

January 30, 2015

**The 3rd Quarter of the Fiscal Year Ending March 31, 2015 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

Representative: Mr. Michiaki Uriu, President

Contact: Investor Relations Group, Corporate Planning Division. Tel: +81-92-726-1575

Quarterly financial report submission date (plan): February 6, 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 Nine Months (April 1, 2014 to December 31, 2014)

(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, 2014 - December 31, 2014	1,367,385	5.1	-47,420	—	-69,775	—
April 1, 2013 - December 31, 2013	1,300,772	14.8	-69,728	—	-96,008	—

(Note) Comprehensive income : FY2014 3Q -83,622 million yen (- %) FY2013 3Q -73,023 million yen (- %)

	Net income		EPS	Fully-diluted EPS
	(Unit: million yen)	(%)	(Unit: yen)	(Unit: yen)
April 1, 2014 - December 31, 2014	-77,815	—	-164.49	
April 1, 2013 - December 31, 2013	-59,009	—	-124.77	

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	(Unit: million yen)	(Unit: million yen)	(%)
As of December 31, 2014	4,651,246	510,398	10.6
As of March 31, 2014	4,549,852	494,232	10.5

(Reference) Shareholders' equity: As of December 31, 2014 : 491,322 million yen As of March 31, 2014: 475,533 million yen

2. Dividends

	Annual dividends per share				
	1Q	2Q	3Q	Year-end	Total
	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)
FY2013		0.00		0.00	0.00
FY2014		0.00			
FY2014(forecast)				0.00	0.00

(Note) Revision of the dividend forecast : Yes

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 FY2014 (April 1, 2014 to March 31, 2015)

	Sales		Operating income		Ordinary income		Net income		EPS
	(Unit: million yen)	(%)	(Unit: yen)						
Full-year	1,875,000	4.7	-	-	-	-	-	-	-

(Note) Revision of financial results forecast : Yes

Fiscal 2014 full-year performance outlook for operating income, ordinary income and net income is currently not able to be estimated since we are now finding out how we can promote our streamlining efforts which we have been engaging in thoroughly under the situation where shutdown of our nuclear power plants has been prolonged.

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

Changes in accounting principles in line with revised accounting standards : No

Changes in accounting principles other than : No

Changes in accounting estimates : No

Restatement : No

(4) Number of common stocks issued and outstanding

Total stocks including treasury stocks FY2014 3Q: 474,183,951 shares FY2013: 474,183,951 shares

Treasury stocks FY2014 3Q: 655,839 shares FY2013: 1,214,196 shares

Average number of shares during the period FY2014 3Q: 473,083,389 shares FY2013 3Q: 472,942,516 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			
FY2014(forecast)				0.00	0.00

(Note 1) Revision of the dividend forecast : Yes

(Note 2) Class A preferred shares mentioned the above were issued in August, 2014.

(Reference) Non-consolidated Operating Performance Forecasts**Non-consolidated Operating Performance Forecasts for FY2014 (April 1, 2014 to March 31, 2015)**

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

	Sales		Operating income		Ordinary income		Net income		EPS
	(Unit: million yen)	(%)	(Unit: yen)						
Full-year	1,765,000	4.9	-	-	-	-	-	-	-

(Note) Revision of operating performance forecasts : Yes

Table of Contents of Attached Material

1. Qualitative Information regarding Quarterly Financial Results	2
(1) Explanation regarding Business Performance	2
(2) Explanation regarding Forecasts for Consolidated Operating Performance and Dividend	4
2. Quarterly Consolidated Financial Statements	6
(1) Quarterly Consolidated Balance Sheets	6
(2) Quarterly Consolidated Income Statements and Quarterly Consolidated Comprehensive Income Statements	8
(3) Notes on Quarterly Consolidated Financial Statements	10
(Notes on the premise of going concern)	10
(Notes in case of drastic changes in the amount of equity)	10
3. Supplementary Information	11
(1) Income and Expenditure (Non-consolidated)	11
(2) Information on Consolidated financial conditions	12

1. Qualitative Information regarding Quarterly Financial Results

(1) Explanation regarding Business Performance

The Japanese economy in this period (April-December, 2014) has recovering gently as a whole while personal consumption showed weak moving. The economy in Kyushu has also recovering as capital investment increasing steadily and employment and income environment has also becoming better.

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.

Revenue and Expenditure

Under these economic conditions, on the revenue side, consolidated sales (operating revenues) increased by 5.1% to ¥1,367.3 billion compared with the 3Q of FY2013 and the ordinary revenues increased by 5.2% to ¥1,379.8 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.

On the expenditure side, ordinary expenses increased by 3.0% to ¥1,449.6 billion compared with the 3Q of FY2013 affected by the business performances in electricity business as costs for power purchases from renewable energy increased while we made group-wide cost reduction efforts.

As a result, the ordinary loss for the 3Q of FY2014 reduced degree of loss by ¥26.2 billion compared with the 3Q of FY2013 to ¥69.7 billion. The net loss for 3Q of FY2014 increased degree of loss by ¥18.8 billion compared with the 3Q of FY2013 to ¥77.8 billion due to a decreased extraordinary gain according to the sales of real estate.

Sales and Supply Overview

The demand for electric light, power for commercial operations and other general demands decreased by 6.5% compared with the 3Q of FY2013 mainly due to a decrease in the air-conditioning demand as the temperature in May through October was lower than the previous year's level.

The power demand from large industrial customers decreased by 0.1% compared with the 3Q of FY2013 mainly due to a decrease in production of Electric Machinery while an increase in production of Non-ferrous Metals.

Consequently, the total electricity sales for the 3Q of FY2014 decreased by 4.7% to 59.31 billion kWh.

Electricity Sales Volume

(Unit: million kWh, %)

		FY2014 3Q (A)	FY2013 3Q (B)	Difference (A-B)	Change (A/B)
Demand other than those under Liberalization	Lighting	19,433	20,756	-1,323	93.6
	Power	3,510	3,922	-412	89.5
	Total	22,943	24,678	-1,735	93.0
Demand under Liberalization		36,375	37,539	-1,164	96.9
Electricity Sales Total		59,318	62,217	-2,899	95.3
Figures are included above	Customers other than large-scale industrial	41,390	44,263	-2,873	93.5
	Large-scale industrial customers	17,928	17,954	-26	99.9

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, %)

		FY2014 3Q (A)	FY2013 3Q (B)	Difference (A-B)	Change (A/B)
Own facilities	Hydro (Water flow rate)	3,339 (100.2)	3,028 (83.3)	311 (16.9)	110.2
	Thermal	43,259	46,024	-2,765	94.0
	Nuclear (Utilization rate)	- (-)	- (-)	- (-)	-
	New Energy	931	1,028	-97	90.6
	Subtotal	47,529	50,080	-2,551	94.9
From other companies (New Energy [included above])		17,091 (3,726)	17,658 (2,163)	-567 (1,563)	96.8 (172.3)
Interchange		561	934	-373	60.1
For pumping		-128	-539	411	23.9
Total		65,053	68,133	-3,080	95.5

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

(2) Explanation regarding Forecasts for the Consolidated Operating Performance and Dividend

Consolidated Operating Performance Forecasts

Fiscal 2014 full-year performance outlook for Sales is expected to be below the previous forecast to be around ¥1,875.0 billion due to a decrease in charge unit price affected by fuel cost adjustment according to the crude oil price down.

Outlook for profits is currently not able to be estimated since we are now finding out how we can promote our streamlining efforts which we have been engaging in thoroughly under the situation where shutdown of our nuclear power plants has been prolonged.

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

Operating Performance Forecasts for FY2014

[Consolidated]

		The Revised Forecast	The Previous Forecast	Deference from The Previous Forecast		FY2013 (Actual)
				Changes in Amount	Rate of Changes	
Sales	(100 million yen, %)	18,750	18,800	-50	-0.3	17,911
Operating income	(100 million yen, %)	-	-	-	-	-958
Ordinary income	(100 million yen, %)	-	-	-	-	-1,314
Net income	(100 million yen, %)	-	-	-	-	-960
EPS	(yen)	-	-	-	-	-203.19

[Non-consolidated]

		The Revised Forecast	The Previous Forecast	Deference from The Previous Forecast		FY2013 (Actual)
				Changes in Amount	Rate of Changes	
Sales	(100 million yen, %)	17,650	17,700	-50	-0.3	16,829
Operating income	(100 million yen, %)	-	-	-	-	-1,122
Ordinary income	(100 million yen, %)	-	-	-	-	-1,372
Net income	(100 million yen, %)	-	-	-	-	-909
EPS	(yen)	-	-	-	-	-192.17

Sensitivity factors

	The Revised Forecast	The Previous Forecast
Electricity sales volume	81.5billion kWh	81.5billion kWh
Crude oil (CIF) price	95 \$/b	107 \$/b
Exchange rate	¥ 110 /\$	¥ 106 /\$
Nuclear Utilization Rate		

Dividend Forecasts

With respect to dividends, we will make a decision taking into account financial results and other factors in a comprehensive manner based on a basic policy of maintaining stable dividends.

We can not estimate our non-consolidated full year business performance since we are now finding out how we can promote our streamlining efforts which we have been engaging in thoroughly under the situation where shutdown of our nuclear power plants has been prolonged, however we posted ¥82.4 billion net loss for 3Q of FY2014 and we expect the environment to remain severe for the full year.

Concerning the year-end dividends, under these severe conditions, we are very sorry but to plan to pay out no year-end dividend, both for common shares and class A preferred shares, for FY2014 as well as interim.

Dividend Forecasts for FY2014

[Common shares]

(Unit: yen)

		The Revised Forecast	The Previous Forecast	FY2014 (Actual)	FY2013 (Actual)
Annual dividends per year	2Q			0.00	0.00
	Year-end	0.00	-		0.00
	Total	0.00	-		0.00

[Class A preferred shares]

(Unit: yen)

		The Revised Forecast	The Previous Forecast	FY2014 (Actual)	FY2013 (Actual)
Annual dividends per year	2Q			0.00	
	Year-end	0.00	-		
	Total	0.00	-		

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Unit: million yen)

	As of March 31, 2014	As of December 31, 2014
Assets		
Fixed Assets	3,847,207	3,872,415
Utility property, plant and equipment	2,309,750	2,252,328
Hydro	302,075	285,832
Thermal	169,393	159,983
Nuclear	211,244	198,723
Internal combustion	18,229	17,824
New energy power production facilities	13,587	14,909
Transmission	639,755	622,793
Transformation	216,234	219,458
Distribution	614,425	612,384
General	119,022	114,634
Other	5,782	5,782
Other fixed assets	301,642	294,140
Construction in progress	329,749	407,499
Construction and retirement in progress	329,749	407,499
Nuclear fuel	281,522	290,453
Loaded nuclear fuel	84,127	84,127
Nuclear fuel in processing	197,395	206,325
Investments and other assets	624,541	627,993
Long-term investments	110,402	107,566
Reserve for reprocessing of irradiated nuclear fuel	261,058	264,714
Assets for retirement benefits	239	294
Deferred tax assets	146,426	147,024
Other assets	107,336	109,297
Allowance for doubtful accounts	-922	-903
Current Assets	702,644	778,831
Cash and cash equivalent	379,495	427,172
Trade notes and accounts receivable	163,392	177,822
Inventories at average cost	82,559	88,239
Deferred tax assets	33,137	32,290
Other current assets	44,916	54,078
Allowance for doubtful accounts	-855	-771
Assets Total	4,549,852	4,651,246

(Unit: million yen)

	As of March 31, 2014	As of December 31, 2014
Liabilities		
Long-term Liabilities	3,429,837	3,463,461
Bonds	1,143,615	1,164,268
Long-term loans	1,653,360	1,683,122
Reserve for reprocessing of irradiated nuclear fuel	306,219	295,052
Reserve for preparation of reprocessing of irradiated nuclear fuel	26,662	27,462
Liabilities for retirement benefits	51,237	52,155
Asset retirement obligations	202,989	204,758
Deferred tax liabilities	248	426
Other fixed liabilities	45,503	36,215
Current Liabilities	625,782	676,058
Current portion of long-term debt	213,236	299,538
Short-term borrowings	118,171	121,141
Notes and accounts payable	97,402	90,089
Income tax payable	20,351	17,727
Deferred tax liabilities	74	73
Other current liabilities	176,544	147,487
Reserves under the special law	-	1,327
Reserve for fluctuation in water levels	-	1,327
Liabilities Total	<u>4,055,619</u>	<u>4,140,848</u>
Net Assets		
Shareholders' Equity	440,966	463,891
Paid-in capital	237,304	237,304
Additional paid-in capital	31,130	130,518
Retained earnings	174,871	97,055
Treasury stock	-2,340	-987
Accumulated other comprehensive income	34,566	27,430
Unrealized gain on other securities	2,352	3,775
Gain on deferred hedge	4,235	5,537
Foreign currency translation adjustments	-450	-1,067
Accumulated amount of adjustments related to retirement benefits	28,429	19,184
Minority Interests	18,699	19,076
Net Assets Total	<u>494,232</u>	<u>510,398</u>
Liabilities and Net Assets Total	<u>4,549,852</u>	<u>4,651,246</u>

(2) Quarterly Consolidated Income Statements and Quarterly Consolidated Comprehensive Income Statements
 (Quarterly Consolidated Income Statements) (Unit: million yen)

	April 1, 2013- December 31, 2013	April 1, 2014- December 31, 2014
Operating Revenues	1,300,772	1,367,385
Electricity	1,191,225	1,255,752
Other	109,546	111,632
Operating Expenses	1,370,500	1,414,806
Electricity	1,275,151	1,316,374
Other	95,348	98,431
Operating Loss	-69,728	-47,420
Other Revenues	10,435	12,482
Proceed from interests	2,979	3,054
Equity in earnings of affiliates	2,019	3,840
Other	5,435	5,587
Other Expenses	36,715	34,837
Interest expenses	29,616	30,170
Other	7,098	4,666
Total Ordinary Revenues	1,311,207	1,379,868
Total Ordinary Expenses	1,407,216	1,449,644
Ordinary Loss	-96,008	-69,775
Provision or reversal of reserve fluctuation in water levels	-4,308	1,327
Provision of reserve fluctuation in water levels	-	1,327
Reversal of reserve fluctuation in water levels(Credit)	-4,308	-
Extraordinary gain	49,823	1,951
Gain on sale of fixed assets	22,596	1,951
Gain on sale of securities	5,515	-
Gain on contribution of securities to retirement benefit trust	21,711	-
Loss before Income Taxes and Minority Interests in income	-41,877	-69,152
Income Taxes	3,850	4,589
Income Taxes-Deferred	11,922	2,818
Income Taxes Total	15,772	7,407
Loss before Minority Interests	-57,650	-76,560
Minority Interests	1,359	1,255
Net Loss	-59,009	-77,815

(Quarterly Consolidated Comprehensive Income Statements)

(Unit: million yen)

	April 1, 2013- December 31, 2013	April 1, 2014- December 31, 2014
Net Loss before Minority Interests	-57,650	-76,560
Other comprehensive income		
Unrealized gain on other securities	-16,391	1,039
Gain on deferred hedge	2,085	2,390
Foreign currency translation adjustments	-783	-1,241
Adjustments related to retirement benefits	-2,620	-8,702
Equity in equity method companies	2,337	-549
Total other comprehensive income	-15,373	-7,062
Comprehensive income	-73,023	-83,622
Comprehensive income related to Comprehensive income related to parent company shareholders	-74,419	-84,951
Comprehensive income related to minority interests	1,396	1,328

(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)

Kyushu Electric Power Company., Inc. received payment for third-party allocation from Development Bank of Japan Inc. on August 1, 2014. As a result, our paid-in capital and capital reserves increased ¥50,000 million respectively.

At the same time, reduced our paid-in capital and capital reserves and transfer the difference to “other capital surplus”.

Consequently, accumulated additional paid-in capital of the 3Q of the current consolidated fiscal year increased by ¥100,000 million and at the end of this quarter, paid-in capital and additional paid-in capital each became to ¥237,304 million and ¥130,518 million.

3. Supplementary Information

(1) Income and Expenditure (Non-consolidated)

(Unit: 100 million yen, %)

		FY2014 3Q (A)	FY2013 3Q (B)	Difference (A-B)	Change (A/B)	Composition Ratio	
						FY2014 3Q	FY2013 3Q
Ordinary Revenues	Lighting	4,467	4,605	-137	97.0	34.5	37.0
	Power	6,798	6,549	248	103.8	52.4	52.7
	(Subtotal)	(11,265)	(11,154)	(110)	(101.0)	(86.9)	(89.7)
	Other	1,699	1,281	418	132.6	13.1	10.3
	[Sales] Total	[12,897] 12,965	[12,255] 12,436	[641] 529	[105.2] 104.3	[99.5] 100.0	[98.5] 100.0
Ordinary Expenses	Labor	859	804	54	106.8	6.2	6.0
	Fuel	5,169	5,437	-267	95.1	37.3	40.5
	Power purchase	2,856	2,448	407	116.7	20.6	18.2
	Maintenance	824	744	80	110.8	6.0	5.6
	Depreciation	1,239	1,300	-61	95.3	9.0	9.7
	Interest	290	285	5	101.9	2.1	2.1
	Tax & public dues	639	639	-	100.0	4.6	4.8
	Nuclear back-end	154	159	-5	96.8	1.1	1.2
	Other	1,807	1,599	207	113.0	13.1	11.9
	Total	13,841	13,420	421	103.1	100.0	100.0
[Operating Income(Loss)]		[-610]	[-824]	[213]	[-]		
Ordinary Income(Loss)		-876	-983	107	-		
Reserve for fluctuation in water levels		13	-43	56	-		
Extraordinary Gain		94	532	-438	17.8		
Income(Loss) before income taxes		-794	-407	-386	-		
Income taxes		30	108	-78	27.6		
Net Income(Loss)		-824	-516	-307	-		

(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)

	FY2014 3Q [A]	FY2013 3Q [B]	Difference [A-B]
Crude oil (CIF) price	103 \$/b	109 \$/b	-6 \$/b
Exchange rate	107 ¥/\$	99 ¥/\$	8 ¥/\$

(2) Information on Consolidated Financial Conditions

(Unit: 100 million yen)

	FY2014 3Q [A]	FY2013 3Q [B]	Difference [A-B]
Interest-bearing Dept	32,515	31,167	1,348

(Unit: 100 million yen)

	FY2014 3Q	FY2013 3Q
Depreciation	1,460	1,529