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#### 1. Safety Efforts at Nuclear Power Plants 2. Active Development and Introduction of Renewable Energy

## **Special Report 2:**

# Active Development and Introduction of **Renewable Energy**

### Status of Renewable Energy Introduction

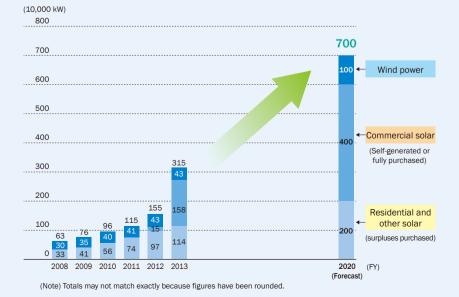
- Kyushu Electric Power is actively developing and introducing renewable energy, such as solar, wind, biomass, hydro and geothermal, which are effective domestic power sources that also help to prevent global warming.
- Since the inception of the feed-in tariff power purchase and sales system in July 2012, solar power has shown particularly rapid growth. The result of our efforts to introduce solar power through March 2014 has been a total expansion of 1.92 million kW to a total of 2.72 kW, or 3.4 times the amount being generated at the time the system commenced. Wind power has reached 0.43 million kW, for a solar/wind power total of 3.15 million kW.
- With regard to the large-scale introduction of solar and wind power, going forward we will continue working to develop technologies related to grid stabilization to ensure that we supply high-quality electricity with stable voltage and frequency.

### **Volume of Renewable Energy Provided**

	FY2011		FY2012		FY2013	
	Combined capacity for all facilities (10,000 kW)	Power volume (100 million kWh)	Combined capacity for all facilities (10,000 kW)	Power volume (100 million kWh)	Combined capacity for all facilities (10,000 kW)	Power volume (100 million kWh)
Solar	74	4	112	7	272	19
Wind	41	7	43	7	43	7
Hydro (excluding from pumped hydroelectric storage)	184	59	184	62	184	48
Geothermal	21	14	21	14	21	14
Biomass, etc	25	6	20	6	21	4
Total	345	89	379	95	541	92

(Note 1) Figures for combined capacity for all facilities are as of the end of each fiscal year. (Note 2) Totals may not match exactly because figures have been rounded.

Forecasts and Results for Solar and Wind Power Introduction



### Sasebo Mega-Solar Power Plant (10,000 kW)



Installed at the site of the former Ainoura power plant in the city of Sasebo, Nagasaki Prefecture, the Mega-Solar Power Plant commenced operations in March 2014. Note: Operated by Kyuden Mirai Energy, a Kyushu Electric Power Group company

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### New Group Company: Kyuden Mirai Energy

• Kyuden Mirai Energy was formed in July 2014 as a new company aggregating the Kyushu Electric Power Renewable Energy Department and the renewable energy ("renewables") business of our Group companies to promote renewables development and provide one-stop service that meets our customers' diverse renewables needs.

### Interview with the CEO of Kyuden Mirai Energy

### We will collaborate as a responsible operator with Kyushu Electric Power to increase the use of renewables in regional communities.

- Q. What is the aim of concentrating the renewables business functions in a Group company rather than in Kyushu Electric Power itself?
- A. By having a Group company specialize in renewables development, we can provide one-stop service that meets our customers' renewables needs quickly and flexibly. Aggregating the renewables business conducted by individual Group companies can also provide for more efficient operations. Also, by maximizing the reinvestment of revenues using feed-in tariffs for renewable energy sources we can further spread the use of renewables.

### Q. What are the strengths and characteristics of the new company?

A. We possess the technology and know-how to execute everything from renewables testing and planning through construction and operational control, and can develop power business associated with a wide variety of renewables (solar, wind, geothermal, biomass and hydro). Another of our strengths lies in our ability to provide related services, including a full range of contracting services for other power generation businesses and onsite power generation business at factories and other locations.

### Q. What is your growth strategy?

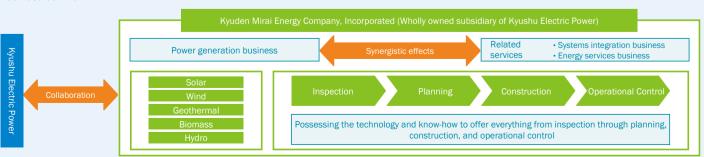
A. In consideration of future market attractiveness and full exploitation of the know-how currently possessed by the Kyushu Electric Power Group, we are making solar, wind, and geothermal our priority strategic businesses, and by developing business overseas as well as outside Kyushu region our goal is to grow to seven times our current level by the 10th year since our founding, to the provision of 700,000 kW.



Yasuji Akiyama, President & CEO Kyuden Mirai Energy Company, Incorporated

[Overview of the new company]

- Company name: Kyuden Mirai Energy Company, Incorporated
- Capital: ¥645,450 thousand
- Capital interest ratio: Kyushu Electric Power Co., Ltd. 100%
- Established: July 1, 2014
- President & CEO: Yasuji Akiyama
- Employees at time of establishment: 96
- \* Established as an aggregation of the renewable energy operations of the Kyushu Electric Power Renewable Energy Department, Nishinippon Environmental Energy Co., Inc. and Kyuden Ecosol Co., Ltd.



### **Business Outline**