

October 10, 2017

Kyushu Electric Power Inc.

The Second Unit (capacity 108.7MW) of Sarulla Geothermal IPP Project in Indonesia Commenced Commercial Operation on October 2, 2017

The second unit (capacity 108.7MW) of Sarulla Geothermal IPP Project in Indonesia, one of the world's largest geothermal power plants, in which Kyushu Electric Power Company Inc. (“Kyuden”) has participated, commenced commercial operation on October 2, 2017.

We will continue to proceed with construction work for the third unit (expected capacity 107.7MW), expected to commence commercial operation in 2018, through making every effort to preserve the environment and ensure safety and disaster prevention.

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 achieve the target of equity ownership 5,000MW in overseas electricity output in 2030, which we set in Medium-term Management Policy.

[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
〈Announced on March 22, 2017〉

“Make a brighter future for generations to come”

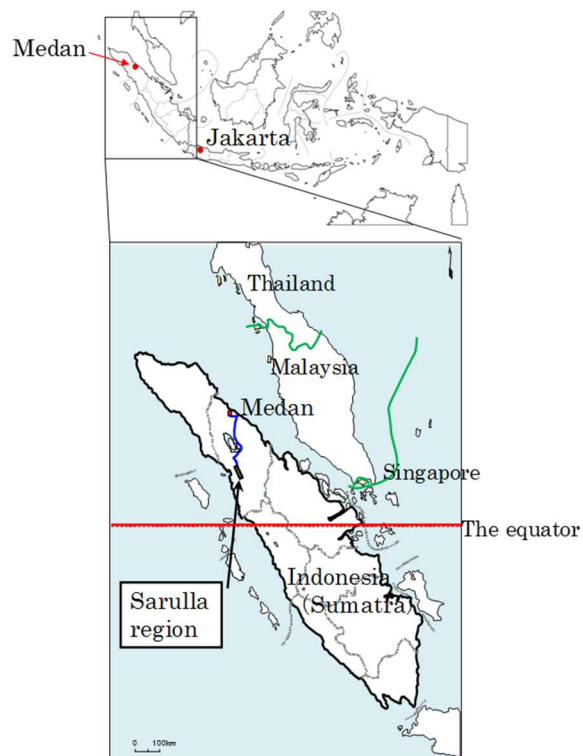
Kyushu Electric Power’s Mission is to contribute toward
the realization of a comfortable and environment-friendly lifestyle
today and for generations to come.

[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 Indonesia's state-owned electricity company for 30 years.
Expected 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

[Location of the construction of power station]



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[The Second Unit of Sarulla Geothermal IPP Project in Indonesia]

