

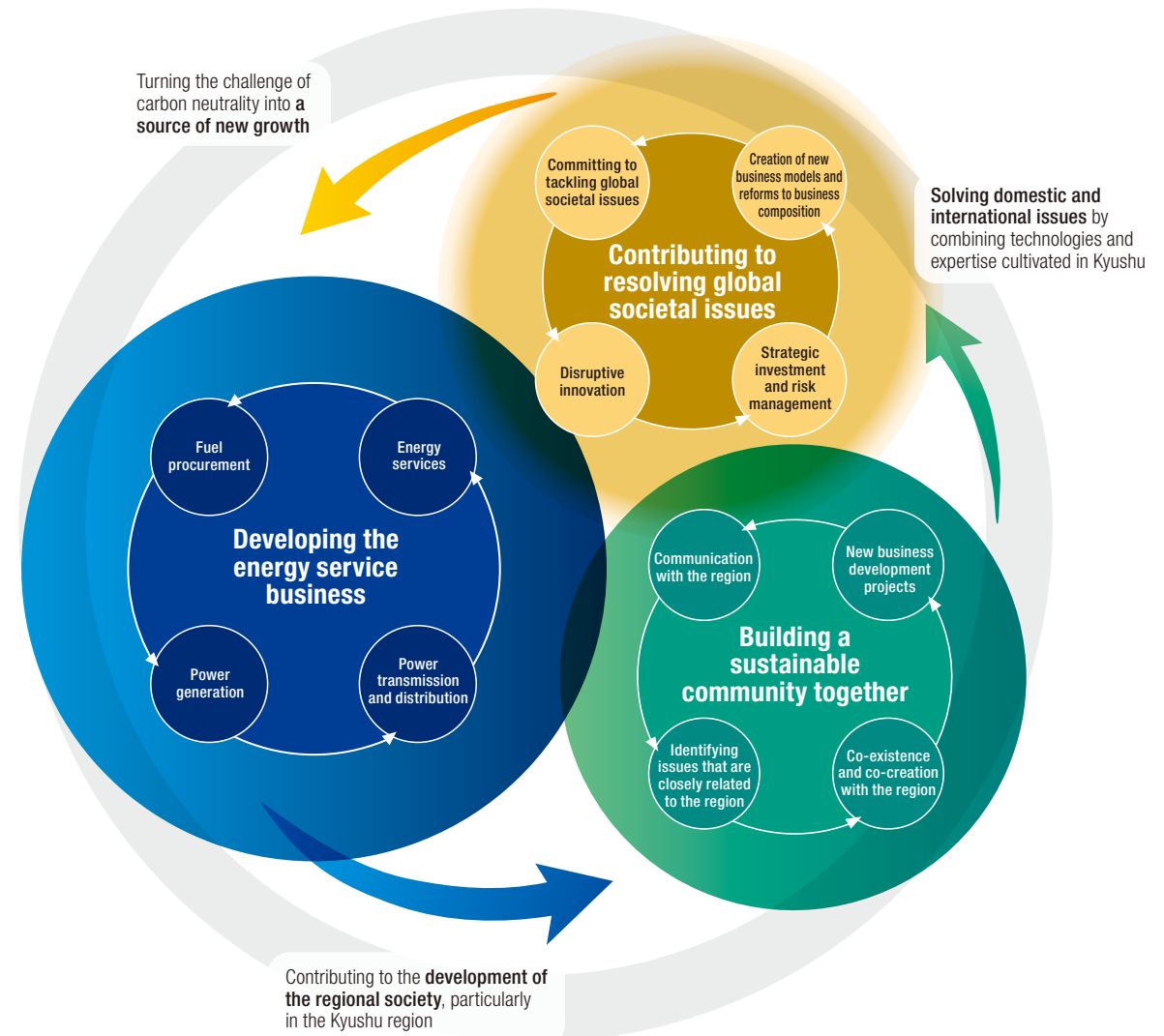
Business Model—Achieving sustainable growth for the Kyuden Group and society—

By seamlessly integrating the three drivers and maximizing synergies, we will achieve sustainable growth for both the Kyuden Group and society.

In addition to working on its main driver of growth—**developing the energy service business**—the Kyuden Group is also **building a sustainable community together** with the region and **contributing to the resolution of global societal issues** so as to expand its business.

By effectively utilizing the tangible and intangible management resources nurtured in the **energy service business**, which is focused on Kyushu, the Group will continue to create a series of new businesses that can help with **building a sustainable community together**. The wealth of expertise accumulated in Kyushu will be expanded to other areas and overseas and by so doing, the Kyuden Group will allow it to continue **contributing to the resolution of global societal issues**, such as the challenge of becoming carbon neutral.

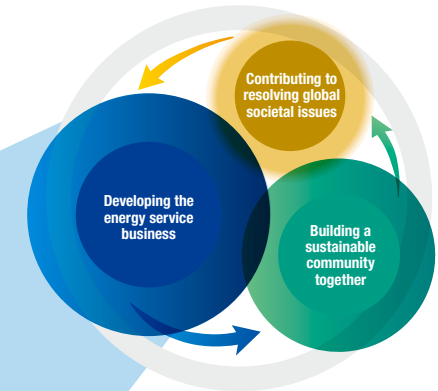
By achieving maximum synergy between these three drivers, we will contribute to resolving societal issues in Japan and overseas but it will also lead to medium- to long-term growth for the entire Kyuden Group. That, in turn, will result in sustainable development for both the Group and society.



Developing the energy service business

Major related businesses and initiatives: Japanese electric power business **P29-34**,
Renewable energy business **P35-36**

Taking on the challenge of realizing a sustainable, low-carbon society and providing more prosperous, comfortable lifestyles.

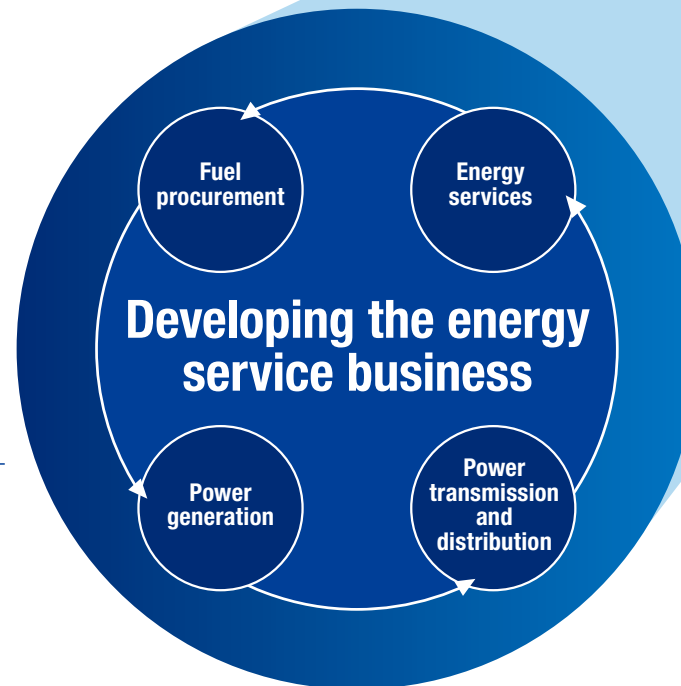


• Fuel procurement

We are moving forward with an array of measures to strengthen our ability to procure fuel, including diversifying the partners from whom we procure, participating in resource development and production projects, and introducing fuel trading to adjust amounts and control prices. In terms of transporting fuels, our ships, whether our own LNG ships or dedicated contracted ships, help us to keep costs down. At the same time, by integrating this operation with our electricity transactions, we are optimizing management of supply and demand and working to maximize profitability for the Group.

• Power generation

Our aims are to ensure long-term, stable energy supplies, to combat global warming, and to supply affordable electricity. By promoting nuclear power—predicated on safety and peace of mind—proactively developing and introducing renewable energy, raising the efficiency levels of thermal power, and through other means, we are able to generate power from a well-balanced range of sources. As a result of these efforts, the percentage of energy from zero-emission or FIT energy sources that we offer is the highest in the industry.



• Energy services

We provide various energy services that meet the diverse needs of customers, including proposals for plans and services meeting the requirements of household customers and one-stop energy services for corporate customers. Through retail electricity sales outside Kyushu and other initiatives, we are continuing to expand our energy service business inside and outside the region.

• Power transmission and distribution

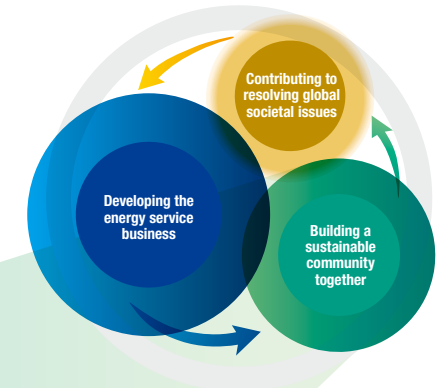
We deliver a stable supply of electricity, sending it along transmission lines from power stations to substations, and along distribution lines from substations to places such as homes and factories. To be able to deliver low-cost, stable electricity to support Kyushu's industries and lifestyles, we operate a stable electricity system preserving steady transmission and distribution facilities.

Contributing to the development of the regional society, particularly in the Kyushu region

Building a sustainable community together

Major related businesses and initiatives: ICT service business **P39**, Urban development business **P40**, Resolving community and societal issues **P54-55**

As a local company with operations in all of Kyushu's prefectures, we will grow together with Kyushu's local communities and society through the creation of markets for new businesses and services.



• Communication with the region

Over the years, the Kyuden Group has developed alongside Kyushu, the base of our business operations. During that time, we have established strong network with customers as well as local authorities, companies, and organizations. That relationship of trust that we have nurtured is one of the Group's most prized assets. As part of that relationship, we are actively promoting communication to help with building a sustainable community together.

• Discovery of issues that are closely related to the region

The Kyushu Group will strive alongside the people of Kyushu, rack its brains, and actively take on the challenge of resolving a variety of issues. We sincerely take on board the feedback we receive as part of our communication with our customers and local residents and share this information within the Group. We also analyze that feedback to identify the issues that face the region and society, and apply what we learn to our business operations.



• New business development projects

We use the wealth of technical capabilities and expertise at our disposal, along with the human resources who form the backbone of our business—regardless of nationality, gender, or age—to drive innovation throughout the Group. We are developing the KYUDEN i-PROJECT as a means of creating new businesses and services. Further, by actively participating in projects where we can utilize the Group's strengths, in areas such as social infrastructure, urban development, or real estate, we are both helping to develop regional communities and resolve issues as well as securing new sources of revenue.

• Co-existence and co-creation with the region

We are building a sustainable community together with the people and government of the region, as well as with academic research institutions and local companies. Through this collaboration between industry, academia, and government, we are promoting urban development by creating safe and secure, but also vibrant and lively spaces. We are also working with local residents and moving forward with initiatives such as the Q-Den Nigiwai Startup Project, which aims to construct a sustainable business model and so help resolve regional issues.

Developing expertise cultivated in Kyushu on a hybrid basis to resolve issues in Japan and overseas

Contributing to resolving global societal issues

Major related businesses and initiatives: Challenge of Reaching Carbon Neutrality by 2050 **P22-25**, Overseas business **P37-38**

From Kyushu, the center of Asia, we will continue to take on the challenge of trying to resolve global societal issues.

• Committing to tackling global societal issues

As the problem of climate change worsens, expectations are rising around the world for companies to implement decarbonization efforts or promote ESG management. As a leader in low-carbon and carbon-free efforts, we will use the knowledge and expertise we have cultivated in Kyushu to the best of our abilities in other areas and countries and contribute to the fight against this global societal issue.

• Incremental innovation

To become carbon neutral, maximal use of existing technologies and energy reform through revolutionary innovation will be absolutely necessary. We will not merely rely on our existing investments in low- and carbon-free technologies, we will aim to create that revolutionary innovation. To get there, we will pioneer cutting-edge research in multidiscipline laboratories, and spur interaction with partner companies inside and outside Japan through an alliance.

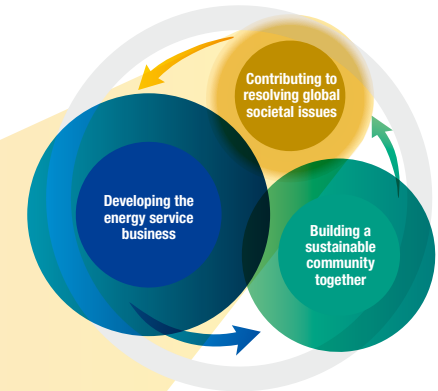
Contributing to resolving global societal issues

Committing to tackling global societal issues

Creation of new business models and reforms to business composition

Disruptive innovation

Strategic investment and risk management



• Creation of new business models and reforms to business composition

We gave deep consideration to what we could do for our customers, society, and the environment and as a result, alongside making optimal use of the Group's strengths, we will work ceaselessly to create new business models, such as through the KYUDEN i-PROJECT, and to reform our business portfolio. We will continue to challenge ourselves to always evolve, so as to help resolve issues that face global society.

• Strategic investment and risk management

In addition to using our technologies, expertise, and networks to the maximum effect and steadily promoting our overseas electric power business, we are investing in revenue expansion, such as in particularly promising renewable energy projects. Our goal is to achieve a total power output of 5,000 MW from the overseas projects in which we hold equity by 2030. As such, we are expanding our renewable energy business by developing geothermal power and participating in projects linked to offshore wind power and hydroelectric power. We will develop businesses in new fields that contribute to the stable supply of electric power, environmental protection, and energy saving in each country, such as microgrid businesses and consulting on renewable energy projects. As we do so, we will aim for an optimum asset portfolio as we monitor each project and take their individual characteristics into consideration.

Turning the challenge of carbon neutrality into a source of new growth