

October 30, 2012

**The 2nd Quarter of the Fiscal Year Ending March 31, 2013 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, Osaka SE, Fukuoka SE

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Quarterly financial report submission date (plan): November 13, 2012

Date to start dividend payments: -

Preparation of supplementary materials for quarterly financial results: Yes

Information meeting for quarterly financial results: Yes

(Rounded down to the nearest million yen)

1. Consolidated Financial Results for the Six Months (April 1, 2012 to September 30, 2012)

(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, 2012 - September 30, 2012	763,002	2.8	-135,569	—	-151,035	—
April 1, 2011 - September 30, 2011	742,261	0.7	-7,273	—	-19,048	—

(Note) Comprehensive income : FY2012 2Q -154,524 million yen (—%) FY2011 2Q -18,076 million yen (—%)

	Net income		EPS	Fully-diluted EPS
	(Unit: million yen)	(%)	(Unit: yen)	(Unit: yen)
April 1, 2012 - September 30, 2012	-149,517	—	-316.14	
April 1, 2011 - September 30, 2011	-13,313	—	-28.15	

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	(Unit: million yen)	(Unit: million yen)	(%)
As of September 30, 2012	4,430,850	724,090	15.9
As of March 31, 2012	4,428,093	888,131	19.7

(Reference) Shareholders' equity: As of September 30, 2012 : 706,346 million yen As of March 31, 2012: 870,396 million yen

2. Dividends

(Record date)	Annual dividends per share				
	1Q	2Q	3Q	Year-end	Total
FY2011	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)
FY2012		30.00		20.00	50.00
FY2012(forecast)		0.00			

(Note) Revision of the dividend forecast : No

Year-end dividend of FY2012 ending March 31, 2013 has yet to be decided.

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

3. Forecasts for Consolidated Financial Results for FY2012 (April 1, 2012 to March 31, 2013)

It is uncertain regarding the schedule for the resumption of the operations of reactors of our nuclear power stations and undecided concerning the power saving of this winter. Therefore, our financial results forecasts of Full-year are undetermined.

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

(See page 4 "(3)Qualitative information regarding forecasts for the consolidated operating performance" of Attached Material)

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

(3) Changes in accounting principles, changes in accounting estimates, restatement

Changes in accounting principles in line with revised accounting standards : Yes

Changes in accounting principles other than : No

Changes in accounting estimates : Yes

Restatement : No

(Note) It corresponds when it is difficult to distinguish Changes in accounting principles from Changes in accounting estimates.

For details , please refer to Page4 "2. Summary Information(Note), Changes in accounting Principles, changes in accounting estimates, restatement " of Attached Material.

(4) Number of common stocks issued and outstanding

Total stocks including treasury stocks FY2012 2Q: 474,183,951 shares FY2011: 474,183,951 shares

Treasury stocks FY2012 2Q: 1,242,068 shares FY2011: 1,236,366 shares

Average number of shares during the period FY2012 2Q: 472,943,911 shares FY2011 2Q: 472,976,859 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.

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1. Qualitative Information regarding Quarterly Financial Results

(1) Qualitative information regarding consolidated business performance

The Japanese economic recovery in this period (April-September, 2012) appears to be pausing due to slowdown of global economy in spite of having gradually recovered as demand related to reconstruction efforts. In the economy in Kyushu, the tempo of improvement is recently gradual as a whole, for example, recovery of exports and production is milder.

The Kyushu Electric Power Group made maximum efforts to secure alternative power sources such as thermal power and asked for the cooperation of its customers by reducing their electricity consumption because power supplies forecast was tight in this summer due to the ongoing shutdown of operation at all nuclear power stations.

Revenue and Expenditure

Under these economic conditions, on the revenue side, consolidated sales (operating revenues) increased by 2.8% to ¥763.0 billion compared with the 2Q of FY2011 and the ordinary revenues increased by 2.4% to ¥768.8 billion affected by the business performances in electricity business as charge unit price increased mainly due to the effect of fuel cost adjustment system while electricity sales volume decreased.

On the expenditure side, ordinary expenses increased by 19.5% to ¥919.8 billion affected by the business performances in electricity business as thermal fuel costs and costs for power purchases increased mainly due to the influence of the shutdown of operations at our nuclear power stations.

As a result, the ordinary loss for the 2Q of FY2012 was ¥151.0 billion and the net loss was ¥149.5 billion.

Sales and Supply Overview

The demand for electric light, power for commercial operations and other general demands decreased by 2.7% compared with the 2Q of the previous year mainly due to an effect of our customers' power savings and a decrease in the air-conditioning demand as the temperature in June through July was lower than the previous year's level. The power demand from large industrial customers decreased by 0.6% compared with the 2Q of the previous year mainly due to the decrease in production of Electric Machinery and the effect of power saving in spite of the increase in production of Transportation Machinery and Steel and Iron.

Consequently, the total electricity sales for the 2Q of FY2012 decreased by 2.1% to 42.06 billion kWh.

Electricity Sales Volume

(Unit: million kWh, %)

		FY2012 2Q (A)	FY2011 2Q (B)	Difference (A-B)	Change (A/B)
Lighting		13,862	14,260	-398	97.2
Power		28,199	28,712	-513	98.2
Electricity Sales Total		42,061	42,972	-911	97.9
(Figures are included above)	Customers other than large-scale industrial	29,835	30,666	-831	97.3
	Large-scale industrial customers	12,226	12,306	-80	99.4

On the supply side, under the influence of the shutdown of the operations of our nuclear power stations, we have provided supply of electricity to our customers by increasing own thermal generation and electricity received from other companies.

Generated and Received Electricity

(Unit: million kWh, %)

		FY2012 2Q (A)	FY2011 2Q (B)	Difference (A-B)	Change (A/B)
Own facilities	Hydro (Water flow rate)	3,068 (114.0)	2,898 (97.6)	170 (16.4)	105.9
	Thermal	29,630	22,546	7,084	131.4
	Nuclear (Utilization rate)	- (-)	12,032 (52.1)	-12,032 (-52.1)	-
	New Energy	695	705	-10	98.6
	Subtotal	33,393	38,181	-4,788	87.5
From other companies (New Energy [included above])		10,685 (937)	8,808 (848)	1,877 (89)	121.3 (110.6)
Interchange		1,520	93	1,427	-
For pumping		-443	-739	296	60.0
Total		45,155	46,343	-1,188	97.4

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

(2) Information regarding consolidated financial condition

Consolidated assets, debt, and shareholders' equity overview

Consolidated assets increased by ¥2.7 billion compared with the end of the previous fiscal year to ¥4,430.8 billion mainly because of an increase in current assets such as cash and cash equivalent in spite of a decrease in fixed assets as having tried for efficiency of the capital expenditures and depreciation progressed.

Consolidated liabilities increased by ¥166.7 billion to ¥3,706.7 billion mainly due to an increase in interest-bearing debts in spite of the payment of construction costs accrued to the end of the previous period. The interest-bearing debts increased by ¥226.7 billion to ¥2,710 billion.

Consolidated shareholders' equity decreased by ¥164.0 billion to ¥724.0 billion mainly as the dividends were paid and the net loss for this quarter has been recorded. Consequently the shareholders' equity ratio went down to 15.9%.

Consolidated cash flow overview

Cash outflow from operating activities was ¥84.8 billion, turned to outflow from inflow of the 2Q of previous year mainly due to an increase in thermal fuel costs and costs for power purchases while electricity sales revenue increased in electricity business. (The 2Q of previous year was cash inflow of ¥44.0 billion)

Cash outflow from investing activities decreased by ¥18.6 billion to ¥100.7 billion from the 2Q of previous year mainly due to having tried for efficiency of the capital expenditures.

Cash inflow from financing activities increased by ¥101.1 billion to ¥215.2 billion from the 2Q of previous year.

As a result, the balance of cash and cash equivalents at the end of this second quarter increased by ¥29.4 billion to ¥307.4 billion compared with the end of the previous fiscal year.

(3) Qualitative information regarding forecasts for the consolidated operating performance

It is uncertain regarding the schedule for the resumption of the operations of reactors of our nuclear power stations and undecided concerning the power saving of this winter. Therefore, our financial results forecasts of Full-year are undetermined.

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

2. Summary Information (Notes)

Changes in accounting principles and changes in accounting estimates, restatements

(Changes in accounting principles that are difficult to distinguish from changes in accounting estimates)

The Kyushu Electric Power Group posted depreciation by applying the depreciation method based on the revised Corporation Tax Act to tangible fixed assets newly acquired on or after April 1, 2012 beginning with the first quarter of the current fiscal year, following the revision of the Corporation Tax Act.

The effect of this application was a decrease of ¥290 million in depreciation and a decrease of the same amount in both ordinary loss and Loss before Income Taxes and Minority Interests in income in comparison to the previous method.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Unit: million yen)

	As of March 31st, 2012	As of September 30th, 2012
Assets		
Fixed Assets	3,894,665	3,846,362
Utility property, plant and equipment	2,494,171	2,441,879
Hydro	332,652	327,664
Thermal	199,503	192,047
Nuclear	242,824	232,778
Internal combustion	19,358	19,052
New energy power production facilities	15,202	14,008
Transmission	690,539	676,249
Transformation	237,025	230,633
Distribution	617,804	614,410
General	132,516	128,335
Other	6,743	6,700
Other fixed assets	318,204	310,860
Construction in progress	184,857	196,349
Construction and retirement in progress	184,857	196,349
Nuclear fuel	267,124	274,301
Loaded nuclear fuel	84,008	84,103
Nuclear fuel in processing	183,115	190,197
Investments and other assets	630,309	622,970
Long-term investments	127,915	121,408
Reserve for reprocessing of irradiated nuclear fuel	220,293	218,196
Deferred tax assets	178,753	180,433
Other assets	104,330	103,935
Allowance for doubtful accounts	-984	-1,003
Current Assets	533,427	584,488
Cash and cash equivalent	168,283	305,914
Trade notes and accounts receivable	115,213	126,343
Inventories at average cost	77,908	83,425
Deferred tax assets	28,202	33,977
Other current assets	144,647	35,617
Allowance for doubtful accounts	-827	-790
Assets Total	4,428,093	4,430,850

	(Unit: million yen)	
	As of March 31st, 2012	As of September 30th, 2012
Liabilities		
Long-term Liabilities	2,957,548	3,118,517
Bonds	1,072,256	1,052,258
Long-term loans	1,109,344	1,289,540
Accrued retirement benefits	153,850	158,524
Reserve for reprocessing of irradiated nuclear fuel	334,000	327,266
Reserve for preparation of reprocessing of irradiated nuclear fuel	24,651	25,144
Asset retirement obligations	211,989	214,196
Deferred tax liabilities	10	8
Other fixed liabilities	51,444	51,579
Current Liabilities	581,197	584,910
Current portion of long-term debt	192,379	200,187
Short-term borrowings	118,000	117,082
Commercial paper	-	60,000
Notes and accounts payable	93,337	79,391
Income tax payable	17,602	17,445
Deferred tax liabilities	100	100
Other current liabilities	159,776	110,702
Reserves under the special law	1,216	3,331
Reserve for fluctuation in water levels	1,216	3,331
Liabilities Total	3,539,962	3,706,759
Net Assets		
Shareholders' Equity	860,151	701,163
Common stock	237,304	237,304
Additional paid-in capital	31,133	31,131
Retained earnings	594,080	435,097
Treasury stock	-2,366	-2,369
Accumulated other comprehensive income	10,245	5,183
Unrealized gain on other securities	12,331	9,473
Gain on deferred hedge	-179	-1,760
Foreign currency translation adjustments	-1,907	-2,530
Minority Interests	17,735	17,744
Net Assets Total	888,131	724,090
Liabilities and Net Assets Total	4,428,093	4,430,850

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

	(Unit: million yen)	
	April 1, 2011- September 30, 2011	April 1, 2012- September 30, 2012
Operating Revenues	742,261	763,002
Electricity	678,462	699,337
Other	63,799	63,664
Operating Expenses	749,534	898,571
Electricity	691,747	838,839
Other	57,787	59,732
Operating Income(Loss)	-7,273	-135,569
Other Revenues	8,417	5,854
Proceed from dividends	1,732	1,478
Proceed from interests	1,687	1,861
Equity in earnings of affiliates	496	520
Gains incurred from negative goodwill	2,591	-
Other	1,909	1,993
Other Expenses	20,192	21,320
Interest expenses	16,430	18,094
Other	3,762	3,225
Total Ordinary Revenues	750,678	768,856
Total Ordinary Expenses	769,727	919,891
Ordinary Income(Loss)	-19,048	-151,035
Provision or reversal of reserve fluctuation in water levels	-	2,115
Provision of reserve fluctuation in water levels	-	2,115
Income(Loss) before Income Taxes and Minority Interests in income	-19,048	-153,150
Income Taxes	2,347	1,725
Income Taxes-Deferred	-8,507	-5,435
Income Taxes Total	-6,160	-3,710
Income(Loss) before Minority Interests	-12,887	-149,439
Minority Interests	425	78
Net Income(Loss)	-13,313	-149,517

(Quarterly Consolidated Comprehensive Income Statements)

(Unit: million yen)

	April 1, 2011- September 30, 2011	April 1, 2012- September 30, 2012
Net Income(Loss) before Minority Interest	-12,887	-149,439
Other comprehensive income		
Unrealized gain on other securities	-2,204	-2,726
Gain on deferred hedge	-2,059	-1,580
Foreign currency translation adjustment	-105	-224
Equity in equity method companies	-819	-552
Total other comprehensive income	-5,188	-5,084
Comprehensive income	-18,076	-154,524
Comprehensive income related to		
Comprehensive income related to parent company shareholders	-18,494	-154,579
Comprehensive income related to minority interests	418	55

(3) Consolidated Statements of Cash Flow

	(Unit: million yen)	
	April 1, 2011-	April 1, 2012-
	September 30, 2011	September 30, 2012
Operating Activities		
Income(Loss) before income taxes and minority interests	-19,048	-153,150
Depreciation and amortization	117,210	107,520
Decommissioning cost of nuclear power plants	2,564	-
Amortization of nuclear fuel	7,369	-
Loss on disposal of property, plant and equipment	4,087	3,224
Increase(decrease) in liability for retirement benefits	3,845	4,673
Provision for reserve for reprocessing of used fuel	-4,689	-6,734
Provision for preparation for reprocessing of irradiated nuclear fuel	994	493
Increase (decrease) in reserve for fluctuation in water levels	-	2,115
Interest revenue and dividends received	-3,419	-3,340
Interest expense	16,430	18,094
Loss on equity under the equity method	-496	-520
Gains incurred from negative goodwill	-2,591	-
Decrease in fund for reprocessing of irradiated nuclear fuel	566	2,097
Decrease in accounts receivable	-22,719	-10,912
Decrease in inventories, principally fuel, at average cost	-24,395	-5,517
Increase in accounts payable	10,149	-14,552
Other	-10,332	-11,686
Sub Total	75,525	-68,195
Receipt of interest and cash dividends	3,836	3,890
Interest paid	-16,632	-18,241
Income tax paid	-18,687	-2,318
Net cash provided by operating activities	44,042	-84,864
Cash Flows from Investing Activities		
Purchases of property, plant and equipment	-119,815	-103,172
Payment for investments and other	-2,437	-350
Proceeds for recoveries from investments and other	1,265	1,465
Other	1,519	1,273
Net cash used in investing activities	-119,468	-100,784

(Unit: million yen)

	April 1, 2011- September 30, 2011	April 1, 2012- September 30, 2012
Cash Flows from Financing Activities		
Proceeds from issuance of bonds	-	49,890
Redemption of bonds	-110,000	-70,000
Proceeds from long-term loans	165,100	219,693
Repayment of long-term loans	-42,966	-32,364
Net increase (decrease) in short-term borrowings	4,499	-918
Net increase in commercial paper	113,000	60,000
Cash dividends paid	-14,219	-9,489
Other	-1,247	-1,535
Net cash used in financing activities	<u>114,166</u>	<u>215,275</u>
Effect of exchange rate changes on cash and cash equivalents	<u>-102</u>	<u>-133</u>
Changes in cash and cash equivalents	<u>38,637</u>	<u>29,492</u>
Cash and cash equivalents at beginning of the fiscal year	<u>125,988</u>	<u>277,945</u>
Cash and cash equivalents at end the of the 1Q	<u>164,626</u>	<u>307,437</u>

(4) Notes on the premise of going concern
N/A

(5) Notes in case of drastic changes in the amount of equity
N/A

4. Supplementary Information

Income and Expenditure (Non-consolidated)

(Unit: 100 million yen, %)

		FY2012 2Q (A)	FY2011 2Q (B)	Difference (A-B)	Change (A/B)	Composition Ratio	
						FY2012 2Q	FY2011 2Q
Ordinary Revenues	Lighting	2,834	2,794	39	101.4	39.2	39.9
	Power	3,987	3,856	130	103.4	55.2	55.1
	(Subtotal)	(6,821)	(6,651)	(170)	(102.6)	(94.4)	(95.0)
	Other	408	349	58	116.9	5.6	5.0
	[Sales]	[7,188]	[6,956]	[231]	[103.3]	[99.4]	[99.4]
	Total	7,229	7,000	229	103.3	100.0	100.0
Ordinary Expenses	Labor	811	849	-38	95.5	9.3	11.7
	Fuel	3,339	2,115	1,224	157.9	38.2	29.1
	Power purchase	1,385	837	547	165.4	15.8	11.5
	Maintenance	697	710	-13	98.1	8.0	9.8
	Depreciation	914	1,006	-91	90.9	10.4	13.9
	Interest	172	155	17	111.4	2.0	2.1
	Tax & public dues	415	466	-50	89.1	4.7	6.4
	Nuclear back-end	98	202	-104	48.5	1.1	2.8
	Other	914	923	-9	99.0	10.5	12.7
		Total	8,749	7,267	1,481	120.4	100.0
	[Operating Income(Loss)]	[-1,361]	[-124]	[-1,236]	[-]		
	Ordinary Income(Loss)	-1,519	-267	-1,252	-		
	Reserve for fluctuation in water levels	21	-	21	-		
	Income(Loss) before income taxes	-1,540	-267	-1,273	-		
	Income taxes	-39	-82	43	-		
	Net Income(Loss)	-1,501	-184	-1,316	-		

(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)

	FY2012 2Q	FY2011 2Q	Difference
	[A]	[B]	[A-B]
Crude oil (CIF) price	114 \$/b	114 \$/b	- \$/b
Exchange rate	79 ¥/\$	80 ¥/\$	-1 ¥/\$