

March 22, 2017

The First Unit of One of the World's Largest Geothermal Power Plants, Sarulla Geothermal IPP Project in Indonesia, commenced Commercial Operation

Kyushu Electric Power Company Inc. (“Kyuden”) announced that as of March 18, 2017, it commenced commercial operation of the first unit (capacity 105.9MW) of the Sarulla Geothermal IPP Project (the “Project”), one of the world's largest geothermal power plant project.

This is a geothermal development project being pursued by Kyuden and our investment partners^{※1} through Sarulla Operations Ltd.^{※2}

We are developing the Project by utilizing the geothermal power technology held by Kyuden group companies, such as Kyuden and West Japan Engineering Consultants, Inc.

The Project involves development of geothermal field in Sarulla, North Sumatra, Indonesia, construction of geothermal power plant with the Project's total capacity being 320.8MW, and selling generated electricity to Indonesia's state-owned electricity company (“PLN”) for 30 years.

The Project is the largest single contract geothermal power IPP (Independent Power Producer) in the world.

※1 ITOCHU Corporation, INPEX CORPORATION, PT Medco Power Indonesia(Indonesia) and Ormat Technologies, Inc.(US)

※2 An operating company jointly established by the subsidiaries of Kyuden and our partners

We will continue to proceed with construction work for the second and the third units, expected to commence commercial operation in 2017 and 2018 respectively, through making every effort to preserve the environment and ensure safety and disaster prevention. Moreover, while promoting activities for co-existing with communities and society, we will strive to respect related laws and the spirit thereof, and conduct business operations in a fair and just manner.

We will contribute to countermeasures against global warming and stable supply of electricity in Indonesia by utilizing geothermal power technology established through geothermal power development in Japan.

Furthermore, in Asia where expansion of electric demand is expected, we intend to actively pursue the development of good project, with geothermal and coal fired power as the priority development field, in addition to gas combined cycle power which we have been focusing on, and aiming to improve Kyuden Group value.

“Make a brighter future for generations to come”

Kyushu Electric Power's Mission is to contribute toward
the realization of a comfortable and environment-friendly lifestyle
today and for generations to come.

[Main Events]

- October 2007 Acquisition of a participation right for the Project
- April 2013 Conclusion of selling power contract with Indonesia's state-owned electricity company through the operating company
- March 2014 Conclusion of financing contract with a syndicate of banks through the operating company
- May 2014 Start of construction
- March 2017 Start of commercial operation of the first unit

[Outline of the Project]

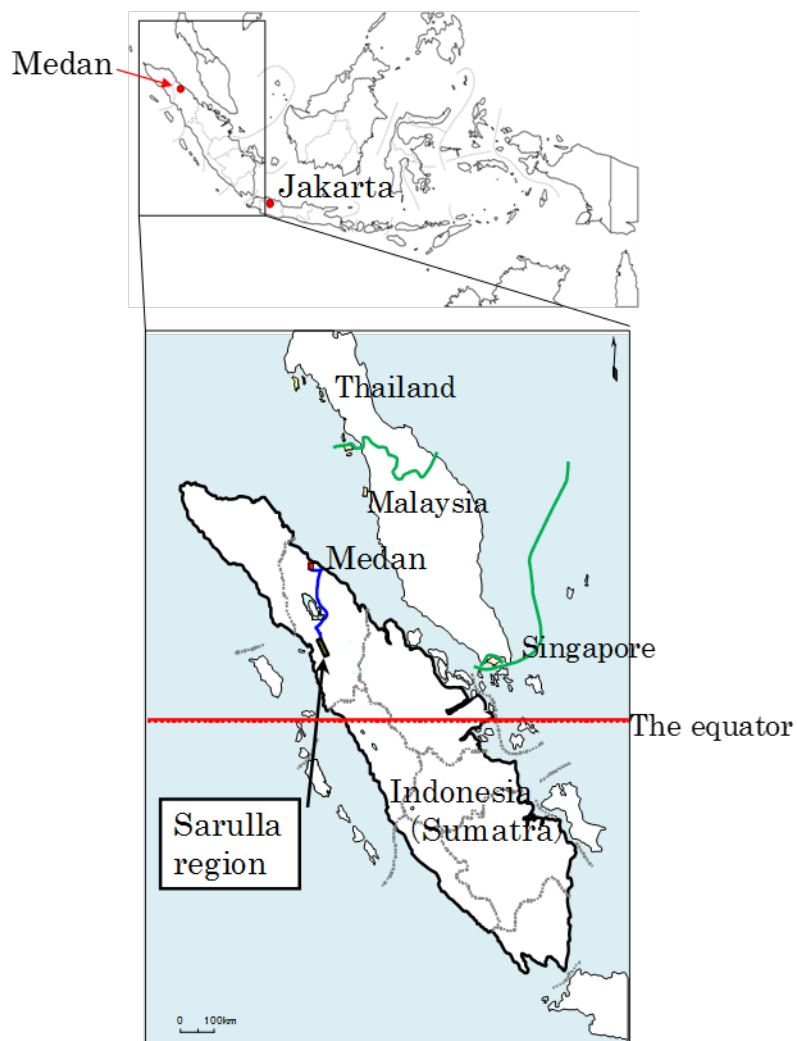
Item	Content
Location	Sarulla, North Sumatra, Republic of Indonesia (About 350km to the south from Medan, the 4th biggest city in Indonesia)
Business Overview	Comprehensive development of geothermal development and power generation, and selling power to PLN for 30 years
Capacity	320.8MW (3 Units)
Investment Partners (invest through each subsidiary)	Kyushu Electric Power Company, Inc. 25% ITOCHU Corporation 25% INPEX CORPORATION* ¹ 18.25% PT Medco Power Indonesia* ² 19% Ormat Technologies, Inc.* ³ 12.75%
Schedule	May 2014 Groundbreaking 2018 Completion (planned)

- ※1 Joined the Project by acquiring a 49% share in a Medco affiliate through a wholly owned subsidiary in 2015.
- ※2 An energy company owned by the Indonesia's largest private comprehensive energy company, PT Medco Energi Internasional Tbk, etc.
- ※3 A company of US that comprehensively implements development, production of main equipments, construction, investment and operation in geothermal generation field.

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[Location of the construction of power station]



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