About Annual Report 2016

Annual Report 2016 is published with the objective of enabling shareholders and investors to gain an understanding of how Kyushu Electric Power Company will create corporate value over the long term, and reports in an integrated style on financial and non-financial information.

The International Integrated Reporting Framework released by the International Integrated Reporting Council has been used as reference in editing this report. Readers' opinions regarding this report will be used as a reference to create easily understandable reports in the future.

Editorial Policy

About This Report

This report is a compilation of information regarding the Kyushu Electric Power Group's business intended for shareholders and investors. Issue date: July 2016 (Previous report: September 2015. Next report: July 2017)

Issue date

July 2016

Previous report: September 2015 Next report: July 2017

Website Information

<IR site>

For shareholders and investors

http://www.kyuden.co.jp/en_index.html

Please refer to our website for more detailed information.



Reporting on financial information essentially covers fiscal 2015 (April 2015 to March 2016). However, the report also contains some data from fiscal 2016 in the interests of providing timely information.



Note Regarding Forward-looking Statements

Statements made in this report regarding Kyushu Electric Power Group'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. Shareholders and investors are hereby cautioned against making investment decisions solely on the basis of forward-looking statements contained herein.

Contents

.....

ents

Our Profile



Growth Story



ESG Section (Environment, Social, Governance)



The Kyushu Electric Group's Medium-term Management Policy \cdots 12
Interview with the President 14
Feature 1 The Kyushu Electric Group's Policy Regarding
Electricity Retail Liberalization24
Feature 2 Initiatives to Strengthen the Competitiveness of
Power Sources······28

Message from the Chairperson and the President2 Editorial Policy/Contents -------4 Kyushu Electric Power's Supply Chain ------ 6 Snapshot of Kyushu8 Financial and Non-Financial Highlights9

Kyushu Electric Power's Mission

The Kyushu Electric Power Group's ESG······· 30
Corporate Governance
Board of Directors and Auditors
Sustainable Growth and Increased Corporate
Value Over the Mid- to Long-Term
Corporate Governance 40
CSR Key Issues
The Kyushu Electric Power Group's CSR Promotion System… 44
Creating Customer Satisfaction 45
Ensuring Safety and Security46
Environmentally Friendly Corporate Activities 48
Fair and Just Business Operation
Sincere Communication with the Community 51
Co-Existing with Communities and Society 52
Respect for Human Rights and Creation of
Worker Friendly Workplaces ······ 53

Financial Section



Consolidated Eleven-year Financial Summary 54
Management Discussion and Analysis56
Business Risks Factors 58
Consolidated Financial Statements 60
Independent Auditor's Report ····· 86
Individual Financial Statements
Overview of Power Generation Facilities
Subsidiaries and Affiliated Companies
Outline of Kyushu Electric Power's History94
Corporate Data ······ 95