

Feature 2

KYUDEN i-PROJECT: A Push for Innovation

Amid a changing management environment, the Kyuden Group must work to create new value demanded by customers and society, if it is to continue to be customers' choice.

In response, we are promoting group-wide innovation and the creation of new businesses and services with KYUDEN i-PROJECT.

What is KYUDEN i-PROJECT?

KYUDEN i-PROJECT is an initiative to create future businesses through innovation. We aim to generate approximately 30% of revenue from businesses other than regional electric power generation by FY2021, and our goal is to create businesses in new areas and reengineer existing business models.

GOAL

Create Future Businesses

Create businesses in new areas and reengineer existing business models

Areas
Under
Consideration

Energy services

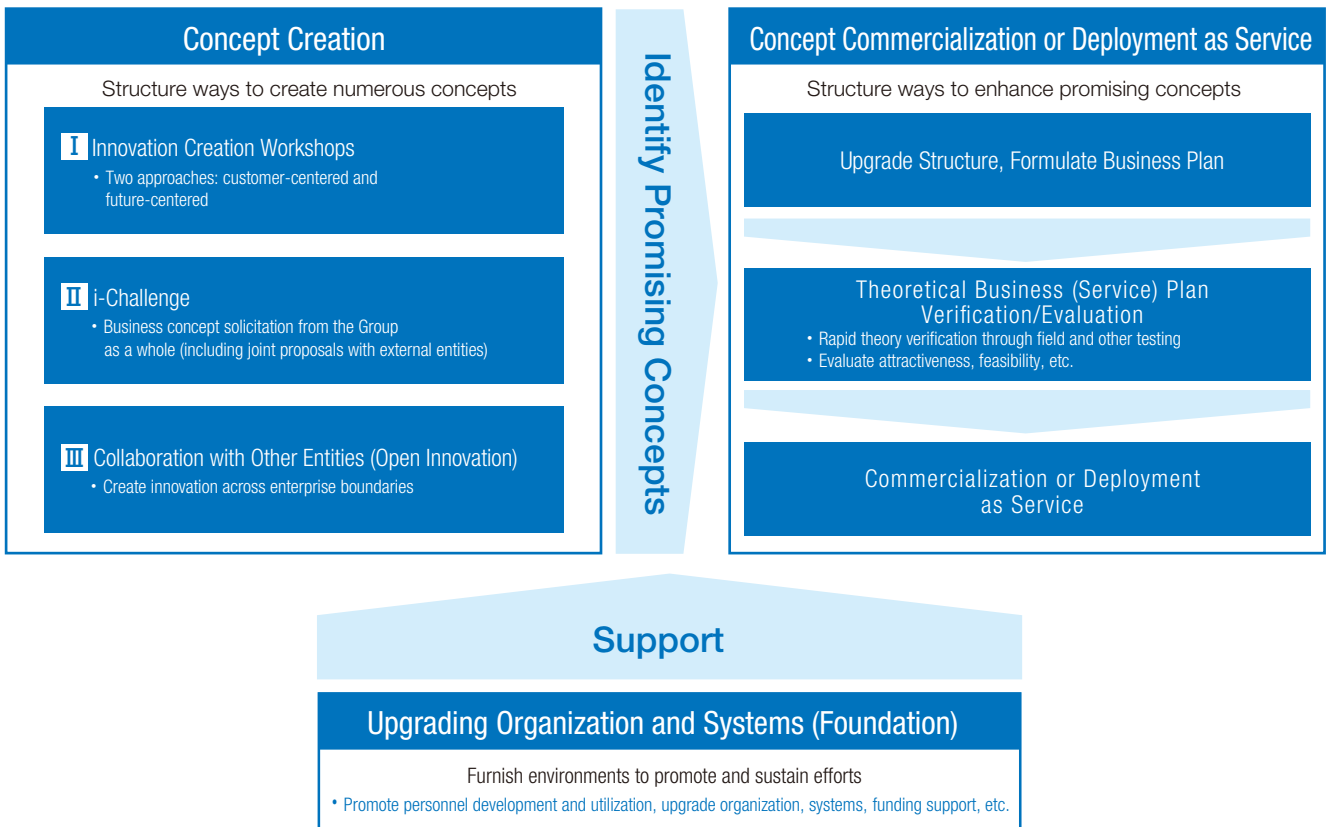
Potential areas of synergy with energy service businesses

Customer and social problem-solving by mobilizing the Kyuden Group's resources

Project Overview

The Kyuden Group will pursue innovation through concept creation, concept commercialization or deployment as service, and by upgrading its organization and systems.

To realize concept creation, we will adopt three systematic actions.



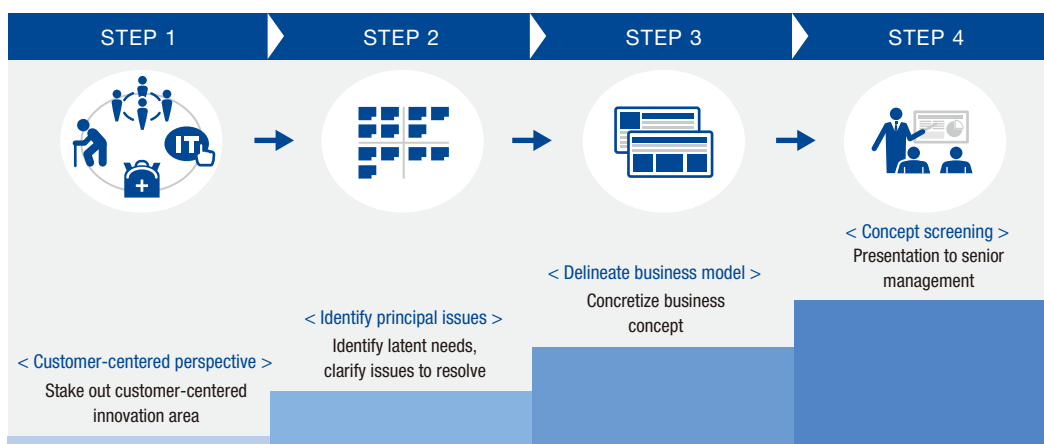
ACTION 1 > Innovation Creation Workshops

Cross-organization workshops to consider new businesses and services, promoted through two approaches.

Commercialization pending **Two Concepts** (as of July 2018)

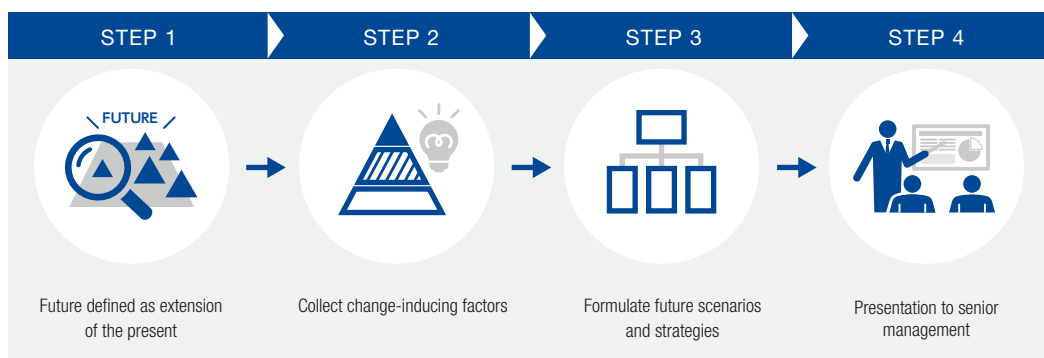
> Approach ① : Customer-Centered

We will conceive new businesses and services by identifying latent needs from a customer-centered perspective.



> Approach ② : Future-Centered

Using social issues and needs 15 years from now as a departure point, we will conceive strategies for new business areas.



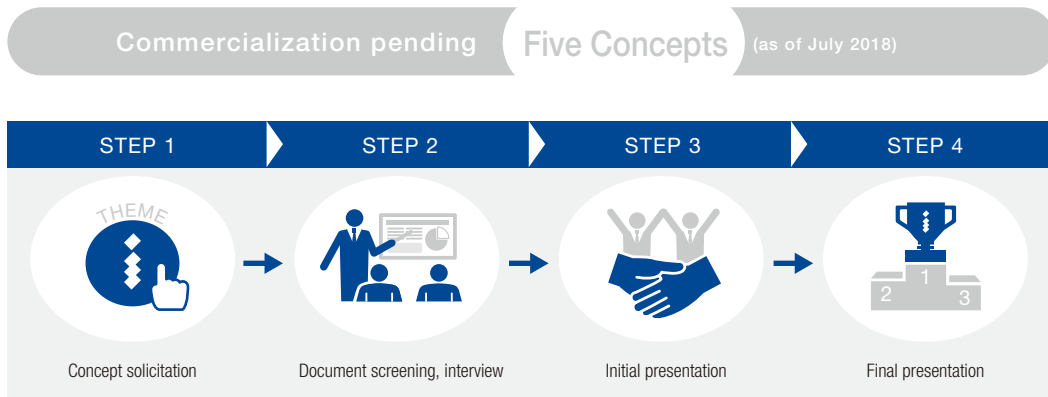
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Workshops



ACTION 2 > i-Challenge (Business Concept Solicitation)

We are proposing and incubating business and service innovation proposals by soliciting business concepts. We are considering commercialization, or deployment as a service, of promising proposals from a group of 143 business concepts received.



✓ i-Challenge presentation



ACTION 3 > Collaboration with Other Entities (Open Innovation)

The Kyuden Group will not rely solely on its own management resources and technology. By collaborating with external entities, we will share technology, expertise, and concepts to jointly create new businesses and services. Our aim in creating new businesses is to generate new value that will help solve social issues.



In 2017, we collaborated with Creww Inc. to implement Kyushu Electric Power Accelerator 2017, a program to foster joint business creation through open innovation with startup companies.

> Principal Resources of the Kyuden Group



Concept in Action

➤ QUUN: IoT Service with Original Voice-Capable AI

- QUUN offers a wide range of useful services for enriched daily lives via a proprietary, voice-capable AI engine. For example, users can receive news and weather reports delivered by popular voice actors. Through simple voice activation, QUUN can also operate home appliances, manage home security systems, and more.
- Service launch: July 2018



High-quality voice interface with user-selectable human/character voices.



Control home appliances such as air conditioners and TVs with a single word.



24-hour home security both when user is present and absent.



Control power usage and monitor costs.



Monitor power usage by senior family members remotely to gauge day's activity.



Kyushu Electric Power's voice interface device (AI speaker)

Concept in Action

➤ Qottaby: IoT Monitoring Service

- Monitors and guardians can use a smartphone or PC to track the location of children, seniors, or pets with a beacon-equipped transmitter.
- Selected for full field testing support by Fukuoka municipal government; testing started March 2018.

