

Financial Results for 4/2009–9/2009 and Financial Forecasts for 4/2009–3/2010

November 2, 2009



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.

Table of Contents

■ Financial Results and Forecasts Summary

FY2009 2nd Quarter Financial Results Summary	P1
FY2009 Summary of Full-Year Financial Results Forecasts	P2
Key Fundamentals and Sensitivity Factors (Non-Consolidated)	P3

■ FY2009 2nd Quarter Financial Results

Electricity Sales Volume	P4
Shift in Large-scale Demand (by month)	P5
Electricity Generated and Received	P6
Income Statement Summary (Non-Consolidated)	P7
Explanation of Ordinary Revenue (Non-Consolidated)	P8
Explanation of Ordinary Expenses (Non-Consolidated) Personnel, Fuel	P9
Explanation of Ordinary Expenses (Non-Consolidated) Maintenance, Depreciation	P10
Explanation of Ordinary Expenses (Non-Consolidated) Purchased Power, Others	P11
Balance Sheet Summary (Non-Consolidated)	P12
Income Statement Summary (Consolidated)	P13
Segment Information	P14
Cash Flow Summary (Consolidated)	P15

■ FY2009 Full-Year Results Forecast Supplementary Materials

Income Statement (Non-Consolidated)	P16
Summary, Versus Previously Announced Forecast	P17
Income Statement (Non-Consolidated), Versus Previously Announced Forecast	P18
Segment Information	P19
Cash Flow (Non-Consolidated)	P20

■ Financial Results and Forecasts Summary

(Note) Figures for FY2009 2nd quarter financial result is accumulated total from Apr.1,2009 to Sep.30,2009.

FY2009 2nd Quarter Financial Results Summary

Summary: On both a consolidated and non-consolidated basis, sales expected to decline and profits rise for first time in seven quarters.

In the electricity business:

- Lower electricity sales due to lower electricity sales volumes
- Lower fuel costs due to drop in fuel prices and lower electricity sales volumes

Consolidated (Billions of Yen/%)

	FY2009/2Q	FY2008/2Q	Change	vs. FY2008 2Q
Sales	726.4	759.8	-33.3	95.6
Operating Income	82.5	29.0	53.4	283.9
Ordinary Income	67.5	13.4	54.0	501.2
Net Income	42.6	11.1	31.4	381.9

Note: As of the end of 2Q FY2009, 64 subsidiaries are subject to consolidated accounting.

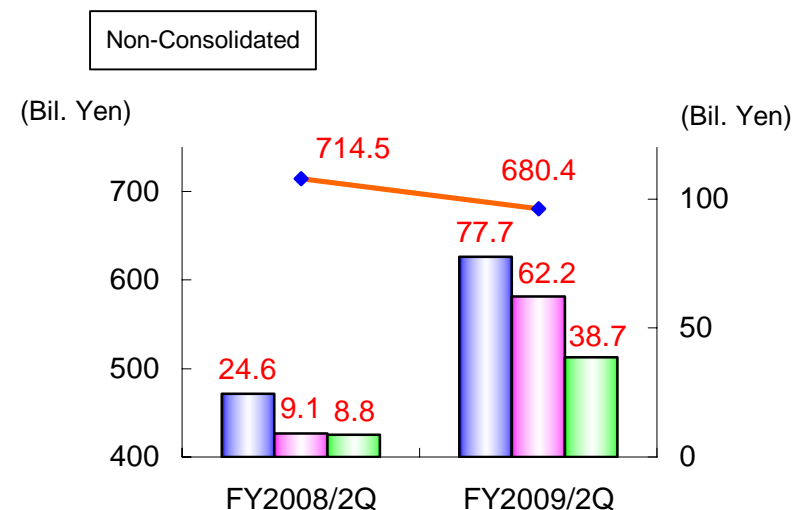
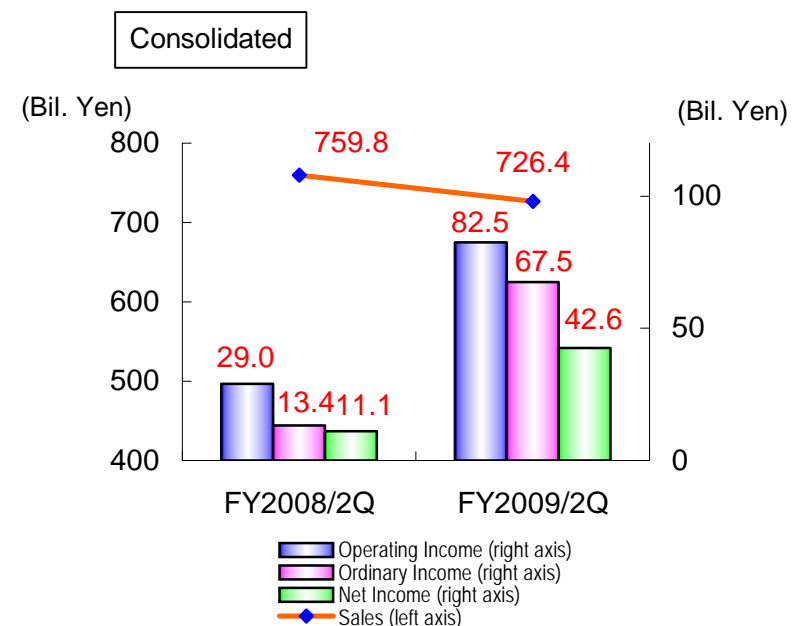
Breakdown:

Consolidated subsidiaries: 33 companies (no change from the end of FY2008)

Equity method companies: 31 companies (Down 1 from the end of FY2008; 1 exclusion)

Non-Consolidated (Billions of Yen/%)

	FY2009/2Q	FY2008/2Q	Change	vs. FY2008 2Q
Sales	680.4	714.5	-34.0	95.2
Operating Income	77.7	24.6	53.0	315.3
Ordinary Income	62.2	9.1	53.1	680.8
Net Income	38.7	8.8	29.9	438.0



FY2009 Summary of Full-Year Financial Results Forecasts

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

In the electricity business:

- Lower electricity sales due to lower electricity sales volumes
- Lower fuel costs and lower purchased power expenses due to drop in fuel prices

Consolidated

(Billions of Yen/%)

	FY2009	FY2008	Change	vs. FY2008
Sales	1,448.0	1,524.1	-76.1	95.0
Operating Income	90.0	84.7	5.3	106.2
Ordinary Income	57.0	50.4	6.6	113.0
Net Income	35.0	33.9	1.1	103.0

Non-Consolidated

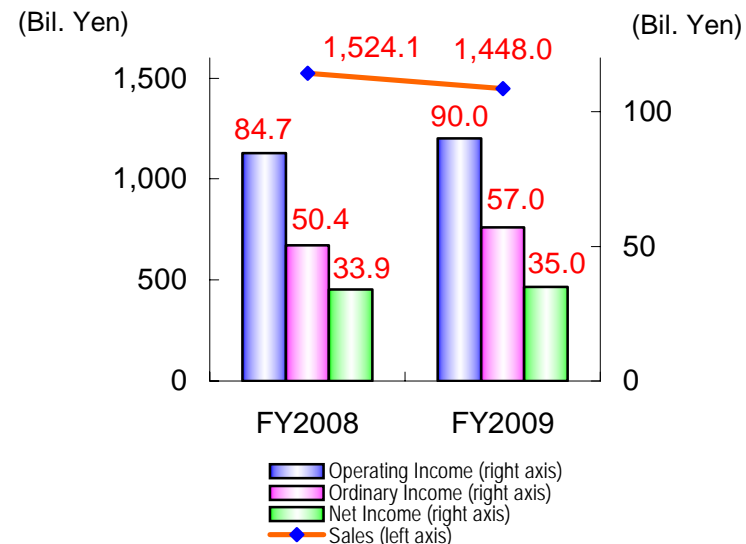
(Billions of Yen/%)

	FY2009	FY2008	Change	vs. FY2008
Sales	1,350.0	1,430.1	-80.1	94.4
Operating Income	79.0	74.8	4.2	105.6
Ordinary Income	45.0	38.7	6.3	116.1
Net Income	27.0	26.9	0.1	100.3

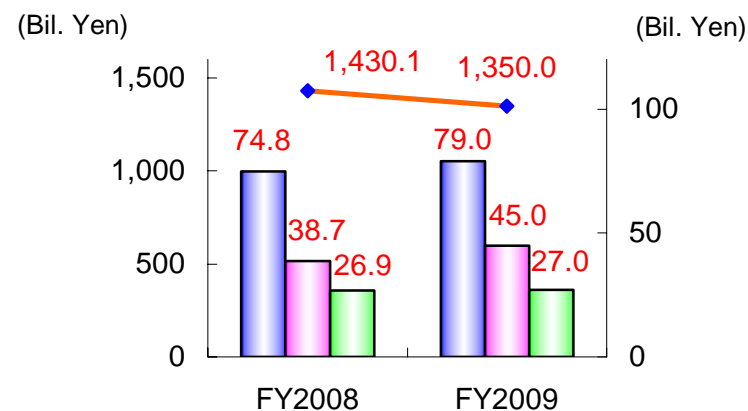
Dividend

Annual dividend of 60 yen per share planned
 (Interim dividend of 30 yen, year-end dividend of 30 yen)
 *Both the same as the previous year

Consolidated



Non-Consolidated



Key Fundamentals and Sensitivity Factors (Non-Consolidated)

Key Fundamentals (Non-Consolidated)

	FY2009	FY2008	Change	(Ref.) 2nd Half FY2009
Electricity Sales Volume	83.7 TWh	85.9 TWh	-2.2 TWh	42.0 TWh
Exchange Rate	95 Yen/\$	100.7 Yen/\$	-5.7 Yen/\$	95.0 Yen/\$
Crude Oil CIF Price	66 \$/b	90.5 \$/b	-24.5 \$/b	70.0 \$/b
Water Flow Rate	77.4 %	99.7 %	-22.3 %	100.0 %
Nuclear Power Generation Capacity Utilization Rate	84.6 %	84.6 %	- %	84.0 %

Sensitivity Factors (Non-Consolidated)

	FY2009		FY2008 (reference)
	2nd Half	Full Year	
Exchange Rate (1Yen/\$)	0.9	1.9	2.9
Crude Oil CIF Price (1\$/b)	0.6	1.3	1.5
Water Flow Rate (1%)	0.1	0.2	0.4
Nuclear Power Generation Capacity Utilization Rate (1%)	1.0	2.1	3.5

(Billions of Yen)

Note 1: Above figures show impact on fuel costs and cost of purchased power.

Note 2: Impact of water flow rates and nuclear power generation capacity utilization rates may change based on type of fuels used alternately in power generation.

■ FY2009 2nd Quarter Financial Results

(Note) Figures for FY2009 2nd quarter financial result is accumulated total from Apr.1,2009 to Sep.30,2009.

Electricity Sales Volume

- General demand decreased by 0.7TWh (2.0%) over FY2008 2Q due to lower temperatures in July resulting in a drop in demand for air conditioning, as well as a drop in demand from small factories and retail businesses.
- Demand from large-scale industrial companies dropped by 1.9TWh (14.5%) over FY2008 2Q due to declining production in key industries such as electronics, transportation machinery, and steel.

Electricity Sales Volumes (TWh/%)

		Actual	vs. FY2008 2Q	
			Change	%
Lighting		13.8	-0.2	99.1
Power		27.9	-2.4	92.1
Total		41.7	-2.6	94.3
Repositing	General	30.5	-0.7	98.0
	Large-scale Industrial	11.2	-1.9	85.5

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

		Actual	vs. FY2008 2Q	
			Change	%
Machinery		3.4	-0.7	82.3
Electronics		2.4	-0.6	80.7
Transportation Machinery		0.7	-0.1	87.8
Steel and Iron		1.0	-0.5	67.2
Chemicals		1.1	-0.2	86.5
Clay and Stone		0.4	-0.2	74.5
Non-ferrous Metals		0.8	-0.1	87.0
Others		4.5	-0.2	94.7
Total		11.2	-1.9	85.5

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

			Actual	vs. FY2008 2Q	
				Change	%
Demand other than under liberalization	Lighting		13.8	-0.2	99.1
	Power	Low Voltage	2.5	-0.1	96.2
		Others	0.5	0.1	101.3
	Subtotal		16.8	-0.2	98.7
Demand under liberalization	Commercial		10.5	-0.2	98.2
	Industrial		14.4	-2.2	87.2
	Subtotal		24.9	-2.4	91.5
Total			41.7	-2.6	94.3

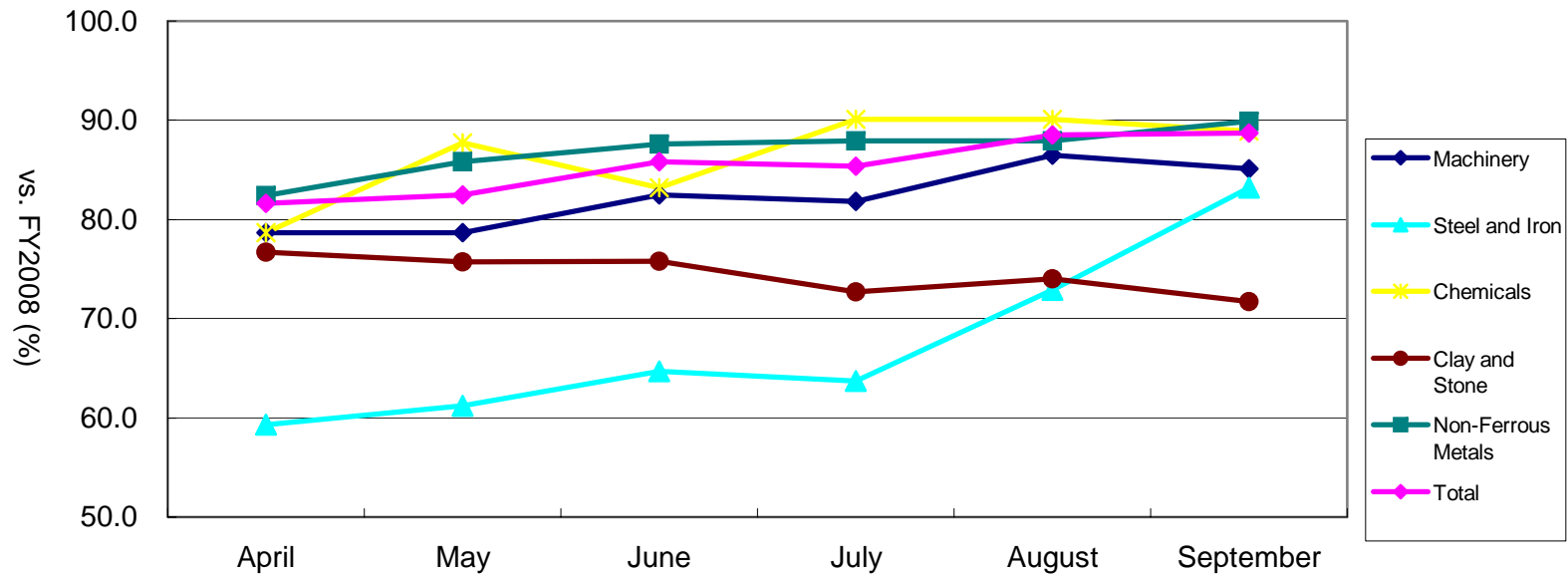
Shift in Large-scale Demand (by month)

1. Actual Volume by Month (by Sector)

(TWh/%)

	April		May		June		July		August		September		FY2009 2Q	
	Volume	vs. FY2008	Volume	vs. FY2008	Volume	vs. FY2008	Volume	vs. FY2008	Volume	vs. FY2008	Volume	vs. FY2008	Volume	vs. FY2008
Machinery	0.479	78.7	0.500	78.7	0.560	82.5	0.619	81.8	0.602	86.5	0.597	85.1	3.357	82.3
Steel and Iron	0.148	59.3	0.162	61.2	0.163	64.7	0.155	63.7	0.176	72.9	0.188	83.2	0.992	67.2
Chemicals	0.163	78.7	0.183	87.7	0.192	83.2	0.200	90.1	0.200	90.1	0.201	88.9	1.139	86.5
Clay and Stone	0.074	76.7	0.079	75.7	0.076	75.8	0.065	72.7	0.064	74.0	0.065	71.7	0.423	74.5
Non-Ferrous Metals	0.123	82.4	0.131	85.8	0.139	87.6	0.148	87.9	0.145	87.9	0.142	89.9	0.828	87.0
Total	1.669	81.6	1.751	82.5	1.875	85.8	2.004	85.4	1.976	88.5	1.965	88.7	11.240	85.5

2. Change vs. Previous Year

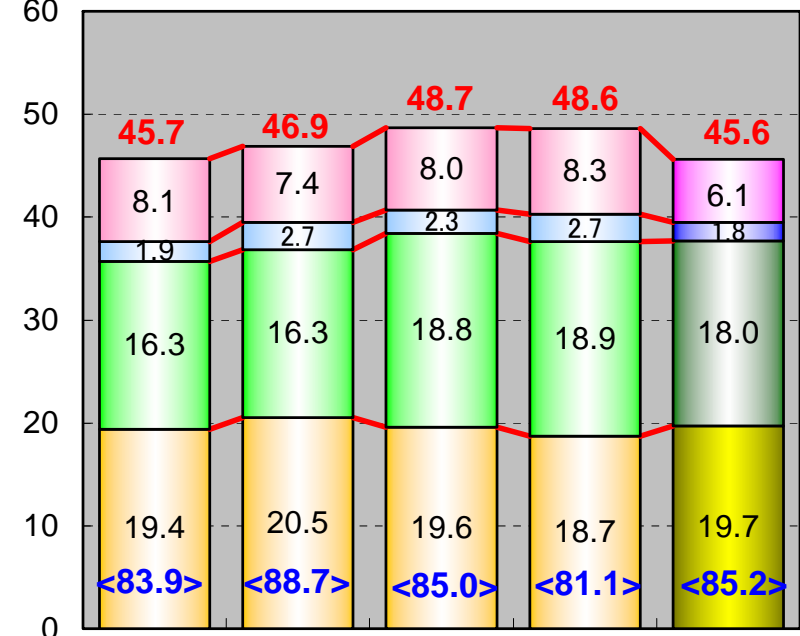


Electricity Generated and Received

Details		Actual	vs. FY2008/2Q	
			Change	(TWh/%)
Generated	Hydro	1.8	-0.9	66.4
	(Water flow rate)	(63.8)	(-28.2)	
	Thermal	18.0	-0.9	95.2
	Nuclear	19.7	1.0	105.1
	(Utilization Rate)	(85.2)	(4.1)	
	Subtotal	39.5	-0.8	97.9
Received from Other Companies		6.4	-2.5	72.8
Interchange		—	—	—
Pumped Storage Use		-0.3	0.3	52.5
Total		45.6	-3.0	93.9

Note: Water flow rate of 63.8% is historical low for first half (2nd was 66% in first half of FY1994)

Trends in Generated and Received Electricity (TWh)



FY2005/2Q FY2006/2Q FY2007/2Q FY2008/2Q FY2009/2Q

■ Nuclear
 ■ Thermal
 ■ Hydro
 ■ Others

< > Indicates nuclear power generation capacity utilization rate (%)

Income Statement Summary (Non-Consolidated)

(Billions of Yen/%)

	FY2009/2Q	FY2008/2Q	Change	vs. FY2008/2Q	Explanations	
Ordinary Revenues	Lighting	277.7	281.4	-3.7	98.7	Drop in sales volume -37.8,
	Power	382.1	407.6	-25.5	93.7	Component rate difference of 8.6
	Sales to Other Companies	1.7	3.9	-2.1	44.7	Sales to other companies -2.0
	Others	22.6	25.0	-2.3	90.5	Operating income from incidental businesses -2.2 (Gas provider business -2.8)
	(Sales)	(680.4)	(714.5)	(-34.0)	(95.2)	
	Subtotal	684.2	718.1	-33.8	95.3	
Ordinary Expenses	Personnel	86.6	69.2	17.4	125.3	Employee retirement benefits 17.6
	Fuel	106.4	179.8	-73.4	59.2	Drop in fuel price (CIF) -42.5, Exchange rate difference -12.4, Drop in sales volume -24.7, Drop in thermal power from other companies 18.4
	Maintenance	90.9	88.6	2.3	102.6	Thermal 4.3, Distribution 1.0, Nuclear -4.4
	Depreciation	98.7	97.7	1.0	101.0	
	Purchased Power	56.2	81.5	-25.2	69.0	Purchased from other companies -25.2
	Interest Charges	16.7	16.4	0.2	101.7	
	Miscellaneous Taxes	48.1	49.7	-1.6	96.7	Power Development Promotion Tax -1.0
	Nuclear Back-End Costs	24.9	26.6	-1.7	93.5	Reprocessing costs of irradiated nuclear fuel -2.2
	Others	92.9	98.9	-6.0	93.9	Disposition of property -2.9, Operating expense from incidental businesses -2.6 (Gas provider business -2.7)
	Subtotal	621.9	708.9	-86.9	87.7	
	(Operating Income)	(77.7)	(24.6)	(-53.0)	(315.3)	
	Ordinary Income	62.2	9.1	53.1	680.8	
	Extraordinary Income	-	5.4	-5.4	-	Gain on sales of securities -5.4
	Net Income	38.7	8.8	29.9	438.0	

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)

	FY2009/2Q	FY2008/2Q	Change
Exchange Rate	95.5 Yen/\$	106.1 Yen/\$	-10.6 Yen/\$
Crude Oil CIF Price	61.8 \$/b	119.7 \$/b	-57.9 \$/b
Water Flow Rate	63.8 %	92.0 %	-28.2 %
Nuclear Power Generation Capacity Utilization Rate	85.2 %	81.1 %	4.1 %

Explanation of Ordinary Revenue (Non-Consolidated)

(Billions of Yen/%)

	FY2009/2Q	FY2008/2Q	Change	vs. FY2008/2Q
Lighting&Power	659.8	689.1	-29.2	95.8

<Explanations>

① Drop in sales volume due to decreased demand

Change

-37.8

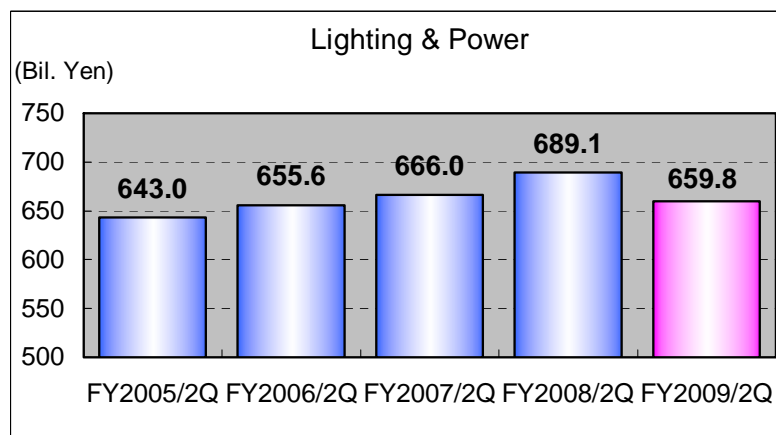
• Drop in electricity sales volume (41.7 ← 44.3 TWh, -2.6 TWh vs. FY2008 2Q)

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

	FY2009/2Q	FY2008/2Q	Change	Factors
General	30.5	31.2	-0.7	• Temperature effect -0.4 • Drop in small factories/retail -0.3
Large-scale Industrial	11.2	13.1	-1.9	• Drop in Electronics/transportation machinery, steel and iron -1.9

② Unit price difference due to component difference, etc.

8.6



(Billions of Yen/%)

	FY2009/2Q	FY2008/2Q	Change	vs. FY2008/2Q
Others	24.4	28.9	-4.5	84.2

Note: Others includes sales to other companies and others

<Explanations>

① Operating income from incidental businesses

Change

-2.2

FY2009/2Q

12.0

FY2008/2Q

14.2

• Gas provider business

-2.8

(4.6 ← 7.5)

• Fiber optic lease line business

0.5

(5.2 ← 4.6)

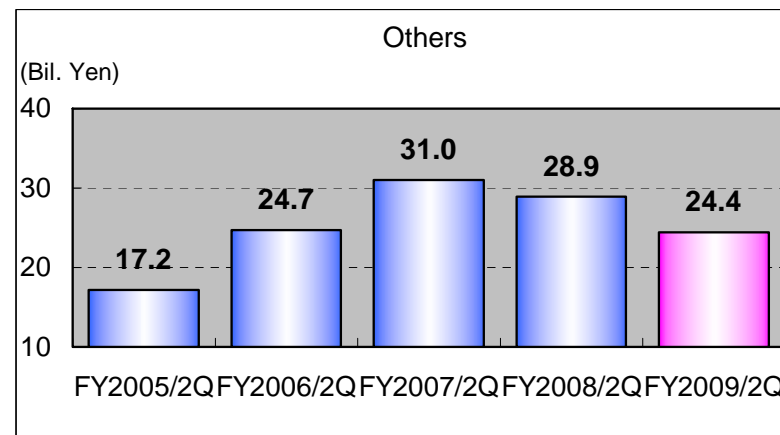
② Sales to other companies

-2.0

(1.6 ← 3.7)

• Drop in sales volume to other companies

(0.10 ← 0.36 TWh, -0.26 TWh vs. FY2008 2Q)



Explanation of Ordinary Expenses (Non-Consolidated)

【 Personnel, Fuel 】

	FY2009/2Q	FY2008/2Q	Change	vs. FY2008/2Q
Personnel	86.6	69.2	17.4	125.3

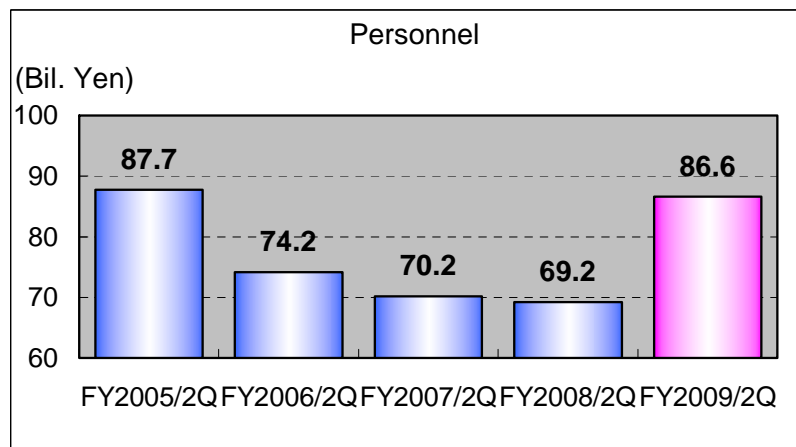
<Explanations>

	Change	FY2009/2Q	FY2008/2Q
Employee Retirement Benefits	17.6	(16.0 ← -1.5)	
◆ Amortization cost of actuarial difference	9.4	(4.4 ← -4.9)	

- Accrued in FY2003 3.6 bil. Yen (amortization completed in FY2008)
- Accrued in FY2008 5.7 bil. Yen

Year	Amount	Amount Amortized		Change (A-B)
		FY2009/2Q (A)	FY2008/2Q (B)	
FY2003	-36.9	-	-3.6	3.6
FY2004	-8.9	-0.8	-0.8	-
FY2005	-29.5	-2.9	-2.9	-
FY2006	-7.0	-0.7	-0.7	-
FY2007	33.2	3.3	3.3	-
FY2008	57.0	5.7	-	5.7
Total		4.4	-4.9	9.4

- ◆ Expected return on plan assets 4.7 (- ← -4.7)
- Reevaluate FY2009 expected return on plan assets (0% ← 3%)



	FY2009/2Q	FY2008/2Q	Change	vs. FY2008/2Q
Fuel	106.4	179.8	-73.4	59.2

<Explanations>

	Change
① Drop in fuel prices	-63.7
◆ Effect of drop in fuel prices (CIF)	-42.5

(Ref.) All Japan CIF Prices

- Crude Oil (61.8 ← 119.7\$/b, - 57.9\$/b vs. FY2008/2Q)
- Coal (102.6 ← 130.1\$/t, -27.5\$/t vs. FY2008/2Q)
- LNG (395.9 ← 651.9\$/t, -256.0\$/t vs. FY2008/2Q)

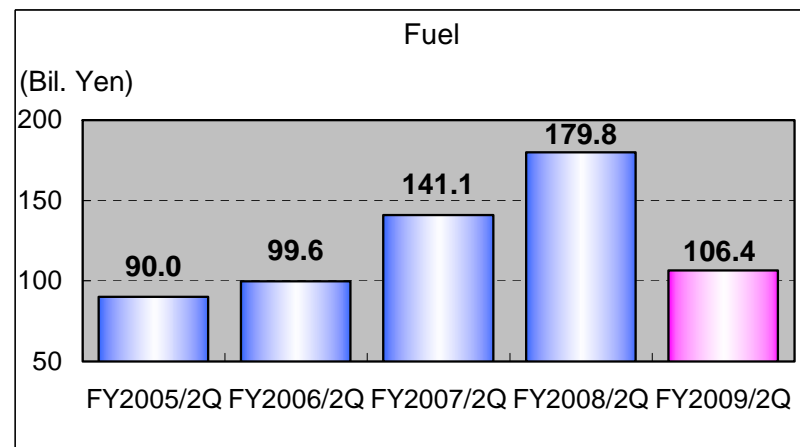
- ◆ Effects of high yen (exchange rate) -12.4

(Ref.) Interbank Rate

- Exchange rate vs. US\$ (95.5 ← 106.1Yen/\$, 10.6Yen/\$ higher vs. FY2008/2Q)

- ② Decrease in sales volume -24.7

- Decrease in electricity sales volumes (41.7 ← 44.3TWh, -2.6TWh vs. FY2008/2Q)



Explanation of Ordinary Expenses (Non-Consolidated)

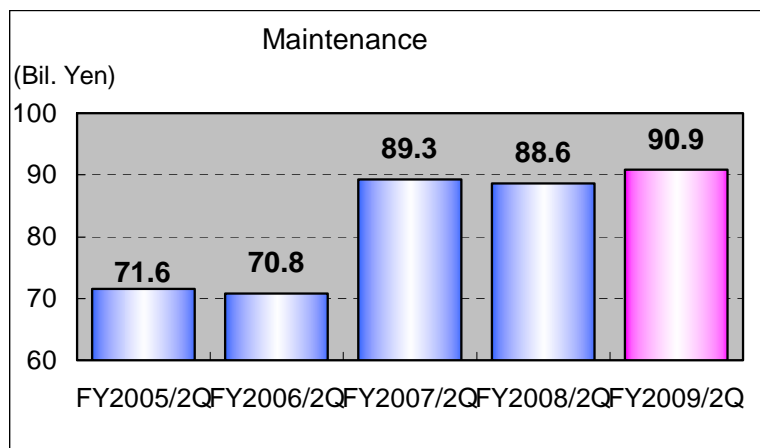
【 Maintenance, Depreciation 】

(Billions of Yen/%)				
	FY2009/2Q	FY2008/2Q	Change	vs. FY2008/2Q
Maintenance	90.9	88.6	2.3	102.6

<Explanations>

	Change	FY2009/2Q	FY2008/2Q
①Thermal	4.3	(22.8 ← 18.5)	
· Maintenance work on Reihoku No. 1 Boiler denitration catalyst			
②Distribution	1.0	(27.0 ← 25.9)	
③Transmission	0.9	(4.5 ← 3.6)	
④Nuclear	-4.4	(28.3 ← 32.7)	

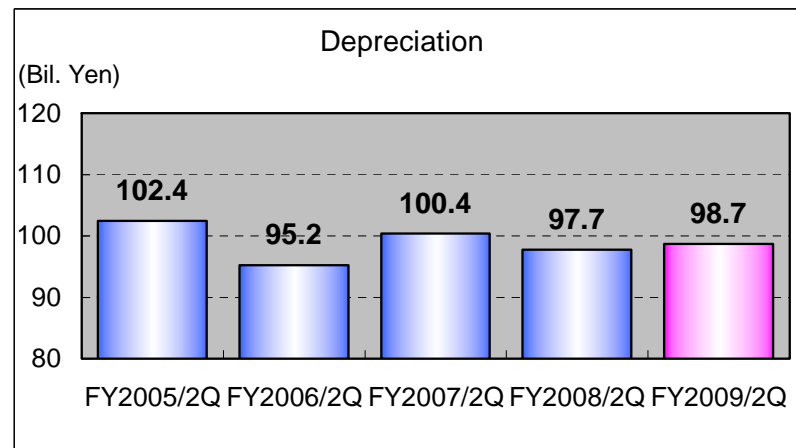
- Reduction due to differences in periodic inspection cycles
Nuclear power periodic inspection days down by 47 days
(180 ← 227days)



(Billions of Yen/%)				
	FY2009/2Q	FY2008/2Q	Change	vs. FY2008/2Q
Depreciation	98.7	97.7	1.0	101.0

<Explanations>

	Change	FY2009/2Q	FY2008/2Q
①Nuclear	1.8	(19.3 ← 17.4)	
②Distribution	0.8	(13.9 ← 13.1)	
③Thermal	-1.4	(15.9 ← 17.3)	



Explanation of Ordinary Expenses (Non-Consolidated)

【 Purchased Power, Others 】

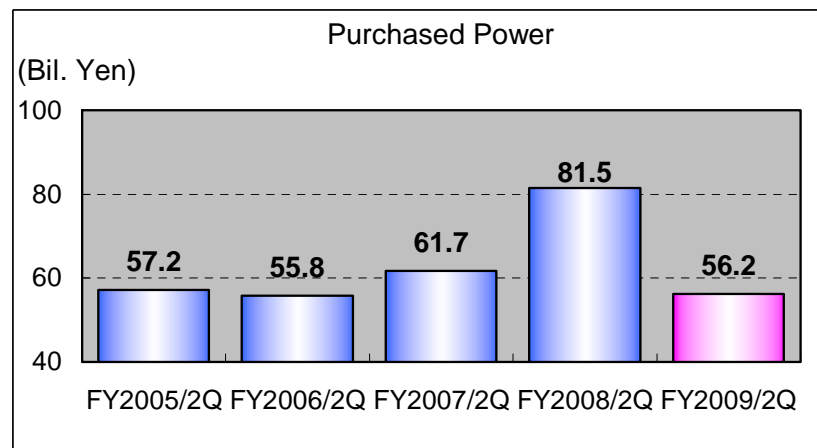
(Billions of Yen/%)				
	FY2009/2Q	FY2008/2Q	Change	vs. 2008/2Q
Purchased Power	56.2	81.5	-25.2	69.0

<Explanations>

	Change	FY2009/2Q	FY2008/2Q
Purchased from other companies	-25.2	(56.1 ← 81.4)	

◆ Drop in purchase of thermal power	-26.0	(40.2 ← 66.2)	
-------------------------------------	--------------	-----------------	--

- Decline in power purchased from other companies (6.56 ← 9.24TWh, -2.68TWh vs. FY2008/2Q)



(Billions of Yen/%)				
	FY2009/2Q	FY2008/2Q	Change	vs. 2008/2Q
Others	182.7	191.9	-9.1	95.3

Note: Others consists of interest charges, taxes, nuclear power back-end costs, and others

<Explanations>

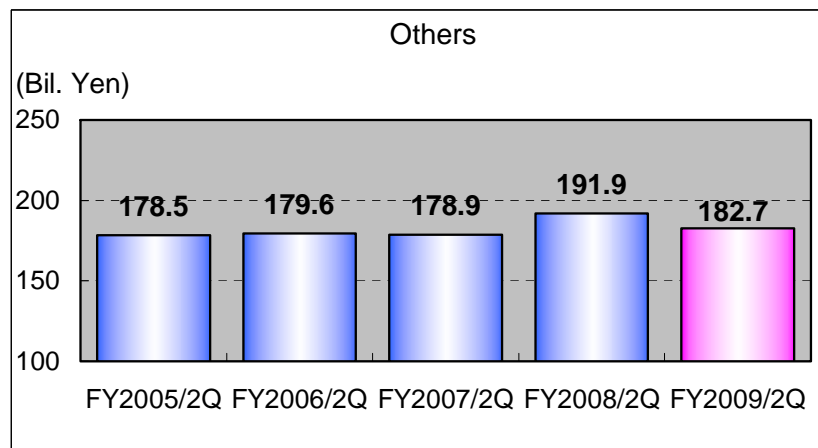
	Change	FY2009/2Q	FY2008/2Q
① Disposition of property	-2.9	(6.4 ← 9.4)	

- Replacement work on Genkai Nuclear No. 2 internal core unit in 2008

② Operating expenses from incidental businesses	-2.6	(11.3 ← 14.0)	
---	-------------	-----------------	--

- Gas provider business

③ Reprocessing costs of irradiated nuclear fuel	-2.2	(14.8 ← 17.1)	
---	-------------	-----------------	--



■ Balance Sheet Summary (Non-Consolidated) ■

[Assets]				(Billions of Yen)
\	Sept. 30, 2009	Mar. 31, 2009	Change	Explanations
Utility Property, Plant, and Equipment	2,538.0	2,582.0	-44.0	Depreciation -98.8, construction completed 59.1
Investments and Other Assets	466.3	470.6	-4.3	
Others	802.6	781.4	21.2	Short-term investments 25.0
Total	3,807.0	3,834.1	-27.1	

[Liabilities and Equity]				(Billions of Yen)
\	Sept. 30, 2009	Mar. 31, 2009	Change	Explanations
Interest-bearing Debt	1,961.9	1,989.6	-27.6	[D/E Ratio] Sept. 30, 2009 1.95 ← Mar. 31, 2009 2.03
Other Liabilities	838.8	862.9	-24.0	Accrued expenses -27.4, Short-term liabilities to subsidiaries and affiliated companies -22.8 Accrued taxes 26.7
Equity	1,006.1	981.5	24.6	2Q Net Income 38.7, Dividend -14.2 [Equity Ratio] Sept. 30, 2009 26.4% ← Mar. 31, 2009 25.6%
Total	3,807.0	3,834.1	-27.1	

Income Statement Summary (Consolidated)

		(Billions of Yen/%)				
		FY2009/2Q	FY2008/2Q	Change	vs. FY2008/2Q	<div style="border-left: 1px solid black; border-right: 1px solid black; padding: 5px;"> FY2009/2Q Consolidated Ratio </div>
Ordinary Revenues	Electric	667.4	699.1	-31.7	95.5	
	Others	59.0	60.6	-1.6	97.3	
	Operating Revenues (Sales)	726.4	759.8	-33.3	95.6	(1.07)
	Other Revenues	5.0	4.6	0.4	108.8	
	Subtotal	731.5	764.4	-32.9	95.7	
Ordinary Expenses	Electric	589.1	672.3	-83.1	87.6	
	Others	54.7	58.4	-3.7	93.7	
	Operating Expenses	643.8	730.7	-86.8	88.1	
	Other Expenses	20.1	20.2	-0.1	99.3	
	Subtotal	664.0	751.0	-87.0	88.4	
	(Operating Income)	(82.5)	(29.0)	(53.4)	(283.9)	(1.06)
	Ordinary Income	67.5	13.4	54.0	501.2	(1.08)
	Extraordinary Income	-	5.4	-5.4	-	
	Net Income	42.6	11.1	314	381.9	(1.10)

Segment Information

Reasons for Changes in Operating Income

- Energy-related Business
Sales declined due to a drop in gas sales, while depreciation and other costs increased with start of LNG shipping operation.
- IT and Telecommunications
Increase in sales due to increased number of broadband service users.
- Other
Increase in revenue from real estate sales, decrease in costs due to reconstruction of leased property.

(Ref.) Broadband Service (BBIQ) Lines

vs. Sept. 30, 2008 (10,000 lines)

	Sept. 30, 2009	Sept. 30, 2008	Change
No. of lines	27.6	24.0	3.6

3-year Trend (10,000 lines)

	Mar. 31, 2009	Mar. 31, 2008	Mar. 31, 2007
No. of Lines	26.0	21.5	15.5

(Billions of Yen)

	Electric Power	Energy-related Business	IT and Telecommunications	Other	Subtotal	Eliminations/Corporate	Consolidated
Total Sales	668.4 (-31.8)	67.0 (-3.8)	43.7 (0.8)	12.6 (0.8)	791.8 (-34.0)	-65.4 (0.6)	726.4 (-33.3)
Sales to Customers	667.4 (-31.7)	26.5 (-3.3)	27.5 (0.9)	4.8 (0.6)	726.4 (-33.3)	- (-)	726.4 (-33.3)
Operating Income	77.1 (52.6)	0.8 (-2.5)	2.3 (2.7)	1.7 (0.6)	82.1 (53.5)	0.4 (-)	82.5 (53.4)
Ordinary Income	62.3 (52.3)	(*) 1.6 (-2.3)	1.7 (3.0)	1.4 (1.1)	67.1 (54.0)	0.3 (-)	67.5 (54.0)

Note: Figures in brackets denote change from FY2008

*Ordinary income in energy-related business of 1.6 billion yen includes 300 million yen from overseas energy business (up 30 mil. yen from 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)

	FY2009/2Q	FY2008/2Q	Change	Explanations
Cash Flows from Operating Activities	190.2	80.5	109.6	Increase in income before income taxes and minority interests 48.6 Increase in inventory assets 19.4 Increase in accounts payable 13.0 Increase in employee retirement benefit reserves 11.9
Cash Flows from Investing Activities	-121.5	-140.1	18.6	Payments for investments and advances/collections 6.5
(Capital Expenditures Including Nuclear Fuel)	(-120.5)	(-132.7)	(12.1)	
Cash Flows from Financing Activities	-50.4	56.4	-106.9	Decline in fund raising due to increased operating cash flows *Decrease in interest-bearing debt -106.3 (FY2009/2Q -35.5 ← FY2008/2Q 70.7)
Change in Cash and Cash Equivalents	18.1	-3.2	21.3	

Free Cash Flows (*)	69.6	-52.1	121.8
---------------------	------	-------	-------

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

A horizontal bar at the top of the page, split into a blue section on the left and a green section on the right.

■ **FY2009 Full-Year Results Forecast**
Supplementary Materials

Income Statement (Non-Consolidated)

(Billions of Yen/%)

		FY2009	FY2008	Change	vs. FY2008	Explanations
Ordinary Revenues	Lighting	574.0	584.9	-10.9	98.1	Price differential -40.0, due to drop in fuel cost adjustments
	Power	730.0	793.3	-63.3	92.0	Drop in electricity sales volume -34.0
	Sales to Other Companies	4.5	7.6	-3.1	58.5	Sales to other companies -2.5, Sales to other EPCs -1.0
	Others	47.5	51.3	-3.8	92.4	Operating income from incidental businesses -2.0
	(Sales)	(1,350.0)	(1,430.1)	(-80.1)	(94.4)	
Subtotal		1,356.0	1,437.3	-81.3	94.3	
Ordinary Expenses	Personnel	173.5	136.7	36.8	126.8	Employee retirement benefits 35.5 (Actuarial difference amortization 18.5, Reevaluation of expected return on plan assets 9.5 Depreciation of FY2008 past service costs completed 7.5)
	Fuel	209.5	305.6	-96.1	68.6	Drop in fuel price (CIF) -65.5, Exchange rate difference -13.0, Drop in electricity sales volume -12.0
	Maintenance	198.0	197.8	0.2	100.1	
	Depreciation	198.0	195.2	2.8	101.4	Special depreciation expense 2.0
	Purchased Power	117.5	149.9	-32.4	78.4	Purchased power -32.5
	Interest Charges	33.5	33.4	0.1	100.2	
	Miscellaneous Taxes	89.5	90.1	-0.6	99.3	
	Nuclear Back-end Costs	50.5	51.1	-0.6	98.7	
Others	241.0	238.4	2.6	101.1	Subcontracting 9.0, Disposition of property -6.0, Operating expenses from incidental businesses -2.5	
Subtotal		1,311.0	1,398.5	-87.5	93.7	
(Operating Income)		(79.0)	(74.8)	(4.2)	(105.6)	
Ordinary Income		45.0	38.7	6.3	116.1	
Extraordinary Income		-	5.4	-5.4	-	Gain on sales of securities -5.4
Net Income		27.0	26.9	0.1	100.3	

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
Electricity Sales Volume	83.7	TWh	85.9	TWh	-2.2 TWh
Exchange Rate	95	Yen/\$	100.7	Yen/\$	-5.7 Yen/\$
Crude Oil CIF Price	66	\$/b	90.5	\$/b	-24.5 \$/b
Water Flow Rate	77.4	%	99.7	%	-22.3 %
Nuclear Power Generation Capacity Utilization Rate	84.6	%	84.6	%	- %

97.5% vs. previous year

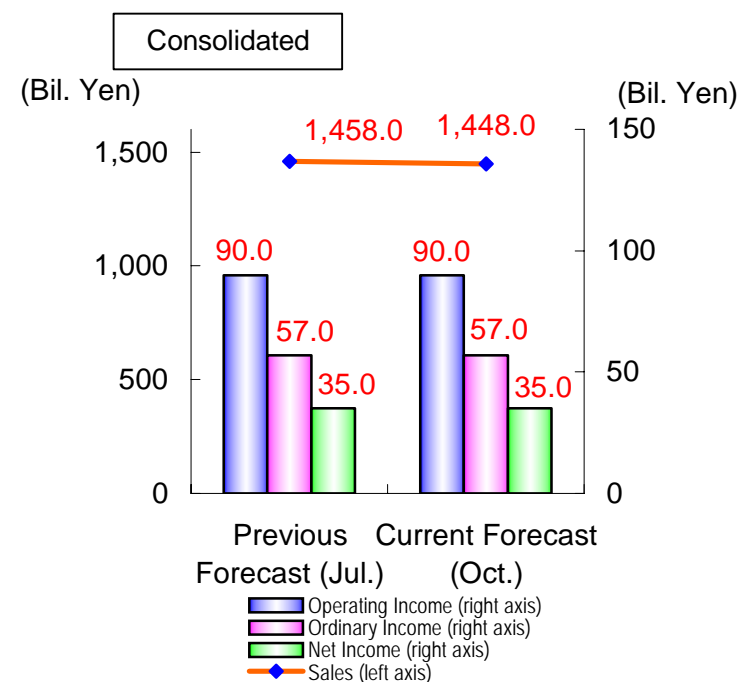
Summary, Versus Previously Announced Forecast

Summary:

Sales lower compared to previous forecast
Income levels same as in previous forecast

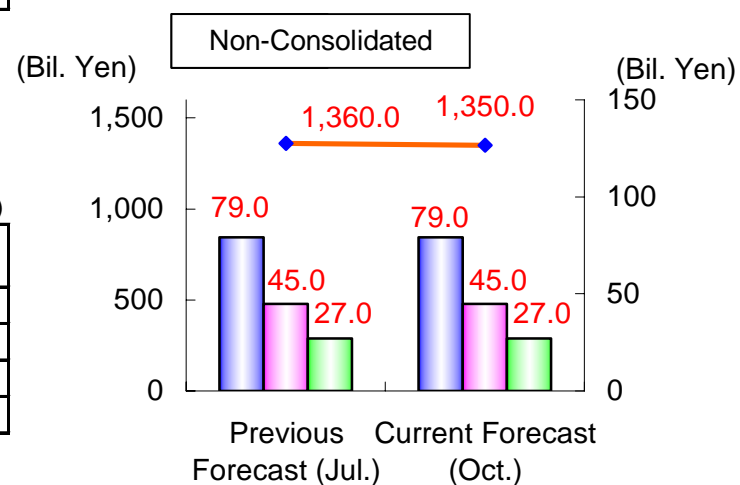
In the electric power business

- Decline in lighting and power revenue due to drop in sales volumes
- Fuel costs lower due to higher yen exchange rate, etc.



Consolidated (Billion Yen/%)

	Current Forecast (Oct.)	Previous Forecast (Jul.)	Change	vs. Previous Forecast (Jul.)
Sales	1,448.0	1,458.0	-10.0	99.3
Operating Income	90.0	90.0	-	100.0
Ordinary Income	57.0	57.0	-	100.0
Net Income	35.0	35.0	-	100.0



Non-Consolidated (Billion Yen/%)

	Current Forecast (Oct.)	Previous Forecast (Jul.)	Change	vs. Previous Forecast (Jul.)
Sales	1,350.0	1,360.0	-10.0	99.3
Operating Income	79.0	79.0	-	100.0
Ordinary Income	45.0	45.0	-	100.0
Net Income	27.0	27.0	-	100.0

Income Statement (Non-Consolidated), Versus Previously Announced Forecast

(Billions of Yen)

		Current Forecast (Oct.)	Previous Forecast (Jul.)	Change	Explanations
Ordinary Revenues	Lighting	574.0	580.0	-6.0	Drop in sales volume -8.5
	Power	730.0	734.0	-4.0	
	Sales to Other Companies	4.5	4.5	-	
	Others	47.5	47.5	-	
	(Sales)	(1,350.0)	(1,360.0)	(-10.0)	
Subtotal		1,356.0	1,366.0	-10.0	
Ordinary Expenses	Personnel	173.5	174.0	-0.5	
	Fuel	209.5	218.0	-8.5	Exchange rate difference -6.5, Drop in sales volume -3.0
	Maintenance	198.0	196.5	1.5	Thermal 1.0
	Depreciation	198.0	200.0	-2.0	Common depreciation expense -2.0
	Purchased Power	117.5	118.0	-0.5	
	Interest Charges	33.5	34.0	-0.5	
	Miscellaneous Taxes	89.5	89.0	0.5	
	Nuclear Back-end Costs	50.5	49.5	1.0	
	Others	241.0	242.0	-1.0	Operating expenses from incidental businesses -0.5
Subtotal		1,311.0	1,321.0	-10.0	
(Operating Income)		(79.0)	(79.0)	-	
Ordinary Income		45.0	45.0	-	
Net Income		27.0	27.0	-	

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)

	Current Forecast (Oct.)	Previous Forecast (Jul.)	Change
Electric Power Sales	83.7 TWh	84.3 TWh	-0.6 TWh
Exchange Rate	95 Yen/\$	99 Yen/\$	-4 Yen/\$
Crude Oil CIF Price	66 \$/b	65 \$/b	1 \$/b
Water Flow Rates	77.4 %	87.3 %	-9.9 %
Nuclear Power Generation Capacity Utilization Rate	84.6 %	84.0 %	0.6 %

■ Segment Information ■

Reasons for Changes in Operating Income

- Energy-related Business
Increase in depreciation and other expenses related to start of LNG shipping operation
- IT and Telecommunications
Increase in number of broadband service users
- Others
Increase in real estate sales

(Billions of Yen)

	Electric Power	Energy-related Business	IT and Telecommunications	Other	Subtotal	Eliminations/Corporate	Consolidated
Sales	1,323.0 (-77.7)	157.0 (-0.2)	91.0 (*1) (-1.7)	27.0 (2.6)	1,598.0 (-77.1)	-150.0 (0.9)	1,448.0 (-76.1)
Operating Income	78.0 (3.9)	6.0 (-1.5)	3.0 (2.3)	2.5 (0.9)	89.5 (5.3)	0.5 (-)	90.0 (5.3)
Ordinary Income	46.0 (5.3)	(*2) 7.0 (-2.5)	1.5 (2.3)	2.0 (1.3)	56.5 (6.2)	0.5 (0.4)	57.0 (6.6)

Note: Figures in brackets indicate change from FY2008

(*1) Decline in sales due to decline in revenue from IT system services

(*2) Ordinary income in energy-related business of 7.0 billion yen includes 500 million yen from overseas energy businesses (-1.5 billion 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)

	FY2009	FY2008	Change	Explanations
Cash Flows from Operating Activities	292.4	212.2	80.2	Ordinary income up 6.3 Increase in non-fund expenses for employee retirement benefit reserves of 36.0 Decline in accounts receivable of 15.0 due to differences in payment schedules, etc.
Cash Flows from Investing Activities	-247.7	-227.1	-20.6	Sale of Kyushu Oil shares (2008) -5.8
(Capital Expenditures including Nuclear Fuel)	(-232.4)	(-223.9)	(-8.5)	
Cash Flows from Financing Activities	-60.4	44.3	-104.7	Decline in fund-raising due to increase in operating cash flows *Decrease in interest-bearing debt -104.3 (FY2009 -30.7 ← FY2008 73.6)
Change in Cash and Cash Equivalents	-15.7	29.3	-45.0	

Free Cash Flows*	60.0	-11.7	71.7
------------------	------	-------	------

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

For more information, please contact:

Investor Relations Group

Strategy Planning Dept.

Corporate Planning Division

KYUSHU ELECTRIC POWER CO., INC.

Telephone : +81 92 726 1575

Facsimile : +81 92 733 1435

URL : http://www.kyuden.co.jp/en_ir_index