

Progress toward Our Financial Objectives and Management Targets (Environmental Targets)

Per-spective	Indicator	Target (FY2025) ★ Reference Indices ^{*2}	Performance			Progress & Future Issues	
			FY2020	FY2021	FY2022		
Financial Objectives	Profitability	Consolidated ordinary income ^{*1} Excluding delayed effects	Over ¥125 billion	¥55.1 billion [¥46.1 billion]	¥32.3 billion [¥101.3 billion]	-¥86.6 billion [-¥25.6 billion]	The consolidated ordinary loss of ¥86.6 billion was due to not only external factors, such as higher fuel prices and the rapid depreciation of the yen, but also a decline in the nuclear power plant utilization rate as operation of the Genkai Nuclear Power Plant was suspended for an extended period in order to install SSFs ^{*4} . Four nuclear power plants are expected to begin operation starting in FY2023, which will make it possible to ensure stable income (FY2023 earnings forecast (as of August): ¥120 billion)
		Domestic Electricity Business	¥75 billion	¥30 billion [¥21 billion]	¥2.6 billion [¥71.5 billion]	-¥133.4 billion [-¥72.4 billion]	Despite a transitory decline in FY2022, profitability is expected to dramatically improve starting in FY2023, when four nuclear power plants are on line
		Growth businesses	¥50 billion	¥27 billion	¥33.3 billion	¥47.4 billion	Strong progress was made toward the FY2025 ordinary income target of ¥50 billion. We will work to identify quality projects, including projects that are already underway, to further bolster our profits
		Total electric power sales	105 billion kWh★	95 billion kWh	110 billion kWh	110 billion kWh	We maintained strong sales in FY2022 through Group-wide efforts to expand sales
		ROE	Approx. 8%★	5.0%	1.1%	-9.2%	Significant improvement expected from FY2023 onward due to more stable nuclear power operations and increased returns in growth businesses. Promoting ROE-conscious management as we work to improve our balance sheet
	Financial Soundness	Equity ratio	Approx. 20%	14.7% ^{*3}	14.0% ^{*3}	12.2% ^{*3}	In the face of challenges such as fuel price increases and suspension of nuclear power generation, which led to a decline in earnings, along with investments aimed at maintaining and expanding non-fossil fuel sources (led to an increased interest-bearing debt) have resulted in a period of sluggish performance. However, starting from the fiscal year 2023, we anticipate securing high profits through the operation of four nuclear power units and accelerating capital expansion. Moreover, through efficient management of business resources utilizing Return on Invested Capital (ROIC), we will work towards reducing interest-bearing debt, and by doing so, further striving to achieve our goals.
Growth Potential	Growth investments	¥500 billion★ (FY2021-FY2025 cumulative)	¥74 billion	¥79 billion	¥86 billion	Making decisions that are based on a proper assessment of business profitability and risks with an eye toward achieving our income target while steadily promoting growth investments going forward through the use of project finance to limit interest-bearing debt	
	Renewable energy (included above)	¥250 billion★	¥34 billion	¥30 billion	¥36 billion		
	FCF	¥70 billion★ (Secure five-year cumulative profitability)	-¥77.1 billion	-¥63 billion	-¥29.8 billion	Despite a recent negative cash flow due to capital expenditure for nuclear power SSFs ^{*4} at the Genkai Nuclear Power Plant, we will generate cash flows in the medium and long term through not only high utilization of nuclear power plants and greater return from growth investments starting in FY2023, but also allocation of business resources that take into consideration capital efficiency	
	Power output Renewable energy Developed overseas equity output	4,000 MW★ 4,000 MW★	2,300 MW 2,430 MW	2,550 MW 2,910 MW	2,610 MW 2,840 MW	[Renewable Energy] As of the end of FY2022, the total amount of renewable energy has become more than 3,000 MW, including projects that we have already invested in or will start operation in the future. [Overseas] We have started new projects, and we will continue to promote group-wide development centered on the renewable energy business.	

Per-spective	Indicator	Target	Performance			Future Issues
			FY2020	FY2021	FY2022	
ROIC Target	ROIC	(FY2025) Over 2.5% (FY2030) Over 3.0%	1.5%	1.0%	-0.9%	For the Domestic Electricity Business, ensuring at least a stable 2%–3% overall while balancing such considerations as efficiency, stable supply of electricity, and efforts to achieve carbon neutrality, including lowering the carbon intensity of and decarbonizing energy sources. For growth businesses, aiming for a ROIC that ranges from 5%- 9% overall by selecting and concentrating businesses and investments and using benchmarks of other companies in the same industry
			(FY2019–FY2021 average of 1.3%)			

Per-spective	Indicator	Target (FY2030)	Performance			Progress & Assessment
			FY2020	FY2021	FY2022	
Supply	Supply chain GHG emissions (Scopes 1, 2, and 3)	Globally: 60% reduction Domestically: 65% reduction (compared to FY2013 levels)	31% reduction 32% reduction	35% reduction 37% reduction	26% reduction 28% reduction	Steadily reducing GHG emissions across our supply chain through the active development of renewable energy projects and the continued safe and stable operation of our nuclear power stations
	(Reference) CO ₂ emissions from electricity sales ^{*6}	— (compared to FY2013 levels)	51% reduction	57% reduction	43% reduction (provisional value)	
Demand	Electrification rate for Kyushu	Household: 70% Commercial: 60%	61% ^{*5} 48% ^{*5}	— ^{*5}	— ^{*5}	Steadily implementing initiatives to promote electrification, including all-electric homes

*1: After elimination of inter-segment transactions *2: Reference indices: Give a sense of where certain indicators prioritized by management will be when our financial objectives are achieved *3: Includes amount (approx. 2%) recognized as capital from hybrid corporate bonds (issued October 2020)

*4: Specific Safety Facilities *5: For FY2020, calculations are based on the energy consumption statistics by prefecture (provisional values) reported by the Agency for Natural Resources and Energy. For FY2021 and FY2022, the statistical figures that the various items are based on are not finalized figures.

*6: CO₂ emissions (baseline emissions) from Kyushu EP's domestic retail sales as defined in the Act on Promotion of Global Warming Countermeasures