

# Energy Service Business in the Kyushu Region

## Basic Strategy

In our core region of Kyushu, we have evolved from a corporate group supplying electric power to one providing energy services. We are responding to customer energy-related needs in diverse ways, and will grow along with local communities and society.

## Principal Initiatives

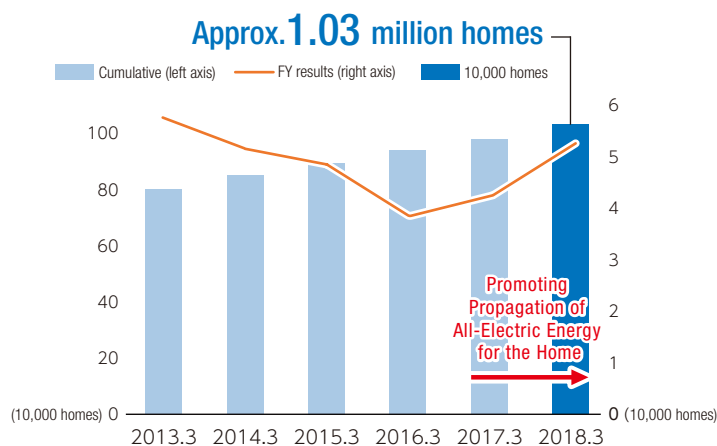
- 1 Expand the Kyuden's fan base with diversified energy services
- 2 Reinforce electric power source competitiveness and fuel procurement capabilities
- 3 Upgrade/deploy power transmission network technology

## Individual Strategies

### Promoting Propagation of All-Electric Energy for the Home

To meet expanding demand for electric power, we are actively promoting household conversion to all-electric energy.

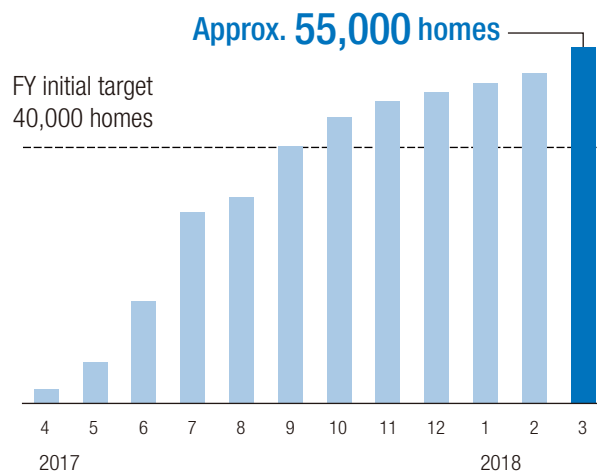
As of the end of FY2017, the number of all-electric homes topped one million.



### Full-scale Entry into the Retail Gas Business

With the complete deregulation of retail gas pricing in April 2017, we embarked on city gas sales in the Fukuoka and Kitakyushu areas.

By leveraging our strong customer base cultivated through our electric power business, as well as our ability to stably procure, low-priced LNG, we are offering gas to customers at attractive prices.



## Competitive, Reliable Power Sources

To enhance the competitiveness and reliability of our electric power sources, we are constructing cutting-edge coal-fired thermal power plants. Our policy is to successively decommission older, economically inefficient facilities.

The new Matsuura Power Station Unit 2 employs highly efficient ultra-supercritical (USC) power generation technology, which delivers lower fuel costs and reduces impact on the environment.

Principal Energy Source Development Plan

New construction:	Matsuura Unit 2	Coal:	1,000 MW	Operation commencement December 2019
Suspended or decommissioned:	Ainoura Units 1 & 2	Heavy oil:	875 MW	Decommission April 2019
	Buzen Unit 1		500 MW	Decommission FY2019
	Buzen Unit 2		500 MW	Planned suspension FY2018 onwards
	Sendai Units 1 & 2		1,000 MW	Planned suspension FY2018 onwards
	Shin Kokura Unit 4	LNG	600 MW	Planned suspension FY2020 onwards

## V2G Technology Field Testing

Since June 2018, we have begun field testing of Vehicle to Grid (V2G)\* technology in collaboration with other companies. V2G supplies power from electric vehicles (EV) to the power grid, allowing utilization of EVs in adjusting supply and demand.

As part of this proof-of-concept initiative, we have received funding from the Agency for Natural Resources and Energy as part of their “Demonstration experiment of virtual power plant construction leveraging energy resources on the demand side.”

\*V2G: Discharging energy stored in EVs to the power grid.

■ Concept

