

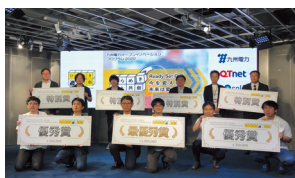
[Co-creating a Smart and Vibrant Society]

Realizing a Smart Society

To create new businesses and increase earnings as part of our “new business development” strategy, the Kyuden Group is collaborating and co-creating with companies in other industries (startups, etc.) and creating new businesses and services by leveraging Group strengths and resources across all Group companies.

Open Innovation Program: Inspiration and Co-creation

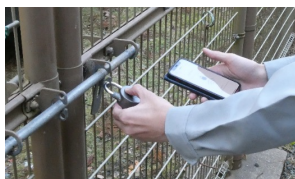
We hold an open innovation program to create new businesses by combining the creative, innovative business ideas of outside companies and the like with the management resources of the Kyuden Group. Among the ideas submitted through the program, we are making progress in materializing those awarded through the selection process and working on pilot projects toward their commercialization.



The Open Innovation Program award ceremony

Development of the Smart Padlock

We are promoting the joint development of KEYes INC.'s Smart Padlock, which was awarded the excellence prize in FY2022. The Smart Padlock is a smart lock mechanism that allows the padlock to be unlocked and usage history to be checked via a smartphone. Due to not needing to manage physical keys, the Smart Padlock creates a system for reducing moving time for transferring keys and managing entry/exit, as well as preventing trouble, such as the loss or duplication of keys.



Smart Padlock

Creating New Services and Solutions Across Divisions

We are exploring the use of digital technology to improve the value of our products and services, fundamentally reform our customer contact points, and radically reform our business model, and are taking on the challenge of creating an array of new businesses that will generate new value and lead to solutions for social issues, such as by building a platform to analyze and utilize data from smart meters and the like and offering services based on it.

Development of Q-ie Monitoring

Kyushu EP has developed Q-ie Monitoring, a service aimed at real estate companies that uses data on electric power used in 30-minute intervals and measured using a smart meter and proprietary analysis technology to notify relatives of tenants who live alone in rental properties when there has been a change in that person's activities. The service was born through a collaboration between the Marketing Division and Digital Transformation Promotion Division while working to promote DX internally. The aging of society is causing a social issue whereby rental properties drop in value when elderly tenants die alone at home, and consequently, the elderly end up being refused as tenants. We will strive to create an environment where people who live alone can move into rental properties through this service with peace of mind.

Creating Safe, Secure and Comfortable Spaces to Live

The Group is promoting the development of urban areas that will increase the number of visitors to the region, enliven the community, create jobs, and contribute to safe and secure communities for the sustainable development of local communities and society.

Contributing to the Sustainable Development of Communities and Society through Our Urban Development Business

We are working on a wide range of urban development projects in not only the Kyushu region, but the rest of Japan and overseas, leveraging the Kyuden Group's corporate network and other resources.

In addition to expanding our office, housing, airport, and other businesses, we will step up our initiatives in new sectors such as area development, including urban development and mixed-use development, industrial real estate including logistics facilities, and fee-based businesses. Further, as an energy provider, we will strive to decarbonize society by promoting environmentally friendly development through improved energy efficiency and low-carbon energy use.

Offering Services to Support the Safety and Security of Communities

At the Kyuden Group, we offer services that support the safety and security of local communities and society. These include labor-saving drone services that enable more advanced on-site work and a monitoring service for children and the elderly.

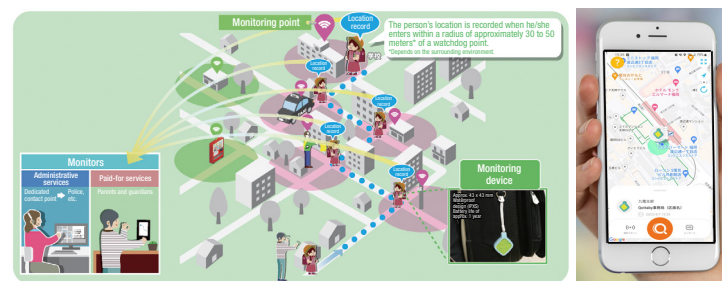
Aerial photography, inspection, and surveying services by drones

Kyushu EP provides the Kyuden Drone Service (QDS), which uses a wide selection of drones to carry out aerial shooting, inspection, and surveying across Kyushu and other regions. We offer a variety of services that contribute to solving issues, including internal inspections of smokestacks using special drones and visualizing woodland resources by high-precision image analysis that combines laser surveying with AI.



IoT-based monitoring service for children and the elderly

Kyushu T&D offers the monitoring service Qottaby in Fukuoka City and the towns of Kasuya and Hisayama. Parents and guardians, or police officer can check the location information of children or the elderly by a monitoring device carried with them. Recently, with crime prevention volunteers getting older and a rise in the number of households where both adults are working, less people are taking part in neighborhood watch activities. In response to this decrease, we are using ICT to create safe and secure places to live.



Regional Vitalization

The Kyuden Group is working to create new businesses and services together with local communities aimed at the sustainable development of local communities and society.

Promoting Initiatives for Solving Regional Issues

Kyushu EP has entered into partnership agreements with local governments across Kyushu to promote solutions to local issues as well as sustainable community development.

Utilizing the Kyuden Group's management resources, products, and services, we are working to develop systems to restore power as soon as possible in the event of a disaster, distribute needed equipment and supplies to evacuation centers, stimulate industry by taking advantage of local tourism resources, and promote electrification for a zero carbon world.

Q-Den Nigiwai Startup Project

Kyushu EP launched the Q-Den Nigiwai Startup Project in July 2019, which aims to help solve local issues by building sustainable business models in collaboration with local communities. This project will focus on the themes of "increasing the number of visitors to the area," "creating a population of people who relate to and settle in the region," and "promoting local industry." We will work together with local residents to plan and jointly undertake sustainable businesses that solve local issues.

In 2020, we established the Kyuden Nigiwai Startup Company, a general incorporated association to serve as the business entity for the project, and currently, the company is promoting initiatives at two sites in Nagasaki and Fukuoka prefectures.

In Higashisonogi Town, Nagasaki Prefecture, we have been collaborating with the Higashisonogi Hitokotomono Foundation to sell products aimed at increasing the number of visitors in the area, as well as operate a

community hub with the aim of creating a connected and settled population. At umino Wa (opened in February 2022), a community hub for interaction between local residents and tourists featuring a café where people can enjoy the local specialty, Sonogi Tea, and other facilities, we share information on the region and support those moving to or starting a business in the town.

Furthermore, on Ainoshima Island (a remote island that is part of Shingu Town, Fukuoka Prefecture), we are working as one with our business partner, Ainoshima Regeneration Council, and Shingu Town, on the three measures of industry creation, living, and new residents in light of the shortage of people available to work in the local community. To develop the fishing industry, a key industry on the island, we have been developing a processed seafood business, and since January 2023, we have been working to create industry by manufacturing and selling *bouzushi*, a sushi dish prepared by pressing a whole fish on top of a sushi roll, using seasonal fish from the Genkai Sea.



umino Wa (Higashisonogi Town, Nagasaki Prefecture)



Bouzushi
(Ainoshima Island, Shingu Town, Fukuoka Prefecture)

Attracting Businesses

The Kyuden Group is actively working to attract companies from outside the Kyushu region by utilizing its network spanning throughout Kyushu.

Kyushu EP branches located in each of Kyushu's prefectures liaise with local governments to match them with companies, and provide support and other services to meet the needs of companies and other entities expanding to the Kyushu area. We also introduce products and services suitable for new plant and office construction and relocation by utilizing the Kyuden Group's products.

To contribute to regional revitalization, Kyushu T&D liaises closely with local governments to gather information on industrial parks and idle land, and reviews measures on supplying electricity for expedited supply.

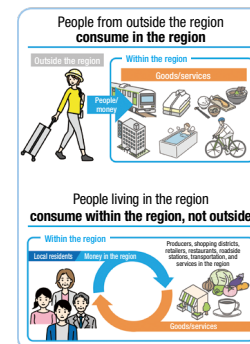
Supporting Regional Economic Revitalization by Providing a Local Information Platform

In May 2021, Kyushu EP established Machi no Wa Co., Ltd. with SBI Holdings, Inc. and The Chikuho Bank, Ltd. for the purpose of vigorously promoting regional development and community revitalization. This company provides electronic services for premium gift certificates to local governments and organizations.

Based on this service, the company aims to serve as a regional platform that not only circulates local currency within the region but also brings in people and money from outside the region by issuing childcare benefits, tourism promotion coupons, and other digital local currencies according to the policies of each community.

In February 2023, Machi no Wa was selected for the Green Life Point project promoted by the Ministry of the Environment, and will contribute to the realization of carbon neutrality through such measures as awarding points via a local currency application for environmentally conscious behavior.

In the future, the company will work to build a sustainable ecosystem that contributes to solving regional issues and creating new value through co-creation with various parties.



The kind of local community that Machi no Wa is aspiring to

