

July 31, 2014

**The 1st 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](http://www.kyuden.co.jp/en_index.html)

Stock listed on: Tokyo SE, Fukuoka SE

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Information meeting for quarterly financial results: No

(Rounded down to the nearest million yen)

**1. Consolidated Financial Results for the Three Months (April 1, 2014 to June 30, 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 - June 30, 2014	444,631	14.3	-28,111	—	-36,510	—
April 1, 2013 - June 30, 2013	388,992	9.9	-56,352	—	-64,633	—

(Note) Comprehensive income : FY2014 1Q -45,061 million yen (—%) FY2013 1Q -58,563 million yen (—%)

	Net income		EPS	Fully-diluted EPS
	(Unit: million yen)	(%)	(Unit: yen)	(Unit: yen)
April 1, 2014 - June 30, 2014	-40,637	—	-85.92	
April 1, 2013 - June 30, 2013	-59,152	—	-125.08	

**(2) Consolidated Financial Position**

	Total assets	Net assets	Shareholders' equity ratio
	(Unit: million yen)	(Unit: million yen)	(%)
As of June 30, 2014	4,502,772	449,036	9.6
As of March 31, 2014	4,549,852	494,232	10.5

(Reference) Shareholders' equity : As of June 30, 2014 : 430,115 million yen As of March 31, 2014: 475,533 million yen

**2. Dividends**

(Record date)	Annual dividends per share				
	1Q	2Q	3Q	Year-end	Total
	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)
FY2013 ended March 31, 2014		0.00		0.00	0.00
FY2014 ending March 31, 2015					
FY2014 ending March 31, 2015 (forecast)		0.00			

(Note) Revision of the dividend forecast : No

Year-end dividend for FY2014 ending March 31, 2015 has yet to be decided. We will promptly inform you of our forecasts when it is possible for us to make them.

**3. Consolidated Financial Results 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)						
2Q	940,000	8.3	—	—	—	—	—	—	—
Full-year	1,895,000	5.8	—	—	—	—	—	—	—

(Note) Revision of financial results forecasts : No

Fiscal 2014 full-year performance outlook for operating income, ordinary income and net income 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 our nuclear power stations.

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

(See page 4 "(2)Explanation regarding forecasts for the consolidated operating performance" of Attached Material)



**(Reference) Non-consolidated Financial Results Forecasts**

**Non-consolidated Financial Results 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)						
2Q	890,000	8.7	—	—	—	—	—	—	—
Full-year	1,785,000	6.1	—	—	—	—	—	—	—

(Note) Revision of financial results forecasts : No

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## 1. Qualitative Information regarding Quarterly Financial Results

### (1) Explanation regarding business performance

The Japanese economy in this period (April-June, 2014) has recovering gently as a whole while some sector declined in reaction to the rush demand before the sales tax up. The economy in Kyushu has also recovering, for example, improvement of corporate earnings has increased capital investment steadily and employment and income environment has also becoming better.

The Kyushu Electric Power Group has faced an ongoing situation of very tight supply under the long-term shutdown of our nuclear power stations. Accordingly, our financial condition has degraded with continuous post of net losses. For this reason, 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 conditions, on the revenue side, the effects of electricity rate increase involved from the beginning of this fiscal year while it was effective from during last fiscal year.

Consolidated sales (operating revenues) increased by 14.3% to ¥444.6 billion compared with the 1Q of FY2013 and the ordinary revenues increased by 13.9% to ¥447.2 billion as lighting and power revenue increased mainly due to the increase in charge unit price with the effect of electricity rate increase and fuel cost adjustment system and grant based on the Act on Purchase of Renewable Energy Sourced Electricity.

On the expenditure side, ordinary expenses increased by 5.8% to ¥483.7 billion compared with the 1Q 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 1Q of FY2014 was ¥36.5 billion and the net loss was ¥40.6 billion.

### Sales and Supply Overview

The general demand such as electric light, power for commercial operations decreased by 2.3% from the 1Q of FY2013 due to a decrease in the air-conditioning demand as the temperature from mid May to June was lower than the previous year's level. The power demand from large industrial customers increased by 1.5% from the 1Q of FY2013 due to the increase in production of Steel and Iron.

Consequently, the total electricity sales for the 1Q of FY2014 decreased by 1.2% to 19.01 billion kWh.

### Electricity Sales Volume

(Unit: million kWh, %)

		FY2014 1Q (A)	FY2013 1Q (B)	Difference (A-B)	Change (A/B)
Demand other than those under Liberalization	Lighting	6,321	6,470	-149	97.7
	Power	1,059	1,110	-51	95.4
	Total	7,380	7,580	-200	97.4
Demand under Liberalization		11,637	11,662	-25	99.8
Electricity Sales Total		19,017	19,242	-225	98.8
Figures are included above	Customers other than large-scale industrial	13,079	13,391	-312	97.7
	Large-scale industrial customers	5,938	5,851	87	101.5

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 1Q (A)	FY2013 1Q (B)	Difference (A-B)	Change (A/B)
Own facilities	Hydro (Water flow rate)	1,062 (88.9)	818 (68.5)	244 (20.4)	129.9
	Thermal	13,095	14,190	-1,095	92.3
	Nuclear (Utilization rate)	- (-)	- (-)	- (-)	-
	New Energy	314	333	-19	94.1
	Subtotal	14,471	15,341	-870	94.3
From other companies (New Energy [included above])		5,585 (1,285)	5,038 (652)	547 (633)	110.9 (197.1)
Interchange		147	399	-252	36.8
For pumping		-36	-88	52	41.3
Total		20,167	20,690	-523	97.5

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

(2) Explanation regarding forecasts for the consolidated operating performance

Fiscal 2014 full-year performance outlook for operating income, ordinary income and net income 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 our nuclear power stations.

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

## 2. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

(Unit: million yen)

	As of March 31st, 2014	As of June 30th, 2014
Assets		
Fixed Assets	3,847,207	3,830,972
Utility property, plant and equipment	2,309,750	2,298,272
Hydro	302,075	294,410
Thermal	169,393	166,048
Nuclear	211,244	206,144
Internal combustion	18,229	18,125
New energy power production facilities	13,587	13,752
Transmission	639,755	637,374
Transformation	216,234	224,760
Distribution	614,425	613,148
General	119,022	118,726
Other	5,782	5,782
Other fixed assets	301,642	298,086
Construction in progress	329,749	337,508
Construction and retirement in progress	329,749	337,508
Nuclear fuel	281,522	281,107
Loaded nuclear fuel	84,127	84,127
Nuclear fuel in processing	197,395	196,980
Investments and other assets	624,541	615,997
Long-term investments	110,402	109,599
Reserve for reprocessing of irradiated nuclear fuel	261,058	254,189
Assets for retirement benefits	239	233
Deferred tax assets	146,426	146,802
Other assets	107,336	106,092
Allowance for doubtful accounts	-922	-920
Current Assets	702,644	671,799
Cash and cash equivalent	379,495	311,171
Trade notes and accounts receivable	163,392	174,435
Inventories at average cost	82,559	98,822
Deferred tax assets	33,137	31,827
Other current assets	44,916	56,437
Allowance for doubtful accounts	-855	-896
Assets Total	4,549,852	4,502,772

(Unit: million yen)

	As of March 31st, 2014	As of June 30th, 2014
<b>Liabilities</b>		
Long-term Liabilities	3,429,837	3,366,616
Bonds	1,143,615	1,114,259
Long-term loans	1,653,360	1,622,670
Reserve for reprocessing of irradiated nuclear fuel	306,219	303,104
Reserve for preparation of reprocessing of irradiated nuclear fuel	26,662	26,929
Liabilities for retirement benefits	51,237	51,378
Asset retirement obligations	202,989	203,744
Deferred tax liabilities	248	250
Other fixed liabilities	45,503	44,280
Current Liabilities	625,782	687,118
Current portion of long-term liabilities	213,236	274,706
Short-term borrowings	118,171	120,152
Commercial paper	-	69,000
Notes and accounts payable	97,402	83,139
Income tax payable	20,351	10,152
Deferred tax liabilities	74	73
Other current liabilities	176,544	129,894
Liabilities Total	<u>4,055,619</u>	<u>4,053,735</u>
<b>Net Assets</b>		
Shareholders' Equity	440,966	400,325
Common stock	237,304	237,304
Additional paid-in capital	31,130	31,130
Retained earnings	174,871	134,233
Treasury stock	-2,340	-2,343
Accumulated other comprehensive income	34,566	29,789
Unrealized gain on other securities	2,352	2,413
Gain on deferred hedge	4,235	1,933
Foreign currency translation adjustments	-450	-107
Accumulated amount of adjustments related to retirement benefits	28,429	25,550
Minority Interests	18,699	18,920
Net Assets Total	<u>494,232</u>	<u>449,036</u>
Liabilities and Net Assets Total	<u>4,549,852</u>	<u>4,502,772</u>

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

(Unit: million yen)		
	April 1, 2013-June 30, 2013	April 1, 2014-June 30, 2014
Operating Revenues	388,992	444,631
Electricity	352,332	406,108
Other	36,660	38,522
Operating Expenses	445,344	472,743
Electricity	413,222	438,528
Other	32,121	34,214
Operating Loss	-56,352	-28,111
Other Revenues	3,717	2,597
Proceed from interests	1,030	982
Foreign currency gains	926	-
Equity in earnings of affiliates	99	-
Other	1,660	1,614
Other Expenses	11,998	10,996
Interest expenses	9,741	10,051
Equity in loss	-	59
Other	2,257	885
Total Ordinary Revenues	392,709	447,228
Total Ordinary Expenses	457,342	483,739
Ordinary Loss	-64,633	-36,510
Provision or reversal of reserve fluctuation in water levels	-4,308	-
Reversal of reserve fluctuation in water levels(Credit)	-4,308	-
Extraordinary gain	7,675	590
Gain on sale of fixed assets	2,333	590
Gain on sale of securities	5,341	-
Loss before Income Taxes	-52,649	-35,919
Income Taxes	1,102	1,131
Income Taxes-Deferred	5,048	3,245
Income Taxes Total	6,150	4,377
Loss before Minority Interests	-58,800	-40,296
Minority Interests	352	340
Net Loss	-59,152	-40,637

(Quarterly Consolidated Comprehensive Income Statements)

(Unit: million yen)

	April 1, 2013-June 30, 2013	April 1, 2014-June 30, 2014
Net Loss before Minority Interests	-58,800	-40,296
Other comprehensive income		
Unrealized gain on other securities	-2,243	-61
Gain on deferred hedge	2,340	-2,298
Foreign currency translation adjustments	105	722
Adjustments related to retirement benefits	-909	-2,900
Equity in equity method companies	942	-225
Total other comprehensive income	236	-4,764
Comprehensive income	-58,563	-45,061
(Breakdown)		
Comprehensive income related to parent company shareholders	-58,924	-45,414
Comprehensive income related to minority interests	360	353

(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

### 3. Supplementary Information

#### (1) Income and Expenditure (Non-consolidated)

(Unit: 100 million yen, %)

		FY2014 1Q (A)	FY2013 1Q (B)	Difference (A-B)	Change (A/B)	Composition Ratio	
						FY2014 1Q	FY2013 1Q
Ordinary Revenues	Lighting	1,434	1,349	85	106.3	34.0	35.8
	Power	2,169	1,928	240	112.5	51.4	51.3
	(Subtotal)	(3,603)	(3,278)	(325)	(109.9)	(85.4)	(87.1)
	Other	617	483	133	127.7	14.6	12.9
	[Sales] Total	[4,190] 4,221	[3,633] 3,762	[557] 459	[115.4] 112.2	[99.3] 100.0	[96.6] 100.0
Ordinary Expenses	Labor	282	273	9	103.4	6.1	6.3
	Fuel	1,745	1,780	-35	98.0	37.9	41.0
	Power purchase	987	769	217	128.3	21.4	17.7
	Maintenance	252	230	22	109.7	5.5	5.3
	Depreciation	415	437	-21	95.1	9.0	10.1
	Interest	96	93	3	103.2	2.1	2.1
	Tax & public dues	204	195	9	104.7	4.5	4.5
	Nuclear back-end	51	49	1	103.8	1.1	1.1
	Other	572	516	56	110.9	12.4	11.9
	Total	4,609	4,346	263	106.1	100.0	100.0
[Operating Income(Loss)]		[-314]	[-599]	[284]	[ - ]		
Ordinary Income(Loss)		-388	-584	195	-		
Reserve for fluctuation in water levels		-	-43	43	-		
Extraordinary Gain		14	76	-62	18.9		
Income(Loss) before income taxes		-374	-464	90	-		
Income taxes		31	39	-8	78.7		
Net Income(Loss)		-405	-503	98	-		

(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 1Q [A]	FY2013 1Q [B]	Difference [A-B]
Crude oil (CIF) price	110 \$/b	108 \$/b	2 \$/b
Exchange rate	102 ¥/\$	99 ¥/\$	3 ¥/\$

(2) Post of an extraordinary gain

As a part of management rationalization, Kyushu Electric Power Company is promoting assets sales which are not directly related to electricity business.

Consequently, we posted ¥0.5 billion (¥1.4 billion as non-consolidated) as a gain on sale of fixed assets in the 1Q of FY2014 (April-June, 2014).

(3) Information regarding consolidated financial condition

(Unit: 100 million yen)

	June 30th, 2014 [A]	March 31st, 2014 [B]	Difference [A-B]
Interest-bearing Debt	31,894	31,167	727

(Unit: 100 million yen)

	FY2014 1Q	FY2013 1Q
Depreciation	489	512