

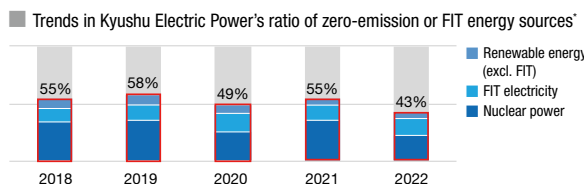
Toward Sustainable Enhancement of Corporate Value

# Growth through Achieving Carbon Neutrality

The Kyuden Group boasts an industry leading ratio of zero-emission power sources due to the wider adoption of renewable energy and the safe and stable operation of nuclear power. Having set ambitious GHG emission reduction targets for the future, we are promoting information disclosure on strategies to achieve these targets, along with progress made toward achieving these targets. These initiatives have earned us high praise from external bodies, and we have been using our strength, that is, our high ratio of zero-emission power sources, in wholesale market non-fossil value trading. Furthermore, the Kyuden Group is promoting green transition finance to support its efforts towards carbon neutrality. **P46** Going forward, we will accelerate initiatives toward positioning renewable energy as a primary power source by integrating the Renewable Energy Business throughout the Kyuden Group. Taking into account the government's policy promotion regarding GX, the Kyuden Group will work on achieving carbon neutrality and growth concurrently.

## Industry Leading Ratio of Zero-emission Power Sources

Along with positioning renewable energy as a primary power source by promoting its development through a united effort across the Group, the Kyuden Group is proud to have an industry leading ratio of zero-emission power sources through maximizing the use of nuclear power with safety as a priority and the understanding of local communities as a prerequisite.



Ratio of zero-emission or FIT energy sources making up the amount of electricity generated and received by Kyushu EP\* is approximately 40 to 60% (FY2018-2022 performance)

\*Ratio includes energy produced and purchased by Kyushu EP and represents the value before Non-Fossil Certificate trading  
 Note: For amounts for which Non-Fossil Certificates were not used, there is no value for renewable energy or zero-CO<sub>2</sub>-emission energy sources, and so these are counted as national average CO<sub>2</sub> emissions for electricity production, including that generated from fossil fuels.

## External assessments on low-carbon and decarbonization initiatives

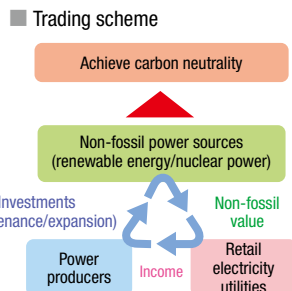
Target setting	SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION	We were the first major energy provider in Japan to be certified under the Science Based Targets (SBT) initiative for our GHG emissions reduction targets*, which take the reduction reference of the Kyuden Group's 2030 management (environmental) targets into account
Information disclosure	TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES	Selected by two of the GPIF's domestic asset managers for the "Excellent TCFD Disclosure" survey [This year's disclosure contents are on <b>P55-58</b> ]
	DISCLOSURE INSIGHT ACTION	Received a leadership level of A- on climate change from the CDP for 2022 Selected for Supplier Engagement Leaderboard

\* The Kyuden Group will reduce Scope 1 & 2 related GHG emissions by 47% on the basis of electric power (kWh) between FY2020 and FY2030.  
 \* The Kyuden Group will reduce Scope 1 & 3 GHG emissions attributed to sold electric power by 47% on the basis of electric power (kWh) in the same period.  
 \* In respect of Scope 3, the Kyuden Group will reduce GHG emissions due to energy-related activities and usage of sold products from among GHG emissions not attributed to sold electric power by a total amount of 25% in the same period.

## Non-fossil value trading

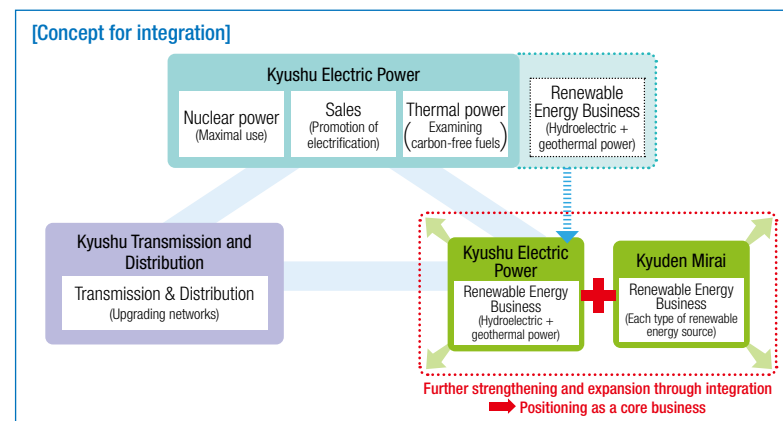
Kyushu EP, which has a high ratio of zero-emission power sources, has seen favorable results from selling these on the market and through bilateral trade (to the tune of several billion to ten billion yen annually) while also backing other retail electricity utilities in achieving their goals set forth in the Act on Sophisticated Methods of Energy Supply Structures.

Income from selling Non-Fossil Certificates will be used for investments in the development (including initial surveys) and replacement of renewable energy (non-FIT power sources), facility renovation work, and the implementation of safety measures at nuclear power plants in order to maintain and expand zero-emission power sources.



## Integrating the Renewable Energy Business

By integrating the Renewable Energy Business of Kyushu EP, Kyuden Mirai Energy will become the only producer in Japan to possess all five main renewable energy sources, as well as a nationwide leader in capacity of held renewable energy facilities. Through this integration, we will make the renewable energy a core business of the Kyuden Group. We will achieve this by accelerating initiatives aimed at positioning renewable energy as a primary power source, while at the same time meeting customers' and society's extensive need for renewable energy and taking on the challenge of creating new value.



### Anticipated effects due to integration

- Speeding up decision making
- Acquiring management resources
- Strengthening our business foundations
- Enhancing corporate value

## Balancing the Achievement of Carbon Neutrality with Growth

### Promotion of GX and growth of the Kyuden Group

Japan has been promoting GX policies aimed at achieving carbon neutrality by 2050, including the establishment of the GX Promotion Act, which stipulates matters such as issuing GX economy transition bonds on a scale of ¥20 trillion and introducing growth-oriented carbon pricing, and the GX Decarbonization Power Supply Act, which incorporates promoting the adoption of renewable energy as much as possible in harmony with local communities and using nuclear power with ensuring safety a major prerequisite.

Through its participation in the GX League, Kyushu EP will work together with stakeholders, including participating companies, to contribute as much as possible to the formation of market rules and the creation of business opportunities aimed at reducing greenhouse gas emissions in Japan.

In addition, social interest in GX and low-carbon power supply needs are both rising. In the Kyushu region, which is well supplied with zero-emission energy sources, there have been efforts to make locations, such as data centers and semi-conductor plants, more active.

Considering the needs of our customers and society, the Group will contribute to the revitalization and decarbonization of Kyushu region, and will achieve sustainable growth of Kyuden Group by responding on two fronts: decarbonization of power sources and promotion of electrification.