

## Financial Forecast Revision for FY2014

Kyushu Electric Power Company Inc., has revised the financial forecasts for FY2014 (from April 1<sup>st</sup>, 2014 to March 31<sup>st</sup>, 2015) announced on January 30<sup>th</sup>, 2015.

### 1. Revised Forecast of financial results for FY2014

(Consolidated) Financial Results Forecast (April 1<sup>st</sup>, 2014-March 31<sup>st</sup>, 2015)

	Sales (million yen)	Operating Profit (million yen)	Ordinary Profit (million yen)	Net Profit (million yen)	EPS (yen)
The Previous Forecast (A)	1,875,000	-	-	-	-
The Revised Forecast (B)	1,875,000	-60,000	-90,000	-115,000	-243.09
Changes in Amount (B - A)	-	-	-	-	-
Rate of Changes (%)	-	-	-	-	-
(Reference)Financial results for FY2013	1,791,152	-95,821	-131,449	-96,096	-203.19

(Non-consolidated)Financial Results Forecast (April 1<sup>st</sup>, 2014- March 31<sup>st</sup>, 2015)

	Sales (million yen)	Operating Profit (million yen)	Ordinary Profit (million yen)	Net Profit (million yen)	EPS (yen)
The Previous Forecast (A)	1,765,000	-	-	-	-
The Revised Forecast (B)	1,765,000	-70,000	-105,000	-115,000	-242.93
Changes in Amount (B - A)	-	-	-	-	-
Rate of Changes (%)	-	-	-	-	-
(Reference)Financial results for FY2013	1,682,994	-112,237	-137,267	-90,939	-192.17

### 2. Reason for revision and Qualitative information regarding forecasts for the consolidated operating performance

The Kyushu Electric Power Group has facing an ongoing tight supply and demand and severe financial situation in electricity business stem from the ballooning fuel cost make up for long term shutdown of all our nuclear power stations while we made thoroughly management efficiency efforts. Under these situations, we issued Class A preferred shares in the amount of ¥100 billion to allocated to the Development Bank of Japan in August,2014 to stabilize our total operations by strengthen our equity base.

We have made every effort group-wide to achieve thorough efficiency and an early restart of our nuclear power stations.

Under these economic conditions, we have announced the forecasts of operating, ordinary, and net income for FY2014 which were undetermined by calculation mainly based on recent trends in electrical power supply/demand and progress situation of our management efficiency efforts under the assumption we cannot restart all of our nuclear power plants in this fiscal year.

Consolidated sales is expected to exceed FY2013 to ¥1,875 billion affected by the business performances in electricity business as lighting and power revenue increased mainly due to an increase in charge unit price with the effect of electricity rate increase conducted from last fiscal year and fuel cost adjustment system and grant based on a feed-in tariff power purchase and sale

system of renewable energy while electricity sales volume decreased.

The ordinary loss is expected to reduce degree of loss compared with FY2013 to about ¥90 billion affected by the business performances in electricity business because of the decreased fuel cost due to decrease in fuel prices and the sales increase in spite of increased costs for power purchases from renewable energy. The net loss is expected to increase degree of loss compared with FY2013 to about ¥115 billion due to a decreased extraordinary gain according to the sales of real estate.

(Reference 1) Key fundamentals of forecast for FY2014

	FY2014 (from April 1 <sup>st</sup> , 2014 to March 31 <sup>st</sup> , 2015)	
	The Revised Forecast	The Previous Forecast
Electricity sales volume	81.5 Billion kWh	81.5 Billion kWh
Crude oil CIF price	92 \$/b	95 \$/b
Exchange rate	110 ¥/\$	110 ¥/\$
Nuclear power utilization rate	0%	

(Reference 2) The tax revision of FY2015

The financial results forecast for FY2014 formulate in the effects of the reduction in corporate tax rate.

Since the forecast of financial results has been prepared based on currently available information at the time of this announcement, actual financial results may be substantially different from the forecast due to various factors.

Kyushu Electric Power is considering partial change of recorded amount in deferred tax asset at the end of FY2014 due to the tax revision of FY2015 which refer to the reduction of tax loss carry forward amount limit. Taking into consideration this tax revision, we recognize there is no need to reverse deferred tax asset fully.