and other assets	637,475	639,382
Long-term investments	106,018	107,416
Reserve for reprocessing of irradiated nuclear fuel	282,071	277,480
Assets for retirement benefits	14,925	15,875
Deferred tax assets	127,072	127,513
Other assets	108,727	112,392
Allowance for doubtful accounts	-1,339	-1,295
Current Assets	859,015	717,927
Cash and cash equivalent	512,472	364,271
Trade notes and accounts receivable	179,065	190,772
Inventories at average cost	81,433	87,625
Deferred tax assets	34,068	33,808
Other current assets	52,797	42,255
Allowance for doubtful accounts	-822	-805
Assets Total	4,784,735	4,645,407

	(Unit: million yen)	
	As of March 31, 2015	As of June 30, 2015
Liabilities		
Long-term Liabilities	3,499,896	3,400,415
Bonds	1,064,274	1,014,279
Long-term loans	1,773,867	1,724,152
Reserve for reprocessing of irradiated nuclear fuel	294,345	289,642
Reserve for preparation of reprocessing of irradiated nuclear fuel	28,320	28,604
Liabilities for retirement benefits	90,547	90,154
Asset retirement obligations	207,437	208,308
Deferred tax liabilities	527	713
Other fixed liabilities	40,575	44,560
Current Liabilities	832,156	776,754
Current portion of long-term debt	397,338	403,394
Short-term borrowings	119,001	118,051
Notes and accounts payable	97,115	85,278
Income tax payable	27,325	14,018
Deferred tax liabilities	66	64
Other current liabilities	191,310	155,947
Reserves under the special law	1,692	2,673
Reserve for fluctuation in water levels	1,692	2,673
Liabilities Total	4,333,744	4,179,843
Net Assets		
Shareholders' Equity	427,157	445,958
Paid-in capital	237,304	237,304
Additional paid-in capital	130,344	130,344
Retained earnings	60,175	78,983
Treasury stock	-666	-673
Accumulated other comprehensive income	4,370	257
Unrealized gain on other securities	4,097	3,930
Gain on deferred hedge	596	-1,421
Foreign currency translation adjustments	-18	-1,281
Accumulated amount of adjustments related to retirement benefits	-305	-969
Non-controlling Interests	19,462	19,347
Net Assets Total	450,990	465,564
Liabilities and Net Assets Total	4,784,735	4,645,407

(2) Quarterly Consolidated Income Statements and Quarterly Consolidated Comprehensive Income Statements
(Quarterly Consolidated Income Statements)

	April 1, 2014- June 30, 2014	April 1, 2015- June 30, 2015
(Unit: million yen)		
Operating Revenues	444,631	453,563
Electricity	406,108	418,877
Other	38,522	34,685
Operating Expenses	472,743	425,546
Electricity	438,528	395,750
Other	34,214	29,795
Operating Income(Loss)	-28,111	28,017
Other Revenues	2,597	3,924
Proceed from interests	982	1,048
Equity in earnings of affiliates	—	706
Other	1,614	2,169
Other Expenses	10,996	10,744
Interest expenses	10,051	10,081
Equity in loss	59	—
Other	885	662
Total Ordinary Revenues	447,228	457,487
Total Ordinary Expenses	483,739	436,290
Ordinary Income(Loss)	-36,510	21,197
Provision or reversal of reserve fluctuation in water levels	—	981
Provision of reserve fluctuation in water levels	—	981
Extraordinary gain	590	2,935
Gain on sale of fixed assets	590	—
Gain on sale of securities	—	2,935
Profit(Loss) before Income Taxes	-35,919	23,151
Income Taxes	1,131	2,617
Income Taxes-Deferred	3,245	1,309
Income Taxes Total	4,377	3,927
Profit(Loss)	-40,296	19,224
Profit attributable to non-controlling interests	340	416
Profit(Loss) attributable to owners of parent	-40,637	18,807

(Quarterly Consolidated Comprehensive Income Statements)

	(Unit: million yen)	
	April 1, 2014- June 30, 2014	April 1, 2015- June 30, 2015
Profit(Loss)	-40,296	19,224
Other comprehensive income		
Unrealized gain on other securities	-61	-303
Gain on deferred hedge	-2,298	-2,017
Foreign currency translation adjustments	722	-1,600
Adjustments related to retirement benefits	-2,900	-695
Equity in equity method companies	-225	491
Total other comprehensive income	-4,764	-4,124
Comprehensive income	-45,061	15,099
(Breakdown)		
Comprehensive income attributable to owners of parent	-45,414	14,694
Comprehensive income attributable to non-controlling interests	353	404

(3) Notes on Quarterly Consolidated Financial Statements

(Notes on the premise of going concern)

N/A

(Notes in case of drastic changes in the amount of equity)

N/A

4. Supplementary Information

(1) Income and Expenditure (Non-consolidated)

(Unit: 100 million yen, %)

		FY2015 1Q (A)	FY2014 1Q (B)	Difference (A-B)	Change (A/B)	Composition Ratio	
						FY2015 1Q	FY2014 1Q
Ordinary Revenues	Lighting	1,436	1,434	1	100.1	32.9	34.0
	Power	2,105	2,169	-63	97.1	48.3	51.4
	(Subtotal)	(3,542)	(3,603)	(-61)	(98.3)	(81.2)	(85.4)
	Other	820	617	202	132.8	18.8	14.6
	[Sales] Total	[4,233] 4,362	[4,190] 4,221	[42] 141	[101.0] 103.3	[97.1] 100.0	[99.3] 100.0
Ordinary Expenses	Labor	312	282	29	110.5	7.6	6.1
	Fuel	1,086	1,745	-658	62.3	26.5	37.9
	Power purchase	1,084	987	97	109.9	26.4	21.4
	Maintenance	271	252	18	107.2	6.6	5.5
	Depreciation	398	415	-17	95.8	9.7	9.0
	Interest	95	96	-1	98.8	2.3	2.1
	Tax & public dues	202	204	-1	99.1	4.9	4.5
	Nuclear back-end	39	51	-11	78.1	1.0	1.1
	Other Total	614 4,106	572 4,609	41 -503	107.2 89.1	15.0 100.0	12.4 100.0
[Operating Income(Loss)]		[227]	[-314]	[542]	[-]		
Ordinary Income(Loss)		255	-388	644	-		
Reserve for fluctuation in water levels		9	-	9	-		
Extraordinary Gain		24	14	10	169.4		
Income(Loss) before income taxes		270	-374	644	-		
Income taxes		22	31	-8	72.1		
Net Income(Loss)		248	-405	653	-		

(Note) Nuclear back-end expenses include the costs below:

- Costs for reprocessing of irradiated nuclear fuel
- Costs for preparation of reprocessing of irradiated nuclear fuel
- Costs for disposal of transuranic waste
- Costs for decommissioning nuclear power plants

(Reference)

	FY2015 1Q [A]	FY2014 1Q [B]	Difference [A-B]
Crude oil (CIF) price	59 \$/b	110 \$/b	-51 \$/b
Exchange rate	121 ¥/\$	102 ¥/\$	19 ¥/\$

(2) Information regarding consolidated financial condition

(Unit: 100 million yen)

	June 30, 2015 [A]	March 31, 2015 [B]	Difference [A-B]
Interest-bearing Debt	32,427	33,379	-952

(Unit: 100 million yen)

	FY2015 1Q	FY2014 1Q
Depreciation	471	489