

Financial Results

The 1st Quarter of FY 2013

July 31, 2013



Statements made in this overview of operations regarding Kyushu Electric Power's strategies and forecasts and other statements that are not historical facts are forward-looking statements based on management's assumptions and beliefs in light of information currently available, and should not be interpreted as promises or guarantees. Owing to various uncertainties, actual results may differ materially from these statements. Investors are hereby cautioned against making investment decisions solely on the basis of forward-looking statements contained herein.

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■ FY2013 1st Quarter Financial Results

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*Figures for FY2013 1st Quarter Financial Results are accumulated total from April 1, 2013 to June 30, 2013.

Financial Results and Forecasts Summary

FY2013 1st Quarter Financial Results Summary

【Summary】

In the electricity business, losses decreased compared with the same quarter period of the previous year, because of increase in sales due to increase in charge unit price with the effect of electricity rate increase and fuel cost adjustment system and grant recorded based on a feed-in tariff power purchase and sale system of renewable energy, and of making efforts to reduce costs such as maintenance cost and labor cost, while increase in the thermal fuel costs due to the influence of a weaker yen and the costs for purchase from renewable energy sources.

【Consolidated】

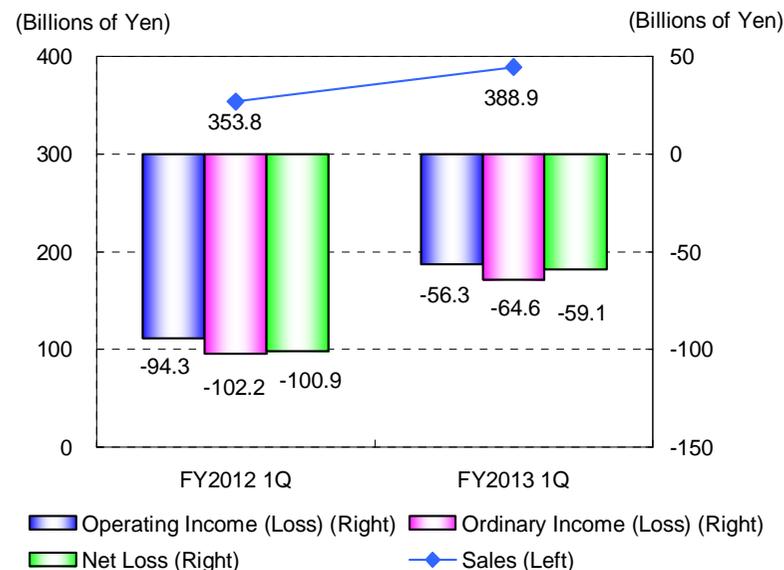
	(Billions of Yen,%)			
	FY2013 1Q	FY2012 1Q	Difference	Change
Sales	388.9	353.8	35.1	109.9
Operating Income (Loss)	-56.3	-94.3	38.0	-
Ordinary Income (Loss)	-64.6	-102.2	37.6	-
(Extraordinary gain)	(7.6)	(-)	(7.6)	-
Net Income (Loss)	-59.1	-100.9	41.7	-
Comprehensive Income (Loss)	-58.5	-105.8	47.2	-

Note: As of the end of FY2013 1Q, 71 affiliates were subject to consolidated accounting.
 Breakdown:
 Consolidated subsidiaries: 40 companies (no change from the end of FY2012)
 Equity method companies: 31 companies (no change from the end of FY2012)

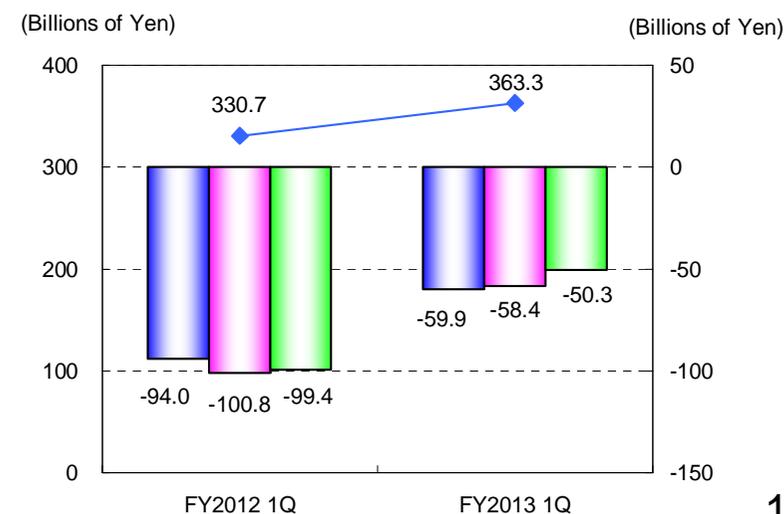
【Non-Consolidated】

	(Billions of Yen,%)			
	FY2013 1Q	FY2012 1Q	Difference	Change
Sales	363.3	330.7	32.5	109.9
Operating Income (Loss)	-59.9	-94.0	34.1	-
Ordinary Income (Loss)	-58.4	-100.8	42.4	-
(Extraordinary gain)	(7.6)	(-)	(7.6)	-
Net Income (Loss)	-50.3	-99.4	49.0	-

Consolidated



Non-Consolidated



FY2013 2nd Quarter Financial Results Forecasts Summary

We have announced our income of 2Q which were undetermined by calculation mainly based on prospects for trends in electrical power supply and demand of the first half.

【Summary】

Our ordinary loss and net loss for 2Q of FY2013 expect to decrease compared with the same quarter period of the previous year, because of increase in charge unit price with the effect of electricity rate increase and fuel cost adjustment system while thermal fuel costs increase due to the influence of a weaker yen.

【Consolidated】

(Billions of Yen,%)

	FY2013 2Q	FY2012 2Q	Difference	Change
Sales	860.0	763.0	97.0	112.7
Operating Income (Loss)	-80.0	-135.5	55.5	-
Ordinary Income (Loss)	-100.0	-151.0	51.0	-
Net Income (Loss)	-70.0	-149.5	79.5	-

【Non-Consolidated】

(Billions of Yen,%)

	FY2013 2Q	FY2012 2Q	Difference	Change
Sales	810.0	718.8	91.2	112.7
Operating Income (Loss)	-85.0	-136.1	51.1	-
Ordinary Income (Loss)	-95.0	-151.9	56.9	-
Net Income (Loss)	-60.0	-150.1	90.1	-

【Reference : Key Fundamentals】

	FY2013 2Q	FY2012 2Q	Difference
Electricity Sales Volume	41.8 Billion kWh	42.1 Billion kWh	-0.3 Billion kWh
Crude oil CIF price	106 \$/b	114 \$/b	-8 \$/b
Exchange rate	100 yen/\$	79 yen/\$	21 yen/\$
Nuclear power utilization rate	- %	- %	- %

FY2013 Financial Results Forecasts Summary

Our forecasts for full-year financial results are unchanged from those announced in April 2013.

【Summary】

Our income for FY2013 are undetermined because it is unable to reasonably assess cost such as fuel cost of last half year due to the uncertain schedule for the resumption of the operations of reactors of our nuclear power stations. We will promptly inform you of our forecasts when it is possible for us to make them.

【Consolidated】

(Billions of Yen,%)

	FY2013	FY2012	Difference	Change
Sales	1,760.0	1,545.9	214.1	113.8
Operating Income (Loss)	-	-299.4	-	-
Ordinary Income (Loss)	-	-331.2	-	-
Net Income (Loss)	-	-332.4	-	-

【Non-Consolidated】

(Billions of Yen,%)

	FY2013	FY2012	Difference	Change
Sales	1,660.0	1,448.8	211.2	114.6
Operating Income (Loss)	-	-305.8	-	-
Ordinary Income (Loss)	-	-339.9	-	-
Net Income (Loss)	-	-338.0	-	-

【Reference : Key Fundamentals】

	FY2013	FY2012	Difference
Electricity Sales Volume	84.2 Billion kWh	83.8 Billion kWh	0.4 Billion kWh
Crude oil CIF price	106 \$/b	114 \$/b	-8 \$/b
Exchange rate	100 yen/\$	83 yen/\$	17 yen/\$

FY2013 1st Quarter Financial Results

Electricity Sales Volume

Customers other than large-scale industrial

Decreased by 1.9% from the 1Q of FY2012 due to the effect of power saving and a decrease in meter-reading period compared with a previous year.

Large-scale industrial customers

Decreased by 2.9% from the 1Q of FY2012 due to the decrease in production of electric machinery and non-ferrous metals.

【Electricity Sales Volume】

(Million-kWh,%)

		FY2013 1Q	vs.FY2012 1Q	
			Difference	Change
Lighting		6,470	-134	98.0
Power		12,772	-305	97.7
Total		19,242	-439	97.8
(Figures are included above)	Customers other than large-scale industrial	13,391	-266	98.1
	Large-scale industrial customers	5,851	-173	97.1

【Reference: Electricity Sales Volume (by sector)】

(Million-kWh,%)

			FY2013 1Q	vs.FY2012 1Q	
				Difference	Change
Demand other than under liberalization	Lighting		6,470	-134	98.0
	Power	Low voltage	912	-26	97.3
		Others	198	-7	96.3
	Subtotal		7,580	-167	97.8
Demand under liberalization	Commercial		4,320	-77	98.3
	Industrial		7,342	-195	97.4
	Subtotal		11,662	-272	97.7
Total			19,242	-439	97.8

【Large-scale industrial customers by sector】

(Million-kWh,%)

		FY2013 1Q	vs.FY2012 1Q	
			Difference	Change
Machinery Total		1,585	-79	95.3
(Figures are included above)	Electronics	1,089	-56	95.1
	Transportation	378	-16	95.9
Steel and Iron		671	7	101.2
Chemicals		671	-16	97.6
Clay and Stone		251	-13	95.0
Non-ferrous Metals		423	-48	89.7
Pulps and Papers		105	-24	81.6
Foodstuffs		586	10	101.7
Others		1,559	-10	99.3
Total		5,851	-173	97.1

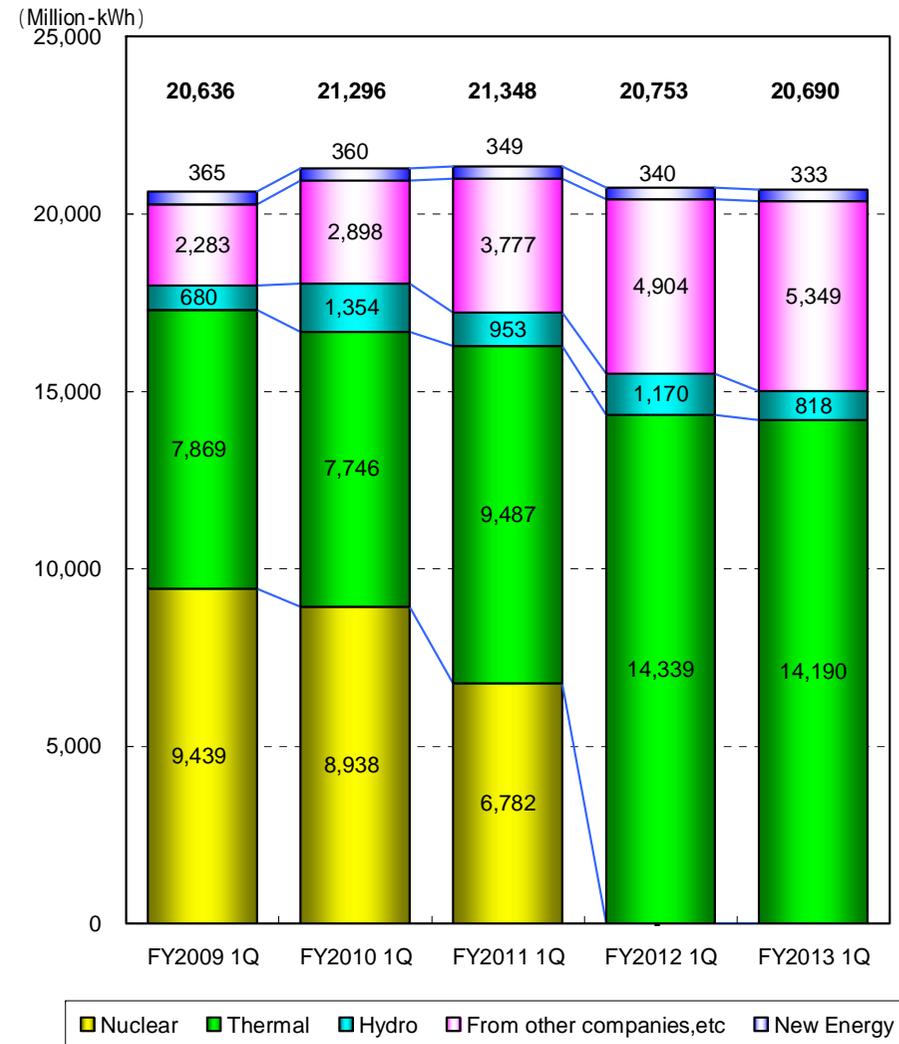
Generated and Received Electricity

【Generated and Received Electricity】

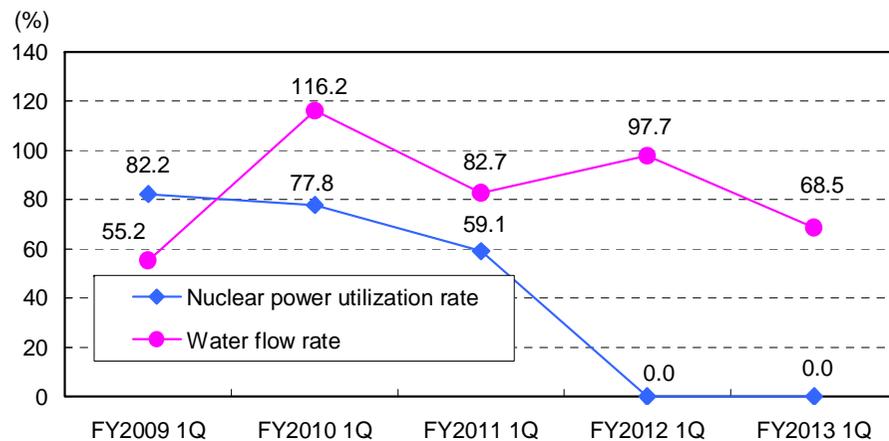
		(Million-kWh,%)		
		FY2013 1Q	vs.FY2012 1Q	
			Difference	Change
Own facilities	Hydro	818	-352	69.9
	(Water flow rate)	(68.5)	(-29.2)	
	Thermal	14,190	-149	99.0
	Nuclear	-	-	-
	(Utilization rate)	(-)	(-)	
	New Energy	333	-7	98.0
	Subtotal	15,341	-508	96.8
From other companies		5,038	593	113.3
(New Energy [included above])		(652)	(160)	(132.4)
Interchange		399	-185	68.2
For pumping		-88	37	70.0
Total		20,690	-63	99.7

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

【Trends in Generated and Received Electricity】



【Nuclear power utilization rate and Water flow rate】



Income Statement Summary (Non-Consolidated)

(Billions of Yen,%)

		FY2013 1Q	FY2012 1Q	Difference	Change	Explanations
Ordinary Revenues	Lighting	134.9	131.0	3.8	103.0	Decrease in electricity sales volume -6.9
	Power	192.8	182.6	10.2	105.6	Effect of fuel cost adjustment for FY2013 9.8 Increase in electricity rate 6.9 Renewable Energy Power Promotion Surcharge 5.2
	Other	48.3	19.3	28.9	249.3	Grant based on the Act on Purchase of Renewable Energy Sourced Electricity 16.0 Proceed from dividends 9.7
	(Sales)	(363.3)	(330.7)	(32.5)	(109.9)	
	Total	376.2	333.1	43.0	112.9	
Ordinary Expenses	Labor	27.3	40.3	-13.0	67.8	Salary -8.0 Employee retirement benefits -4.3
	Fuel	178.0	169.6	8.3	104.9	Exchange losses 24.4 Drop in CIF -6.7 Difference of the composition of thermal electric power generation -8.4
	Power purchase	76.9	63.0	13.8	122.1	Purchased from other companies 17.6 (Purchase of Renewable energy 9.6 Externalization 8.8) [Figures are included above: Purchase of Renewable Energy Sourced Electricity 20.5] Purchase from other electric companies -3.7
	Maintenance	23.0	40.8	-17.7	56.4	Nuclear -13.6 Distribution -1.9 Thermal -1.7
	Depreciation	43.7	46.1	-2.4	94.7	
	Interest	9.3	8.5	0.7	109.1	
	Tax and public dues ¹	19.5	19.6	-0.1	99.3	
	Nuclear back-end ²	4.9	4.8	-	100.7	
	Other	51.6	40.7	10.9	126.9	Levy based on the Act on Purchase of Renewable Energy Sourced Electricity 5.2 Contribution to the Fund of Nuclear Damage Liability Facilitation 4.2
	Total	434.6	433.9	0.6	100.2	
(Operating Income(Loss))		(-59.9)	(-94.0)	(34.1)	(-)	
Ordinary Income (Loss)		-58.4	-100.8	42.4	-	
Reserve for fluctuation in water levels		-4.3	-0.7	-3.5	-	
Extraordinary gain		7.6	-	7.6	-	Gain on sale of fixed assets 2.3 Gain on sale of securities 5.3
Income taxes		3.9	-0.6	4.5	-	
Net Income (Loss)		-50.3	-99.4	49.0	-	

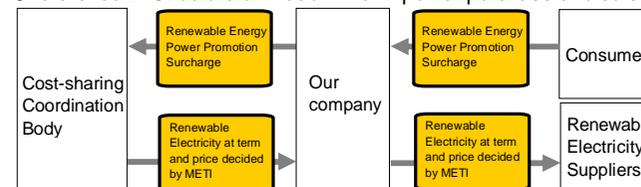
Note 1 : Tax and public dues consist of the following: Charge for right of water, Property Tax, Miscellaneous Taxes, Power Development Promotion Tax, Business Tax

Note 2 : Nuclear back-end expenses consist of the following: Reprocessing costs of irradiated nuclear fuel, Reprocessing preparation costs of irradiated nuclear fuel, Decommissioning costs of nuclear power plants, and Disposal costs of high-level radioactive waste.

【Reference 1 :Key Fundamentals】

	FY2013 1Q	FY2012 1Q	Difference
Exchange rate	99 yen/\$	80 yen/\$	19 yen/\$
Crude oil CIF price	108 \$/b	123 \$/b	-15 \$/b
Water flow rate	68.5 %	97.7 %	-29.2 %
Nuclear power utilization rate	- %	- %	- %

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



[Explanations] Ordinary Revenues

	(Billions of Yen,%)			
	FY2013 1Q	FY2012 1Q	Difference	Change
Lighting and Power	327.8	313.7	14.1	104.5

Difference

1. Decrease in electricity sales volume due to decreased demand -6.9

【Reference : Factors behind change in electricity sales volume】

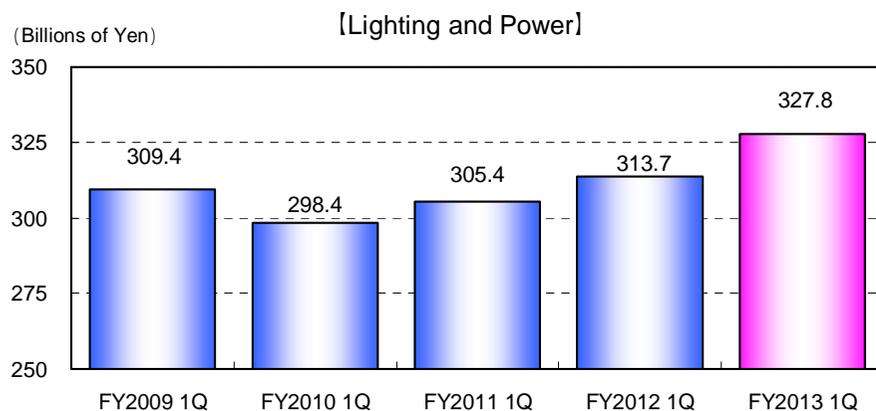
(Billions-kWh)

	FY2013 1Q	FY2012 1Q	Difference	Factors
Customers other than large-scale industrial	13.4	13.7	-0.3	<ul style="list-style-type: none"> Effect of our customers' power savings -0.2 Decrease in meter-reading period -0.1
Large-scale industrial customers	5.8	6.0	-0.2	<ul style="list-style-type: none"> Decrease in production of electric machinery and non-ferrous metals -0.2
Total	19.2	19.7	-0.5	

2. Effect of fuel cost adjustment 9.8

3. Increase in electricity rate 6.9

4. Renewable Energy Power Promotion Surcharge 5.2

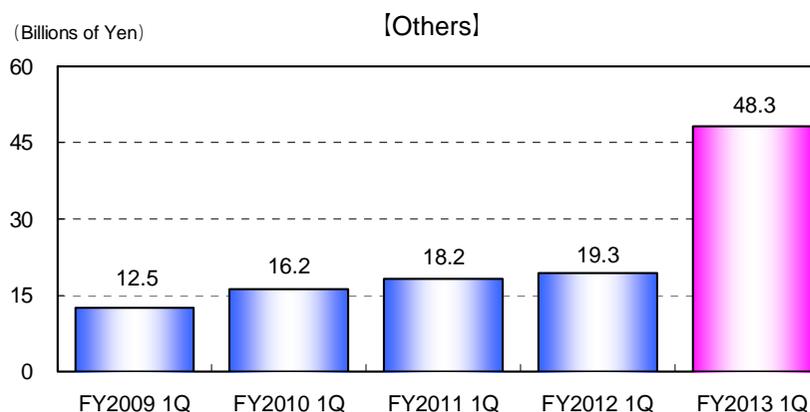


	(Billions of Yen,%)			
	FY2013 1Q	FY2012 1Q	Difference	Change
Others	48.3	19.3	28.9	249.3

Difference

1. Grant based on the Act on Purchase of Renewable Energy Sourced Electricity 16.0

2. Proceed from dividends 9.7



[Explanations] Fuel, Power purchase

(Billions of Yen,%)				
	FY2013 1Q	FY2012 1Q	Difference	Change
Fuel	178.0	169.6	8.3	104.9

Difference

1. Exchange losses	24.4
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[Reference]	(Yen/\$)		
	FY2013 1Q	FY2012 1Q	Difference
Exchange rate	99	80	19

2. Drop in CIF	-6.7
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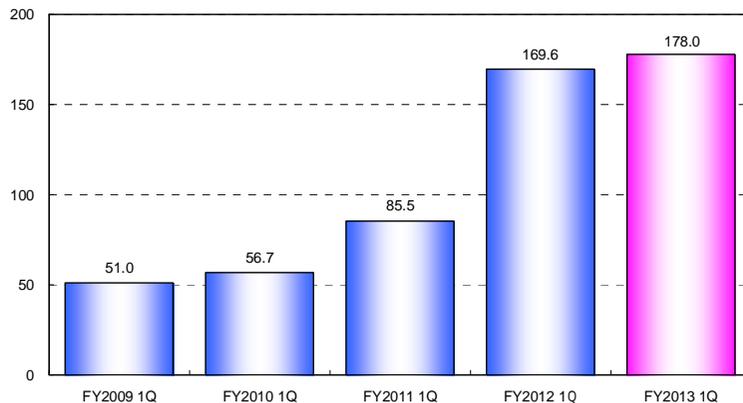
[Reference] All Japan CIF prices			
	FY2013 1Q	FY2012 1Q	Difference
Coal (\$/t)	115	139	-24
LNG (\$/t)	859	882	-23
Crude oil (\$/b)	108	123	-15

3. Difference of the composition of thermal electric power generation	-8.4
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[Reference] Fuel consumption			
	FY2013 1Q	FY2012 1Q	Difference
Coal (thousand. ton)	1,180	969	211
Heavy oil (thousand. kiloliter)	378	467	-89
Crude oil (thousand. kiloliter)	308	417	-109
LNG (thousand. ton)	1,185	1,183	2

(Billions of Yen)

[Fuel]



(Billions of Yen,%)				
	FY2013 1Q	FY2012 1Q	Difference	Change
Power purchase	76.9	63.0	13.8	122.1

Difference

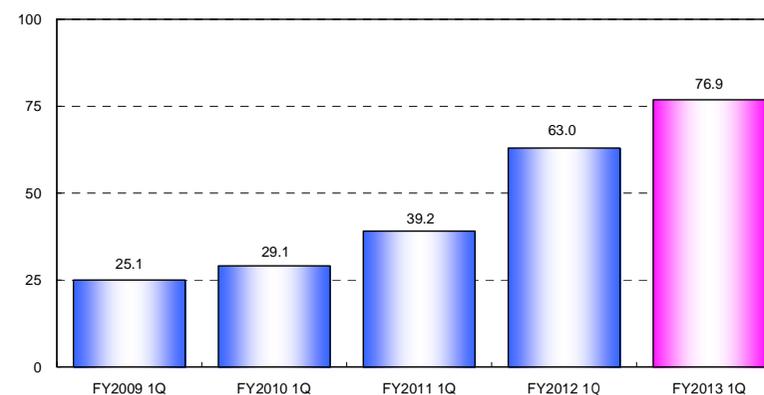
1. Purchased from other companies	17.6
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Purchase of Renewable energy	9.6
Externalization	8.8
[Figures are included above : Purchase of Renewable Energy Sourced Electricity	20.5]

2. Purchase from other electric companies	-3.7
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(Billions of Yen)

[Power purchase]



Balance Sheet Summary (Non-Consolidated)

Assets

(Billions of Yen)

	Jun. 30, 2013	Mar. 31, 2013	Difference	Explanations
Utility Property, Plant and Equipment	2,424.7	2,449.4	-24.6	Depreciation -43.7 Construction completed 20.6
Investments and Other Assets	659.1	679.9	-20.7	Deferred tax assets -12.4 Reserve fund for reprocessing of irradiated nuclear fuel -6.7
Others	1,066.4	1,072.3	-5.9	Cash and cash equivalents -50.5 (Jun. 30,2013 273.6 Mar.31, 2013 324.1) Accounts receivable 18.2 Inventory goods 13.3
Total	4,150.3	4,201.7	-51.3	

Liabilities and Equity

(Billions of Yen)

	Jun. 30, 2013	Mar. 31, 2013	Difference	Explanations
Liabilities	3,751.5	3,772.4	-20.9	Interest-bearing Debt 79.7 Accrued retirement benefits -34.4 Short-term liabilities of affiliated companies -23.5 Accrued expenses -16.3 Other accounts payable -11.2
Equity	398.8	429.2	-30.4	FY2013 1Q net loss -50.3 Revision of Standard for Retirement Benefits 20.0 [Equity Ratio] Jun. 30, 2013 9.6% Mar. 31, 2013 10.2%
Total	4,150.3	4,201.7	-51.3	

[Reference: Interest-bearing Debt]

(Billions of Yen)

	Jun. 30, 2013	Mar. 31, 2013	Difference
Bonds	1,257.6	1,212.6	45.0
Loans	1,540.1	1,543.4	-3.2
CP	71.0	33.0	38.0
Total	2,868.8	2,789.0	79.7

For more information, please contact:

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