# KYUDEN GROUP
# ESG DATA BOOK
# 2022

KYUDEN GROUP
Enlighten Our Future

# Editorial Policy

This Data Book is intended as a comprehensive and detailed report from both a quantitative and qualitative perspective. It has been issued in order to provide a deeper understanding of the ESG initiatives that the Kyuden Group is undertaking, and we have consulted international guidelines such as those of the GRI to arrange our ESG-related non-financial information according to each of the areas of Environment, Social, and Governance.
Having linked them with financial information, we will report on particularly important initiatives and other information from the viewpoint of the Kyuden Group growth strategy in the Kyuden Group Integrated Report (scheduled to be issued in September 2022). As such, we urge readers to familiarize themselves with both this Data Book and the upcoming Integrated Report.

### Scope of Reporting

Kyushu Electric Power Company, Incorporated and Group Companies

### Reporting Period

April 1 2021 through March 31 2022 (also includes some information outside of the target period)

### Issue Date

July 2022

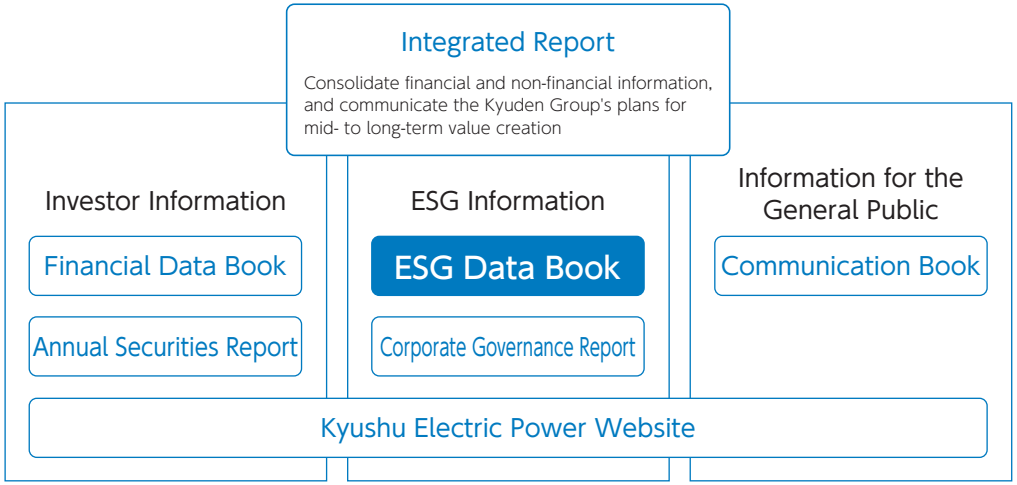
### Guidelines Consulted

GRI Standards and others

### Independent Practitioner's Assurance

Supply chain greenhouse gas emissions given in this ESG Data Book have received an Independent Practitioner's Assurance from Deloitte Tohmatsu Sustainability Co., Ltd. The data that have been assured are indicated with the following mark: ☑

### Information Disclosure System




*In FY2021, we reorganized the Annual Report, Sustainability Report, and Environmental Report, which we have been issuing up to FY2020, into our Integrated Report and ESG Data Book

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# Introduction

# Policy and System for Promoting the Kyuden Group's Mission and Sustainability

## ●The Kyuden Group's Mission

**Enlighten Our Future**

**Towards a comfortable and environment-friendly lifestyle today and for generations to come.**

Based on the Kyuden Group's Mission, which takes "Enlighten Our Future" as its slogan, we conduct business activities that align with our raison d'etre of providing customers with affordable, high-quality energy.
As the foundation of our business activities, we not only give consideration to the impact on society, but go further to promote sustainability initiatives that contribute to the region and society as a whole, aiming to realize the Kyuden Group's Mission while growing along with the region and society.

## ●Kyuden Group Sustainability Policy

As a corporate group that creates the future from Kyushu, we will contribute to a sustainable society and enhance our corporate value, by creating both social value and economic value through our businesses.

- We remain unwavering in our mission to support people's lives and the economy by providing energy and we will continue to work together with local communities to resolve social issues through our business activities.
- We will cultivate strong relationships of trust with our stakeholders through responsible engagement.
- We will take on the challenge of solving global social issues and contribute to the achievement of the SDGs.

Established: December 1, 2021

## ●Kyuden Group Corporate Conduct Code

We aim for sustainable development together with the region and society, and to be a company that is trusted by our customers, local communities, shareholders, investors, supply chain partners and employees, as we consider trust to be the foundation of our business and the source of our growth.
In order to strengthen our relations of trust with our stakeholders, we will thoroughly implement sustainability management that creates both social value and economic value through our businesses, while maintaining a high level of sensitivity to changes in social conditions. We base our business activities, both in and outside of Japan, on the following principles:

1 **Enhancement of Customer Satisfaction**
We enhance customer satisfaction by providing worthful products and services safely and securely to answer the tasks and needs from customers. In doing so, we encourage operational reforms such as technical innovations, structural renovation and production method remedies.

2 **Safety and Security**
We place top priority on the safety and security in our corporate activities by taking safety measures in all of our facilities. We also keep our working environment safe and provide thorough explanations to local residents.

3 **Environmentally-Friendly Actions**
We take the initiatives in global environment preservation and thereby contribute to sustainable society through taking harmonious steps with regional environment.

4 **Fair and Faithful Operations**
We conduct fair business operations by ensuring transparency in our business activities. We practice appropriate transactions under fair and free competitions and ensure compliance of supply chain products. We maintain healthy and balanced relations with government and administrative organizations.

5 **Sincere Communication with Stakeholders**
In addition to promptly disclosing information to the public, we engage in constructive dialogue with a wide range of stakeholders, including our customers and local communities, taking their opinions seriously and applying them to our business operations.

6 **Coexistence with Communities**
We contribute to issue resolution in communities and target mutual development through our corporate activities and other social action programs.

7 **Respect for Human Rights**
We regard internationally recognized human rights as universal values and respect them in all of our business activities. Together with our supply chain, we prevent and mitigate negative impacts on human rights that may occur through our business activities.

8 **Creating a Rewarding Workplace**
We actively develop and utilize talents based on fair evaluations of our employees and promote a working style that respects diversity so that every person can work to their fullest extent in good health.

9 **Risk Management**
Risk management is fully implemented to tackle against any threats to civil life and corporate activities such as natural disasters, terrorist attacks or cyberattacks. We declare that we definitely confront antisocial forces.

10 **Legal Compliance**
We ensure compliance with law and regulations. We pledge not to get involved in any acts that cause damage on society or inflicts inconveniences on any parties.

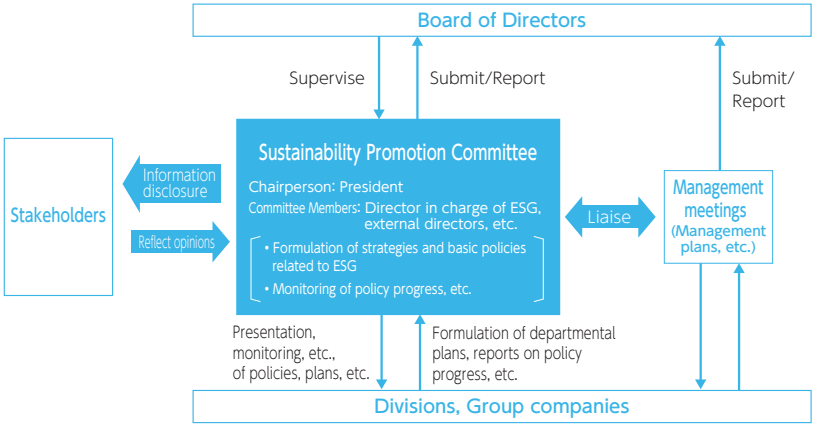
11 **Charter Spirit and Top Management's Responsibilities**
Top management is fully responsible for materializing the spirit of this Charter. Management officers also take effective measures for fully in-house execution and encourage supply chain partners to do so.
In case of any violations of this Charter, we take immediate actions to resolve the problems and take countermeasures to prevent recurrence of similar issues. We are also determined to take strict disciplinary actions against violators including top management.

Established: July 1, 2006
Revised: April 28, 2022

## ●Sustainability Management Promotion System

To strengthen its efforts to address ESG (environment, society, and governance) issues such as carbon neutrality, we established the Sustainability Promotion Committee in July 2021. We also appointed a director in charge of ESG and established a new department dedicated to ESG promotion within the Corporate Strategy Division, in order to set up a promotion system for implementing sustainability management. Under this system, we will promote efforts to use our business activities to simultaneously create both social value and economic value.

■Structure and Management System




Overview of Sustainability Promotion Committee

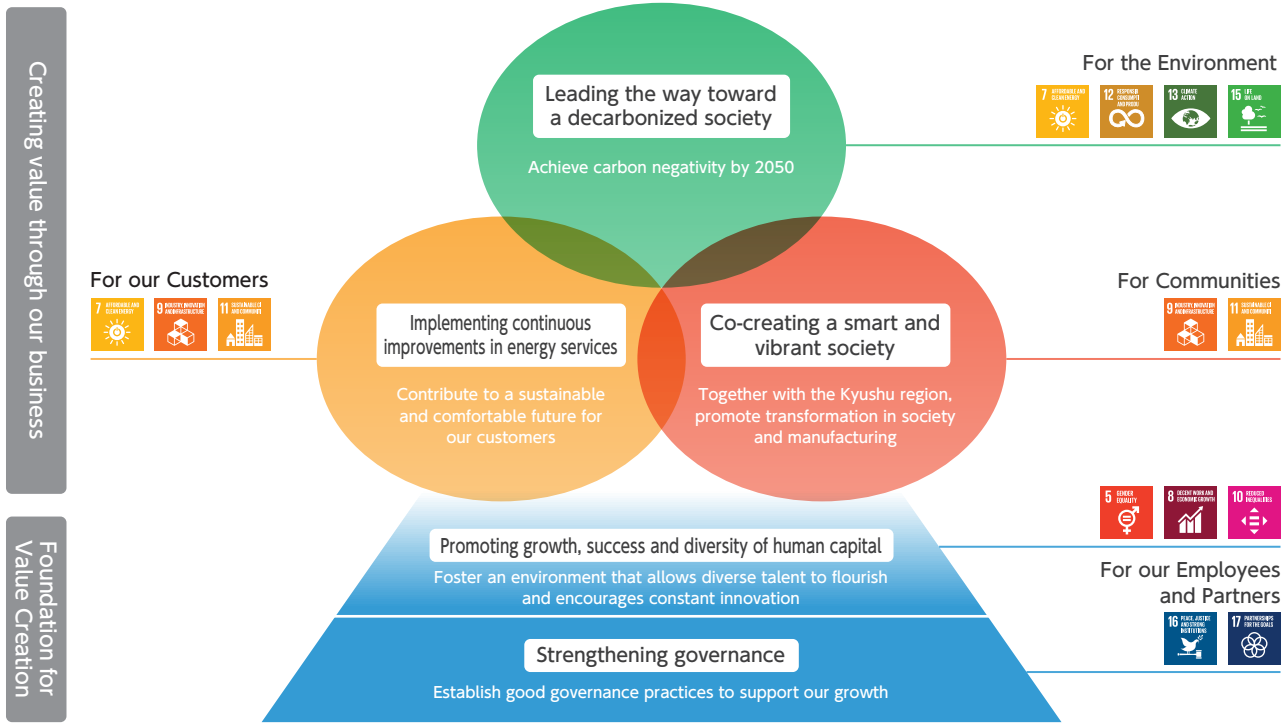
| Sustainability Promotion Committee | |
|---|---|
| Purpose | To deliberate and coordinate ESG strategies and policies for the Kyuden Group, and to oversee and promote executive management in order to bring about a sustainable society |
| Positioning | Deliberative body tied to the Board of Directors (reporting to and receiving direction from the Board of Directors) |
| Structure | Chairperson: President<br>Vice-chairperson: Director in charge of ESG<br>Committee members: External directors, executive directors of relevant divisions, etc.<br>Secretary: Directors of Corporate Strategy Division |
| Sub-committees and sectional groups, etc. | Establish sectional groups under committees that carry out the various deliberative and coordination activities intended to improve the effectiveness of the ESG strategies |
| Frequency | Twice yearly in principle (in April and November), and additionally as necessary |
| Sessions Convened and Issues | August 2021<br>・Discussed issues within the Kyuden Group that relate to promoting sustainability, and about the direction of future efforts<br>・Discussed the publication of *Integrated Report FY2021*<br>October 2021<br>・Discussed the direction of the review into the carbon neutral ideal for 2050, and $CO_2$ emissions targets for 2030 (a management indicator) and of investigations into specific initiatives<br>・Discussed the fundamental thinking behind the Kyuden Group Sustainability Policy and the status of investigations into materiality<br>November 2021<br>・Discussed formulation of basic sustainability policies<br>・Reviewed $CO_2$ emissions targets for 2030 (a management indicator), and discussed the announcement of specific initiatives aimed at carbon neutrality<br>・Discussed medium-term ESG promotion policies |

# Materiality

## ●Basic Concept

The Kyuden Group is promoting sustainability management that simultaneously creates social value and economic value through its business activities. In April 2022, we identified key management issues as materiality to realize this goal. Through these materiality initiatives, we will contribute to a sustainable society and create medium- and long-term growth for our company. In addition, we will continuously review materiality based on social conditions and the business environment.

## ●Materiality and Key Issues




| Materiality | Ideal state | Key issue |
|---|---|---|
| Leading the way toward a decarbonized society | Achieve carbon negativity by 2050 | ·Carbon reduction and decarbonization of power sources (by positioning renewable energy as a main power source, operating nuclear power in a safe and stable manner, supplying energy overseas)<br>·Promotion of electrification<br>·Promotion of energy-saving measures<br>·Reduction of the environmental impact<br>·Providing recommendations for and participating in energy policy |
| Implementing continuous improvements in energy services | Contribute to a sustainable and comfortable future for our customers | ·Stable supply of electricity<br>·Low-cost energy<br>·Provision of solutions based around energy services |
| Co-creating a smart and vibrant society | Together with the Kyushu region, promote transformation in society and manufacturing | ·Promotion of digital transformation (Realization of a smart society)<br>·Regional vitalization (regional and local development)<br>·Creation of safe, secure and comfortable urban areas |

| Materiality | Ideal state | Key issue |
|---|---|---|
| Promoting growth, success and diversity of human capital | Foster an environment that allows diverse talent to flourish and encourages constant innovation | ·Respecting human rights<br>·Promotion of diversity and inclusion<br>·Securing and developing human resources<br>·Prioritizing safety and health<br>·Promotion of innovation |
| Strengthening governance | Establish good governance practices to support our growth | ·Improvement of effectiveness of corporate governance<br>·Strengthening of risk management system<br>·Thorough compliance<br>·Strengthening of supply chain management<br>·Thorough information security<br>·Enhancement of stakeholder engagement (building trust with our stakeholders)<br>·Improvement and strengthening of financial position |

## ●Identifying Materiality

STEP 1 Identifying Key Issues → STEP 2 Evaluating Issues → STEP 3 Designing a Materiality Proposal → STEP 4 Assessing Validity → STEP 5 Identifying Materiality

### STEP 1 Identifying Key Issues

In order to identify the key issues that stand in the way of achieving sustainability for both society and ourselves as a corporate entity, we have selected both social issues that affect society as a whole—such as issues that relate to the SDGs or areas such as the government's or Kyushu regions' growth strategies—and issues impacting the Kyuden Group—including obstacles to achieving our vision.

**Social issues**
SDGs
Global standards (GRI Standards, ISO 26000, SASB, etc.)
ESG external evaluations (DJSI, FTSE, MSCI, etc.)
Governmental and Kyushu growth strategies
and others

**Issues impacting the Kyuden Group**
Kyuden Group Management Vision 2030
Kyuden Group Carbon Neutral Vision 2050
Kyuden Group financial goals (FY2025)
and others

**134 issues were identified, with similar issues grouped and granularity levels adjusted**

↓

**Identified issues**

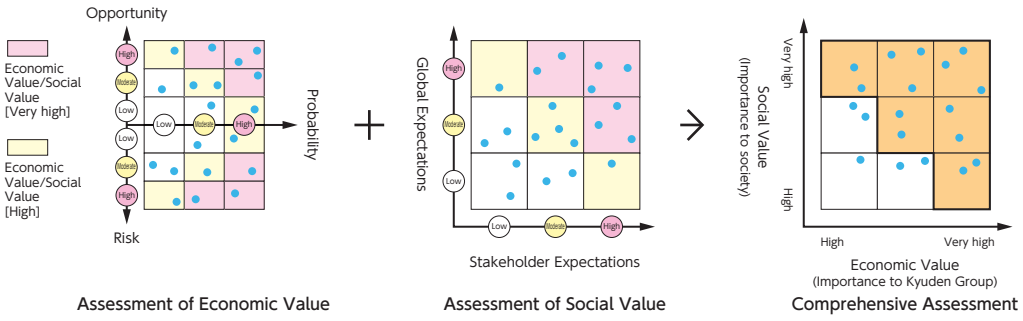
### STEP 2 Evaluating Issues

The issues that were identified in STEP 1 were evaluated using two indexes: economic value (the degree of importance to the Kyuden Group) and social value (the degree of importance to society).

**Assessment of Economic Value**
We broke down drivers of economic value into the following three categories: (1) those that maximize short-term opportunities, (2) those that expand medium- and long-term growth, and (3) those that minimize risk. In line with this we have assessed risks and opportunities from the perspective of either the short term or the medium and long term. We have also calculated their quantitative financial impact, and finally determined to which of three levels they belong: high, moderate, or low. In the same way, we have added probability to these three levels, and evaluated their importance.

**Assessment of Social Value**
We do not look at global expectations alone, we also consider the feedback we gather from stakeholders through our business activities as stakeholder expectations, to add a perspective of market orientation and what companies rooted in the region require.
We have quantified each of these two indexes, finally assigning each issue one of three levels: high, moderate, or low. We have then evaluated their importance.

**Comprehensive Assessment**
Those issues that have very high economic and social value were evaluated as being highly important.




Assessment of Economic Value | Assessment of Social Value | Comprehensive Assessment

### STEP 3 Designing a Materiality Proposal

Issues evaluated as highly important in STEP 2 were extracted as key issues and an initial review was made by the Sustainability Promotion Committee and organized into a materiality proposal:

- Leading the way toward a decarbonized society
- Implementing continuous improvements in energy services
- Co-creating a smart and vibrant society
- Promoting diversity and inclusion
- Strengthening governance

### STEP 4 Assessing Validity

Through exchanges with external experts, we gathered various stakeholder's perspectives and assessed the validity of the materiality proposal from STEP 3, the identification process, and issue evaluation method. Based on the feedback we received, we improved our issue evaluation method, had the entire Board of Directors discuss the topic once more, and revised the "promote diversity and inclusion" part of the proposal to "promoting growth, success and diversity of human capital."

■External Experts We Held Discussions With

*Organization/Title are at the time of the meetings

| Organization/Title | Name | Organization/Title | Name |
|---|---|---|---|
| Director of Business Development Division, Kyushu Economic Research Center | Hideyuki Okano | Executive Fellow and General Manager, Research Institute of Capital Formation, Development Bank of Japan | Keisuke Takegahara |
| Representative Director, Biznet Corporation | Yuriko Hisadome | | |
| Representative Director, Psy's Learning | Machiko Takami | Professor, Graduate School of Management, Tokyo University of Science | Masayoshi Miyanaga |

### STEP 5 Identifying Materiality

Based on the results of STEP 4, the Sustainability Promotion Committee conducted the final review of the materiality proposal, which was then approved by the Board of Directors.

- Leading the way toward a decarbonized society
- Implementing continuous improvements in energy services
- Co-creating a smart and vibrant society
- Promoting growth, success and diversity of human capital
- Strengthening governance

# Materiality Initiatives (Medium-term ESG Promoting Plan)

Aiming to resolve the identified materiality, we have developed medium-term targets, FY2022 targets and major action plans.
Through these initiatives, we commit ourselves to contributing to the creation of a sustainable society and to realize the medium- and long-term growth of our Group.

| Materiality | Key Issue | Issue | Medium-term Targets (Items for which no year is specified are FY2030 targets) | FY2022 Targets | Major Action Plans | Impact (1) | Impact (2) | Impact (3) | Reference: FY2021 Results |
|---|---|---|---|---|---|---|---|---|---|
| Leading the way toward a decarbonized society | Carbon reduction and decarbonization of power sources | Shifting our main power source to renewable energy | Steady development of renewable energy<br>— Development volume of renewable energy (Worldwide): 5 GW | ・New development volume: 114 MW<br>・Finalized development projects: 3.23 GW | [Japan]<br>・Ensure start to operation of ongoing projects<br>・Examine development of solar power generation systems at the sites of old power stations, etc.<br>[Overseas]<br>・Examine investment in renewable energy source development companies themselves as development platforms<br>・Promote joint development with Group companies | ○ | ○<br>○<br>○ | | New development volume:<br>250 MW<br>Finalized development projects: 2.79 GW |
| | | Maximum utilization of nuclear power generation | Continuation of safe and stable operation of nuclear power stations<br>— Zero unplanned outages | ・Zero unplanned outages<br>・Improvement of utilization rate<br>— Shortened regular inspection periods, etc. | ・Faithfully conduct daily inspections, periodic operator's inspections, etc.<br>・Steadily install specific safety facilities and spent fuel storage facilities, etc., at Genkai Nuclear Power Station | ○<br>○ | | | Zero unplanned outages |
| | | Carbon reduction for thermal power generation | ・Act on Rationalizing Energy Use<br>Achievement of benchmark indicators<br>— A indicator: 1.0 or higher<br>— B indicator: 44.3% or higher<br>— Coal only indicator: 43.0% or higher<br>・Establishment of hydrogen (1%) and ammonia (20%) mixed-combustion technologies | ・A indicator: 0.99 or higher<br>・B indicator: 43.7% or higher<br>・Coal only indicator: 42.3% or higher<br>・Study and examination of hydrogen and ammonia mixed-combustion technologies | ・Implement performance management for units and systematic repair and improvement work at each power station<br>・Establish a system with power stations or manufacturers, identify issues and conduct feasibility studies and examinations | ○ | ○<br>○ | | ・A indicator: 0.968<br>・B indicator: 42.41% |
| | | Advancing transmission and distribution network | Technological research and development for more sophisticated network operation ahead of an increase in the adoption of renewable energy | Development of an economical renewable energy output control system | ・Modify or develop the systems to ready for scope expansion of output control<br>・Establish a system to provide education about power generators | | ○<br>○ | | — |
| | Promotion of electrification | Household/Commercial | Contribute to improved electrification rates in Kyushu<br>— Household: 70% (1.5 TWh of incremental increases in electricity volume)<br>Commercial: 60% (1.6 TWh of incremental increases in electricity volume) | Steady implementation of electrification sales activities to achieve improved electrification rate by 2030 | ・Promote all-electric homes by enhancing cooperation with housing-related businesses<br>・Accelerate electrification by proposing personalized optimal energy systems to corporate customers | ○<br>○ | | | Incremental increase in electricity volume<br>— Household: 130 GWh<br>— Commercial: 110 GWh |
| | | Transportation | Electrification of company car fleet<br>— Proportion: 100% are EVs<br>*Excluding vehicles that cannot be converted into EVs | No. of EVs newly introduced: 85<br>Proportion of electric company car fleet: 16% (344 of 2,185) | ・Replace steadily with EVs according to plans<br>・Examine a strategy to spread EVs utilizing company housing and dormitory sites in favorable locations | ○<br>○ | | | No. of EVs newly introduced: 61 |
| | | Regional energy | Early creation of regional energy system business model to ensure optimal management and control of energy | ・Implement needs assessments through interviews with local governments<br>・Steadily examine potential locations for demonstration | ・Collect information on carbon neutrality initiatives from local governments and examine our structures, etc., to propose initiatives<br>・Examine potential locations for demonstration | | ○<br>○ | | — |
| | Promotion of energy-saving measures | | Promotion of energy-saving measures to achieve carbon neutrality | Promotion of energy-saving diagnoses to reduce $CO_2$ and save costs in line with customers' needs | ・Propose detailed energy-saving measures through measurement of energy usage and surveys on facility usage<br>・Introduce electricity and energy-saving methods through the Group website and workshops, etc. | ○ | ○ | | No. of energy-saving measure proposals: 48 |
| | Reduction of the environmental impact | Creation of a recycling-oriented society | ・Recycling rate of waste other than coal ash: 98% or higher (Waste plastic 100%)<br>・Green procurement rate: 99% or higher (Office supplies) | ・Recycling rate of waste other than coal ash: 98% or higher (Waste plastic 90%)<br>・Green procurement rate: 95% or higher (Office supplies) | ・Improve operational efficiency and promote proper management through joint collection or utilization of electronic manifests<br>・Examine advanced waste plastic recycling<br>・Promote green procurement | ○ | | ○<br>○ | ・Recycling rate of industrial waste: Approx. 100%<br>— Coal ash: Approx. 100%<br>— Waste other than coal ash: 98% (Waste plastic)<br>・Green procurement rate: 95% |
| | | Protection of regional environments | Water usage per employee: Less than the previous fiscal year every year | Water usage per employee: Less than the previous year | Ensure water-conservation-conscious behavior | ○ | | | Water usage per employee:<br>30.3 m³/employee |
| | | Collaboration with society | Minimal impact on ecosystems from our business activities | Minimal impact on ecosystems from our business activities | Ensure implementation of conservation measures in development and execution (construction and service) stages | | ○ | | — |
| | | Promotion of environmental management | Violations of laws: Zero | Same as the medium-term target | Disseminate and share information on revisions of environmental laws and regulations in a timely and proper manner | ○ | | | Violations of laws: Zero |
| | Providing recommendations for and participating in energy policy | | Establishment of a system contributing to both decarbonization of power source and stable power supply | ・Introduce specific measures to meet necessary supply<br>・Determine the direction of our power source portfolio for the mid-2030s | ・Make recommendations on institutional aspects for Japanese government discussions on securing energy supply (measures to recover power source fixed costs, greater value from pumped storage, etc.)<br>・Develop future scenarios for the electricity markets and examine the direction of our power source portfolio | | ○<br>○ | | — |
| | Others | | Creation of credit-related business models | Same as the medium-term target | ・Propose J-credit business to forestry operations of local governments, etc.<br>・Establish efficient structures for implementation | | ○<br>○ | | — |

Impact: (1) Maximize short-term opportunities (increase in profit), (2) Increase medium-term opportunity (improve growth rate (expected future growth)), (3) Reduce the risks (reduce capital cost)

| Materiality | Issue | Medium-term Targets (Items for which no year is specified are FY2030 targets) | FY2022 Targets | Major Action Plans | Impact (1) | Impact (2) | Impact (3) | Reference: FY2021 Results |
|---|---|---|---|---|---|---|---|---|
| Implementing continuous improvements in energy services | Stable supply of electricity | ・Continuous stable supply<br>— Average duration of power outages per household: Keep at a world-class level<br>— No. of public accidents involving electric shocks: Zero<br>・Expansion of development overseas<br>— Overseas equity output: 5 GW | ・Average number and duration of power outages per household: Below the average for the past three years<br>・No. of public accidents involving electric shocks: Zero<br>・Overseas equity output: 3.13 GW | ・Create and maintain facilities for sustainable stable supply<br>・Enhance internal and external collaboration for early recovery from outages and prompt information transmission in light of the recent increasing severity of disasters<br>・Select superior projects and enhance initiatives utilizing Group-wide technologies and expertise | | ○ | ○<br>○ | ・Average no. of power outages per household: 0.07<br>Average duration of power outages per household: 3 minutes<br>・No. of public accidents involving electric shocks: Zero<br>・Overseas equity output: Approx. 2.91 GW |
| | Low-cost energy supply | Industry-leading price competitiveness | Reduction of power generation costs | ・Improve maintenance efficiency<br>・Promote initiatives for maximum use of nuclear power generation (can contribute to realizing a decarbonized society and stable energy supply)<br>・Expand procurement of low-quality coal and its procurement sources and examine blending businesses | ○<br>○<br>○ | | | Reduction of power generation costs |
| | Provision of solutions based around energy services | Total amount of electricity sold: 120 TWh | Increase in sales by maximizing supply capacity | Expand sales areas in Kyushu, outside Kyushu and outside Japan on the premise of secured supply capacity | ○ | | | Total amount of electricity sold: 110 TWh |
| Co-creating a smart and vibrant society | Promotion of digital transformation (Realization of a smart society) | ・Transformation of business model and creation of businesses through DX<br>・Cost-effectiveness of business reforms and ICT infrastructure structural reforms: 30 billion yen (cumulative total to FY2030) | ・Acceleration and enhancement of DX initiatives by establishing a promotion framework (the DX Promotion Division was established in July 2022) | Implement initiatives to improve operation efficiency and transform or create businesses utilizing digital technology and data<br>— Promote business reforms and IC infrastructure structural reforms utilizing digital technology | ○ | ○ | ○ | ・DX roadmap developed<br>・Promotion framework established: Establishment of the DX Promotion Division determined |
| | Regional vitalization (Regional and local development) | Sustainable development in the region and society<br>— Creation of new industries and markets in Kyushu | ・Construct industry-academia-government collaboration system and review/implement action plans<br>・Expand the scale and scope of business based on co-creation with local communities<br>— Create individual services and combine them | ・Promote initiatives to create industries leading to attracting companies to Kyushu by utilizing the strength of Kyushu and digital technology<br>・Create new businesses and services through collaboration with local communities | | ○<br>○ | | No. of new business proposals: 2 |
| | Creation of safe, secure and comfortable urban areas | Sustainable development in the region and society<br>— Urban development projects in Kyushu area Participation: 10 (1 per year) or more projects (cumulative total to FY2030) | Participation in urban development projects in Kyushu area: 1 or more projects | Develop projects that contribute to increasing the number of visitors to Kyushu, revitalize local communities, create jobs and make safe and secure communities (expansion of offices and residents, urban development, operation of airports, etc.) | ○ | ○ | | Participation in urban development projects in Kyushu area: 5 projects |
| Promoting growth, success and diversity of human capital | Respecting human rights | Reducing the risk of serious human rights violations, including throughout the supply chain | Establishment of guidelines for sustainable procurement | ・Examine responses to human rights violations in business operations in line with international trends<br>・Establish guidelines that summarize the items to be observed by business partners for sustainable procurement | | | ○<br>○ | — |
| | Promotion of diversity and inclusion | Fostering corporate culture where diverse employees can work with vitality<br>— No. of women newly appointed as managers or to top management positions in the organization (FY2019–2023): More than 3 times FY2009–2013 levels | Same as the medium-term target | ・Establish the environment where diverse or motivated employees can work with vitality<br>・Improve efficiency and promote work-life balance through work style reform including business and awareness reform | ○ | ○<br>○ | | No. of new female managers appointed: 15 Cumulatively, 33 (1.83 times increase)<br>No. of women appointed to top management positions in the organization: 7 Cumulatively, 22 (3.14 times increase) |
| | Securing and developing human resources | ・Securing and developing advanced specialists and digital experts<br>・Improvement of employee engagement<br>— Attrition rate: Less than 1% | Same as the medium-term target | ・Secure and develop diverse human resources (including digital experts) who can drive transformation or deploy new businesses<br>・Realize personal treatment system stimulating enthusiasm and encourages growth | | ○<br>○ | | Attrition rate: Less than 1% |
| | Prioritizing safety and health | ・Zero serious occupational accidents including subcontractors and outsourcers<br>・Continuous approval under the Certified Health & Productivity Management Outstanding Organizations Recognition Program | ・No. of serious accidents (employees): Zero<br>・Same as the medium-term target | ・Thoroughly implement preventive measures focusing on serious accidents<br>・Implement initiatives to raise employee motivation to maintain and improve their physical and mental health, and to encourage certain behavior | | | ○<br>○ | ・No. of serious accidents (employees): 3<br>・Selected under the Certified Health & Productivity Management Outstanding Organizations Recognition Program |
| | Promotion of innovation | Creation of new business models and reform of business structures<br>— No. of commercialized projects: 30 or more projects (cumulative total to FY2030) | ・No. of participants in KYUDEN i-PROJECT: 100 participants/year<br>・No. of individual projects leading to commercialization, services, and final proposals: 3 or more projects/year | ・Strengthen functions to create business ideas and develop projects<br>・Strengthen functions to accelerate growth of potential projects<br>・Lay the foundations | | ○<br>○<br>○ | | ・No. of participants in KYUDEN i-PROJECT: 117 participants/year<br>・No. of individual projects leading to commercialization, services, and final proposals: 3 projects/year |

Impact: (1) Maximize short-term opportunities (increase in profit), (2) Increase medium-term opportunity (improve growth rate (expected future growth)), (3) Reduce the risks (reduce capital cost)

| Materiality | Issue | Medium-term Targets (Items for which no year is specified are FY2030 targets) | FY2022 Targets | Major Action Plans | Impact | | | Reference: FY2021 Results |
|---|---|---|---|---|---|---|---|---|
| | | | | | (1) | (2) | (3) | |
| Strengthening Governance | Improvement of effectiveness of corporate governance | ・Ensuring diversity and appropriate scale of the Board of Directors (ratio of external directors, etc.)<br>・Ensuring transparency and objectivity toward nomination and remuneration<br>・Enhancement of monitoring system | Enhancement of the information we disclose relevant to corporate governance | Improve effectiveness of the Board of Directors<br>— Ensure transparency and objectivity toward nomination and remuneration of directors<br>— Enhance functions to monitor the Board of Directors<br>— Invigorate discussions via Board of Directors roundtable meetings, etc. | | | ○<br>○<br>○ | — |
| | Strengthening of risk management system | Improvement of the accuracy of risk management | Same as the medium-term target | Clarify major risks, share risk awareness between senior management and executive officers, reflect risk countermeasures in the medium-term plan and implement proper monitoring | | | ○ | Held the Board of Directors roundtable meeting to review basic risk countermeasures (October) |
| | Thorough compliance | No. of serious compliance violations: Zero | Same as the medium-term target | Continue Group-wide initiatives to prevent compliance violations and harassments and eradicate drunk driving | | | ○ | No. of serious compliance violations: Zero |
| | Strengthening of supply chain management | Raising supply chain awareness of ESG | Establishment of guidelines for sustainable procurement | Establish guidelines that summarize the items to be observed by business partners for sustainable procurement | | ○ | | — |
| | Thorough information security | ・Personal information leaks: Zero<br>・No. of serious data security breaches by cyber attacks: Zero<br>・No. of system failures that have a big impact on customers: Zero | Same as the medium-term targets | ・Raise awareness about handling of personal information and ensure preventive measures<br>・Strengthen the response toward security incidents further<br>・Strengthen security measures throughout the supply chain<br>・Shift the responsibilities and roles of the operation division and IT division gradually in line with the future vision to strengthen the system development function | | ○ | ○<br>○<br>○<br>○ | ・Personal information leaks: Zero<br>*Cases reported to the Personal Information Protection Committee in line with guidelines, rules and regulations from the regulatory authorities<br>・No. of serious data security breaches by cyber attacks: Zero<br>・No. of system failures that have a big impact on customers: Zero |
| | Enhancement of stakeholder engagement (building trust with our stakeholders) | Improvement of stakeholder satisfaction<br>— Improvement of trust in the Group<br>— Improvement of customer satisfaction<br>— Improvement of employee satisfaction | ・Level of trust in and satisfaction with the Group in the questionnaire: More than the previous fiscal year<br>・Increase in awareness of environmental conservation in the questionnaire: 90% or more<br>・Percentage of satisfied employees in the employee satisfaction survey: No target criteria | ・Further strengthen relationships of trust with stakeholders through dialogue and reflection of their opinions<br>・Enhance information dissemination to stakeholders to improve corporate value<br>・Raise environmental awareness among the next generation through face-to-face and digital environmental education and expand communication points with them (integrate with sales activities)<br>・Support efforts by each site aimed at improving management quality, by conducting employee satisfaction surveys and analyzing the findings | | ○<br>○<br>○ | ○<br>○<br>○ | ・Level of trust in and satisfaction with the Group in the questionnaire: 59.1% and 55.6% respectively<br>・Percentage of satisfied employees in the employee satisfaction survey: 78.5% (FY2020) |
| | Improvement and strengthening of financial position | ・Achievement of financial targets<br>— Consolidated ordinary revenue: 125 billion yen or more (FY2025)<br>Electric power business in Japan: 75 billion yen (FY2025)<br>Growth business: 50 billion yen (FY2025)<br>— Equity ratio: Approx. 20% (end of FY2025)<br>・Introduction of business management and targets to improve equity ratio | ・Same as the medium-term targets<br>・Examine utilization of ROIC | ・Monitor the progress of plans, identify downside risks and examine their countermeasures to achieve financial targets<br>・Assess the impact of geopolitical risks, fluctuations in fuel or electricity market prices, and system reforms on income and expenditures, and examine countermeasures (emergency management measures, etc.)<br>・Continue thorough efficient electric business investment and steadily implement growth investment by finding profitable projects<br>・Examine introduction of business management and targets aimed at improvement of capital efficiency | | ○<br>○<br>○<br>○ | ○<br>○<br>○<br>○ | ・Consolidated ordinary revenue: 32.3 billion yen (97.3 billion yen when impact of time lag is excluded)<br>— Electric power business in Japan: 2.1 billion yen<br>— Growth business: 33.8 billion yen<br>— (consolidated elimination: -3.5 billion yen)<br>・Equity ratio: 14.0 % (12.1% when the hybrid bonds assigned equity credit excluded) |
| Promotion of sustainability management | Improvement of external assessment | ・Top-level ESG rating in the energy sector | ・Improvement of ESG rating<br>・Issuance of Integrated report (September) | ・Enhance ESG management through the Sustainability Promotion Committee<br>— Promote initiatives to create both social and economic value centered on materiality<br>— Establish a system to improve corporate value through ESG, including quantification of the financial impact of ESG initiatives<br>・Enhance disclosure system according to global standards by issuing content-rich, high-quality Integrated report, etc., and improve major ESG ratings | | ○<br>○ | | — |
| | Fostering awareness within the company | ・Improvement of in-house awareness about sustainability management, ESG, etc.<br>・Improvement of employee pride and job satisfaction | ・Implementation of initiatives to foster management and employee awareness | ・Foster awareness and momentum for ESG management through employee-led projects or lectures to put initiatives into practice at each site | | ○ | | — |

Impact: (1) Maximize short-term opportunities (increase in profit), (2) Increase medium-term opportunity (improve growth rate (expected future growth)), (3) Reduce the risks (reduce capital cost)

# Reference: Initiatives toward Major CSR Challenges—Targets and Results

The targets that we set last fiscal year as initiatives toward major CSR issues, and the results of those initiatives, are detailed below.
This fiscal year, we have changed the term we use for such initiatives to "materiality initiatives," and are promoting these with newly set targets.

| | | | FY2021 | | | Reference: FY2020 | | |
|---|---|---|---|---|---|---|---|---|
| | | Major CSR Challenges | KPI | Targets | Results | KPI | Targets | Results |
| E (Environment) | Global environment | Reduce $CO_2$ emissions | $CO_2$ emissions reduction (Kyushu region, compared to FY2013 levels) | 26,000,000 tons [FY2030] | 23,300,000 tons* *Amount denotes only that from Kyushu EP's retail and supply business | $CO_2$ emissions reduction (Kyushu region, compared to FY2013 levels) | 26,000,000 tons [FY2030] | 19,300,000 tons* *Amount denotes only that from Kyushu EP's retail and supply business |
| | | Develop/adopt renewable energy | Development volume of renewable energy | 5 GW [FY2030] | 2.55 GW | Development volume of renewable energy | 5 GW [FY2030] | Approx. 2.3 GW |
| | | Preserve biodiversity | Percentage of environmental education participants whose awareness of environment and energy-related issues improved | More than 90% (Activities using new methods: More than 80%) | 97% | Percentage of environmental education participants whose awareness of environment and energy-related issues improved | 80% or above | 96% |
| | | | Percentage of environmental activities as part of Korabora-Q-den, an initiative that promotes collaboration with local communities | Above performance for previous fiscal year | 97% | Percentage of environmental activities as part of Korabora-Q-den, an initiative that promotes collaboration with local communities | 70% or above | 92% |
| | | | No. of organizations that foster environmental awareness among children that apply for our support program | 50 organizations or more | 55 organizations | | | |
| S (Social) | Economic foundation | Provide energy reliably | Maintain supply reliability | — | Annual power outages per customer household (frequency): 0.07 Annual power outages per customer household (time): 3 mins. | Maintain supply reliability | — | Annual power outages per customer household (frequency): 0.21 Annual power outages per customer household (time): 139 mins. |
| | | Operate nuclear power stations safely and reliably | Genkai spent fuel storage measures (re-racking) | Phase 1 scheduled to be completed | Phase 1 completed | Completion date of the Sendai Nuclear Power Station's Specific Safety Facilities | December 2020 (Unit 1) January 2021 (Unit 2) | November 11, 2020 (Unit 1) December 16, 2020 (Unit 2) |
| | | | No. of severe accidents | 0 | 0 | No. of severe accidents | 0 | 0 |
| | | Create urban development for safe, strong neighborhoods | No. of public accidents involving electric shocks | 0 | 0 | No. of public accidents involving electric shocks | 0 | 0 |
| | | Meet customer needs and challenges with energy services | Customer feedback that led to improved tasks | Reflect customer feedback in business operations (no set quantitative target) | 117 (estimated result) | Customer feedback that led to improved tasks | Reflect customer feedback in business operations (no set quantitative target) | 61 |
| | Local community | Promote local industry and create jobs | No. of projects commercialized in the Q-Den Nigiwai Startup Project | 1 | 1 | No. of projects commercialized in the Q-Den Nigiwai Startup Project | 2 | 1 |
| | | Expand the number of visitors to Kyushu | | | | | | |
| | | Help create a society that is equally welcoming for the elderly and children | Introduction and expansion of IoT-based child protection program | 1 local government | 1 local government | Support for local organizations working to foster the next generation (no. of subsidized organizations) | 23 organizations | 23 organizations |
| | Human resources/Organizations | Create innovation | No. of participants in KYUDEN i-PROJECT | 100 | 117 | No. of participants in KYUDEN i-PROJECT | 100 | 160 |
| | | | Commercialization and service creation No. of individual projects leading to final proposals | 3 or more | 3 | Commercialization and service creation No. of individual projects leading to final proposals | 3–5 | 1 |
| | | Develop personnel | (1) No. of new female managers appointed (2) No. of women appointed to top management positions in the organization | FY2019–FY2023: Increase by three times in each year compared to FY2009–FY2013 (1) 54, (2) 21 or more | (1) 15 (cumulatively 33) (2) 7 (cumulatively 22) | (1) No. of new female managers appointed (2) No. of women appointed to top management positions in the organization | FY2019–FY2023: Increase by three times in each year compared to FY2009–FY2013 (1) 54, (2) 21 or more | (1) 8 (cumulatively 18) (2) 6 (cumulatively 15) |
| | | | Employment rate of persons with disabilities | 2.3% | 2.29% | Employment rate of persons with disabilities | 2.3% | 2.32% |
| | | Create work-friendly environments | Total actual working hours | Reduce as much as possible | Decrease of 23.6 hours from FY2020 | Total actual working hours | Reduce as much as possible | Increase of 4.7 hours from FY2019 *Increase due to the increase in prescribed working days for the year (+3 days) |
| | | | No. of major accidents (employees) | 0 | 3 | No. of major accidents (employees) | 0 | 0 |
| G (Governance) | | Ensure effective corporate governance | Business summary briefing | 2 | 2 | Business summary briefing | 2 | 2 |
| | | | Briefings for personal investors | 1 or more | 1 | Briefings for personal investors | Approx. 5 | 1 *Briefings conventionally held separately at multiple locations were amalgamated into one online briefing |
| | | — | No. of serious compliance violations | 0 | 0 | No. of serious compliance violations | 0 | 0 |

# Environment

# Climate Change

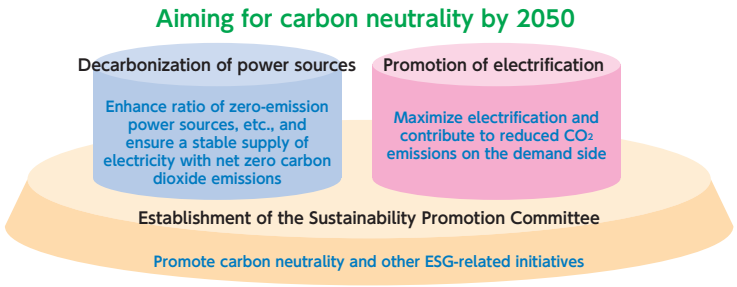
## Policy and Approach

As global environmental issues increase in severity, at the Kyuden Group we have positioned response to climate change as a key management challenge (materiality: leading the way toward a decarbonized society), and are engaging in the necessary initiatives as a group.
In April 2021 we formulated the Kyuden Group Carbon Neutral Vision 2050 and declared our intention to achieve carbon neutrality by the year 2050. Further, in November, we put together the Action Plan to Achieve Carbon Neutrality, setting ourselves the ambitious target of going beyond net zero GHG emissions in our supply chain and becoming carbon negative as early as possible ahead of 2050 so that we can contribute to lower emissions across society. Meanwhile, we have also revised our management targets (environmental targets) for 2030, increasing them to a level that far exceeds the targets set by the government.
As a responsible energy provider, in line with the basic viewpoint of Japan's national energy policy—3E + S (energy security, economic efficiency, environmental consideration + safety)—we are proactively engaging in initiatives to achieve carbon neutrality.

### ●Kyuden Group Carbon Neutral Vision 2050

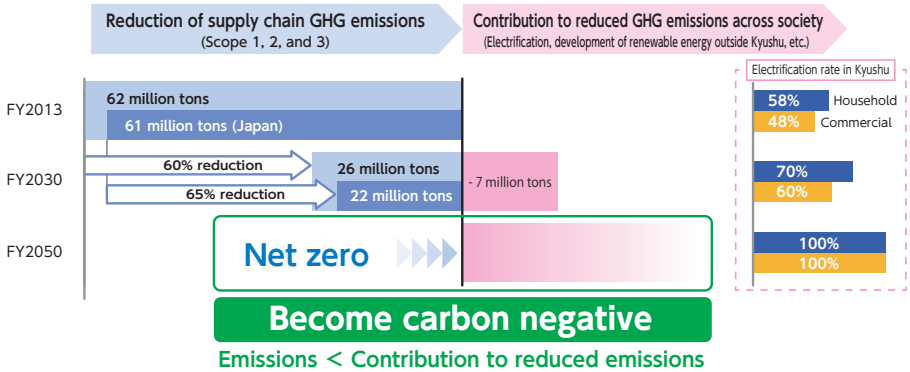
- We believe that efforts to tackle global warming are an opportunity for corporate growth, and so from here in Kyushu, we will aim to lead the decarbonization of energy in Japan.
- We will continue to engage in two key initiatives for both supply and demand: the decarbonization of our power sources and the promotion of electrification.

■Kyuden Group Carbon Neutral Vision 2050 Overview



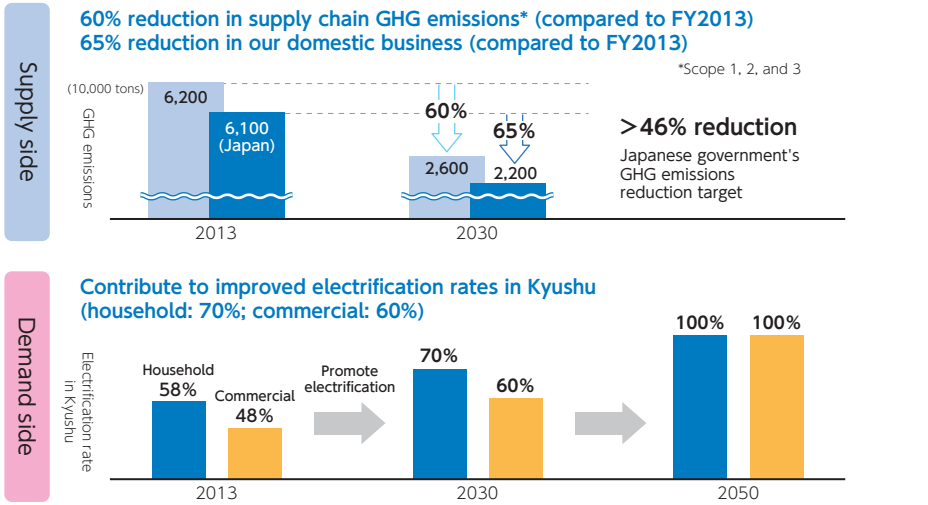

### ●Goal for 2050

- Achieve net zero GHG emissions from our business activities throughout the supply chain
- Maximize electrification and contribute to reduced GHG emissions across society by providing a stable supply of environmentally friendly energy
- Become carbon negative as early as possible ahead of 2050 through the above initiatives




### ●2030 Management Targets (Environmental Targets)

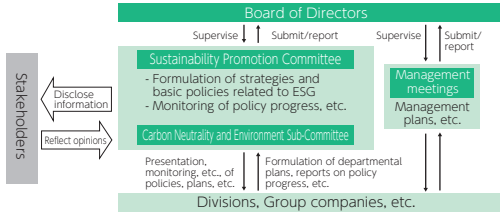
Having clarified the Group's goals for 2050, we have used a backcasting approach to formulate a set of management targets (environmental targets) for 2030.
Our target of a 65% reduction in supply chain GHG emissions (in our domestic business) far exceeds the government's target of 46% (compared to FY2013).




## Promotion Framework

To promote carbon neutrality and other ESG-related initiatives, in July 2021 we set up the Sustainability Promotion Committee, which is chaired by the president. In addition to the formulation of strategies and basic policies related to ESG (identification of major challenges), discussions on specific measures, and management of policy progress, the Committee is also tasked with discussing and supervising strategies and risks related to climate change. The Committee meets more than twice yearly, and the results of their discussions are reported without delay to the Board of Directors. The Board of Directors supervises all activities related to ESG.
Underneath the Sustainability Promotion Committee is the Carbon Neutrality and Environment Sub-Committee. From a more specialized standpoint, this Sub-Committee discusses all matters related to environmental issues, including carbon neutrality.
We will continue to enhance and strengthen our processes for the assessment and management of climate change risks and opportunities, and look to link this to the sustainable growth and enhanced corporate value of the Kyuden Group.

■Kyuden Group Environmental Management and Promotion Framework




■Sustainability Promotion Committee

| | | |
|---|---|---|
| Structure | Chairperson: President<br>Vice-chairperson: Director in charge of ESG<br>Committee members: External directors, executive directors of relevant divisions, etc. | Frequency<br>Twice yearly in principle, and additionally as necessary |

■Carbon Neutrality and Environment Sub-Committee

| | | |
|---|---|---|
| Structure | Chairperson: Director in charge of ESG<br>Vice-chairperson: Executive Director of Corporate Strategy Division and Executive Director of the District Symbiosis Division<br>Committee members: Directors of relevant divisions, etc. | Frequency<br>Twice yearly in principle, and additionally as necessary |

## Targets

### Management Targets and Progress

| Item | | Target (FY2030) | Progress (FY2021) |
|---|---|---|---|
| Management Targets | Supply chain GHG emissions*1 (Worldwide: Scope 1, 2, and 3) | 60% reduction (Compared to FY2013) | 35% reduction |
| | Supply chain GHG emissions*1 (Japan: Scope 1, 2, and 3) | 65% reduction (Compared to FY2013) | 37% reduction |
| Related KPIs | Development volume of renewable energy (Worldwide) | 5 GW | 2.55 GW |
| | Achievement of benchmark indicators in the Act on the Rational Use of Energy | A indicator: 1.0 or higher<br>B indicator: 44.3% or higher<br>Coal only indicator: 43.0% or higher | A indicator: 0.968<br>B indicator: 42.41% |
| | Establishment of hydrogen (1%) and ammonia (20%) mixed-combustion technologies | | Steady progress |
| Management target | Contribution to improved electrification rate in Kyushu | Household: 70%<br>Commercial: 60% | Household: 60%*2<br>Commercial: 49%*2<br>(FY2018) |
| Related KPIs | Household: Incremental increases in electricity volume | 1.5 billion kWh (FY2021–2030 total) | 0.13 billion kWh |
| | Commercial: Incremental increases in electricity volume | 1.6 billion kWh (FY2021–2030 total) | 0.11 billion kWh |
| | Transportation: Electrification rate of company car fleet | 100%*3 | 12% |

*1 GHG emissions are based on market standards; domestic amounts have been calculated by taking away Scope 3 Category 15 from worldwide amounts (See page 71 for more details on calculation methods
*2 Calculated in-house based on the Agency for Natural Resources and Energy's prefectural energy consumption statistics
*3 Excluding vehicles that cannot be converted into EVs

### FY2022 Targets

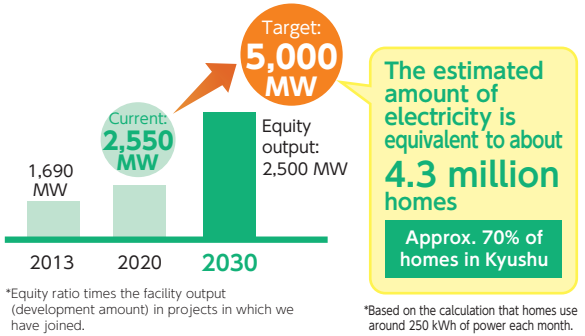
| Item | FY2022 Targets |
|---|---|
| New development volume of renewable energy | 0.114 GW |
| Finalized renewable energy development projects | 3.23 GW |
| Unplanned outages in nuclear power generation | Zero |
| Improved usage rate of nuclear power generation facilities | Shortened regular inspection periods, etc. |
| Achievement of benchmark indicators for thermal power generation in the Act on the Rational Use of Energy | A indicator: 0.99<br>B indicator: 43.7%<br>Coal only indicator: 42.3% |
| Establishment of hydrogen and ammonia mixed combustion technologies | Progressive examinations |
| Operation of network facilities ahead of the introduction of renewable energy<br>Technological research and development aimed at further sophistication | Progressive examinations |
| No. of EVs introduced into company car fleet | 85 |
| EV ratio of company car fleet | 16%<br>(344/2,185) |
| Early creation of regional energy system business model to ensure optimal management and control of energy | • Implementation of needs assessment through interviews with local governments<br>• Progressive examinations in potential locations for demonstration |
| Overseas equity output | 3.13 GW |

## Initiatives

### ●Proactive Development of Renewable Energy

In Japan's 6th Basic Energy Plan, with its 3E + S policy as the main focus, the government has outlined its plan to prioritize maximum introduction of renewable energy to ensure it becomes the main source of power by 2050. By 2030, the government aims to have 36–38% of its energy coming from renewable sources.
At the Kyuden Group, too, we are proactively developing carbon-free renewable energy, and have set ourselves the target of developing 5,000 MW of renewable energy by 2030.
In addition to the development of geothermal and hydroelectric power—two of our strengths—we will aim to increase use of offshore wind power and biomass power due to their huge potential, and move forward with efforts to make renewable energy our main source of power.

#### Renewable Energy Development Target




*Equity ratio times the facility output (development amount) in projects in which we have joined.
*Based on the calculation that homes use around 250 kWh of power each month.

#### Renewable Energy Development Progress

(As of the end of FY2021; includes overseas)

| Type | Kyuden Group's development of renewable energy |
|---|---|
| Solar | Approx. 94 MW |
| Wind | Approx. 207 MW |
| Hydro | Approx. 1,287 MW |
| Geothermal | Approx. 553 MW |
| Biomass | Approx. 406 MW |
| Total | Approx. 2,550 MW |

#### Reductions in $CO_2$ Emissions in FY2021 as a Result of Renewable Energy Development

Total: Approx. 2.36 million tons (equivalent to enough power for 600,000 homes)

Solar power generation
Approx. 30,000 tons
Omura Mega Solar Power Station Units 1-4 (Nagasaki Prefecture)
Capacity: 17.48 MW (Panel capacity: 20.35 MW)
Launch: March 2013

Wind power generation
Approx. 70,000 tons
Karatsu Chinzei Wind Farm (Saga Prefecture)
Capacity: 27.2 MW
Launch: November 2021

Hydroelectric power generation (excl. pumped storage)
Approx. 1,450,000 tons
Kamishiiba Power Station (Miyazaki Prefecture)
Capacity: 93.2 MW
Launch: May 1955

Geothermal power generation
Approx. 580,000 tons
Hatchobaru Power Station (Oita Prefecture)
Capacity: 110 MW (55 MW x 2)
Launch: June 1977

Biomass power generation
Approx. 230,000 tons
Shimonoseki Biomass Power Station (Yamaguchi Prefecture)
Capacity: 74.98 MW
Launch: February 2022

*Calculated using post-adjustment FY2020 $CO_2$ emissions factor: 0.479kg-$CO_2$/kWh

## Geothermal power generation

**Reductions in $CO_2$ emissions in FY2021 as a result of geothermal power generation: Approx. 580,000 tons**

*Calculated using FY2020 $CO_2$ emissions factor

The Kyuden Group has long been engaged in the development of geothermal power. We currently own around 40% of all the geothermal power generation facilities in Japan, including the Hatchobaru Power Station, which is one of the largest of its kind in the country. Using our accumulated technological capabilities, we are currently investigating areas in Kyushu, the rest of Japan, and overseas that might have an abundance of geothermal resources, and while considering a comprehensive range of factors, such as technology, economic efficiency, and location, we are working to develop new geothermal power projects in harmony with our local communities.

We are currently engaged in geothermal development projects in the following areas.

**In Kyushu**

Eboshi, Kirishima (Kirishima City, Kagoshima Prefecture)
South of Yamashita Lake* (Kokonoe, Kusu District, Yufu City, Oita Prefecture)
East of Mt. Waita (Kokonoe, Kusu District, Oita Prefecture)
Minamiaso (Minamiaso, Aso District, Kumamoto Prefecture)
North of Mt. Sensui (Kokonoe, Kusu District, Oita Prefecture)

**Outside Kyushu**

Sarukuradake (Yanaizu, Kawanuma District, Fukushima Prefecture)

In the Eboshi area of Kirishima, we began preparations for the construction of a geothermal power plant in April 2022. To the south of Yamashita Lake and the east of Mt. Waita, based on the results of our investigations, we are drilling a geothermal exploration well in an environmentally friendly manner.

We are also engaged in binary geothermal power generation at our Hatchobaru, Sugawara (both in Kokonoe, Kusu District, Oita Prefecture), and Yamagawa (Ibusuki City, Kagoshima Prefecture) binary power stations. Binary power generation makes use of comparatively low-temperature steam and hot water—which couldn't be used in previous geothermal systems—to heat and evaporate pentane and power the turbines using the steam generated. Pentane is used as it has a lower boiling point than water.

*Joint investigation with Kyushu Rinsan Co., Ltd., Kyushu Highlands Development Co., Ltd., and The Idemitsu Kosan Co., Ltd.

■Geothermal Power Generation (As of March 31, 2022) (MW)

| | | Output |
|---|---|---|
| Existing facilities (Approx. 223 MW) | Otake | 13.7*2 |
| | Hatchobaru | 110.0 |
| | Yamagawa | 30.0 |
| | Ogiri | 30.0 |
| | Takigami | 27.5 |
| | Hatchobaru Binary | 2.0 |
| | Sugawara Binary*1 | 5.0 |
| | Yamagawa Binary*1 | 4.99 |

*1 Developed and operated by Group companies.
*2 Planned increase to 14.5 MW after grid connection work in FY2022.


Hatchobaru Power Station


Yamagawa Binary Power Station


Spouting test at an exploration well to the south of Yamashita Lake

## Hydroelectric power generation

**Reductions in $CO_2$ emissions in FY2021 as a result of hydroelectric power generation: Approx. 1,450,000 tons**

*Calculated using FY2020 $CO_2$ emissions factor

Considering a comprehensive range of factors such as technology, economic efficiency, and location, we are working to develop hydroelectric power projects with our Group companies while ensuring harmony with our local communities. Specifically, we are looking at new developments that effectively utilize unused energy, and the renewal of our existing but aging hydroelectric power plants.

In May 2020, we commenced operations at our Tsukabaru Power Station in Morotsuka, Higashiusuki District, Miyazaki Prefecture.

Elsewhere, we are moving forward with investigations and construction work at our Jikumaru Power Station (Bungo-Ono City, Oita Prefecture).

■Hydroelectric Power Generation (As of March 31, 2022) (MW)

| | | Output |
|---|---|---|
| Existing facilities*1 | 144 locations | 1,286.811 |
| Planned facilities (Approx. 11 MW) | Shin-Takeda | +8.3 |
| | Jikumaru*2 | +1.1 |
| | Chinda*2 | +1.6 |
| Reference | Kurokawa Unit 1*3 | -12.300 (42.200→29.900) |

*1 General hydroelectric power facilities (Excl. pumped storage; incl. those developed by Group companies).
*2 Increased output due to renewal of existing power generation facilities.
*3 Restoration of a power station where operations were suspended due to the Kumamoto earthquakes in April 2016

## Biomass power generation

**Reductions in $CO_2$ emissions in FY2021 as a result of biomass power generation: Approx. 230,000 tons**

*Calculated using FY2020 $CO_2$ emissions factor

Biomass power generation uses unused wood and other materials as fuel to create electricity and is a carbon-neutral* option that has no impact on $CO_2$ levels. We are currently engaged in biomass power development projects while checking whether the fuel has been produced in a sustainable manner.

In February 2022, operations commenced at the Shimonoseki Biomass Power Station, which was constructed jointly by three Kyuden Group companies including Kyuden Mirai Energy.

*The carbon dioxide released when combusting biomass fuel is carbon dioxide that had previously been absorbed during the growth of biomass materials (plants) through photosynthesis. As such, with zero net change between emission and absorption, biomass fuel is considered carbon neutral.

■Biomass Power Generation (As of March 31, 2022) (MW)

| | | | Main fuel | Output |
|---|---|---|---|---|
| Existing facilities (Approx. 406 MW) | Mono-fuel combustion using woody biomass | Nanatsujima Biomass Power*1 | Palm kernel shells (PKS), wood pellets, and unused wood | 49.0 |
| | | Buzen New Energy*1 | Palm kernel shells (PKS) and wood pellets | 74.95 |
| | | Fukuoka Wood Pellet Biomass*1 | Unused materials and lumber scraps | 5.7 |
| | | Soyano Wood Power*1 | Unused materials and lumber scraps | 14.5 |
| | | Kanda Biomass Energy*1 | Wood pellets, palm kernel shells (PKS), and unused wood | 74.95 |
| | | Okinawa Uruma New Energy*1 | Palm kernel shells (PKS) and wood pellets | 49.0 |
| | | Oita Biomass Energy*1 | Palm kernel shells (PKS) and unused wood | 22.0 |
| | | Shimonoseki Biomass Energy*1 | Wood pellets | 74.98 |
| | Other (incl. mixed combustion) | Miyazaki Biomass Recycle*1 | Chicken manure | 11.35 |
| | | Fukuoka Clean Energy*1 | General waste | 29.2 |
| | | Reihoku*2 | Wood chips | (Max of 1% of weight ratio combusted) |
| | | Matsuura*2 | Sewage sludge | (Approx. 800 t/year) |
| Planned facilities (Approx. 176 MW) | Mono-fuel combustion using woody biomass | Hirohata Biomass Power Generation*1 | Wood chips, unused wood, and palm kernel shells (PKS) | 74.9 |
| | | Ishikari Bioenergy*1 | Wood pellets, palm kernel shells (PKS) | 51.5 |
| | | Tahara Green Biomass*1 | Wood pellets and other | 50.0 |

*1 Developed by Group companies.
*2 Mixed combustion at existing coal-fired thermal power stations.

## Wind power generation

**Reductions in $CO_2$ emissions in FY2021: Approx. 70,000 tons**

*Calculated using FY2020 $CO_2$ emissions factor

In promising locations that could facilitate long-term, economically efficient wind power generation, we are working to develop wind power projects in harmony with surrounding environments.

In November 2021, operations commenced at the Karatsu Chinzei Wind Farm, which was built in Karatsu City, Saga Prefecture, by Kyuden Mirai Energy.

■Wind Power Generation (As of March 31, 2022) (MW)

| | | Location | Output |
|---|---|---|---|
| Existing facilities (Approx. 207 MW) | Koshikijima | Satsumasendai City, Kagoshima Prefecture | 0.25 |
| | Nagashima* | Nagashima, Kagoshima Prefecture | 50.4 |
| | Amami Oshima* | Amami City, Kagoshima Prefecture | 1.99 |
| | Washiodake* | Sasebo City, Nagasaki Prefecture | 12.0 |
| | Kushima* | Kushima City, Miyazaki Prefecture | 64.8 |
| | Karatsu/Chinzei* | Karatsu City, Saga Prefecture | 27.2 |
| | Other* | — | 50.0 |
| Planned facilities (Approx. 220 MW) | Offshore Hibiki-nada* | Kitakyushu City, Fukuoka Prefecture | 220.0 |

*Developed by Group companies.

■Karatsu Wind Power Station Overview

| | |
|---|---|
| Name | Karatsu Chinzei Wind Farm |
| Output | 27,200 kW |
| Location | Hatogawa, Minatomachi, Yakataishi, and Chinzeimachi Yatoko in Karatsu City, Saga Prefecture |
| Main processes | Environmental impact assessment: 2015–2020<br>Construction: 2020–2021<br>Launch: November 2021 |


Karatsu Chinzei Wind Farm

### Offshore Wind Power Generation

At the Kyuden Group, we are actively working to use our accumulated technologies and expertise to increase introduction of both onshore wind power and offshore wind power, the latter of which is growing in popularity mainly in Europe.

Specifically, Kyuden Mirai Energy is moving forward with the Group's first large-scale offshore wind power project in the Hibiki-nada area of Kitakyushu City. The start of construction is scheduled for the end of FY2022, with operations expected to commence in FY2025. At 220,000 kW, the maximum output of the power generation facilities in this project greatly exceeds that of our existing wind power generation facilities. As such, this project is a major first step toward the Kyuden Group's goal of making renewable energy its main source of power.

## Solar power generation

Reductions in $CO_2$ emissions in FY2021 as a result of solar power generation: Approx. 30,000 tons

*Calculated using FY2020 $CO_2$ emissions factor

We are currently working on mega solar power projects using the sites of old Kyushu Electric power stations, and purchasing power from expired feed-in tariff systems.
We are also introducing solar power generation facilities under the PPA model.*

*Under the PPA model, operators who own and manage solar power facilities install their power generation facilities within the grounds of their customers (companies, etc.) and supply them with electricity.


Omura Mega Solar Power Station

■Solar Power Generation (As of March 31, 2022)

| | | Output |
|---|---|---|
| Existing facilities (Approx. 94 MW) | Omuta Mega Solar* | 1.99 MW |
| | Omura Mega Solar* | 17.48 MW |
| | Sasebo Mega Solar* | 10.0 MW |
| | Solar power facilities installed in offices, etc. | Approx. 2.2 MW |
| | Other mega solar power facilities* | Approx. 62.7 MW |
| Planned facilities | | Approx. 60.0 MW |

*Developed by Group companies.

### Tidal Power Generation

Kyuden Mirai Energy is currently working on Japan's first 1,000 kW tidal power generation project off the coast of Goto City in Nagasaki Prefecture.
In March 2022, the project was selected to be part of METI's FY2022 Regional Decarbonization Model Project by Tidal Power Generation.
This current project is making use of the successes of Kyuden Mirai Energy's 500 kW tidal power generation project—which was undertaken in the same location until FY2021—and aims to create a business model for the implementation and commercialization of highly efficient tidal power generation technologies. The project is scheduled to run from FY2022 to FY2025.
As part of the demonstration project, Kyuden Mirai Energy is modifying a tidal power generator used by SIMEC Atlantis Energy—a company that manages tidal power generation projects in the UK—boosting its output from 500 kW to 1,000 kW, and interconnecting it to an actual power grid. Ultimately, the aim of the demonstration is to establish technologies that comply with Japan's environmental and technological standards, and to quickly implement domestic tidal power generation.

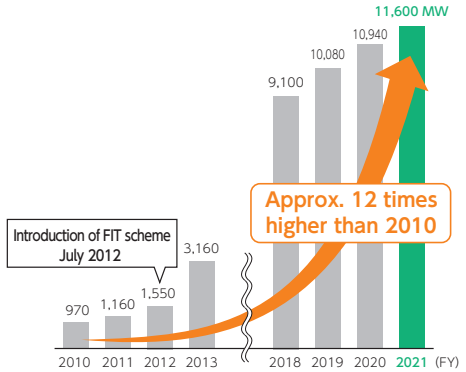
Tidal power generator

## ●Adoption of Renewable Energy

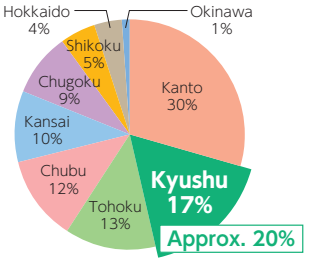
In Kyushu, implementation of renewable energy power generation facilities—particularly solar power—is progressing rapidly. At the Kyuden Group, we are working to maintain stable supplies of energy and ensure maximum adoption of renewable energy through the following initiatives:
- Flexible operation of thermal power generation facilities (output control, etc.*)
- Utilization of pumped-storage power stations and high-capacity storage batteries*
- Utilization of free grid capacity* (Japanese Connect and Manage scheme)*

*Kyushu Transmission and Distribution (Kyushu T&D) initiatives

■Grid-connected Solar and Wind Power in the Kyushu Area (As of March 31, 2022)




■Ratio of Solar and Wind Power Adoption in Japan*




Note: FIT are not included.

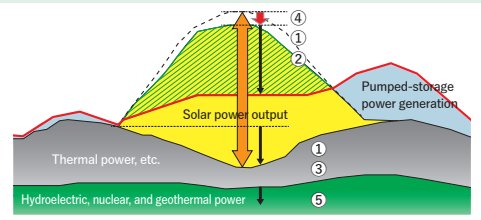
*Agency for Natural Resources and Energy
Created based on data from the Feed-in Tariff Scheme Information Website (As of December 31, 2021).
Please note that totals may not add up due to rounding.

### Controlling Output at Thermal Power Stations

In spring, autumn, and other periods when demand for power is comparatively low, and when long days mean high output from solar power generation, power supply can exceed power demand.
When cases like this arise, Kyushu T&D controls the output of its thermal power stations to maximize utilization of solar power. When power supply still exceeds power demand, the company on occasion has no choice but to control output at solar power stations based on the Priority Electricity Supply Rules.*
The rule functions as a safety valve for solar power generation—where output volumes can fluctuate greatly—and in turn contributes to increased grid connections.

*The rules comprise conditions and procedures for maintaining a balance between power supply and demand. The rules were put together by the Organization for Cross-regional Coordination of Transmission Operators, Japan.

### Priority Electricity Supply Rules

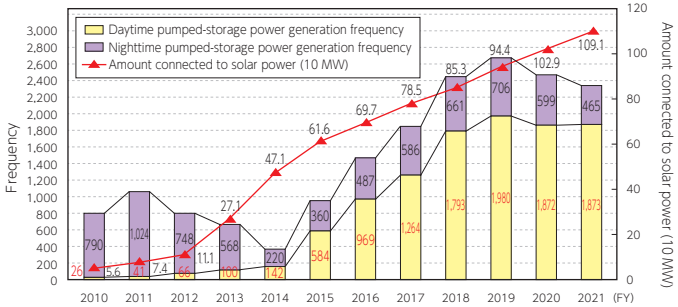



(1) Absorb surplus renewable energy from pumped-storage, control output of thermal power
(2) Transmit power outside of Kyushu via the Kanmon interconnection line
(3) Control output of biomass power
(4) Control output of solar and wind power
(5) Control output of hydroelectric, nuclear, and geothermal power

### Utilization of Pumped-storage Power Generation

Kyushu Electric Power (Kyusyu EP) uses pumped-storage power generation to supply power during periods of peak demand. In recent years, it has used solar power in the daytime to pump water and generate power for lighting in the morning and nighttime. In this way, the company is engaged in efforts to maximize adoption of renewable energy.

■Pumped-storage Power Generation Frequency (Daytime/Nighttime)




*1 Daytime pumped-storage power generation: Calculated based on the no. of start-stops between 8:00–17:00 until FY2017. Revised to 7:00–17:00 in FY2018 in line with daylight hours.
*2 Amount connected to solar power as of the end of March 31, 2022.

### Utilization of High-capacity Storage Battery Systems

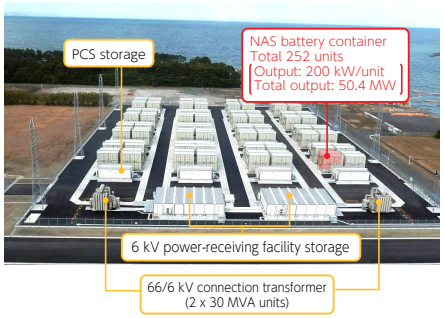
Placed in charge of a national project to demonstrate ways to improve supply and demand balance using a high-capacity storage battery system, Kyushu Transmission and Distribution (Kyushu T&D) has set up the Buzen Storage and Transformer Subtation, which boasts one of the largest high-capacity storage battery systems in Japan.
Utilizing the expertise and technologies gained from this demonstration, the company hopes to ensure efficient operation of this system to cater to fluctuating volumes of solar and wind power, improve supply and demand balance, and in turn ensure maximum adoption of renewable energy.

■Facility Overview

| Name | Function/Specifications |
|---|---|
| NAS battery* | Output: 50 MW (Capacity: 300 MW) |
| Power conditioner (PCS) | AC-DC converter |
| Connection transformer | Boost from 6 kV to 66 kV (2 x 30,000 kVA capacity units) |

*Sodium (Na) and sulfur (S)

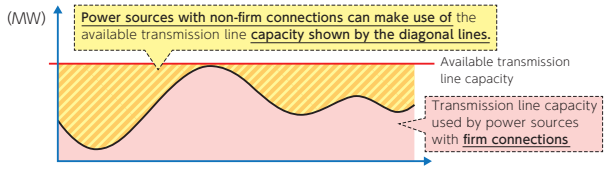
■Buzen Storage and Transformer Substation




### Japanese Connect and Manage scheme

Kyushu T&D is engaged in efforts to introduce the Japanese Connect and Manage scheme to ensure maximum amounts of renewable energy can be connected to power grids.
In January 2021, the company began taking orders for non-firm connections to its central grids. Non-firm connections generate power when there is available capacity in transmission and distribution facilities, and control power generation when there isn't enough capacity.
Looking ahead, through the Connect and Manage scheme, the company will work to make maximum use of its electricity networks.

Transmission line use through non-firm connections

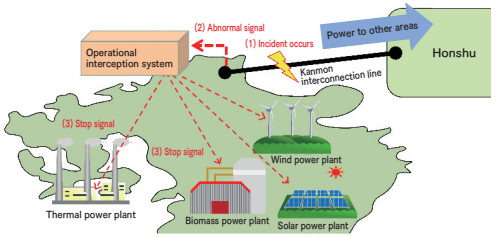



Source: 20th Meeting of the Subcommittee on Mass Introduction of Renewable Energy and Next-Generation Electricity Networks, Agency for Natural Resources and Energy.
Excerpt from Materials Booklet 2 (partially amended).

### Technological Development Project to Reduce Renewable Energy Output Control

Kyushu T&D has taken on a national project for the development of technologies that can reduce output control of renewable energy. As such, it is currently building a transfer interception system that, in the event of an incident along the Kanmon interconnection line, can instantly suspend multiple power stations to maintain the supply and demand balance in Kyushu.
This transfer interception system has enabled a maximum of 300 MW of additional renewable energy to be transmitted from Kyushu to other areas via the Kanmon interconnection line, and has been confirmed as an effective means of reducing output control of renewable energy.
Looking ahead, Kyushu T&D will use the expertise and technologies gained from this demonstration to work toward maximum adoption of renewable energy.

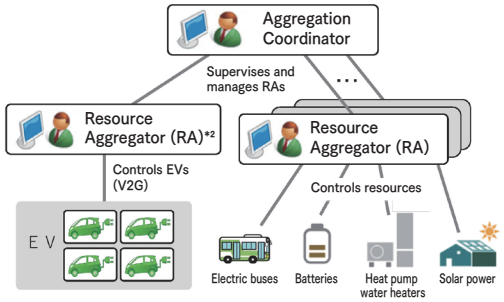
System Overview




### Initiatives to Commercialize VPPs

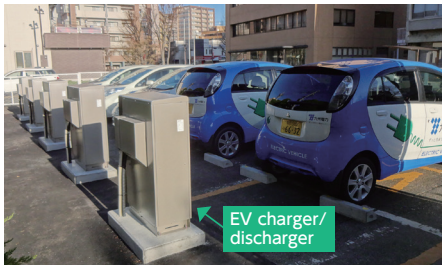
With support from the government,*1 since FY2018 Kyushu EP has conducted demonstrations on how to adjust the balance between power supply and demand using electric vehicles (EVs).
The project is investigating whether diverse energy resources can be controlled under instruction from aggregators,*2 and whether EVs can be used to reduce output control in solar power generation. Moving forward, the company will use the expertise gained from these demonstrations to examine the potential for commercialization.

*1 VPP construction project utilizing consumers' energy resources (Ministry of Economy, Trade and Industry)




*2 Aggregator: Businesses, etc., that work between power companies and consumers to accurately adjust consumer demand volumes in order to maintain the balance between power supply and demand.

■Demonstration Facilities




**What is a VPP (virtual power plant)?**

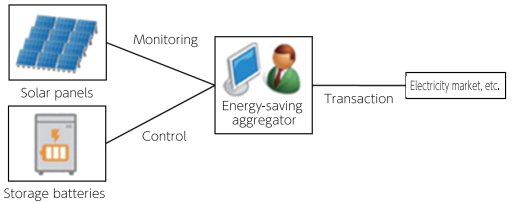
Providing functions much like a single power plant, virtual power plants facilitate the remote and integrated control of separate energy resources directly connected to the electricity grid.

### Renewable Energy Aggregation Demonstration Project

With support from the government,* since FY2021 Kyushu EP has participated in a project to demonstrate renewable energy aggregation as an aggregator. In line with the feed-in premium system, which began in FY2022, the project is combining highly variable solar power generation with storage batteries to test ways to predict output volumes to ensure a balance between supply and demand, and to demonstrate the technologies required for resource control.

*Next-generation technology demonstration project using storage batteries and other decentralized energy resources (Ministry of Economy, Trade and Industry)

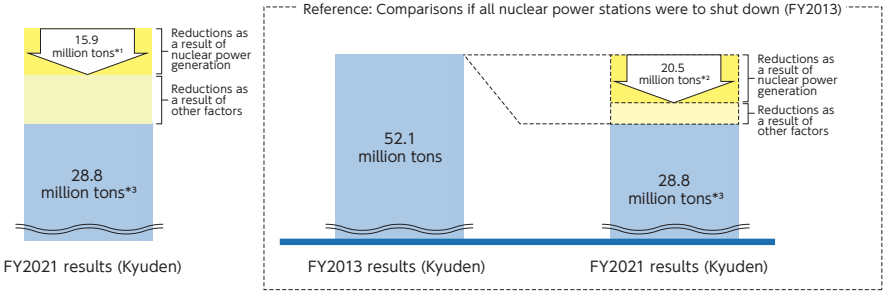
■Project Overview



## ●Utilization of Nuclear Power Generation

In its Basic Energy Plan, the Japanese government has positioned nuclear power as an "important baseload power source," and has announced its plans to generate 20–22% of its energy from nuclear power by FY2030.
While considering long-term energy security and response to global environmental problems, and with safety as the utmost priority, Kyushu Electric Power (Kyushu EP) is maximizing use of nuclear power generation as an option that does not produce $CO_2$ emissions.
In FY2021, reductions in $CO_2$ emissions as a result of nuclear power generation was estimated at being 15.9 million tons.

■Nuclear Power Generation by Kyushu EP and Its Effect on Reducing $CO_2$ Emissions

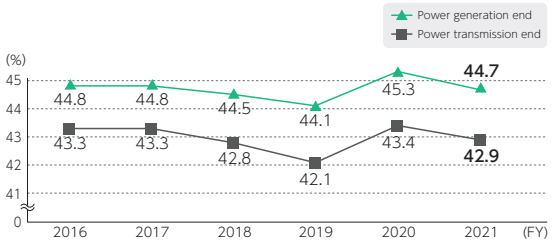



*1 Using FY2020 post-adjustment $CO_2$ emissions factor: 0.479 kg-$CO_2$/kWh
*2 Using FY2013 post-adjustment $CO_2$ emissions factor: 0.617 kg-$CO_2$/kWh
*3 FY2021 results are provisional; the government is set to announce definitive figures in December.

## ●Optimization of Thermal Power Generation

The Kyuden Group is working to maintain and improve overall thermal efficiency to reduce fuel consumption and $CO_2$ emissions.
In FY2021, Kyushu Electric Power's overall thermal efficiency fell 0.6% to 44.7% (at the power generation end) due to a lower utilization rate than the year before. Moving forward, the company will continue to aim for optimal thermal power generation through maximum use of its highly efficient thermal power generation plants.

■Overall Thermal Efficiency




*Thermal efficiency has been calculated based on lower heating values.

Shin-Oita Power Station Grid 3 Axis 4
(LNG-fired thermal power)

## ●Mixed Biomass Combustion at Thermal Power Stations

Kyushu EP is working to reduce carbon emissions at its coal-fired thermal power stations through use of carbon-neutral, unused domestic energy.
Between FY2010 and FY2014, the company conducted a mixed combustion demonstration project at its Reihoku Power Station in Kumamoto Prefecture using woody biomass (offcuts and other unused forest resources), and has continued operations using woody biomass since FY2015.
Further, together with the Electric Power Development Company and other organizations, Kyushu EP is taking part in a Kumamoto City-led project to transform sewage sludge into solid fuel. It has been manufacturing the fuel since FY2013, and using it for mixed combustion with coal at its own Matsuura Power Station and the J-Power Matsuura Power Station.

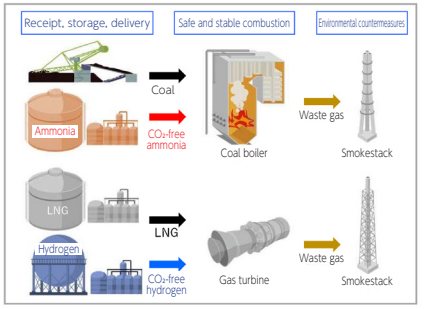
## ●Creation of a Hydrogen and Ammonia Supply Chain

To prepare for the full-scale introduction of emissions-free hydrogen and ammonia combustion, we are working to quickly build a stable, economical supply chain covering everything from our upstream to downstream operations. To do so, we are building cooperative relationships and engaging in joint examinations with companies from various industries both inside and outside Japan.

## ●R&D on Hydrogen/Ammonia Fuel Technologies and CCUS Technologies

Technologies for hydrogen and ammonia fuel, both of which release zero $CO_2$ emissions when combusted, as well as CCUS technologies, which facilitate the separation, capture, use, and storage of $CO_2$, are essential for the decarbonization of thermal power generation. We are therefore investigating and researching technological trends and working to develop the necessary underlying technologies.

**Initiatives to establish hydrogen and ammonia mixed-combustion technologies**
We are currently moving forward with the following initiatives to establish hydrogen (1%) and ammonia (20%) mixed-combustion technologies by 2030.
- Examination of equipment for receipt, storage, and delivery in line with fuel properties
- Implementation of tests for safe and stable combustion
- Examination of environmental countermeasures in line with fuel changes

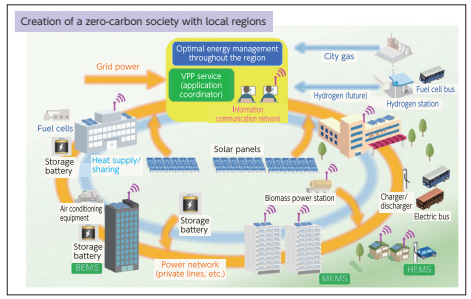



**Initiatives to establish hydrogen manufacturing technologies**
We are currently engaged in a joint technological development project with the University of Tokyo to increase the durability of and reduce costs related to electrolysis and hydrogen manufacturing equipment.

## ●Initiatives for the Creation of a Regional Energy System

Regional energy systems have the potential to greatly change the business models in our electricity business. As these energy systems are an area in which we can apply the strengths of the Kyuden Group, seeing them as a business opportunity, we are working with local governments and other related organizations to collect information and select locations for demonstrations. Specifically, we are planning a demonstration project through which we will aim to acquire the technological expertise required for these energy systems and examine locations to test the business model.

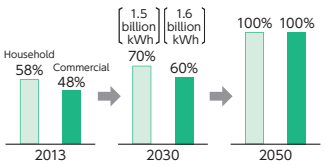
■Regional Energy System



## ●Promotion of Electrification

As decarbonization efforts gain momentum in light of the government's declaration to become carbon neutral by 2050, the Kyuden Group is engaged in its own carbon neutral initiatives. Specifically, we are accelerating electrification initiatives in our household, commercial, and industrial sectors, with a view to achieving a 100% electrification rate by 2050. In our household and commercial sectors, we will work to achieve a 70% and 60% electrification rate respectively by 2030. Ahead of this target, between 2021 and 2030 we will aim to increase electricity output by 1.5 billion kWh in our household sector and 1.6 billion kWh in our commercial sector.

■Contributions to Improved Electrification Rates in Kyushu

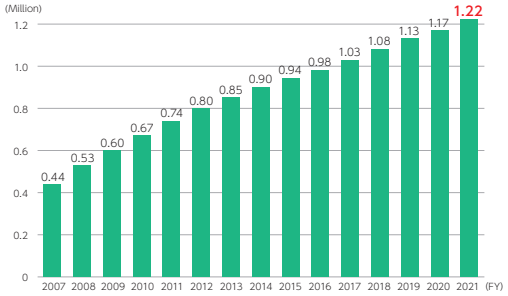



*Figures in brackets show total increase between 2021 and 2030.

### Household sector

At the Kyuden Group, we aim to provide customers with comfortable, environmentally friendly, economically efficient, and safe lifestyles. To do so, we are promoting all-electric lifestyles mainly through highly efficient EcoCute water heaters and IH cooktops. In turn, we hope to increase customer satisfaction while ensuring environmentally friendly activity.
Elsewhere, Kyuden Home Advisors are engaged in activities to promote all-electric lifestyles through Kyuden e-Smile, an experiential home reform showroom, and the All-Electric Car, a mobile marketing vehicle.
In light of the pandemic, we are also hosting online events, such as live-stream IH cooking demonstrations, so that customers can participate with peace of mind.
As of the end of FY2021, with a total of 1.22 million, approximately one in five homes in Kyushu is all-electric.

■Cumulative Number of All-electric Homes in Kyushu



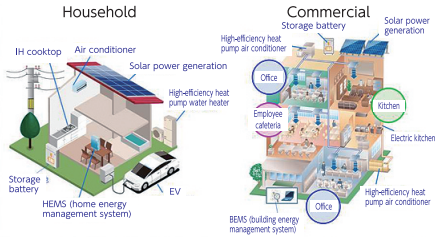

### Commercial sector

Based on the operational status of customers' existing air conditioning and water heating facilities, as well as their energy usage, we are proposing optimal, high efficiency heat pump systems.
We are promoting electric facilities in other ways, too: for kitchen facilities, we are hosting online electric kitchen seminars and posting online videos that communicate the usability and hygiene of electric kitchens, and showcasing a range of other benefits they bring, such as economic efficiency.

### Industrial sector

Here we are promoting electrification in heating in a wide range of temperature zones, from low temperature ranges of up to 100℃, and high temperature ranges of up to around 10,000℃. For low temperature ranges, we are conveying the economic benefits of high efficiency heat pumps. For high temperature ranges, in which heat pump technology cannot be applied, we are proposing excellent electric systems that enhance productivity and quality through resistance heating, induction heating, and other electric technologies.

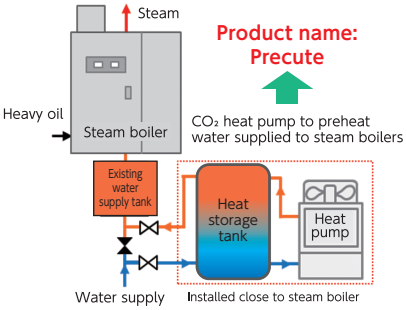
■All-electric Homes in 2050




### Precute—A water preheating unit that utilizes a natural refrigerant heat pump

Together with Showa Manufacturing Co., Ltd., Kyushu Electric Power (Kyusyu EP) has developed a water preheating unit that utilizes a natural refrigerant heat pump (product name: Precute) to reduce the fuel used by steam boilers in food factories. Precute efficiently preheats the water supplied to steam boilers to both reduce the fuel they require and cut $CO_2$ emissions. Precute is easy to install in food factories that use many steam boilers, and widespread adoption of the product is expected to lead to huge reductions in $CO_2$ emissions.

Precute unit




System Overview

### Utilization of heat pumps in agriculture

Kyushu EP has for many years undertaken R&D on the electrification of agriculture. Since FY2020, the company has been researching technologies for the year-round use of heat pumps in Yatsushiro City, Kumamoto Prefecture—one of Japan's leading tomato-producing regions—to improve energy-saving performance and boost profitability. Specifically, the project is demonstrating ways to increase profits through use of nighttime air conditioning in summer and reduce operational costs for heating in the winter.

Use of heat pumps for tomato cultivation (joint research with JA Yatsushiro)

## ●Utilization and Promotion of EVs

The Kyuden Group is working to modify our entire company car fleet into electric vehicles by FY2030. We are also working with other companies to promote EV sharing and to install EV charging points in apartment buildings and offices. In this way, we are coming together to promote the use of EVs widely throughout society.

### Shifting to an All-electric Company Car Fleet

The Kyuden Group has set itself the target of modifying our entire company car fleet* into electric vehicles by FY2030. As of FY2021, we have a total of 61 EVs in our fleet.
*Excluding vehicles that cannot be converted into EVs.

### EV Sharing Services

**weev—An EV sharing service solely for use by condominium residents**

Compared to residents of detached homes, the cost of car ownership for condominium residents is far higher due to parking fees. As such, there is a potential for high demand for car sharing services among condominium residents.
In response, Kyushu EP is proposing a car sharing service within condominiums to offer residents a smarter, more convenient way to use EVs.

weev

Smarter car lifestyles made possible with weev
- Safe: Only available to other condominium residents.
- Convenient: Close to your condominium.
- Affordable: Only pay for what you use, no ongoing fees.

### Car sharing stations on company-owned land

To create opportunities for customers to easily experience the convenience and comfort of EVs, Kyushu EP has partnered* with Nissan Motor Co., Ltd. to install EV sharing stations for the public to use at its Fukuoka and Oita branches.
*Using Nissan Motor's e-share mobi car sharing service

### Demonstration of new ways to operate EV sharing services

Since February 2022, Kyushu EP, Nippon Rentacar Service Inc., Tokyo Century Corporation, and Nippon Car Solutions Co., Ltd. have been working together on a new initiative for the EV sharing economy, examining the effectiveness of using EVs as company vehicles on weekdays and rental vehicles on weekends and public holidays. The four companies are also investigating ways to use EV batteries as mobile storage batteries and promote the effective use of renewable energy.

### EV Charging Service (PRiEV)

From the second half of FY2022, Kyushu Electric Power (Kyusyu EP) will begin offering condominium residents in the Tokyo metropolitan area and Fukuoka City an EV charging device for their own parking spaces. This new service aims to provide customers with a more comfortable, convenient EV charging environment.

### Promoting further use of EV taxis

Since January 2022, Kyushu EP, Daiichi Koutsu Sangyo Co., Ltd., and the Sumitomo Corporation Group have been testing the introduction of EV taxis and charging equipment at the Island City sales office of Daiichi Koutsu Sangyo. Having analyzed the economic efficiency, durability, and environmental friendliness of taxis that operate over long distances and prolonged periods of time, the three companies are examining an optimal charging and operational system to promote the spread of EV taxis.

### Promoting Use of Electric Buses

Since February 2018, the Kyuden Group has been working on a project led by the Ministry of the Environment to develop technologies for a large electric vehicle system that could help to expand use of electric buses and trucks. Specifically, we have engaged in industry-academia-government collaboration (particularly with Kumamoto University) to promote use of electric buses with zero gas emissions, low $CO_2$ emissions, and with low fuel consumption on local bus routes, which are a key means of transportation in local communities.
Our Group company Kyuden Technosystems is helping to install high-speed charging points and analyze demonstration data.

### Development of Large-capacity Charge-discharge Equipment for Large Vehicles

Between July 2020 and February 2021, Kyushu EP, Nishi-Nippon Railroad Co., Ltd., and Kyuden Technosystems Corporation conducted demonstrations on how to use electric buses in operation at the Nishitetsu Bus Island City Office to balance power supply and demand using large-capacity charge-discharge equipment. Currently, in addition to continuing on-site charging and discharging tests using electric buses and charge-discharge equipment (prototypes), the companies are also working together to make improvements to the prototype and boost performance to achieve early commercialization.

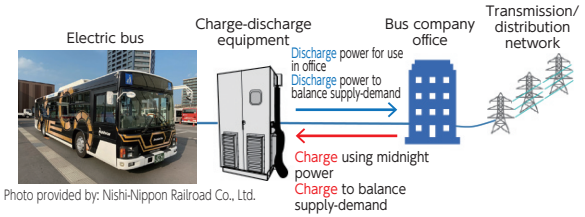
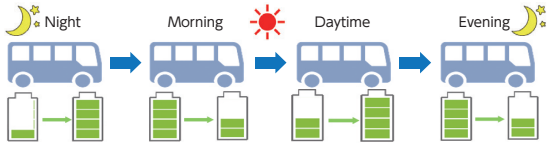


Photo provided by: Nishi-Nippon Railroad Co., Ltd.

■Energy Management based on Electric Bus Operation Schedules




## ●Contributing to the Creation of Sustainable Societies Overseas

Utilizing the advanced technological capabilities and expertise we have accumulated through our electricity business in Japan, at the Kyuden Group we are engaged in IPP investment projects and consulting activities in predominantly Asia and the US.

### IPP Investment Projects

Among other new initiatives, in FY2021 we launched a submarine direct power transmission project in the United Arab Emirates, which was the Kyuden Group's first overseas power transmission project, and participated in a gas-fired thermal power generation project in Uzbekistan, which was our first electric power project in Central Asia. In the future, while expanding our businesses into regions in Europe and Africa, we will continue with initiatives that contribute to decarbonization, such as high-efficiency thermal power projects and power transmission and distribution projects.
Moving forward, we will contribute to the creation of sustainable societies overseas through stable supplies of electricity and environmental countermeasures.

A virtual signing ceremony for the submarine direct power transmission project in the UAE

### Overseas Consulting

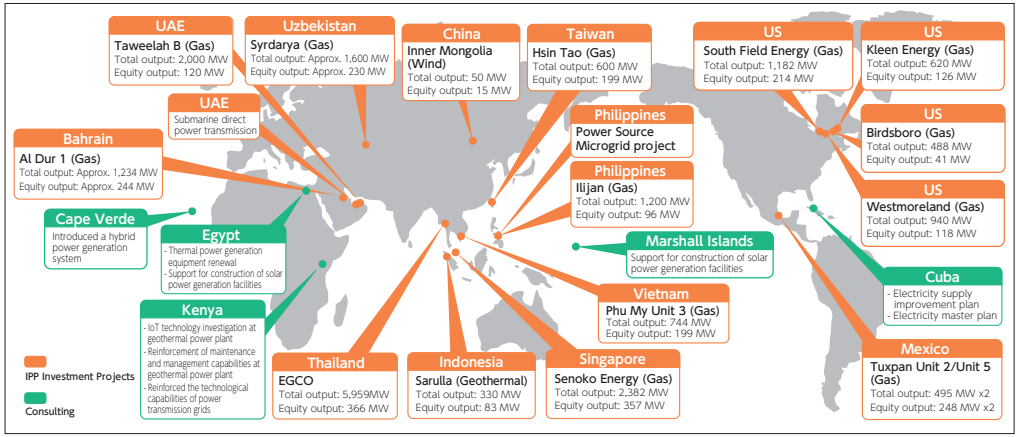
In FY2021, we continued with several projects that had carried over from the previous year: a project to introduce IoT technologies and reinforce operation, maintenance, and management at a geothermal power plant in Kenya; a project in Cuba to create an electricity master plan to stabilize electricity supplies using storage batteries and EMS, and to introduce renewable energy; and a project to reinforce the technological capabilities of power transmission grids in Kenya.
In these and other ways, we are utilizing the combined specialist expertise and technologies of our group to propose effective solutions for various nations.
As the COVID-19 pandemic has made it difficult to conduct overseas investigations and enable overseas partners to come to Japan and visit our facilities, we are promoting global activities through remote, video-based training sessions.

**Website**
Kyuden International Corporation (https://www.kyuden-intl.co.jp/en/)

■Major Initiatives in FY2021

| | |
|---|---|
| IPP Investment Projects | |
| Bahrain | Al Dur 1 Independent Water & Power Producer Project: Acquired equity |
| UAE | Submarine direct power transmission project: Agreed power transmission contract |
| US | South Field Energy Gas-Fired Power Plant: Commenced commercial operations |
| Uzbekistan | Syrdarya gas-fired power generation project: Participated |
| Overseas Consulting Projects | |
| Kenya | Project to reinforce the technological capabilities of power transmission grids (The Kyuden Group, etc.)<br>A project to reinforce operation, maintenance, and management of the Olkaria Geothermal Power Station through use of IoT technologies (Kyushu EP, Kyuden International, West Japan Engineering Consultants, Nishinippon Plant Engineering and Construction, Kyuden Sangyo, and others)<br>IoT technology investigation aimed at reinforcing operation and management capabilities at the Olkaria Geothermal Power Station (Kyushu EP, Kyuden International, West Japan Engineering Consultants, and Nishinippon Plant Engineering and Construction) |
| Cape Verde | A project to introduce a hybrid power generation system (Kyushu EP, Kyuden International, West Japan Engineering Consultants, and others) |
| Cuba | Formulate an electricity sector master plan (Kyushu EP, Kyuden International, West Japan Engineering Consultants, and others)<br>Project for the Improvement of Power Supply in the Isle of Youth (Kyushu EP, West Japan Engineering Consultants, etc.) |
| Egypt | Gas combined cycle thermal power rehabilitation (Kyuden International, and others)<br>Hurghada Photovoltaic Power Plant Project (Kyushu EP, Kyuden International, West Japan Engineering Consultants, Nishinippon Plant Engineering and Construction, and others) |
| Marshall Islands | Project for the Installation of Solar Electricity Generation System in Ebeye Island (Kyuden International, and others) |

■Overseas Business Development (Recent Achievements)



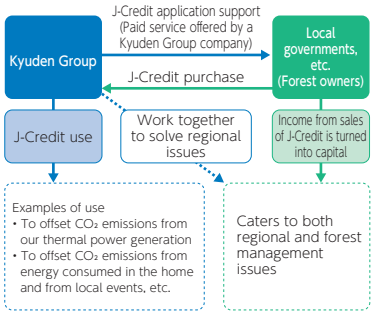
*Information regarding IPP investment projects is current as of the end of FY2021; Information regarding overseas consulting shows major activities of recent years.

## ●J-Credit Scheme and Environment Business

**Promoting regional carbon neutrality**
**Creating and utilizing J-Credits through use of forest resources**

The Kyuden Group is engaged in a project through which it supports the creation of J-Credits* using forests owned by local governments and other organizations, and then purchases the credits that have been created.
Based on the results of a demonstration in Hisayama Town, Fukuoka Prefecture, we are moving forward with preparations for a similar project in Kusu Town, Oita Prefecture, and working toward full-scale expansion of the project throughout Kyushu.

*A scheme whereby the amount of $CO_2$ emissions reduction and $CO_2$ absorption—be it through use of energy-saving equipment, use of renewable energy, or appropriate forest management—is recognized as credit by the government. This credit can also be traded as environmental value.





Right: Masaru Nishimura, Mayor of Hisayama Town
Left: Hiroyuki Eguchi, Director of Environment Division, Kyushu Electric Power

## ●Endorsement of the GX League Basic Concept

In March 2022, Kyushu Electric Power (Kyusyu EP) announced its endorsement of the GX League Basic Concept proposed by the Ministry of Economy, Trade and Industry. Seeing carbon neutrality trends and other changes in our business environment as opportunities for further growth, at the Kyuden Group we will continue working to lead Japan's decarbonization efforts from here in Kyushu.

## ●Promotion of Green Transition Finance

We are promoting green transition finance to help our wide-ranging stakeholders further understand our initiatives to achieve carbon neutrality by 2050—namely the decarbonization of our power sources and the promotion of electrification—and to diversify our sources of funding for these activities. We issued our first green bond in June 2021.
Further, in May 2022 we became the first former general electricity company to issue a transition bond.
In these and other ways, we will continue to promote finance-oriented initiatives to achieve carbon neutrality.

■Kyushu Electric Power Green Bond Overview

| Name | First Kyushu Electric Power Green Bond |
|---|---|
| Issued amount | 15 billion yen |
| Period | 10 years |
| Interest rate | 0.310% |
| Date of issue | June 10, 2021 |
| Use of funds | New investments in the Shin-Takeda Hydroelectric Power Station, the Jikimaru Hydroelectric Power Station, and the Otake Geothermal Power Station, and refinancing of existing equipment |

■Kyushu Electric Power Transition Bond Overview

| Name | First Kyushu Electric Power Transition Bond | Second Kyushu Electric Power Transition Bond |
|---|---|---|
| Issued amount | 30 billion yen | 25 billion yen |
| Period | 5 years | 10 years |
| Interest rate | 0.350% | 0.644% |
| Date of issue | May 24, 2022 | |
| Use of funds | Development of the Hibiki Power Station (a state-of-the-art high-efficiency LNG-fired thermal power plant), new investments in the closure of existing thermal power plants, and refinancing of existing equipment | |

## ●Zero Carbon Challenge Declaration by Kyuden Group Employees

Under the slogan "Going beyond zero. Changing the future today," employees from the Federation of Electric Power Related Industry Worker's Unions of Kyushu and the Kyuden Group have announced the Zero Carbon Challenge Declaration. As members of their regional communities, employees will aim to achieve carbon neutrality through further energy-saving and electrification efforts in the home. In line with the declaration, since June 2022, labor and management have been working together to proceed with specific initiatives.
Moreover, by widely communicating and sharing this declaration with our regions and communities through our website and social media channels, we will aim to build further momentum toward carbon neutrality.

Zero Carbon Challenge Declaration (excerpt)
• We will reduce commutes, outings, and business trips through telework and remote work
• We will install solar panels on regular homes and all-electric homes, etc.


## ●Winning the Minister of Economy, Trade and Industry Award at the 30th Global Environment Awards

第30回 地球環境大賞 Since 1992

At the 30th Global Environment Awards, hosted by the Fujisankei Communications Group, the Kyuden Group received the Minister of Economy, Trade and Industry Award for the second time following its recognition in 2018 at the 27th Global Environment Awards.
The Global Environment Awards were established in collaboration with the World Wide Fund for Nature (WWF) Japan, and commend corporations and organizations engaged in environmental activities.
This year the Kyuden Group received wide acclaim for its diverse environmental activities and achievements, including its proactive development and adoption of renewable energy, its utilization and promotion of EVs, and its efforts to protect biodiversity at the Kuju Bogatsuru Marshlands through controlled burning and other means.

Chairman Michiaki Uriu accepting the award from Parliamentary Vice-Minister of Economy, Trade and Industry Kazuchika Iwata (the Crown Prince and Princess of Japan were also in attendance)
*Photo taken by Sankei Shimbun

# Biodiversity

## Policy and Approach

At the Kyuden Group, based on our Environmental Action Policies, we aim to contribute to the creation of a sustainable society through environmental activities that pay due consideration to the protection of biodiversity and the prevention of deforestation.
Further, in line with the Biodiversity Action Guidelines by the Japanese Electric Utility Industry (created by the Federation of Electric Power Companies of Japan), we are committed to continued activities aimed at biodiversity conservation.

### ●Environmental Action Policies and Biodiversity

Through wide-ranging environmental activities across the supply chain, we are engaged in activities that aim to conserve biodiversity. Specifically, as part of our initiatives to address global environmental issues, we are working to reduce $CO_2$ emissions in order to achieve a low-carbon, decarbonized society; to create a recycling-oriented society, we are targeting zero emissions from waste; to protect environments in local communities, we are engaged in environmental conservation at our power stations, efforts to create environmentally friendly facilities, and proper management of company-owned forests; to collaborate with society, we are involved in community-wide environmental conservation activities*; and to promote environmental management, we are working to improve employees' environmental awareness.

*Since 2000, we have been involved in controlled burning and other environmental conservation activities at the Kuju Bogatsuru Marshlands, which is home to numerous rare ecosystems. In 2005, the Kuju Bogatsuru Marshlands were listed as part of the Ramsar Convention.

■Environmental Action Policies

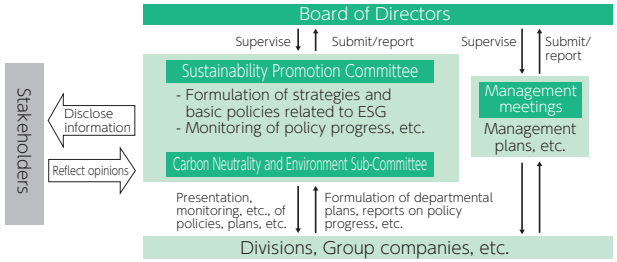

### ●Biodiversity Action Guidelines by the Japanese Electric Utility Industry (updated June 2020)

The Biodiversity Action Guidelines by the Japanese Electric Utility Industry were put together by the Federation of Electric Power Companies of Japan, which includes Kyushu Electric Power. The guidelines describe how biodiversity is a prerequisite for sustainability as an electricity business, and as a member of both international and local societies. The guidelines also outline how it is the duty of electricity businesses to contribute to sustainability, to proactively promote business activities that contribute to biodiversity, and in turn create a sustainable society.

## Promotion Framework

Underneath the Sustainability Promotion Committee is the Carbon Neutrality and Environment Sub-Committee. From a specialized standpoint, this Sub-Committee discusses all matters related to environmental issues.
The Sub-Committee also conducts management reviews of efforts to protect biodiversity, and is continuously involved in work to protect natural environments and provide environmental education.

■Kyuden Group Environmental Management and Promotion Framework




■Sustainability Promotion Committee

| | | |
|---|---|---|
| Structure | Chairperson: President<br>Vice-chairperson: Director in charge of ESG<br>Committee members: External directors, executive directors of relevant divisions, etc. | Frequency<br>Twice yearly in principle, and additionally as necessary |

■Carbon Neutrality and Environment Sub-Committee

| | | |
|---|---|---|
| Structure | Chairperson: Director in charge of ESG<br>Vice-chairperson: Executive Director of Corporate Strategy Division and Executive Director of the District Symbiosis Division<br>Committee members: Directors of relevant divisions, etc. | Frequency<br>Twice yearly in principle, and additionally as necessary |

## Targets

■FY2021 Targets and Achievements

| Item | Targets | Achievements |
|---|---|---|
| Biodiversity conservation<br>Percentage of environmental education participants whose awareness of environment and energy-related issues improved | More than 90% | More than 97% |
| Biodiversity conservation<br>Percentage of environmental activities as part of Korabora-Q-den, an initiative that promotes collaboration with local communities | More than 92% | 97% |

■FY2022 Targets

| Item | Targets |
|---|---|
| Percentage of environmental education participants whose awareness of the importance of environmental protection improved | More than 90% |
| Impact on ecosystems from our business activities | Minimized |

## Initiatives

### ●Biodiversity Risk Assessment

#### Assessment of Environmental Impact from the Electricity Business

Based on our Environmental Action Policies, at the Kyuden Group we will contribute to the creation of a sustainable society through environmental activities while paying due consideration to biodiversity.
Further, in line with the Biodiversity Action Guidelines by the Japanese Electric Utility Industry (created by the Federation of Electric Power Companies of Japan), we are committed to continued activities aimed at biodiversity conservation.

### ●Main Supply Chain Initiatives

At the Kyuden Group, to ensure the protection of biodiversity throughout our business activities, in addition to strictly complying with the laws and regulations in each country we conduct business, we gauge conditions in each supply chain and take measures to minimize impact on ecosystems.

#### Power Generation Initiatives

When building facilities, the Kyuden Group undertakes appropriate environmental assessments based on facility and regional characteristics. In addition to environmental friendliness, these efforts aim to ensure harmony with surrounding environments.

#### Implementing Environmental Impact Assessments

Based on the Environmental Impact Assessment Act, to protect surrounding environments when building power stations and other facilities, we carry out investigations on the natural environment (air, water quality, organisms, etc.), and predict and assess the impact that buildings and facility operations will have on the surrounding environment in advance. Based on these results, we take the necessary measures to ensure environmental conservation.

## Recent Voluntary* Environmental Assessments

| Period | Site name | Power generation method | Details | Results |
|---|---|---|---|---|
| May 2018–June 2019 | Shin-Taketa Power Station New construction plan (Taketa City, Oita Prefecture) | Hydroelectric power | Although this was a small-scale development not subject to assessment as per the Environmental Impact Assessment Act, we conducted a voluntary environmental impact assessment in consideration of the surrounding environment | We set and managed independent wastewater quality standards in line with national environmental standards to monitor water quality (cloudiness) during construction |
| June 2019–March 2020 | Shin-Tanegashima Power Station Unit 5 facility expansion plan (Minamitane, Kagoshima Prefecture) | Internal combustion power | Although this was a small-scale development not subject to assessment as per the Environmental Impact Assessment Act, we conducted a voluntary environmental impact assessment in consideration of the surrounding environment | We decided on a mainly ivory color (milky white) for the additional building and smokestack to ensure harmony with the surrounding environment |
| October 2020–June 2021 | Kurokawa Power Station Unit 1 Comprehensive Refurbishment (Restoration) Plan (Aso District, Kumamoto Prefecture) | Hydroelectric power | Although this was a restoration project not subject to assessment as per the Environmental Impact Assessment Act, we conducted a voluntary environmental impact assessment to ensure appropriate environmental considerations and maximum reduction of impact on the surrounding environment | In consideration of the surrounding environment, we set up soundproof panels in areas near residences to minimize excess noise from construction machinery during construction |
| October 2020–November 2021 | Chinda Power Plant Comprehensive Refurbishment Plan (Bungo-Ono City, Oita Prefecture) | Hydroelectric power | Although this was a small-scale development not subject to assessment as per the Environmental Impact Assessment Act, we conducted a voluntary environmental impact assessment in consideration of the surrounding environment | We set and managed independent wastewater quality standards in line with national environmental standards to monitor water quality (cloudiness) during construction |
| July 2021–March 2022 | Shin-Yoron Power Station Unit 5 facility expansion plan (Yoron, Kagoshima Prefecture) | Internal combustion power | Although this was a small-scale development not subject to assessment as per the Environmental Impact Assessment Act, we conducted a voluntary environmental impact assessment in consideration of the surrounding environment | We decided on a mainly ivory color (milky white) for the additional building and smokestack to ensure harmony with the surrounding environment |
| 2022 (scheduled) | Shin-Iki Power Station Unit 5 facility expansion plan (Iki, Nagasaki Prefecture) | Internal combustion power | — | — |

*Voluntary assessment of facilities aimed at environmental conservation. Said facilities do not fall under the scale of facilities that require assessment in line with the Environmental Impact Assessment Act and local environmental impact assessment ordinances.

### Environmental Conservation Measures

After a legally required environmental assessment (completed July 2016) as part of a plan to refurbish the Otake Power Station (geothermal), we discovered the presence of globe thistle and other rare plants. Following consultations with experts, the decision was made to relocate the plants.
Following their relocation, we regularly monitored their growth to confirm they were flowering.
Elsewhere, following a voluntary environmental assessment (completed March 2017) as part of our plans to expand Unit 7 at our Shin-China Power Station (internal combustion), we discovered the presence of a Coenobita hermit crab, which is a designated natural monument animal of Japan. Again, we consulted with experts, and determined to relocate the hermit crabs outside the site grounds.


Investigating water quality

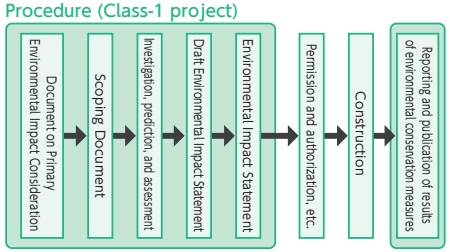
### Reference: Procedure for legally required environmental assessments

Based on the Environmental Impact Assessment Act (general rules) and the Electricity Business Act (procedures unique to power plants), environmental assessments must be conducted for power plants that fall under the following scales.

#### Business scales subject to assessment

| | Class-1 project<br>Environmental assessments are required | Class-2 project<br>Individual decisions made as to whether environmental assessments are required |
|---|---|---|
| Hydroelectric power | Output of more than 30 MW | Output of more than 22.5 MW and less than 30 MW |
| Thermal power | Output of more than 150 MW | Output of more than 112.5 MW and less than 150 MW |
| Geothermal power | Output of more than 10 MW | Output of more than 7.5 MW and less than 10 MW |
| Nuclear power | All nuclear power facilities | – |
| Wind power | Output of more than 50 MW | Output of more than 35 MW and less than 50 MW |
| Solar battery | Output of more than 40 MW | Output of more than 30 MW and less than 40 MW |

#### Procedure (Class-1 project)




: Legal environmental assessment procedure

### Power Transmission and Distribution Initiatives

#### Implementing environmental impact assessments when constructing power transmission towers

Kyushu Transmission and Distribution inspects the impact that its construction of power transmission towers will have on surrounding ecosystems in advance, and ensures environmentally friendly construction work by implementing measures as necessary, such as protecting rare animals and plants.



Bird survey

### Worksite Initiatives

#### Greening Measures at Power Stations

To protect natural environments at their power stations, the Kyuden Group maintains and manages a wide range of greenery on-site.

## ●Environmental Conservation Activities

At the Kyuden Group, in collaboration with NPOs and other local citizens, we are rolling out Korabora-Q-den* activities across the Kyushu region, aiming to find solutions to local issues.
*Korabora is formed from the Japanese renderings of the words "collaboration" and "volunteer."

As part of these activities, since FY2019, we have engaged in environment-oriented Korabora-Q-den Eco initiatives, aiming to, among other, protect biodiversity and preserve natural landscapes. Through these activities, we are working with locals across the Kyushu region to protect the environment.
In FY2021, despite the postponement of numerous activities due to the COVID-19 pandemic, we conducted a total of 37 Korabora-Q-den and Korabora-Q-den Eco activities, with approximately 2,700 individuals taking part.

In addition to the above, we also conduct cleaning activities across the Kyushu region, such as the cleaning of castle walls and shrine gates using vehicle-mounted elevated work platforms.

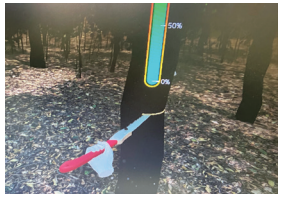
Through our Korabora-Q-den cleaning activities, in FY2021 we collected **approximately 158 tons** of waste, equating to **around 3,500 45-liter waste bags**.


Coastal cleaning activities in Miyazaki City, Miyazaki Prefecture

## ●Initiatives during COVID-19

With restrictions on activities at the Kuju Kyuden Forest due to COVID-19, the Kyuden Mirai Foundation has used VR and other technologies to newly develop experiential learning content for schools that simulates on-site environmental education.
The Kyuden Mirai Foundation hosted a total of four sessions in FY2021, with around 100 participants learning how to thin trees using VR. Moving forward, the plan is to extend these activities to the rest of the Kyushu region.


A student learning how to thin trees using VR


VR-based tree thinning

## ●Environment and Energy Education

Predominantly for the younger generation, we offer the Kyuden Future School as a platform for individuals to learn about and experience environment- and energy-related issues. In FY2021, with thorough infection prevention measures in place, we were able to welcome around 15,000 participants.
Looking ahead, in addition to face-to-face activities, we will make use of digital technologies to enhance our educational programs.

| | Main activity name | Content | FY2021 figures | Photo of activity |
|---|---|---|---|---|
| Lessons | Eco-Mother activities | Mothers well-versed in environmental issues visit nursery schools across the Kyushu region, teaching children about the importance of environmental friendliness through paper puppet plays and other activities. | Approx. 110 visits<br>Approx. 5,900 participants |  |
| Lessons | On-demand lessons | Students from elementary school to university are taught about the environment and energy, including topics such as climate change and how electricity is produced. | Approx. 290 lessons<br>Approx. 8,800 participants |  |
| Experiences | Kyuden Play Forest | Elementary school students are taught the importance of valuing the environment through experiential learning events at forests throughout the Kyushu region. | 5 events<br>Approx. 500 participants |  |
| Experiences | Environmental education events at the Kuju Kyuden Forest | Children are offered forestry and woodworking experiences at the Kuju Kyuden Forest (Takeda City, Oita Prefecture) to teach them the importance of valuing the environment. | 2 events<br>Approx. 100 participants |  |

## ●Environmental Activities Led by the Kyuden Mirai Foundation

### Environmental Conservation Activities at the Kuju Bogatsuru Marshlands

Located in the west of Oita Prefecture, the Kuju Bogatsuru Marshlands are approximately 53 hectares of high-altitude marshlands surrounded by the Kuju mountain range. They are home to rare ecosystems because of the diverse geological and topographical features of the land.
To protect the natural environment of the marshlands, Kyushu Electric Power (Kyushu EP) works with the Ministry of the Environment, Taketa City, the Kuju Nature Preservation Society, and other local organizations. Together, they conduct controlled burning, activities to protect rare plants, and activities to protect the Kyushu azalea found on the adjacent, company-owned Mt. Hiijidake. As a result, in 2005, the Kuju Bogatsuru Marshlands were listed as part of the Ramsar Convention, an initiative that aims to protect wetlands of international importance.
These activities have been led by the Kyuden Mirai Foundation since FY2016. Currently, the foundation is working to enhance its activities through various measures, such as training people who can lead future controlled burning activities.

### Environmental Education Using Company-owned Forests

Using the rich nature of Kyushu EP's Kuju Kyuden Forest—located near Yamashita Lake in Yufu City, Oita Prefecture—the Kyuden Mirai Foundation is working with Kyushu Rinsan to host experiential environmental education events. Although the majority of planned events were suspended in FY2021 due to the COVID-19 pandemic, a total of 103 individuals were able to participate in two events. (Total no. of participants in FY2016–FY2020: Approx. 6,000)
These activities aim to heighten awareness of environmental conservation among children, and in turn promote future environmental conservation activities in the Kyushu region. The programs combine lessons about the current state of global warming and the role of forests with forestry experiences, forest observation, and woodworking classes.

### Environmental education activities at the Kuju Kyuden Forest


Forest class


Forestry experience


Forest observation

### Kyuden Future Forest Project

To extend the environmental education and environmental protection activities we conduct at the Kuju Kyuden Forest to the rest of the Kyushu region, through the Kyuden Future Forest Project we are working to create forests that can become hubs for environmental education and community interaction.
As a first step, in January 2022 we signed partnership agreements with Nagasaki Prefecture and Isahaya City for the creation of the Isahaya Kyuden Future Forest.
From FY2022 onwards, we will engage in efforts to create new forests with children and other individuals from our regional communities and together work to achieve carbon neutrality.

Isahaya Kyuden Future Forest (artist's impression)

Tree-planting ceremony to commemorate the partnership agreement

### Grants for Activities That Teach Children the Importance of Nature

To support the healthy growth of children who will lead the future of Kyushu, the Kyuden Mirai Foundation provides grants to NPOs and other organizations involved in activities to support the development of the next generation. In FY2021, the Foundation welcomed applications from organizations offering activities that teach children the importance of nature—it received 22 grant applications, and after a selection process by a screening committee, awarded grants to support 11 activities. For activities in FY2022, the Foundation has already decided on grants for 14 activities after receiving 55 applications.
The Foundation also aims to widely communicate the excellent work of each of its grant recipients by reporting on their activities. Details on these activities and the thoughts that go into them are posted on the Kyuden Mirai Foundation's Facebook page and other channels.

#### Examples of Grant Applications

Nature experience activities that provide participants with the chance to learn about the importance of forests and the creatures living in them through forest walks and nature observations.

Nature experience activities that help participants become more familiar with nature through agricultural experiences and the protection/nurturing of rare plants and animals.

Eco activities that teach participants the importance of resources through recycling workshops. These include making soap from waste oil, creating recycled scourers, and turning food waste into compost.

### FY2021 Grant Recipients

Name of organization: Kagoshima Bonfire Laboratory (Kagoshima Prefecture)
Name of activity: Bamboo Class

Parents and their children attend classes about bamboo and bamboo harvesting, and then make bamboo products using bamboo they have harvested from the mountain themselves.

Name of organization: ABC Outdoor Education Center (Oita Prefecture)
Name of activity: Expeditions to Forests and Valleys in Bungo-Ono

Participants join nature observations and activities in the forests and valleys of the Sobo-Katamuki-Okue Biosphere Reserve.

Name of organization: Kojinomori Kodomo no Jikan (Miyazaki Prefecture)
Name of activity: Children and Nature—Tree-planting and Nature Observation

Local children come together to learn about tree planting at a forest in Kamizuru Town and for nature observations, photography sessions, and photography exhibitions with an insect photographer.

## ●Sustainability Activities Using Company-owned Forests

Together with Kyushu Rinsan, Kyushu Electric Power (Kyushu EP) is engaged in the maintenance and management (a cycle of planting, trimming, planting, etc.) of 4,447 hectares of company-owned forests mainly in Oita Prefecture.
Forests owned by Kyushu EP date back to 1919, when the company's predecessor Kyushu Hydroelectricity sought to secure a stable source of water for its hydroelectric power generation. It thus took to nurturing forests along mountain ridges in Kyushu, which at the time were plain, open fields. The year 2019 marked 100 years since the forest development began.
In 2005, the Kyuden Group was the first electric power company in Japan to acquire FSC® Certification (FSC-C018956; Forest Stewardship Council®; headquarters in Germany) for its environmentally friendly forest management. In these and other ways, the Kyuden Group has received wide acclaim for its forest management activities.
Looking ahead, Kyushu EP will work to maintain and improve the beneficial functions of forests—watershed protection (a mechanism whereby forests retain water to regulate river volumes), $CO_2$ absorption, and others—to contribute to the creation of a sustainable society.

In FY2021, environmentally friendly maintenance and management of company-owned forests led to the absorption and fixation of approximately 26,000 tons of $CO_2$. Approximately 10,000 tons of this is expected to be used for the creation of J-Credits.
We plan to create around 110,000 tons' worth of J-Credits by FY2028.

A company-owned forest by Yamashita Lake in Yufu City, Oita Prefecture

When converted to $CO_2$, the amount of carbon fixated in company-owned forests is thought to be around 1.308 million tons (as of March 31, 2022)

## ●Participation in the 30by30 Alliance for Biodiversity

To play our part in achieving the global 30by30 target,* we have submitted an application to join the 30by30 Alliance for Biodiversity set up by Japan's Ministry of the Environment. In the future, we will hold discussions with the Ministry of the Environment on ways to have our company-owned forests recognized as "other effective area-based conservation measures"—that is, areas that contribute to the protection of biodiversity.

*The 30by30 target is one of main targets of the proposed post-2020 global biodiversity framework, which is set to be approved at the Conference of the Parties to the UN Convention on Biological Diversity, scheduled to be held later this year. It is a worldwide initiative that aims to designate 30% of both land and ocean as protected areas by 2030.

# Pollution Prevention

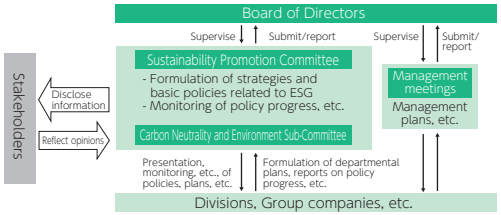
## Policy and Approach

In the operation of our power plants and other facilities, we ensure thorough compliance with laws and ordinances, as well as the environmental conservation agreements we have concluded with our local governments. We also monitor our waste gas, wastewater, and other emissions, and report the results to our local governments to maintain strict management of our surrounding environments.
Further, based on the relevant laws and ordinances, we undertake appropriate management of the chemical substances handled at our power plants and other facilities.

## Promotion Framework

Underneath the Sustainability Promotion Committee is the Carbon Neutrality and Environment Sub-Committee. From a specialized standpoint, this Sub-Committee discusses all matters related to environmental issues.
The Sub-Committee also conducts management reviews of strategies and risks regarding pollution prevention, and is continuously involved in work to prevent air and water pollution.

■Kyuden Group Environmental Management and Promotion Framework




■Sustainability Promotion Committee

| Structure | Frequency |
|---|---|
| Chairperson: President<br>Vice-chairperson: Director in charge of ESG<br>Committee members: External directors, executive directors of relevant divisions, etc. | Twice yearly in principle, and additionally as necessary |

■Carbon Neutrality and Environment Sub-Committee

| Structure | Frequency |
|---|---|
| Chairperson: Director in charge of ESG<br>Vice-chairperson: Executive Director of Corporate Strategy Division and Executive Director of the District Symbiosis Division<br>Committee members: Directors of relevant divisions, etc. | Twice yearly in principle, and additionally as necessary |

## Targets

■FY2021 Targets and Achievements

| Item | Targets and Achievements |
|---|---|
| Steady implementation of measures to reduce SOx and NOx | ・Comply with agreement standards for each power plant<br>・Ensure appropriate operation and management of desulfurization/denitrification equipment and wastewater treatment facilities |
| Steady implementation of measures to preserve water quality | |

■FY2022 Targets

| Item | Targets |
|---|---|
| Steady implementation of measures to reduce SOx and NOx | ・Comply with agreement standards for each power plant<br>・Ensure appropriate operation and management of desulfurization/denitrification equipment and wastewater treatment facilities |
| Steady implementation of measures to preserve water quality | |

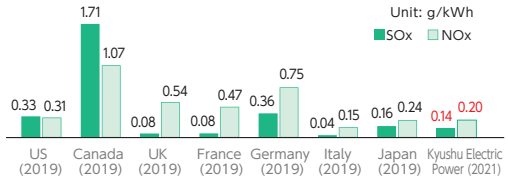
## Initiatives

### ●Protecting Environments in Local Communities

#### Air Pollution Countermeasures

Although sulfur oxides (SOx) and nitrogen oxides (NOx) are emitted at our thermal power plants, through use of flue gas desulfurization/denitrification equipment, we work to remove as much we can from our emissions to play our part in preventing air pollution. Thanks to highly efficient operations and other efforts at our thermal power plants, emissions in FY2021 were on par with the previous year.

■Comparison of the SOx and NOx Emissions per kWh of Thermal Power Generated Among Leading Nations

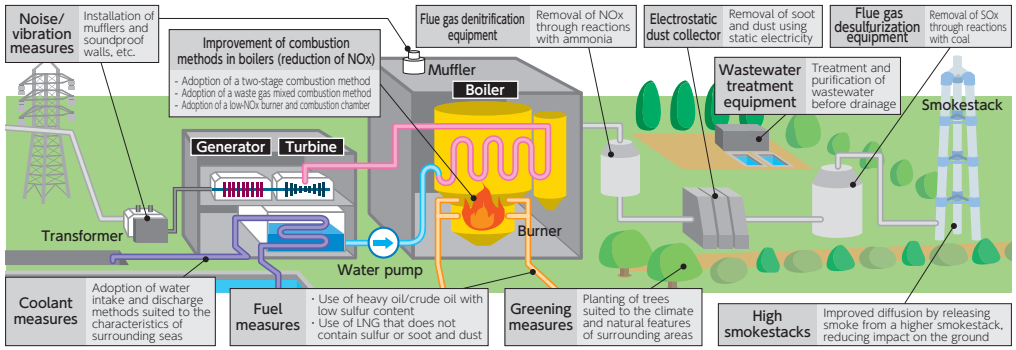



Source (Overseas/Japan): Energy and Environment 2021 (Federation of Electric Power Companies of Japan)

■Overview of Air Pollution Countermeasures

| | |
|---|---|
| Measures to reduce SOx | ○ Use of heavy oil/crude oil with low sulfur content<br>○ Use of LNG that does not contain sulfur<br>○ Installation of desulfurization equipment to remove SOx from waste gas<br>○ Adoption of an in-furnace desulfurization system to remove SOx from inside boilers |
| Measures to reduce NOx | ○ Improvement of combustion methods in boilers, etc.<br>・Adoption of a two-stage combustion method<br>・Adoption of a waste gas mixed combustion method<br>・Adoption of a low-NOx burner and combustion chamber<br>○ Installation of denitrification equipment to remove NOx from waste gas |
| Measures to reduce soot and dust | ○ Use of LNG that does not generate soot or dust<br>○ Installation of a high-performance dust collector to remove soot and dust from waste gas |

■Environmental Conservation Measures at Thermal Power Plants




#### Management of Chemical Substances

The chemical substances handled at power plants and other facilities operated by us are appropriately managed based on the relevant laws and ordinances.

・**Asbestos**
In line with relevant laws and ordinances, we have carried out the necessary work for sprayed asbestos, and for all locations in which asbestos was used, measures have been taken to prevent dispersal.
For products that contain asbestos, we use regular inspections and repair work as opportunities to replace them with asbestos-free options. Further, when dismantling buildings and facilities, we enforce measures to prevent asbestos dispersal in line with laws and ordinances, and ensure appropriate disassembly, transport, and disposal.

・**PRTR system***
As part of the PRTR system, we investigate and record the released and transferred amount of designated chemical substances based on the annual volume we handle. In addition to submitting reports to the government, we also voluntarily announce our results to the public.

*A system whereby businesses record the amount of designated chemical substances that are released outside their worksite either through emissions or waste. Businesses must then submit reports to the national government via their respective prefectures. Based on the data and estimations provided by each business, the national government then calculates and announces the total amounts released and transferred.

# Resource Recycling

## Policy and Approach

In line with the Kyuden Group Environmental Charter, at the Kyuden Group we are working to create a recycling-oriented society. To do so, we conduct zero-emissions-from-waste activities that promote the 3Rs (reduce, reuse, and recycle), as well as green procurement activities that aim to ensure the procurement of environmentally friendly products and materials.

As a measure to combat climate change and reduce our $CO_2$ emissions, in response to the recent global plastic pollution problem, we are moving forward with efforts to sophisticate our recycling of waste plastics that are generated through our business activities, shifting from the burning of plastics to material and chemical recycling.

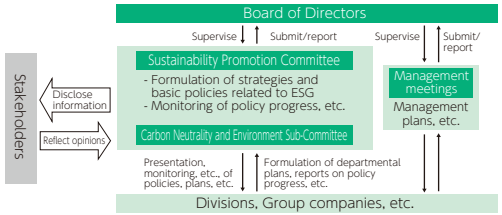
We are also engaged in gradual efforts to complete disposal of PCB waste within the legal time period.

## Promotion Framework

Underneath the Sustainability Promotion Committee is the Carbon Neutrality and Environment Sub-Committee. From a specialized standpoint, this Sub-Committee discusses all matters related to environmental issues.

The Sub-Committee also conducts management reviews of strategies and risks regarding resource recycling, and is continuously involved in work to ensure thorough and appropriate management of industrial waste.

■Kyuden Group Environmental Management and Promotion Framework




■Sustainability Promotion Committee

| | | |
|---|---|---|
| Structure | Chairperson: President<br>Vice-chairperson: Director in charge of ESG<br>Committee members: External directors, executive directors of relevant divisions, etc. | Frequency<br>Twice yearly in principle, and additionally as necessary |

■Carbon Neutrality and Environment Sub-Committee

| | | |
|---|---|---|
| Structure | Chairperson: Director in charge of ESG<br>Vice-chairperson: Executive Director of Corporate Strategy Division and Executive Director of the District Symbiosis Division<br>Committee members: Directors of relevant divisions, etc. | Frequency<br>Twice yearly in principle, and additionally as necessary |

## Targets

■FY2021 Targets and Achievements

| Item | Targets | Achievements |
|---|---|---|
| Appropriate management and disposal of industrial waste | Coal ash recycling rate: 100%<br>Recycling rate of waste other than coal ash: 98% | Coal ash recycling rate: 100%<br>Recycling rate of waste other than coal ash: 98% |
| Scheduled and appropriate disposal of PCB waste | Appropriate disposal based on schedule | Disposed of as per schedule<br>(Waste treated in FY2021: 934.1 tons) |
| Green procurement | Procure environmentally friendly materials in line with the Green Procurement Guidelines | Procured as per schedule<br>(FY2021 green procurement rate: 97%*) |

*Office supplies, etc., procured by the Kyuden Group

■FY2022 Targets

| Item | Targets |
|---|---|
| Appropriate management and disposal of industrial waste | Coal ash recycling rate: 100%<br>Recycling rate of waste other than coal ash: 98%<br>(Of which waste plastic recycling rate: 90%*1) |
| Scheduled and appropriate disposal of PCB waste | Appropriate disposal based on schedule |
| Green procurement | Green procurement rate: 95%*2 |

*1 FY2021 plastic recycling rate: 67%. Combined total for the Kyuden Group. Kyushu Electric Power (Kyushu EP) (186 t/year) and Kyushu Transmission and Distribution (Kyushu T&D) (68 t/year) are not large-scale waste generators (250 t/year or more) as defined in the Plastic Resource Circulation Act.
*2 Office supplies, etc., procured by the Kyuden Group

## Initiatives

### ●Initiatives for a Recycling-oriented Society

**Zero-emissions-from-waste Activities**

**· Industrial waste**

Industrial waste generated by the Kyuden Group includes byproducts of thermal power generation (coal ash and gypsum) and materials removed and generated from construction work. In addition to ensuring appropriate management and disposal of this industrial waste, we also practice the 3Rs—reduce, reuse, and recycle.

**[Efforts to Reduce Waste]**

At power plants operated by Kyushu EP, we undertake careful maintenance and risk management of power generation facilities. Through the formulation and implementation of appropriate construction plans in line with the above, we are working to reduce the amount of waste we generate.

**[Efforts to Reuse Waste]**

For power equipment and materials that are removed during power distribution work, Kyushu T&D assesses whether our performance and quality meets the requirements for reuse. Equipment and materials that meet the requirements are then reused.

**· General waste**

General waste generated by Kyushu EP includes used paper and dam driftwood. In addition to appropriate management and disposal of this waste, the company practices the 3Rs.

**Green Procurement**

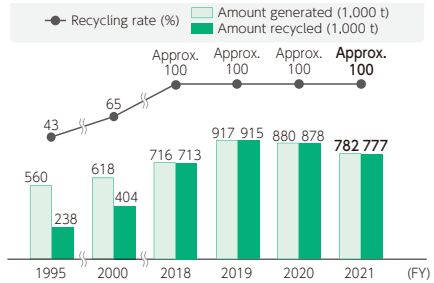
At the Kyuden Group, in FY2002 we introduced a Green Procurement System that aims to ensure we only purchase environmentally friendly products and materials. And so, through collaboration with our clients, we are making every effort to procure environmentally friendly products and materials.

**Appropriate Management of PCB**

Electronic equipment we own that use a high concentration of PCBs are systematically detoxified at Japan Environmental Storage & Safety Corporation's PCB waste treatment facilities.

Further, for electronic equipment that uses only a small amount of PCB pollutant, we undertake scheduled detoxification treatment at certified disposal companies. Until its disposal, PCB waste is strictly stored and managed in line with the Waste Management and Public Cleansing Law and others.

■Amount of Industrial Waste Generated and Recycling Rates




**[Efforts to Recycle Waste]**

In FY2021, the Kyuden Group recycled nearly all of the 780,000 tons of industrial waste we generated.

As a result of its unique properties, all coal ash—which accounts for the majority of this industrial waste—is effectively used as a raw material in the creation of cement.

■Amount of General Waste (Used Paper, etc.) Generated and Recycling Rates (FY2021)

| | Amount generated (t) | Amount recycled (t) | Recycling rate (%) | Main uses |
|---|---|---|---|---|
| Used paper | 985 | 979 | 99 | Recycled paper |
| Shellfish | 1,352 | 434 | 32 | Subbase material |
| Dam driftwood | 2,189 | 2,172 | 99 | Alternative to straw litter |

■Amount of Toxic Waste (PCB Waste) Treated

Unit: tons

| | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|
| High concentration | 0.9 | 0.5 | 0.01 | 153.14 |
| Low concentration | 399.9 | 570.4 | 237.9 | 781.0 |
| Total | 400.8 | 570.9 | 237.9 | 934.1 |

# Water Resources

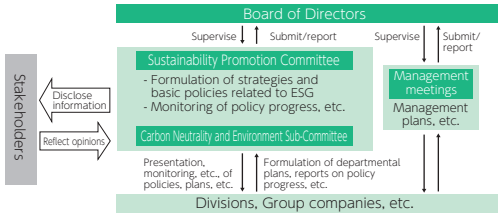
## Policy and Approach

Water resources are fundamental to the Kyuden Group's business activities. At our thermal power and nuclear power plants, we use large amounts of water as coolants and for other uses. As such, limitations on water supplies due to droughts or other issues are expected to have huge impacts on the Group's businesses.
As a business that uses water resources, we will continue to comply with permitted amounts of water intake based on relevant laws and ordinances, and are working to reduce the amount of water we consume by, for example, recirculating water at our power plants.
Further, each of our worksites and Group companies is engaged in water-saving efforts at their offices to reduce the total amount of water consumed.

## Promotion Framework

Underneath the Sustainability Promotion Committee is the Carbon Neutrality and Environment Sub-Committee. From a specialized standpoint, this Sub-Committee discusses all matters related to environmental issues.
The Sub-Committee also conducts management reviews of strategies and risks regarding water resources, and is continuously involved in work to reduce the amount of water we consume.

■Kyuden Group Environmental Management and Promotion Framework




■Sustainability Promotion Committee

| | | |
|---|---|---|
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■Carbon Neutrality and Environment Sub-Committee

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## Targets

■FY2021 Targets and Achievements

| Item | Target | Achievement |
|---|---|---|
| Reduction in use of service water | Less than the previous year (33 m³/person*) | 30 m³/person* |

*We engaged in efforts to reduce use of water for daily use at our offices.

■FY2022 Targets

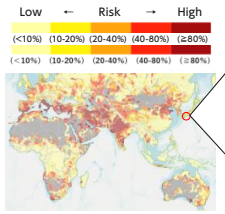
| Item | Target |
|---|---|
| Water usage per employee | Less than the previous year |

## Initiatives

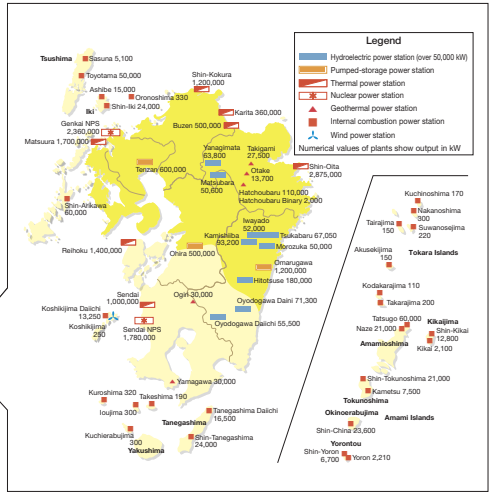
The industrial water used at our power plants is taken, within the scope of water intake limitations, from rivers and other sources. Elsewhere, we are working to reduce the amount of new water supplies by recirculating water during power generation shutdowns and normal operation. We also use seawater as indirect cooling water for our power generation facilities, and ensure appropriate management by monitoring temperature differences and other factors in the water we intake and discharge.

### ●Water Risk Assessments

We have also determined the current and future level of water stress in regions in which our facilities are located using the WRI Aqueduct (3.0) tool, which is used to specify water-related risks. According to the Baseline Water Stress results, in the Kyushu region where Kyushu Electric Power (Kyushu EP) operates power plants using freshwater and seawater, at most, the water stress level is Low-Medium. As such, it is thought that the frequency of water-related risks such as droughts is low.
Although water risks are low, water resources are essential for the power generation businesses of the Kyuden Group, and as such we conduct the following risk management activities.
In the hydroelectric power generation businesses, we discharge the necessary amount of water to maintain the river environment downstream from the dams and weirs of our hydroelectric power plants. In addition, when drawing water from rivers for our power generation, we ensure strict compliance with permitted amounts of water intake based on relevant laws and ordinances.
Further, when river levels are predicted to rise due to heavy rainfall, we discharge water from our dams in advance based on flood control agreements we have concluded with national and local governments. In this way, we also play a key role in regional disaster prevention by reducing damage from heavy rain.
To maintain the quality of the water required for power generation at our thermal power plants, we must take in a certain volume of water from locations outside the power plant. In addition to ensuring proper, daily management of this intake volume, we are also working to reduce our water intake by collecting and reusing the water used for power generation. Further, in the event of restrictions on water intake due to water shortages or other factors, we make every effort to ensure continued thermal power plant operations by ensuring effective use of water stored on-site, taking water-saving measures, and examining alternative intake methods. Moreover, both our thermal power and nuclear power generation facilities use seawater as indirect cooling water, and so we continuously monitor water temperature differences and other factors.




*Created by the Kyuden Group based on Aqueduct Water Risk Atlas/Baseline/ Water Stress (current as of July 31, 2020).
Source: https://www.wri.org/aqueduct
*Kyuden Group facilities shown on the map are current as of March 31, 2022.




### ●Measures to Reduce Water Turbidity in the Hitotsuse River

Shortly after the launch of operations at the Hitotsuse Power Station in 1965, the long-term turbidity of the water around the Hitotsuse Dam increased, negatively impacting downstream irrigation, fishing, and the landscape. In response, in 1974 Kyushu EP installed a selective water intake facility, and has gone on to introduce various other countermeasures.
However, due to successive large-scale typhoons in 2004 and 2005, long-term turbidity that exceeded 100 days was seen for two consecutive years. The year 2005 was particularly bad, with water turbidity continuing for nearly eight months.
In 2008, the Hitotsuse River Turbidity Reduction Plan was put together by the Hitotsuse River System Turbidity Countermeasure Committee (currently the Evaluation Committee), comprising Miyazaki Prefecture, municipalities along the river basin, academics, and Kyushu EP. Currently, all parties concerned are working to reduce long-term water turbidity while monitoring mid- and downstream river environments.
To ensure that information on the river can be communicated to those living near the river basin in real time, we have built a river basin monitoring system that has gone on to receive a high number of views. Looking forward, we will continue working with Miyazaki Prefecture and other concerned parties to implement thorough turbidity reduction measures.


Information on Hitotsuse River water turbidity measures

### ●Stakeholder Dialog

Based on environmental protection agreements, we provide reports to and exchange opinions with local governments and fishery cooperatives on the condition of the waters surrounding our power stations (status of water intake and discharge, etc.).

### ●Violations of Laws and Ordinances Related to Water Intake and Quality

In FY2021, there were no violations of laws and ordinances related to water intake and quality.

# Environmental Management

## Policy and Approach

The Kyuden Group recognizes, as a corporate group whose operations impact the environment, that we need to demonstrate a sincere commitment to caring for the environment.
That is why environmental preservation is a key business focus and why environmental management is promoted across all of our operations, ensuring that the growth of our business does not come at the expense of the environment. And, in order to concretely express our attitude towards, and guiding principles for, environmental action, we have established the Kyuden Group Environmental Charter.

### Kyuden Group Environmental Charter –A Commitment to Environmentally-Friendly Corporate Activity–

The Kyuden Group develops globally-focused initiatives geared towards protecting the earth's environment and cultivating harmonious local coexistence in order to achieve a more sustainable society.

1. We seek appropriate responses to global environmental challenges and to make effective use of resources so that our business activities will contribute to a better future.
2. We strive for harmonious coexistence with society by engaging in activities which will enrich local environments.
3. We work to raise environmental awareness and to become a corporate group that earns the trust of its customers.
4. We are proactive about disclosing environmental information and facilitating communication with the community.

Revised June 2018

### Environmental Action Policies

Based on the Kyuden Group Environmental Charter, our basic policy for the medium-to-long term is aimed at steadily implementing environmental management to balance business operations and environmental preservation, and is made up of five basic pillars: initiatives to address global environmental issues, initiatives to establish a recycling society, local environment preservation, collaborating with communities, and promoting environmental management. In accordance with this policy, we will contribute to the realization of a sustainable society through our environmental activities, while always taking biodiversity into account.

■The Five Pillars of Our Environmental Action Policies

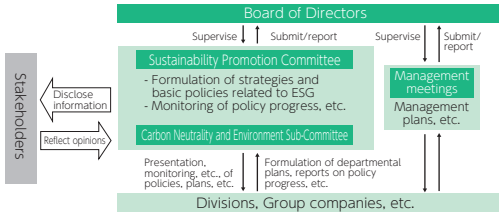

### Environmental Action Plan

Based on the Kyuden Group Environmental Charter, each fiscal year we formulate a Kyuden Group Environmental Action Plan to ensure steady promotion of environmental management. The Kyuden Group Environmental Action Plan comprises our Environmental Action Policies, Environmental Targets, and specific action plans. We also identify priority issues, and in addition to incorporating them into the medium-term management plans of each division, we set and announce targets for each fiscal year, as well as the medium to long term.
Further, through analysis, assessment, and reviews of our environmental activities based on the PDCA cycle, we are working to improve and enhance our environmental initiatives.

## Promotion Framework

To promote carbon neutrality and other ESG-related initiatives, in July 2021 we set up the Sustainability Promotion Committee, which is chaired by the president. In addition to the formulation of strategies and basic policies related to ESG (identification of major challenges), discussions on specific measures, and management of policy progress, the Committee is also tasked with discussing and supervising strategies and risks related to climate change. The Committee meets more than twice yearly, and the results of their discussions are reported without delay to the Board of Directors. The Board of Directors supervises all activities related to ESG.
Underneath the Sustainability Promotion Committee is the Carbon Neutrality and Environment Sub-Committee. From a more specialized standpoint, this Sub-Committee discusses all matters related to environmental issues, including carbon neutrality.
The Sub-Committee also conducts management reviews of environmental management, and reflects the results of its discussions into our Environmental Management System.

■Kyuden Group Environmental Management and Promotion Framework




■Sustainability Promotion Committee

| | | |
|---|---|---|
| Structure | Chairperson: President<br>Vice-chairperson: Director in charge of ESG<br>Committee members: External directors, executive directors of relevant divisions, etc. | Frequency<br>Twice yearly in principle, and additionally as necessary |

■Carbon Neutrality and Environment Sub-Committee

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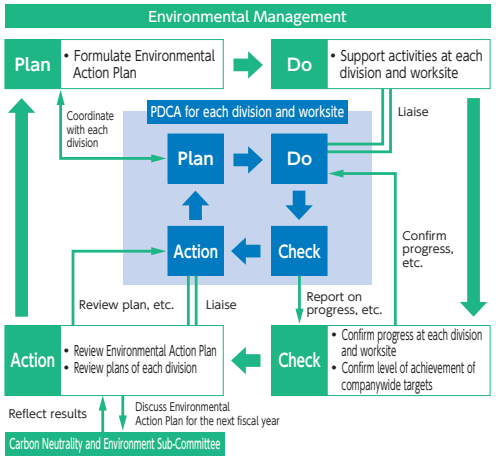
### Environmental Management System

Since 1997, five of our model worksites have acquired ISO14001, while our other worksites implement environmental activities based on systems that conform to ISO14001 standards. We are currently building an Environmental Management System that incorporates ISO14001 approaches, and are promoting environmental activities in an efficient, effective manner. Through this system, and guided by upper management, we formulate, implement, and conducts checks and reviews of the Kyuden Group Environmental Action Plan, which outlines specific measures for steady implementation of environmental management. And, through continuous management reviews at the Carbon Neutrality and Environment Sub-Committee, and in turn steady rotation of the PDCA cycle, we are engaged in constant improvement efforts.

■Kyuden Group Environmental Management System




### Environmental Audits

Through the Internal Auditing Body, the Kyuden Group regularly conducts internal audits on the status of the PDCA cycle for the Group's Environmental Action Plan.
Further, Kyushu Electric Power's Environmental Division checks the level of establishment and operation of environmental management systems at each Group company, as well as their compliance with environmental laws and regulations.

### Environmental Education

At the Kyuden Group we provide environmental education to the environmental management supervisors and those in charge of environmental operations at each worksite and Group company.
An overview of the educational program is provided below.

Host: Environmental Division, Kyuden Electric Power
Targets: Environmental management supervisors and those in charge of environmental operations at each worksite
Frequency: Annual
Content: Environment-related information from Japan and overseas, compliance, appropriate disposal of waste, etc.
Other: Participants undergo comprehension tests following their education

## Full Commitment to Preventing Violations of Environmental Laws or Regulations and Environmental Accidents

Although we implemented thorough measures to prevent violations of environmental laws or regulations and environmental accidents, there was one violation in FY2021. There were no environmental accidents in FY2021.

### Overview of Serious Compliance Violations

・Storage of notices and records related to the handling of special organic solvents

Improvements have already been made regarding the above, and we will again work to thoroughly provide environmental education to the whole group, including on ways to prevent recurrences of the above violation.

# Environmental Targets and Results

## Environmental Targets and Results (FY2021)

In FY2021, we made steady progress with initiatives aimed at achieving fiscal year and medium- to long-term targets.

| Priority initiatives | | | | | Environmental targets | | FY2021 results |
|---|---|---|---|---|---|---|---|
| | | | | | Medium–long-term | Single fiscal year (FY2021) | |
| 1 Initiatives to address global environmental issues | Results | Reduction of $CO_2$ emissions factor | | | Target of the Electric Power Council for a Low Carbon Society<br>About 0.37kg-$CO_2$/kWh*1<br>(FY2030) | 0.288-$CO_2$/kWh (Before Non-Fossil Certificate transaction)<br>(0.435kg-$CO_2$/kWh [After Non-Fossil Certificate transaction]) | • We engaged in efforts to reduce our $CO_2$ emissions factor, such as the proactive development of renewable energy and continued safe, stable operation of our nuclear power plants.<br>FY2021: 0.305 kg-$CO_2$/kWh (before Non-Fossil Certificate transaction); 0.391 kg-$CO_2$/kWh (after Non-Fossil Certificate transaction)*2 |
| | Initiatives | Supply side | Maintenance and improvement of thermal power operational efficiency | | Achievement of benchmark indicators in the Energy Conservation Law<br>A indicator: 1.0 or higher<br>B indicator: 44.3% or higher<br>(FY2030) | A indicator: 0.997<br>B indicator: 43.8% | • Although we managed the performance of each unit and implemented systematic repair and improvement work, due to factors such as a lower thermal power utilization rate, overall thermal efficiency fell by 0.6 points to 44.7% (at the power generation end); figures for our A indicator and B indicator were 0.968 and 42.41% respectively. |
| | | | Achievement of target for non-fossil power sources (including nuclear power and renewable energy) | Non-fossil power source ratio | Targets in the Act on Sophisticated Methods of Energy Supply Structures<br>44% or higher<br>(FY2030) | 45.1% (Before Non-Fossil Certificate transaction)<br>19.11% (After Non-Fossil Certificate transaction)<br>Medium-term target | • At Specific Safety Facilities, we responded appropriately to conformity assessments, and ensured steady implementation of preparatory and building construction work. In this way, we continued with efforts to ensure safe, stable operation of our nuclear power plants.<br>• Operations commenced at the Shimonoseki Biomass Power Station, which was constructed jointly by three Kyuden Group companies including Kyuden Mirai Energy, in February 2022, and the Karatsu Chinzei Wind Farm, which was built by Kyuden Mirai Energy, in November 2021. In these and other ways, the Group worked as one to proactively develop renewable energy.<br>• Our non-fossil power source ratio was 41.0% (before Non-Fossil Certificate transaction) and 29.5% (after Non-Fossil Certificate transaction). Further, the amount of domestic renewable energy developed was 2.5 million kW. |
| | | | | Amount of renewable energy developed | 5,000 MW<br>(FY2030) | Domestic: Steady implementation of renewable energy development plans (+250 MW)<br>Overseas: Steady implementation of renewable energy development plans | |
| | | Demand | Energy-saving | Reduction in energy consumption intensity based on the Energy Conservation Law | −1% per year or higher (recent five-year average) | | • As a result of continuous energy-saving activities, our average energy consumption per unit across the five years FY2017–FY2021 maintained an S Class rank (more than 1% reduction per year) in the Energy Saving Act's business operator class division evaluation system. |
| | | | | Enhancement of services that contribute to energy conservation and $CO_2$ emissions reduction, etc. | (1) Provision of communication services using smart meters<br>(2) Implementation of energy-saving diagnosis activities<br>(3) Examination of LNG bunkering business<br>(4) Overseas initiatives aimed at saving energy and $CO_2$ | | • Regarding LNG bunkering—an effective means of reducing carbon in shipping fuel—we set up a joint venture company with three other companies in February 2022 and determined to commercialize the LNG fuel supply business in the Kyushu and Setouchi areas. Further, we worked to examine and provide services that help to save energy and $CO_2$ through proactive overseas consulting activities and other initiatives. |
| | | | Electrification | Promotion of electrification | Steady implementation of measures to drive electrification, such as the promotion of all-electric homes | | • We promoted activities to popularize all-electric lifestyles, such as through the All-Electric Car mobile marketing vehicle. In addition, in line with COVID-19 restrictions, we hosted non-contact events, such as live-stream IH cooking demonstrations and other online video content, so that customers could participate with peace of mind. |
| | | | | Popularization of EVs | Kyuden Group<br>Wholly electric company car fleet by FY2030<br>(excl. vehicles that cannot be converted into EVs) | Kyuden Group<br>Introduce 43 EVs<br>11% of company car fleet is electric (cumulative)<br>(241 of a possible 2,195) | • The Kyuden Group newly introduced 61 EVs into our company fleet.<br>• Together with Daiichi Koutsu Sangyo and the Sumitomo Corporation Group, we launched a taxi electrification project to commercialize an environmentally friendly, economically efficient taxi business.<br>• Together with Nippon Rentacar Service Inc., Tokyo Century Corporation, and Nippon Car Solutions Co., Ltd, we launched an initiative to use EVs as company vehicles on weekdays and Nippon Rentacar rental vehicles for the public on weekends and public holidays.<br>• We promoted sales of charging control devices for multiple EVs alongside regular charging devices. |
| | | | | | (1) Commercialization of EV services<br>(2) Sales of EV charging equipment<br>(3) Introduction of EV charging equipment in our real estate development business | (1) Examination of EV services<br>(2) Reinforcement of product introduction capabilities in new sales channels (construction hardware stores, electric hardware stores, etc.) (Group Companies)<br>(3) Activities to introduce EV charging equipment in line with customer needs for each business project | |
| | | Promoting the research and development of technologies that contribute to a low carbon society | | | (1) Development of technologies that help to overcome issues with the electrification of large vehicles and promote electrification in the transportation division<br>(2) Development of technologies that contribute to decarbonization, such as those that can reduce $CO_2$ emissions at thermal power plants<br>(3) Development of technologies to maximize use of recycled energy and stabilize power supplies | (1) Development of compact, low-cost large-capacity charge-discharge devices for large vehicles<br>(2) Feasibility assessments aimed at commercializing new mixed biomass fuel<br>(3) Development of a large, fixed energy storage system using used batteries | • We engaged in the research and development of technologies that contribute to a low-carbon society. Specifically, among others, we developed large-capacity charge-discharge equipment for large vehicles, examined how to reuse used lithium-ion car batteries in large, fixed energy storage systems. |
| 2 Initiatives to create a recycling-oriented society | Results | Economic efficiency (sale of unneeded items with value, etc.) | | | 7.2 billion yen or more | 7.2 billion yen or more | • As a result of sales of disused valuables and by-products from our power generation business, our economic efficiency in FY2021 was calculated to exceed our target at approx. 7.7 billion yen. Our environmental efficiency was approx. 52% despite our efforts to reduce waste and promote recycling. |
| | | Environmental efficiency (electricity sales ÷ amount of industrial waste landfill disposal) | | | 110 or higher | 110 or higher | |
| | Initiatives | Proper management and disposal of industrial waste | | | Coal ash recycling rate: 100%<br>Recycling rate other than coal ash: 98% | | • In line with an in-house manual, as a result of appropriate management, treatment, and implementation of the 3Rs with regards to industrial waste, in FY2021, we recycled 100% of coal ash, and approx. 98% of industrial waste other than coal ash, exceeding the targets for both. |
| | | Planned and proper disposal of PCB waste | | | High concentration: Disposal finished by statutory disposal deadlines<br>Trace: Disposal finished by the end of FY2025 | Plan-based proper disposal | • In addition to the appropriate management of PCB waste, we continued with scheduled detoxification treatment in line with legal time periods. |
| 4 Collaborating with society | Initiatives | Environmental conservation | Enhancement of Korabora-Q-den Eco activities | | Percentage of environmental activities as part of Korabora-Q-den:<br>More than the previous fiscal year (92%) (FY2021) | | • After receiving advice from head office on methods to incorporate environmental elements, and on how to discover environmental value, environmental activities accounted for 97% of the total. |
| | | Environment and energy education | Enhancement of Q-den Mirai School activities<br>· Kyuden Play Forest/On-demand lessons<br>· Kuju Kyuden Forest/Eco-Mother activities | | Percentage of environmental education participants whose awareness of environment and energy-related issues improves: More than 90%<br>(Activities using new methods: More than 80%) (FY2021) | | • Following our development of VR content using digital technologies, our on-demand lessons at elementary schools, and other efforts aimed at enhancing each activity and improving participants' awareness of the environment and energy, the percentage of participants whose awareness of environment and energy-related issues improved was 97% (activities using new methods: 97%). |
| | | Communications | Enhancement of communications regarding Korabora-Q-den Eco and Q-den Mirai School activities | | Proactive communication of information regarding environment- and energy-related education | | • In addition to featuring in reports by newspapers, TV channels, and other media outlets, we proactively communicated information through our Facebook page, website, and other channels. |
| 5 Promoting environmental management | Initiatives | Efforts to improve outside evaluation in terms of the environment | | | Improve outside evaluations of ESG activities (CDP, DJSI, MSCI, FTSE, etc.) | | • To ensure effective information disclosure and to contribute to improved outside evaluation, we worked to increase the scope of publication of our environmental data.<br>• At the 30th Global Environment Awards, hosted by the Fujisankei Communications Group, we received the Minister of Economy, Trade and Industry Award for the second time following our recognition in 2018 at the 27th Global Environment Awards. |
| | | Full commitment to preventing violations of environmental laws or regulations and environmental accidents | | | • Zero violations (recommendations for improvement, orders, punishments)<br>• Full and consistent compliance with agreements (except in irregular situations) | | • Despite environmental training and other measures, there was one violation of environmental laws or regulations in FY2021 at a Group company.<br>• There were no environmental accidents or violations of environmental agreements. |
| | | Developing specialized skills relating to the environment | | | Bolstering of training for improving employee understanding | | • We worked to enhance employees' understanding by offering environmental training and comprehension tests to environmental management supervisors and those in charge of environmental operations at each worksite. |

Note: Of the five pillars of our Environmental Action Policies, "(3) Protect environments in local communities" comprises only regular and daily management, and so priority issues have not been identified.
*1 The aim is to achieve this target through the cooperation of the member companies of the Electric Power Council for a Low Carbon Society.
*2 FY2020 results are provisional; the government is set to announce definitive figures in December.

## Environmental Targets and Results (FY2022)

In FY2022 we will continue with efforts to achieve our fiscal year and medium-term targets.

| Priority initiatives | | | | Targets | |
|---|---|---|---|---|---|
| | | | | Medium term (FY2030) | Single fiscal year (FY2022) |
| 1 Initiatives to address global environmental issue | Initiatives | Supply side | Maintenance and improvement of thermal power operational efficiency | Achievement of benchmark indicators in the Energy Conservation Law<br>A indicator: 1.0 or higher<br>B indicator: 44.3% or higher<br>Coal only indicator: 43.0% or higher | A indicator: 0.997 or higher<br>B indicator: 43.7% or higher<br>Coal only indicator: 42.3% or higher |
| | | | Examination and implementation of mixed combustion using carbon-free fuel | Establishment of hydrogen (1%) and ammonia (20%) mixed-combustion technologies | Investigation and examination of hydrogen and ammonia mixed-combustion technologies |
| | | | Achievement of target for non-fossil power sources (including nuclear power and renewable energy) – Non-fossil power source ratio | 44% or higher | Before Non-Fossil Certificate transaction: 28.1%<br>After Non-Fossil Certificate transaction: 21.34%<br>Medium-term target |
| | | | Achievement of target for non-fossil power sources (including nuclear power and renewable energy) – Continued safe, stable operation of nuclear power plants | • Zero unplanned outages<br>• Improvement of facility usage rate<br>Shortened regular inspection periods, etc. | |
| | | | Achievement of target for non-fossil power sources (including nuclear power and renewable energy) – Amount of renewable energy developed | 5,000 MW | Amount developed: +114 MW<br>(Amount already determined*2: 3.23 million kW)<br>*2 Amount expected at the current stage by FY2030 (decision made in FY2022) |
| | | | Shift to next-generation network equipment | Technological research and development for further sophisticated network operation ahead of an increase in adoption of renewable energy | Development of an economically efficient renewable energy output control system |
| | | Demand | Energy-saving – Reduction in energy consumption intensity based on the Energy Conservation Law | −1% per year or higher (recent five-year average) | |
| | | | Energy-saving – Enhancement of services that contribute to energy conservation and $CO_2$ emissions reduction, etc. | (1) Provision of communication services using smart meters<br>(2) Examination of LNG bunkering business<br>(3) Overseas initiatives aimed at saving energy and $CO_2$ | |
| | | | | (4) Promotion of energy-saving measures | |
| | | | | Promotion of energy-saving measures to achieve carbon neutrality | Promotion of energy-saving diagnoses to reduce $CO_2$ and save costs in line with customers' needs |
| | | | Energy-saving – Electrification in each department – Household | Contribution to improved electrification rate in Kyushu<br>Household electrification rate: 70%<br>Commercial electrification rate: 60% | Steady implementation of electrification sales activities to achieve improved electrification rate by 2030 |
| | | | Energy-saving – Electrification in each department – Commercial | | |
| | | | Energy-saving – Electrification in each department – Transportation | (1) Wholly electric company car fleet (excl. vehicles that cannot be converted into EVs) | (1) Introduce 85 EVs<br>16% of company car fleet is electric (cumulative)<br>(344 of a possible 2,185) |
| | | | | (2) Commercialization of EV services<br>(3) Sales of EV charging equipment<br>(4) Introduction of EV charging equipment in our real estate development business | (2) Expansion and promotion of services in line with success of EV sharing and charging services, and EV taxi services<br>(3) Reinforcement of sales activities for local governments and corporations engaged in decarbonization efforts (Group companies)<br>(4) Activities to introduce EV charging equipment in line with customer needs for each business project |
| | | | Energy-saving – Electrification in each department – Regional energy | Early creation of regional energy system business model to ensure optimal management and control of energy | (1) Implementation of needs assessment through interviews with local governments<br>(2) Progressive examinations in potential locations for demonstration |
| | | | Other | Creation of a credit-related business model | |
| | | | Promotion of research and development of technologies that contribute to decarbonization of power sources | (1) Development of technologies that help to overcome issues with the electrification of large vehicles and promote electrification in the transportation division<br>(2) Development of technologies that contribute to decarbonization, such as those that can reduce $CO_2$ emissions at thermal power plants<br>(3) Development of technologies to maximize use of recycled energy and stabilize power supplies | (1) Development of new charger/discharger for large vehicles (low-cost type)<br>(2) Investigation and research on hydrogen/ammonia fuel technologies and CCUS technologies<br>(3) Development of a large, fixed energy storage system using used batteries |

| Priority initiatives | | | | Targets | |
|---|---|---|---|---|---|
| | | | | Medium term (FY2030) | Single fiscal year (FY2022) |
| 2 Initiatives to create a recycling-oriented society | Results | | Economic efficiency (sale of unneeded items with value, etc.) | 7.2 billion yen or more | 7.2 billion yen or more |
| | Results | | Environmental efficiency (electricity sales ÷ amount of industrial waste landfill disposal) | 110 or higher | 110 or higher |
| | Initiatives | | Proper management and disposal of industrial waste | Coal ash recycling rate: 100% | |
| | | | | Recycling rate other than coal ash: 98% | |
| | | | | Waste plastic recycling rate 100% | Waste plastic recycling rate 90% |
| | Initiatives | | Planned and proper disposal of PCB waste – High concentration | Completion of the process by the legal deadline | Plan-based proper disposal |
| | Initiatives | | Planned and proper disposal of PCB waste – Trace | End of FY2025 | |
| | Initiatives | | Promotion of green procurement | Green procurement rate 99% or higher (office supplies) | Green procurement rate 95% or higher (office supplies) |
| | Initiatives | | Reduction in amount of copier paper purchased | Amount of copier paper purchased Less than the previous fiscal year every year | Previous fiscal year: Less than 443 t |
| 3 Protection of regional environments | Initiatives | | Reduction in water supply usage | Water usage per employee Less than the previous fiscal year every year | Previous fiscal year: Less than 30.0 m³/employee |
| 4 Collaborating with society | Initiatives | | Protection of biodiversity | Minimal impact on ecosystems from our business activities | |
| 5 Promoting environmental management | Initiatives | | Efforts to improve outside evaluation in terms of the environment | Top-level external assessment results in the energy sector | Top-level external assessment results in the energy sector |
| | Initiatives | | Full commitment to preventing violations of environmental laws or regulations and environmental accidents | • Zero violations (recommendations for improvement, orders, punishments)<br>• Full and consistent compliance with agreements (except in irregular situations) | |
| | Initiatives | | Developing specialized skills relating to the environment | • As above<br>(Prevent violations of environmental laws or regulations and environmental accidents in advance through continued training for environmental management supervisors and those in charge of environmental operations at each worksite) | |

# Social

# Stable Supply

## Policy and Approach

Our mission and prime social responsibility in the electric power business is to provide safe, dependable and efficient supplies of electricity to our customers. To this end, we accommodate trends in electricity demand through efficient use of our facilities, while taking steps to reduce outages, optimally operating and managing those facilities and swiftly restoring power after disasters. These efforts have enabled us to raise our supply reliability standards while continuing to ensure universal service.

## Promotion Framework

| Process | Managing offices |
|---|---|
| Fuel procurement | Planning & Balance Optimization Division, Kyushu Electric Power (Kyushu EP) |
| Power generation | Hydro Power Division, Thermal Power Division, Nuclear Power Division, Kyushu EP |
| Power transmission and distribution | Distribution Division, Power System Operation & Engineering Division, Transmission & Substation Division, Power Contract Division, Kyushu Transmission and Distribution |
| Retail | Marketing Division, Kyushu EP |

## Targets

### FY2021 targets and results

| Item | Targets | Results |
|---|---|---|
| Safe and stable operation of nuclear power stations<br>Number of severe accidents* | 0 cases | 0 cases |
| Safe and stable operation of nuclear power stations<br>Genkai spent fuel storage measures (re-racking) | Phase 1: Construction scheduled for completion | Phase 1: Construction completed |
| Stable supply of electric power<br>Maintain supply reliability | — | Number of power outages per customer household: 0.07 |
| | — | Length of power outages per customer household: 3 min. |

*Includes the following numbers.
・Number of occurrences of events that are level 1, 2, 3 or higher on the IAEA's International Nuclear Event Scale (INES)
・Number of occurrences of events that are level 3 or higher on the IAEA's International Nuclear Event Scale (INES)

### FY2022 targets

| Item | Targets |
|---|---|
| Safe and stable operation of nuclear power stations<br>Number of severe accidents* | 0 cases |
| Safe and stable operation of nuclear power stations<br>Completion date of the Genkai Nuclear Power Station's Specific Safety Facilities | Construction scheduled for completion in FY2022 |
| Safe and stable operation of nuclear power stations<br>Genkai spent fuel storage measures (re-racking) | Phase 2: Construction scheduled for completion in FY2023<br>Phase 3: Construction scheduled for completion in FY2024 |
| Stable supply of electric power<br>Maintain supply reliability | — |
| | — |
| Average number and duration of power outages per household | Below the average of the past three years |
| Number of public accidents involving electric shocks | Zero |
| Low-cost energy supply | Reduction of power generation costs |
| Electricity sold toother companies | 12.2 billion kWh |

*Includes the following numbers.
・Number of occurrences of events that are level 1, 2, 3 or higher on the IAEA's International Nuclear Event Scale (INES)
・Number of occurrences of events that are level 3 or higher on the IAEA's International Nuclear Event Scale (INES)

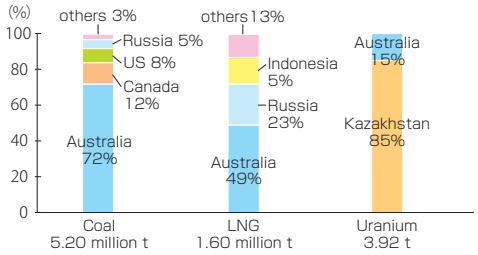
## Initiatives

### Fuel Procurement

#### ● Strengthening Fuel Procurement Capabilities

With the increasing risk of fluctuations in the amount of electricity sold due to the further liberalization and the expansion of the introduction of renewable energy, there is a need to be more competitive in fuel procurement and to upgrade our supply-demand adjustment functions.
To this end, Kyushu Electric Power (Kyushu EP) is actively involved in all areas of the entire fuel value chain, from the development and production of fuel resources (upstream interests) to procurement, transportation, trading, receiving, storage, consumption and sales. By doing so, in addition to reducing procurement prices, we are also further strengthening our flexibility, and we are implementing and considering alliances with other companies in the fields of fuel business development.
In addition, we are striving to increase profits as a group by enhancing our volume-adjustment capability through means such as fuel trading, as well enhancing our supply-demand adjustment capability through integrated operation with electronic transactions.

■Fuel Procurement Status (FY2021)




**Acquisition of upstream interests**
In order to secure a stable supply of fuel over the long term, Kyushu EP has been continuously acquiring upstream interests, including participation in a new uranium mine development and production project in the Republic of Kazakhstan since 2007, a new uranium enrichment plant project in France in 2010, and a new LNG development and production project in Australia in 2011.

**Involvement in fuel transportation**
In LNG transportation, we are striving to reduce transportation costs through the thorough management of and maximized use of the LNG carrier (Pacific Enlighten) owned by Kyushu EP. In coal transportation, we ensure economic efficiency and stable and flexible procurement by appropriately combining multi-year contracts, one-year contracts, and spot contracts, while taking into account market trends in transportation rates.

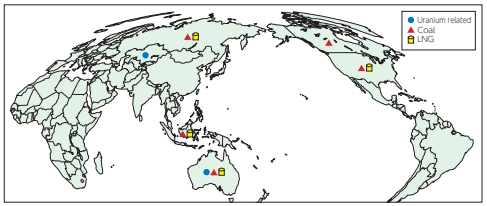
**Establishment of LNG trading subsidiary**
Kyushu EP established an LNG trading subsidiary in April 2022 to utilize its assets such as ships and storage terminals, as well as its trading know-how.
With global demand for LNG expected to increase in order to achieve a carbon neutral society, the subsidiary will contribute to a decarbonized society through the supply of LNG for new demand, and will also work to optimize supply and demand balance, such as LNG vessel allocation and volume adjustments.

**Fuel business field**
In response to the global trend toward stricter environmental regulations, we are striving toward the realization of a low-carbon society through the commercialization of LNG fuel supply to ships (LNG bunkering) , as LNG has a low environmental impact. for which demand is expected to increase.

**Participation in a uranium mining project (Sep. 2007) (Republic of Kazakhstan)**
- Name of mine: Kharassan uramium mine
- Production volume (at time of full production): 5,000 t (MTU/year)
- Priority right to offtake: 50 t (MTU/year)

**Participation in a uranium enrichment plant project (Nov. 2010) (France)**
- Plant name: Georges Bess II Plant
- Production volume: 7,500 t (tSWU) per year

**Participation in an LNG project (Sep. 2011) (Australia)**
- Project name: Wheatstone Project
- Production volume: 8.9 million t per year
- Total offtake: 0.83 million t per year (amount of offtake based on this interest acquisition deal: 0.13 million t per year; long-term offtake contract: 0.70 million t per year)



▲ Major overseas suppliers of fuel (FY2021)

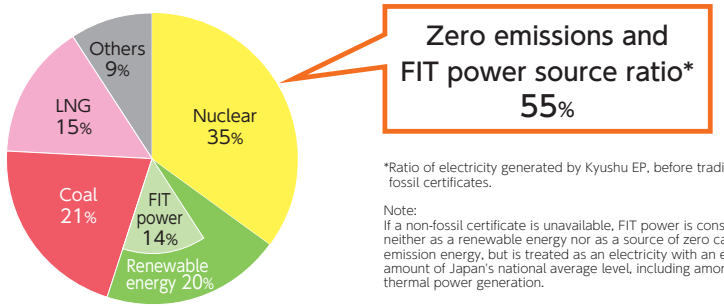
### Power Generation

#### ● Basic Considerations for Power Development Projects

From our perspective on what is needed for the long-term stability of energy as well as the appropriate countermeasures for global warming, Kyushu EP is engaged in the promotion of nuclear power that can be secured safely and assuredly, the aggressive development and introduction of renewable energy such as geothermal and hydro power, and the facilitation of higher efficiency thermal power.
Regarding plans for future power supply development, we will strive to secure power sources that are both competitive and stable, while also consider a balanced power supply development plan based on matters such as trends in the national energy policy.

**Power source composition**
The following is the power source breakdown and status of use of non-fossil fuel energy certificates of Kyushu EP in FY2021.

■Power source composition ratio (kWh)




*Ratio of electricity generated by Kyushu EP, before trading of non-fossil certificates.

Note:
If a non-fossil certificate is unavailable, FIT power is considered neither as a renewable energy nor as a source of zero carbon-emission energy, but is treated as an electricity with an emission amount of Japan's national average level, including among others thermal power generation.

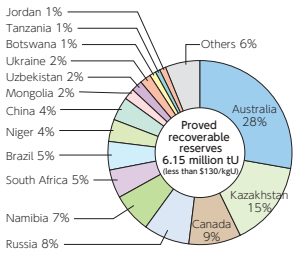
#### ● Importance of Nuclear Power

Nuclear power is positioned as an "important base-load power source" in the government's Strategic Energy Plan, and the "Long-term Energy Supply and Demand Outlook" indicates that nuclear power will account for 20–22% of the power supply in FY2030. Kyushu EP believes that nuclear power that is safely secured will continue to be important due to its comprehensive superiority in terms of ensuring energy security and as a global warming countermeasure.

**Stable supply of fuel**
Since the availability of uranium, the fuel for nuclear power generation, tends not to be limited to only certain regions, unlike oil and natural gas, there is easy access to it, thereby enabling a stable supply of it from the viewpoint of securing resources.
In addition, uranium can be used to generate electricity in smaller quantities than petroleum and other fossil fuels since it can be transported and stored easily.

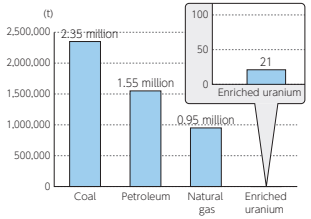
**Response to global warming**
During its power generation process, nuclear power is a power source that does not emit $CO_2$, a major cause of global warming, and thus plays an important role in addressing global warming.
Like nuclear power, solar power and wind power do not emit $CO_2$ during power generation, but there are some challenges faced, such as low utilization rates due to the fact that they are affected by variables in the natural environment.

■World Reserves of Uranium Resources



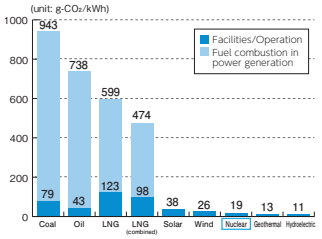

Source: Prepared based on a joint report by the Organization for Economic Cooperation & Development/Nuclear Energy Agency and the International Atomic Energy Agency (Jan. 2019).

■Fuel Required to Operate a 1 million kW Power Plant for 1 Year




Source: Prepared based on "Graphical Flip-chart of Nuclear & Energy Related Topics 2016" by Federation of Electric Power Companies of Japan

■Life Cycle $CO_2$ Emissions of Each Power Source

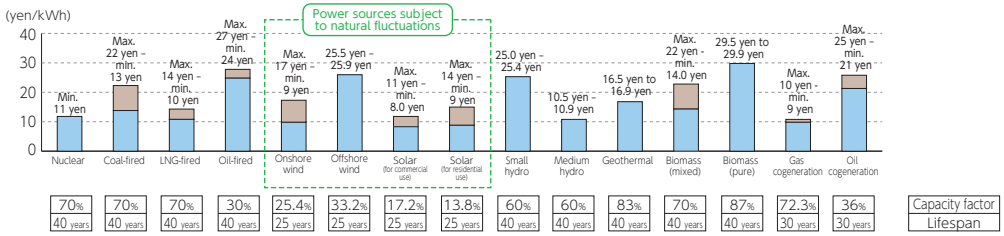



*$CO_2$ emissions are calculated for not only the combustion of fuels for power generation, but also for all phases in which energy is consumed: from the mining of raw materials to the construction of power generation facilities, fuel transportation, refining, operations and maintenance, etc.
Source: Prepared based on a report by the Central Research Institute of Electric Power Industry

**Economic efficiency**

Compared to thermal power generation that uses fossil fuels, nuclear power generation is characterized by the low percentage of the fuel cost in the total cost of power generation, making it less susceptible to fluctuations in fuel prices. It also plays an important role in ensuring a stable supply of electricity, as once it starts generating electricity, it can do so for a long period of time without being affected by weather conditions or time of day.
According to the report for Verification of Power Generation Costs of the Advisory Committee on Energy and Natural Resources in July 2021, nuclear power generation is as economically efficient as other power sources.

■Power Generation Cost per kWh (results of 2030 model plant simulation)



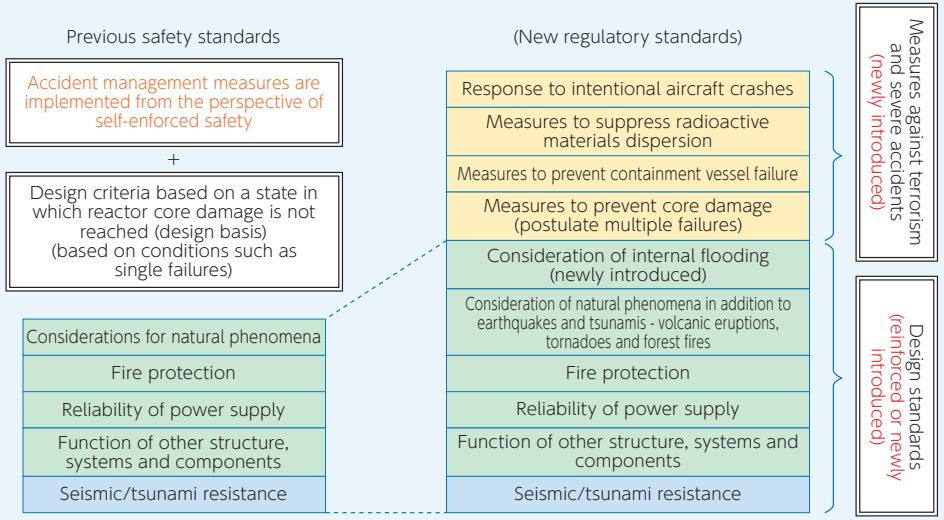

(Notes) • The above calculations are used as reference data for discussions on energy policy that thinks ahead toward 2030, considering matters such as which power sources to focus policy on as based on the cost characteristics of each power source.
• The cost per kWh of constructing and operating new power generation facilities on vacant land in 2030 is a mechanical calculation based on certain assumptions, and is not the cost of operating existing power generation facilities.
• The results regarding costs in 2030 could change if there are changes to the assumptions on which the calculations are based, such as the outlook for fuel costs, the lifespan and capacity factor of the facilities, and the amount of solar power introduced.
• When actually constructing power generation facilities, operators will make comprehensive decisions, taking into account not only the power generation costs shown here, but also the different conditions at each location.
• Power generation costs for power sources subject to changes in the natural environment (i.e., solar and wind) do not take into account the costs of integrating them into the power system that accompany the massive introduction of such power (i.e., costs entailed by lowered efficiency in thermal power generation and the use of pumped water) and the risk of less-common events such as cloudy weather or no wind for certain periods of time.
Source: Prepared based on the Power Generation Cost Verification Working Group, Strategic Policy Committee of the Advisory Committee for Natural Resources and Energy, "Material 1: Discussions Thus Far on Power Generation Cost Verification" (September 2021)

## ●Confirmation of Compliance with the New Regulatory Standards for Nuclear Power Generation

In July 2013, Kyushu Electric Power submitted an application to the government to confirm about whether Sendai Nuclear Power Station Units 1 and 2 and Genkai Nuclear Power Station Units 3 and 4 are compliant with the new regulatory standards.
Sendai Nuclear Power Station Units 1 and 2 were confirmed to be in compliance with the new regulatory standards by the government in FY2015, and Genkai Nuclear Power Station Units 3 and 4 were confirmed to be in compliance with the new regulatory standards in FY2018.

■Overview Draft New Safety Standards for Nuclear Power Stations of the Nuclear Regulation Authority

**Outline of the New Regulatory Standards**




(Prepared using materials released by the Nuclear Regulation Authority on July 3, 2013)

## Further Improvement of the Safety and Reliability of Nuclear Power Generation

In order to prevent the simultaneous loss of safety functions in nuclear power stations due to common causes such as earthquakes and tsunamis, the new regulatory standards have more stringent design criteria for seismic and tsunami resistance performance, reliability of power sources, and cooling systems. In addition, countermeasures against severe accidents have also been sought in order to deal with situations that exceed the conditions on which the design was based.

**1. Reinforced and newly introduced design standards**

**(1) Earthquakes**

- It was confirmed that the site is not located on an active fault.
- Formulation of basic earthquake ground motions
  1) Consideration of active faults in the vicinity of the power plant: 540 Gals (Sendai, Genkai)
  2) Consideration of earthquakes in area south of Rumoi-shicho in Hokkaido: 620 Gals (Sendai, Genkai)

**(2) Tsunamis**

- Based on standard tsunamis, the projected height of tsunamis that could reach power stations:
  6 m above sea level (Sendai), 6 m above sea level (Genkai)
- It was confirmed that the heights of the sites where the main facilities of the power stations are located are sufficiently higher than the height of tsunamis.
  Site height: approx. 13 m above sea level (Sendai), approx. 11 m above sea level (Genkai)

**(3) Natural phenomena, volcanoes, tornadoes, etc.**

- The possibility of a catastrophic eruption of the caldera during the operation of the power plant is assessed to be very low. (Volcanic activity is monitored.)
- Even in the case of volcanic ash fall (thickness: 15 cm in Sendai, 10 cm in Genkai), it was assessed that there would be no impact on safety-critical buildings or equipment.
- In the event of a tornado with a maximum wind speed of 100 m/sec, materials and equipment will be securely tied down and stored in vaults to prevent the occurrence of flying debris (taking into account that the largest tornado ever recorded in Japan had a maximum wind speed of 92 m/sec).

Storage facilities for materials and equipment (Genkai)

**(4) Fire and overflow**

- Installation of automatic fire extinguishing systems and fireproof bulkheads, etc.
- Installation of weirs and watertight doors to protect against water overflow caused by broken tanks and pipes

Water overflow countermeasures (watertight door)

Automatic fire extinguishing system (halon fire extinguishing systems)

**2. Severe accident countermeasures**

**(1) Measures to prevent reactor core damage**

- Diversification of power supply methods
  - Installation of equipment such as large-capacity air-cooled generators to prepare for situations in which external power sources and permanent emergency power sources are lost.
- Diversification of cooling methods for nuclear reactors
  - Deployment of equipment such as portable pumps in addition to the permanently installed pumps
    (1) Water injection into the reactor and steam generator by portable injection pump
    (2) Water injection into the reactor by a permanently-placed electric injection pump
    (3) Water injection into the reactor by a containment splay pump
    (4) Seawater supply to the reactor auxiliary cooling system by a mobile large-capacity pump truck

**(2) Measures to prevent containment vessel failure**

- Diversification of cooling methods for containment vessels
  - Deployment of equipment such as portable pumps in addition to the permanently installed pumps
    (1) Containment vessel sprayed with a permanently-placed electric injection pump
    (2) Containment vessel sprayed with a portable injection pump
    (3) Supply seawater to the containment recirculation unit*1 with a mobile large-capacity pump truck
- Measures to reduce hydrogen concentration
  - In order to prevent hydrogen explosions, equipment has been installed to reduce the concentration of hydrogen when hydrogen is generated in the containment vessel.
    (4) Static catalytic hydrogen recombination system*2
    (5) Electric hydrogen combustion device*3

*1 A device that cools the air in the containment vessel by exchanging heat with cooling water.
*2 A device that uses a catalyst that causes hydrogen and oxygen to react to produce water.
*3 A device that forcibly combusts hydrogen into water using an electric heater.

**(3) Controlling the diffusion of radioactive substances**

- Deployment of mobile large-capacity pumping vehicles and water cannons to discharge water at damaged areas, such as that of containment vessels, as well as silt fences (underwater curtains) to prevent the spread of radioactive substances into the ocean

Large-capacity Air-Cooled Generator

Large-capacity Pumping Vehicle

Static Catalytic Hydrogen Recombination Device

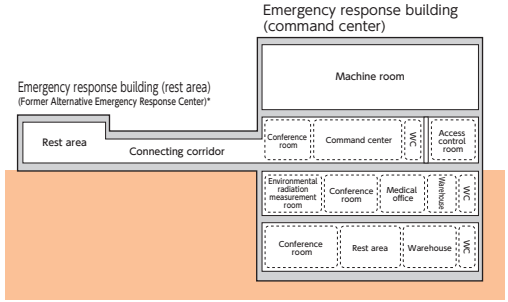
Water Discharge Cannon

**(4) Base facilities for dealing with severe accidents**

- Establishment of an emergency response center
  - Installation of an alternative emergency response center that meets the requirements of the new regulatory standards in terms of earthquake resistance, communication facilities, etc.
  - At Sendai Nuclear Power Station, the installation of an earthquake-resistant emergency response building (command center) with further improved functions has been completed and is now in operation. Construction is currently underway to connect the alternative emergency response center with the emergency response building (command center) via a connecting passageway in order to use it as a break room. Construction of an emergency response building is underway at the Genkai Nuclear Power Station. (As of the end of May 2022)

■ Alternative Emergency Response Center (Genkai)

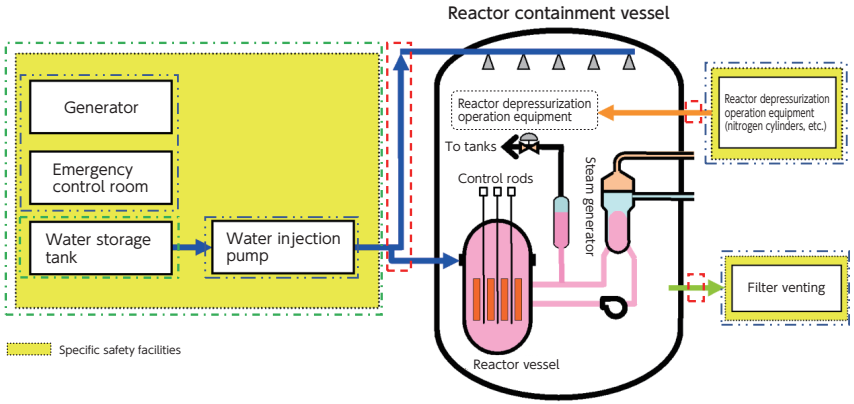
■ Image of the Completed Emergency Response Building (Sendai)




*After the emergency response building (command center) is established, the alternative emergency response center will be connected to the emergency response building (command center) by a connecting corridor and used as a rest area for emergency response personnel.

**3. Specific safety facilities**

- Establishment of facilities that prevent damage to the reactor containment vessel in the event that reactor cooling functions are lost and the reactor core is seriously damaged, due to acts of terrorism such as intentional aircraft crash with the reactor auxiliary building, etc.
  - Construction of the Sendai Nuclear Power Station has been completed and operations have begun. As for the Genkai Nuclear Power Station, the government's review has been completed and construction work is underway. (As of the end of May 2022)




Overview diagram of specific safety facilities

*There is a transitional period of five years from the date of approval of the construction plan for conformity for compliance to the new regulatory standards for the establishment of specific safety facilities.
(Deadlines for transition)
Genkai Unit 3: August 24, 2022
Genkai Unit 4: September 13, 2022

## ●The Securing of Various Kinds of Training for Personnel to Respond to Severe Accidents

Kyushu Electric Power's Sendai Nuclear Power Station Units 1 and 2, as well as Genkai Nuclear Power Station Units 3 and 4 have secured 52 personnel to respond to severe accidents and other incidents in or near the power stations, so that they can respond promptly after work hours or on holidays in the event of a major accident. These 52 personnel are regularly trained according to their roles so that they can respond quickly and assuredly to severe accidents.

■ Status of Training to Respond to Severe Accidents at Nuclear Power Stations

### Power supply training

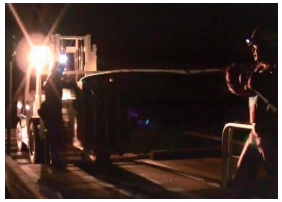

Connecting high-voltage generator truck power cables


Power supply by high-voltage generator truck (nighttime)


Transport of power cables

### Drill for cooling water supply


Placement of mobile large-capacity pump truck


Transport and placement of hoses (nighttime)


Installation of a submerged pump for drawing seawater

### Training for radioactive material diffusion control


Placement of water cannon


Water discharge by water cannon

### Fire extinguishing drills (dedicated firefighting unit)


Training for the possibility of forest fires around the site

### Debris removal training


Removal of debris by heavy machinery

### Operation training for emergencies


Operation using a simulator

### Nuclear emergency preparedness drills


Drills at the emergency response center

## Support for the Evacuation of Residents in the Event of a Nuclear Emergency

Local governments formulate regional disaster and evacuation plans related to nuclear emergency preparedness, and we fulfill our role as a business operator in response to requests from the Regional Nuclear Emergency Preparedness Council, which provides support for the specific implementation and upgrading of these plans.
In addition to the initiatives requested by the Regional Nuclear Emergency Preparedness Council, we are also promoting our own voluntary initiatives that will lead to the further safety and security of residents.

### Main Initiatives Pertaining to the Support of Nuclear Emergency Preparedness

- Securing of welfare vehicles, buses, and drivers, etc., which are in short supply as means of evacuation for people in need of assistance in areas considered Precautionary Action Zones (PAZ) or equivalent to PAZ
- Personnel and equipment support for inspection and decontamination, as well as for monitoring in times of emergency
- Support for the stockpiling of daily necessities (food, bedding, etc.) at radiation protection facilities and evacuation centers
- Fuel supply support to off-site centers, radiation protection facilities, and monitoring posts
- Additional deployment of welfare vehicles to local governments inside of Urgent Protective Action Planning Zones (UPZ)
- Support for improvement of places such as access roads to evacuation roads in areas considered PAZ or equivalent to PAZ
- Improvement of employees' evacuation support skills, including the acquisition of basic knowledge on mobility assistance (employee training)

Based on the conviction that our nuclear emergency preparedness should come under constant review, we will continue to actively participate in the Regional Nuclear Emergency Preparedness Council and strive to continuously improve our initiatives that are based on the findings gained during nuclear emergency preparedness drills organized by the national and local governments, as well as the challenges we face at any given time.


Welfare vehicle (stretcher compatible)


Welfare vehicle (wheelchair compatible)


Inspection and decontamination during evacuations


Fuel supply support for monitoring post


Support for improvement of access roads, etc. (placement of covers on gutters)

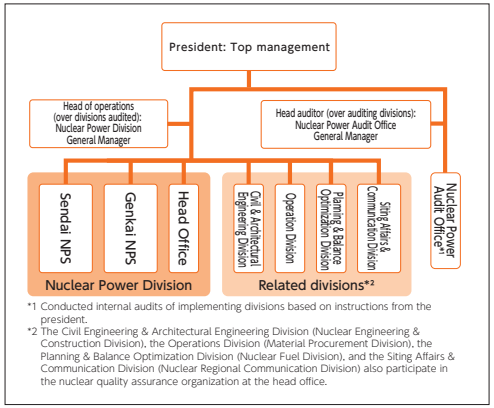

Implementation of employee training

## Safety Management System

**Quality Assurance Activities**
Kyushu Electric Power (Kyushu EP) is working to maintain and improve the safety and reliability of nuclear power stations by accurately implementing safety activities based on the quality management system for nuclear safety headed by the president and steadily making continuous improvements, including risk management to prevent abnormalities.

**Fostering a culture of safety**
We are continuously working to foster and maintain a corporate culture in which each employee can raise awareness of various risks of nuclear power, ask what can be done to improve safety, and demonstrate leadership to improve performance.

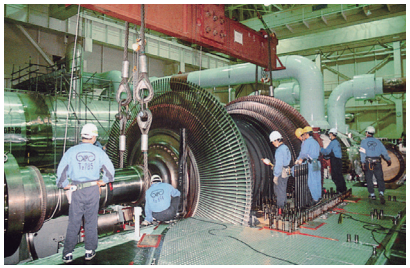
### Quality Assurance System (as of May 31, 2022)




*1 Conducted internal audits of implementing divisions based on instructions from the president.
*2 The Civil Engineering & Architectural Engineering Division (Nuclear Engineering & Construction Division), the Operations Division (Material Procurement Division), the Planning & Balance Optimization Division (Nuclear Fuel Division), and the Siting Affairs & Communication Division (Nuclear Regional Communication Division) also participate in the nuclear quality assurance organization at the head office.

## Maintenance and Management of Nuclear Power Generation Facilities

In order to ensure the safety and reliability of our nuclear power stations, we steadily conduct maintenance and management activities for facilities that adequately fulfill the requirements of laws, regulations, and private-sector standards, and maintain and manage facilities and equipment so that they are ready to perform their prescribed functions.
In addition, maintenance plans for inspection and the repair of individual equipment of nuclear power stations are submitted to the government for confirmation at each operation cycle.
Further, we are continuously making efforts at improving maintenance by enhancing our maintenance programs, which includes the introduction of new maintenance technologies. Along with this, we are making active use of support from outside the company, through means such as seminars offered by the World Association of Nuclear Operators (WANO) and the Japan Nuclear Safety Institute (JANSI) to make further improvements to the safety and reliability of our nuclear power plants.


Periodic inspection

## Establishment of the Nuclear Safety and Reliability Improvement Committee

In April 2020, we established the Nuclear Safety and Reliability Improvement Committee, which is composed of external experts, as a mechanism to obtain opinions from a third-party perspective on efforts to improve the safety and reliability of nuclear power.
Based on the Committee's recommendations, we are working to further improve the safety of nuclear power.

## Radiation Control

### Protection of workers from radiation

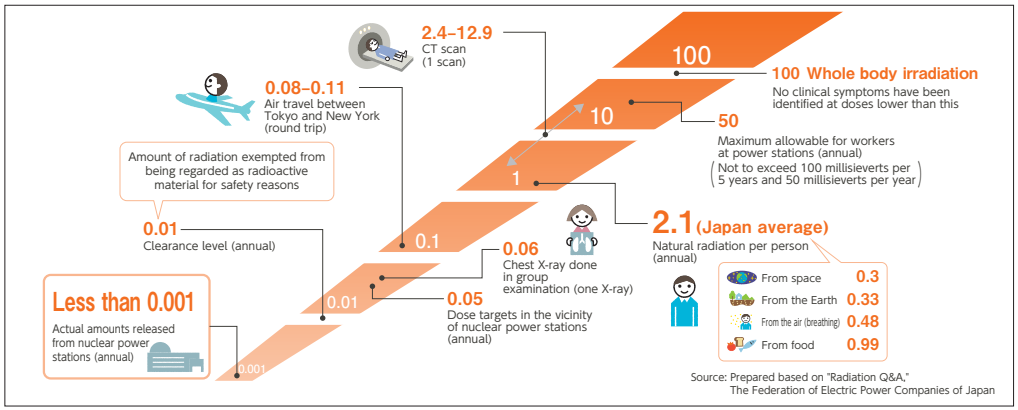
In order to minimize to the extent possible radiation doses to those who work with radiation, at Kyushu Electric Power's (Kyushu EP's) nuclear power stations we have installed equipment to shield them from radiation while working or have the work done by remote control or even automated.
The actual exposure dose received by radiation workers was 0.3 millisieverts on average in FY2021, which is far below the legal dose limit.*

*Annual limit for workers at power stations and other facilities: 100 millisieverts per five years and not exceeding 50 millisieverts per year.

### Environmental radiation control around nuclear power stations

We continuously monitor and measure radiation levels in the vicinity of nuclear power stations, and disclose that data in real time on the website of Kyushu EP. In addition, we regularly measure the radioactivity contained in environmental samples such as soil, seawater, crops, and marine products, and to date, there has been no identification of any environmental impact due to the operation of our nuclear power stations.
The radiation dose received by people in the vicinity of the nuclear power plant is less than 0.001 millisieverts per year, which is far below the legal dose limit of 1 millisievert per year and the target value of 0.05 millisieverts per year set by the former Japanese Nuclear Safety Commission.

### Radiation Levels in Daily Life (unit: millisievert)




Source: Prepared based on "Radiation Q&A," The Federation of Electric Power Companies of Japan

## Management and Disposal of Radioactive Waste

Kyushu EP appropriately manages radioactive waste at nuclear power stations and strives to continuously improve radioactive waste management operations by periodically reviewing the regulatory documents that stipulate management matters.

### Low-level radioactive waste

Waste from nuclear power stations that contains radioactive substances is classified and managed as "low-level radioactive waste." After the waste is treated, the drums in which it is stored in the power station are transported to the Japan Nuclear Fuel Limited (JNFL) Low-Level Radioactive Waste Disposal Center (Rokkasho Village, Aomori Prefecture) for burial and management to ensure that the waste no longer has any impact on the environments in which people live.

### Cumulative Volume of Stored Radioactive Solid Waste (as of the end of FY2021)

Unit: Drums (200-liter drum equivalent)

| | Amount stored in power plant | Amount transported out* |
|---|---|---|
| Genkai NPS | 38,310 (38,148) | 15,816 (14,432) |
| Sendai NPS | 27,767 (27,873) | 640 (640) |
| Total | 66,077 (66,021) | 16,456 (15,072) |

Figures in parentheses indicate figures as of the end of FY2020.
*Amount transported out to the Low-Level Radioactive Waste Disposal Center.

### Treatment Methods for Low-level Radioactive Waste

| State | Treatment methods |
|---|---|
| Gaseous | (1) Attenuation of radioactivity |
| | (2) Measure radioactivity to confirm safety |
| | (3) Release into the atmosphere |
| Liquid | (1) Separate concentrated water from distilled water in the treatment equipment |
| | (2) Concentrated water is solidified with cement or asphalt, packed in drums, and stored in the solid waste storage room at the power station |
| | (3) Distilled water is discharged into the sea after its radioactivity is measured and safety confirmed |
| Solid | (1) The volume is reduced by incineration or compression |
| | (2) Waste is packed in drums and stored in the solid waste storage room of the power station |

### High-level radioactive waste

High-level radioactive liquid waste generated during the reprocessing of spent fuel is melted with glass materials and solidified in a stainless steel container. This is called "high-level radioactive waste (vitrified waste)." Since this waste remains highly radioactive for a very long time, it is cooled and stored for 30 to 50 years at places such as JNFL's High-level Radioactive Waste Storage Center (Rokkasho Village, Aomori Prefecture) before ultimately being safely disposed of in a stable geological formation more than 300 meters underground. As of the end of 2020, a total of 187 units of vitrified waste from Kyushu EP has been accepted by the Center.
As for the location of the final disposal site of high-level radioactive waste, the government is aiming to conduct site selection surveys in multiple regions. The organization taking the lead in this project is the Nuclear Waste Management Organization of Japan (NUMO), a corporation licensed by the Ministry of Economy, Trade and Industry (METI). Since November 2020, NUMO has been conducting a literature survey in Suttsu and Kamoenai in Hokkaido, which is the first step of a phased investigation for the selection of a disposal site (a literature survey, a preliminary investigation, and a detailed investigation).
As a generator of high-level radioactive waste, Kyushu EP is working with the national government and NUMO to provide easy-to-understand information and engage in dialogue with local residents, including local governments, to deepen their interest in and understanding of the project to determine the site of final disposal.

### Decommissioning of Genkai Nuclear Power Station Units 1 and 2

The decommissioning of Unit 1 is now underway following the process of terminating operation on April 27, 2015, gaining approval by the government of the decommissioning plan on April 19, 2017, and receiving prior consent for decommissioning from the local community on July 12, 2017.
Operation of Unit 2 was terminated on April 9, 2019, the decommissioning plan was approved by the government on March 18, 2020, the prior consent for decommissioning was obtained from the local community on June 8, 2020, and decommissioning is now in progress.
Throughout the decommissioning process, we will continue to give top priority to safety.

### Decommissioning Process of Genkai Nuclear Power Station Units 1 and 2

| | Decommissioning decision dates | Decommissioning dates | Dates of approval of decommissioning plan |
|---|---|---|---|
| Genkai Unit 1 | Mar. 18, 2015 | Apr. 27, 2015 | Apr. 19, 2017 (change approved on Mar. 18, 2020) |
| Genkai Unit 2 | Feb. 13, 2019 | Apr. 9, 2019 | Mar. 18, 2020 |

| | Dismantling work preparation period (approx. 10 years for Unit 1 and 6 years for Unit 2) Unit 1: FY2016 (after approval) to FY2025 Unit 2: FY2020 to FY2025 | Atomic furnace peripheral equipment, etc. dismantling and removal period (about 15 years) FY2026 to FY2040 | Atomic furnaces, etc. dismantling and removal period (7 years) FY2041 to FY2047 | Dismantling and removal of buildings, etc. period (7 years) FY2048 to FY2054 |
|---|---|---|---|---|
| Decommissioning process (Unit 1 and Unit 2) | ▼Approval of decommissioning plan | | | |
| | Dismantling and removal of uncontaminated facilities | | | |
| | Survey of contamination status | | | |
| | | Dismantling of low-contaminated equipment | | |
| | Decay of radioactivity in the main body of the reactor unit (safe storage) | | | |
| | | | Dismantling and removal of the reactor unit, etc. | |
| | Removal of nuclear fuel materials from the fuel storage facilities in Units 1 and 2 | | | Dismantling and removal of buildings, etc. |
| | Decontamination | | | |
| | Disposal of contaminated materials | | | |

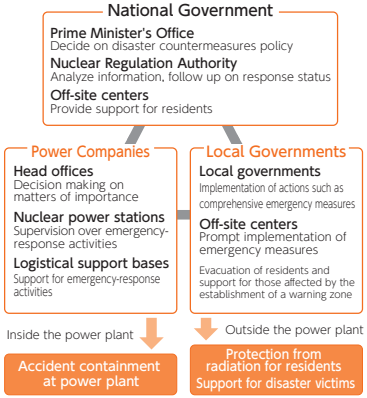
## Nuclear Emergency Preparedness System

Kyushu EP is formulating the Nuclear Operator Emergency Action Plan, which stipulates objectives such as the operations necessary to prevent the occurrence and minimize the scope of a nuclear emergency and to restore operations. As we continue formulation of the Plan while remaining consistent with the regional disaster preparedness plans of the relevant local governments, we are working to bolster our disaster preparedness measures.
If such a nuclear emergency did occur, we will do our utmost to minimize the impact of the accident by promptly reporting and contacting in manner that aids the evacuation of local residents, and by working in cooperation with the National Emergency Response Center. We will also monitor the areas around the power station. In addition, we have enhanced the effectiveness of our disaster-response and emergency-response capabilities by conducting on-site drills. We have also participated in the nuclear emergency drills held by the prefectural government every year to confirm the effectiveness of our nuclear emergency preparedness organization and disaster preparedness measures.

### Major Enhancements in Disaster Preparedness Measures

- Establishment of an emergency response center at the nuclear power stations and a Nuclear Facility Emergency Response Center at the head office; establishment of a system for cooperation with the disaster countermeasures headquarters of the national government and relevant local governments
- Establishment of logistical support bases to support emergency-response activities
- Implementation of nuclear emergency preparedness drills to be ready in case of major accidents

### Response System in the Event of a Nuclear Emergency



## Nuclear Emergency Preparedness Drills

Kyushu Electric Power's (Kyushu EP's) nuclear power stations have taken all possible safety measures to prevent radiation-caused disasters in the surrounding areas. However, in order to respond quickly in the event of a disaster, the national government, local governments, and business operators have each established disaster preparedness plans in accordance with the Act on Special Measures Concerning Nuclear Emergency Preparedness and the Basic Act on Disaster Management, and are working to improve their disaster preparedness systems even during times of normal operations.
Kyushu EP participates in nuclear emergency drills in Saga and Kagoshima prefectures, and conducts drills based on the Nuclear Operator Emergency Action Plan. During this process, we have established an offsite emergency response center at the head office and power plants, and confirmed that we are capable of taking appropriate measures such as reporting and communicating, emergency monitoring, and evacuating of people in need of assistance.


In-house nuclear emergency drill simulating a major accident at Genkai Nuclear Power Station (October 2021)

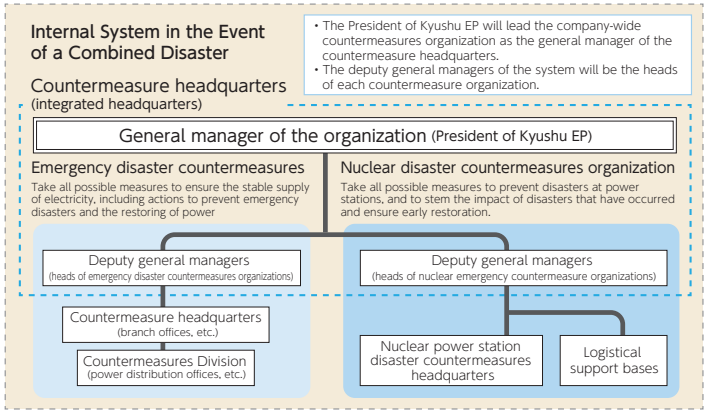
## Initiatives to Pass on Technologies to Ensure the Continued Safe and Stable Operation of Nuclear Power Stations

In order to continue to operate nuclear power plants in a safe and stable matter, it is important for employees to maintain and pass on to other colleagues their technical skills. Kyushu EP is engaged in initiatives that make it possible for employees to maintain and pass on the technical skills that are the very core of on-the-job training in power plant operations and maintenance.
After joining the company, employees are basically assigned to the Operation Section of one of our nuclear power plants, where they are given expansive training on what it takes to operate a plant and what facilities are involved. Those not trained as operators are assigned to various sections that are responsible for matters such as facility maintenance and radiation and nuclear fuel management, so that they can quickly acquire expertise.
In addition, the operation simulators and maintenance training facilities available at the Genkai and Sendai Nuclear Power Station training centers are effectively utilized to provide practical education and training.


Simulator room at the Genkai Nuclear Power Station Training Center

### Responding to combined disasters

Kyushu EP has established an internal system to ensure that in the event of a natural disaster (earthquake, tsunami, etc.) and a nuclear emergency occurring simultaneously (i.e., a combined disaster), the emergency disaster response organization and the nuclear emergency response organization can be integrated into a single countermeasures headquarters in cooperation with Kyushu Transmission and Distribution. Through actions such as company-wide drills, we will examine and improve the effectiveness of the response system and the division of roles in the event of a combined disaster in order to enhance our response capabilities.





Company-wide drills

## Power Transmission and Distribution

### ●Steady Promotion of the Construction of a Transmission System and Systematic Renewal of Facilities

With regard to power distribution facilities, we are working toward the formation of efficient facilities from a long-term perspective by comprehensively taking into account trends in demand, supply reliability, safety and operational aspects of the facilities, and costs.
Kyushu Transmission and Distribution (Kyushu T&D) is working to build a transmission system to prevent widespread blackouts during the planned replacement of aging 500,000 V facilities. Construction of the 500,000 V Hyuga Trunk Cable Line (between Oita and Miyazaki prefectures) began in 2014 and was completed in June 2022.
In light of the progressive aging of facilities originally constructed to meet the growing demand for electric power that accompanied increased economic growth, these facilities need to be kept stable over the long term. So priority is given to the inspection and repair of aged transmission facilities (steel towers, electric wires, etc.), substation facilities (transformers, circuit breakers, etc.), and distribution facilities (utility poles, electric wires, pole top transformers, etc.). In addition, we are also engaged in initiatives to systematically update the facilities.
We are also actively working to improve the accuracy of equipment life estimates that are based on the results of analysis of equipment failure and degradation data, which is reflected in the renewal plans for older equipment.

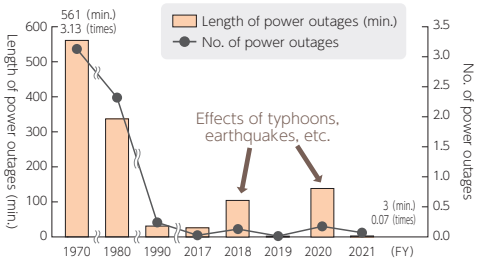
### ●Maintaining and Improving the Reliability of Supply

In order to deliver stable and high-quality electricity to customers and ensure their safety, Kyushu T&D makes a point of routinely conducting patrols, inspections and repairs of facilities, maintaining safe and efficient operations, and developing and improving construction methods.

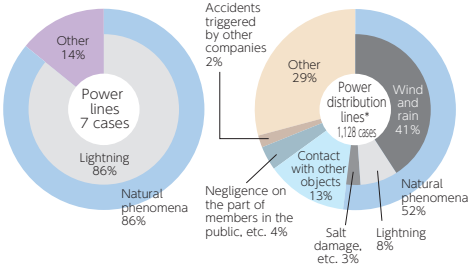
#### Prevention of power outage accidents

In order to prevent power outage accidents on power transmission and distribution lines, we are working to identify dangerous areas in advance and implement countermeasures in ways such as stepping up facility patrols and preventing birds and animals from nesting. In addition, we continuously work to prevent power outage accidents and damage to equipment caused by trees coming into contact with power lines by taking actions such as surveying the distance between power lines and trees and cutting down trees. These are actions taken after securing the understanding and cooperation of the relevant parties.
In addition, we are working to strengthen our facilities to reduce power outage accidents caused by natural disasters such as lightning and typhoons. We also conduct maintenance work that meticulously takes into account the condition of the facilities.

■Number and Length of Power Outages per Customer Household




■Breakdown of Power Outage Incidents (FY2020)



*312 power outage accidents caused by typhoon heavy rain

**Enhancement of operation and management**

Divisions that operates the power system

These divisions monitor power quality such as frequency and voltage as well as grid reliability, and control our equipment with a 24-hour system. During normal operations, depending on the status of facilities and how electricity is being used, these divisions perform shutdown adjustments of power supply operations and the power system, as well as handle grid switching. In the event of a power outage, we take prompt and appropriate measures to minimize the scope of the outage and shorten the duration of the outage through ways such as automatically disconnecting the point of accident from the power system and supplying power via another route.

Divisions that build and manage power generation and transmission facilities

Through the use of IT systems, we have developed a database for the centralized management of all information on facilities and operations. There is also an "equipment record" for each individual piece of equipment—not unlike the patient records kept by hospitals—that enables us to accomplish things such as identifying signs of possible abnormalities at an early stage and spotting and analyzing deterioration trends.

Power distribution divisions

We are striving to maintain the reliability of the supply of electricity by improving our operations by means such as the early detection of accident causes through the analysis of changes in the electrical current at the time of the accident, as well as the use of portable devices in disaster situations to gain a prompt grasp of the situation and work toward recovery. In addition, we are working to minimize the impact on customers by using generator vehicles and other means to conduct power distribution operations that are free of power outages.

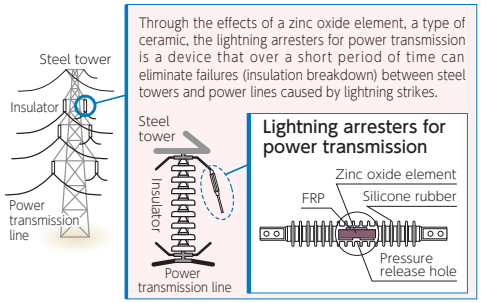
High-voltage generator vehicles

**Measures to reduce instantaneous voltage drop (momentary voltage drop)**

When lightning strikes a power line, the power line is instantly disconnected from the power system to prevent the blackout area from expanding. Over a very short period of time (in most cases, 50 to 200 milliseconds), the voltage of the power system drops (momentary voltage drop), mainly on the power lines that have been struck by lightning. Though the momentary drop in voltage has little effect on the use of things such as home appliances, some equipment that is sensitive to voltage drops may stop working or malfunction.

This phenomenon can be mitigated by reinforcing equipment and speeding up the removal of faults (e.g. by installing lightning arresters for power transmission current limiting arcing horns, etc.), as well as by customers taking vigilant actions to protect themselves (e.g. by installing uninterruptible power sources, etc.).

### Lightning Arresters for Power Transmission




## Promotion of Safe and Disaster-resistant Urban Development

**Prevention of public accidents involving electrical shocks**

During the PR period (twice a year in the spring and winter) and the Electric Safety Month (in the summer), Kyushu Transmission and Distribution (Kyushu T&D) conducts PR activities and requests cooperation from organizations such as civil engineering, construction and crane companies, elementary and junior high schools, boards of education, local governments, police stations, and fire stations to prevent public accidents involving electrical shocks.

In addition, we are strengthening our safety measures by implementing equipment-related measures to prevent public accidents involving electrical shocks that are caused by contact with power equipment.

Furthermore, we distribute various pamphlets to customers and use our website to provide information on the safe use of electricity.


Installation of climbing prevention devices on power transmission towers

Construction industry-targeted pamphlet for the prevention of public accidents involving electrical shocks

### Examples of Equipment-related Measures to Prevent Public Accidents Involving Electrical Shocks

- Tower climbing prevention devices, external fences, and warning signs are installed to deter tower climbing and intrusion into power stations and substations.
- Warning signs are installed at river crossings and other necessary locations to prevent contact with power lines by heavy machinery such as cranes and fishing rods.

PR poster for the prevention of public accidents involving electrical shocks

"How You Can Benefit from Knowing More about Electricity" (Distributed at Kyushu Electric Power)

Electricity guidebook

### Number of Public Accidents Involving Electrical Shocks

| FY | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|
| No. of incidents | 3 | 1 | 1 | 0 | 0 |

*Number of deaths and hospitalizations

**Construction work that places the highest priority on ensuring the safety of customers**

Since electric power facilities such as steel towers, utility poles, and power lines are installed close to the living environments of customers, Kyushu T&D has implemented various safety measures to ensure the safety of customers in the vicinity as the top priority during construction.

### Specific Safety Measures

- People are instructed to not enter work areas through means such as the placement of signs and assignment of staff.
- Installation of barricades
- Installation of nets to prevent objects from falling

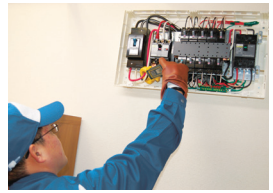

Use of fall prevention nets during work on power lines

**Safety inspection on electrical equipment in the homes of customers**

Inspection committee members from the Kyushu Electrical Safety Inspection Association and the electrical work industry association of each prefecture, commissioned by Kyushu T&D visit customers' homes to conduct inspections on the safety of electrical equipment (once every four years).

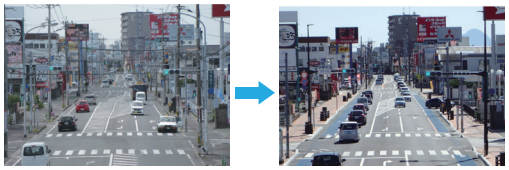
During the safety inspection, efforts are made to ensure the safe use of electricity by conducting leakage inspections, checking for loose screws in distribution boards, and having a look at the earthquake-detection breaker* that prevents electrical fires.

*Breaker that automatically shuts off electricity when it detects an earthquake.


Inspection of distribution boards

**Promotion of power distribution without the use of utility poles**

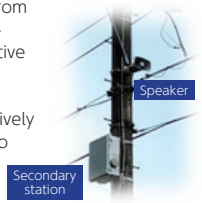
In light of the increasing severity of disasters in recent years, Kyushu Transmission and Distribution (Kyushu T&D) has been promoting the removal of utility poles and lines from major roads (such as emergency transportation roads designated by the government) to prevent the hindering of recovery activities by fallen poles.



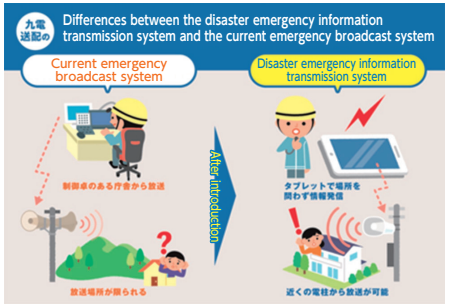
Before the removal of utility poles　After the removal of utility poles

**Disaster emergency information transmission system that utilizes utility poles**

In order to address the issue of the current emergency broadcast system not fully reaching all areas, Kyushu T&D is working on a disaster emergency information transmission system that uses speakers attached to utility poles to deliver disaster preparedness information with clarity to residents.
Pilot testing of the system conducted from January 2020 in Toho Village, Asakura-gun, Fukuoka Prefecture obtained positive results. As such, we began full-scale introduction of the system in this same village in March 2022. We are now actively visiting many municipalities in Kyushu to propose introduction of the system.




System installed on a utility pole



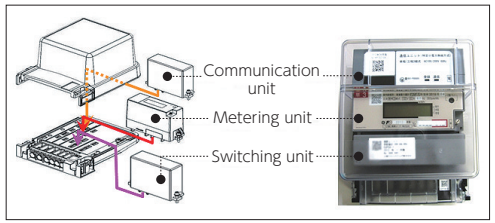

**Promotion of the acquisition of Disaster Prevention Expert certification**

The Kyuden Group holds information sessions on the operation of disaster preparedness equipment and materials for all employees who have moved to the Miyazaki area, which is a region that is expected to suffer significant damage in the event of a Nankai Trough earthquake.
In addition, in order to develop local disaster preparedness leaders and strengthen the resilience of the region, we promote and support employees in the Miyazaki area in order to be certified as disaster prevention experts. (FY2021 results: 24 employees)

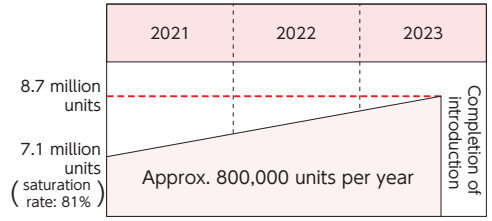
## ●Systematic Introduction of Smart Meters (unit meters)

Kyushu T&D has started to introduce smart meters (unit meters) equipped with communication functions in order to improve the efficiency of business operations and customer service. As based on the government's policy of early introduction of smart meters in response to social needs, we will continue to introduce smart meters in a systematic manner.
With the increasing popularization of smart meters, we will work to improve efficiency through the remote reading of electricity usage and elimination of the need for meter replacement work when changing contracts, as well as by providing customers with data on electricity usage and other information, and to identify the extent of incidents such as low-voltage power outages and to ensure early recovery.

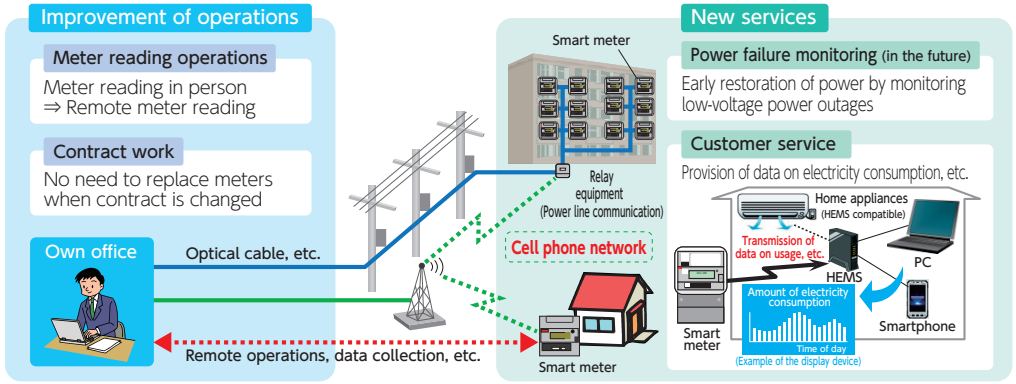
### ■Smart Meter (unit meter)




### ■Smart Meter Installation Plan



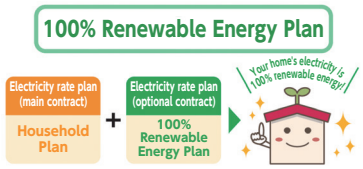

### ■The Expected Benefits Once Smart Meters Are in Use



## ●Rates and Services Provided According to Social Conditions and Customer Needs

### Plans available for households

Kyushu Electric Power (Kyushu EP) offers discount rate plans to solve regional and social issues in Kyushu and to meet customer needs.
In addition, we offer the 100% Renewable Energy Plan to meet the needs of customers who want to use renewable energy-derived electricity at home, as well as the Let's Grow the Forests of the Future Plan, in which customers can contribute to environmental conservation activities conducted by the Kyuden Mirai Foundation with a fixed monthly donation (300 yen).





### Plans available for corporate customers

Kyushu EP has been offering the Renewable Energy ECO Plan for corporate customers since 2018. In November 2021, we expanded the number of renewable energy and $CO_2$-free plans to three, based on the growing and diversifying needs for renewable energy and $CO_2$-free services.

| | |
|---|---|
| Renewable Energy ECO Kiwami | ● Provides electricity from renewable energy sources (hydroelectric, geothermal, etc.) and renewable energy value, as well as further value by specifying the type of power source, etc.<br>● Contributes to the maintenance and expansion of renewable energy sources |
| Renewable Energy ECO Plus | ● Provides additional renewable energy value to the electricity you are currently using<br>● Makes the introduction of renewable energy plans more accessible |
| $CO_2$ Reduction Plan | ● Provides $CO_2$-free value added to your current electricity |

### Demand response (DR) services* for households in collaboration with other companies

Since Feburary 2021, we have been collaborating with SB Power Corp. to offer pilot testing of a DR service that makes use of the smartphone app Kyuden eco/Kirei Life Plus. By optimizing the supply-demand balance using DR (demand response), we aim to create a system that will save energy and lower electricity rates for customers and contribute to reduced supply costs for and effective use of renewable energy by Kyushu EP.


*An initiative to balance electricity supply and demand by having customers who subscribe to one of Kyushu EP's household electricity plans (with a smart meter installed) conserve electricity or create demand in response to offers from Kyushu EP.

### Kyuden Anshin Support

Kyushu EP provides eight support services to allow customers to lead comfortable and trouble-free (anshin) lives.

九電あんしんサポート

**Home support** (Anshin in case of home equipment failure)
My house is getting old and I'm worried about sudden electrical and water problems...
With a flat rate for peace of mind, we accept repair requests 24 hours a day, 365 days a year for electrical problems such as light bulbs that do not light up, and water-related problems such as clogged or leaking water pipes.

**Electricity support** (Anshin for anything electric)
The circuit breaker often trips! The power outlet isn't working! Who do I ask for assistance?
This is a one-stop service to deal with electricity problems such as a circuit breaker that often trips or an outlet that has stopped working.

**Child raising support** (Anshin for Mom and Dad)
I'm a first-time parent and don't have anybody nearby to ask for help.
We provide useful information for parenting, such as things you might want to know about baby food and allergies. We offer support for your child's dietary and intellectual education through the offering of events such as parent-child cooking and crafts.

**Parental support** (Anshin from afar)
Wondering if a parent living alone is feeling lonely...?
On behalf of customers, we regularly check (by visiting or calling) on parents who live alone and let them know how they are doing.

**Wellbeing support** (Anshin all the time)
I'm worried about a parent who lives alone…
We can watch over your parent by monitoring their daily electricity usage. If, for example, they would normally be using electricity after getting up in the morning but there has been no increase in the amount of electricity used, you will be informed that there could be something wrong.

**Lifestyle support** (Anshin when you need a hand)
I'm too busy to get around to caring for the garden...
We will help you solve your problems faced in daily tasks such as pruning plants in the garden and weeding, and help with the housework.

**Vacant home support** (Anshin wherever home may be)
You might be concerned about there being garbage strewn around a vacant home (your parents' vacated house).
We will visit your vacant home (a home owned by your parents or you) and check on its condition. Simple cleaning will be done and you will be informed about the state of the place by email with photos attached.

**Grave upkeep support** (Anshin for your family)
My family's graves are located so far away that it's almost impossible to pay my respects…
A simple cleaning of the graves is done on behalf of the customer. Flowers and incense will be placed at the graves. You will be informed about the state by email with photos attached.

### Point service Q-PICO

We offer a point service called Q-PICO to Kyushu EP customers.
No application is required and points can be accumulated at many different times (see the table on the right).
We hold a campaign lottery in which customers can use their accumulated points to enter the drawing.
From January 2022, the number of drawings has been changed from once to twice a year, and the number of prizes has been increased, in order to allow more customers to enjoy the drawings.

#### Eligible customers

Customers who are currently on any of the following rate plans
(Not applicable to customers whose service is contracted under the General Provisions for Remote Island Service)

- Smart Family Plan
- Denka de Naito Select
- Smart Business Plan
- Smart Family Plan (set that includes gas)
- Smart Business Plan (set that includes gas)
- Residential Lighting B
- Residential Lighting C
- Seasonal Lighting
- Time-specific Lighting
- Peak Shift Lighting

#### Points awarded

| Plan | Points awarded |
|---|---|
| Monthly for all customers | 1 pico |
| Every 100 kWh of monthly usage | 1 pico |
| New contract with Kyushu EP | 100 picos |
| Continuation of contract with Kyushu EP<br>*Only the years since Apr. 2016 shall count as the number of years of the contract. | Contract years x 10 picos (for each year) |
| Sign up at the Kirei Life Plus site for members<br>*Registration of electricity contract information is required. | 10 picos |
| Login to Kirei Life Plus members site | 1 pico per month |
| Sign up for Meter Read Online | 1 pico per month |
| Set contract that includes Kyuden Gas | 2 pico per month |

You can also accrue points through other campaigns and events designated by Kyushu EP.

■ Online AD from March 2022 Calling for Lottery Applications

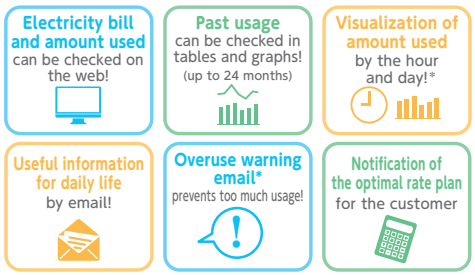
**The home-targeted brand Kirei Life Plus**
Based on our belief that it would be important to collect and respond to the various feedback offered by customers regarding electricity and energy, in January 2016, Kyushu Electric Power (Kyushu EP) launched Kirei Life Plus as a home-targeted brand to connect customers with the company.

**Our Kirei Life Plus commitment**
For the daily lives of customers;
We would like to make sure that cleanliness is what we add to customer's lifestyles, as typified by descriptions such as "comfortable and clean," "eco-friendly and clean," "economical and clean," and "safe and clean."

■ Kirei Life Plus Logo

キレイライフプラス

■ Services Provided to Members of Kirei Life Plus




*Services for customers using a smart meter

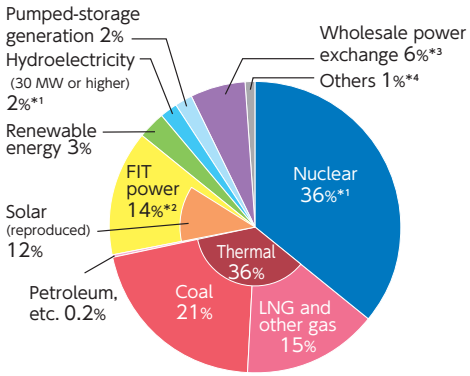
**Kirei Life Plus members site**
Kyushu EP provides Kirei Life Plus members with convenient services such as being able to check the electricity charge and usage, energy saving ranking to compare one's usage with other households, notification of the optimal rate plans, and the smart meter-triggered email notification about overuse.
The host of other services for which information is provided include "All Electric," "Kyuden Gas," and "Kyuden Anshin Support."
In addition, we provide timely local information such as "Kyushu Tips," which features our information on excursions and other topics that our employees report on by tapping into our network of sales offices throughout Kyushu.

## Retail

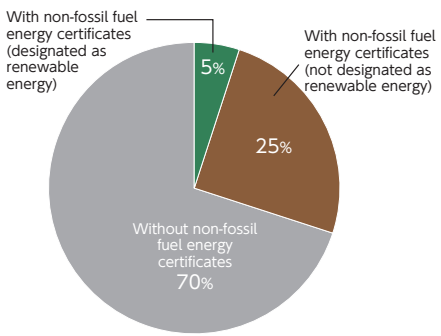
### ●Power source composition and use of non-fossil fuel energy certificates (retail supply)

The following is the power source breakdown and status of use of non-fossil fuel energy certificates of Kyushu EP in FY2021.

■ Power Sources in FY2021




■ Status of Use of Non-fossil Fuel Energy Certificates (FY2021 actual results)*5




*1 Non-fossil power sources including renewable energy
The portion of this electric power that does not use non-fossil fuel energy certificates does not have any value as a renewable energy source or as a $CO_2$ zero-emission power source. As a result, the $CO_2$ emissions from this electricity are regarded as the same as the national average of $CO_2$ emissions from electricity, including that which is generated through sources such as thermal power.
*2 Feed-in tariff (FIT) system for renewable energy
Kyushu EP's electricity procurement costs are partially financed by a surcharge on all electricity users, including non-customers.
The portion of this electric power that does not use non-fossil fuel energy certificates does not have any value as a renewable energy source or as a $CO_2$ zero-emission power source. As a result, the $CO_2$ emissions from this electricity are regarded as the same as the national average of $CO_2$ emissions from electricity, including that generated through sources such as thermal power.
*Subject to powers generated by solar, wind, hydroelectric (below 30 MW), geothermal, and biomass.
*3 Power procured from wholesale power exchanges
This electric power includes hydroelectric, thermal, nuclear, FIT, and renewable energy power.
*4 Others
Includes power procured from other companies for which the power station cannot be specified.
*5 The usage of non-fossil fuel energy certificates in FY2021 corresponds to the amount of electricity generated from January to December 2021.

(Notes)
• Kyushu EP sells to some customers a renewable energy menu based on the use of 100% hydroelectric and geothermal power sources, as well as a de-facto $CO_2$ free menu based on the use of non-fossil fuel certificates. The power source composition and use of non-fossil fuel certificates for all other menus are shown above.
• Calculated and announced based on "The Guidelines Concerning the Management of the Electricity Retail Business" by the Ministry of Economy, Trade and Industry.
• Calculated on the basis of power generated by Kyushu EP and volume of power purchased from other companies (excluding remote islands).
• Kyushu EP seeks to increase the percentage of non-fossil electricity through the purchase of non-fossil fuel energy certificates.
• Due to rounding of figures, the total may not add up to 100%.

# Response to Large-scale Disasters

*The Kyuden Group will respond in cooperation with others.

## ●Improvement of Disaster Response Capabilities

### Strengthened disaster response system

The Kyuden Group is stepping up cooperation with related organizations to ensure rapid recovery in the event of a disaster.
In August 2013, we entered into an agreement with Japan Ground Self-Defense Force for the airlift of vehicles for power distribution and restoration in the event of a disaster.
In April 2017, we entered into an agreement with Japan Maritime Self-Defense Force to secure access routes from the sea in the event of a land route disruption.
We entered into agreements with the 10th (March 2019) and 7th (February 2022) Regional Coast Guard Headquarters, which oversee the areas around southern and northern Kyushu respectively, regarding mutual cooperation in times of disaster. In the period up to the end of December 2021, we also signed a number of agreements with local governments in Kyushu (7 prefectures and 233 municipalities) to cooperate during a disaster. Furthermore, in July 2020, ten general power transmission and distribution companies, including Kyushu Transmission and Distribution, formulated a disaster coordination plan stipulating cooperation among general power transmission and distribution companies and related organizations. We will continue to improve our ability to respond to large-scale disasters by developing a response system for early recovery in the event of a disaster.


Agreement finalization ceremony


Loading of equipment and materials onto the 10th Regional District patrol vessel Satsuma

### Training to be prepared for large-scale disasters

In order to be in a state of preparedness for possible disasters, the Kyuden Group conducts emergency drills for large-scale disasters during the month of July prior to the typhoon season. We do this so that we can accomplish objectives such as confirming the chain of command and division of roles, making sure that we can provide prompt and accurate information internally and externally, and maintaining our ability to respond to the needs of customers.
In addition, based on cooperation agreements with relevant organizations, we participate in disaster-preparedness drills held by local governments jointly with the Self-Defense Forces to ensure the prompt restoration of lifelines in the event that areas with power outages are isolated.


High-voltage generator airlift training with the Self-Defense Forces at Fukuoka Prefecture disaster drills

### Responding to large-scale disasters

In the event of large-scale disasters such as typhoons or torrential rain, the Kyuden Group has established a unified disaster response system, working together with partner companies and government agencies to resolve power outages and quickly disseminate information.
In September 2020, Typhoon No. 10 caused power outages in as many as 480,000 homes, mainly in Nagasaki and Kagoshima prefectures. We mobilized a total of about 7,300 personnel from various prefectures in Kyushu, including individuals from partner companies, to work on the early restoration of power, with the cooperation of local governments and the Self-Defense Forces.

### Stepping up cooperation with other companies to support affected areas in times of disaster

In the event of a large-scale disaster, Kyuden Group, in addition to offering response for the restoration of electric power, engages in activities to support affected areas in cooperation with other companies.
In May 2019, Kyushu Electric Power (Kyushu EP) entered into an agreement about coordination in the event of a disaster with the NTT DOCOMO Kyushu Branch Office (referred to herein as DOCOMO). Based on the agreement, DOCOMO would deploy DOCOMO's disaster-ready chargers (multi-chargers*) at 50 of Kyushu EP's sales offices by FY2019, and will cooperate with DOCOMO in providing services to support disaster-stricken areas in the event of a disaster.
*Compact, lightweight, and easy-to-carry chargers for charging smartphones and cell phones

Installation of multi-chargers at sales offices

In December 2019, we entered into an "Agreement Concerning Mutual Support During a Disaster" with Aeon Co., Ltd.
Under this agreement, in the event of a large-scale disaster, Aeon will provide relief supplies and lend us space to set up recovery bases. In addition, the Kyuden Group will supply electricity to temporary evacuation sites set up by Aeon based on requests from local governments to the extent possible, taking into consideration the extent of damage to and restoration status of each facility.
This is how we will strive to smoothly enact support activities in the event of a large-scale disaster and thereby make further contributions to the local community, while continuing to fulfill our social responsibility as a lifeline that supports the lives of customers in the community.

## ■Agreements Entered into with Related Organizations for the Purpose of Disaster Response (list of major agreements)

| Date of agreement | Agreement partner | Main details |
|---|---|---|
| Aug. 2013 | Japan Ground Self-Defense Force | • Transportation of recovery materials and equipment, personnel, and disaster recovery vehicles*1<br>• Power supply to Self-Defense Forces' bases of operations, etc.*2<br>• Mutual use of heliports*3 |
| Apr. 2017 | Japan Maritime Self-Defense Force | • Transportation of recovery materials and equipment, personnel, and disaster recovery vehicles*1<br>• Power supply to Self-Defense Forces' bases of operations, etc.*2<br>• Mutual use of off-site take-off and landing areas*3 |
| Jun. 2018 | Lawson, Inc. | • Provision of relief supplies*1<br>• Provision of information on power outages in the affected areas, etc.*2 |
| Jun. 2018 | West Nippon Expressway Company Limited | • Provision of service areas and parking areas that serve as bases for emergency vehicle traffic and disaster relief*1<br>• Provision of road damage information*2 |
| Mar. 2019 | 10th Regional Coast Guard Headquarters | • Transportation of recovery materials, equipment, and personnel*1<br>• Power supply to the facilities and operation bases of the 10th Regional Coast Guard Headquarters*2 |
| May 2019 | NTT DOCOMO, Inc. Kyushu Branch Office | • Deployment of disaster-responsive chargers (multi-chargers) at 50 sales offices and provision of services for times of disaster*3 |
| Dec. 2019 | Aeon Co., Ltd. | • Provision of relief supplies and rental space for setting up recovery centers*1<br>• Supply of electricity to Aeon facilities designated by the local government*2 |
| Feb. 2022 | 7th Regional Coast Guard Headquarters | • Transportation of recovery materials, equipment, and personnel*1<br>• Power source to the facilities and operation bases of the 7th Regional Coast Guard Headquarters*2 |

*1 Partners' areas of cooperation
*2 Our areas of cooperation
*3 Areas of mutual cooperation

### Supporting the recovery of disaster-stricken areas with flush toilets with a fully self-contained treatment system

Group company Nishimu Electronics Industries Co., Ltd. provides the Towailet, a flush toilet with a self-contained treatment system.
Since it does not require lifelines such as water or electricity and its key feature is that it can be used simply by setting it up anywhere. It was made available by rental to support the recovery of the affected areas during the heavy rains in Northern Kyushu in 2017, the heavy rains in Western Japan in July 2018, the heavy rains in Northern Kyushu in 2019, and the heavy rains in July 2020.


Towailet units set up for use in the affected area during the July 2020 torrential rains.

# Supply Chain

## Policy and Approach

In order to provide products and services of value to our customers, it is necessary to procure safe and high-quality materials and equipment in an economical and stable manner. In the process of procurement, we recognize the importance of fulfilling our corporate social responsibility in the related supply chain (a series of processes from raw material procurement to manufacturing, transportation, maintenance, operation, and disposal), including compliance with laws and regulations (such as the prohibition of child labor and forced labor) and consideration for the environment.
In light of this, the Kyuden Group has established the Basic Policy for Procuring Materials under The Kyuden Group Corporate Conduct Code. We believe that the understanding and cooperation of our business partners is indispensable for us to thoroughly implement procurement activities based on these policies. As such, we are striving to build strong partnerships with our business partners through activities aimed at promoting understanding of our policies.

### Content of Basic Policy for Procuring Materials and Basic Policy for Fuel Procurement

1 **Open procurement**
We widely procure materials and fuel that meet the operational needs of our business and are favorable in terms of quality, price and delivery conditions from domestic and overseas suppliers.

2 **Fair and equitable business activities**
We conduct fair and equitable business activities with respect to our business partners in all our procurement activities. This includes an equitable selection of suppliers based on rational and fair valuation, comprehensively taking into consideration a variety of factors such as: quality, technical capabilities, price, operational and financial conditions, punctual and reliable delivery, after-sales service, compatibility with existing facilities, environmentally-friendly practices, and actions for continual improvement.

3 **Compliance with laws, ordinances and social norms**
We not only respect human rights but also comply with domestic and international laws and ordinances and their spirit, as well as social norms, in all of our procurement activities. We expect the same level of compliance from our suppliers.

4 **Disassociation with anti-social forces**
We will cease relations with any anti-social forces that represent a serious threat to the order and security of our civil life. We expect the same level of compliance from our suppliers.

5 **Environmental considerations**
We undertake procurement activities while giving consideration to environmental conservation and the effective utilization of resources.
One of the corporate practices we have established for these purposes is the promotion of "green procurement," which prioritizes the procurement of eco-friendly products and, with the cooperation of our suppliers, contributes to the creation of a recycling society.

*The underlined section is not contained in the Basic Policy for Procuring Fuel.

6 **Safety assurance**
We require that our suppliers implement appropriate safety and health management procedures in order to prioritize the safety of the general public and workers. In this way, with the cooperation of our suppliers, we can ensure safety and prevent accidents.

7 **Thorough information security and protecting personal information**
We properly manage and protect, in cooperation with our suppliers, confidential and personal information obtained through business transactions pertaining to both parties.

8 **Compliance with contracts and observing contracts in good faith**
We observe contracts concerning business transactions and fulfill contractual obligations in good faith while requiring the same of our suppliers.

9 **Promotion of communication to establish mutual trust**
We aim to establish mutual trust through transparent procurement, the promotion of good communication and sound, reasonable relationships with our suppliers.

10 **Creation of new value**
We encourage our suppliers to be sincerely devoted to the creation of new value and we respect them as our business partners. We aim for mutual prosperity with our business partners by pursuing appropriate quality and prices.

11 **Contribution to society and regional communities**
We believe it is important to contribute, through our procurement activities, to the development of the regions in which we are based and society in general as a "good corporate citizen" along with our business partners.

Basic Policy for Procuring Materials: Revised in April 2020
Basic Policy for Fuel Procurement: Revised in July 2021

### Request to Business Partners

In order to conduct fair procurement activities based on mutual trust with all parties involved in business transactions, the Kyuden Group requests the cooperation of business partners and other related parties in the entire supply chain (suppliers, subcontractors, outsourcers, etc.) in regard to the following 10 items.

1 **Compliance with laws and social norms**
- Compliance with relevant domestic and international laws and regulations and their spirit, as well as social norms
  *Laws and regulations and social norms include not only civil law, commercial law, antitrust law, laws related to intellectual property, etc., but also laws and regulations and social norms related to labor, basic human rights, and other important issues that should be observed in the course of fulfilling social responsibilities.

2 **Rejection of relations with antisocial forces**
- Rejection of relations with antisocial forces that threaten the order and safety of civic life

3 **Compliance with contracts and the execution of obligations in good faith**
- Compliance with contracts and execution of the obligations contained therein in good faith

4 **Consideration for the environment**
- Compliance with environmental laws and regulations (Waste Management and Public Cleansing Act, Construction Material Recycling Act, etc.)
- Efforts to improve the environmental performance of products (energy conservation, recycling, long life, waste reduction, etc.)
- Promotion of environmentally friendly business activities (green procurement, etc.)

5 **Assurance of safety**
- Compliance with safety-related laws and regulations
- Assurance of public safety
- Assurance of work procedures and environments that prioritize safety

6 **Thorough enforcement of information security**
- Compliance with the Act on the Protection of Personal Information
- Strict management and protection of management and technical information obtained in the course of business activities

7 **Stable delivery**
- Establishment of a stable delivery and execution system

8 **Superior after-sales services**
- Cooperation with maintenance
- Appropriate support and warranty against defects
- Assurance of response capabilities and quick response in case of emergency

9 **Pursuit of reasonable prices and maintenance/improvement of quality and technical capabilities**
- Further efforts to ensure reasonable prices
- Continuing efforts to maintain and improve quality and technological capabilities

10 **Promotion of positive communication**
- Actively seek to obtain feedback, requests, suggestions, etc.

## Promotion Framework

Responsible authorities: Operation Division and Planning & Balance Optimization Division, Kyushu Electric Power; Planning and General Affairs Division, Kyushu Transmission and Distribution

## Targets

FY2021 targets and results

| Item | Target | Result |
|---|---|---|
| Conducted CSR questionnaire targeting business partners | Once | Once |

FY2022 targets

| Item | Targets |
|---|---|
| Improvement of supply chain management | Establish guidelines for sustainable procurement |
| Questionnaire on the status of compliance with the above guidelines for business partners | Once |

## Initiatives

### Conducted Questionnaire Targeting Business Partners

We send information and visit business partners as part of our efforts to raise awareness and deepen understanding of our Basic Policy for Procuring Materials, requesting their kind cooperation.
In addition, we conduct a questionnaire survey on CSR among our major business partners every year, and provide them with information and proposals to solve their needs and problems.
In addition to these efforts, in FY2021, as part of our sustainability management in the supply chain, we conducted a survey of all business partners (about 3,000 companies) on their responses to social issues such as SDGs and carbon neutrality.

# Community

## Policy and Approach

The Kyuden Group has developed alongside Kyushu as a company rooted in the region. Based on the belief that the sustainable development of the region is essential for the continuation of our business, we will help create sustainable communities by working to solve local social issues in cooperation with residents, municipalities, academic research institutes, and local companies.

### Basic Policy for Community and Social Coexistence

The Kyuden Group will actively promote activities in harmony with local communities and society as a good corporate citizen based on the following principles, with the aim of realizing a comfortable and affluent region that enjoys continual growth.

1 In the fields of regional development, culture and the arts, sports, academia and education, social welfare, health and medical care, international exchanges, and environmental conservation, we will work to create an attractive region and nurture the next generation, as well as to solve issues facing communities and society.

2 We will make effective use of our business resources.

3 By disclosing the details of our activities and communicating with our stakeholders, we will reflect their opinions in our activities and promote collaboration with local communities and society.

4 We will support the community activities that our employees engage in as citizens.

Established: April 2006
Revised: April 2020

## Promotion Framework

Responsible authorities: District Symbiosis Division, Kyushu Electric Power (Kyushu EP)
Planning & General Affairs Division, Kyushu Transmission and Distribution

## Targets

■ FY2021 targets and results

| Item | Target | Result |
|---|---|---|
| No. of projects commercialized in the Q-Den Nigiwai Startup Project* (Promotion of local industries, job creation, and increasing no. of visitors to the Kyushu region) | 1 | 1 |

*Efforts to solve local issues in collaboration with local residents by building a sustainable business model

■ FY2022 targets

| Item | Targets |
|---|---|
| Sustainable development in the region and society<br>Creation of new industries and markets in Kyushu | ・Construct industry-academia-government collaboration system and review/implementation of action plan<br>・Expand the scale and scope of business based on co-creation with local communities, create individual services, and combine them |
| Participation in urban development projects in Kyushu area | 1 project |
| Trust in and satisfaction with the Kyuden Group in the survey | More than the previous year |
| Percentage of respondents who increased their awareness of environmental conservation in the survey | 90% |

## Initiatives

### ●Establishing a Model for Regional Revitalization through Collaboration between Industry, Academia, and Government

Kyushu EP has concluded cooperative agreements with municipalities in Kyushu to promote the resolution of local issues and sustainable community development. For example, by utilizing the Kyuden Group's management resources, products, and services, we are working to develop a system for early recovery in the event of a disaster, provide necessary equipment and supplies for evacuation centers, promote industry by utilizing local tourism resources, and promote electrification to achieve zero carbon emissions.

Status of conclusion of comprehensive cooperation agreements (municipalities)

| Period of agreement | Signed by |
|---|---|
| FY2018 | Hisayama Town |
| FY2019 | Kumamoto Pref., Aira City (Kagoshima Pref.), Kasuya Town, Asakura City |
| FY2020 | Ukiha City, Yame City, Yanagawa City, Dazaifu City, Shime Town, Tsushima City (Nagasaki Pref.), Nakagawa City, Kurate Town |
| FY2021 | Togitsu Town (Nagasaki Prefecture), Higashisonogi Town (Nagasaki Prefecture), Satsumasendai City (Kagoshima Prefecture), Minamiaso Village (Kumamoto Prefecture), Ogori City, Sasaguri Town, Nagomi Town (Kumamoto Prefecture), Kamimine Town (Saga Prefecture), Fukutsu City, Chikugo City, Munakata City, Chikuzen Town, Fukuoka City, Okawa City, Shingu Town, Omuta City, Miyazaki Prefecture, Saga City (Saga Prefecture) |

*Municipalities not indicated by a prefecture name are located in Fukuoka Prefecture.

## ●Q-Den Nigiwai Startup Project

Kyushu Electric Power (Kyushu EP) launched the Q-Den Nigiwai Startup Project in July 2019, which aims to help solve local issues by building sustainable business models in collaboration with local communities.
This project will focus on the themes of "increasing the number of visitors to the area," "creating a population of people who relate to and settle in the region," and "promoting local industry." We will work together with local residents to plan and jointly undertake businesses that solve issues related to the sustainability of the region.
We recruited for local organizations to become project partners, and are currently working on the project in two locations. In October 2020, we established the Kyuden Nigiwai Startup Company, a general incorporated association that will serve as the business entity for the project.

### Introduction of two sites

[Higashisonogi Town, Nagasaki Prefecture]
**Product development utilizing specialties of Higashisonogi Town**
Since December 2019, we have been collaborating with Higashisonogi Hitokotomono Foundation in the sale of products to increase the number of visitors to the area, and the operation of a community hub to create a population of people who relate to and settle in the region.
As part of the product sales business, we developed a brand of Sonogi tea, a specialty green tea of Higashisonogi Town. The town has a strong association with whales, so we also developed whale-themed Japanese sweets: a new local delicacy called Kujira Monoka, and Kujira Yaki, served from mobile vending trucks (CHANOKO). These products went on sale in February 2021. These products won the Gold Award at the Nagasaki Design Award 2021, and Kujira Monaka was chosen for the Nagasaki Souvenir Grand Prize at the 2021 Nagasaki Prefecture New Local Specialty Products Exhibition.
In February 2022, we opened umino Wa, a community hub for exchanges between local residents and tourists. It houses Chanomiba CHANOKO, a café where visitors can relax and enjoy Sogicha, as well as other facilities to receive information about the region and support people moving in and starting their own businesses here.
We will continue to work together with local residents to revitalize Higashisonogi Town's community.


Kujira Monaka


Kujira Yaki


Receiving the Nagasaki Design Award together with our business partner


umino Wa, a community hub for local residents and tourists

[Ainoshima Island, Shingu Town, Kasuya, Fukuoka Prefecture]
**Product development focusing on the fishing industry, a key industry in Ainoshima**
In light of the shortage of people in the local community to work in the fishing industry, in Ainoshima we decided to work on measures to create industry in cooperation with the Ainoshima Regeneration Council from November 2021, with the aim of creating a connected and settled population. We will be developing a processed fish food business for products such as rod-shaped pressed sushi.

## ●Revitalization of Primary Industries

Group company Nishimu Electronics Industries provides the MIHARAS IT sensor for agriculture, helping reduce the workload of farmers, etc.
In addition, Kyuden Sangyo operates an online shopping site called Kodawari Kyushu iimono meguri, which introduces outstanding products from all over Kyushu and supports the promotion of local products.


こだわり九州 いいものめぐり

Kodawari Kyushu iimono meguri
Introducing outstanding products from all over Kyushu

## ●Demonstration of Strawberry Cultivation to Promote the Spread of Smart Agriculture

The Research Institute of Kyushu EP is engaged in research aimed at promoting the spread of smart agriculture, which will lead to labor-saving and productivity improvements in agriculture. As part of this research, in August 2019 we established the Kamidera Strawberry Farm, a farming facility to test our smart agriculture systems, in Asakura City, Fukuoka Prefecture.
Here, we have been cultivating popular varieties such as Sagahonoka by utilizing our pool of technologies and know-how related to agricultural electrification, hydroponics, etc. We started selling these strawberries at a local roadside station in Asakura City in December 2019, and at a department store in Fukuoka City (for a limited time) in April 2021.
We hope that the results of our tests will help to improve the productivity of farmers and revitalize primary industries in Kyushu.


Inside a strawberry greenhouse


Strawberries on sale at a Michi-no-Eki, a roadside rest area

## ●Promotion of Tourism and Revitalization of the Region by Utilizing Local Resources

Kyushu EP is taking a variety of initiatives to contribute to the promotion of tourism and revitalization of the region by utilizing local resources.

**Infrastructure tourism using electric power infrastructure (dams, power stations, etc.)**
Until FY2019, we offered tours that packaged visits to local landmarks and tourist facilities with guided tours of electric power facilities normally closed to the public and programs to experience simulated facility inspections. In addition, we also issued a series of collectible dam cards and other products in cooperation with tourist facilities, which proved very popular.
In FY2020, in light of the COVID-19 pandemic, in-person tours were cancelled and online remote tours were offered instead.


Dam card


Visitors walking along the inspection walkway of Kamishiiba Dam, Miyazaki Prefecture

**Promotion of reQreate, a project for regional co-creation through digitalization**
Kyushu EP is developing reQreate, a collaboration with municipalities and companies in Kyushu that are passionate about Kyushu and wish to see the region grow and prosper. We are developing and selling local specialties using attractive regional commercial products and disseminating regional traditions and culture both domestically and internationally to raise awareness of Kyushu, increase the number of visitors, and enhance Kyushu's attractiveness and connect it to the next generation.


Gluten-free curry


CHIKUGO FRUITS POPPiN', a new type of ice cream made with fruit from the Chikugo area

**Support for the introduction of electronic gift certificates and local currency platforms**
Since FY2019, we have been collaborating with SBI Holdings and The Chikuho Bank* to provide an information platform for digitizing premium gift certificates with the aim of revitalizing local economies and communities by circulating currency within the region. In FY2020, we introduced this platform in five areas, including Ukiha City, Fukuoka Prefecture.
To date, we have provided services to numerous municipalities and associations of commerce and industry in and outside of Kyushu.
*In May 2021, a new joint venture company (Machi no Wa Co., Ltd.) was established with the aim of further strengthening collaboration between the three companies and vigorously promoting regional development and revitalization while utilizing knowledge gained from past initiatives.

## ●Urban Development and Real Estate Business, Social Infrastructure Business

The Kyuden Group will actively participate in projects that make the most of its strengths as a group to accelerate growth and contribute to the development of communities and society through its business activities in terms of such things as increasing the number of visitors to the area, bringing prosperity to communities, generating employment, and ensuring the safety and security of the region.

**Efforts to diversify revenue sources**

To date, we have been engaged in a wide range of urban development, real estate, and social infrastructure businesses in Kyushu and other areas of Japan and overseas.
Going forward, in addition to the expansion of offices, residences, airports, etc., we will step up efforts in new revenue-generating businesses such as urban development, mixed-use development, and industrial real estate such as logistics facilities.
In addition to Kyushu, we will pursue expansion beyond the Kyushu area and into overseas markets.

**Helping to achieve decarbonization**

We will undertake development aimed at achieving decarbonization through the promotion of electrification, improvement of energy-saving performance, and introduction of energy creation and renewable energy-derived electricity.
As a platform to support urban infrastructure, we will provide a variety of services in fields including energy, ICT, and area management.


Project to utilize the former Fukuoka City fruit and vegetable market site (LaLaport Fukuoka) (opened in April 2022)


Project to develop a public facility complex on the site of the former Oita City Niagemachi Elementary School (to open in spring 2024)


Fukuoka Maizuru Square (opened in April 2022, the entire building is powered by renewable energy-derived electricity)


Logistics facility business in Fukuyama City, Hiroshima Prefecture (acquired in March 2021)


Kumamoto Airport new terminal building (shared areas scheduled to open in March 2023)

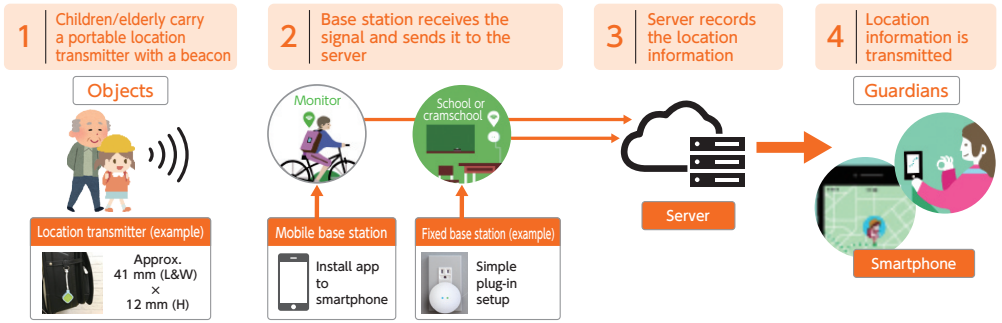

ESG-friendly multi-family housing property development in the Southern U.S. (participated in May 2022)

## ●Attracting Companies to Kyushu

The Kyuden Group is actively working to attract companies from outside the Kyushu region by utilizing its network spanning throughout Kyushu.
Kyushu Electric Power branches across Kyushu work with municipalities to match them with companies, and provide support and other services to meet the needs of companies and other entities entering the Kyushu area. We also introduce products and services suitable for new factory and office construction and relocation by utilizing the Kyuden Group's products.
Kyushu Transmission and Distribution (Kyushu T&D) works closely with local governments to gather information on such things as industrial parks and idle land, while paying attention to regulations on business conduct, and reviews the outline of supply measures for early supply, and proposes candidate sites where early supply can be achieved.
The Kyuden Group will continue to promote activities to attract companies to Kyushu by utilizing our strengths in cooperation with municipalities and other related organizations.


## ●Provision of a Community Watchdog Service for Children and the Elderly That Makes Use of IoT Technology

Kyushu T&D is providing a new community watchdog service called Qottaby in Fukuoka City, Kasuya Town and Hisayama Town. This service, born from the Kyuden Group's innovation project the KYUDEN i-PROJECT, allows parents and guardians to check the location of elementary school children and elderly people who carry a portable location transmitter equipped with a beacon (radio wave transmitter) using their smartphones.




## ●Kyuden Drone Services

**Drone-based pesticide spraying service**

As our customers in the agricultural sector age, we are helping them save labor by using drones to spray pesticides on their behalf.
Under this service, drones can be deployed to spray pesticides in a variety of locations, even in mountainous areas and narrow plots of cultivated land, with an application time of approximately 15 minutes per hectare and low flight altitude to minimize chemical drift (dispersal). The service has been used to spray rice, wheat, pine trees, fruit trees, and other crops.

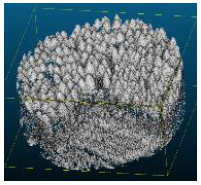

Pesticide spraying drone


Contributing to the recovery of an entire area (approx. 20 ha) after three years of landslide damage by spraying pesticides with a drone

**Forest resource visualization service**

This is a field survey, analysis and assessment service for forest resources (timber volume) that combines drones (laser surveying) and AI (analysis and visualization of forest resources).
High-precision surveying by drone saves labor for surveying. In addition, topographical information is converted into a 3D model to support the design of forest road maintenance necessary for forest resource management.


Laser surveying drone


Laser point cloud data

## ●Medical Transport Doctor Heli

Nishi Nippon Airlines, a group company, is participating in the medical helicopter business Doctor Heli in five prefectures in Kyushu (Fukuoka, Saga, Oita, Kumamoto, and Miyazaki) by utilizing its strengths cultivated in the helicopter business. Based on requests for dispatch from fire departments, etc., these helicopters provide support for life-saving medical care by promptly sending doctors to patients in need of critical assistance.


Doctor heli

## ●Helping Solve Regional and Social Issues through the Kyuden Group's Diverse Products and Services

Since February 2019, we have been selling the Kyuden Group's various products and services to municipalities and companies under the WithQ brand.

Since 2021, we have been proposing to our customers a package of Kyuden Group products and services related to electrification, renewable energy, and energy conservation under the theme of "decarbonization (carbon neutrality)," an issue of growing social concern.


We provide optimal services that help efforts toward **decarbonization**.

In addition to decarbonization, WithQ offers a lineup of related products in four categories of high regional and social interest (disaster measures, heat wave countermeasures, information security, and the switch to LEDs), as well as customer-specific categories such as medical institutions, offices, and manufacturing sites, thereby providing optimal solutions to each customer's issues.


For more details, please search for WithQ. WithQ Search

## ●Stakeholder Engagement

The Kyuden Group is involved with various stakeholders in the course of its business activities.
We undertake a variety of communication activities to elicit the understanding and opinions of our stakeholders regarding our business activities and to build better relationships with them.


■Key Communication Opportunities with Stakeholders

| Stakeholders | Main communication opportunities |
|---|---|
| Customers | • Listening to opinions at call centers, sales office counters, etc.<br>• Daily sales activities |
| Communities | • Various community contribution activities and activities to solve community issues<br>• Dialogue meetings with local customers<br>• Communication activities with people in areas around power stations and throughout Kyushu<br>• Communication activities with municipalities |
| Shareholders and investors | • General Meeting of Shareholders<br>• Business summary briefings for institutional investors<br>• Briefings for personal investors<br>• Individual visits to domestic and overseas institutional investors |
| Supply chain (business partners) | • Business partner briefings<br>• Support for business partners' efforts to promote sustainability management using opportunities at briefing sessions<br>• Individual visits to business partners<br>• Award ceremony for the Procurement Partner Award<br>• Communication activities with business partners for cost reduction activities<br>• Safety patrols and safety-related round-table discussions |
| Employees | • Employee satisfaction surveys<br>• Labor-management round-table discussions<br>• Dialogue between top management and employees<br>• Communication through the company intranet "'Tsunagaru' site," etc. |

## ●Promotion of Communication with Stakeholders

In order to explain the group's business activities and listen to customers' opinions and requests, the Kyuden Group promotes face-to-face dialogue with local residents and customers using various communication opportunities, such as home visits and dialogue meetings.
In addition, we are making proactive efforts to further promote our activities, such as by preparing original explanatory materials for local customers and forming a dialogue promotion team. (FY2021: Communication with approximately 30,000 people)


Home visit


Dialogue meeting with customers

### Kyuden open days

In order to express our gratitude to our local customers for their continued patronage, we hold Kyuden open days at our business sites throughout Kyushu, where people can enjoy various events.
In addition to events related to electricity, such as the chance to ride on an aerial work platform and an IH cooking experience, other fun activities include rugby classes and a drone test flight.
When holding the event, we will take thorough precautions to prevent the spread of COVID-19.


Kyuden open day

### Using a variety of opportunities for communication

In addition to home visits, we also communicate with customers using a variety of other opportunities, including on-demand lessons and facility tours.
In addition to traditional face-to-face activities, we are also working to expand communication opportunities through the use of digital technology, such as online on-site classes and virtual power station tours using VR images, computer graphics, videos, etc.


Facility tour


On-demand lesson

### Kyushu Electric Power Kyuden Voltex, our rugby club

Kyuden Voltex works to encourage young people to keep healthy and promotes sports in local communities by holding tag rugby classes in cooperation with elementary schools throughout Kyushu, participating in local sports events, and running a junior rugby academy for junior high school students.
The team is also actively involved in volunteer activities.


Tag rugby class


Junior rugby academy

Junior rugby academy
With the goal of developing the next generation of leaders through rugby, we aim to nurture players who can play an active role in society by not only teaching rugby skills, but also by incorporating training that utilizes our human resource development program to support the formation of well-rounded individuals.

## ●Communication That Reflects the Needs of Shareholders and Investors

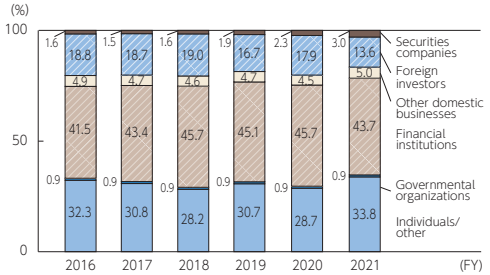
Kyushu Electric Power established the IR basic policy so as to build relationships of trust and increase satisfaction by enhancing two-way communication with shareholders and investors. This policy forms the backbone of our various IR activities.
Utilizing the Internet, teleconferences, and other media, we are actively working to enhance communication through such means as business summary briefings led by executives, briefings on businesses and ESG that are of high interest to investors, and other individual activities to facilitate dialogue. Opinions and requests received from shareholders and investors are periodically reported to the Board of Directors for internal feedback, and are reflected in the group's management.
Furthermore, we strive to actively disseminate information in an easy-to-understand manner by disclosing materials from briefings, IR tools, financial information, stock information, and other information on our website.
What is more, at the General Meeting of Shareholders, we strive to manage the proceedings in ways that make it easy to participate in and understand from the viewpoint of shareholders, including:

- Live streaming via the Internet
- Introduction of a system for exercising voting rights via the Internet and smartphones
- Improvement of the contents of convocation notices, business reports, and other related materials, and changes in design to make them easier to read
- Placement of convocation notices on the website prior to their dispatch

### Main IR Activities (FY2021)

| Targets | Contents |
|---|---|
| Analysts/ Institutional investors | • Semi-annual business summary briefings by top management<br>• Thematic business briefings and ESG briefings<br>• Dialogue between external directors and investors, etc.<br>• Meetings with domestic and overseas institutional investors<br>• Posting of IR-related information on the website |
| Personal investors | • Briefings for personal investors<br>• Dissemination of information to shareholders and investors through various media |

### Shareholding Ratio (common stock)



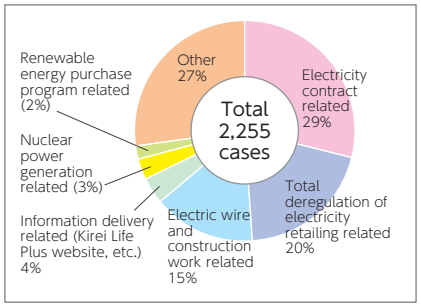

Video of the president's message to overseas investors on ESG management
(URL) https://www.kyuden.co.jp/english_company_esg_index.html

Video of Business Summary Briefing (web conference)
(URL) https://www.kyuden.co.jp/ir_library_presentations.html (Japanese only)

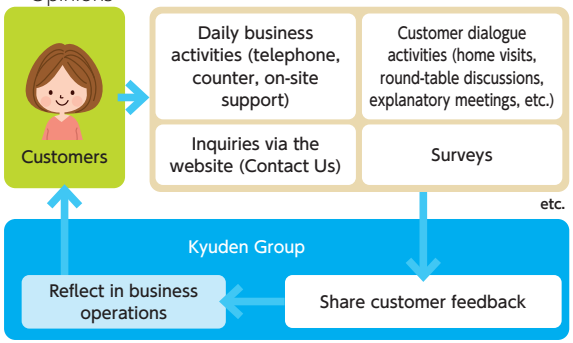
## Business Operations That Respect Customers' Opinions

The Kyuden Group received approximately 2,000 items of feedback from customers in FY2021 through day-to-day business activities, dialogue with customers, and other sources.
We share customer feedback across the entire group, including top management, initiating inter-departmental discussions on measures for improvement, and reflecting the results in our business operations.
We will continue to listen carefully to the voices of our customers and strive to respond promptly to their needs.

### Number of Cases/Breakdown of Customer Feedback




### A business Management System That Values Customer Opinions




### Examples of How We Listen to and Respond to Customer Feedback Featured on Our Website

We post examples of how we have used customer feedback to improve our business operations on our website.
We will continue to post such information as needed.


### Example of How We Have Reflected Customer Feedback in Our Business Operations

Customer

I would like the details of my application, such as visiting time and contracted capacity after the change, etc., to be included in the confirmation email that I receive when I complete procedures or apply for a capacity change or something else online.

We have added the details of the application to the confirmation e-mail sent to customers when they complete the online procedures and application.

## Active Disclosure and Dissemination of Information

The Kyuden Group believes that the trust of local communities and society is the greatest foundation of our business, and is working to build trust and enhance corporate value through two-way communication.

**Basic stance on the disclosure of information**

In order to gain the understanding and trust of our customers and local communities by increasing the transparency of our corporate activities, we have established the Disclosure Commitment, which outlines our basic stance on the disclosure of information.
Based on this commitment, we proactively disclose and disseminate information on all aspects of our corporate activities, including management information, problems at power stations, safety measures at nuclear power stations, and corporate PR. To do so, we utilize various media, such as press releases, websites, social media, and pamphlets.

### Disclosure Commitment

1. We will proactively disclose information to customers.
2. We will disclose information in an easy-to-understand, prompt, and accurate manner from the customer's point of view.
3. We will identify customers' information needs at every opportunity.
4. We will always examine information ourselves to ensure that there are no gaps in awareness or perception between us and our customers.

Established: April 1999
Revised: April 2020

**Joint efforts by the Kyuden Group to promote the disclosure of information**

The Kyuden Group works to actively disclose and disseminate information, and have established systems for the disclosure of information, including the appointment of information disclosure officers at their head offices and other organizations.
We are also striving to promptly and accurately disclose information on events that affect customers and society, such as the occurrence of accidents, as well as on violations of laws and regulations and acts that violate corporate ethics.
Furthermore, the Kyuden Group is united in its efforts to promote the disclosure of information. In addition to making press announcements in cooperation with group companies, we raise awareness of the importance of disclosing information and share information when we hold liaison meetings for the entire Kyuden Group.

### Results of Information Disclosure on Outage and Facility Problems

| | FY2019 | FY2020 | FY2021 |
|---|---|---|---|
| Outage | 7 | 5 | 8 |
| Nuclear power | 1 | 2 | 4 |
| Facility problem | 2 | 3 | 5 |
| Other | 2 | 9 | 2 |
| Total | 12 | 19 | 19 |

**Main incidents in FY2021**

- Outages attributable to human error
- Fire at the construction site of the Genkai Nuclear Power Station Specialized Safety Facility

A group company's open day (Kyuden Mirai Energy's woody biomass power plant)

**Disclosure and dissemination of information through press conferences by the president, press releases, etc.**

The Kyuden Group discloses and disseminates information through press conferences by the president, press releases, and other means in order to promote understanding of our corporate activities.
Along with using charts and graphs to make press conferences easier to understand, we also hold open days, tours, study sessions, and other events for the media to ensure accurate reporting on the business operations of the Kyuden Group.

### Results of Press Releases and Other Initiatives Targeting the Media*

| | FY2021 results | |
|---|---|---|
| Press conferences by the president | 7 | • Financial results for FY2020<br>• Formulation of Kyuden Group Carbon Neutral Vision 2050<br>• The 97th General Meeting of Shareholders, executive appointments<br>• Financial results for the second quarter of FY2021<br>• Formulation of the Kyuden Group Action Plan for Achieving Carbon Neutrality<br>• Decision to develop a state-of-the-art LNG combined cycle power station in the Hibiki-nada area of Kitakyushu City<br>• Decision to commercialize the supply of LNG fuel to ships in the Kyushu-Setouchi region |
| Press releases | 398 | — |
| Open days/ Tours/ Study sessions | 132 | • Open day at the Sendai Nuclear Power Station Emergency Response Building (Command Center)<br>• Study session on online proxy control<br>• Study session on emergency disaster response |

*Total for the Kyuden Group

Press conference by the president of Kyushu Electric Power

### Active dissemination of information through various media

### Dissemination of information through the website

The Kyushu Electric Power (Kyushu EP) and Kyushu Transmission and Distribution (Kyushu T&D) websites provide information on their overall corporate activities in an easy-to-understand, prompt, and accurate manner so as to gain the understanding and trust of customers and local communities, and establish the Kyuden Group brand.
In addition, we undertook an extensive update of the websites in FY2021, enlarging the font size, unifying the design, and introducing various functions to improve convenience.


### Prompt dissemination of information on power outages

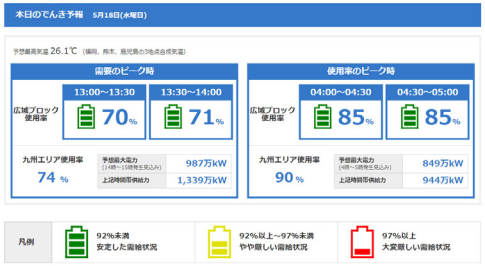
In the event of a power outage, we respond to customer inquiries by phone and chat, and promptly post information on the power outage areas, date and time of restoration of power, cause of power outage, etc. on the Kyushu T&D website.
We also provide a service that delivers information on power outages in the desired categories ("Kyushu-wide," "by municipality," "by district," and "by service location (point)") via e-mail to customers who have registered in advance.
In the event of an emergency or disaster such as a typhoon, the Kyuden Group cooperates to promptly provide information on power outages through the media, the websites of both companies, and the official Twitter account of the Kyuden Group.
In addition, in the event of an earthquake of intensity 4 or higher on the Japanese seismic scale in Kyushu, we will promptly post information on the operational status of our nuclear power stations on the Kyuden website, and provide a service to deliver this information by e-mail to customers who have registered in advance.

Information on power outages on a normal day (Kyushu T&D website)


Information on power outages during emergencies (Kyushu T&D website)

### Provision of information on electricity supply and demand

The Kyushu T&D website features Electricity Forecast, which provides timely information on the current status of electricity consumption, in addition to same-day, next-day, and weekly forecasts.
When the supply and demand of electricity comes under strain, information on the supply and demand situation and requests for cooperation in saving electricity will be promptly posted on the website and social media.




### Power outage information during emergencies (Kyuden Group official Twitter)


### Dissemination of information through TV commercials and online videos

We use TV commercials, online videos, newspaper ads, and other media to communicate the corporate stance and various initiatives of the Kyuden Group, including the development and introduction of renewable energy and efforts to prevent global warming. The videos are also available on the Kyushu EP official YouTube channel (KyudenChannel).

"All-out Effort for the Future (Renewable Energy)"

"$CO_2$ Reduction through Electrification"

### Dissemination of information via social media

### Kyushu EP official Facebook page

The official Facebook page provides information on the Kyuden Group's volunteer activities in the community, useful information for daily life, and other information on our various initiatives, giving people a better understanding of who we are and what we do.
In the event of a typhoon or other emergency, the Kyuden Group works to provide timely updates on restoration efforts.

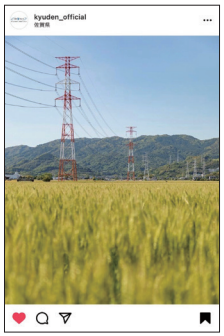

Introduction of "Korabora Q-den eco" project with local residents

Introduction of seasonal scenery in various parts of Kyushu


Introduction of restoration work after heavy rainfall in July 2020

### Kyuden Group official Instagram account

Through our official Instagram account, we deliver photos that bring you closer to the Kyuden Group and Kyushu, with a focus on Kyushu's nature, landscapes and festivals, including such themes as night views and illuminated landscapes of Kyushu, landscapes where electricity is being generated and connected, and natural landscapes we want to protect in Kyushu.




### Dissemination of information through the lifestyle information magazine Miraito

The Kyushu EP publishes a lifestyle information magazine called Miraito, which contains a variety of useful information for customers' comfortable and environmentally friendly lifestyles. (Distributed in some areas; also available on the Kyushu EP website)



### Disclosure and dissemination of nuclear power-related information and communication activities

In April 2017, The Kyushu Electric Power (Kyushu EP) established the Siting Affairs & Communication Division to further improve the transparency of its nuclear power business by proactively disclosing information based on customer feedback, and conducting thorough company-wide communication activities that carefully address the concerns and doubts of people in the Kyushu region.

### Disclosure and dissemination of nuclear power-related information

Through press releases and our website, we promptly and accurately disclose and disseminate information on our measures to confirm compliance with the new regulatory standards for nuclear power stations, and on the operational status of the Genkai and Sendai nuclear power stations.

### Communication with the local community

In order to reassure the local community that nuclear power generation is reliable, we believe it is of the utmost importance to engage in dialogue based on the concept of risk communication, share the feedback we receive within the company, including the management, and build a relationship of trust.
To this end, throughout the company, we strive to disseminate easy-to-understand information on our efforts to improve the safety and reliability of our power stations and other activities, making use of various opportunities to ensure mutual communication with the community, such as home visits and on-site tours.

## Nuclear Power Information Disclosure in FY2021

**1. Press conferences on nuclear power issues: 170**

| Subject | No. of conferences |
|---|---|
| Issues relating to regular inspections of nuclear power stations | 7 |
| Issues relating to efforts to confirm compliance with regulatory standards | 12 |
| Issues relating to decommissioning efforts | 3 |
| Issues relating to transporting new and spent fuel to and from nuclear power stations | 4 |
| Issues relating to litigations | 8 |
| Issues relating to COVID-19 | 122 |
| Other (efforts to ensure safety, etc.) | 14 |

**2. Content posted on website of Kyushu EP**

- Overview of nuclear power stations
- Operational and regular inspections at nuclear power stations
- Problems at nuclear power stations
- Real-time data (on output and radiation)
- Efforts to ensure the safety of nuclear power stations
- Nuclear power information (announcements)

**3. Nuclear information booths**

At nuclear information booths located in such places Genkai Energy Park and Sendai Nuclear Power Station Exhibition Hall, we make a variety of information on Kyushu EP's nuclear power stations available to the public.

**Examples of available information**

- Public notices concerning Kyushu EP
- Applications for permission to install (modify) a nuclear reactor
- Periodic safety review reports
- Evaluation reports on aging technology
- Data on nuclear power stations
- Disaster prevention work plans for nuclear power operators
- Safety agreements
- Trouble reports
- Safety regulations for nuclear reactor facilities
- Seismic safety evaluation results

## Community and Social Contribution Activities

### Activities rooted in the region

In order to fulfill its roles as a member of the local community and enhance communication with local residents, the Kyuden Group actively participates in local events and works to build safe and secure communities. In FY2021, a total of approximately 23,000 employees participated in community and social activities.
We are also undertaking initiatives to make society better for children and the elderly, and we will proactively continue with these efforts in FY2022.

### Participation in local festivals

Various offices and group companies participate in and help run local festivals to revitalize the local community and deepen ties with local residents.


Ohara Festival

### Total Number of Festival Participants

| FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|
| Approx. 3,400 | Approx. 2,900 | — * | Approx. 60 |

*No participants in FY2020 due to the spread of COVID-19

### Development of activities to expand the circle of mutual support with local residents

**Ashita Project**
**—Helping each other in the spirit of tomorrow—**

The Kyuden Group is working to expand the circle of mutual support for various issues in the community through the Ashita Project: Let's Help Each Other, Believe in Tomorrow. Hand-in-hand with local residents, we are taking action in a variety of ways, including helping out with children's cafeterias and supporting businesses that are struggling to cope in the COVID-19 pandemic.

**Donation of items to children's cafeterias (Fukuoka Branch)**

We donate food and daily necessities collected from employees to NPOs and other organizations to help children in need.

**Participation at children's cafeteria events (Kitakyushu Branch)**

We participate in children's cafeteria events and have a great time playing with the children.

**Support for flower growers (Saga branch)**

In light of the decline in demand for cut flowers, we have been holding the Flower ✿ Friday campaign to support flower growers by encouraging people to purchase flowers on Fridays and enjoy the weekend surrounded by flowers.

### Support for local sports events

The Kyuden Group supports sports events for young people with an eye to creating bright and healthy communities by encouraging and improving the level of local sports activities. In FY2021, the scale of this initiative was reduced in response to the spread of COVID-19.

Support for sports events in FY2021

5 business sites, 6 competitions, 4 events, total of about 1,900 general participants

Kyuden Cup Baseball Tournament in Kumamoto Prefecture
Kirei Life Plus Tournament (Kumamoto Branch)

### Inspection of wiring in the homes of elderly people living alone

Kyushu Transmission and Distribution conducts wiring inspections in the homes of elderly people living alone and at facilities housing important cultural properties in collaboration with local social welfare councils, electrician cooperatives, boards of education, and other organizations throughout Kyushu.

### Cooperation with the Kodomo 110-ban

The Kyuden Group is working throughout Kyushu to create a crime-free environment for children by cooperating with Kodomo 110-ban, a scheme to protect children.

Kodomo 110-ban

Vehicle with Kodomo 110-ban sticker

### Community watchdog activities

The Kyuden Group is cooperating in community watchdog and crime prevention activities through agreements and memorandums of understanding with municipalities and related organizations, taking advantage of their community-based business structure (participation in 148 networks). In FY2021, we made four calls throughout Kyushu in the course of these activities.

### Illegal dumping patrols

We are cooperating in environmental beautification activities through the conclusion of agreements with a total of 47 municipalities to provide information on cases of illegal dumping of waste that our employees spot while out in the field, etc.

### Contributing to the community and society through donations

We are committed to appropriate donations as part of our social contribution activities that lead to the development of local communities, based on the idea that "the Kyuden Group cannot develop without the development of Kyushu."

| | | |
|---|---|---|
| FY2021 Total amount of donations<br><br>1,350 million yen | Contributions to relief projects as stipulated in local government ordinances | 20 million yen |
| | Donations as part of community and social activities (see table on the right for details) | 1,330 million yen |

*Total for the Kyuden Group

■ Breakdown of Donations for Community and Social Activities (1,330 million yen)

| Field | Percentage (%) |
|---|---|
| Medical care and health | 83.7 |
| Regional development | 8.3 |
| Environmental conservation | 3.4 |
| Preservation of historic sites and traditional culture | 2.3 |
| Science and education | 1.4 |
| Support for disaster-affected areas | 0.2 |
| International exchanges | 0.1 |
| Other (social welfare, sports, etc.) | 0.6 |

### Collection volunteer activities

Every year, we conduct volunteer collection activities in cooperation with group companies to collect such things as postcards (containing written errors or unused), used stamps, and foreign currencies. The collected items are donated to local NPOs, volunteer groups, and other organizations working to solve community and social issues.

Presentation ceremony to a local organization (Sasebo Children's Cafeteria Network)

**Recipients of collected donations (FY2021)**

**Postcards**
- **No. of postcards collected: 3,144 (equivalent to around 162,000 yen)**
- **Recipient: Sasebo Children's Cafeteria Network**

**Used stamps**
- **Amount collected: Approx. 45 kg**
- **Recipient: Council of Social Welfare**

**Foreign currency**
- **Amount collected: Approx. 5 kg**
- **Recipient: Japan Committee for UNICEF**

### Support for the volunteer activities of employees

The Kyuden Group is creating an environment that helps employees get actively involved in volunteer activities by offering a volunteer leave system (seven days per year), subsidies for volunteer activities, and information on in-house bulletin boards.
In addition, the scope of awards for contributions to the local community, presented to employees who have made steady contributions to local communities over a long period of time, have been expanded in FY2015 to include a wide variety of short-term volunteer activities.

■ Volunteer Leave System and Awards for Contributions to the Local Community

| Fiscal year | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|
| No. of days of volunteer leave taken (days) | 225 | 224 | 117 | 66 |
| Awards for contributions to the local community (persons) | 39 | 28 | 28 | 11 |

# DX

## Policy and Approach

The Kyuden Group defines DX (digital transformation) as "efforts to improve operational productivity and reform business by utilizing digital technology and diverse data," and is developing specific measures to this end.
Our basic policy is to realize data-driven corporate activities in the Kyuden Group as a means of improving the quality of operations and decision-making through the use of data. As such, we are promoting initiatives with business reforms using digital technology and structural reforms of ICT infrastructure as our two pillars of reform.

## Promotion Framework

In order to further accelerate radical reform of operations and the development of new businesses with digital technology as the starting point, we appointed a Chief DX Officer and established the DX Promotion Division on July 1, 2022.
The newly established DX Promotion Division, the Information and Communication Division, which has managed, developed, and operated ICT, and each business division and group company will work together to create new businesses and reform operations using digital technology, thereby enhancing the corporate value of the Kyuden Group and leading to sustainable growth.

## Targets

By promoting DX, we will not only directly contribute to the expansion of earnings, especially in the electric power business in Japan, but also contribute to business creation with DX as the foundation, as well as to the expansion of ICT services by converting DX initiatives into external services. Through these efforts, we aim to co-create a smart and vibrant society.

| Item | Target |
|---|---|
| Cost-effectiveness of business reforms and ICT infrastructure structural reforms | 30 billion yen (cumulative total through FY2030) |

## Initiatives

### ●Business Reforms

In order to achieve business reforms utilizing digital technology, we have established eight themes and 18 measures, including "automation and centralization of field operations," "reform of common operations," and "realization of data-based decision making," and are promoting these initiatives.
We have designated the head of each business division as a "business reform leader," under whose leadership the business divisions, DX Promotion Division, and Information and Communication Division cooperate with each other to promote initiatives.

### ●ICT Infrastructure Reforms

In order to implement structural reforms to our ICT infrastructure, we have set eight themes and 22 measures, including "establishment of a simplified development infrastructure for in-house system development," "construction of a data utilization infrastructure," and "expansion of virtualization infrastructure and external cloud services," and are promoting efforts in these areas.
Since structural reforms to our ICT infrastructure are an important element in supporting our digital transformation, we will promptly implement the following policies in order to achieve our vision:
・An infrastructure that can be utilized across divisions and groups
・A infrastructure that is highly scalable and can reduce operation and maintenance costs
・Development standards and an operation system that promote efficient development and utilization of ICT infrastructure

### ●Aggressive DX

We are considering initiatives to improve the value of our products and services, fundamentally reform our customer contact points, and radically reform our business model through the use of digital technology, with the aim of securing new sources of revenue.

### ●Promotion of Data Utilization

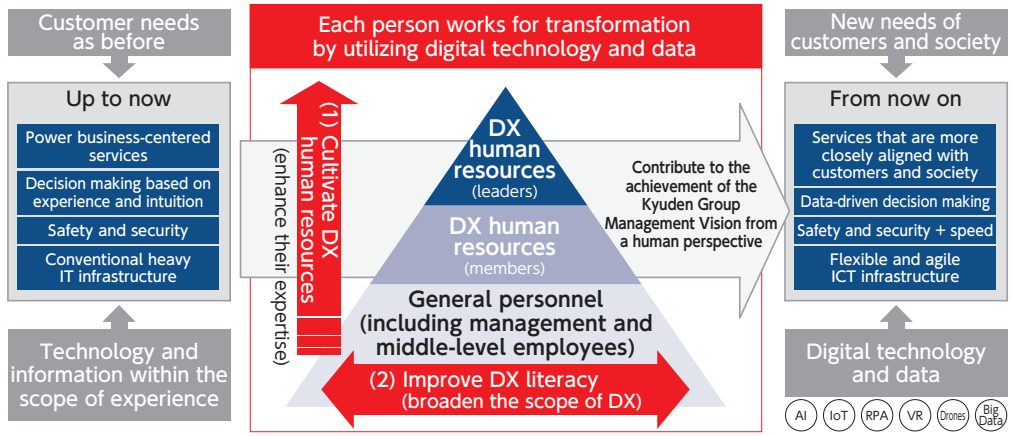
In order to realize and establish the use of data within and across organizations, which is necessary to improve productivity and promote business reform in the Kyuden Group, we have defined three areas of data use support and awareness, data management, and data governance, and are promoting efforts in these areas.
In the future, we will provide the functions necessary to experience the benefits of data utilization as early as possible, increase awareness of data utilization by bringing all employees into contact with data, and establish the processes and controls necessary for data utilization in accordance with the degree to which data utilization is put into practice.

### ●Promotion of Agile Development

Agile development is a method of development that enables a flexible response to changes in the business environment by implementing functions little by little in a short development cycle. In future system development, we will actively select and promote Agile development while confirming its applicability.
Since cooperation between users and developers is essential in promoting Agile development, we will provide a selection of Agile training programs and share in-house practical examples and know-how to all parties concerned, including each business division, in order to increase momentum for its application.

### ●Improvement of DX Human Resource Development and DX Literacy

As part of efforts to bolster our system for DX promotion, from April 2022 we started to expand and enhance employee training for the purpose of acquiring DX-related knowledge and skills, provide literacy education to all employees, and will have offered specialized education necessary for DX to approximately 3,500 employees (total number of employees) by the end of FY2026. At the same time, we will actively promote and collaborate with external personnel with specialized knowledge.



# Innovation

## Policy and Approach

KYUDEN i-PROJECT was launched in January 2017 to promote innovation throughout the Kyuden Group.
Through innovation initiatives in Kyushu, the base of the Kyuden Group, we aim to contribute to our customers' comfortable and environmentally friendly daily lives and to change the world by creating businesses and services from Kyushu that we can be proud of.

### Overview of KYUDEN i-PROJECT

**Create** business ideas
1. Cross-group innovation (i-Challenge, etc.)
2. Open innovation (co-creation with other companies)

Identify promising projects

**Nurture** business ideas
Establish a system to quickly examine promising projects for commercialization and evaluate them step by step

Support

**Build infrastructure to support initiatives**
Establish organizational and investment frameworks, identify and train human resources, promote internal and external communication, etc.

## Promotion Framework

KYUDEN i-PROJECT is under the direct control of the president to ensure prompt and flexible decision-making that goes beyond conventional organizational and operational frameworks.
When considering commercialization and service development, venture capitalists, university professors and other specialists serve as advisors, and the opinions of outside experts are also taken into consideration.


## Targets

■FY2021 targets and results

| Subject | Targets | Results |
|---|---|---|
| Number of participants in KYUDEN i-PROJECT | 100 participants/year | 117 participants (cumulative: approx. 1,000) |
| Number of individual projects leading to commercialization, services, and final proposals | 3 or more projects/year | 3 projects (cumulative: 12) |

■FY2022 targets

| Subject | Targets |
|---|---|
| Number of participants in KYUDEN i-PROJECT | 100 participants/year |
| Number of individual projects leading to commercialization, services, and final proposals | 3 or more projects/year |

## Initiatives

### ●i-Challenge, a Project to Create Business Ideas

We have held i-Challenge every year since FY2017. Under this project, we recruit people and teams who have enthusiasm and interest in innovation from across the Kyuden Group, and create promising business ideas through the combination of a "nurturing phase" involving workshops and mentoring by outside experts, and a "selection phase" involving presentations. The number of participants exceeds 100 every year.

### ●Kyuden Open Innovation Program 2022: Inspiration and Co-Creation

The Kyuden Group is committed to open innovation that aims to create new businesses by combining the original and innovative ideas of start-up companies and the group's management resources. In January 2022, we launched the Inspiration and Co-Creation program, which seeks to create businesses by combining the group's information and telecommunications assets under the theme of ICT-based business ideas. We received 100 applications from all over Japan, ranging from start-ups and major companies to individuals, and in June, we held the final selection process, from which seven were chosen to receive awards. We will continue to work with the winning companies to create new businesses.

### Major Commercialization Projects Born from KYUDEN i-PROJECT

**weev**
An EV sharing service exclusively for condominium residents. Provides residents with a safe, convenient, and comfortable EV car life.


**PRiEV**
An EV charging service for condominiums. Provides a comfortable EV charging environment by equipping each section of the parking lot with EV charging facilities exclusively for individuals.


**Lithium-ion battery pack manufacturing and sales business**
A business that manufactures and sells battery packs for industrial machinery using EV lithium-ion batteries, utilizing the battery control and monitoring technology, etc. owned by Kyushu Electric Power.

**PDLOOK**
A service that measures and diagnoses the health of the private-use on-site cables of special high-voltage and high-voltage operators without interruption and without stopping their business activities, and monitors and diagnoses trends for signs of abnormalities that are useful for maintenance management.


**Mirai salmon**
An onshore salmon farm constructed on the site of the Buzen Power Station (Buzen City, Fukuoka Prefecture). The farm will contribute to the stable supply of marine products in Japan, with the aim of an annual production capacity of approximately 3,000 tons.

**Okeiko Town**
A lesson matching platform that connects people who want to teach and people who want to learn.

# Human Resource Development

## Policy and Approach

The Kyuden Group has formulated educational policies and plans based on the Kyushu Electric Power (Kyushu EP) Education Charter, which serves as a guideline for employee education. The aim is to promote employee growth toward the human resource model to which we aspire.
We are also engaged in initiatives to develop human resources with the aim of strengthening the Group's overall capabilities through the joint implementation of training for the entire Group and the effective use of training facilities.

### Kyushu EP Education Charter

Based on the belief that human resources are our most important asset and the driver for improving our corporate value, Kyushu EP pledges to promote employee education by ensuring that management and indeed all employees will understand and share this charter.

1. **Purpose of Education**
   The purpose of education is to promote the personal and professional growth of each and every employee for the development of the company and self-realization of the individual through their own work.
2. **Basic Position on Education**
   Based on the principle that ideal learning takes place when both the learner and teacher work in harmony, our education assumes a desire for self-betterment on the part of each employee and the will to develop on the part of the company and those in managerial positions.
3. **Educational Content**
   Education shall consist of character development and other components that build mindfulness, as well as training to acquire the knowledge and skills necessary for performing jobs.
4. **Education Promotion System**
   Education shall be based on education in the workplace, with the Human Resources Revitalization Division responsible for facilitating the acquisition of character development and abilities commonly acquired by all employees. Each individual department will promote the mastery of its own specialized knowledge and skills.
5. **Employee Commitment**
   Employees shall always be conscious of their role as a Kyushu EP employee and embrace the desire to improve as such, while striving for self-improvement and mutual improvement.
6. **Training Responsibilities of the Management Team, Managers, and Non-managerial Employees**
   The management team, managers, and non-managerial employees shall recognize that the development of ensuing cohorts is an important responsibility, and shall always apply themselves to the education of others with both compassion and high expectations.
7. **Assessment and Utilization of Educational Performance**
   The company shall fairly assess the results of education and work toward the further growth of employees and the development of the company via opportunities for employees to demonstrate what they have learned.
8. **Promotion of Group-wide Education**
   Working toward integrated development of the Group, the company will strive to educate all members of the Kyuden Group through means such as the sharing of educational opportunities.

Established in Oct. 2007
Revised in Apr. 2020

### Our Vision of the Human Resources We Strive to Be

With an aim to realizing the Kyuden Group's Mission, there are five values we hold dear in our aim to be employees who work hard and grow, as we individually increase our capacity to perform our jobs and contribute to the organization.

**The Five Values We Hold Dear**

- **Respect for others**
  Respect individuality and have compassion for individuals from all walks of life.
- **Value ethics**
  Hold yourself to the highest standards in doing due diligence to meet the expectations of society.
- **Adherence to our mission**
  Fulfill your responsibility as the member of a team committed to the betterment of society.
- **Serve the customer**
  Serving the customer is always the starting point of everything we do.
- **Challenge yourself to be better**
  Envision the ideal and apply your desire to improve to take on the challenge of making that happen.

**The Ability to Independently Perform Your Duties**

- **Thinking**
  Picture a desirable outcome, identify the essence of what it will take to realize that, and create the steps to achieve it. (Conceptual, analytical, and planning skills)
- **Taking action**
  Possess expertise, the skills to communicate with others while building relationships of trust, make optimal choices, and achieve goals. (The ability to take action, make the right choices, better communication skills, better expertise, better skills)

**Ability to Contribute to the Organization**

- **Wield the passion to lead and nurture subordinates and junior employees.**
  (Leadership and development skills)
- **Motivate team members and lead the entire team.**
  (Leadership)
- **Respect team members and support team management.**
  (Teamwork skills)
- **Influence others by earning their trust and respect.**
  (An individual who wins the respect of others)

Established in Apr. 2011
Revised in Apr. 2020

## Promotion Framework

Based on the Kyushu EP Education Charter, which is the guideline for employee education, the fundamental of education is workplace education. The Human Resource Vitalization Division is promoting character building and the acquisition abilities that all employees are equipped with, while each department is taking the lead in promoting departmental expertise and skills.

## Target

As we strive for further evolution of the Kyuden Group, in order to foster a professional team with an open mindset, as stated in the Kyuden Group Management Vision 2030, we are engaged in the promotion of diversity and focus on the following areas of importance.

### Priorities

**1. Foster an Open Mindset**
- Broaden your horizons and think outside the box.
- Develop the ability to see from the perspective of others.

**2. Professional Development**

**(1) Improvement of individual abilities**
- Develop a commitment to professionalism.
- Establish a learning mindset in which employees continue to better themselves by envisioning what they want to be.
- Improve so that you have the mindset and capability that are sought in order to build expertise, pass on skills, and fulfill the company's social responsibility.

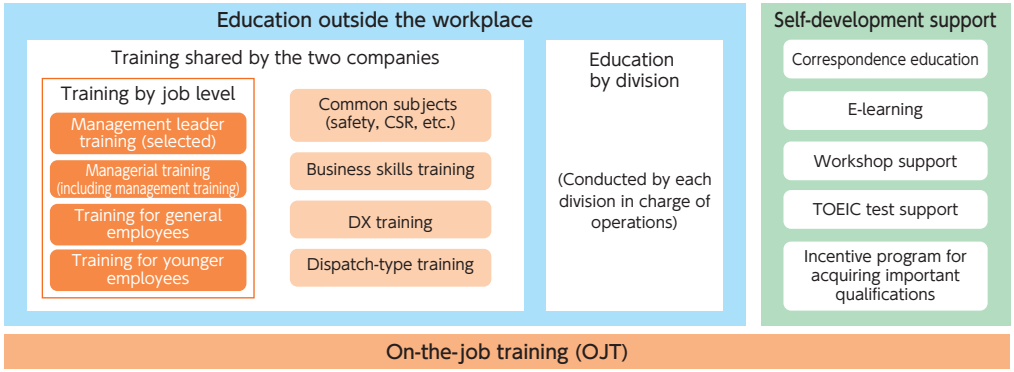
**(2) Improve your capabilities that will enhance the performance of the organization as a whole**
- Promote efforts to improve relationships between employees by encouraging them to teach and learn from each other.
- Create an environment that encourages employees to take on the challenges of innovation and digital transformation (DX), including improvements and reforms.
- Improve management and leadership skills with an awareness of results and speed.

## Initiatives

### Outline of the Education Program

Our education and training system is based on three pillars: education on the job, education outside the workplace, and support for self-development. In terms of education outside the workplace, we provide training for employees to learn about their expected roles at each level and encourage them to take action, training to acquire the knowledge, skills, and techniques required for departmental operations, and training to acquire business skills and expand their perspectives. In addition, we will begin a new DX training program this fiscal year.
As for self-development, we support active learning by providing a wide range of programs that encourage each and every employee to learn independently.

■ Overview of the Education Program




**Management leader training (selected)**
Conducted to cultivate in management candidates the mindset, perspectives, and decision-making framework required of managers, going beyond the scope of operations of individual departments.

**Management training**
Participants learn the awareness, knowledge, skills, etc. required for management before being promoted to a managerial position, leading to early understanding of management. Applications for this training program are open to all employees, and only those who pass the selection process are chosen to participate in the program.

## Initiatives to Maintain and Pass on Technical Skills

The Kyuden Group implements initiatives* to improve the knowledge and skills of employees in each department to acquire the technology and skills they need to perform their jobs. In addition, for mid-career hires and employees whose duties have changed significantly due to changes such as transfers, we provide appropriate follow-up at each workplace to ensure the prompt acquisition of skills and competencies.

*Initiatives that enable employees to acquire the necessary knowledge and skills in a step-by-step manner, based on clearly defined benchmarks and period for achieving competency in being able to perform their work.

### Overview of Each Department's Initiatives to Ensure Acquisition of Skills and Competencies

| | | |
|---|---|---|
| Kyushu Electric Power (Kyushu EP) | Thermal Power Division | • Implementation of education tailored to the level of growth of each individual, as based on the educational plan<br>• Initiatives to familiarize employees with the necessary operations of the Thermal Power Division and to work toward mastery of highly specialized knowledge and skills<br>• Initiatives to develop human resources who can play an active role in a wide range of fields and respond flexibly to changes in the business environment |
| | Civil & Architectural Engineering Division | • Initiatives to improve onsite and management skills through onsite-focused education<br>• Initiatives for practical education and training with the use of dam operation training facilities |
| | Nuclear Power Division | • Initiatives for the acquisition of a wide range of knowledge on matters such as plant operation and equipment<br>• Initiatives for the prompt acquisition of expertise on matters such as facility maintenance and management, radiation and nuclear fuel management<br>• Initiatives for practical education and training through the effective utilization of operation simulators and maintenance training facilities available at the Power Plant Training Center, as well as at various external training facilities and training programs |
| | Information & Communications Division | • Initiatives to maintain and pass on the information and communication technologies necessary for the betterment and greater efficiency of the electric power business<br>• Initiatives to improve technological capabilities for the future promotion of digitalization, such as in drones, security, IoT, and AI |
| Kyushu Transmission and Distribution | Transmission & Substation Division<br>Power System Operation & Engineering Division | • Initiatives to maintain and pass on maintenance technology through the development and operation of a cooperative system with a group company (Kyuden High Tech Co., Ltd.) |
| | Distribution Division | • Initiatives to improve skills for restoring power distribution facilities through means such as periodic power distribution work technical training |

## Periodical Personnel Appraisal and Feedback for Growth

**Nuanced assessment of individual performance and reflection in evaluations**

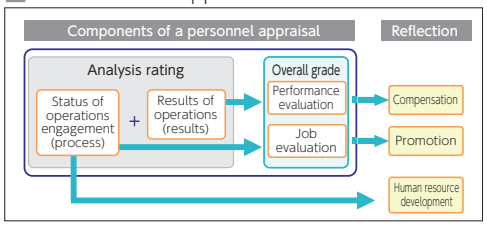
The Kyuden Group asesses employee performance not only on the basis of performance (results), but also on the basis of their attitude toward challenges and the process of efforts they have demonstrated in the course of performing their work.

Of particular note, general employees are informed at the beginning of each fiscal year of the expectations in their work performance that will be used as the baseline of their evaluation.

The results of the analysis conducted at the time of the evaluation of general employees are also applied to training and guidance in order to further develop human resources.

In addition, for non-managerial employees, who account for about 60% of the total number of employees, we conduct "Step Up Interviews" in which superiors and subordinates discuss matters such as strengths, areas for improvement, and future career plans, based on their engagement in operations over the prior year. Mutual perceptions are shared with the aim of stimulating the subordinates' motivation and leading to planned daily development and guidance. This is one instance of a system (Step Up Support System) we have established that links the results of analysis (matters such as the work performance of each employee) that serve as the baseline for personnel appraisals and the further growth of employees.

### How Personnel Appraisals Work




## Average Number of Training Hours per Employee

| Item | FY2021 |
|---|---|
| Average number of training hours per employee | 76.4 hrs |
| Education and training expenses per employee | 62,000 yen |

*Excludes employees on leave

## Secure and Develop Human Resources Who Can Contribute to the Realization of the Management Vision

As we move toward the realization of Kyuden Group Management Vision 2030, it is necessary for each and every employee to see change as an opportunity and respond appropriately. To this end, the Kyuden Group has defined actions that warrant particular attention to engaging in as "Actions Required of Each Individual to Realize the Management Vision." We are promoting efforts to put these actions into practice, such as by presenting them with awards for their outstanding efforts. In addition, in FY2021, we introduced various systems with the aim of supporting employees' independent challenges and growth, such as allowing them to pursue side jobs outside the company or concurrent jobs within the company. By doing so, we are working to create an environment where people with diverse experiences can play an active role, thus accelerating the growth and evolution of both our human resources and the group.

### Actions Sought in Each and Every Employee to Realize the Management Vision

**Open up: Open up your mind and open up a whole new world**

The values and needs of the world are constantly changing, and technology is constantly advancing. We need to be sensitive to and anticipate these changes and progress, and to apply them to our work.

Each of us should always ask ourselves if our current way of working is indeed the best way. In addition, we should broaden our perspectives to include other industries and fields, while valuing different opinions and ways of thinking as we evolve our technologies and services to meet the needs of society and our customers.

**Speed up & step up to the challenge: Continue to step up to challenges with speed and passion**

In order to respond to the desires of our customers in a timely manner, it is important that we act quickly and not miss any opportunity. By taking action first and foremost, new insights will emerge and bring with them a changing landscape that comes into view. We are not afraid to take risks when taking steps toward the future with passion and courage. The challenges and efforts we make are the fuel that will propel us into the future.

**Learning: The Joy of Learning and Growing Forever**

The world never stops moving forward. At the same time, we can continue to grow by learning, regardless of our age or point in life.

In order to be the professionals who can meet the expectations of our customers, we must always maintain the desire to learn and continue to refine our knowledge and skills through our practices on the job.

### Initiatives to Secure and Develop Human Resources Who Can Contribute to the Realization of the Management Vision

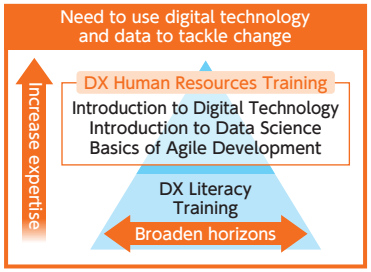
| | |
|---|---|
| Support for employees who autonomously take on challenges | • In-house recruitment and Job Challenge Program<br>• Human resource bank systems<br>• Introduction of side jobs outside the company and concurrent jobs within the company<br>• Leave of absence for privately funded study abroad, etc. |
| Onboarding of human resources with diverse experience | • Open recruitment (recruitment of people with experience working outside the company)<br>• Job return recruitment (rehiring of former employees who had switched to a different employer)<br>• Comeback recruitment (rehiring of employees who retired due to reasons such as childcare or nursing care)<br>• Utilization of human resources outside the company (side jobs and concurrent jobs) |

## Development of human resources to promote the Kyuden Group's DX

To fulfill the Kyuden Group Management Vision 2030, we are promoting a range of initiatives to bring about a digital transformation (DX), including the use of ICT to improve the efficiency and sophistication of our operations.

In order to further accelerate drastic reform of operations and development of new businesses with digital technology as the starting point, it is necessary for each and every employee to acquire and improve new knowledge and skills related to DX and apply them in the workplace.

To this end, from FY2022, we have started conducting DX Literacy Improvement Training to help all employees develop a mindset and acquire basic knowledge and skills related to DX, as well as DX Human Resources Training to acquire more specialized knowledge and skills in this area.




## Group-Wide Human Resource Development

Aiming for the integrated development of the Kyuden Group, Kyushu EP holds the Kyuden Group Education Conference every year in order to develop effective education and training programs that will lead to the improvement of the Group's overall capabilities. In FY2021, 31 educators from 31 group companies participated in the meeting and discussed the direction and challenges of human resource development. Based on our grasp of the needs of each company, in FY2022 we started systematically implementing joint group education and training as the Kyuden Group Mirai-Juku.

## Data on Employees (excluding executive officers and board members) (Kyuden Group*)

*Figures for 2019 are for Kyushu Electric Power (Kyushu EP).
In April 2020, Kyushu EP's power transmission and distribution business was split off as Kyushu Transmission and Distribution (Kyushu T&D) but for the purpose of comparison, here each year's figures are for both companies

### Basic Employee Data (end of fiscal year)

| | 2019 | 2020 | 2021 |
|---|---|---|---|
| No. of employees (employees + career-track employees) | 12,829 | 12,717 | 12,543 |
| Male | 11,791 (91.9%) | 11,660 (91.7%) | 11,481 (91.5%) |
| Female | 1,038 (8.1%) | 1,057 (8.3%) | 1,062 (8.5%) |
| No. of people in management | 4,684 | 4,667 | 4,664 |
| Male | 4,567 (97.5%) | 4,544 (97.4%) | 4,537 (97.3%) |
| Female | 117 (2.5%) | 123 (2.6%) | 127 (2.7%) |
| Number hired (FY) | 259 | 305 | 274 |
| Male | 219 (84.6%) | 248 (81.3%) | 230 (83.9%) |
| Female | 40 (15.4%) | 57 (18.7%) | 44 (16.1%) |
| Average age | 44.0 | 44.2 | 44.4 |
| Male | 44.5 | 44.7 | 44.9 |
| Female | 38.4 | 38.3 | 38.4 |
| Average years of continuous employment | 24.2 | 24.2 | 24.4 |
| Male | 24.7 | 24.8 | 25.0 |
| Female | 18.1 | 17.8 | 17.8 |
| No. of labor union members*1 Ratio of labor union members to total employees | 8,820 (68.8%) | 8,568 (67.4%) | 8,368 (66.7%) |

*1 The number of persons covered by the collective agreement. Based on the union store agreement, all employees (excluding special managers, etc.) are members of the labor union, and the labor union membership rate of the relevant employees is 100%.

### Attrition Rate (employees who left for personal reasons/employees at the beginning of the term x 100) (each year)

| | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|
| No. of employees who left the company (including retirees) | 404 | 421 | 478 | 503 |
| No. of employees who retired for personal reasons (indicated again) | 96 | 96 | 94 | 125 |
| No. of employees at beginning of term | 13,053 | 12,890 | 12,761 | 12,551 |
| Attrition rate | 0.74% | 0.74% | 0.74% | 1.00% |

### Contract Employees and Temporary Staff (end of each fiscal year)

| | 2019 | 2020 | 2021 |
|---|---|---|---|
| No. of contract employees | 164 | 273 | 305 |
| No. of temporary employees | 645 | 558 | 527 |

### Heads of Organizations and Important Employees including Managers (end of each fiscal year)

| | Heads of organizations | | | Important employees (indicated again) | | |
|---|---|---|---|---|---|---|
| | 2019 | 2020 | 2021 | 2019 | 2020 | 2021 |
| Male | 1,309 | 1,301 | 1,276 | 97 | 90 | 91 |
| Female | 19 | 20 | 22 | 3 | 2 | 1 |
| Total | 1,328 | 1,321 | 1,298 | 100 | 92 | 92 |

## Data on Employees (excluding executive officers and directors) (Kyushu EP)

### Full-time Employees by Gender (end of fiscal year)

| | FY2021 |
|---|---|
| Male | 6,489 (86.7%) |
| Female | 994 (13.3%) |
| Total | 7,483 |

### Full-time Employees by Age (end of fiscal year)

| | FY2021 | | |
|---|---|---|---|
| Age | Male | Female | Total |
| 20s and under | 924 (14.2%) | 326 (32.8%) | 1,250 |
| 30s | 1,051 (16.2%) | 210 (21.1%) | 1,261 |
| 40s | 1,991 (30.7%) | 216 (21.7%) | 2,207 |
| 50s | 2,396 (36.9%) | 233 (23.4%) | 2,629 |
| 60s and over | 127 (2.0%) | 9 (0.9%) | 136 |
| Total | 6,489 | 994 | 7,483 |
| Average age | 43.6 | | |
| Average years of service | 23.3 | | |

### Managers (end of fiscal year)

| | FY2021 |
|---|---|
| Male | 2,959 (96.1%) |
| Female | 120 (3.9%) |
| Total | 3,079 |

### Leavers (fiscal year)

| | FY2021 |
|---|---|
| Male | 61 (0.92%) |
| Female | 28 (2.73%) |
| Total | 89 (1.16%) |

The figures in parentheses represent the ratio of the number of leavers to the number of full-time employees of each gender.

### Temporary and Contract Employees (end of fiscal year)

| | FY2021 |
|---|---|
| Contract employees | 252 |
| Male | 60 |
| Female | 192 |
| Temporary employees | 259 |
| Total | 511 |

### Labor Union Members (end of fiscal year)

| | FY2021 |
|---|---|
| No. of employees | 7,483 |
| No. of union members | 5,031 |
| Membership rate | 67.2% |

# Diversity

## Policy and Approach

On the path to creating a firmer business foundation, the Kyuden Group is working to create a workplace culture that emphasizes diversity.
By maximizing the strengths, individuality, and abilities of each and every employee, **regardless of gender, age, nationality, religion or any other differences,** we will strive to increase our corporate value. In this process, we will also strive to realize "Kyuden Group: Creating the future, starting from Kyushu" by providing a workplace that is welcoming to diverse human resources, individuals who feel growth and meaningfulness in their work.

## Promotion Framework

The Diversity Promotion Group of the Human Resource Vitalization Division of the Business Solutions Headquarters serves as the secretariat, and works in cooperation with the personnel and labor related groups of each branch to promote diversity in unison with management.

## Targets

| Subject | Target | Results |
|---|---|---|
| No. of new female managers appointed*1 | More than three times the percentage during FY2009-2013 (54 employees) (FY2019-2023) Ratio of female managers: 2.8% or more, based on the above number of appointments | 33 employees (FY2019-2021) Current ratio of female managers: 2.7% |
| No. of women appointed to top management positions in the organization*1 | More than three times the percentage during FY2009-2013 (total of 21 employees) (FY2019-2023) | 22 employees (FY2019-2021) |
| Employment rate of persons with disabilities*2 | 2.3% (from March 2021) | 2.46% (as of June 2022) |

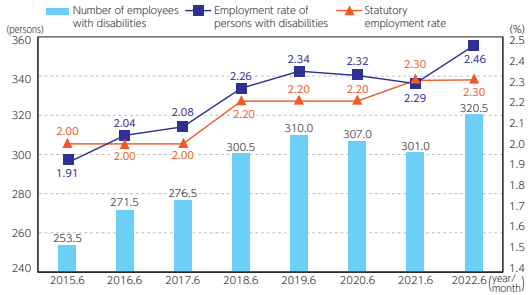
*1 The Kyuden Group
*2 The Kyuden Group and Q-CAP Co., Ltd. (a special subsidiary)

## Initiatives

### Promotion of the Employment of Persons with Disabilities

The Kyuden Group is striving to promote the employment of persons with disabilities in order to contribute to the creation of a society where they can play an active role in their community and in society.
In particular, in addition to its existing subtitling business, Q-CAP, a special subsidiary, is working to expand job opportunities for people with disabilities by developing business support services.
As of June 2022, the employment rate of persons with disabilities was 2.46%, and in order to maintain and in fact increase the number of persons with disabilities above the legally mandated employment rate, we will continue to systematically hire such individuals by implementing a special selection process for regular hiring periods.

■ Number and Employment Rate of Employees with Disabilities




*Under the special rule for related subsidiaries, Q-CAP Co., Ltd. and Kyushu Transmission and Distribution, are subject to lump-sum accounting.

### Promoting Greater Success for Seniors

The Kyuden Group has established systems to motivate and enable employees aged 60 and over, who are valuable human resources with a wealth of experience and advanced knowledge and skills, to play an even more active role in the company. These include the Career Employee Program, a system for rehiring employees who have reached the mandatory retirement age, as well as the Career Bank Program, a system for commissioning work based on the wishes of retired employees.
In addition, we provide a wide range of support for those aspiring to a second career, such as the introduction of the Side Job System, which allows employees to pursue side jobs outside the company, as well as a Reemployment Support Course and transfer preparation leave program.
Going forward, we will continue to consider measures to enhance senior employment, including expanding the scope of activities, and conduct initiatives for raising employment awareness.

■ Creation of an Environment to Allow Senior Workers to Flourish

**Career Employee Program**
Target: Employees up to 65 years of age who have reached retirement age
Objective: To create an environment for continued employment through post-retirement reemployment

**Career Bank Program**
Target: Retirees, voluntary retirees over 50 years of age, etc.
Objective: To improve the working environment in the form of outsourcing

**Side Job System**
Target: Employees 57 years of age and older; career employees 62 years of age and younger
Objective: To support employees in pursuing a second career by allowing them to work for other companies or start their own businesses while working for our company

■ Initiatives for Raising Employment Awareness

**Career design training**
Target: Employees aged 53 to 55
Objective: Create opportunities for becoming more concretely aware of one's own future, enhancing one's future work life and thinking about post-retirement paths

**Preparation training for post-career-track employees**
Target: Employees aged 59 (employees wishing to utilize the program)
Objective: Become prepared, mentally and otherwise, to change one's awareness with the change in role that comes with being a career employee and to willingly work in harmony with regular, pre-retirement employees

**Career development consultation**
Target: Employees
Objective: To confer with a career consultant to clarify the individual's perspective on career planning by becoming cognizant of their own aptitude, abilities and interests

## ●Promoting the Empowerment of Women

The Kyuden Group is rolling out comprehensive initiatives to support better career development for women, and to raise awareness and foster a corporate culture that supports these initiatives, with the aim of creating corporate culture brimming with vitality and a workplace, where each and every employee, regardless of gender, age, etc., can work with satisfaction and fulfillment.
In addition, we have introduced a system to rehire employees who have resigned due to personal circumstances, and a leave-of-absence system for those who will be accompanying their spouse on a job transfer, in an effort to enhance the working environment so that employees can continue to work after marriage or childbirth. In relation to the Act on Promotion of the Women's Participation and Advancement in the Workplace, we have formulated the second phase of our action plan (FY2019 to 2023) and are engaged in further efforts to improve the situation of women in the process of developing their career.

### Action Plan to Promote Active Roles for Women

#### Plan period

April 1, 2019 – March 31, 2024

#### Targets

During the five-year period until FY2023 (FY2019-2023), we are aiming to at least triple each of (1) the number of appointments of women to managerial positions and (2) the number of appointments to women in top management positions in the organization, relative to the period five years prior to the introduction of the action plan (FY2009-2013).

#### Main initiatives over the next five years

▶ Enhance measures to support women building their future careers
- Planned development, transfers, and assignments that take into account life-changing events such as marriage, childbirth, and childcare
- Support for subordinate management development from a long-term career development perspective
- Support for career development according to the development stage (younger, mid-career, childcare stages)

▶ Training and promoting women to lead the organization
- Planned development, transfers, and assignments to continuously develop management skills
- Offer seminars to cultivate managerial perspectives and awareness
- Provide opportunities to cultivate the perspective of prospective management candidates of tomorrow

▶ Further enhancement of a working environment in which both men and women can continue their career with assurance even while taking on the tasks of housework and childcare
- Enhance the working environment so that employees can concentrate on their work while taking on the tasks of housework and childcare
- Enhance the working environment so that employees can continue to work even after marriage or childbirth
- Offer new seminars to support men's participation in housework and childcare, and provide related information on role models, etc.

### Eruboshi Certification under the Act on Promotion of Women's Participation and Advancement in the Workplace

The Minister of Health, Labour and Welfare granted recognition to our company in July 2016, and to our group company Kyuden Sangyo in February 2018, as companies that excel in the implementation of initiatives for promoting active participation by women.

Eruboshi certification mark ▶

■ Promoting the Empowerment of Women

| | |
|---|---|
| Raising awareness, fostering workplace culture | ●Message from the president |
| | ●Utilization of internal communication (TV) |
| | ●Disseminating information through the company Intranet "Tri-net"<br>・Introducing senior female employees as role models<br>・Introducing initiatives implemented within the company<br>・Introducing information from outside the company and information on seminars |
| | ●Getting the management involved<br>・Conducting trainings to explain the promotion of diversity to management<br>・Exchanging opinions with executives at regional branches |
| Creating better career paths for women | ●Expanding the choice of roles for women<br>●Offering round-table discussions and career development seminars for female employees<br>●Publication of career development support materials and individual consultation |
| Supporting the balancing of work and family life | ●Hosting work-family life balance support seminars<br>●Creating and distributing a work and child-rearing or nursing care support guide<br>●Making available a workplace environment in which both men and women can continue their careers with assurance even while taking on the tasks of housework and childcare |

### Use of "Tri-Net" for Diversity Promotion

To press forward from the perspective of attitude and organizational climate reform to promote diversity, we have established the "Tri-Net" intranet as a place for open communication in which all employees can participate, and as a venue for the continuous dissemination of information on diversity promotion and work-life balance.

#### Main contents

- Message from management
- Featured examples of the diverse ways in which employees are active
- Topics related to diversity promotion inside and outside of the company
- Featured initiatives that promote diversity, such as lectures and round-table discussions
- Discussion board on diversity promotion and work-life balance (for a free exchange of opinions)

The "Tri-Net" format

# Establishment of Workplace Environments

## Policy and Approach

The Kyuden Group is coming together to promote work style reform aimed at creation of environments where employees can actively engage in their jobs; enhancement of labor efficiency through thoroughgoing increases in operational efficiency; and the fostering of a corporate culture that encourages employees to take on new challenges.
In addition, in order to improve the vitality and productivity of our employees, we are promoting health and productivity management* under the Kyushu Electric Power (Kyushu EP) Health Declaration to enable our employees to continue to work with vigor and vitality.
*Health and productivity management® is a registered trademark of the NPO Kenko Keiei Kenkyukai.

## Promotion Framework

The Kyuden Group is continuously promoting reforms while management discusses and evaluates the content and status of efforts to reform work styles.

## Targets

■FY2021 targets and results

| Subject | Targets | Results |
|---|---|---|
| Reduction of total actual working hours | Reduce as much as possible | Decrease of 23.6 hours from FY2020 |
| Increase the rate of completion of a telework-ready environment | Improve as much as possible | Expanded applicable workplaces to the entire group |

■FY2022 targets

| Subject | Targets |
|---|---|
| Reduction of total actual working hours | Reduce as much as possible |
| Promote flexible work styles | Create a new work system |

## Initiatives

### ●Promotion of Work Style Reform

○ Work reforms
- Streamline work and reduce overtime through a fundamental review of existing operations
- Promote business reforms to improve efficiency and productivity by disseminating the Key Rules of Work, group-wide common rules on how work should be performed, and by sharing examples of good practice
- Promote business reforms through digital transformation

○ Promotion of remote work and development of work systems
- Implement "hybrid work" that effectively combines remote and in-company work
- Further develop and establish remote work, introduce a super-flex system,* and expand satellite offices to realize flexible work styles that are not restricted by time and place

*Flexible work system with no core hours

○ Reform of awareness and organizational climate
- Foster awareness for productivity improvement and effective management skills through training for managers, etc.
- Generate awareness of remote harassment prevention and other issues through training for all employees


Satellite office


Key Rules of Work

Major revisions to systems that contribute to flexible work styles, etc.

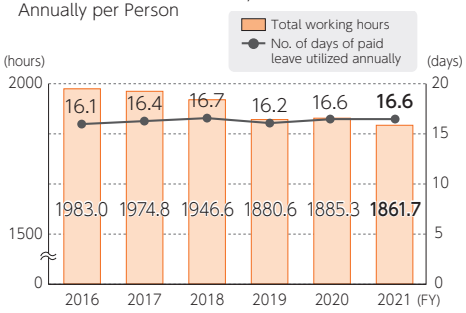
| | |
|---|---|
| Apr. 2020 | Introduction of intervals between work hours (secure at least 10 hours in principle) |
| Jul. 2020 | Introduction of staggered work hours system for better work-life balance |
| Aug. 2020 | Introduction of a system for flexible use of breaks (lunch break shift) |
| Apr. 2021 | Expansion of telework (expansion of applicable workplaces, elimination of restrictions on working hours, etc.) |

From FY2022 onward Introduction of super-flex system (planned)

### ●Enhancing of Work-life Balance

To enhance employee work-life balance, the Kyuden Group is promoting the use of flex time and other flexible work schemes, making efforts to raise labor productivity through workstyle reform, implementing no overtime days and encouraging employees to use their annual paid leave. In these and other ways, we are working to reduce employees' total working hours.
In addition, we are strictly managing hours worked by monitoring employees' computer use to promote their mental and physical health and ensure compliance with relevant labor laws.

■Total Hours Worked and Days of Paid Leave Utilized Annually per Person



## Support for Employees to Better Balance Their Career with Their Home Life

As part of the process of developing an environment in which diverse human resources can play an active role at work, the Kyuden Group is promoting the creation of a workplace environment in which employees can better balance their work and family life.
We will continue to improve our systems to flexibly accommodate the child and family member care needs of employees.

### Childcare and Nursing Care Support Programs: Overview and Results

| Program | Leave of absence | Shortened working hours | Special leave |
|---|---|---|---|
| Childcare support | **Applicable period**<br>Until the end of the April after the child reaches the age of two<br>**Changes in the number of users (persons)**<br>2018: 33 (2)<br>2019: 61 (13)<br>2020: 68 (11)<br>2021 (FY): 73(26)<br>**Rate of return to work (%)**<br>2018: 100<br>2019: 100<br>2020: 100<br>2021 (FY): 100 | **Applicable period**<br>Until the end of the child's third year of elementary school. However, if school childcare is not available upon request (after applied for), the program is available for use until the end of the child's sixth year of elementary school.<br>**Changes in the number of users (persons)**<br>2018: 100 (0)<br>2019: 98 (0)<br>2020: 127 (1)<br>2021 (FY): 130(1) | **Nursing leave**<br>For the purpose of caring for an ill or injured child no further in school than the third year of elementary school, five days are granted per year per child, and 10 days are granted per year for two or more children (may be taken in half-day units)<br>**Changes in the number of users (persons)**<br>2018: 293 (189)<br>2019: 345 (236)<br>2020: 299 (211)<br>2021 (FY): 323(222) |
| Family care support | **Applicable period**<br>Up to a total of two years (730 days) for the same care recipient<br>**Changes in the number of users (persons)**<br>2018: 3 (1)<br>2019: 4 (1)<br>2020: 3 (0)<br>2021 (FY): 1(1) | **Applicable period**<br>Until family care is no longer necessary<br>**Changes in the number of users (persons)**<br>2018: 2 (1)<br>2019: 2 (0)<br>2020: 2 (1)<br>2021 (FY): 7(1) | **Family care leave**<br>For the family in need of nursing care, five days are granted per year per family member, and 10 days for two or more family members (may be taken in half-day units)<br>**Users in FY2021**<br>157 employees (133 employees) |

*The figure in parentheses once again indicates male employees who utilized the program.

## Promoting the Action Plan to Support the Raising of the Next Generation

Based on the idea that each individual needs to recognize the necessity of supporting the raising of the next generation and to foster a workplace culture that makes it easier for employees of either gender to raise children, the Kyuden Group* has formulated the 7th action plan based on these ideas and have been promoting initiatives to create a child raising friendly work environment.
We were certified as a "general business that meets child-friendly workplace standards" in FY2015 as well as in FY2013 and received the next generation support certification mark "Kurumin."

*At the time the plan was created, Kyushu EP only

Certification mark from the minister of health, labour and welfare based on the "Law for Measures to Support the Development of Next Generation" (Nickname: Kurumin)

### 7th Action Plan

**Plan period**
April 1, 2021 – March 31, 2025
(The 10 year period as stipulated by law is divided into two- to five-year plan periods.)

**Targets for the action plan indicators**
- Percentage of male and female employees taking childcare leave: 100%
- Developing flexible work opportunities for employees raising children, increasing awareness

## Promotion of Men Taking Part in Childcare

The Kyuden Group has adopted the slogan "IkuQ: over 2 weeks" to encourage male employees to take at least two weeks off to focus on childcare, with the aim of strengthening family ties and improving personal growth, time management skills, and new ideas through childcare experiences.
We aim to achieve a 100% male employee utilization rate for childcare leave in FY2023 by making childcare leave partially paid, issuing a unique paternity handbook (PAPANOTE) that includes tips on being a good father, and implementing other measures to promote the utilization of childcare leave.

### Promoting male participation in childcare through "IkuQ: over 2 weeks"

Male employees are encouraged to take at least two weeks of childcare leave to devote themselves to childcare.

**Main content**
- Partial paid childcare leave
  - Paid childcare leave period of 10 business days (until the child reaches 1 year of age)
- Inform employees about the childcare leave system and confirm their intention to take leave through interviews with their managers
  - Meetings with department heads to inform employees about the childcare leave system and confirm their intention to take leave
- Distribution of the paternity handbook PAPANOTE
  - Distribute pamphlets containing information on the childcare leave system
- Sending of Hello Baby Cards
  - Send an original message card from the president to employees who have had a child
- Establishment of a consultation desk
  - Establishment of a consultation desk to provide consultations on the childcare leave system and its use
- Provide training on promoting the use of childcare leave
  - Hold training programs to foster a workplace culture that encourages employees to take childcare leave and managers to give them leave
- Provide examples of employees who have taken childcare leave
  - Introduce comments from male employees who took childcare leave and their superiors on the company intranet Tri-net


Screen shot of in-house intranet Tri-net

PAPANOTE paternity handbook

Roundtable discussion on men's participation in childcare

KAZ website

## Initiatives to Reflect the Voices of Employees

The Kyuden Group holds dialogues with employees (personnel and labor discussions) in order to increase their understanding and acceptance of personnel and labor policies.
We also conduct employee satisfaction surveys to ascertain employee evaluations of morale, personnel and labor policies, compliance, and other issues. We are implementing initiatives to reflect in our policies the feedback received in these surveys.

## Labor-management Relations

Based on the recognition of labor unions as business partners who work toward the common goal of ensuring the very existence and development of the company, we strive to maintain a relationship that is sound and favorable. In order to maintain and build on this kind of relationship, we hold various meetings such as the Labor-Management Management Committee, the Management Expert Committee, and the Labor-Management Roundtable to maintain close communication and share information on a daily basis.


A labor-management roundtable meeting

## Employment Support by Group Companies

Kyuden Business Front has been commissioned by Fukuoka City to provide employment consultation services. Dedicated career consultants support those looking for work opportunities by providing individual consultations, job introductions, and seminars to support job hunting activities.
Consultations are available for individuals that include general job seekers, people currently with jobs, and students.
Consultants will ask extensively about the preferred work style and then offer advice on what to do.
By utilizing their know-how cultivated through dispatching and placement services, they hope to put a smile on the faces of and give joy to people seeking work as well as to companies seeking people.

# Safety and Health

## Safety

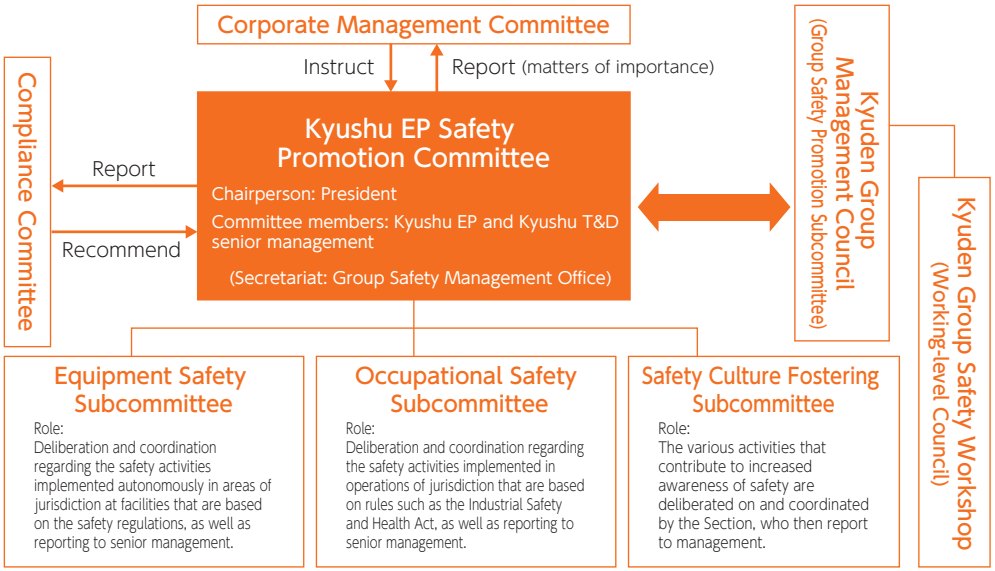
### Policy and Approach

Based on the basic and absolute concept that "safety is prioritized over all else," we have established our Safety and Health Management Policy with the aim of ensuring the safety of our employees, as well as checking the safety management status of contractors and subcontractors and providing them with thorough guidance about ways in which they can improve.
The Safety and Health Management Policy calls for activities such as the promotion of safety activities focused on serious disasters and the fostering of a safety culture. With these and based on the principles of the Occupational Safety Management System, we are working to improve the level of safety by implementing a PDCA cycle, which consists of planning, doing, checking, and taking action.
In the event of an accident, we investigate the causes of the accident at the relevant business site and take measures to prevent recurrence through bodies such as accident prevention review meetings and the Safety & Health Committee. We also strive to prevent similar accidents from occurring by sharing within the group accident case studies and measures to prevent a recurrence.

### Promotion Framework

The Kyushu Electric Power (Kyushu EP) Safety Promotion Committee and the Group Safety Promotion Subcommittee, in which executives in charge of safety at group companies participate, work together to create a group-wide safety promotion system.
Under this safety promotion system, each and every employee, including those at group companies, strives to foster a culture and climate in which safety is a top priority.

■ The Kyuden Group Safety Promotion System




### ●Promotion of Safety Initiatives Based on the Kyuden Group Safe Conduct Charter

Based on the goal of facilitating awareness of and subsequent action taken that are consisted with the Kyuden Group Safe Conduct Charter that sets forth the safety goals aimed for by and basic safety policies of the Kyuden Group, we are promoting initiatives related to safety as the foundation of management.
We share the content of the Safe Conduct Charter with others, including our affiliate companies, and strive to put it into practice on a permanent basis. We also strive to make the Kyuden Group an entity that can continue to pass on for generations to come a corporate culture that prioritizes safety that has been integrated into the DNA of the organization.

**Kyuden Group**

#### Kyuden Group Safe Conduct Charter

The Kyuden Group aims to protect the safety of all people involved in our business, and to connect that safety to further security and trust.
From the standpoints of occupational safety and equipment security, we will enforce the following five actions aimed at corporate activities that place the highest priority on safety, the foundation of our management.

1. Creation and evolution of safety 2. Incorporation of opinions and sharing information
3. Creation of open and friendly environments 4. Self-improvement 5. Transmission of company DNA

**Workplaces**

#### Kyuden Group's Promise of Safety

We will continue to keep our workplaces safe and secure enough so that the family members of our employees feel peace of mind in seeing off Kyuden employees departing for work each day.
To this end, each and every individual is consistently mindful of and practices safety with strong determination and unwavering teamwork.

**Individuals**

#### The three articles of safe conduct for each employee

1. Learn and practice: Learn the very essence of safe conduct and practice it assuredly.
2. Notice: Listen to the voices of the community and fellow workers, discuss, and notice the potential for new dangers.
3. Evolve: Facilitate the evolution of safe conduct that is informed by what is noticed.

### Targets

■ FY2021 targets and results

| Article | Target | Performance |
|---|---|---|
| No. of major accidents*1 (employees) | 0*2 (0) | 3*2 (0) |

■ FY2022 targets

| Article | Target |
|---|---|
| No. of major accidents*1 (employees) | 0*2 (0) |

*1 The following are considered accidents.
- Fatalities
- Accidents resulting in absence from work for 30 days or more
- Accidents that cause injuries resulting in a permanent incapacity to work (disability degree 1 to 3)
- Disasters that lead to Injuries of three or more people from the same accident
- Electrical shocks and falls

*2 Figures for the Kyuden Group

Note: Figures in parentheses are non-consolidated figures for Kyushu EP.

## Initiatives

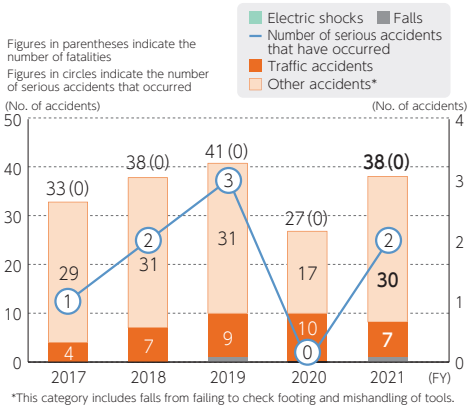
### Group-wide Safety Initiatives

At the Kyuden Group Safety Convention, lectures are offered by outside experts to encourage strong determination on the part of top management and front-line managers, who are the key players in promoting safety, and to provide an opportunity to drive further safety efforts. In addition, activities to foster a culture of safety, such as encouraging autonomous safety activities at each workplace through the Kyuden Group Safety Initiative Commendation Program, are promoted.
In addition, as we seek to eradicate serious accidents, we are implementing group-wide efforts through safety activities that focus on serious accidents and the sharing of accident and disaster prevention measures.
In April 2023, we will open the Kyuden Group Safety Education Center (tentative name) to make efforts at further raising mindfulness toward safety on the part of each and every employee of the Group companies.

### Initiatives to Eliminate All Major Accidents

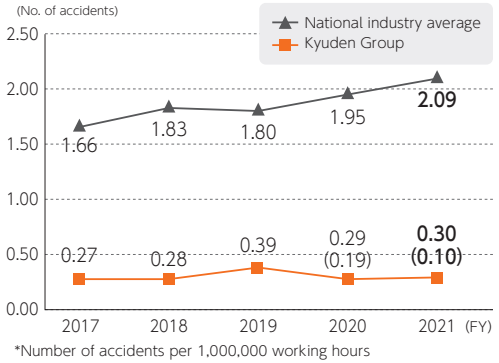
In order to thoroughly enact safe practices onsite as we work toward the goal of "zero serious accidents," we are promoting proactive serious-accident prevention measures such as risk assessment, implementing measures to prevent the recurrence of accidents by digging deeper into the root causes after the occurrence of the accident, and monitoring the status of implementation of these initiatives.
In addition, we are providing education on the Industrial and Health Act and related regulations from the perspective of compliance, safety education by job level, and safety education for the prevention of occupational accidents among senior employees.

#### Work-related Accidents at the Kyuden Group



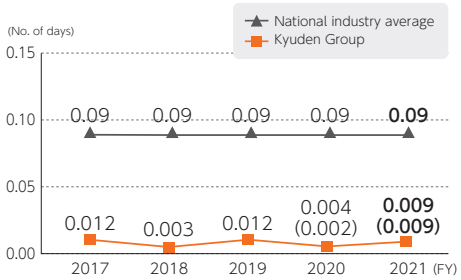

*This category includes falls from failing to check footing and mishandling of tools.

#### On-the-job Accident Rate*




*Number of accidents per 1,000,000 working hours
Note: Figures in parentheses are non-consolidated figures for Kyushu Electric Power.

#### Labor Accident Severity* (degree of business impact)




*Days of labor lost due to labor accidents per 1,000 hours worked
Note: Figures in parentheses are non-consolidated figures for Kyushu Electric Power.

#### Safety Education Record (FY2021)

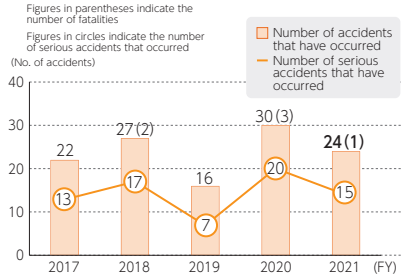
| Education subjects | | Number of attendees |
|---|---|---|
| Statutory education | When hired (new employees) | 290 |
| | Foreman | 1,196 |
| | Safety manager | 52 |
| | Total | 1,538 |
| Training by level | Safety training for general employees | 2,098 |
| | Safety training for management | 461 |
| | Total | 2,559 |

### Promoting Safety Activities with Contractors and Subcontractors

In cooperation with contractors and subcontractors, we are promoting safety activities that focus on the kind of accidents that occur more frequently in order to ensure thorough safety practices.
Specifically, we share basic information on how to eliminate the four major types of serious accidents (electric shocks, falls, getting caught in machinery, and accidents related to heavy machinery), conduct safety patrols, and check the status of safety management at work sites through diagnosis by safety consultants.

#### Safety Patrols by Occupational Safety Consultants


#### Contractor and Subcontractor Accidents*




*Number of work absences of 4 days or more (including accidents involving fee collection)

### Safety Training for New Employees

We provide new employees with safety education at the time of hiring in accordance with the Industrial Safety and Health Act, with the aim of building awareness of safety and learning basic operations.
In addition, in the training of each engineering department, the knowledge and skills necessary for safe work are acquired by employees through lectures attended and practical training.
Throughout the entire training period, new employees also engage in activities such as hazard prediction activities and near-miss experiences to foster safety awareness and make them aware that safety is prioritized over all else.

### Health and Safety Committee Meetings

In addition to the Workplace Safety & Health Committee, which is required by law to be established at workplaces with 50 or more employees, a unique initiative of ours is the establishment of a Safety & Health Promotion Council at workplaces with less than 50 employees to investigate into and deliberate on important matters such as basic measures to prevent danger and health hazards to employees.
In addition, as a forum for labor and management to regularly discuss matters and policies related to safety and health throughout the entire company and in branch areas, we have established a Central Safety & Health Committee at the head office and an Area Safety & Health Committee at each branch. Labor and management are working in lockstep to promote various safety and health measures.

### Ensuring Safety at Facilities

**Initiatives for the stable operation of thermal power plants**

As the introduction of renewable energy continues to progress—and especially as there is a rapid increase in the number of solar power sources going online—thermal power plants are playing a major role to make adjustments for supply and demand to ensure a stable supply of electricity.
For this reason, Kyushu Electric Power (Kyushu EP) places the utmost importance on safety to prevent accidents from occurring, and is taking all possible measures to ensure stable operations through the following measures.

- ○ Inspections and repairs are performed on weekends and national holidays (year-end and New Year holidays, the Golden Week holiday, etc.), when power demand is low.
- ○ Early detection of equipment abnormalities through employees and subcontractors working together to step up patrols and the monitoring of operating conditions.
- ○ Establishment of a reliable communication system in case of trouble, and early restoration of operations by the manufacturer and group companies in unison in the event of a problem

#### Early Detection of Equipment Abnormalities through Patrols


Checking instruments by pointing and calling


Checking for abnormal sounds with a stethoscope

**Safety measure initiatives at hydroelectric power plants**

Record rainfall caused by Typhoon Nabi in 2005 led to serious mudslide disasters along the Mimikawa River (Miyazaki Prefecture) due to causes such as mountain landslides and the worst flooding in history. Because of this, we are engaged in various collaborative efforts with all parties involved in the river region, from mountainous areas to the rivers and coasts, to ensure the safety and security of the local community and coexistence between humans and all other living things there. (Mimikawa River Integrated Sediment Management Plan, formulated by Miyazaki Prefecture in 2011)
Amid these developments, Kyushu EP retrofitted dams to lower the water level in reservoirs during floods, and started sediment sluicing operations at dams in FY2017 to use the force of water to allow sediment to flow downstream. This is expected to improve flood safety upstream from dams and to improve the river environment downstream from dams.

#### Retrofitting Dams to Allow Sediment Flow Downstream


Saigou Dam (before retrofitting)

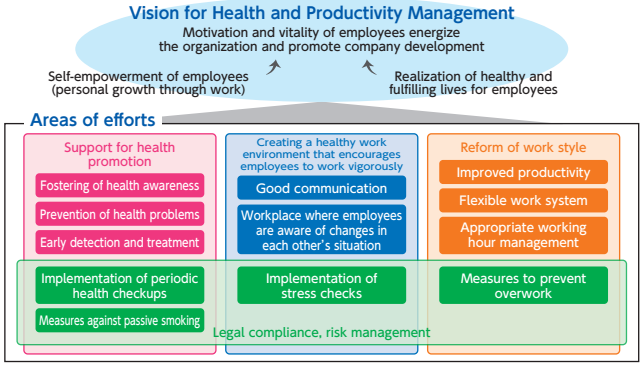

Saigou Dam (after retrofitting)

# Health

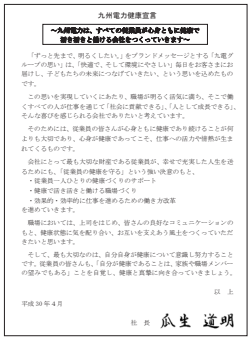
## Policy and Approach

As our employees are the very foundation of all business operations, the Kyuden Group aims to increase our ambition and vitality through the Health and Productivity Management®* initiative and work style reforms so that their power revitalizes the organization and achieve lasting corporate development.
In 2018, we established the Kyushu EP Health Declaration and Kyushu EP Health Management Policy, and based on our strong resolve to protect the health of our employees, we are working to support the health of each and every employee, create a workplace where employees can work with health and vitality, and reform work styles to promote effective and efficient work.
*Health and Productivity Management® is a registered trademark of Nonprofit Organization Kenkokeiei.

### Conceptual diagram



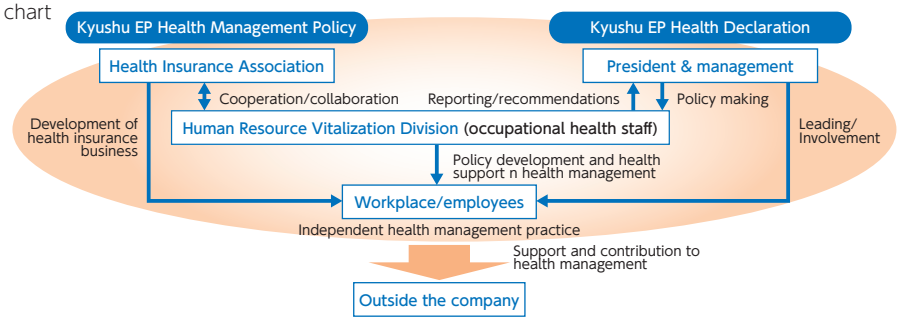

### Kyushu Electric Power Health Declaration


九州電力健康宣言
平成30年4月
社長 瓜生 道明

## Initiatives

Industrial health staff (industrial physicians and public health nurses) play a central role in various Health and Productivity Management initiatives in cooperation with the Human Resource Vitalization Division, workplaces, and Kyushu EP Health Insurance Association.
In addition, as part of our efforts to promote Health and Productivity Management, we regularly report to management on the physical and mental health of our employees.

### Structure chart




## Targets

### FY2022 targets

| Subject | Targets |
|---|---|
| Selected under the Certified Health & Productivity Management Outstanding Organizations Recognition Program (Large Enterprise Category) | Continued certification |
| Percentage of employees receiving regular health checkups | 100% |
| Stress check examination rate | 95% |

## Initiatives

### ●Physical health

(1) Efforts to raise awareness and lead to concrete actions to improve lifestyle and exercise habits
- Top management driving Health and Productivity Management through internal broadcasts of messages from the president, etc.
- Information on smoking cessation, women's health, and other topics to raise health awareness provided in the company newsletter
- Physical fitness test sessions and various health classes held to raise awareness of lifestyle improvement, as well as advice from public health nurses and other healthcare professionals to promote good health
- Efforts to encourage employees to take regular exercise through group-wide walking campaigns and other activities in which employees can participate with their colleagues in the workplace

(2) Measures to prevent passive smoking and help employees quit smoking
In principle, smoking is prohibited indoors, and smoking rooms that do not meet legal standards are abolished
Support for smoking cessation by public health nurses, etc.

### Indicators related to health management

| | Periodic health checkups | Regular exercise | Alcohol consumption | Smoking Rate |
|---|---|---|---|---|
| Physical | Percentage of respondents who received a medical checkup | Percentage of respondents who answered that they get regular exercise | Percentage of respondents who take more than 43g of alcohol per day on average | Percentage of respondents who answered in the medical interview that they smoke |
| | 100.0% (2019), 100.0% (2020), 100.0% (2021) | 17.9% (2019), 20.1% (2020), 20.4% (2021) | 10.2% (2019), 9.4% (2020), 8.8% (2021) | 28.0% (2019), 26.7% (2020), 24.1% (2021) |

### PR through in-house newsletters


Efforts to encourage employees to take regular exercise (group-wide walking campaigns)

PR for health promotion by management (the president undergoing a physical fitness test)

### ●Mental health

(1) Group-wide collective stress check
- Set a period of time and conduct stress checks simultaneously throughout group companies to ascertain the stress levels of employees and workplaces.

(2) Stress reduction activities based on stress check results
- Implement self-care based on the results of stress checks.
- Discuss strengths and weaknesses of the workplace based on the results of stress checks at each workplace, and implement measures to improve the workplace environment with the participation of all employees.

| | Stress check | |
|---|---|---|
| Mental | Inspection rate: 95.5% (2019), 94.5% (2020), 94.8% (2021) | Overall health risk: 100 (national average); 80 (2019), 79 (2020), 78 (2021) |
| | | *100 or less is good (better than national average) |

### ●Selected under the Certified Health & Productivity Management Outstanding Organizations Recognition Program

In March 2022, we were selected under the Certified Health & Productivity Management Outstanding Organizations Recognition Program (Large Enterprise Category) for the fifth consecutive year in recognition of our efforts to support the health of employees.

2022 健康経営優良法人 Health and productivity

### ●COVID-19 Countermeasures

As measures to prevent the spread of COVID-19, we have strictly enforced the use of masks and hand sanitizers, and reduced opportunities for contact by utilizing teleworking and remote meetings. In addition, workplace vaccinations have been administered to employees, including at group companies and subcontractors.

# Human Rights

## Policy and Approach

In order to respect human rights and contribute to the creation of a comfortable and affluent society, The Kyuden Group Corporate Conduct Code sets forth the core principle of respect for human rights* and the creation of worker friendly workplaces that enable diverse human resources to maximize their talents. The entire Kyuden Group is working as one to raise awareness of the importance of respecting human rights.

*Internationally recognized human rights are defined as those that should be protected as a matter of course, such as the four areas of core labor standards (recognition of freedom of association and the right to collective bargaining, prohibition of forced labor, prohibition of child labor, and elimination of discrimination) described in the Universal Declaration of Human Rights, the International Bill of Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work of the International Labor Organization.

### The Kyuden Group Corporate Conduct Code

The Kyuden Group aims for sustainable development with communities. We endeavor to earn the trust of our customers, communities, our shareholders and investors, our supply chain partners, and our employees.
In order to strengthen our relations of trust with our stakeholders, we will thoroughly implement sustainability management that creates both "social value" and "economic value" through our businesses, while maintaining a high level of sensitivity to changes in social conditions and conduct our business activities in consideration of their impact on society. We base our business activities, both in and outside of Japan, on the following principles:

Extract:

**7. Respect for Human Rights**

We regard internationally recognized human rights as universal values and respect them in all of our business activities. Together with our supply chain, we prevent and mitigate negative impacts on human rights that may occur through our business activities.

Established: January 2005
Revised: April 2022

## Promotion Framework

The Kyuden Group is working as a unified group to conduct human rights due diligence and human rights/discrimination training.

## Targets

In accordance with our implementation policy for human rights education we strive to have each employee attend at least one internal or external training course per fiscal year.

■FY2021 targets and results

| Subject | Target | Results |
|---|---|---|
| Attend internal and external training sessions on human rights and anti-discrimination issues | At least once per person per fiscal year | Number of training sessions per person 1.25 sessions (attended by 12,425 individuals) |

■FY2022 targets

| Subject | Targets |
|---|---|
| Attend internal and external training sessions on human rights and anti-discrimination issues | At least once per person per fiscal year |
| Reduce the risk of serious human rights violations, including throughout the supply chain | Establishment of guidelines for sustainable procurement |

## Initiatives

### ●Due Diligence to the Protection of Human Rights

In order for us to appropriately address human rights issues that may occur as part of our business activities, we have constructed a human rights due diligence system, and are making progress with efforts to identify, prevent, and mitigate such issues.

■Main Initiatives Taken to Address Human Rights Issues

| Stakeholders | Main initiatives |
|---|---|
| Employees | • Provide consultation services through the Harassment Advice Counter.<br>• Hold seminars on the roles sought in members of management for individuals such as directors and general managers of head office departments.<br>• Implement various education and training programs that contribute to raising awareness of and respect for human rights and assign all employees the task of a making a self-declaration toward the elimination of any and all harassment.<br>• Provide to Group companies training materials pertaining to human rights. |
| Business partners | • Use a questionnaire administered to business partners in order to gain an understanding of the status of efforts to address human rights issues, make proposals for improvements, and share instances of best practices.<br>• Review guidelines for sustainable procurement |

### ●Conduct Human Rights Education

In order to respect human rights and contribute to the creation of a comfortable and affluent society, the entire Kyuden Group is working as one to raise awareness of respect for human rights.
Having established the implementation policy for human rights education we are conducting education and awareness-raising activities based on the recognition that an accurate understanding of human rights and subsequent actions on the part of employees will lead to the creation of an affable workplace in which human rights are respected.

■Results of Education and Awareness-raising Activities in FY2021

| Type of training | | Results |
|---|---|---|
| Kyushu EP<br>Kyushu T&D | In-house training | 12,215 participants |
| | Outside training | 210 participants |
| Group companies | | 43 companies<br>6,073 participants |

### ●Harassment Response

Harassment, as typified by sexual harassment and power harassment, is not only a serious affront to the dignity of the victim that prevents the individual from exercising their abilities, but it is also an important problem for the company as it disrupts order in the workplace and the smooth execution of work. It is an important problem that affects the company's social reputation and is not to be tolerated.
For this reason, we are working to raise employee awareness through education and training, the distribution of pamphlets, and other means, as well as to thoroughly work toward the prevention of harassment by making available internal and external consultation services pertaining to harassment.
In response to the request for consultation regarding harassment, the company confirms the pertinent facts with the individual concerned and the relevant parties, and based on the confirmed facts, takes appropriate measures such as corrective action and measures to prevent recurrence.

| | FY2019 | FY2020 | FY2021 |
|---|---|---|---|
| Actual use of the Harassment Advice Counter | 9 | 5 | 7 |

# Governance

# Corporate Governance

## Policy and Approach

At Kyushu Electric Power (Kyushu EP), we aim to generate sustainable value for all shareholders in keeping with the Kyuden Group's Mission by engaging in operations that are socially meaningful from a long-term perspective. It is a top management priority to strengthen corporate governance to ensure that we do so properly. In addition, our operating environment is changing rapidly. We believe that strengthened governance and accelerated decision-making are essential if we are to respond to these changes more flexibly and dynamically. To that end, we have adopted an Audit & Supervisory Committee model. Going forward, we will continue to enhance our corporate governance to achieve sustainable growth and enhance medium- to long-term corporate value.

## Promotion Framework

### Basic Internal Control Policy

**1. Framework which ensures that the execution of duties by directors comply with laws and regulations**
- The Board of Directors deliberates and decides on matters considered important from a management perspective and supervises the execution of duties by directors and executive officers.
- One third of directors or more are external directors.
- Nominations of candidates for directors and decisions on compensation and other matters are based on deliberations at committees, which are chaired by an external director and composed of a majority of external directors.
- System to promote compliance among directors, executive officers, and employees.
- The Group shall refuse any unwarranted demands and disassociate from anti-social bodies.
- Recommendations and advice given by the Audit & Supervisory Committee or its members in regards to the execution of duties by directors or executive officers are respected fully.

**2. Framework for the storage and management of information related to the execution of duties by directors**
- Ensure appropriate storage and management of information and information security.

**3. Framework for risk management**
- Appropriate response to major risks that affect the running of the company, as well as risks relating to individual projects or other matters.
- Sharing of information, clarification of response systems, and appropriate measures by related divisions and departments for risks involving multiple divisions and significant risks that may become material.
- Efforts are made to fully grasp a wide range of risks regarding nuclear power, utilizing external knowledge and options and continual minimization of these risks by sharing information.
- A crisis management framework for emergency disasters, situations that may cause loss of trust from society, and any other events that may have a significant impact on corporate management or on society.

**4. Framework to ensure the efficiency of the execution of duties by directors**
- Appropriate and efficient business execution system and clarification of responsibilities and authority.

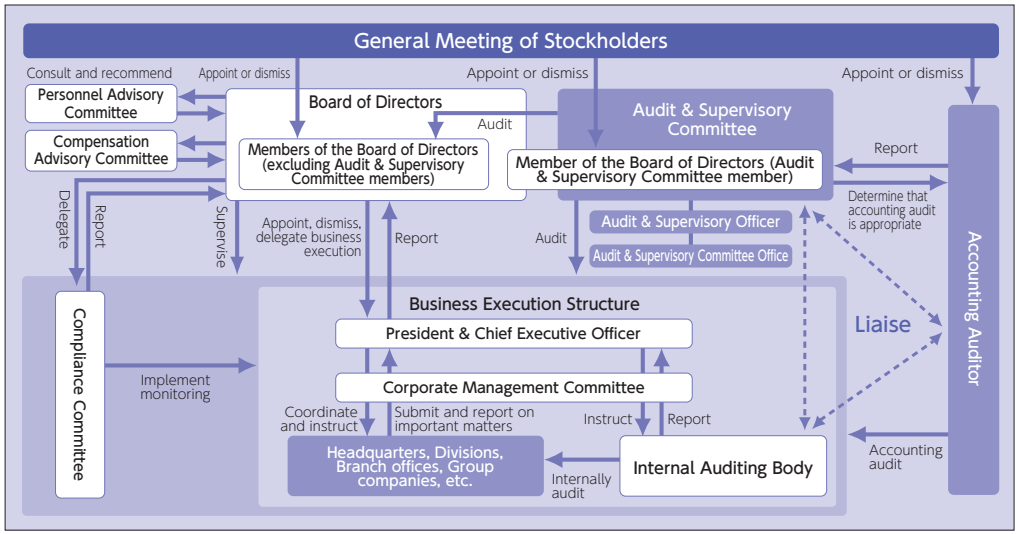
**5. Framework to ensure compliance with laws and regulations in the execution of duties by employees**
- Adherence to corporate ethics, as well as laws and regulations, is promoted via the Compliance Committee.
- The Kyuden Group Corporate Conduct Code, compliance, and action guidelines have filtered through the company and become entrenched.
- Financial reports are trustworthy.
- A framework is in place for the internal auditing of the execution of duties and other matters, and that oversees the quality assurance of nuclear power.

**6. Framework to ensure the compliance of business operations in the corporate group**
- Throughout the Group, management issues are addressed, compliance is promoted, and close information sharing is ensured.

**7. Framework to ensure the effectiveness of the execution of duties by the Audit & Supervisory Committee**
- There is an Audit & Supervisory Officer to assist the Audit & Supervisory Committee as well as an Audit & Supervisory Committee Office to act as a specialist organizational body.
- Ensuring the independence of Audit & Supervisory Committee staff from directors.
- Ensuring a framework for reporting, including Group companies, to the Audit & Supervisory Committee.
- A framework is in place to ensure the effectiveness of other audits.

Established: July 2006
Revised: April 2022

■Corporate Governance Structure (as of July 2022)




We have established a basic policy of internal controls to ensure the appropriateness of operations throughout the company and strive to continuously improve the systems.
- Strengthen oversight functions through the appointment of highly independent, full-time external directors, who will comprise at least one third of the total number of directors
- Ensure efficient operation of the Audit & Supervisory Committee through close coordination with our internal audit structure
- Clarify the role of directors and executive officers in oversight and execution
- Strict compliance
- Enhancement of a consistently neutral internal audit structure (for nuclear energy, a separate dedicated internal audit organization has been established).

With an eye on encouraging debate and improving management oversight functions, the articles of incorporation stipulate that the Board of Directors consists of no more than 19 directors (including no more than 5 Audit & Supervisory Committee members).
Internal directors are elected based on a comprehensive consideration of their personalities, insights, ethical viewpoints, backgrounds, and abilities, while taking into account the appropriate size of the board and its diversity in terms of gender, nationality, professional experience, and age.
External directors, who comprise at least one-third of the entire Board of Directors, are elected based on their extensive experience and insight in corporate management and specialized fields, as well as their ability to meet the criteria for maintaining their independence.
The composition of the board takes into account an appropriate size and diversity – such as by having three female directors – as well as a balance of overall business fields.

■Overview of Internal Organizations at Kyushu Electric Power (Kyushu EP)

| Organization | Roles | Members (As of March 31, 2022) | Meeting Frequency, etc. |
|---|---|---|---|
| Board of Directors | • Decides on important corporate management matters<br>• Supervises performance of duties | • 15 members of the Board of Directors in total (including 5 external members) | In principle once a month (15 times in FY2021) |
| Corporate Management Committee | • Consultation on matters that require prior consultation before it goes for a decision to the Board of Directors<br>• Makes important decisions on business execution | • President, vice president, senior managing executive officers, managing executive officers, and others 14–23 members (9 members attended in response to agenda items)<br>*In addition to the above, 2 external directors attended | In principle once a week (29 times in FY2021) |
| Audit & Supervisory Committee | • Performs audits relating to general status of members of the Board of Directors' performance of duties<br>➡ Attends Board of Directors and other important meetings<br>➡ Receives reports from executive divisions and others<br>➡ Performs business site inspections<br>➡ Deliberates and decides on important matters related to audits stipulated by laws and regulations and the articles of incorporation | • 4 Audit & Supervisory Committee members in total (including 3 external Audit & Supervisory Committee members)<br>*The Audit & Supervisory Committee Office, which has 9 members, was established to assist the Audit & Supervisory Committee members and Audit & Supervisory Officer as a specialist organizational body | In principle once a month (16 times in FY2021) |
| Internal Auditing Body | • Audits observance of laws, regulations, and so forth at company divisions, business sites and group companies as well as auditing the status of business execution<br>• Audits quality assurance systems in place to monitor safety initiatives and the status of operations based on these | • 18 Internal Audit Office members<br>• 10 Nuclear Power Audit Office members | *Held constantly as part of duties |

■Committees That Fulfill the Roles of Nominating Committee and Remuneration Investigation Committee at Kyushu EP

**Personnel Advisory Committee (which acts as a discretionary nominating committee)**
The committee discusses the selection of director candidates (including the selection of executive directors and representative directors) and the appointment of executive officers. The committee reports to the Board of Directors. In fiscal 2021, the committee met five times, with all members in attendance. In FY2021, the committee met five times, with all members in attendance.

**Compensation Advisory Committee (which acts as a discretionary renumeration committee)**
The committee develops the director remuneration system and remuneration standards for directors (excluding Audit & Supervisory Committee members), executive officers and corporate officers. The committee reports to the Board of Directors. In FY2021, the committee met six times, with all committee members in attendance.

| Committee | Total | Internal directors | External directors | Chairperson |
|---|---|---|---|---|
| Personnel Advisory Committee | 4 | 1 | 3 | External director |
| Compensation Advisory Committee | 4 | 1 | 3 | External director |

■Director Remuneration (for more details, please refer to our Corporate Governance Report)
Individual compensation for directors (excluding those who are members of the Audit and Supervisory Committee) consists of both basic renumeration and performance-linked renumeration. In light of their duties, performance-linked remuneration is not applied to external directors, and consists of basic remuneration only.
The amount of compensation is determined within the total amount and maximum number of shares set at the General Meeting of Stockholders, which is based on the deliberations by the Compensation Advisory Committee, which is chaired by an external director and the majority consists of external directors.
In addition, Audit & Supervisory Committee members are present at the Compensation Advisory Committee meetings to ensure the appropriateness of the committee's discussions.

■Basic Remuneration [monetary awards and monthly salary] (FY2021)

| | | |
|---|---|---|
| Directors (excl. Audit & Supervisory Committee members) | 14 | 372 million yen |
| Directors (Audit & Supervisory Committee members) | 5 | 77 million yen |
| Total | 19 (6 external) | 450 million yen (60 million to external directors) |

■Performance-linked Remuneration [monetary awards and short-term-performance-linked bonuses] (FY2021)

| | | |
|---|---|---|
| Directors (excl. Audit & Supervisory Committee members) | 9 | 43 million yen |

■Performance-linked Remuneration [non-monetary awards and medium- to long-term-performance-linked, stock-based compensation] (FY2021)

| | | |
|---|---|---|
| Directors (excl. Audit & Supervisory Committee members) | 9 | 53 million yen |

※Performance-linked remuneration is based on performance indicators given as financial targets in the Kyuden Group Management Vision, including consolidated ordinary revenue, GHG emission reduction targets toward carbon neutrality, and dividends for shareholders.

■Kyuden Share Ownership Guidelines
We have formulated the Kyuden Share Ownership Guidelines, which sets share ownership targets for each rank of director or executive officer with the aim of sharing value with shareholders.

## Targets

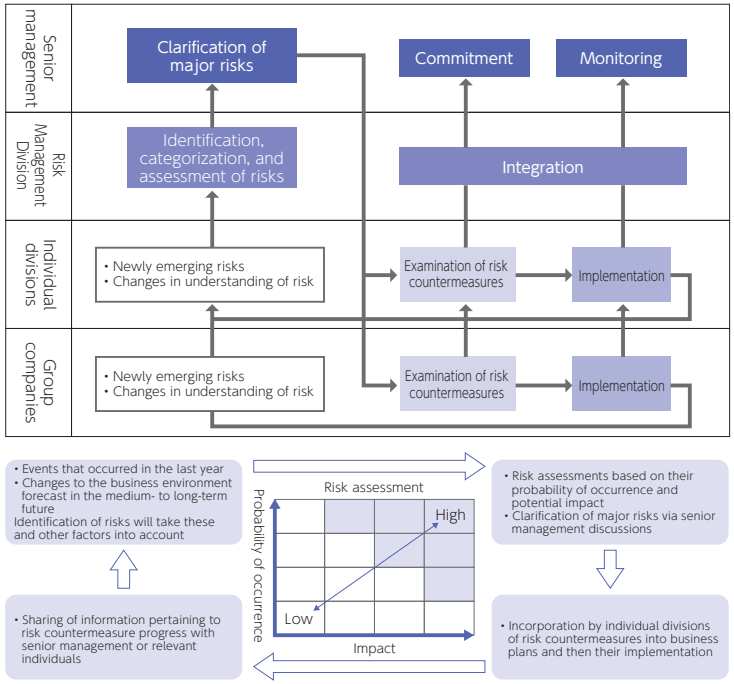
■FY2022 targets

| Item | Target |
|---|---|
| Ensure effective corporate governance | Enhance the information we disclose |

# Risk Management

To manage risk, Kyushu Electric Power (Kyushu EP) regularly identifies, categorizes and assesses risks based on its risk management rules, clarifying Company-wide and division-specific threats that could affect Kyuden Group management. Each division and business office produces contingency plans to appropriately manage major risks.
With regard to risks that relate to multiple departments and risks for which concerns of manifestation are high, we share information among related departments, clarify response structures and address these risks appropriately.
For nuclear power in particular, we take external knowledge and opinions into consideration as we work to identify a broad range of risks, share this information with members of the Board of Directors and executive officers, and address the risks thoroughly and on an ongoing basis.
In addition, to respond rapidly and appropriately to emergencies and disasters, we have established rules, in advance, covering response structures and procedures, and we conduct regular drills.

■Risk Management Processes




■Business Risks Announced by Kyushu EP (as of June 2022)

Main risks that have the potential to affect the Kyuden Group's business performance, financial situation, etc., include, but are not limited to, the following.

| Risk | | Details | Countermeasures |
|---|---|---|---|
| **Changes in the competitive environment** | | | |
| | Domestic power business | Impact of temperature increases and economic trends<br>Intensification of competition due to the full deregulation of the retail electricity sector<br>Trends in wholesale electricity transactions | Provide competitive products and services<br>Expand sales<br>Create demand for electricity in the region |
| | Other Businesses (Overseas Business, etc.) | Country risks<br>Intensification of competition<br>Institutional changes | Assess potential profitability and risk<br>Establish a risk management framework<br>Optimize our business portfolio<br>Reduce costs<br>Work on new technologies |
| **Status of the situation surrounding nuclear power** | | | |
| | Stable operation of nuclear power | Stop of operations due to new regulatory standards<br>Successful litigation against nuclear power | Respond to new regulatory standards (bolster safety)<br>Implement appropriate countermeasures to such litigation |
| | Atomic Fuel Cycle and Back-end of Nuclear Operations | Uncertainty accompanying extremely long-term projects | Alleviate impact through government measures |
| **Fluctuations in market prices** | | | |
| | Fluctuations in fuel costs | Changing conditions in the international fuel markets and fluctuations in foreign exchange rates | Diversify procurement sources and ensure we remain flexible<br>Make use of foreign exchange forwards and fuel price swaps |
| | Interest rate fluctuations | Outstanding interest-bearing liabilities | Raise long-term capital with fixed interest |
| | Prices of wholesale electricity transactions | Dramatic price increases due to changes in supply and demand<br>Increase the proportion of market-related expenses that can be avoided | Optimize our energy source portfolio<br>Make use of derivatives trading |
| **Changes in systems related to the power industry** | | | |
| | | System change and amendments to the Strategic Energy Plan<br>Development of electricity markets and rules | Gather data on system design and respond appropriately |
| **Climate Change** | | | |
| | | Rise in capital investment and expenses due to reviews of regulations aimed at reducing or eliminating carbon-based energy sources<br>Changes in actions by investors concerning ESG<br>Loss in reputation due to insufficient efforts or disclosure | Promote electrification and low- or zero-carbon energy sources<br>Establish an ESG promotion framework<br>Disclosure of information on low/decarbonization efforts (e.g., information disclosure and communication based on TCFD recommendations) |
| **Facility accidents/failures and system failures** | | | |
| | | Large-scale natural disasters<br>Aging and breakdown of equipment<br>System failure<br>Cyber-attacks | Formulate business continuity plans<br>Cooperate with relevant organizations and local governments<br>Carry out priority inspections and repairs, improve maintenance efforts, etc.<br>Constantly monitor system operations and update systematically<br>Maintain and improve our information security level |
| **Operational risks** | | | |
| | Inadequate business (employee accidents, etc.) | Personal injury such as electric shock<br>Large-scale or long-term blackouts<br>Loss of trust from customers or society<br>Expenses relating to post-incident response | Establish detailed plans in advance and put in place a work task management framework<br>Conduct job training and drills<br>Put in place an in-house safety promotion framework |
| | Violation of laws and regulations | Legal breaches resulting from insufficient understanding of laws and regulations<br>Violations of compliance policy | Thoroughly implement compliance to laws and regulations<br>Establish a compliance promotion framework |
| | Infectious disease outbreaks | Impediments to business continuity<br>Difficulties maintaining supply chains | Formulate business continuity plans<br>Improve working environments |
| | Lack of human resources and skills | Inability to secure and train human resources or outflow of existing personnel | Systematically hire human resources<br>Train personnel to cultivate improved human resources<br>Put in place better working environments |
| **Other risks** | | | |
| | | Impairment of fixed assets<br>Reduction of deferred tax assets | |

## Targets

■FY2022 targets

| Item | Target |
|---|---|
| Strengthen the risk management system | Improve the accuracy of risk management |

# Information Security

## Policy and Approach

Kyushu Electric Power (Kyushu EP) has established a basic policy regarding information security and protection of personal information, and is working to ensure that all executives and employees are fully aware of this policy and that they are able to appropriately protect personal information. We are striving to ensure appropriate information security and protection of personal information.

### Basic Policy on Information Security

At Kyushu EP and Kyushu Transmission and Distribution (Kyushu T&D) (hereafter "The Two Companies"), in order to continue functioning as a business that provides energy services, we realize that maintaining information security throughout our group is of the utmost importance, and under the guidance of the president of Kyushu EP as CEO, we strive to protect and maintain information security, not only within The Two Companies, but throughout our group as well as together with business partners.

**Compliance**
We pledge to observe laws and ordinances related to information security, other social norms as well as related regulations stipulated by The Two Companies.

**Taking countermeasures**
To promote the appropriate management and use of information assets, we secure the necessary management resources and carry out organizational, human resource, physical, and technical measures. By doing so, we prevent data leaks, such as through loss or theft, and respond appropriately to such threats as internal fraud or cyber-attacks.

**Periodic review and reforms**
While continuing to implement risk management, we pledge to make periodic reviews and make improvements when necessary.

**Responding to new threats**
We pledge to take swift action to counter against the latest threats.

**Education and training**
In order to continue protecting against information security-related incidents, we conduct educational workshops for our employees as well as drills that simulate information security-related incidents.

**Responding to incidents**
In the event of an incident related to information security, as well as attempting to prevent damage from spreading further through a swift initial response, we investigate the cause as well as plan countermeasures to prevent reoccurrences. Finally, we pledge to disclose any new information related to such incidents swiftly.

Established: July 2006
Revised: April 2020

### Basic Policy on the Protection of Personal Information

At Kyushu EP and Kyushu T&D (hereafter "The Two Companies"), we recognize the importance of the rights and interests of our customers, so in order to handle personal information appropriately,*1 we have established a Basic Policy on the Protection of Personal Information, which is disseminated to executive officers and employees of The Two Companies, ensuring appropriate protection of personal information.

**1. Laws and guidelines regarding personal information, other social norms, and The Two Companies' rules and regulations regarding the protection and management of personal information, as well as other regulations, will be strictly observed.**

**2. Based on our Basic Policy Regarding Information Security, while managing personal information in an appropriate manner, we will carry out safety measures to manage the risk of unauthorized access or damage to, as well as leakage or loss of, personal information.**

**3. Personal information will be handled in the following ways.**

(1) Disclosure, Notification, and Specification of the Purpose of Use Will Be Made
We will concretely specify, as much as possible, the usage purpose of personal information. When obtaining personal information, we will either disclose the usage purpose in advance, or we will notify the person as soon as possible after it has been collected.

(2) Acquisition and Handling
Personal information will be acquired through proper means and it will be used for a specific purpose. However, when we receive an individual's personal ID number (My Number)*2 we will confirm this information. Furthermore, when this information is no longer necessary, the personal ID number will be promptly discarded or deleted.

(3) Providing Information to Third Parties
Except for the following cases, personal data*1 will not be provided to third parties. Excluding cases where stipulated by law, the personal ID number will not be provided to third parties.
- When we have consent.
- When obtaining consent is difficult, and where necessary to protect the person's life, body or property.
- When cooperation with national organizations or local public entities, or the people entrusted with carrying out their duties, as specified by the pertinent laws and regulations, is deemed necessary, but obtaining the person's consent risks causing trouble for those tasked with performing the relevant duties.
- When providing personal information in accordance with business succession procedures.
- When providing personal information within the scope deemed necessary for the achievement of usage purposes.
- When sharing personal information with a third party is accepted on the basis of other laws and regulations.

(4) Dealing with Notification and Disclosure Requests
Whether it is regarding purpose of use; data disclosure, revision, addition, or deletion; stopping usage, erasure, or stopping information sharing with third parties, when we receive a request from a person regarding personal data in our possession,*1 as a rule, we aim to respond to it without delay.

**4. We will make regular reviews to our system, and will strive for improvements in how we protect personal data.**

**5. In cases where major complaints have been made against top management, while trying to solve them by ourselves, in the process of investigating the cause, corrective measures will be taken immediately. While striving to prevent a relapse, we will promptly and accurately make this information available to the public. In addition, we will also establish a system to deal with complaints regarding our handling of personal information in a rapid and appropriate manner.**

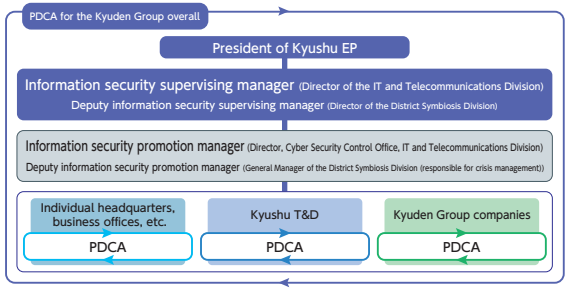
*1 As defined by the Act on the Protection of Personal Information (Act No. 57, enacted 2003)
*2 Refers to an individual's personal ID number (known in Japan as My Number) stipulated in the Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedures (Act No. 27, enacted 2013)

Established: July 2006
Revised: April 2020

## Promotion Framework

Kyushu EP has created a framework under which the president is ultimately responsible and where the Director of the IT and Telecommunications Division acts as information security supervising manager.
The Cyber Security Control Office, which forms part of the framework, is at the heart of the group-wide efforts to promote the security PDCA cycle, and is working to guarantee information security.

■Information Security Promotion Structure




## Targets

■FY2021 targets and results

Kyushu EP has had no data security breaches resulting from cyber attacks.
In the future, we will continue to implement initiatives to ensure that none occur.

**Information security incidents resulting from cyber-attacks*: 0**

*Information security incidents that have a significant impact on management and society, such as power outages and the leakage of large volumes of personal information due to cyber attacks

■FY2022 targets

| Items | Targets |
|---|---|
| Personal information leaks | Zero |
| No. of serious data security breaches by cyber attacks | Zero |
| No. of system failures that have a big impact on customers | Zero |

## Initiatives

### ●Information Security Measures

To ensure that no information security incidents occur, we are implementing multi-faceted initiatives that include organizational, human resource, physical, and technical measures. These efforts have our Cyber Security Control Office at their heart, and involve cooperation between those responsible for information security at each of our sites, including those of group companies.

**Organizational measures**
Under the framework detailed above, we are promoting the use of the PDCA cycle throughout the entire group, checking on the progress being made by information security efforts at each workplace, and making continuous improvements.

**Physical measures**
As well as introducing security gates and electronic locks, we are implementing necessary measures at facilities to control who can enter our buildings and offices.

**Human resources measures**
All employees undergo information security training and drills related to targeted cyber-attacks via email. Through these and other types of training, we are raising awareness and understanding of information security and improving employees' ability to respond.

**Technical measures**
To prepare for cyber-attacks, which are always becoming more advanced, we are constantly strengthening our security countermeasures, through such means as utilizing antivirus software or introducing security firewalls.

### ●Protecting Personal Information

For personal information, we have put in place various internal regulations and use and manage the information appropriately within the scope of specific usage goals. We are working to respond to the April 2022 revision of the Act on the Protection of Personal Information. In FY2021, there were no personal information leaks that needed to be reported to the Personal Information Protection Committee in line with guidelines, rules, and regulations from the regulatory authorities. Going forward, we will continue to ensure our management of such data is both appropriate and rigorous, based on relevant laws and external and internal regulations.

### ●Individual Number (Social Security and Tax Number) System

In accordance with the goals and requirements of relevant laws and regulations, we make sure to confirm individuals' identities when we are required to confirm their individual number which was introduced by the Japanese government in order to enhance social security and improve public convenience. Where its use is no longer necessary, we handle it appropriately, such as by promptly disposing of or deleting the information. Moreover, when a customer contracts with us for electricity, we do not require them to provide us with their individual number.

# Compliance

## Policy and Approach

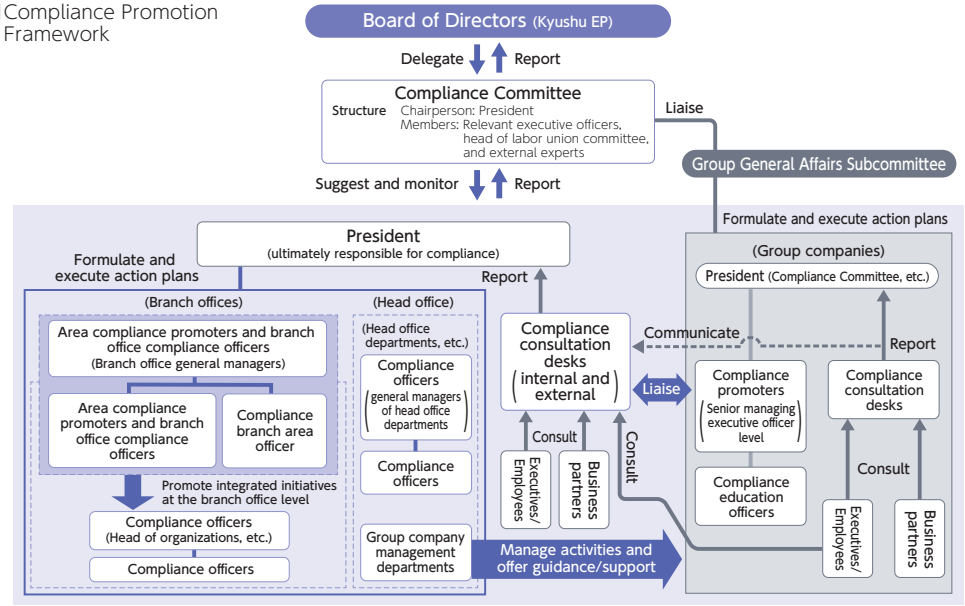
Based on the belief that the trust of society is the most important foundation of our business activities and that it is vital to conduct business operations in a highly transparent, honest and fair manner, each and every employee of Kyushu Electric Power (Kyushu EP) will strive to maintain a high awareness of compliance and place the highest priority on compliance in all business activities, including the prevention of bribery* and other corrupt practices.

*Including illegal donations

## Promotion Framework

At Kyushu EP, under the Compliance Committee, which is delegated to and overseen by the Board of Directors, we have set the heads of different organizations as compliance officers who formulate and implement action plans. We have also prepared a framework involving elements such as the establishment of consultation desks both within and outside the company. In these ways, we are promoting compliance, including corruption prevention.
For group companies, we have a Group General Affairs Subcommittee, which includes members from each company. The subcommittee shares information relating to compliance and acts as a forum where members can exchange ideas. As well as promoting a group-wide, unified approach, the subcommittee clearly defines the roles of the management departments that guide and support the group companies, and strengthens the Kyuden Group's compliance promotion framework.

■Compliance Promotion Framework




• Compliance Committee

We established a Compliance Committee, which is chaired by the president. In addition to periodically making suggestions and monitoring compliance, the committee is able to solicit advice from external experts should a scandal with a major social impact on the company occur.
Compliance Committee suggestions are also shared with group companies to reflect group-wide initiatives.

■Compliance Committee Framework

| | | |
|---|---|---|
| Compliance Committee | **Roles** | Regarding compliance:<br>- Proposes and deliberates policies, measures, etc.<br>- Monitors implementation<br>Able to receive suggestions from its external experts should a scandal occur that has a major social impact |
| | **Structure** | Chairperson: president<br>Members:<br>External experts (3)<br>Head of labor union committee<br>Relevant executive officers |
| | **Frequency** | Twice a year, in principle |

■Major Items for Deliberation/reporting by the Compliance Committee (FY2021)

- Issues and future initiatives in compliance promotion
- Operational status of the compliance consultation desks

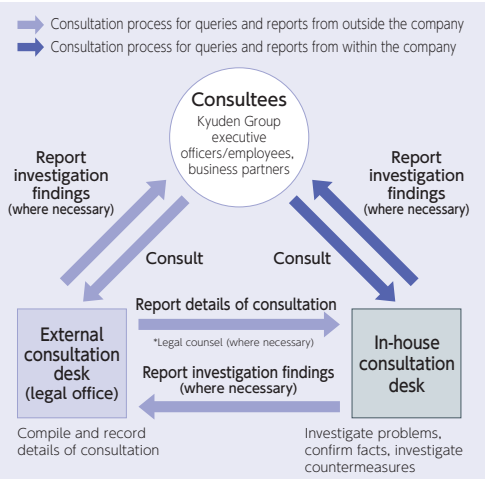
Compliance Committee

• Compliance Consultation Desks

We established compliance consultation desks with the aim of preventing actions that breach either laws and regulations or our corporate ethics, or aiding in their early discovery. Kyuden Group executive officers, employees, or business partners (including contractors) who have doubts about the running of the business or actions of employees are able to consult the desks. We also established desks in legal offices outside the company, ensuring that a framework is in place to accept consultations.
The privacy of users of the compliance consultation desks is firmly protected by laws and company regulations and users will not be penalized or disadvantaged in any way for the nature of their consultation or notification.
In our corporate literature, on our intranet, and through other means we called on people to use the desks, and in FY2021 there were 17 consultations or notifications. In response, desk staff carried out necessary surveys and investigated measures to prevent recurrence as appropriate.

■Number of Consultations and Notifications


■Compliance Consultation Desks




## Targets

■FY2021 targets and results

**Major compliance breaches*: 0**

As of March 31, 2022, Kyushu EP has not had any major compliance breaches in the past five years (FY2017–21).

*Breaches of laws or regulations deemed to have a major impact on society (incl. bribery or other corruption).

■FY2022 targets

| Item | Target |
|---|---|
| No. of serious compliance violations | Zero |

# Initiatives

## Commitments by Top Management

Kyushu Electric Power (Kyushu EP) has always promoted compliance management throughout the Group and the Compliance Committee, positioned under the Board of Directors, is at the heart of its efforts.
In June 2020, President Ikebe pledged to all members of society that "we will conduct our business activities with the highest priority on compliance under all circumstances." (Available on our website)

**Thoroughly Implementing Compliance-focused Management (excerpt)**

To me, the fundamental spirit behind compliance is one of not inconveniencing others, not adversely affecting society, and not behaving unjustly. It is the duty of Kyuden Group top management to put this spirit into practice, and to spread it throughout the entire group. Then, whatever happens, we will have compliance as our highest priority in all of our business activities. We must remain aware that actions which break with compliance could lose us all the trust we have built up with society in an instant. My solemn promise to you all is that the Kyuden Group will be ceaseless in its firm promotion of initiatives aimed at thoroughly implementing compliance focused management.

June 2020

Kazuhiro Ikebe
Member of the Board of Directors,
President & Chief Executive Officer
Kyushu Electric Power Company, Incorporated

池辺 和弘

## Initiatives toward Preventing Bribery and Other Corruption

We have set down in our action guidelines that we will not do anything to gain or provide unfair profit, nor do anything dishonest that would go against our corporate ethics, in our dealings with customers, business partners, members of the local community, or anyone else. We are committed to thorough compliance.
In our efforts to expand our businesses overseas, we also stipulated that we will not act in any way that could be construed as illegal entertaining or bribing of foreign government officials. We will conduct our business appropriately. In addition, those who work overseas in relevant departments or group companies receive training on points to remember about bribery and corruption before they go. We also carry out periodic checks.

## Activities to Raise Awareness of Compliance

To further raise employee awareness of the need for compliance and corruption prevention, we are undertaking a range of initiatives, one of which is compliance-specific training.

**• Compliance Action Guidelines**
All executive officers and employees are made aware of the Compliance Action Guidelines, which give specific details on points to remember when interacting with customers or stakeholders such as shareholders or investors, as well as on standards of behavior to follow when making difficult decisions.
All employees also carry a Compliance Card, a card that features the standards of behavior outlined in the Compliance Action Guidelines, providing a quick reference for employees when they are faced by such dilemmas.

**• Raising employee awareness through training**
We are implementing workplace training through exchanges of ideas that look at case studies that employees can relate to so that all employees can think about compliance for themselves and tie it into their own daily actions.
Furthermore, we have set a compliance officer for each of our branch offices where we are also promoting training.
Our level-based training for new employees, new managers and others are designed to help employees gain the knowledge they need depending on their age and rank.
Through these and other training methods we aim to educate employees and make them more aware of compliance issues.
We also provide training and other materials to group companies to support employee training.

### Examples of Some of Our Compliance Action Guidelines

- Construct relationships of trust with customers
- Guarantee safety and maintain the stable supply of electricity and quality
- Create positive relationships with business partners
- Maintain fair and competitive relationships with business rivals
- Implement strict procedures for applying for and reporting approval

Revised: June 2022

### Compliance Card

Kyuden Group
Compliance Card

**Ethical and Legal Responsibilities**

Are your judgements and actions, or those of your bosses or colleagues…
(1) against your conscience?
(2) something you would be ashamed to tell your friends or family about?
(3) something that would damage trust between the company and the local community?
(4) against the company's philosophy or moral code?
(5) something that could break the law or regulations?

We will build stronger relationships of trust with society and promote compliance.

Name

**• Compliance awareness survey**
To be able to evaluate the extent to which awareness of compliance has filtered through the company or that our efforts have been successful, we periodically conduct a compliance awareness survey with Kyuden Group employees.
While the survey found that awareness of compliance is high across the board, there is room for improvement in raising awareness and in some aspects of our initiatives.
We are making use of the survey's findings to continuously improve our efforts, such as by offering feedback to each of our sites or group companies, and reflecting issues unearthed at each of the sites in measures.

**• Information sharing via the company intranet**
Compranet is a place to share information relating to compliance on the company intranet. Compranet can be viewed from anywhere in the group, and provides not only information on our compliance initiatives, but also a range of contents that can be used for workplace discussions or study seminars.
In FY2021, Compranet featured case studies about scandals at other companies as well as other teaching materials.

### Examples of Information Found on Compranet

- Explanations of legal terminology and case studies of legal queries
- Different kinds of training materials
- Case studies of successful compliance initiatives
- News of amendments to laws and regulations or about court findings

### Compliance Awareness Survey

- Survey period: June to August 2020 (Group companies)
  October to November 2020 (Kyushu EP and Kyushu T&D)
- Respondents: 25,956 (response rate of approx. 91%)
- Main questions included:
  - Is your company actively working toward compliance?
  - Is your company free of power and sexual harassment?
  - Do you rapidly report issues?
  - Are relationships with business partners fair and above board?

etc.

▼Compranet

## Fair Business Management

**Initiatives aimed at preventing scandals and legal or regulatory breaches**
In order to prevent scandals, or legal breaches resulting from insufficient awareness or understanding of laws and regulations, we are working to provide the entire group with legal support.

**• Preventing scandals**
We ask employees to look at their own attitudes, words, and actions, and also at their workplace cultures, to check that they don't harbor the seeds of potential scandals. These and other initiatives work to raise employee sensitivity to such matters.
To relate the fact that scandals can lead to a loss of trust and brand reputation for the entire group, each of the headquarters and other relevant parts of the organization are responsible for managing and guiding group company efforts. By avoiding or minimizing compliance risks group-wide, we endeavor to prevent scandals.

**• Legal consultations**
The Legal Division provides employees with advice and support on legal queries and issues that arise during employees' duties, by offering consultations via telephone, in person, or through their dedicated e-mail address. As well as offering advice, it is able to provide a full range of support. For matters that require a particularly high degree of specialism, we consult with lawyers or other sources where necessary and work to ensure our compliance with laws and regulations.

**Main consultation subjects**
- Examining contracts
- Protection of personal information
- New businesses
- Intellectual property

**• Providing information on laws and regulations to group companies**
We provide each group company with legal guides and self-assessment checklists and we encourage them to make full use of the materials to prevent legal breaches. In FY2021, with regard to the Whistleblower Protection Act, we compiled key points to comply with the revised law and distributed these to all group companies.

**• Accurately grasping amendments to laws and regulations**
We have introduced systems from outside the company to allow us to receive amendment information not only concerning laws, but also for ordinances and regulations from seven of Kyushu's prefectural governments, and from ordinance-designated cities.

**Ensuring fairness and transparency for power transmission and distribution network use**
In order to ensure that power transmission and distribution network use is fair and transparent, we have established action regulations and rules and regulations governing network use, to which our actions strictly adhere.
Going forward, we will continue to comply with rules and regulations, strive to maintain fairness and transparency, and conduct thorough information management. Moreover, you can see the code of conduct regarding the behavior regulation of Kyushu Transmission and Distribution (Kyushu T&D) on the company website.
https://www.kyuden.co.jp/td_service_wheeling_rule-document_rule.html

■ Action Regulations

**Electricity Business Act**

Japan Fair Trade Commission and Ministry of Economy, Trade and Industry
- Guidelines on suitable electricity transactions

Kyushu T&D
- Code of behavior toward securing energy neutrality (regulations)
- Management action guidelines

■ Network Use

**Electricity Business Act**

Organization for Cross-regional Coordination of Transmission Operators
- Task regulations
- Guidelines for power transmission, distribution, and other tasks

Kyushu T&D
- Power grid plan formulation standards
- Power distribution facility plan standards
- Power grid access standards
- Power distribution grid connection standards
- Power supply operations standards
- Power distribution grid operations standards
- Power transmission and substation grid information disclosure standards
- Power distribution grid information disclosure standards

# Performance Data

## Climate Change

### Kyuden Group Power Facility Capacities by Power Source (Domestic)

| | | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|---|
| Thermal power | Coal | MW | 2,460 | 3,460 | 3,460 | 3,460 |
| | LNG and other gas | | 4,625 | 4,625 | 4,655 | 4,075 |
| | Petroleum | | 3,270 | 1,900 | 1,895 | 867 |
| Nuclear power | | | 4,699 | 4,140 | 4,140 | 4,140 |
| Renewable energy | Geothermal | | 218 | 218 | 223 | 223 |
| | Hydro | | 1,282 | 1,282 | 1,282 | 1,282 |
| | Biomass | | 90 | 165 | 185 | 406 |
| | Wind | | 70 | 65 | 129 | 157 |
| | Solar | | 89 | 88 | 89 | 89 |
| Pumped storage | | | 230 | 230 | 230 | 230 |

### Overall Thermal Efficiency

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| Power generation end | % | 44.5 | 44.1 | 45.3 | 44.7 |
| Power transmission end | | 42.8 | 42.1 | 43.4 | 42.9 |

*Thermal efficiency has been calculated based on lower heating values.

### Transmission/Distribution Loss Rates

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| Low voltage | % | 8.6 | 8.2 | 8.1 | 8.2 |
| High voltage | | 3.3 | 3.0 | 3.0 | 3.1 |
| Extra high voltage | | 1.2 | 1.3 | 1.3 | 1.3 |

### Supply Chain GHG Emissions (Scope 1, 2, and 3)

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 ☑ |
|---|---|---|---|---|---|
| Scope 1 | 10,000 t-$CO_2$ | | | | |
| Total | | 1,756 (50.6%) | 1,904 (51.4%) | 2,211 (51.0%) | 1,749 (42.6%) |
| Scope 2 | | | | | |
| Total (Market-based) | | 0.009 (0.0%) | 0.008 (0.0%) | 0.005 (0.0%) | 0.005 (0.0%) |
| Total (Location-based) | | 0.010 (0.0%) | 0.008 (0.0%) | 0.005 (0.0%) | 0.005 (0.0%) |
| Scope 3 | | | | | |
| Total | | 1,711 (49.4%) | 1,799 (48.6%) | 2,127 (49.0%) | 2,362 (57.4%) |
| Category 1 | | 34 (1.0%) | 33 (0.9%) | 29 (0.7%) | 34 (0.8%) |
| Category 2 | | 107 (3.1%) | 126 (3.4%) | 105 (2.4%) | 90 (2.2%) |
| Category 3 | | 1,389 (40.1%) | 1,445 (39.0%) | 1,771 (40.8%) | 1,986 (48.3%) |
| Category 4 | | 0.1 (0.0%) | 0.1 (0.0%) | 0.1 (0.0%) | 0.1 (0.0%) |
| Category 5 | | 2 (0.0%) | 3 (0.0%) | 3 (0.0%) | 2 (0.0%) |
| Category 6 | | 0.2 (0.0%) | 0.2 (0.0%) | 0.2 (0.0%) | 0.2 (0.0%) |
| Category 7 | | 0.6 (0.0%) | 0.7 (0.0%) | 0.7 (0.0%) | 0.7 (0.0%) |
| Category 11 | | 112 (3.2%) | 111 (3.0%) | 109 (2.5%) | 116 (2.8%) |
| Category 15 | | 66 (1.9%) | 80 (2.2%) | 110 (2.5%) | 132 (3.2%) |
| Scope 1, 2, 3 | | | | | |
| Total (Market-based) | | 3,467 | 3,703 | 4,338 | 4,111 |
| Total (Location-based) | | 3,467 | 3,703 | 4,338 | 4,111 |

**Scope 1**
- $CO_2$

Emissions from fuel consumption (calculated based on the Report Regarding $CO_2$ Emissions from Energy Usage [Global Warming Countermeasures Act: Item 1, Paragraph 2, Article 21]) and own logistics transport
- $SF_6$

(Natural leakage + emissions from equipment inspection + emissions from equipment removal + emissions from malfunctions + other emissions [repair work, etc.]) x 22,800 (Global warming coefficient)
- $N_2O$

(Emissions from fuel usage + emissions from treatment of factory wastewater + emissions from treatment of human waste, etc.) x 298 (Global warming coefficient)
- $CH_4$

(Emissions from fuel usage + emissions from treatment of factory wastewater + emissions from treatment of human waste, etc.) x 25 (Global warming coefficient)
- HFC

HFC consumption x HFC global warming coefficient

**Scope 2**

As $CO_2$ emissions from self-consumption of energy are included in Scope 1, emissions from electricity usage at offices located in regions supplied by other electric power companies are calculated based on the following:
Market-based: Electricity purchased in regions supplied by other electric power companies x emissions factor of each electricity provider (post-adjustment)
Location-based: Electricity purchased in regions supplied by other electric power companies x average emissions factor for all power sources

**Scope 3**
- Category 1

Emissions from the purchase of goods (except capital investment) are calculated based on the sum of the following: goods costs by category x emissions factor*1 by category
- Category 2

Emissions from capital investment in the electricity business are calculated based on the following: capital investment costs (electricity business) x emissions factor*1
- Category 3

Emissions (direct) from fuel combustion from electricity purchased from other electric power companies are calculated based on the sum of the following: purchased electricity (by type of power source) x emissions factor (by fuel type, by electricity provider, or by average emissions factor for all power sources)
Emissions (indirect) from owned or other electric power companies' plants (except from fuel combustion) are calculated*3 based on the sum of the following: generated electricity (by type of power source) x average lifecycle $CO_2$ emissions*2 (by power source)
- Category 4

Emissions from distribution (transport, cargo handling, and storage) are calculated based on the following: fuel usage (crude oil equivalent) by trucks (used for materials and equipment) x emissions factor*1
- Category 5

Emissions from waste transportation and waste disposal are calculated based on the sum of the following: disposal volume of industrial waste (by category) x emissions factor*1
- Category 6

Emissions from employee business trips are calculated based on the following: number of employees x emissions factor*1
- Category 7

Emissions from employee commutes to offices are calculated based on the sum of the following: commuting costs (by commuting method) x emissions factor*1
- Category 8

Included in Scope 1 and 2 emissions
- Category11

Emissions from the gas sales business (except wholesale sales) are calculated*4 based on the sum of the following: gas payouts (except wholesale sales) x (unit calorific value x emission factor x $CO_2$ conversion factor)
- Category 15

Emissions from overseas power generation projects (except PPA projects) are calculated*3 based on the sum of the following: fuel usage by type of power source (except PPA projects) x equity ratio x emissions factor*1

Calculations are based on the "Calculation, Reporting and Publication System for Greenhouse Gas Emissions" and the "Basic Guidelines for Calculating Supply Chain Greenhouse Gas Emissions (Ver 2.4; March 2022, Ministry of the Environment and Ministry of Economy, Trade and Industry)" outlined in the Act on Promotion of Global Warming Countermeasures (referred to above as the "Global Warming Countermeasures Act").

*1 Calculations are based on the emissions factor (emissions per unit) outlined in the "Policy on Emissions Unit Values for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain (Ver 3.2; March 2022, Ministry of the Environment and Ministry of Economy, Trade and Industry)."
*2 Calculations are based on LC-$CO_2$ emissions (per unit) of each power generation technology (excl. from fuel combustion) outlined in the "Comprehensive Assessment of Life Cycle $CO_2$ Emissions from Power Generation Technologies in Japan" in the CRIEPI Report Y06 (July 2016). For the unknown power sources, calculations are based on the coefficient for fuel procurement from "Policy on Emissions Unit Values for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain."
*3 As some calculation methods have been revised, figures for FY2018–2020 have been recalculated.
*4 Newly calculated from FY2021. (Not included in the Management Target boundaries.)
Scope: Kyushu EP and consolidated subsidiaries (excluding those with extremely low emissions)

## ■$CO_2$ Emissions by Kyushu Electric Power (Kyushu EP)

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| Electricity sales volume | 100 million kWh | 713 | 695 | 684 | 736 |
| $CO_2$ emissions (basic emissions) | 10,000 t-$CO_2$ | 2,280 | 2,390 | 2,500 | 2,240 |
| $CO_2$ emissions (post-adjustment emissions) | | 2,480 | 2,570 | 3,280 | 2,880 |
| $CO_2$ emissions per electricity sales volume (basic emissions factors)) | kg-$CO_2$/kWh | 0.319 | 0.344 | 0.365 | 0.305 |
| $CO_2$ emissions per electricity sales volume (post-adjustment emissions factors) | | 0.347 | 0.370 | 0.479 | 0.391 |

Post-adjustments
Adjustments in line with $CO_2$ emissions credits and feed-in-tariff schemes

*Calculations are based on the government's announcement regarding "Calculations and announcements pertaining to basic emissions factors and post-adjustment emissions factors for each electricity business" in line with the Act on Promotion of Global Warming Countermeasures (including electricity purchased from other companies).
Electricity sales volumes differ from FY2018 onwards due to the government's revision of guidelines relating to $CO_2$ emissions, which excluded electricity supplied to remote islands (excluding the Goto Islands in Nagasaki Prefecture, which are connected to mainland Japan).

*FY2021 results are provisional; the government is set to announce definitive figures in December.

## ■Emissions and Filled Volumes

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| $SF_6$ (Sulphur Hexafluoride) Emissions*1 | 10,000 t-$CO_2$ | 3.0 | 3.4 | 3.3 | 5.1 |
| $N_2O$ (Nitrogen Dioxide) Emissions*2 | | 4.3 | 4.2 | 4.3 | 3.3 |
| HFC (Hydrofluorocarbon) Emissions*3 | | 0.14 | 0.09 | 0.12 | 0.18 |
| Specified CFC (chlorofluorocarbon) Filled Volumes and Emissions | t (kg) | 0.0 / 0.0 (25) / (0) | 0.0 / 0.0 (22) / (0) | 0.0 / 0.0 (20) / (0) | 0.0 / 0.0 (0.0) / (0.0) |

*1 The weight of $SF_6$ gas has been converted to the weight of $CO_2$ using the global warming potential of $SF_6$ (22,800).
*2 The weight of $N_2O$ gas has been converted to the weight of $CO_2$ using the global warming potential of $N_2O$ (298).
*3 The weight of HFC gases have been converted to the weight of $CO_2$ using the global warming potential of HFCs (12-14,800).

$SF_6$ recovery rate

| | |
|---|---|
| Inspection | 99.2% |
| Removal | 99.5% |

## ■Group Company GHG Emissions

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| $CO_2$ (carbon dioxide) | 1,000 t-$CO_2$ | 279.6 | 175.6 | 186.9 | 261.6 |
| $CH_4$ (methane) | | 0 | 0 | 0.1 | 0.2 |
| $N_2O$ (nitrogen dioxide) | | 0 | 0 | 0 | 0 |
| HFC (hydrofluorocarbons) | | 70.9 | 0 | 0 | 0 |
| PFC (perfluorocarbons) | | — | — | — | — |
| $SF_6$ (sulphur hexafluoride) | | 0 | 0 | 0 | 0 |
| Total | | 350.6 | 175.6 | 187.1 | 261.8 |

*Please note that totals may not match due to rounding.

$CO_2$
Excludes $CO_2$ from electricity sales to other electricity companies, etc. (emissions from combustion of power generation fuel)
FY2021 figures have been calculated based on the FY2020 $CO_2$ emissions factor (post-adjustment) per electricity sales volume

## ■Group Company GHG Emissions Breakdown

| | Source of emissions | Unit | FY2021 |
|---|---|---|---|
| $CO_2$ (carbon dioxide) | Purchased electricity | 1,000 t-$CO_2$ | 239.8 |
| | Own logistics fuel | | 14.3 |
| | Air conditioning/industrial fuel | | 4.9 |
| | Heat (steam, etc.) | | 2.6 |
| | Total | | 261.6 |
| $CH_4$ (methane) | Equipment inspections/facilities, etc. | | 0.2 |
| | Fuel combustion | | 0.0 |
| | Total | | 0.2 |
| $N_2O$ (nitrogen dioxide) | Fuel combustion | | 0.0 |
| HFC (hydrofluorocarbons) | Equipment inspections/facilities, etc. | | 0.0 |
| PFC (perfluorocarbons) | No corresponding equipment | | — |
| $SF_6$ (sulphur hexafluoride) | Wholly recovered during inspections | | 0.0 |
| Total | | | 261.8 |

*Please note that totals may not match due to rounding.

## ■Group Company GHG Emission Reductions

| | | Calculation overview | Unit | FY2021 |
|---|---|---|---|---|
| Natural energy | Solar power generation | Calculated using power generated from Group companies' solar power facilities | 1,000 t-$CO_2$ | 10.0 |
| Use of unused energy | Geothermal heat supply | Calculated using cases where effective use of unused energy (such as seawater and building waste heat) is substituted using natural gas and other fossil fuels | | 4.5 |
| | Cryogenic power generation | Calculated using power generated from cryogenic power generation | | 0 |
| Equipment inspections | $SF_6$ recovery | Calculated using cases where filled volumes are not recovered from equipment during inspections as a baseline | | 7.7 |
| Total | | | | 22.2 |

## ■Specific CFCs, etc., Owned by Group Companies

| | | Unit | FY2018 | | FY2019 | | FY2020 | | FY2021 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | No. of companies | Total | No. of companies | Total | No. of companies | Total | No. of companies | Total |
| CFC | Owned volume | tons | 5 | 7.0 | 6 | 7.4 | 6 | 5.9 | 6 | 5.0 |
| | Emissions | | | 0.0 | | 0.0 | | 0.2 | | 0.0 |
| HCFC | Owned volume | | 20 | 64.0 | 21 | 45.4 | 19 | 84.0 | 20 | 84.1 |
| | Emissions | | | 0.5 | | 0.2 | | 0.4 | | 1.4 |
| Halon | Owned volume | | 8 | 4.8 | 8 | 4.8 | 8 | 4.9 | 7 | 4.5 |
| | Emissions | | | 0.0 | | 0.0 | | 0.0 | | 0.0 |
| Ozone-depleting substance emissions | | ODP t | 0 | | 0 | | 0.3 | | 0.1 | |

Ozone-depleting substance emissions
Converted to CFC-11 mass equivalent using the ozone depletion potential of each fluorocarbon

## Biodiversity

■Energy and Environment Education

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| No. of Eco-Mother activities | No. | Approx. 200 | Approx. 200 | Approx. 110 | Approx. 110 |
| No. of on-demand lessons | | Approx. 560 | Approx. 440 | Approx. 190 | Approx. 290 |
| Energy and environment education that uses digital contents (indicated again) | | — | — | — | 15 |
| No. of environmental education events at the Kuju Kyuden Forest | | 22 | 28 | 3 | 2 |

■Amount of $CO_2$ Absorbed and Fixated at Company-owned Forests

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| Amount of $CO_2$ Absorbed and Fixated at Company-owned Forests | 10,000 t-$CO_2$ | 126.1 | 129.5 | 130.5 | 130.8 |

*Excluding amount (approx. 10,000 tons) of J Credits expected to be created (FY2021).
*Calculated based on actual values from forest survey using Greenhouse Gas Inventory Office of Japan calculation methods
Includes 25,000 tons of $CO_2$ absorbed by the yearly growth (including those cut down).

## Pollution Prevention

■Kyushu Electric Power's PRTR Investigations

| Index no. | Chemical substance | Main uses/ generated facilities | Unit | FY2018 | | | FY2019 | | | FY2020 | | | FY2021 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Amount handled | Amount released | Amount transferred | Amount handled | Amount released | Amount transferred | Amount handled | Amount released | Amount transferred | Amount handled | Amount released | Amount handled |
| 33 | Asbestos | Insulating agent | kg | — | — | — | 2,000 | 0 | 2,000 | 2,700 | 0 | 2,700 | 787 | 0 | 787 |
| 53 | Ethylbenzene | Coating and stain-proofing material for power generation facilities | | 1,500 | 1,500 | 0 | 3,800 | 3,800 | 0 | 4,400 | 4,400 | 0 | 2,139 | 2,139 | 0 |
| 71 | Ferric chloride | Wastewater treatment agent | | 33,000 | 0 | 0 | 35,000 | 0 | 0 | 36,900 | 0 | 0 | 36,895 | 0 | 0 |
| 80 | Xylene | Coating for power generation facilities | | 3,500 | 3,500 | 0 | 5,600 | 5,600 | 0 | 6,100 | 6,100 | 0 | 2,811 | 2,811 | 0 |
| 164 | 2,2-Dichloro-1, 1,1-trifluoroethane | Refrigerant for air conditioners | | — | — | — | 1,000 | 0 | 0 | — | — | — | — | — | — |
| 211 | Dibromotetra-fluoroethane | Fire retardant | | — | — | — | 2,600 | 330 | 2,200 | — | — | — | — | — | — |
| 240 | Styrene | Coating | | 1,400 | 1,400 | 0 | — | — | — | — | — | — | 1,700 | 1,700 | 0 |
| 300 | Toluene | Power generation boiler | | 4,000 | 4,000 | 0 | 8,100 | 8,100 | 0 | 7,300 | 7,200 | — | 5,759 | 5,747 | 0 |
| 333 | Hydrazine | Water supply treatment agent | | 21,800 | 0.9 | 0 | 19,900 | 0.4 | 0 | 16,100 | 0.8 | — | 17,679 | 0.9 | 0 |
| 382 | Bromotri-fluoromethane | Fire retardant | | 3,000 | 3,000 | 0 | — | — | — | — | — | — | — | — | — |
| 405 | Boron compounds | Reactivity control material/ analytical reagent | | — | — | — | 3,000 | 0 | 0 | 1,400 | 6 | 0 | — | — | — |
| 438 | Methyl-naphthalene | Diesel power generator | | 464,800 | 2,320 | 0 | 470,750 | 2,348 | 122 | 468,400 | 2,300 | 45 | 511,704 | 103,049 | 894 |

*Totals for Class I Designated Chemical Substances of which more than 1 ton is handled per year at each worksite (more than 0.5 tons for Class 1 Specific Designated Chemical Substances) (Totals for legally required reported values).

PRTR
Pollutant Release Transfer Register

■SOx and NOx Emissions by Thermal Power Plant

| Thermal power plant name (fuel type) | Unit | FY2018 | | FY2019 | | FY2020 | | FY2021 | |
|---|---|---|---|---|---|---|---|---|---|
| | | SOx | NOx | SOx | NOx | SOx | NOx | SOx | NOx |
| Shin-Kokura (LNG) | tons | 0 | 71 | 0 | 21 | 0 | 29 | 0 | 29 |
| Karita (Coal, heavy oil/crude oil) | | 102 | 309 | 49 | 154 | 40 | 98 | 18 | 69 |
| Buzen (Heavy oil/ crude oil) | | 36 | 26 | 0 | 0 | 0 | 0 | 0 | 0 |
| Matsuura (Coal) | | 1,294 | 1,062 | 1,578 | 1,652 | 1,571 | 1,961 | 1,080 | 1,358 |
| Shin-Oita (LNG) | | 0 | 1,280 | 0 | 820 | 0 | 1,393 | 0 | 1,438 |
| Reihoku (Coal) | | 2,207 | 2,243 | 1,922 | 2,295 | 2,921 | 2,600 | 2,648 | 2,466 |
| Sendai (Heavy oil/ crude oil) | | 46 | 17 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | 3,686 | 5,008 | 3,549 | 4,941 | 4,532 | 6,081 | 3,747 | 5,358 |

*Excludes internal combustion thermal power plants
*Please note that totals may not add up due to rounding.

SOx
Generic term for sulfur oxides, and includes sulfur dioxide ($SO_2$) and sulfur trioxide ($SO_3$)
Sulfur oxides are generated when fossil fuels such as coal and petroleum are combusted, and the sulfur content in the fuel oxidizes. Sulfur oxides cause air pollution and acid rain.

NOx
Generic term for nitrogen oxides, and includes nitrogen oxide (NO) and nitrogen dioxide ($NO_2$). Nitrogen oxides are generated when nitrogen-containing fuel is combusted, and when nitrogen in the air is oxidized during combustion. Nitrogen oxides cause air pollution and acid rain.

## SOx and NOx Emissions per kWh of Thermal Power Generated

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| SOx | g/kWh | 0.14 | 0.15 | 0.14 | 0.14 |
| NOx | | 0.19 | 0.20 | 0.18 | 0.20 |

## Main Uses of Asbestos at Our Buildings and Facilities

As of March 31, 2022

| Use | | Location used | Current status (usage, etc.) | Notes (response, etc.) |
|---|---|---|---|---|
| Sprayed asbestos | | Used in soundproofing material, insulation material, and fireproofing material in certain walls and ceilings in equipment rooms and transformer rooms, etc., | Measures to prevent dispersal complete in all locations | For buildings where dispersal prevention work is complete and that require regular inspection, conditions are checked every year. |
| Asbestos-containing products | Building material | Used in fireproof boards and flooring, etc., in buildings | Estimated to be included in some construction materials used up until August 2006. Asbestos-containing products have not been used since. | As these are molded articles that are not in danger of dispersing asbestos in their normal state, we are currently using repair work and other occasions as opportunities to replace them with asbestos-free options. |
| | Sound-proofing material | Transformer soundproofing material (Transformer facilities, hydroelectric power generation facilities) | 84 transformers | |
| | Asbestos cement pipe | Underground pipeline material (Transmission and distribution facilities) | Line length: Approx. 180 km | |
| | Insulation materials | Power generation facilities (Nuclear power generation facilities, thermal power facilities) | Approx. 58,000 m³ | |
| | Sealant/ joint sheets | Power generation facilities (Nuclear power generation facilities, thermal power facilities) | Approx. 480,000 | |
| | Shock-absorbing material | Suspension-type insulators (Transmission facilities) | Approx. 1.407 million suspension-type insulators (Asbestos-containing products are used as shock-absorbing material in insulators, but not on the porcelain insulator surface) | As these are molded articles, and as the asbestos is contained inside the insulator itself, they are in no danger of dispersing asbestos in their normal state. As such, we are currently using repair work and other occasions as opportunities to replace them with asbestos-free options. |
| | Thickening agent | Overhead power lines (Transmission facilities) | Line rust prevention: Line length approx. 84.8 km | The asbestos is part of the anti-rust grease, and is in no danger of dispersal. As such, we are currently using repair work and other occasions as opportunities to replace them with asbestos-free options. |

*Thermal power facilities include geothermal and internal combustion power generation facilities.

## Direct Mercury Emissions

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| Direct mercury emissions | tons | 0* | 0* | 0* | 0* |

Kyushu EP
*Measurements are based on environmental conservation agreements, and are carried out at least twice a year. As the results of the measurements are ND (not detected as falling below the minimum level), it is recorded as 0.

## Amount of PRTR-designated Chemical Substances Handled by Group Companies

| | Unit | FY2018 | | FY2019 | | FY2020 | | FY2021 | |
|---|---|---|---|---|---|---|---|---|---|
| | | No. of companies | Total | No. of companies | Total | No. of companies | Total | No. of companies | Total |
| Amount handled | tons | 8 | 41 | 8 | 33.6 | 7 | 30.9 | 7 | 31.4 |
| Amount released (into the air) | | | 13.6 | | 12.8 | | 14.0 | | 15.6 |
| Amount transferred | | | 58.1 | | 41.9 | | 34.1 | | 56.8 |

PRTR
Pollutant Release Transfer Register

*Totals for Class I Designated Chemical Substances of which more than 1 ton is handled per year at each worksite (more than 0.5 tons for Class 1 Specific Designated Chemical Substances) (Totals for legally required reported values).

## Group Companies' PRTR Investigations

| Index no. | Chemical substance | Main uses | Unit | FY2021 | | |
|---|---|---|---|---|---|---|
| | | | | Amount handled | Amount released (into the air) | Amount transferred |
| 1 | Water-soluble zinc compounds | Plating | tons | 0.66 | 0.07 | 56.70 |
| 53 | Ethylbenzene | Coating | | 3.89 | 3.89 | 0.00 |
| 80 | Xylene | Coating | | 5.87 | 5.87 | 0.00 |
| 300 | Toluene | Coating | | 5.68 | 5.68 | 0.00 |
| 305 | Lead compounds | Plating | | 0.00 | 0.00 | 0.00 |
| 333 | Hydrazine | Water treatment agent | | 2.59 | 0.00 | 0.00 |
| 438 | Methylnaphthalene | A-type heavy oil | | 9.60 | 0.05 | 0.00 |

## Group Companies' Air Pollutant Emissions

| | Unit | FY2018 | | FY2019 | | FY2020 | | FY2021 | |
|---|---|---|---|---|---|---|---|---|---|
| | | No. of companies | Total | No. of companies | Total | No. of companies | Total | No. of companies | Total |
| SOx emissions | 1,000 tons | 4 | 3.6 | 4 | 1.7 | 6 | 1.8 | 6 | 2.9 |
| NOx emissions | | | 2.4 | | 1.9 | | 1.9 | | 2.0 |

*Totals of SOx and NOx emissions at companies where measurement of flue gas is legally required.

## Resource Recycling

■ Amount of Industrial Waste Generated and Recycling Rates by Type

| | | Main uses | | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|---|---|---|
| Coal ash | | Cement raw material Concrete mixture | Amount generated | tons | 592,308 | 752,110 | 743,955 | 631,432 |
| | | | Amount recycled | | 592,308 | 752,110 | 743,955 | 629,743 |
| | | | Recycling rate | % | 100 | 100 | 100 | 100 |
| Other industrial waste | Heavy crude oil ash | Vanadium recovery | Amount generated | tons | 32 | 7 | 0 | 0 |
| | | | Amount recycled | | 32 | 7 | 0 | 0 |
| | | | Recycling rate | % | 100 | 100 | – | – |
| | Gypsum | Cement raw material | Amount generated | tons | 87,138 | 134,065 | 105,265 | 117,357 |
| | | | Amount recycled | | 87,138 | 134,065 | 105,082 | 117,357 |
| | | | Recycling rate | % | 100 | 100 | 100 | 100 |
| | Sludge | Cement raw material | Amount generated | tons | 5,346 | 2,891 | 2,859 | 3,726 |
| | | | Amount recycled | | 2,691 | 993 | 886 | 483 |
| | | | Recycling rate | % | 50 | 34 | 31 | 13 |
| | Waste oil | Fuel oil | Amount generated | tons | 2,669 | 2,266 | 2,837 | 2,353 |
| | | | Amount recycled | | 2,655 | 2,250 | 2,817 | 2,326 |
| | | | Recycling rate | % | 99 | 99 | 99 | 99 |
| | Waste plastic | Fuel additive | Amount generated | tons | 292 | 254 | 415 | 254 |
| | | | Amount recycled | | 261 | 249 | 237 | 170 |
| | | | Recycling rate | % | 89 | 98 | 57 | 67 |
| | Scrap metal | Metals | Amount generated | tons | 17,403 | 13,462 | 14,656 | 15,595 |
| | | | Amount recycled | | 17,377 | 13,456 | 14,616 | 15,518 |
| | | | Recycling rate | % | 100 | 100 | 100 | 100 |
| | Waste concrete poles | Subbase and aggregate material | Amount generated | tons | 9,537 | 11,198 | 9,713 | 10,207 |
| | | | Amount recycled | | 9,537 | 11,198 | 9,713 | 10,207 |
| | | | Recycling rate | % | 100 | 100 | 100 | 100 |
| | Glass and ceramic waste | Glass product materials | Amount generated | tons | 244 | 151 | 55 | 26 |
| | | | Amount recycled | | 238 | 151 | 52 | 25 |
| | | | Recycling rate | % | 97 | 100 | 94 | 94 |
| | Industrial waste requiring special treatment | Metals | Amount generated | tons | 446 | 573 | 238 | 1,031 |
| | | | Amount recycled | | 392 | 525 | 231 | 936 |
| | | | Recycling rate | % | 88 | 92 | 97 | 91 |
| | Other | Fuel additive | Amount generated | tons | 109 | 189 | 184 | 136 |
| | | | Amount recycled | | 91 | 142 | 149 | 81 |
| | | | Recycling rate | % | 83 | 75 | 81 | 60 |
| | Subtotal | | Amount generated | tons | 123,217 | 165,056 | 136,222 | 150,686 |
| | | | Amount recycled | | 120,412 | 163,036 | 133,782 | 147,103 |
| | | | Recycling rate | % | 97.7 | 98.8 | 98.2 | 97.6 |
| Total industrial waste | | | Amount generated | tons | 715,525 | 917,166 | 880,177 | 782,307 |
| | | | Amount recycled | | 712,720 | 915,146 | 877,737 | 776,846 |
| | | | Recycling rate | % | Approx. 100 | Approx. 100 | Approx. 100 | Approx. 100 |

*Please note that totals may not add up due to rounding.
Industrial waste requiring special treatment
Applies to sludge, waste asbestos, waste oil, and waste acids and alkalis that are proscribed as industrial waste requiring special treatment under the Waste Management and Public Cleansing Act as they have the potential to harm people's health or living environments.

■ Amount of Toxic Waste (PCB Waste) Treated

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| High concentration | tons | 0.9 | 0.5 | 0.01 | 153.14 |
| Low concentration | | 399.9 | 570.4 | 237.9 | 781.0 |
| Total | | 400.8 | 570.9 | 237.9 | 934.1 |

■ Amount of General Waste (Used Paper, etc.) Generated and Recycling Rates

| | Main uses | | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|---|---|
| Used paper | Recycled paper | Amount generated | tons | 870 | 1,054 | 966 | 985 |
| | | Amount recycled | | 867 | 1,047 | 960 | 979 |
| | | Recycling rate | % | 100 | 99 | 99 | 99 |
| Shellfish | Subbase and aggregate material | Amount generated | tons | 7 | 317 | 878 | 1,352 |
| | | Amount recycled | | 2 | 73 | 286 | 434 |
| | | Recycling rate | % | 25 | 23 | 33 | 32 |
| Dam driftwood | Alternative to straw litter | Amount generated | tons | 2,263 | 2,551 | 2,490 | 2,189 |
| | | Amount recycled | | 2,259 | 2,551 | 2,464 | 2,172 |
| | | Recycling rate | % | 100 | 100 | 99 | 99 |

■ Amount of Used Paper Collection

| | Main uses | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|---|
| Newspapers | Paper (copy paper, catalog paper, etc.) and newspapers | tons | 58 | 54 | 56 | 55 |
| Magazines | Cardboard material and paper string | | 17 | 18 | 15 | 15 |
| Cardboard | Cardboard material | | 42 | 58 | 62 | 65 |
| Confidential documents | Paper (copy paper, catalog paper, etc.), toilet paper, and cardboard material | | 647 | 778 | 781 | 783 |
| Other | Paper (copy paper, catalog paper, etc.), toilet paper, cardboard material, and paper string | | 103 | 140 | 46 | 60 |
| Total | | | 867 | 1,047 | 960 | 979 |

*Please note that totals may not add up due to rounding.

Newspapers
Includes magazine and cardboard collection amounts at some worksites

Other
Copy paper and envelopes, etc.

■ Amount of Copy Paper Purchased

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| Amount of Copy Paper Purchased | tons | 559 | 554 | 513 | 443 |

■ Waste Generated at Group Companies

| | | Unit | FY2018 | | FY2019 | | FY2020 | | FY2021 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | No. of companies | Total | No. of companies | Total | No. of companies | Total | No. of companies | Total |
| Industrial waste | Amount generated | 1,000 t | 41 | 144.2 | 40 | 139.0 | 37 | 162.2 | 35 | 171.0 |
| | Recycling rate | % | | 92 | | 94 | | 93 | | 95 |
| Used paper | Amount generated | 1,000 t | 49 | 1.1 | 42 | 1.0 | 41 | 0.8 | 34 | 0.9 |
| | Recycling rate | % | | 94 | | 94 | | 92 | | 89 |

■ Amount of Industrial Waste Generated and Recycling Rates by Type at Group Companies

| | | Unit | FY2021 |
|---|---|---|---|
| Combustion residue (coal ash and others) | Amount generated | 1,000 t | 7.8 |
| | Amount recycled | | 7.6 |
| | Recycling rate | % | 98 |
| Sludge | Amount generated | 1,000 t | 11.5 |
| | Amount recycled | | 10.6 |
| | Recycling rate | % | 92 |
| Waste plastics | Amount generated | 1,000 t | 1.2 |
| | Amount recycled | | 0.8 |
| | Recycling rate | % | 68 |
| Waste oil | Amount generated | 1,000 t | 2.0 |
| | Amount recycled | | 1.9 |
| | Recycling rate | % | 95 |
| Scrap metal | Amount generated | 1,000 t | 8.6 |
| | Amount recycled | | 8.5 |
| | Recycling rate | % | 99 |
| Glass and ceramic waste | Amount generated | 1,000 t | 4.2 |
| | Amount recycled | | 3.7 |
| | Recycling rate | % | 88 |
| Construction waste | Amount generated | 1,000 t | 6.4 |
| | Amount recycled | | 5.4 |
| | Recycling rate | % | 85 |
| Soot and dust | Amount generated | 1,000 t | 119.1 |
| | Amount recycled | | 119.1 |
| | Recycling rate | % | 100 |
| Industrial waste requiring special treatment | Amount generated | 1,000 t | 2.3 |
| | Amount recycled | | 0.5 |
| | Recycling rate | % | 24 |
| Other industrial waste (waste alkali, wood scraps, etc.) | Amount generated | 1,000 t | 7.9 |
| | Amount recycled | | 4.0 |
| | Recycling rate | % | 51 |
| Total | Amount generated | 1,000 t | 171.0 |
| | Amount recycled | | 162.3 |
| | Recycling rate | % | 95 |

## Water Resources

■ Amount of Service Water Usage

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| Amount of Service Water Usage | m³/person | 32 | 33 | 33 | 30 |

■ Amount of Water Usage (for Power Generation) and Wastewater at Thermal, Nuclear, and Internal Combustion Power Plants (FY2021)

| | | Unit | FY2021 | |
|---|---|---|---|---|
| | | | Water for power generation | Wastewater |
| Thermal power | Shin-Kokura (incl. Buzen) | 10,000 t | 24 | 11 |
| | Karita | | 35 | 7 |
| | Matsuura | | 148 | 56 |
| | Shin-Oita | | 57 | 49 |
| | Reihoku | | 152 | 52 |
| | Sendai | | 16 | 4 |
| Nuclear power | Genkai | | 48 | 27 |
| | Sendai | | 39 | 31 |
| Internal combustion power | | | 5 | — |
| Total | | | 524 | 236 |

*Please note that totals may not add up due to rounding.
*All wastewater is discharged into the sea.

Water for power generation
Amount of water from external input (city water, well water, etc.) minus water for daily use. Does not include seawater used as cooling water or water recirculated at each power plant.

Wastewater
The amount of wastewater appropriately treated at the wastewater treatment facilities inside each power plant.

■ Amount of Water Usage (for Power Generation) and Wastewater at Thermal, Nuclear, and Internal Combustion Power Plants

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| Water Usage (for Power Generation) | 10,000 t | 520 | 601 | 614 | 524 |
| Wastewater | | 247 | 258 | 262 | 236 |

*All wastewater is discharged into the sea.

Water for power generation
Amount of water from external input (city water, well water, etc.) minus water for daily use. Does not include seawater used as cooling water or water recirculated at each power plant.

Wastewater
The amount of wastewater appropriately treated at the wastewater treatment facilities inside each power plant.

## Environmental Management

■ Environmental Load Reduction in Business Operations

| Expected Reductions | | Unit | FY2021 |
|---|---|---|---|
| $CO_2$ reduction amount | Power generation and power purchasing | 10,000 t-$CO_2$ | 2,473 |
| $SF_6$ recovery amount | | 10,000 t-$CO_2$ | 15 |
| SOx reduction amount | | 10,000 t | 5.1 |
| NOx reduction amount | | 10,000 t | 2.4 |
| **Actual Reduction Amount** | | **Unit** | **FY2021** |
| Recycled industrial waste | | 10,000 t | 77.7 |
| Low-level radioactive waste reduction (200 L drum equivalent) | | drums | 3,279 |
| Recycled paper | | t | 979 |
| Recycled water/rainwater utilization | | 10,000 t | 4.4 |

$CO_2$ reduction amount
Nuclear power generation (at the generation end) x $CO_2$ emissions divided by electricity sales volume (after adjustment)
+ hydroelectric power generation (at the transmission end) x $CO_2$ emissions divided by electricity sales volume (after adjustment)
+ geothermal power generation (at the transmission end) x $CO_2$ emissions divided by electricity sales volume (after adjustment)
+ new energy generation (at the transmission end) x $CO_2$ emissions divided by electricity sales volume (after adjustment)
+ power generated at transmission end x (FY2013 transmission and distribution loss ratio − FY2021 transmission and distribution loss ratio) x $CO_2$ emissions divided by electricity sales (after adjustment)
+ in-house thermal power generation (excl. internal combustion) x (FY2021 in-house steam power gross generating efficiency [power generation end] ÷ (FY2013 in-house steam power gross generating efficiency [power generation end] − 1) x $CO_2$ emissions divided by electricity sales volume (after adjustment)
+ $CO_2$ reductions from $CO_2$ emissions credits
*Reduction due to power generation and purchasing: Calculated using $CO_2$ emissions (post-adjustment) per electricity sales volume for Kyushu EP in FY2019, comparing against a baseline which assumes all power is produced via renewable energy (excluding pumping for hydroelectric).
*Facilities efficiency improvement: Calculated using thermal efficiency and power transmission/distribution loss rate for FY2013 as a baseline.

$SF_6$ recovery amount
($SF_6$ handled−$SF_6$ released) x 22,800 (Global warming potential)
*Calculated using baseline which assumes $SF_6$ is not recovered from machinery into which it is injected during inspection and removal.

SOx reduction amount
(Amount of sulfur in fuel x fuel consumed x 64 ÷ 32)−SOx emissions) + (SOx emissions−(SOx emissions x reported amount of sulfur in fuel ÷ amount of sulfur in fuel))
*Calculated using a baseline which assumes no flue gas treatment and no use of low sulfur fuel at power plants.

NOx reduction amount
NOx emissions ÷ (1−denitrification efficiency x treated volume) − NOx emissions
*Calculated using a baseline which assumes no denitrification is performed at power plants.

Recycled industrial waste
Amount of industrial waste generated and recycled

Low-level radioactive waste generation
The reduction in volume achieved by incinerating, compressing or otherwise disposing of the low-level radioactive waste generated is converted into an equivalent number of 200 L drums.

Recycled paper
In addition to copier paper, includes newspapers, magazines, cardboard, confidential documents, etc.

Recycled water/rainwater utilization
Recycled water (purchased + treated water) + rainwater utilization

## Control $CO_2$ Emissions by Introducing Fuel-Efficient Vehicles and Eco-Driving

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| Electric vehicles introduced (total) | vehicles | 175 | 192 | 199 | 259 |

*Total for EVs and PHVs

## Changes in $CO_2$, SOx, NOx Environmental Efficiency (Electricity Sales Volume Standard)

| | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|
| $CO_2$ | 104.8 | 98.3 | 76.1 | 93.1 |
| SOx | 230.1 | 235.3 | 214.2 | 256.6 |
| NOx | 166.7 | 163.7 | 153.9 | 169.3 |

$$\text{Environmental efficiency} = \frac{\text{Product/service value [Electricity sales volume] (kWh)}}{\text{Environmental load (t)}}$$

*Calculated with FY1995 as 100.

## Changes in Industrial Waste Environmental Efficiency (Electricity Sales Volume Standard)

| | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|
| Changes in Industrial Waste Environmental Efficiency (Electricity Sales Volume Standard) | 98.6 | 134.5 | 145.2 | 51.7 |

$$\text{Environmental efficiency} = \frac{\text{Product/service value [Electricity sales volume] (kWh)}}{\text{Environmental load (t)}}$$

*Calculated with FY2008 as 100.

## Environmental Breaches

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| No. of breaches of laws or regulations | No. | 0 | 0 | 0 | 1 |
| Amount of fines or penalties related to the above | yen | 0 | 0 | 0 | 0 |
| Environmental liabilities recorded as unpaid at year-end | yen | 0 | 0 | 0 | 0 |

## Economic Effects of Environmental

| Classification of environmental activities | | Main activities | Unit | Economic Effects | | | |
|---|---|---|---|---|---|---|---|
| | | | | FY2018 | FY2019 | FY2020 | FY2021 |
| Resource circulation | Waste measures | Sale of disused valuables | 100 million yen | 3.3 | 3.4 | 3.6 | 11.9 |
| | Waste reduction | Reduction of processing costs such as final disposal by recycling | | 62.3 | 79.4 | 73.2 | 64.8 |
| | | Total | | 65.6 | 82.8 | 76.8 | 76.7 |

## Effects of Environmental Activities

| Classification | Item | | Unit | Effects of Environmental Activities | | | |
|---|---|---|---|---|---|---|---|
| | | | | FY2018 | FY2019 | FY2020 | FY2021 |
| Global environmental preservation | Suppression of GHG emissions | Nuclear Power Generation | 10 thousand t-$CO_2$ | 1,045 | 1,038 | 802 | 1,589 |
| | | New energy power generation / purchase | | 388 | 399 | 484 | 606 |
| | | Hydroelectric / Geothermal | | 268 | 254 | 199 | 247 |
| | | Improved thermal efficiency | | 25 | 29 | 59 | 44 |
| | | Utilization of Kyoto mechanism, etc. | | 0 | 0 | 0 | 0 |
| | | $SF_6$ Emission reduction | | 25 | 25 | 18 | 15 |
| | SOx reduction amount | | 1,000 t | 45 | 55 | 63 | 51 |
| | NOx reduction amount | | | 17 | 17 | 23 | 24 |
| | Soot and Dust reduction amount | | | 142 | 37 | 91 | 54 |
| Resource circulation | Industrial Waste | Amount recycled | 1,000 t | 713 | 915 | 878 | 777 |
| | | Appropriate disposal amount | | 3 | 2 | 2 | 5 |
| | General Waste | Amount recycled | | 3 | 5 | 4 | 4 |
| | | Appropriate disposal amount | | 0 | 1 | 1 | 1 |
| | Low-level radioactive waste reduction (200 L drum equivalent) | | drums | 3,375 | 3,392 | 4,226 | 3,279 |
| | Spent nuclear fuel amount | | quantity | 4,021 | 4,486 | 4,710 | 4,742 |

Scope of aggregation: Kyushu Electric Power

Nuclear Power Generation
Estimated assuming that the amount of power generated by nuclear power was covered by the average of all our power sources

New energy power generation / purchase, Hydroelectric / Geothermal
Estimated assuming that the amount of electricity generated by renewable energy (hydropower excluding power for pump operation) is covered by the average of all of our power sources

Improved thermal efficiency, Reduction of transmission and distribution loss
Calculated based on 2013 value (in line with national GHG reduction targets, in FY2020, the base year was changed from FY1990 to FY2013)

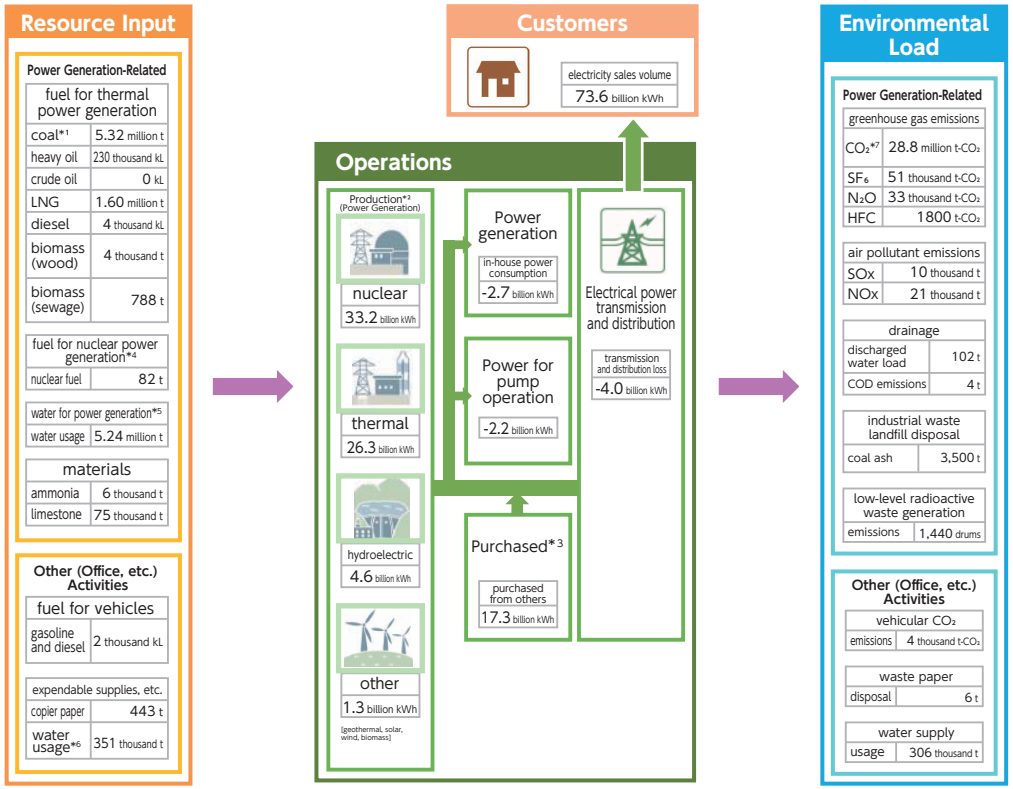
$SF_6$ Emission reduction
Convert the amount recovered during inspection / removal to $CO_2$ weight using the $SF_6$ GWP (22,800 [23,900 until FY2014])

SOx, NOx, and soot reduction amount
Calculated based on the difference from the actual emission amount, using the emission amount (estimated value) when no measures are implemented as the baseline.

General Waste
Amount of waste paper, dam driftwood, and shellfish in general waste generated in-house

Spent nuclear fuel amount
Includes fuel to be reused
*FY2018 $CO_2$ emissions was used to calculate the $CO_2$ emission control effect per electric energy.

## Environmental Loads Resulting from Business Operations (FY2021)




*1 Based on wet coal
*2 Amount of power generated by the company's own facilities.
*3 "Purchased, etc." in corporate operations includes FIT purchased power and power used for sending and receiving interchange power to or from other companies.
*4 Uranium and plutonium allowance (converted from calorific value)
*5 Does not include seawater used as cooling water.
*6 Includes recycled water/rainwater utilization.
*7 Includes $CO_2$ from In-house power consumption and purchasing power from other companies.

### Greenhouse gas emissions

・$CO_2$
Calculated based on "Calculation and publication of basic emission factors and adjusted emission factors for each electric power company" (including the amount of electricity purchased by other companies), which is a document announced by the government based on the Act on Promotion of Global Warming Countermeasure.
Post adjustment = unadjusted $CO_2$ emissions −$CO_2$ emission credit amortization + fixed price purchase adjusted $CO_2$ emissions.

・from in-house power consumption
In-house power consumption x $CO_2$ emissions per electricity sales volume (post-adjustment)

・$SF_6$
Emissions (Natural leakage+At the time of Equipment inspection, Equipment removal, Trouble, Repair work,etc.) x 22,800[GWP]

・$N_2O$
Emissions (Fuel use、Factory wastewater treatment, Treatment of human waste, etc.) x 298[GWP]

・HFC
Consumption of each HFC x corresponding GWP
Air pollutant emissions

・SOx/NOx
The total value of each Thermal power (including internal-combustion power) "total exhaust gas amount x concentration in exhaust gas" converted by weight for each power plant.

### Discharged water load

Total value of wastewater x weighting coefficient of each water pollutant (our original coefficient) x total of average concentration of each water pollutant at the time of discharge (discharge).
*Total value(Thermal/Geothermal/NPS) converted to the equivalent of COD (Chemical Oxygen Demand) weight.

### COD emissions

Total value of wastewater x average COD concentration at the time of discharge (emission)
*Total value (Thermal/Geothermal/NPS) of COD (Chemical Oxygen Demand) contained in wastewater treated by wastewater treatment equipment

### Industrial waste landfill disposal

External landfill disposal amount + Internal landfill disposal amount

### Low-level radioactive waste generation

Amount generated (200 L drum equivalent)−Amount of reduction* (200 L drum equivalent)
*The value of the amount of low-level radioactive waste generation by incineration, compression, etc. converted to a 200 L drum.

### Vehicular $CO_2$ emissions

Fuel consumption of general vehicles and special vehicles x unit calorific value x $CO_2$ emission factor+Electric vehicle charging power x $CO_2$ emissions per electricity sales volume (post-adjustment)

### Waste paper disposal

Amount generated −Amount of recycle

### Water supply usage

Purchased amount of tap water

## Amount of Raw Materials Used

| | | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|---|
| Total amount of energy used (crude oil equivalent)*1 | | 10,000 kL | 635 | 622 | 769 | 612 |
| For thermal power generation | Coal | 10,000 t | 498 | 659 | 687 | 532 |
| | Heavy oil | 10,000 kL | 22 | 22 | 22 | 23 |
| | Crude oil | 10,000 kL | 0 | 0 | 0 | 0 |
| | LNG | 10,000 t | 191 | 107 | 198 | 160 |
| | Diesel | 10,000 kL | 1.5 | 2.2 | 1.2 | 0.4 |
| | Biomass (wood) | 10,000 t | 0.5 | 0.5 | 0.4 | 0.4 |
| | Biomass (sewage) | t | 659 | 820 | 825 | 788 |
| For nuclear power generation*2 | Nuclear fuel | t | 85 | 81 | 58 | 82 |
| Water for power generation | Water usage | 10,000 t | 520 | 601 | 614 | 524 |
| Materials*2 | Ammonia | 10,000 t | 0.6 | 0.6 | 0.8 | 0.6 |
| | Limestone | 10,000 t | 9.4 | 9.8 | 9.1 | 7.5 |

*1 Values reported to the government based on the Act on Rationalizing Energy Use.
*2 Only for Kyushu Electric Power

## Group Company Main Achievements (Summary)

| | | | Unit | Results | | | |
|---|---|---|---|---|---|---|---|
| | | | | FY2018 | FY2019 | FY2020 | FY2021 |
| Initiatives to Address Global Environmental Issues | Office power | Usage | 1 million kWh | 23.7 | 22.2 | 19.5 | 23.0 |
| | | Usage per unit area | kWh/m² | 89 | 83.4 | 71.7 | 80.2 |
| | Private logistics transportation (excluding special vehicles) | Low-emission vehicle introduction ratio | % | 71 | 73.2 | 66.4 | 72.5 |
| | | Fuel consumption rate (fuel efficiency) | km/L | 11.9 | 11.8 | 12.1 | 11.9 |
| | $SF_6$ recovery rate | During machine maintenance | % | 100 | 99.5 | 99.6 | 99.6 |
| | | During machine removal | % | 100 | 100 | No records | No records |
| | Recovery implementation rate during machine maintenance for fluorocarbons subject to regulation | | % | 100 | 96 | 92 | 86 |
| | Copier paper usage | | million sheets | 134 | 130 | 106 | 101 |
| | Water supply | Usage | 1,000 t | 139 | 127 | 152 | 144 |
| | | Per person | m³/person | 12 | 10.8 | 13 | 10.7 |
| Initiatives to Establish a Recycling Society | Recycling rate | Industrial Waste | % | 92 | 94 | 93 | 95 |
| | | Coal ash | % | 100 | 100 | 100 | 100 |
| | | other | % | 69 | 87 | 87 | 90 |
| | | Waste paper | % | 94 | 94 | 92 | 89 |
| | Green procurement rate | | % | 82 | 86 | 75 | 79 |
| Protecting environments in local communities | SOx emissions per quantity of thermal power generated | | g/kWh | 0.38 | 0.18 | 0 | 0.31 |
| | NOx emissions per quantity of thermal power generated | | g/kWh | 0.24 | 0.18 | 0 | 0.19 |

Low-emission vehicle introduction ratio
Percentage of Electric vehicles (including plugin hybrid vehicles), hybrid vehicles and fuel-efficient vehicles

No records
Those what own the equipment but do not have a record of inspection or removal of the equipment

Copier paper usage
A4 size conversion number

Green procurement rate
The scope of procurement is office supplies (paper, stationery) and other products deemed to have a low environmental impact.

## Group Company Energy Usage by Type

| | | | Unit | FY2018 | | FY2019 | | FY2020 | | FY2021 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | No. of companies | Amount used | No. of companies | Amount used | No. of companies | Amount used | No. of companies | Amount used |
| Electricity | Office | | 1 million kWh | 43 | 23.7 | 38 | 22.2 | 35 | 19.5 | 35 | 23.0 |
| | Factories, etc. | | 1 million kWh | 33 | 526.4 | 30 | 385.4 | 32 | 422.0 | 28 | 477.6 |
| Fuel | Vehicles, etc. | Petrol, etc. | 1,000 kL | 45 | 6.4 | 42 | 6.2 | 42 | 4.2 | 38 | 4.2 |
| | For air conditioning | | 1,000 kL | 9 | 0.2 | 7 | 0.1 | 9 | 0.2 | 8 | 0.2 |
| | For industrial use* | A-type heavy oil | 1,000 kL | 8 | 0.8 | 10 | 0.8 | 11 | 0.8 | 9 | 0.6 |
| | | LNG/LPG | 1,000 t | 8 | 1.1 | 6 | 1.1 | 6 | 0.9 | 4 | 0.7 |
| Heat | Steam, etc. | | 1 million MJ | 3 | 41.1 | 2 | 33.0 | 4 | 39.9 | 3 | 39.3 |

*Excludes electricity sold to other power companies, etc. (for power generation)

## Group Company Low-emission Vehicle Introduction Rate (excl. Special Vehicles)

| | | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|---|
| Low-emission vehicle introduction rate | No. of vehicles | No. | 3,451 | 3,484 | 3,542 | 3,469 |
| | No. of low emission vehicles | | 2,451 | 2,550 | 2,352 | 2,514 |
| | Low-emission vehicle introduction rate | % | 71.0 | 73.2 | 66.4 | 72.5 |

Special vehicles
Special vehicles refer to trucks, special motor vehicles, and special-purpose cars, etc.

Low-emission vehicle introduction rate
Percentage of electric vehicles (including plugin hybrid vehicles), hybrid vehicles and fuel-efficient vehicles

## Stable Supply

### Nuclear Power Station Utilization Rate (Kyushu EP)

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| Nuclear power station utilization rate | % | 73.1 | 82.0 | 62.4* | 91.4 |

*The utilization rate for Sendai Units 1 and 2 has dropped due to a halt to operations for regular inspections with Specific Safety Facilities construction work.
(Specific safety facilities)
Establishment of facilities with functions that prevent damage to the reactor containment vessel in the event that reactor cooling functions are lost and the reactor core is seriously damaged, due to acts of terrorism such as intentional aircraft collision with the reactor auxiliary building, etc.

### Cumulative Low-level Radioactive Waste Stores (Kyushu EP)

| | | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|---|
| Amount stored in power plant | Genkai NPS | drums (200-liter drum equivalent) | 39,256 | 38,418 | 38,148 | 38,310 |
| | Sendai NPS | | 26,275 | 27,303 | 27,303 | 27,767 |
| | Total | | 65,531 | 65,721 | 66,021 | 66,077 |
| Amount transported out* | Genkai NPS | | 1,848 | 1,720 | 1,720 | 1,384 |
| | Sendai NPS | | 320 | 0 | 0 | 0 |
| | Total | | 2,168 | 1,720 | 1,720 | 1,384 |

*Amount transported out to the Low-Level Radioactive Waste Disposal Center

## Community

### Donations

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| Contributions to relief projects as stipulated in local government ordinances | million yen | 20 | 20 | 20 | 20 |
| Donations as part of community and social activities | | 1,040 | 610 | 820 | 1,330 |
| Total | | 1,060 | 630 | 840 | 1,350 |

*Total for the Kyuden Group

### Volunteer Leave (Kyuden Group)

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| No. of days of volunteer leave taken | days | 225 | 224 | 117 | 66 |

### Awards for Contributions to the Local Community (Kyuden Group)

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| No. of awards for contributions to the local community | persons | 39 | 28 | 28 | 11 |

## Human Resource Development

### Training Hours

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| Average number of training hours per employee | hrs | — | — | 21.8 | 76.4 |

*Training hours for FY2020 do not include education and training by department other than new employee education.

### No. of Employees (Employees + Career-track Employees) (Kyuden Group)

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| Male | persons | 11,904 (91.9) | 11,791 (91.9) | 11,660 (91.7) | 11,481 (91.5) |
| Female | | 1,043 (8.1) | 1,038 (8.1) | 1,057 (8.3) | 1,062 (8.5) |
| Total | | 12,947 | 12,829 | 12,717 | 12,543 |

*Figures in parentheses indicate percentages

### No. of People in Management (Kyuden Group)

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| Male | persons | 4,543 (97.7) | 4,567 (97.5) | 4,544 (97.4) | 4,537 (97.3) |
| Female | | 108 (2.3) | 117 (2.5) | 123 (2.6) | 127 (2.7) |
| Total | | 4,651 | 4,684 | 4,667 | 4,664 |

*Figures in parentheses indicate percentages

### Number Hired (Kyuden Group)

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| Male | persons | 227 (80.8) | 219 (84.6) | 248 (81.3) | 230 (83.9) |
| Female | | 54 (19.2) | 40 (15.4) | 57 (18.7) | 44 (16.1) |
| Total | | 281 | 259 | 305 | 274 |

*Figures in parentheses indicate percentages

## Attrition Rate (Kyuden Group)

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| No. of employees who left the company (including retirees) | persons | 404 | 421 | 478 | 503 |
| No. of employees who retired for personal reasons | | 96 | 96 | 94 | 125 |
| No. of employees at beginning of term | | 13,053 | 12,890 | 12,761 | 12,551 |
| Attrition rate | % | 0.74 | 0.74 | 0.74 | 1.00 |

*Attrition rate = employees who left for personal reasons/employees at the beginning of the term x 100 (%)

## Average Age (Kyuden Group)

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| Male | age | 44.3 | 44.5 | 44.7 | 44.9 |
| Female | | 38.3 | 38.4 | 38.3 | 38.4 |
| Overall average | | 43.8 | 44.0 | 44.2 | 44.4 |

## Average Years of Continuous Employment (Kyuden Group)

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| Male | years | 24.5 | 24.7 | 24.8 | 25.0 |
| Female | | 18.2 | 18.1 | 17.8 | 17.8 |
| Overall average | | 24.0 | 24.2 | 24.2 | 24.4 |

## No. of Labor Union Members (Kyuden Group)

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| No. of labor union members* | persons | 9,125 (70.5) | 8,820 (68.8) | 8,568 (67.4) | 8,368 (66.7) |

*Figures in parentheses indicate percentage of total employees
*The number of persons covered by the collective agreement. Based on the union store agreement, all employees (excluding special managers, etc.) are members of the labor union, and the labor union membership rate of the relevant employees is 100%.

## Contract Employees and Temporary Staff (Kyuden Group)

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| Contract employees | persons | 29 | 164 | 273 | 305 |
| Temporary staff | | 606 | 645 | 558 | 527 |

## Heads of Organizations and Important Employees including Managers (Kyuden Group)

| | | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|---|
| Heads of organizations | Male | persons | 1,328 | 1,309 | 1,301 | 1,276 |
| | Female | | 18 | 19 | 20 | 22 |
| | Total | | 1,346 | 1,328 | 1,321 | 1,298 |
| Important employees (indicated again) | Male | | 97 | 97 | 90 | 91 |
| | Female | | 1 | 3 | 2 | 1 |
| | Total | | 98 | 100 | 92 | 92 |

## Full-time Employees by Gender (Kyushu EP)

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| Male | persons | — | — | 6,590 (86.9) | 6,489 (86.7) |
| Female | | — | — | 994 (13.1) | 994 (13.3) |
| Total | | — | — | 7,584 | 7,483 |

*Figures in parentheses indicate percentages
*Due to the splitting up of the company in April 2020, data is only given for FY2020 onward

## Full-time Employees by Age (Kyushu EP)

| | | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|---|
| 20s and under | Male | persons | — | — | 964 (14.6) | 924 (14.2) |
| | Female | | — | — | 323 (32.5) | 326 (32.8) |
| | Total | | — | — | 1,287 | 1,250 |
| 30s | Male | | — | — | 998 (15.1) | 1,051 (16.2) |
| | Female | | — | — | 217 (21.8) | 210 (21.1) |
| | Total | | — | — | 1,215 | 1,261 |
| 40s | Male | | — | — | 2,158 (32.7) | 1,991 (30.7) |
| | Female | | — | — | 208 (20.9) | 216 (21.7) |
| | Total | | — | — | 2,366 | 2,207 |
| 50s | Male | | — | — | 2,308 (35.0) | 2,396 (36.9) |
| | Female | | — | — | 236 (23.7) | 233 (23.4) |
| | Total | | — | — | 2,544 | 2,629 |
| 60s and over | Male | | — | — | 162 (2.5) | 127 (2.0) |
| | Female | | — | — | 10 (1.0) | 9 (0.9) |
| | Total | | — | — | 172 | 136 |
| Total | | | — | — | 7,584 | 7,483 |

*Excludes executive officers and directors
*Figures in parentheses indicate percentages
*Due to the splitting up of the company in April 2020, data is only given for FY2020 onward

## Managers (Kyushu EP)

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| Male | persons | — | — | 2,947 (96.2) | 2,959 (96.1) |
| Female | | — | — | 116 (3.8) | 120 (3.9) |
| Total | | — | — | 3,063 | 3,079 |

*Excludes executive officers and directors
*Figures in parentheses indicate percentages
*Due to the splitting up of the company in April 2020, data is only given for FY2020 onward

## Leavers (Kyushu EP)

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| Male | persons | — | — | 50 (0.75) | 61 (0.92) |
| Female | | — | — | 20 (1.96) | 28 (2.73) |
| Total | | — | — | 70 (0.91) | 89 (1.16) |

*Excludes executive officers and directors
*Figures in parentheses indicate percentages
*Due to the splitting up of the company in April 2020, data is only given for FY2020 onward

## Average Age (Kyushu EP)

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| Overall average | age | — | — | 43.4 | 43.6 |

*Excludes executive officers and directors
*Due to the splitting up of the company in April 2020, data is only given for FY2020 onward

## Average Years of Service (Kyushu EP)

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| Overall average | age | — | — | 21.2 | 23.3 |

*Excludes executive officers and directors
*Due to the splitting up of the company in April 2020, data is only given for FY2020 onward

## No. of Labor Union Members (Kyushu EP)

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| No. of labor union members | persons | — | — | 5,181 (68.3) | 5,031 (67.2) |

*Excludes executive officers and directors
*Figures in parentheses indicate percentages
*Due to the splitting up of the company in April 2020, data is only given for FY2020 onward

## Diversity

■Employment Rate of Persons with Disabilities

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| Employment rate of persons with disabilities | % | 2.26 (300.5) | 2.34 (310.0) | 2.32 (307.0) | 2.29 (301.0) |

*The employment rate for FY2022 was 2.46%
*Under the special rule for related subsidiaries, Q-CAP and Kyushu Transmission and Distribution (Kyushu T&D) are subject to lump-sum accounting.
*Figures in parentheses indicate the number of employees with disabilities

## Establishment of Workplace Environments

■Total Actual Working Hours (Kyuden Group)

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| Total hours worked per person | hrs | 1946.6 | 1880.6 | 1885.3 | 1861.7 |

■No. of Days of Paid Leave Utilized Annually (Kyuden Group)

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| No. of days of paid leave utilized annually per person | days | 16.7 | 16.2 | 16.6 | 16.6 |

■Childcare, Nursing, and Family Care Support (Kyuden Group)

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| No. utilizing childcare leave | persons | 33 (2) | 61 (13) | 68 (11) | 73 (26) |
| Rate of return to work after childcare leave | % | 100 | 100 | 100 | 100 |
| No. working shortened hours for childcare | persons | 100 (0) | 98 (0) | 127 (1) | 130 (1) |
| No. utilizing spousal maternity leave | | 238 | 251 | 233 | — |
| No. utilizing nursing time off | | 293 (189) | 345 (236) | 299 (211) | 323 (222) |
| No. utilizing family care leave | | 3 (1) | 4 (1) | 3 (0) | 1 (1) |
| No. working shortened hours for family care | | 2 (1) | 2 (0) | 2 (1) | 7 (1) |
| No. utilizing family care time off | | 175 (139) | 169 (145) | 185 (156) | 157 (133) |

*Figures in parentheses indicate male employees

## Safety and Health

■Work-related Accidents (Kyuden Group)

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| Electric shocks | No. | 0 | 0 | 0 | 0 |
| Falls | | 0 | 1 | 0 | 1 |
| Traffic accidents | | 7 | 9 | 10 | 7 |
| Other accidents | | 31 | 31 | 17 | 30 |
| Total | | 38 (0) | 41 (0) | 27 (0) | 38 (0) |
| Major accidents | | 2 | 3 | 0 | 2 |

*Figures in parentheses indicate those who lost their lives
*Other accidents include falls from failing to check footing and mishandling of tools

■On-the-job Accident Rate (Kyuden Group)

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| Number of accidents per 1 million working hours | No. | 0.28 | 0.39 | 0.29 (0.19) | 0.30 (0.10) |

*Figures in parentheses are non-consolidated figures for Kyushu Electric Power (Kyushu EP)

■Labor Accident Severity (Kyuden Group)

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| Labor accident severity | days | 0.003 | 0.012 | 0.004 (0.002) | 0.009 (0.009) |

*Days of labor lost due to labor accidents per 1,000 hours worked
*Figures in parentheses are non-consolidated figures for Kyushu EP

■No. of Employees Receiving Safety Education

| | | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|---|
| Statutory education | When hired (new employees) | persons | 277 | 248 | 295 | 290 |
| | Foreman | | 1,349 | 1,849 | 457 | 1,196 |
| | Safety manager | | 88 | 39 | 87 | 52 |
| | Total | | 1,714 | 2,136 | 839 | 1,538 |
| Training by level | Safety training for general employees | | 1,223 | 911 | 177 | 2,098 |
| | Safety training for management | | 412 | 355 | 308 | 461 |
| | Total | | 1,635 | 1,266 | 485 | 2,559 |

■Contractor and Subcontractor Accidents

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| No. of accidents that have occurred | No. | 27 (2) | 16 | 30 (3) | 24 (1) |
| No. of serious accidents that have occurred | | 17 | 7 | 20 | 15 |

*Figures in parentheses indicate those who lost their lives
*Number of work absences of 4 days or more (including accidents involving fee collection)

## Human Rights

■Human Rights Education Activities

| | | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|---|
| Kyushu EP<br>Kyushu T&D | In-house training | participants | 11,201 | 11,660 | 12,498 | 12,215 |
| | Outside training | | 1,025 | 456 | 167 | 210 |
| Group companies | | | 6,561 (44) | 7,852 (44) | 7,304 (43) | 6,073 (43) |

■Actual Use of the Harassment Advice Counter

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| Actual use of the counter | No. | 8 | 9 | 5 | 7 |

■No. of Cases of Serious Human Rights Violations (Kyuden Group)

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| No. of cases of serious human rights violations | No. | 0 | 0 | 0 | 0 |

*Particularly serious cases of discrimination on the basis of race, ethnicity, gender, religion, nationality, etc., as well as child labor, forced labor, human trafficking, violation of workers' right to organize, etc., which this company has announced or has been recognized by a final court decision or other process as being the responsibility of this company.

## Corporate Governance

■Director Remuneration (excl. Audit & Supervisory Committee Members)

| | Unit | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|
| Basic Remuneration (pecuniary awards and monthly salary) | million yen | 405 (15) | 378 (14) | 372 (14) |
| Performance-linked Remuneration (pecuniary awards and short-term-performance-linked bonuses) | | 43 (9) | 50 (9) | 43 (9) |
| Performance-linked Remuneration (non-pecuniary awards and medium- to long-term-performance-linked, stock-based compensation) | | 66 (9) | 82 (9) | 53 (9) |

*Figures in parentheses indicate no. receiving
*Performance-linked remuneration is based on performance indicators given as financial targets in the Kyuden Group Management Vision, including consolidated ordinary revenue, GHG emission reduction targets toward carbon neutrality, and dividends for shareholders.

■Director Remuneration (Audit & Supervisory Committee Members)

| | Unit | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|
| Basic Remuneration (pecuniary awards and monthly salary) | million yen | 118 (6) | 87 (7) | 77 (5) |

*Figures in parentheses indicate no. receiving

■Board of Directors, Audit & Supervisory Committee, and Corporate Management Committee

| | | Unit | As of March 31, 2019 | As of March 31, 2020 | As of March 31, 2021 | As of March 31, 2022 |
|---|---|---|---|---|---|---|
| Board of Directors | Directors | persons | 19 (2) | 16 (2) | 15 (3) | 15 (3) |
| | External directors | | 5 (2) | 5 (2) | 5 (3) | 5 (3) |
| Audit & Supervisory Committee | Directors | | 5 | 5 | 4 | 4 |
| | External directors | | 3 (1) | 3 (1) | 3 (2) | 3 (2) |
| Corporate Management Committee | President | | 1 | 1 | 1 | 1 |
| | Vice President | | 4 | 3 | 3 | 2 |
| | Senior Managing Executive Officers | | 6 | 10 | 8 | 6 |
| | Managing Executive Officers | | 8*1 | 6*1 | 4*2 | 9*3 |
| | Executive Officers, etc. | | 5*1 | 4*1 | 7*2 | 5*3 |

*Figures in parentheses indicate female members
*1 Six managing executive officers and executive officers attended in response to agenda items
*2 Attended in response to agenda items
*3 Nine managing executive officers and executive officers attended in response to agenda items

## Compliance

■No. of Compliance-related Consultations and Notifications

| | Unit | FY2018 | FY2019 | FY2020 | FY2021 |
|---|---|---|---|---|---|
| Matters concerning the actions of officers/employees | No. | 15 | 17 | 8 | 14 |
| Matters concerning business operation and handling | | 3 | 9 | 2 | 3 |

## Independent Practitioner's Assurance

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(TRANSLATION)

Independent Practitioner's Assurance Report

July 27, 2022

Mr. Kazuhiro Ikebe,
President and Chief Executive Officer,
Kyushu Electric Power Company, Incorporated

Masahiko Sugiyama
Representative Director
Deloitte Tohmatsu Sustainability Co., Ltd.
3-2-3, Marunouchi, Chiyoda-ku, Tokyo

We have undertaken a limited assurance engagement of the Supply Chain GHG Emissions (Scope 1, 2, and 3) indicated with ☑ for the year ended March 31, 2022 (the "GHG Information") included in the "KYUDEN GROUP ESG DATA BOOK 2022" (the "Report") of Kyushu Electric Power Company, Incorporated (the "Company").

The Company's Responsibility

The Company is responsible for the preparation of the GHG Information in accordance with the calculation and reporting standard adopted by the Company (indicated with the GHG information included in the Report). Greenhouse gas quantification is subject to inherent uncertainty for reasons such as incomplete scientific knowledge used to determine emissions factors and numerical data needed to combine emissions of different gases.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We apply International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the GHG Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board ("IAASB"), ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the IAASB and *the Practical Guideline for the Assurance of Sustainability Information*, issued by the Japanese Association of Assurance Organizations for Sustainability Information.
The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. These procedures also included the following:

- Evaluating whether the Company's methods for estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or reperforming the estimates.
- Undertaking site visits to assess the completeness of the data, data collection methods, source data and relevant assumptions applicable to the sites.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the GHG Information is not prepared, in all material respects, in accordance with the calculation and reporting standard adopted by the Company.

The above represents a translation, for convenience only, of the original Independent Practitioner's Assurance report issued in the Japanese language.

Member of
**Deloitte Touche Tohmatsu Limited**

KYUDEN GROUP

Enlighten Our Future

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