

October 28, 2009

The 2nd Quarter of the Fiscal Year Ending March 31, 2010 Financial Results Overview
Kyushu Electric Power Co., Inc.

Stock code: 9508 URL: http://www.kyuden.co.jp/en_index.htm

Stock listed on: Tokyo SE, Osaka SE, Fukuoka SE

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Quarterly financial report submission date (plan): November 12, 2009

Date to start dividend payments: November 30, 2009

(Rounded down to the nearest million yen)

1. Consolidated Financial Results for the Six Months (April 1, 2009 to September 30, 2009)

(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, 2009 - September 30, 2009	726,441	-4.4	82,569	183.9	67,505	401.2
April 1, 2008 - September 30, 2008	759,824	—	29,081	—	13,468	—

	Net income		EPS	Fully-diluted EPS
	(Unit: million yen)	(%)	(Unit: yen)	(Unit: yen)
April 1, 2009 - September 30, 2009	42,668	281.9	90.18	
April 1, 2008 - September 30, 2008	11,173	—	23.62	

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(Unit: million yen)	(Unit: million yen)	(%)	(Unit: yen)
As of September 30, 2009	4,087,885	1,101,032	26.5	2,291.24
As of March 31, 2009	4,110,877	1,072,374	25.7	2,229.13

(Reference)

Shareholders' equity: As of September 30, 2009 : 1,084,074 million yen As of March 31, 2009: 1,054,732 million yen

2. Dividends

(Record date)	Annual dividends per share				
	1Q	2Q	3Q	Year-end	Total
	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)
FY2008		30.00		30.00	60.00
FY2009		30.00			
FY2009(projected)				30.00	60.00

(Note) Revision of projected dividends: No

3. Forecasts for Consolidated Financial Results for FY2009 (April 1, 2009 to March 31, 2010)

(% shows the changes from the same financial periods of the previous year)

	Sales		Operating income		Ordinary income		Net income		EPS
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: yen)
Full-year	1,448,000	-5.0	90,000	6.2	57,000	13.0	35,000	3.0	73.97

(Note) Revision of forecasts for consolidated financial results: Yes

4. Other

(1) Changes in significant subsidiaries (changes in scope of consolidated subsidiaries) : No

(2) Adoption of simplified method or methods specific in preparing quarterly consolidated financial statements in accounting practice : No

(3) Changes in the accounting practices, procedures, or disclosure regarding preparation of quarterly consolidated financial statements

Changes in line with revised accounting standards : Yes

Other than : No

(Note) For details, see page 8 "Qualitative information regarding forecast for the consolidated operating performance" 4. Other.

(4) Number of common stocks issued and outstanding

Total stocks including treasury stocks	FY2009 2Q: 474,183,951 shares	FY2008: 474,183,951 shares
Treasury stocks	FY2009 2Q: 1,045,604 shares	FY2008: 1,024,166 shares
Average number of shares during the period	FY2009 2Q: 473,148,255 shares	FY2008 2Q: 473,151,165 shares

***Notes on the proper use of the forecasts**

(1) The above forecasts 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 forecasts. For the assumptions applied to the above forecasts, see page 7.

(Reference) Non-consolidated Forecast for FY2009 (April 1, 2009 to March 31, 2010)

(% shows the changes from the same financial periods of the previous year)

	Sales		Operating income		Ordinary income		Net income		EPS
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: yen)
Full-year	1,350,000	-5.6	79,000	5.6	45,000	16.1	27,000	0.3	57.03

(Note) Revision of forecasts for non-consolidated financial results: Yes

[Qualitative Information and Financial Statements]

1. Qualitative information regarding consolidated business performance

Japanese economy in this period (April-September) stayed in a fierce phase due to the global economy turnaround. While corporate profits kept declining, capital investment kept decreasing and the employment situation kept deteriorated, through the end of the first half of the fiscal year the economic conditions partly showed rallies due to the economic stimulus and improvement of overseas economic environment.

(1) Consolidated Financial Overview

On revenue side, consolidated sales (operating revenues) decreased by 4.4% to ¥726.4 billion compared with the 2Q of FY2008 and the ordinary revenues decreased by 4.3% to ¥731.5 billion mainly affected by the electricity sales revenue decreased due to a decrease in sales volume.

On the expenditure side, ordinary expenses decreased by 11.6% to ¥664.0 billion mainly because of the decreased fuel costs affected by the drop of fuel prices and the decrease of electricity sales volume in electricity business.

As a result, the ordinary income for the 2Q of FY2009 increased to ¥67.5 billion compared with the 2Q of FY2008 and the net income was ¥42.6 billion.

(2) Sales and Supply Overview

The demand for electric light, power for commercial operations and other general demands decreased by 2.0% compared with the 2Q of the previous year due to a decrease in the air-conditioning demand as the temperature in July has shifted lower than the previous year's level and the decreased sales in commercial demand for small-scale factories and stores. The power demand from large industrial customers decreased by 14.5% compared with the 2Q of the previous year due to the decrease in main industries such as electric and transportation machinery and steel industries.

Consequently, the total electricity sales for the 2nd quarter of FY2009 decreased by 5.7% to 41.73 billion kWh.

Electricity Sales Volume

(Unit: million kWh, %)

		FY2009 2Q (A)	FY2008 2Q (B)	Difference (A-B)	Change (A/B)
Lighting		13,863	13,992	-129	99.1
Power		27,876	30,281	-2,405	92.1
Electricity Sales Total		41,739	44,273	-2,534	94.3
(Figures are included above)	Customers other than large-scale industrial	30,499	31,128	-629	98.0
	Large-scale industrial customers	11,240	13,145	-1,905	85.5

On the supply side, mainly owing to the smooth operation of nuclear power plants, we have provided stable supply of electricity to our customers.

Generated and Received Electricity

(Unit: million kWh, %)

		FY2009 2Q (A)	FY2008 2Q (B)	Difference (A-B)	Change (A/B)
Own facilities	Hydro (Water flow rate)	1,809 (63.8)	2,722 (92.0)	-913 (-28.2)	66.4
	Thermal	18,000	18,909	-909	95.2
	Nuclear (Utilization rate)	19,678 (85.2)	18,718 (81.1)	960 (4.1)	105.1
	Subtotal	39,487	40,349	-862	97.9
From other companies		6,473	8,887	-2,414	72.8
Interchange		7	-4	11	
For pumping		-345	-657	312	52.5
Total		45,622	48,575	-2,953	93.9

2. Qualitative information regarding consolidated financial condition

(1) Consolidated assets, debt, and shareholders' equity overview

Consolidated assets decreased by ¥22.9 billion compared with the end of the previous fiscal year to ¥4,087.8 billion mainly because of the decrease in fixed assets due to the progress of depreciation.

Consolidated debt decreased by ¥51.6 billion to ¥2,986.8 billion due to the payment of outstanding construction fees recorded in the end of the previous fiscal year and the decreased interest-bearing debt. The interest-bearing debt decreased by ¥35.5 billion to ¥2,075.1 billion.

Consolidated shareholders' equity increased by ¥28.6 billion to ¥1,101.0 billion as the net income for this quarter has been recorded while the dividends were paid. Consequently the shareholders' equity ratio went up to 26.5%.

(2) Consolidated cash flow overview

Cash inflow from operating activities increased by ¥109.6 billion to ¥190.2 billion from the 2Q of the previous year mainly due to the decrease in fuel costs while the electricity sales revenue decreased in electricity business.

Cash outflow from investing activities decreased by ¥18.6 billion to ¥121.5 billion from the 2Q of the previous year mainly due to the decrease in capital investments.

Cash outflow from financing activities was ¥50.4 billion. (Cash inflow for the 2Q of the previous year was ¥56.4 billion.)

As a result, the balance of cash and cash equivalents at the end of this second quarter increased by ¥18.1 billion to ¥106.2 billion compared with the end of the previous fiscal year.

3. Qualitative information regarding forecasts for the consolidated operating performance

Electricity sales volume is projected to decrease by 0.6 billion kWh to 83.7 billion kWh from the previous announcement in July 2009 mainly due to the decreased production in main industries such as electric and transportation machinery and steel industries.

Consolidated and non-consolidated sales revenues are projected to decrease from the previous announcement as the electricity sales volume is projected to decrease in electricity business.

Consolidated and non-consolidated operating income, ordinary income and net income are projected to be in a par with the previous forecasts mainly due to decreased fuel costs because of a strong yen in currency exchange rate while the sales revenues are projected to decrease.

Consolidated Financial Forecasts for FY2009

(Unit: 100 million yen, %)

	Full-year	Previous Forecasts		FY2008 Actual Results
		Difference	Change	
Sales	14,480	-100	-0.7	15,241
Operating income	900			847
Ordinary income	570			504
Net income	350			339

Non-consolidated Financial Forecasts for FY2009

(Unit: 100 million yen, %)

	Full-year	Previous Forecasts		FY2008 Actual Results
		Difference	Change	
Sales	13,500	-100	-0.7	14,301
Operating income	790			748
Ordinary income	450			387
Net income	270			269

Sensitivity factors (Non-consolidated)

	FY2009 full-year	
	Current	Previous
Electricity sales volume	83.7 billion kWh	84.3 billion kWh
Crude oil (CIF) price	66 \$/b	65 \$/b
Exchange rate	95 ¥/\$	99 ¥/\$
Nuclear power generation capacity utilization rate	84.6%	84.0%
Water release rate	77.4%	87.3%

(Reference) FY2009 The impact of sensitivity factors on non-consolidated financial performance

	Full-year
Crude oil (CIF) price \$1/b	¥ 1.3 billion
Exchange rate ¥1/\$	¥ 1.9 billion
Nuclear power generation capacity utilization rate 1%	¥ 2.1billion

4. Other

(1) Changes in significant subsidiaries (changes in scope of consolidated subsidiaries)

N/A

(2) Adoption of simplified methods or methods specific in preparing quarterly consolidated financial statements in accounting practices

N/A

(3) Any changes in accounting practices, procedures, or disclosure regarding preparation of quarterly consolidated financial statements

Changes in standards to record construction revenue and cost of completed construction work

As the Accounting Standards on Construction Contracts (Accounting Standards Board of Japan Statement No.15, Dec. 27, 2007) and the Guideline to Apply the Accounting Standards on Construction Contracts (Guideline to Apply the Accounting Standards Board of Japan Statement No.18, Dec. 27, 2007) have been adopted since this first quarter of consolidated fiscal year, Kyushu Electric Power has revised the standards to record revenues on contract work. As a result, for the construction contracts launched during this first quarter, the percentage of completion basis method with cost proportion method to estimate the progress of construction is applied for the construction works with assured progress as of the end of this second quarter, and the completed work basis method is applied for other construction works.

This change gives minor effect on the Company's sales (operating revenue), profit and loss.

5. Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheets

(Unit: million yen)

	As of September 30th, 2009	As of March 31st, 2009
Assets		
Fixed Assets	3,746,377	3,785,418
Utility property, plant and equipment	2,503,997	2,547,312
Hydro	317,319	326,212
Thermal	252,096	267,214
Nuclear	245,675	257,522
Internal combustion	23,061	24,255
Transmission	667,948	671,145
Transformation	251,253	249,756
Distribution	613,658	616,215
General	123,968	125,648
Other	9,016	9,341
Other fixed assets	312,414	320,964
Construction in progress	222,475	212,169
Construction and retirement in progress	222,475	212,169
Nuclear fuel	267,825	264,205
Loaded nuclear fuel	41,354	40,816
Nuclear fuel in processing	226,470	223,388
Investments and other assets	439,664	440,766
Long-term investments	102,190	101,000
Reserve for reprocessing of irradiated nuclear fuel	136,278	136,011
Deferred tax assets	118,126	117,743
Other assets	84,021	86,931
Allowance for doubtful accounts	-952	-921
Current Assets	341,507	325,459
Cash and cash equivalent	82,335	88,359
Trade notes and accounts receivable	116,222	112,214
Inventories at average cost	72,290	76,481
Deferred tax assets	17,169	16,284
Other current assets	54,531	33,405
Allowance for doubtful accounts	-1,041	-1,286
Assets Total	<u>4,087,885</u>	<u>4,110,877</u>

(Unit: million yen)

	As of September 30th, 2009	As of March 31st, 2009
Liabilities		
Long-term Liabilities	2,515,466	2,506,368
Bonds	1,261,452	1,221,451
Long-term loans	546,206	587,088
Accrued retirement benefits	137,965	137,683
Reserve for reprocessing of irradiated nuclear fuel	352,192	351,832
Reserve for preparation of reprocessing of irradiated nuclear fuel	16,472	14,604
Reserve for decommissioning of nuclear power plant	159,589	155,838
Deferred tax liabilities	16	7
Other fixed liabilities	41,571	37,862
Current Liabilities	471,386	532,133
Current portion of long-term debt	147,287	170,822
Short-term borrowings	122,991	133,645
Notes and accounts payable	42,731	46,475
Income tax payable	46,893	21,111
Other current liabilities	111,481	160,079
Liabilities Total	2,986,853	3,038,502
Net Assets		
Shareholders' Equity	1,070,003	1,041,582
Common stock	237,304	237,304
Additional paid-in capital	31,144	31,146
Retained earnings	803,595	775,130
Treasury stock	-2,041	-1,999
Valuation and translation adjustments	14,071	13,150
Unrealized gain on other securities	15,116	13,099
Gain on deferred hedge	45	1,392
Foreign currency translation adjustments	-1,091	-1,341
Minority Interests	16,957	17,642
Net Assets Total	1,101,032	1,072,374
Liabilities and Net Assets Total	4,087,885	4,110,877

(2) Quarterly Consolidated Income Statements for the 2nd quarter of FY2009

(Unit: million yen)

	April 1, 2008-September 30, 2008	April 1, 2009-September 30, 2009
Operating Revenues	759,824	726,441
Electricity	699,130	667,416
Other	60,694	59,025
Operating Expenses	730,743	643,872
Electricity	672,300	589,138
Other	58,442	54,733
Operating Income	29,081	82,569
Other Revenues	4,659	5,068
Proceed from dividends	1,153	1,388
Proceed from interests	1,225	1,292
Equity in earnings of affiliates	466	535
Other	1,814	1,851
Other Expenses	20,271	20,132
Interest expenses	17,637	17,857
Other	2,634	2,275
Total Ordinary Revenues	764,484	731,510
Total Ordinary Expenses	751,015	664,004
Ordinary Income	13,468	67,505
Extraordinary Gain	5,400	-
Gain on sale of marketable securities	5,400	-
Income before Income Taxes	18,868	67,505
Income Taxes	2,942	26,415
Income Taxes-Deferred	4,481	-1,594
Income Taxes Total	7,423	24,821
Minority Interests	270	16
Net Income	11,173	42,668

(3) Consolidated Statements of Changes in Shareholders' Equity

	(Unit: million yen)	
	April 1, 2008-	April 1, 2009-
	September 30,	September 30,
Operating Activities		
Income before income taxes and minority interests	18,868	67,505
Depreciation and amortization	115,163	117,497
Amortization of nuclear fuel	10,146	10,867
Loss on disposal of property, plant and equipment	3,181	2,870
Increase(decrease) in liability for retirement benefits	-11,670	281
Provision for reserve for reprocessing of used fuel	2,773	359
Provision for preparation for reprocessing of irradiated nuclear fuel	1,767	1,867
Provision for reserve for decommissioning of nuclear power plants	3,497	3,750
Interest revenue and dividends received	-2,378	-2,681
Interest expense	17,637	17,857
Loss on equity under the equity method	-466	-535
Loss on sale of marketable securities	-5,400	-
Decrease in fund for reprocessing of irradiated nuclear fuel	-374	-267
Decrease in accounts receivable	-8,052	-3,549
Decrease in inventories, principally fuel, at average cost	-15,214	4,190
Increase in accounts payable	-16,191	-3,129
Other	-12,575	-8,875
Sub Total	100,711	208,010
Receipt of interest and cash dividends	2,444	3,036
Interest paid	-17,420	-17,732
Income tax paid	-5,216	-3,101
Net cash provided by operating activities	80,518	190,212
Cash Flows from Investing Activities		
Purchases of property, plant and equipment	-132,705	-120,513
Payment for investments and other	-18,199	-10,503
Proceeds for recoveries from investments and other	7,982	6,793
Other	2,733	2,715
Net cash used in investing activities	-140,189	-121,507

(Unit: million yen)

	April 1, 2008- September 30.	April 1, 2009- September 30.
Cash Flows from Financing Activities		
Proceeds from issuance of bonds	89,725	39,868
Redemption of bonds	-70,000	-40,000
Proceeds from long-term loans	45,987	13,230
Repayment of long-term loans	-26,463	-38,101
Net increase (decrease) in short-term borrowings	5,202	-10,653
Net increase in commercial paper	26,000	-
Cash dividends paid	-14,179	-14,224
Other	178	-580
Net cash used in financing activities	<u>56,450</u>	<u>-50,461</u>
Effect of exchange rate changes on cash and cash equivalents	12	-117
Changes in cash and cash equivalents	<u>-3,207</u>	<u>18,126</u>
Cash and cash equivalents at beginning of the fiscal year	58,766	88,124
Increase in cash and cash equivalent due to the merger of consolidated subsidiaries	46	-
Cash and cash equivalents at end the of the 1Q	<u>55,605</u>	<u>106,251</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

6. Other Information

Income and Expenditure (Non-consolidated)

(Unit: 100 million yen, %)

		FY2009 2Q (A)	FY2008 2Q (B)	Difference (A-B)	Change (A/B)	Composition Ratio	
						FY2009 2Q	FY2008 2Q
Ordinary Revenues	Lighting	2,777	2,814	-37	98.7	40.6	39.2
	Power	3,821	4,076	-255	93.7	55.8	56.8
	(Subtotal)	(6,598)	(6,891)	(-292)	(95.8)	(96.4)	(96.0)
	Other	244	289	-45	84.2	3.6	4.0
	[Sales] Total	[6,804] 6,842	[7,145] 7,181	[-340] -338	[95.2] 95.3	[99.4] 100.0	[99.5] 100.0
Ordinary Expenses	Labor	866	692	174	125.3	13.9	9.7
	Fuel	1,064	1,798	-734	59.2	17.1	25.4
	Maintenance	909	886	23	102.6	14.6	12.5
	Depreciation	987	977	10	101.0	15.9	13.8
	Power purchase	562	815	-252	69.0	9.1	11.5
	Interest	167	164	2	101.7	2.7	2.3
	Tax & public dues	481	497	-16	96.7	7.7	7.0
	Nuclear back-end	249	266	-17	93.5	4.0	3.8
	Other	929	989	-60	93.9	15.0	14.0
Total	6,219	7,089	-869	87.7	100.0	100.0	
[Operating Income]		[777]	[246]	[530]	[315.3]		
Ordinary Income		622	91	531	680.8		
Extraordinary Gain		-	54	-54	-		
Income before income taxes		622	145	477	428.1		
Income taxes		235	56	178	412.8		
Net Income		387	88	299	438.0		

(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)

	FY2009 2Q [A]	FY2008 2Q [B]	Difference [A-B]
Crude oil (CIF) price	61.8 \$/b	119.7\$/b	-57.9\$/b
Exchange rate	95.5 ¥/\$	106.1 ¥/\$	-10.6 ¥/\$