

# Financial Results for 4/2009–3/2010 and Financial Forecasts for 4/2010–3/2011

May 13, 2010



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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## ■ Financial Results and Forecasts Summary

# FY2009 Financial Results Summary

Summary: On both a consolidated and non-consolidated basis, decline in sales and increase in profits for the first time in six quarters.

In the electricity business:

- Electricity sales declined due to lower electricity sales volume, a decrease in charge unit prices prompted by drop in fuel prices, and other factors.
- Fuel costs and purchased power expenses declined due to a drop in fuel prices, a decrease in electricity sales volume, and other factors.

## Consolidated

(Billions of Yen/%)

	FY2009	FY2008	Change	vs. FY2008
Sales	1,444.9	1,524.1	-79.2	94.8
Operating Income	99.7	84.7	15.0	117.7
Ordinary Income	67.6	50.4	17.1	134.0
Net Income	41.8	33.9	7.8	123.0

Note: As of the end of FY2009, 65 subsidiaries were subject to consolidated accounting.

Breakdown:

Consolidated subsidiaries: 34 companies (a decrease of one company from the end of FY2008)

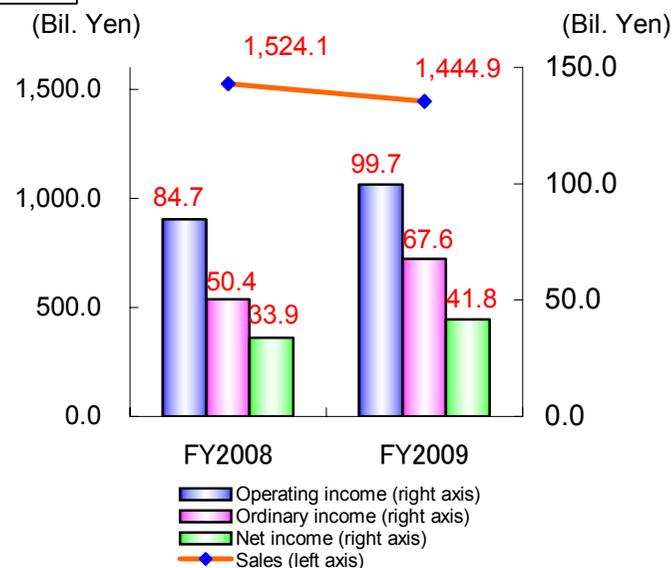
Equity method companies: 31 companies (Down 1 from the end of FY2008: 1 company dissolved)

## Non-Consolidated

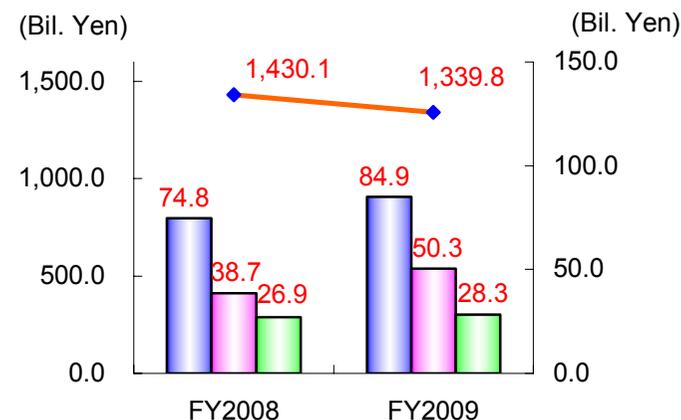
(Billions of Yen/%)

	FY2009	FY2008	Change	vs. FY2008
Sales	1,339.8	1,430.1	-90.3	93.7
Operating Income	84.9	74.8	10.1	113.5
Ordinary Income	50.3	38.7	11.5	129.9
Net Income	28.3	26.9	1.3	105.2

## Consolidated



## Non-Consolidated



# FY2010 Summary of Financial Results Forecasts

Summary: On both a consolidated and non-consolidated basis, sales expected to increase and profits decrease for the first time in two quarters.

In the electricity business:

- Higher electricity sales due to an increase in electricity sales volume and other factors.
- Increase in fuel costs and purchased power expenses due to rising fuel prices, an increase in electricity sales volume, and other factors.
- Booking of extraordinary losses due to the application of the accounting standard concerning Accounting for Asset Retirement Obligations.

## Consolidated

(Billions of Yen/%)

	FY2010	FY2009	Change	vs. FY2009
Sales	1,478.0	1,444.9	33.1	102.3
Operating Income	89.0	99.7	-10.7	89.2
Ordinary Income	56.0	67.6	-11.6	82.8
(Extraordinary loss)	(18.0)	(-)	(18.0)	(-)
Net Income	22.0	41.8	-19.8	52.6

## Non-Consolidated

(Billions of Yen/%)

	FY2010	FY2009	Change	vs. FY2009
Sales	1,383.0	1,339.8	43.2	103.2
Operating Income	78.0	84.9	-6.9	91.9
Ordinary Income	46.0	50.3	-4.3	91.3
(Extraordinary loss)	(18.0)	(-)	(18.0)	(-)
Net Income	16.0	28.3	-12.3	56.5

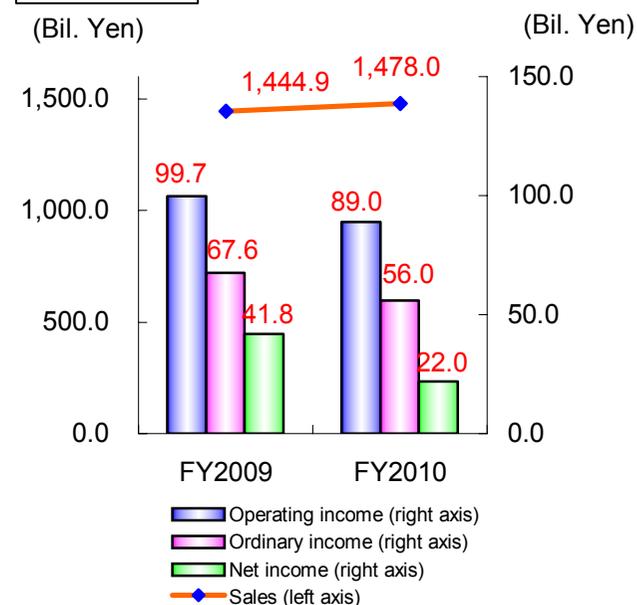
## Dividend

Payment of stable dividends is our fundamental policy, and we intend to pay an annual dividend of 60 yen per share (interim dividend of 30 yen and year-end dividend of 30 yen)

\* Both the same as the previous year.

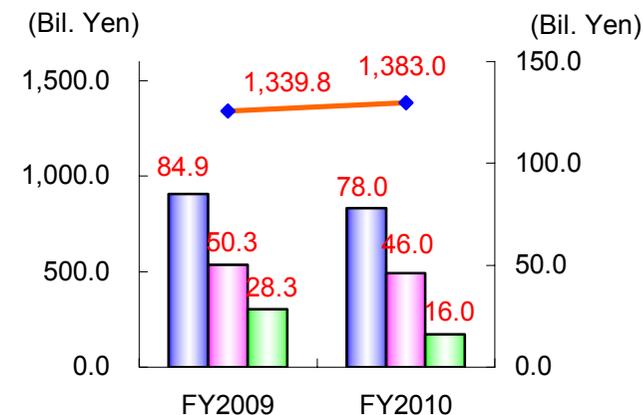
## Consolidated

(Bil. Yen)



## Non-Consolidated

(Bil. Yen)



## ■ Key Fundamentals and Sensitivity Factors (Non-Consolidated) ■

### Key Fundamentals (Non-Consolidated)

	FY2010	FY2009	Change
Electricity Sales Volume	85.1 TWh	83.4 TWh	1.7 TWh
Exchange rate	95 Yen/\$	92.9 Yen/\$	2.1 Yen/\$
Crude Oil CIF Price	82.0 \$/b	69.4 \$/b	12.6 \$/b
Water Flow Rate	100.0 %	76.1 %	23.9 %
Nuclear Power Generation Capacity Utilization Rate	79.6 %	84.8 %	-5.2 %

### Sensitivity Factors (Non-Consolidated)

(Billions of Yen)

	FY2010	FY2009
Exchange rate (1Yen/\$)	2.7	2.0
Crude Oil CIF Price (1\$/b)	1.8	1.3
Water Flow Rate (1%)	0.4	0.2
Nuclear Power Generation Capacity Utilization Rate (1%)	2.8	2.1

\*1 Above figures show impact on fuel costs and cost of purchased power.

\*2 Impact of water flow rates and nuclear power generation capacity utilization rates may change based on types of fuels used alternatively in power generation.

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## ■ FY2009 Financial Results

# Electricity Sales Volume

- General demand decreased by 0.9 TWh (1.4%) over FY2008 due to a decline in demand for air conditioning caused by lower temperatures in July compared with last year, a decline in demand from small factories and retail businesses, and other factors.
- While large-scale industrial companies saw a rebound in production of transportation machinery, chemical, and non-ferrous metals, etc. during the second half, a decline in production in electronics, transportation machinery, steel, and other key industries during the first half led to a decline of 1.6 TWh (6.7%) over FY2008.

Electricity Sales Volumes (TWh/%)

		Actual	vs. FY2008	
			Change	%
Lighting		29.2	-0.1	99.7
Power		54.2	-2.4	95.7
Total		83.4	-2.5	97.1
Reporting	General	61.0	-0.9	98.6
	Large-scale Industrial	22.4	-1.6	93.3

Large-scale Industrial Demand by Sector (TWh/%)

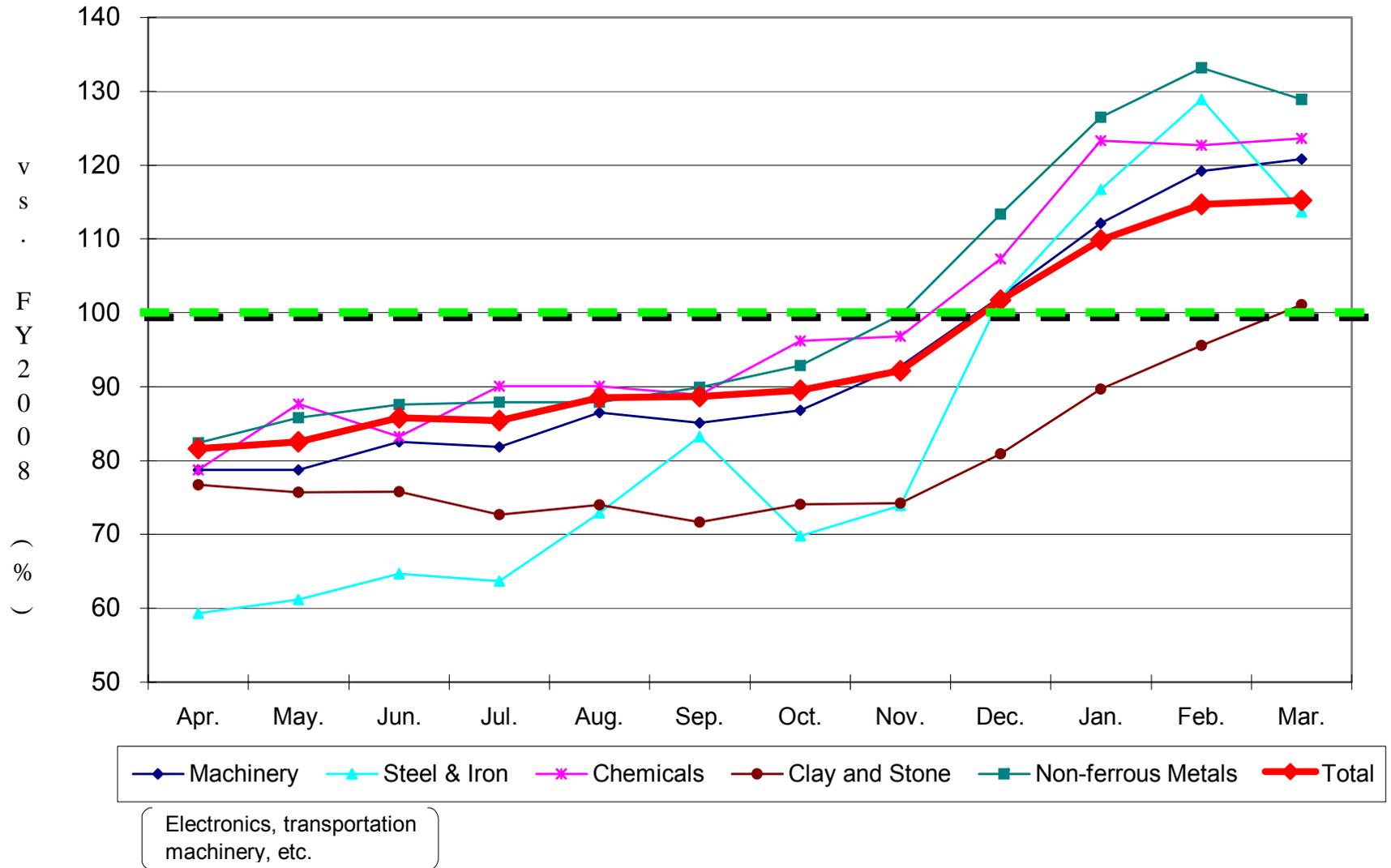
		Actual	vs. FY2008	
			Change	%
Machinery		6.6	-0.6	91.7
Electronics		4.7	-0.5	89.4
Transportation Machinery		1.5	—	99.6
Steel and Iron		2.0	-0.5	79.1
Chemicals		2.4	-0.2	97.2
Clay and Stone		0.9	-0.2	79.7
Non-ferrous Metals		1.6	-0.1	98.8
Others		8.9	—	98.1
Total		22.4	-1.6	93.3

【Ref.】Actual Electricity Sales Volumes (by sector) (TWh/%)

			Actual	vs. FY2008	
				Change	%
Demand other than under liberalization	Lighting		29.2	-0.1	99.7
	Power	Low voltage	4.7	-0.2	96.7
		Others	0.8	—	98.5
	Subtotal		34.7	-0.3	99.3
Demand under liberalization	Commercial		20.0	-0.3	98.1
	Industrial		28.7	-1.9	93.9
	Subtotal		48.7	-2.2	95.6
Total			83.4	-2.5	97.1

# Shift in Large-Scale Demand (by month)

Change vs. Previous Year



# Electricity Generated and Received

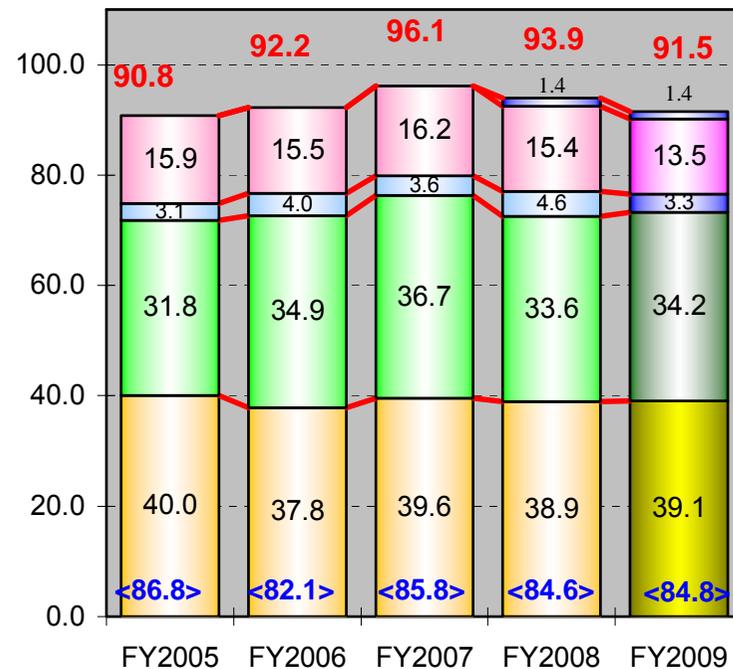
Commencement of generating pluthermal power at Unit.3 at Genkai Nuclear Power Station in December 2009

Details

		Actual	vs. FY2008	
			Change	%
Generated	Hydro	3.3	-1.3	72.1
	(Water flow rate)	(76.1)	(-23.6)	
	Thermal	34.2	0.7	102.1
	Nuclear	39.1	0.1	100.3
	(Utilization Rate)	(84.8)	(0.2)	
	New Energy Sources, etc.*	1.4	—	96.8
Subtotal		78.0	-0.5	99.4
Received from Other Companies		14.0	-2.4	85.5
Interchange		—	0.1	—
Pumped Storage Use		-0.5	0.4	57.1
<b>Total</b>		<b>91.5</b>	<b>-2.4</b>	<b>97.5</b>

\* Segmentation from this period due to revision of regulations on accounting for the electricity business (generic terms are solar, wind power, biomass, waste, and geothermal).

Trends in Generated and Received Electricity (TWh)



Legend: Nuclear (Yellow), Thermal (Green), Hydro (Blue), Purchased power, etc. (Pink), New Energy (Purple)

Figures inside parentheses indicate nuclear power generation capacity utilization rate (%).

# Income Statement Summary (Non-Consolidated)

(Billions of Yen/%)

		FY2009	FY2008	Change	vs. FY2008	Explanations
Ordinary Revenues	Lighting	566.4	584.9	-18.5	96.8	Drop in sales volume -38.5
	Power	726.7	793.3	-66.5	91.6	Decline in charge unit prices due to drop in fuel prices & other factors, -46.5
	Others	54.0	59.0	-5.0	91.5	Sales to other companies, -2.7; operating income from incidental businesses, -1.6
	(Sales)	( 1,339.8 )	( 1,430.1 )	( -90.3 )	( 93.7 )	
	<b>Subtotal</b>	<b>1,347.2</b>	<b>1,437.3</b>	<b>-90.0</b>	<b>93.7</b>	
Ordinary Expenses	Personnel	172.7	136.7	35.9	126.3	Employee retirement benefits, 35.3
	Fuel	213.0	305.6	-92.5	69.7	Drop in (CIF) fuel price, -62.5; exchange rate difference, -18.4; Drop in sales volume, -14.4
	Maintenance	195.1	197.8	-2.6	98.6	Nuclear, -13.2; transmission, 3.9; distribution, 3.5
	Depreciation	196.7	195.2	1.5	100.8	
	Purchased Power	113.6	149.9	-36.2	75.8	Purchased from other companies, -36.2
	Interest Charges	33.1	33.4	-0.2	99.1	
	Miscellaneous Taxes	89.1	90.1	-0.9	98.9	
	Nuclear Back-End Costs	53.2	51.1	2.1	104.1	Disposal costs of high-level radioactive waste, 1.7
Others	230.0	238.4	-8.4	96.5	Disposition of property, -6.3; operating expense for incidental businesses, -2.9	
<b>Subtotal</b>	<b>1,296.8</b>	<b>1,398.5</b>	<b>-101.6</b>	<b>92.7</b>		
<b>(Operating Income)</b>	<b>( 84.9 )</b>	<b>( 74.8 )</b>	<b>( 10.0 )</b>	<b>( 113.5 )</b>		
<b>Ordinary Income</b>	<b>50.3</b>	<b>38.7</b>	<b>11.5</b>	<b>129.9</b>		
<b>Extraordinary Income</b>	<b>0.0</b>	<b>5.4</b>	<b>-5.4</b>	<b>0.0</b>	Gain on sale of securities, -5.4	
<b>Net Income</b>	<b>28.3</b>	<b>26.9</b>	<b>1.3</b>	<b>105.2</b>		

Note: Nuclear back-end costs 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.

## (Key Fundamentals)

	FY2009	FY2008	Change
Exchange Rate	92.9 Yen/\$	100.7 Yen/\$	-7.8 Yen/\$
Crude Oil CIF Prices	69.4 \$/b	90.5 \$/b	-21.1 \$/b
Water Flow Rate	76.1 %	99.7 %	-23.6 %
Nuclear Power Generation Capacity Utilization Rate	84.8 %	84.6 %	0.2 %

# Explanation of Ordinary Revenue (Non-Consolidated)

(Billions of Yen/%)

	FY2009	FY2008	Change	vs. FY2008
Lighting & Power	1,293.1	1,378.2	<b>-85.0</b>	93.8

## Explanations

Change

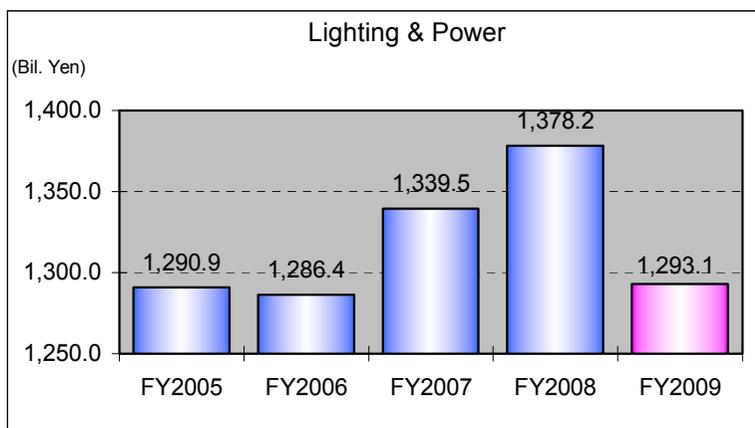
### 1. Drop in sales volume **-38.5**

• Drop in electricity sales volume (83.4TWh ← 85.9TWh, -2.5TWh vs. FY2008)

[Ref.] Factors behind change in electricity sales volume (pro forma figures)

	FY2009	FY2008	Change	Factors
General	61.0	61.9	-0.9	• Temperature effect -0.4 • Drop in small factories/retail -0.5
Large-scale Industrial	22.4	24.0	-1.6	• Drop in Electronics/transportation machinery, steel & iron -1.6

### 2. Decline in charge unit price due to drop in fuel prices, etc. **-46.5**



(Billions of Yen/%)

	FY2009	FY2008	Change	vs. FY2008
Others	54.0	59.0	<b>-5.0</b>	91.5

## Explanations

Change

FY2009

FY2008

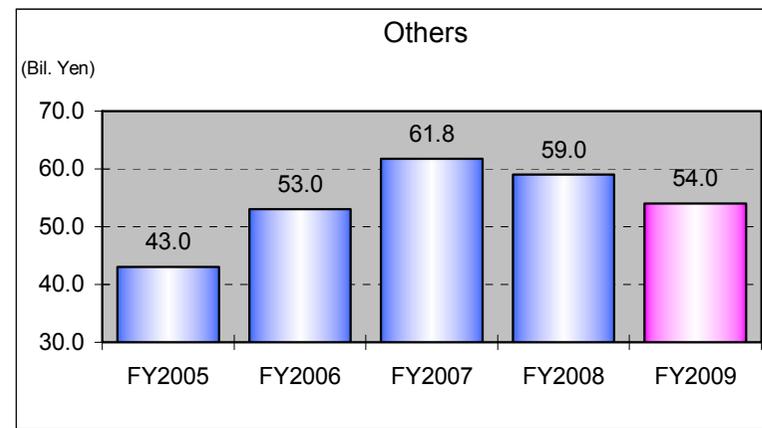
### 1. Sales to other companies **-2.7** ( 3.4 ← 6.1 )

• Drop in electricity sales volume to other companies (0.2 TWh ← 0.5TWh; -0.3 TWh vs. FY2008)

### 2. Operating income from incidental businesses **-1.6** ( 27.7 ← 29.3 )

• Gas provider business **-2.8** ( 12.7 ← 15.6 )

• Fiber optic lease line business **1.1** ( 10.7 ← 9.5 )



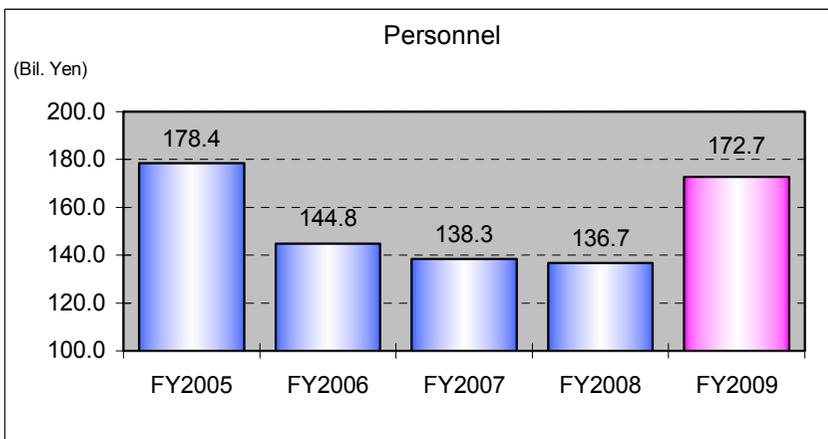
# Explanation of Ordinary Expenses (Non-Consolidated)

## 【 Personnel, Fuel 】

	FY2009	FY2008	Change	vs. FY2008
Personnel	172.7	136.7	35.9	126.3

### Explanations

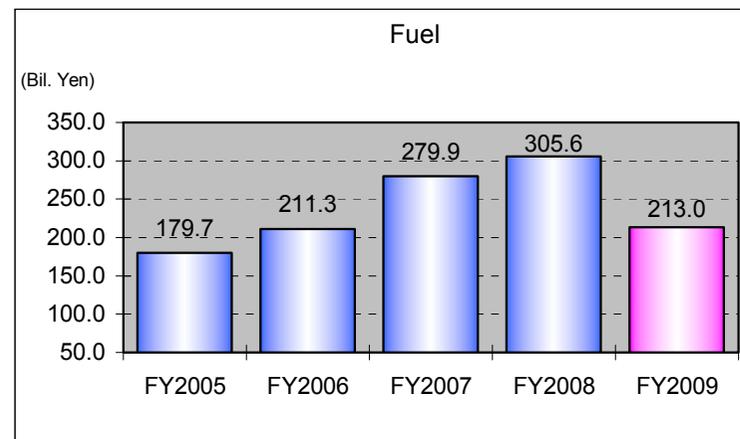
Explanations	Change	FY2009	FY2008																																										
Employee Retirement Benefits	35.3	( 31.2 ←	-4.0 )																																										
◆ Amortization cost of actuarial difference	18.8	( 8.9 ←	-9.8 )																																										
(Ref.) Actuarial Differences (Bil. Yen) <table border="1"> <thead> <tr> <th rowspan="2">Year</th> <th rowspan="2">Amount</th> <th colspan="2">Amount Amortized</th> <th rowspan="2">Change (A-B)</th> </tr> <tr> <th>FY2009 (A)</th> <th>FY2008 (B)</th> </tr> </thead> <tbody> <tr> <td>FY2003</td> <td>-36.9</td> <td>-</td> <td>-7.3</td> <td>7.3</td> </tr> <tr> <td>FY2004</td> <td>-8.9</td> <td>-1.7</td> <td>-1.7</td> <td>-</td> </tr> <tr> <td>FY2005</td> <td>-29.5</td> <td>-5.9</td> <td>-5.9</td> <td>-</td> </tr> <tr> <td>FY2006</td> <td>-7.0</td> <td>-1.4</td> <td>-1.4</td> <td>-</td> </tr> <tr> <td>FY2007</td> <td>33.2</td> <td>6.6</td> <td>6.6</td> <td>-</td> </tr> <tr> <td>FY2008</td> <td>57.0</td> <td>11.4</td> <td>-</td> <td>11.4</td> </tr> <tr> <td>Total</td> <td></td> <td>8.9</td> <td>-9.8</td> <td>-18.8</td> </tr> </tbody> </table>				Year	Amount	Amount Amortized		Change (A-B)	FY2009 (A)	FY2008 (B)	FY2003	-36.9	-	-7.3	7.3	FY2004	-8.9	-1.7	-1.7	-	FY2005	-29.5	-5.9	-5.9	-	FY2006	-7.0	-1.4	-1.4	-	FY2007	33.2	6.6	6.6	-	FY2008	57.0	11.4	-	11.4	Total		8.9	-9.8	-18.8
Year	Amount	Amount Amortized				Change (A-B)																																							
		FY2009 (A)	FY2008 (B)																																										
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FY2007	33.2	6.6	6.6	-																																									
FY2008	57.0	11.4	-	11.4																																									
Total		8.9	-9.8	-18.8																																									
◆ Expected return on plan assets	9.5	( - ←	-9.5 )																																										
• Reevaluate expected return on plan assets (from 3% to 0%)																																													
◆ Amortization of prior service cost	7.7	( - ←	-7.7 )																																										



	FY2009	FY2008	Change	vs. FY2008
Fuel	213.0	305.6	-92.5	69.7

### Explanations

Explanations	Change
1. Drop in fuel prices	-80.9
◆ Effect of drop in fuel price (CIF)	-62.5
(Ref.) All Japan CIF Prices	
• Crude Oil (69.4 \$/b ← 90.5 \$/b, -21.1 \$/b vs. FY2008)	
• Coal (97.6 \$/t ← 133.9 \$/t, -36.3 \$/t vs. FY2008)	
• LNG (452.2 \$/t ← 655.1 \$/t, -202.9 \$/t vs. FY2008)	
◆ Effects of high yen (exchange rate)	-18.4
(Ref.) Interbank Rate	
• Exchange rate (92.9 Yen/\$ ← 100.7 Yen/\$, 7.8 Yen/\$ higher vs. FY2008)	
2. Decrease in sales volume	-14.4
• Decrease in electricity sales volumes (83.4 ← 86.9 TWh, -2.5 TWh vs. FY2008)	



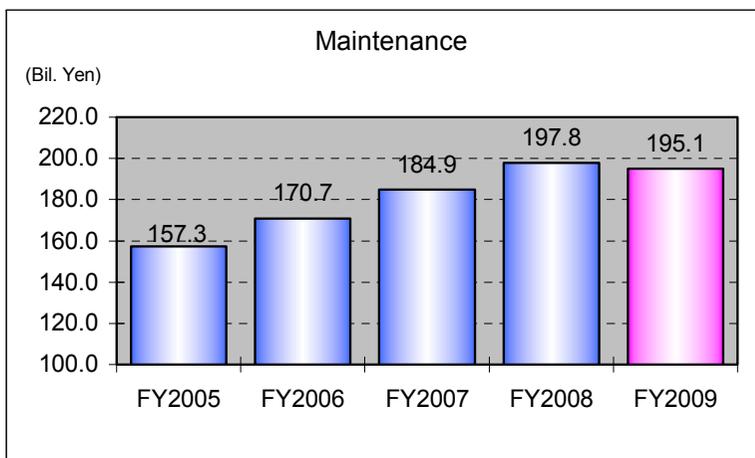
# Explanation of Ordinary Expenses (Non-Consolidated)

## 【 Maintenance, Depreciation 】

(Billions of Yen/%)

	FY2009	FY2008	Change	vs. FY2008
Maintenance	195.1	197.8	-2.6	98.6

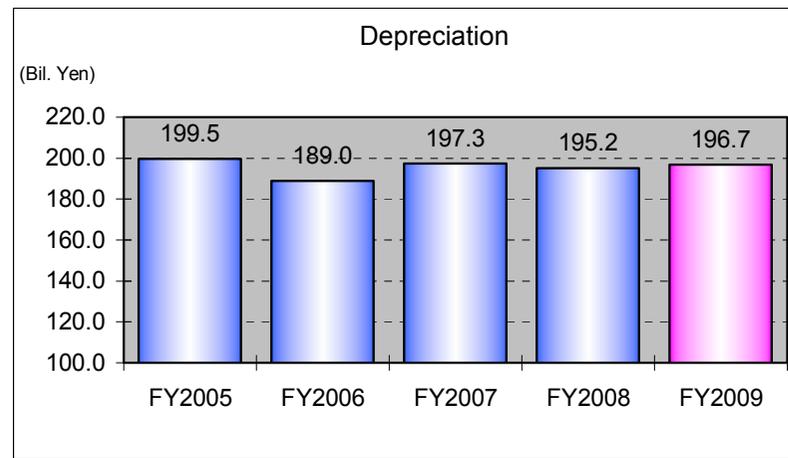
Explanations	Change	FY2009	FY2008
1. Nuclear	-13.2	( 60.0 ← 73.2 )	
· (in FY2008) preventive work on Weld of Inlet Nozzle Stub for No.2 Unit of Sendai Nuclear Power Station Steam Generation			
2. Transmission	3.9	( 14.6 ← 10.6 )	
3. Distribution	3.5	( 55.0 ← 51.4 )	



(Billions of Yen/%)

	FY2009	FY2008	Change	vs. FY2008
Depreciation	196.7	195.2	1.5	100.8

Explanations	Change	FY2009	FY2008
1. Nuclear	1.8	( 38.1 ← 36.3 )	
· (in FY2008) Completed for renovation work on steam generator of No. 1Unit of Sendai Nuclear Power Station			



# Explanation of Ordinary Expenses (Non-Consolidated)

## 【 Purchased Power, Others 】

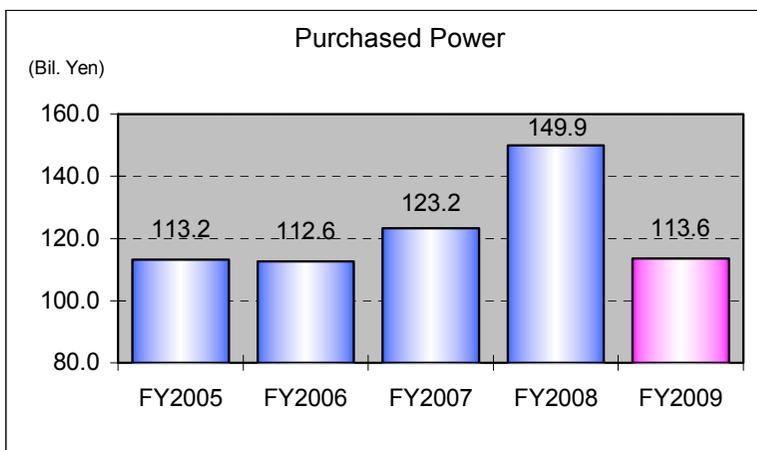
	FY2009	FY2008	Change	vs. FY2008
Purchased Power	113.6	149.9	-36.2	75.8

Explanations	Change	FY2009	FY2008
Purchased from other companies	-36.2	( 113.3 ← 149.6 )	
◆ Drop in purchase of thermal power	-37.4	( 82.6 ← 120.1 )	

• Decline in power purchased from other companies  
(11.6 TWh ← 13.9 TWh, -2.3 TWh vs. FY2008)

[Ref.] System for Purchasing Surplus Solar Power

	Value	Vol. of Electricity
Nov. 2009-Mar. 2010	¥2.3 bn	50 GWh



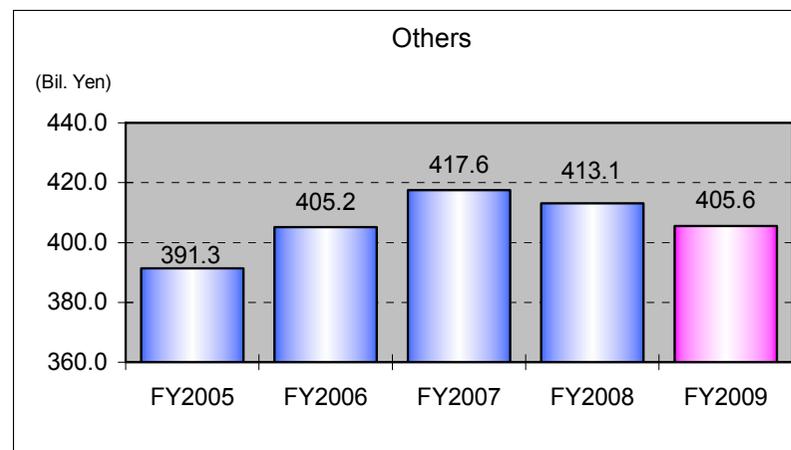
	FY2009	FY2008	Change	vs. FY2008
Others	405.6	413.1	-7.5	98.2

Explanations	Change	FY2009	FY2008
1. Disposition of property	-6.3	( 16.4 ← 22.8 )	

- Replacement work on Genkai Nuclear No. 2 internal core unit in 2008
- Disposal related to renovation work on steam generator of Sendai No. 1 Unit in 2008

Explanations	Change	FY2009	FY2008
2. Operating expenses for incidental businesses	-2.9	( 25.7 ← 28.6 )	

- Gas provider business -3.0 ( 11.0 ← 14.0 )



## Balance Sheet Summary (Non-Consolidated)

(Billions of Yen)

Assets	Mar. 31, 2010	Mar. 31, 2009	Change	Explanations
Utility Property, Plant, and Equipment	2,514.2	2,582.0	-67.8	Depreciation, -196.2; construction completed, 142.6
Investments & Other Assets	495.8	470.6	25.1	Reserve fund for reprocessing of irradiated nuclear fuel, 31.7
Others	766.5	781.4	-14.8	Cash & deposits, -28.3
<b>Total</b>	<b>3,776.5</b>	<b>3,834.1</b>	<b>-57.5</b>	

(Billions of Yen)

Liabilities & Equity	Mar. 31, 2010	Mar. 31, 2009	Change	Explanations
Interest-bearing Debt	1,894.4	1,989.6	-95.1	[D/E Ratio] Mar. 31, 2010 1.93 ← Mar. 31, 2009 2.03
Other Liabilities	898.0	862.9	35.1	Accrued taxes 18.1; reserves for decommissioning of nuclear power units, 9.0
Equity	984.1	981.5	2.5	Net unrealized gains/losses on available-for-sale securities, 2.3; [Equity Ratio] Mar. 31, 2010 26.1% ← Mar. 31, 2009 25.6%
<b>Total</b>	<b>3,776.5</b>	<b>3,834.1</b>	<b>-57.5</b>	

# (Reference)

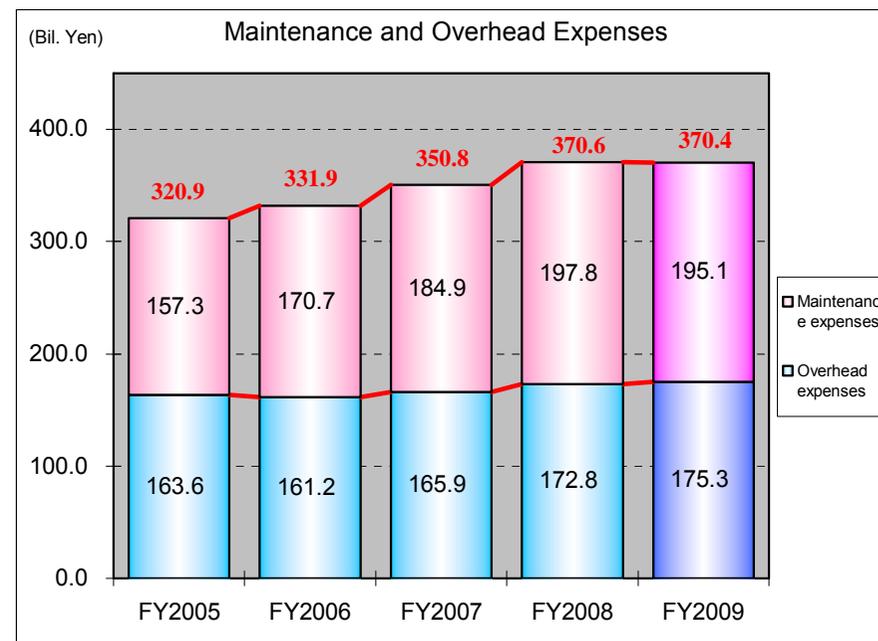
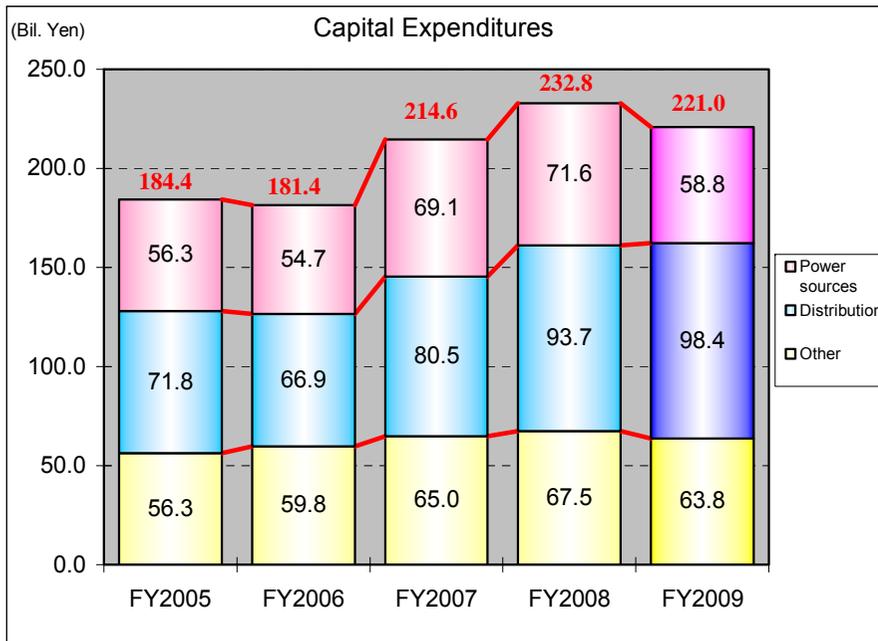
## Capital Expenditures, Maintenance, and Overhead Expenses

### Capital Expenditures:

- A decline of ¥11.8 billion vs. FY2008 resulted from efforts to reassess the scope and timing of corrective measures and other efforts to improve efficiency together with measures to promote effective use of fossil fuels, expand the use of renewable energy, and address the aging of existing power facilities

### Maintenance and Overhead Expenses:

- While maintenance expenses rose due to the need to address the progressive aging of facilities, etc., efforts to achieve greater efficiency through a review of the details of equipment checks and maintenance, and other factors resulted in a decline of ¥2.6 billion vs. FY2008.
- Overhead expenses rose by ¥2.5 billion vs. FY2008 due to an increase in expenses related to appraisal of earthquake proofing safety measures for nuclear power generation facilities and other factors, despite efforts to improve efficiency across all operations by consolidating equipment, and extending use through re-leasing, etc.



Note: Overhead expenses are the sum of nine overhead expenses: Waste disposal expenses, consumables expenses, compensation expenses, leasing fees, subcontracting fees, expansion & development expenses, training expenses, research expenses, and others.

# Income Statement Summary (Consolidated)

(Billions of Yen/%)

		FY2009	FY2008	Change	vs. FY2008	
Ordinary Revenues	Electric	1,310.0	1,398.5	-88.4	93.7	FY2009 Consolidated Ratio ( 1.08 )
	Others	134.8	125.6	9.2	107.4	
	Operating Revenues (Sales)	1,444.9	1,524.1	-79.2	94.8	
	Other Revenues	11.3	10.4	0.9	108.8	
	Subtotal	1,456.2	1,534.6	-78.3	94.9	
Ordinary Expenses	Electric	1,220.5	1,317.2	-96.6	92.7	( 1.17 )
	Others	124.6	122.2	2.4	102.0	
	Operating Expenses	1,345.2	1,439.4	-94.2	93.5	
	Other Expenses	43.4	44.6	-1.2	97.3	
	Subtotal	1,388.6	1,484.1	-95.4	93.6	
(Operating Income)		(99.7)	(84.7)	(15.0)	(117.7)	( 1.34 )
Ordinary Income		67.6	50.4	-17.1	134.0	( 1.48 )
Extraordinary Income		—	5.4	-5.4	—	
Net Income		41.8	33.9	7.8	123.0	

## Segment Information

### Summary of Financial Results:

#### Energy-related Business:

The decline in gas sales prices caused a decline in sales but an increase in sales from the construction of wind power plants and an increase in chartering revenues associated with the start of LNG shipping operation, among other factors, led to an increase in sales. Profits were level vs. FY2008 due to an increase in depreciation expenses.

#### IT and Telecommunications:

Increased sales due to higher number of broadband service users, sales of telecommunications equipment, and other factors. A decline in depreciation expenses and an increase in sales led to increased profits.

#### Other:

Sales increased on the back of growth in revenue from real estate sales. A decline in real estate leasing expenses and other factors led to an increase in profits.

Ref. 1: Financial Results for IT & Telecommunications Business

	(Bil. Yen)		
	FY2009	FY2008	FY2007
Sales	99.1	92.7	88.4
Operating Income	6.3	0.7	-1.6
Ordinary Income	4.9	-0.8	-3.3

Ref. 2: Broadband Service (BBIQ) Lines

	(000's of lines)		
	FY2009	FY2008	FY2007
No. of lines as of fiscal year end	284.0	260.0	215.0

	(Billions of Yen)						
	Electric Power	Energy-related Business	IT and Telecommunications	Other	Subtotal	Eliminations/Corporate	Consolidated
Total Sales	1,312.1 ( -88.6 )	163.8 ( 6.6 )	99.1 ( 6.4 )	26.5 ( 2.1 )	1,601.6 ( -73.5 )	-156.7 ( -5.7 )	1,444.9 ( -79.2 )
Sales to Customers	1,310.0 ( -88.4 )	65.5 ( 5.0 )	58.1 ( 2.3 )	11.2 ( 1.8 )	1,444.9 ( -79.2 )	- ( - )	1,444.9 ( -79.2 )
Operating Income	82.9 ( 8.8 )	7.4 ( -0.1 )	6.3 ( 5.5 )	3.2 ( 1.5 )	99.9 ( 15.7 )	-0.2 ( -0.7 )	99.7 ( 15.0 )
Ordinary Income	50.1 ( 8.9 )	* 10.0 ( 0.5 )	4.9 ( 5.7 )	2.7 ( 2.3 )	67.9 ( 17.5 )	-0.3 ( -0.4 )	67.6 ( 17.1 )
Assets	3,645.1 ( -60.2 )	281.8 ( -2.9 )	142.9 ( 1.0 )	146.9 ( 10.3 )	4,216.9 ( -51.7 )	-162.7 ( -4.9 )	4,054.1 ( -56.6 )
Capital Expenditures	215.5 ( -8.4 )	4.9 ( -15.3 )	18.9 ( -3.2 )	9.3 ( 5.6 )	248.7 ( -21.3 )	-4.5 ( - )	244.1 ( -21.3 )

Note: Figures in parentheses denote change from FY2008

\* Ordinary income in energy-related business of 10 billion yen includes 1.5 billion yen in overseas energy business (down 500 million from the previous year)

Overseas energy business: Consolidated subsidiaries and equity method companies investing in businesses overseas (5 companies, including Kyuden International)

## ■ Cash Flow Summary (Consolidated) ■

(Billions of Yen)

	FY2009	FY2008	Change	Explanations
Cash Flows from Operating Activities	351.4	247.0	104.3	Increase in ordinary income, 17.1 Increase in non-expenditure items related to retirement benefit reserves, 36.6 Impact from accounts payable for fuel expenses, etc., 25.2
Cash Flows from Investment Activities	-235.3	-259.8	24.4	
(Capital Expenditures Including Nuclear Fuel)	(-235.6)	(-258.5)	(22.9)	
Cash Flows from Financing Activities	-135.9	42.0	-178.0	Decline in fund raising due to increased operating cash flows *Decrease in interest-bearing debt: -176.5 (FY2009 -105.8 ← FY2008 70.5)
Change in Cash & Cash Equivalents	-19.9	29.3	-49.2	

Free Cash Flows (*)	115.8	-11.4	127.2
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\* Free cash flows = Cash flows from operating activities, less capital expenditures including nuclear fuel

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## ■ FY2010 Results Forecasts

# Income Statement (Non-Consolidated)

(Billions of Yen/%)

	FY2010	FY2009	Change	vs.FY2009	Explanations	
Ordinary Revenues	Lighting	579.5	566.4	13.1	102.3	Increase in electricity sales volume, 26.5;
	Power	746.0	726.7	19.3	102.7	Increase in charge unit prices due to higher fuel prices, etc., 6.0
	Others	63.5	54.0	9.5	117.6	Sales to other EPCs, 1.5; sales to other companies, 1.0;
	(Sales)	(1,383.0)	(1,339.8)	(43.2)	(103.2)	Operating income from incidental businesses, 6.5 (gas provider business, 6.0)
	Subtotal	1,389.0	1,347.2	41.8	103.1	
Ordinary Expenses	Personnel	165.5	172.7	-7.2	95.8	Employee retirement benefits, -9.0; wage allowances, 1.0
	Fuel	276.0	213.0	63.0	129.6	Rise in fuel prices (CIF), 50.5; Increase in electricity sales volume, 12.5
	Maintenance	173.5	195.1	-21.6	88.9	General maintenance expenses, -17.5; meter replacement expenses, -4.0
	Depreciation	201.0	196.7	4.3	102.2	
	Purchased Power	136.5	113.6	22.9	120.2	Purchased power, 23.5
	Interest Charges	32.5	33.1	-0.6	98.2	
	Miscellaneous Taxes	88.5	89.1	-0.6	99.3	
	Nuclear Back-End Costs	49.0	53.2	-4.2	92.1	Reprocessing costs of irradiated nuclear fuel, -3.0
Others	220.5	230.0	-9.5	95.9	Overhead expenses, -16.3;	
Subtotal	1,343.0	1,296.8	46.2	103.6	Operating expenses for incidental businesses, 6.0 (gas provider business, 6.0)	
(Operating Income)	(78.0)	(84.9)	(-6.9)	(91.9)		
Ordinary Income	46.0	50.3	-4.3	91.5		
Extraordinary Losses	18.0	—	18.0	—	Impact from application of accounting standard for accounting for asset retirement obligations, 18.0	
Net Income	16.0	28.3	-12.3	56.5		

Note: Nuclear back-end costs consist of the following: Reprocessing costs of irradiated nuclear fuel, Reprocessing preparation costs of irradiated nuclear fuel, Decommissioning costs of nuclear power plants,

## (Key Fundamentals)

	FY2010	FY2009	Change
Electricity Sales Volume	85.1 TWh	83.4 TWh	1.7 TWh
Exchange Rate	95 Yen/\$	92.9 Yen/\$	2.1 Yen/\$
Crude Oil CIF Price	82 \$/b	69.4 \$/b	12.6 \$/b
Water Flow Rate	100.0 %	76.1 %	23.9 %
Nuclear Power Generation Capacity Utilization Rate	79.6 %	84.8 %	▲5.2 %

102.0% vs. previous year

## Ref. 1: Maintenance & Overhead Expenses

(Bil. Yen)

	FY2010	FY2009	Change
Maintenance expenses	173.5	195.1	-21.6
Overhead expenses	159.0	175.3	-16.3
Total	332.5	370.4	-37.9

## Ref. 2: Extraordinary Losses

Expenses required for the decommissioning of nuclear power generation plants have always been booked as 90% of the total estimate of what is needed for the nuclear power generation plant decommissioning reserve based on the ordinances of the Ministry of Economy, Trade, and Industry, depending on actual volume of power generated each year. A recent revision of the ministerial ordinance will require lump-sum booking of an amount equivalent to the remaining 10% of the cumulative power generated up to 2009, in 2010.

## Segment Information

### Summary of Financial Results:

#### *Energy-related business:*

Both sales and profits declined due to a decline in sales for construction work and for plant-related consulting services, despite an increase in sales in the gas and LNG sales business.

#### *IT and Telecommunications:*

Both sales and profits declined due to a decline in sales for corporate telecommunications services and for IT systems services, despite an increase in the number of broadband service users.

#### *Others:*

Sales declined due to a drop in revenues related to real estate sales. Profits were roughly level with last year.

(Billions of Yen)

	Electric Power	Energy-related Business	IT and Telecommunications	Other	Subtotal	Eliminations/Corporate	Consolidated
Sales	1,348.0	158.0	92.0	26.0	1,624.0	-146.0	1,478.0
	(35.9)	(-5.8)	(-7.1)	(-0.5)	(22.4)	(10.7)	(33.1)
Operating Income	75.5	5.5	4.0	3.5	88.5	0.5	89.0
	(-7.4)	(-1.9)	(-2.3)	(0.3)	(-11.4)	(0.7)	(-10.7)
Ordinary Income	43.0	* 7.0	3.0	3.0	56.0	-	56.0
	(-7.1)	(-3.0)	(-1.9)	(0.3)	(-11.9)	(0.3)	(-11.6)

Note: Figures in parentheses indicate change from FY2009

\* Ordinary income in energy-related business of 7.0 billion yen includes 600 million yen from overseas energy businesses (down 900 million yen over previous year)

Overseas energy business: Consolidated subsidiaries and equity method companies investing in businesses overseas (5 companies, including Kyuden International)

## ■ Cash Flow (Non-Consolidated) ■

(Billions of Yen)

	FY2010	FY2009	Change	Explanations
Cash Flows from Operating Activities	243.8	307.3	-63.5	Decline in ordinary income -4.3 Increase in income taxes paid, etc. -29.9 Impact of payment schedules, etc. -23.9
Cash Flows from Investment Activities	-258.4	-210.8	-47.6	Payments for investments and advances -21.3
(Capital Expenditures including Nuclear Fuel)	(-230.8)	(-213.6)	(-17.2)	
Cash Flows from Financing Activities	18.5	-124.8	143.3	Increase in fund-raising due to decrease in operating cash flows and other factors: *Decrease in interest-bearing debt: 143.8 (FY2010 48.7 ← FY2009 -95.1)
Change in Cash & Cash Equivalents	3.9	-28.3	32.2	

Free Cash Flows	13.0	93.7	-80.7
*			

\* Free cash flows= Cash flows from operating activities, less capital expenditures including nuclear fuel

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