Value Creation Process

Group principles Enlighten Our Future

Carbon Neutral Vision 2050 P22-25

Business Model P18-21

Committing to

tackling global

business models and

reforms to business composition

Strategic

and risk

managemen

Building a sustainable

community together

Kyuden

New business

projects

Co-existence and co-creatio

Human

resources

Contributing to resolving

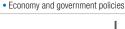
global societal issues

Identifying `issues that are

Societal Issues and Changes to the Business Environment Demographic changes

- · Climate change

- Exhaustion of resources



Materiality for Value Creation

INPUT

Manufacturing Capital

- Energy mix that contributes to S+3F
- Power transmission facilities
- Telecommunications facilities
- Power generation facilities* Total output: 18.32 GW No. of facilities: 218 Length of distribution lines: 143.444 km Length of transmission lines: 10,990 km

Technology

*Amount produced at power generation facilities belonging to Kyuden Group (Kyuden Mirai Energy is also based on equity output)

Employees: 21,273 (consolidated)

Percentage of personnel from

technical divisions: 68% (Kyuden Group)

Human Capital

- . Highly capable personnel (engineers)
- . Kyuden heritage (strong sense of mission to support Kyushu's infrastructure)
- · Group management framework

Intellectual Capital

- · Accomplishments and expertise related to the development and safe. stable operation of zero-emission power sources (nuclear, renewable energy, etc.)
- Knowledge and expertise in a wide range of other specialist fields
- R&D system
- No. of participants in the KYUDEN i-PROJECT: 910
 - Patents held:

agreements: 13

trillion (consolidated)

Japan: 178: Overseas: 70 (Kyuden Group) No. of individuals who have acquired advanced* qualifications: 1 082

"Hard-to-acquire public qualifications that are indispensable to the running of a power business (e.g., chief electrical engineer (first-class), chief reactor engineer, etc.)

Social and Relationship Capital

- · Brand power in Kyushu
- · Relationships of trust with the
- business partners, affiliated companies etc

No. of local governments with which we have comprehensive partnership

- · Collaborative relationships with
 - Registered business partners (material procurement); Approx. 3,300 companies (end of July 2021)

Financial Capital

- Capital
- Cash
- . Interest-bearing debt . Ability to procure capital

Natural Capital

- . Non-fossil fuels (nuclear power) and fossil fuels (thermal power)
- Renewable energy
- . Water (for power generation and office use)
- Woodland

Capital: ¥237.3 billion (consolidated)

Cash: ¥234.1 billion (consolidated)

Interest-bearing debt; ¥3,5226

- Fossil fuel consumption (oil equivalent); Approx. 7.05 million kl (Kyushu EP)
- Water used in power generation: 6.14 Mt (Kyushu EP)

Pursuit of safety and peace of mind

Energy

technologies

Turning the challenge of

carbon neutrality into a

source of new growth

Fuel

Power

Strategy I

Developing the energy

service business

P42

Contributing to a

decarbonized society

Remaining a service

company customers

continue to choose

Co-existing and co-

Being a group that

keeps challenging

creating with the

community

itself

FY2020

Compliance

Resilient

regional

infrastructure

Energy

Power

transmission

Corporate governance

Strong sense of mission and public interest

Management Vision 2030 P26

FY2021 Medium-term **Management Plan**

P28

Solving domestic and international issues by combining technologies and expertise cultivated in Kyushu

· Operating revenues

- Ordinary income
- Equity ratio
- · Free cash flow
- ROE
- . Fair return to shareholders

Impact on society and the environment

- · Reduced impact on society and the environment (through responding to greenhouse gases and regulations, and zeroemission activities for waste)
- . Steady progress of initiatives aimed at becoming carbon neutral
- . Interaction and dialogue with the
- . Cyber-security countermeasures
- *1 Without the use of non-fossil certificates, FIT electricity does not have any value as a renewable energy source or as a zero-emission power source, but is treated as electricity with the same CO₂ emissions as the national average, including thermal power sources. The non-fossil value derived from the FIT power source is attributed to Kyushu EP at a rate of about 8% (aligned with the Sophisticated Act). The figure is calculated based on the amount of electricity generated by Kyushu EP and the amount of electricity procured from other companies (not including the amount from remote islands).
- *2 TSR (Total Shareholder Return): capital gains +
- *3 No. of accidents per 200,000 working hours
- *4 (No. of workers leaving for personal reasons total employees at start of period) x 100
 *5 Reduction in CO₂ emissions from Kyushu EP's
- electric power sales (from FY2013 levels

Co-creation with **Stakeholders**



OUTPUT

Products/services

- Ratio of non-fossil fuel power sources
- · Renewable energy development and adoption
- Reasonable electricity prices
- . Stable supply of electricity
- . Energy services that cater to customers' needs
- Business and services that help to resolve community and societal ISSUES (ICT services, urban development, etc.)

Financial results . Nominal gross regional product:

Approx. 48 trillion ven (FY2018)

58% (FY2019)

household): O times

- · Communication activities with
- around 30,000 local residents
- . No. of employees who participated in local activities: 17.263 (Kyuden Group)

OUTCOME

Customers

. Total electric power sales (retail,

· Percentage of energy from zero-

emission or FIT energy sources*1

Frequency of scheduled outages (per

Percentage of new-build homes

using all-electric energy: 36.3%

Local Community

wholesale, overseas); 95 TWh

Shareholders and Investors

- Dividends paid (total): ¥17.4 billion Dividend payout ratio: 55.1%
- TSR: 114.6%*2
- . Interest charges (paid to creditors); ¥26.2 billion

Employees

- · Frequency rate of workplace accidents*3 0.05
- Employee turnover rate*4: 0.74% · Female employee childcare leave
 - utilization rate: 99.3% (April 2018 to

Global Environment

- CO₂ reduction volume: -19.3 million tons*5 Industrial Waste Recycling Rates:
- Approx. 100%

Note 1: Data for which no date is specified is taken from the results from the end of FY2020 Note 2: Kvushu Flectric Power is abbreviated as Kvushu FP

Note 3: Kvushu Transmission and Distribution is abbreviated as Kvushu T&D



Contributing to the development

particularly in the Kyushu region

Strengthening our business foundations P41-63

of the regional society,

Strengths (Core Values)