

August 28, 2020

Kyushu Electric Power Co., Inc.

## **Kyushu Electric Power Announces its Decision to Issue Publicly Offered Hybrid Corporate Bonds (No Collateral and Subordinated Corporate Bonds)**

We today announced that it has been decided to issue publicly offered hybrid corporate bonds (no collateral and subordinated corporate bonds) (hereinafter, the “Hybrid Bonds”) of up to 200 billion yen as below. We today also submitted our amended version of the shelf registration statements regarding the issuance of the Director-General of the Kanto Finance Bureau.

### **1. The purpose and background of the issuance of the Hybrid Bonds**

Under our mission “Enlighten Our Future”, we have been growing together with the region and society by supplying affordable and quality energy in a stable manner to our customers. We will continue to contribute to the sustainable development of Kyushu as the foundation of our business, and will grow together with the region and society. To this end, we believe it is important to manage the Group with a long-term vision. Fully cognizant of this mission, we formulated the “Kyuden Group Management Vision 2030” in June, 2019.

We have decided to issue the Hybrid Bonds as a means of securing funds for simultaneously maintaining its making growth investments and corporate financial health, in order to achieve the development that the Kyuden Group aims for toward 2030.

### **2. Characteristics of the Hybrid Bonds**

The Hybrid Bonds are regarded as both capital and debt. Because they are debt, their issuance will not dilute the company’s shares. Their nature and characteristics are also similar to those of capital in terms of the optional deferral of interest payments, very long redemption periods, and subordination in the liquidation and bankruptcy proceedings, among others. Therefore, the company expects that 50% of the amount to be financed will be regarded as capital by the rating agencies (Rating and Investment Information, Inc. and Japan Credit Rating Agency, Ltd.).

### **3. Future schedule**

We designated Mizuho Securities Co., Ltd., SMBC Nikko Securities Inc., Nomura Securities Co., Ltd., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., and Daiwa Securities Co., Ltd. as lead underwriters of the Hybrid Bonds and will determine the terms and conditions, including the issuance amount, by taking into account the overall situation, such as the demand and interest rate trend. The terms and conditions will be announced as soon as they are determined.