

[Strengthening Governance]

Improving Effectiveness of Corporate Governance

At Kyushu EP, we believe that engaging in operations that are socially meaningful from a long-term perspective leads to sustainable value for all stakeholders. In order to properly carry out these business activities, we are striving to strengthen our corporate governance system.

In FY2018, we transitioned to a company with an Audit & Supervisory Committee based on our belief in the importance of strengthening governance and accelerating decision-making in order to respond to the rapidly changing business environment with greater flexibility and speed than before.

In addition to implementing an organizational design system, we believe it is important to improve the effectiveness of actual operations, and are working to further improve operational effectiveness through such initiatives as having external directors attend Corporate Management Committee meetings and instituting Director Roundtables, a forum for all directors to freely exchange opinions.

Changes in governance

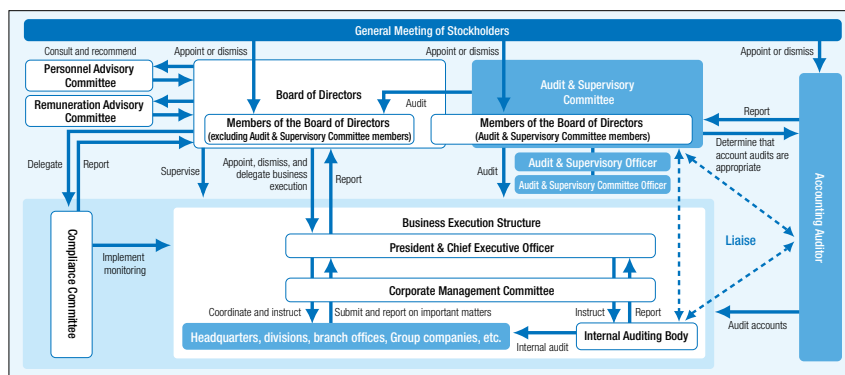
	2015	2016	2017	2018	2019	2020	2021	2022 (FY)
Total number of directors*	20 (2)	20 (2)	21 (2)	19 (2)	16 (2)	15 (3)	15 (3)	15 (3)
of whom are external directors*	5 (2)	5 (2)	5 (2)	5 (2)	5 (2)	5 (3)	5 (3)	5 (3)
Audit & Supervisory Committee	(Audit Committee through FY2017)			●				
Evaluations of the effectiveness of the Board of Directors	●			●				
Director Roundtables							●	

* Includes corporate auditors through FY2017. Figures in parentheses indicate the number of women

Promotion Framework

With governance based on the Board of Directors and Audit & Supervisory Committee as its foundation, Kyushu EP strengthens the supervision of management by appointing highly independent external directors and has the Audit & Supervisory Committee and Internal Auditing Body collaborate to increase the effectiveness of audits. In addition to undertaking such initiatives as clarifying the role of directors and executive officers in supervision and execution and thoroughly implementing compliance management, we continually work to enhance the system by establishing the Basic Internal Control Policy.

Corporate Governance Structure (as of July 2023)



Characteristics and Activities of the Board of Directors, Etc.

As a rule, Kyushu EP's Board of Directors meet once a month or as needed to make decisions on important matters related to corporate management and supervise the execution of those decisions. In order to properly fulfill their roles and responsibilities, all directors are required, in principle, to attend at least 75% of the Board of Directors' meetings. In addition, five highly independent external directors (including three external directors who are Audit & Supervisory Committee members), comprising at least one-third of the total number of directors, provide necessary advice during Board of Directors' meetings based on their insight and experience. They are also appropriately involved in and provide advice regarding the nomination of candidates for the Board of Directors and their remuneration.

Overview of meeting bodies at Kyushu EP

Framework	Members (as of June 30, 2023)	Meetings held in FY2022	Attendance rate of all directors
Board of Directors	14 (of which 5 are external directors)	23	97.1%
Audit & Supervisory Committee	4 (of which 3 are external committee members)	22	100%
Personnel Advisory Committee	4 (of which 3 are external directors)	2	100%
Remuneration Advisory Committee	4 (of which 3 are external directors)	2	100%

In addition, since FY2021, we have been holding Director Roundtables for all directors to discuss material issues impacting the entire Group during the policy and strategy-building stages in an effort to further improve the effectiveness of the Board of Directors.

Main discussion topics at Board of Directors' meetings and Director Roundtables in FY2022

Board of Directors

- Basic policies on sustainability management
- FY2023 Medium-term Management Plan
- Integration of the renewable energy business
- Basic Internal Control Policy
- Delegation of authority to a part of the Board of Directors

Director Roundtables

- Direction of initiatives for the utilization of ROIC
- Direction of initiatives for enhancing human capital
- Group-wide risk analysis
- Issues related to strengthening governance and the direction of actions
- Evaluation of the effectiveness of the Board of Directors

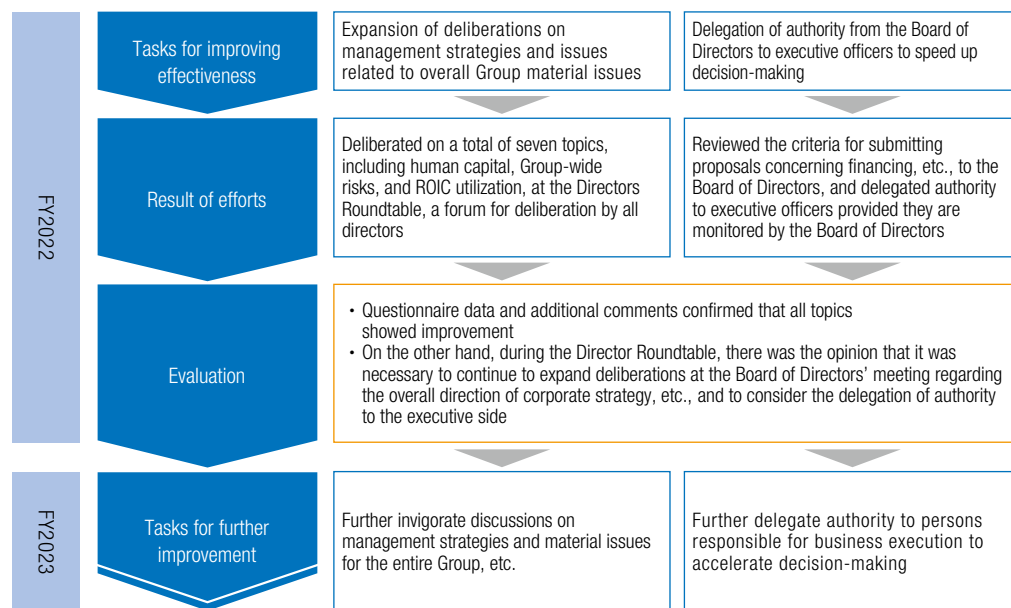
Evaluation of the Effectiveness of the Board of Directors

The Kyushu EP Board of Directors has evaluated the effectiveness of the Board since FY2015. In FY2022, we carried out a survey using a questionnaire on the following topics targeted at all directors. The results of the questionnaire were analyzed and evaluated at the Directors Roundtable, a forum for deliberation by all directors.

■ Questionnaire topics

- (1) Composition and operation of the Board of Directors
- (2) Management and business strategies
- (3) Corporate ethics and risks
- (4) Performance monitoring and evaluation/remuneration of management
- (5) Dialogue with shareholders, etc.

■ Efforts aimed at improving the effectiveness of the Board of Directors



Policy on Appointing Candidates for the Board of Directors

The Articles of Incorporation stipulate that Kyushu EP's Board of Directors is to consist of up to 19 directors (of which up to five are to be directors who are Audit & Supervisory Committee members) from the perspective of achieving active deliberations and strengthening the supervisory function. Candidates for internal directors are selected by comprehensively taking into account their personal character, insight, ethics, career background, and capabilities. For external directors, who account for at least one-third of the directors, we select candidates who meet the decision criteria for independence and have abundant experience and insight in corporate management and specialized fields.

In addition, the composition of the entire Board of Directors takes overall fields of business into account while ensuring diversity in terms of gender, international experience, professional background, and age, as well as an appropriate ratio of Board members, with, for instance, three women among the directors.

Director Skill Matrix

To generate sustainable growth and enhance the Kyuden Group's corporate value at a time of drastic changes in the business environment, we identified the skills that Kyushu EP's Board of Directors should possess in order to indicate the direction of management from highly insightful and multifaceted perspectives, implement quick management decision-making, and appropriately fulfill its management supervision function. We then clarified the areas in which we expect each director to lead based on his or her knowledge and experience.

Name	Position within Kyushu EP	Personnel Advisory Committee	Remuneration Advisory Committee	Fields with Particularly High Expectations*										
				(1) Corporate management	(2) Finances and accounting	(3) Legal affairs and risk management	(4) Human capital	(5) Environment	(6) Innovation and digital transformation	(7) Technology and R&D (including ICT)	(8) Sales and marketing	(9) Global business		
Michiaki Uriu	Chairperson				○				○	○	○			○
Kazuhiro Ikebe	President & Chief Executive Officer		Member	Member	○	○			○	○	○			○
Naoyuki Toyoshima	Vice-Presidential Executive Officer				○						○	○		
Noboru Hashimoto	Vice-Presidential Executive Officer				○		○				○			○
Atsushi Soda	Vice-Presidential Executive Officer				○	○						○		
Yoshiharu Senda	Senior Managing Executive Officer				○		○		○	○	○	○		
Takashi Nakano	Senior Managing Executive Officer				○	○								○
Masaru Nishiyama	Senior Managing Executive Officer				○	○					○			○
Sakie Tachibana Fukushima	Director	External Woman Independent	Member	Member	○				○		○			○
Junji Tsuda	Director	External Independent	Chair-person	Chair-person	○							○	○	○
Yasuaki Endo	Audit and Supervisory Committee Member				○		○	○	○					
Kazuko Fujita	Audit and Supervisory Committee Member	External Woman Independent					○							
Yuji Oie	Audit and Supervisory Committee Member	External Independent							○		○	○		
Tomoka Sugihara	Audit and Supervisory Committee Member	External Woman Independent	Member	Member					○	○				

*This does not indicate all the knowledge and experience possessed by the director.

Remuneration System

Remuneration for directors (excluding directors who are Audit & Supervisory Committee members) consists of basic remuneration and performance-linked remuneration. Performance-linked remuneration is based not only on consolidated ordinary income outlined in the financial objectives of the Management Vision but also other performance metrics, such as reduction in GHG emissions in order to become carbon neutral and dividends paid to shareholders. Remuneration for external directors, based on their duties, consists only of basic remuneration and does not include performance-linked remuneration.

The Remuneration Advisory Committee, chaired by an external director and a majority of whose members are external directors, deliberates on the amount of remuneration, which may not exceed the total amount of remuneration and upper limit on the number of shares approved at the General Meeting of Shareholders, then the Board of Directors decides on the amount.

In addition, Audit & Supervisory Committee members attend Remuneration Advisory Committee meetings and confirm the appropriateness of deliberations by the Committee.

Director remuneration structure

Type of Remuneration		Overview	Weight	Timing of Payment	
Basic remuneration	Fixed (Monthly remuneration)	Monetary	Determined according to responsibilities	62–76%	Once a month Fixed timing
		Variable Performance-linked remuneration	Monetary	A standard amount determined according to responsibilities is linked to the degree of achievement of performance indicators (consolidated ordinary income outlined in the financial objectives of the Management Vision) by 0% to 120%	12–19%
			Stocks ² (Stock-based remuneration) Medium to long-term	Around 20% of a standard number of points determined according to responsibilities is linked to the degree of achievement of performance indicators (consolidated ordinary income outlined in the financial objectives of the Management Vision and GHG emissions reduced to achieve carbon neutrality of the Kyuden Group) ³	12–19%

*1: In determining the amount of performance-linked remuneration, the Remuneration Advisory Committee deliberates on adjusted evaluations, taking into account the dividend situation and other factors as necessary

*2: Since taxes such as income tax are levied when the stock is received, an amount equivalent to the tax amount is also paid in cash

*3: Each reference period is three fiscal years, and evaluations are based on the final day of each reference period

Basic remuneration [monetary remuneration, monthly remuneration] (FY2022)

Members of the Board of Directors (Internal)	11 directors	¥398 million
Members of the Board of Directors (External)	7 directors	¥60 million
Total	18 directors	¥458 million

Performance-linked remuneration [monetary remuneration, bonus (linked to short-term performance)] (FY2022)

Members of the Board of Directors (Internal)	9 directors	¥0 million
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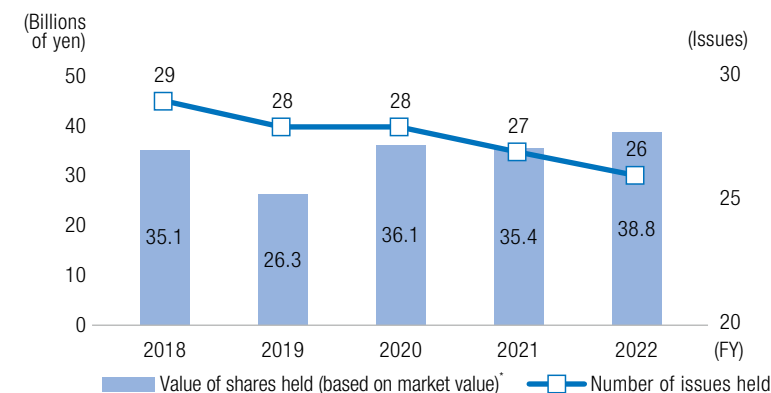
Performance-linked remuneration [non-monetary remuneration, stock-based remuneration (linked to medium to long-term performance)] (FY2022)

Members of the Board of Directors (Internal)	9 directors	¥61 million
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Cross-shareholdings

Every year, the Board of Directors assesses the rationale of holding each cross-shareholding by comprehensively considering its relationship with business strategies and district symbiosis, such as the stable procurement of capital and equipment, and its contribution to regional vitalization, and then examining its profitability and future prospects based on the cost of capital and other factors. Those that are determined to lack sufficient rationale for holding are sold off, though we also sell off those with an accepted rationale for holding as much as possible.

Cross-shareholdings over time (listed shares)



* The increase in the value of shares held is due to rising share prices

Overview of the Dialogue between External Directors and Investors

Aiming to engage in constructive dialogue with our investors, we held a dialogue between external directors and investors during the ESG Small Meeting in December 2022.

This was our second dialogue, with the first held the previous fiscal year, and we strove to improve it further by having two outside directors attend and dividing dialogue participants into groups.

Q1. What do you see as your basic roles as an outside director?

Mr. Tsuda I see my basic roles as an outside director as 1) participating in shaping the direction of strategy, 2) creating an environment that allows for risk-taking in order to grow, and 3) raising corporate value over the medium to long term through objective supervision. Regarding 2) in particular, Kyushu EP's "defensive" governance is functioning well, for example, in the way they examine risks from various perspectives for all kinds of projects. On the other hand, in new businesses and other areas, it is also important to take risks, bring in knowledge, and connect that to growth. By creating an environment conducive to risk-taking, I hope to broaden the scope of their strategies and tactics.

Ms. Fujita Part of my basic role as an outside director is to convey my opinions to the executive side from an independent standpoint. From my perspective as an accountant, I try to judge the financial impact of a proposal by considering factors such as how it relates to the company's strengths and medium-term plan, and whether or not it will lead to an increase in corporate value.

In addition, as a member of the Audit & Supervisory Committee, I also visit worksites and talk with the employees to check not only compliance, but also whether the employees fully understand and are implementing the Management Vision and policies.

Q2. What are Kyushu EP's strengths and challenges?

Mr. Tsuda Kyushu EP's strengths are its contribution as a leader in decarbonization through the operation of four nuclear power



Junji Tsuda External Director

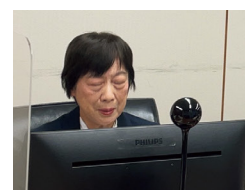
Profile Special Advisor at Yaskawa Electric Corporation since 2022 (current position). External Director of Kyushu EP since June 2021. Former Chairman and President of Yaskawa Electric Corporation and drove its globalization with over a decade of experience in the U.S.



plants and high ratio of renewable energy sources, its trust from the community and employees' dedication to contributing to the community, and its knowledge of a variety of power generation methods. These strengths are the solid foundation underpinning its major policies: providing a stable electricity supply and advanced services, co-creation with the community, and growing earnings through new businesses.

On the other hand, its challenge is improving profitability. The company is working on ROIC-based management and operational reforms through digital transformation so that it can invest its resources in growth projects that will lead to the company's growth, while continuing to improve its equity ratio.

Ms. Fujita Kyuden Group's sustainability management is based on human capital and governance. When I visit the company's worksites, I notice that the people in charge exercise leadership and hold the sites together through active communication, even with its affiliates, and this leads to strong governance. The challenge lies in balancing the conflicting needs of "stability, safety, and low cost" with the need to secure profits. This is very difficult to do, which is why it leads to trust from society. Going forward, it will be important for the company to first stabilize its profits from the electricity business, then ensure a balance between investments and earnings, strengthen its financial structure, and strengthen its earnings from sources other than the electricity business over the medium to long term.



Q3. How effective is the Board of Directors, and what is its ideal state?

Mr. Tsuda For a company with a solid internal structure like Kyushu EP, I

Kazuko Fujita

External Director,
Audit & Supervisory Committee Member



Profile Founder of Fujita Certified Public Accountants (current position). Possesses extensive knowledge of finance and accounting from many years of experience as a CPA and certified public tax accountant. Served as an auditor (part-time) at several educational institutions, including Kyushu University.

think it would be better for the Board of Directors to take on the role of thinking about the big picture, such as the structure of the organization and its strategies. Rather than having the external directors be involved in detailed management, providing their opinions on each individual project, I would like to expand our role as advisors on the management of the organization, with increased involvement in decisions regarding the overall direction of management.

Q4. How is ROIC-based management being promoted?

Ms. Fujita When we discussed ROIC at the Directors Roundtable, I expressed my opinion on the importance of adopting ROIC-based management early on, and I believe that the implementation of it has sped up. When the results become available in the future, I would like to thoroughly check the causes of any deviations from targets and offer my opinions on how to improve the situation.

Q5. How can Kyushu EP improve its market valuation and PBR?

Mr. Tsuda The key to improving PBR is to keep improving profitability while raising investor confidence in the Company's goals. Kyushu EP has a strong foundation for growing new businesses based on its Domestic Electricity Business. I believe that communicating more specific and detailed goals and initiatives to the market, including its growth businesses, will lead to a higher valuation.

Feedback from investors after the dialogue

- I highly appreciate the fact that dialogues with external directors are held regularly, as doing so is very rare, even among companies in the same or different industries
- It was helpful to hear the honest opinions of external directors through direct interactions with them

Members of the Board of Directors (Kyushu Electric Power) (As of July 1, 2023)



Common stock in the company held: 86,111 shares

Overview of career, positions, and responsibilities

- 1975 Joined Kyushu EP
- 2009 Member of the Board of Directors, Senior Managing Executive Officer, Director of Thermal Power Division
- 2011 Member of the Board of Directors, Vice-Presidential Executive Officer, Director of Thermal Power Division
- 2012 Member of the Board of Directors, Vice-Presidential Executive Officer
- 2012 Member of the Board of Directors, President & Chief Executive Officer
- 2018 Member of the Board of Directors, Chairperson (current position)

Michiaki Uriu
Member of the Board of Directors, Chairperson

Important concurrent positions

External Director, Audit & Supervisory Committee Member, The Nishi-Nippon City Bank, Ltd.
External Director, RKB Mainichi Holdings Corporation



Common stock in the company held: 85,511 shares

Overview of career, positions, and responsibilities

- 1981 Joined Kyushu EP
- 2017 Member of the Board of Directors, Senior Managing Executive Officer, Executive Director of Corporate Strategy Division
- 2018 Member of the Board of Directors, President & Chief Executive Officer (current position)

Kazuhiro Ikebe
Member of the Board of Directors, President & Chief Executive Officer

Important concurrent positions

Chairperson, The Federation of Electric Power Companies of Japan



Common stock in the company held: 47,867 shares

Overview of career, positions, and responsibilities

- 1982 Joined Kyushu EP
- 2018 Member of the Board of Directors, Senior Managing Executive Officer, Director of Nuclear Power Division
- 2022 Member of the Board of Directors, Vice-Presidential Executive Officer, Executive Director of Nuclear Power Division (current position)

Naoyuki Toyoshima
Member of the Board of Directors, Vice-Presidential Executive Officer



Common stock in the company held: 30,679 shares

Overview of career, positions, and responsibilities

- 1984 Joined Kyushu EP
- 2017 Executive Officer, General Manager of Kumamoto Branch Office
- 2020 Managing Executive Officer, Director of Urban Development Business Division
- 2022 Senior Managing Executive Officer, Director of Urban Development Business Division
- 2023 Member of the Board of Directors, Vice-Presidential Executive Officer, Executive Director of Business Solution Headquarters (current position)

Noboru Hashimoto
Member of the Board of Directors, Vice-Presidential Executive Officer



Common stock in the company held: 28,301 shares

Overview of career, positions, and responsibilities

- 1985 Joined Kyushu EP
- 2018 Executive Officer, General Manager of Oita Branch Office
- 2020 Executive Officer, seconded to the Federation of Electric Power Companies of Japan
- 2020 Managing Executive Officer, seconded to the Federation of Electric Power Companies of Japan
- 2022 Senior Managing Executive Officer, seconded to the Federation of Electric Power Companies of Japan
- 2023 Member of the Board of Directors, Vice-Presidential Executive Officer, Crisis Management Officer and ESG matters (current position)

Atsushi Soda
Member of the Board of Directors, Vice-Presidential Executive Officer



Common stock in the company held: 34,399 shares

Overview of career, positions, and responsibilities

- 1984 Joined Kyushu EP
- 2018 Executive Officer, Director of Civil & Architectural Engineering Division, Technical Solution Headquarters
- 2019 Managing Executive Officer, Director of Civil & Architectural Engineering Division, Technical Solution Headquarters
- 2020 Senior Managing Executive Officer, Executive Director of Technical Solution Headquarters
- 2022 Member of the Board of Directors, Senior Managing Executive Officer, Executive Director of Technical Solution Headquarters (current position)

Yoshiharu Senda
Member of the Board of Directors, Senior Managing Executive Officer

Important concurrent positions

External Director, FUJI P.S CORPORATION



Common stock in the company held: 23,037 shares

Overview of career, positions, and responsibilities

- 1985 Joined Kyushu EP
- 2018 Executive Officer, General Manager of Kagoshima Branch Office
- 2021 Managing Executive Officer, Director of Operation Division, Business Solution Headquarters
- 2022 Senior Managing Executive Officer, Director of Operation Division, Business Solution Headquarters
- 2023 Member of the Board of Directors, Senior Managing Executive Officer, Director of Operation Division, Business Solution Headquarters (current position)

Takashi Nakano
Member of the Board of Directors, Senior Managing Executive Officer



Common stock in the company held: 20,311 shares

Overview of career, positions, and responsibilities

- 1986 Joined Kyushu EP
- 2017 General Manager, Corporate Strategy Division (Group Management Strategy)
- 2019 Executive Officer, General Manager of International Business Office
- 2021 Managing Executive Officer, Executive Director of Corporate Strategy Division
- 2022 Senior Managing Executive Officer, Executive Director of Corporate Strategy Division
- 2023 Member of the Board of Directors, Senior Managing Executive Officer, Executive Director of Energy Service Headquarters (current position)

Masaru Nishiyama
Member of the Board of Directors, Senior Managing Executive Officer

Important concurrent positions

External Director, Nippon Tungsten Co., Ltd.

Notes: 1. Common stock in the company held as of March 31, 2023

2. Including the individual's equity in the Board Benefit Trust (BBT), a stock remuneration system



Sakie Tachibana
Fukushima
Member of the Board
of Directors (External)

Common stock in the company held: 6,100 shares

Overview of career, positions, and responsibilities

- 1980 Joined Blackstone International, Ltd.
- 1984 Left Blackstone International, Ltd.
- 1987 Joined Bain & Company, Inc.
- 1990 Left Bain & Company, Inc.
- 1991 Joined Korn Ferry International-Japan (now Korn Ferry Japan)
- 1995 Member of the Board of Directors, Korn Ferry International U.S. Headquarters
- 2000 President, Korn Ferry International-Japan
- 2001 President and Representative Director, Korn Ferry International-Japan
- 2007 Retired as Member of the Board of Directors, Korn Ferry International U.S. Headquarters
- 2009 Chairperson and Representative Director, Korn Ferry International-Japan
- 2010 Retired as Chairperson and Representative Director
- 2010 President and Representative Director, G&S Global Advisors, Inc. (current position)
- 2011 Vice Chairperson, Japan Association of Corporate Executives (through 2015)
- 2016 Member of the Board of Directors, Ushio, Inc. (part-time, current position)
- 2020 Member of the Board of Directors, Kyushu EP (current position)
- 2022 Member of the Board of Directors, Aozora Bank, Ltd. (part-time, current position)

Important concurrent positions

President and Representative Director, G&S Global Advisors, Inc.
External Director, Ushio, Inc.
External Director, Aozora Bank, Ltd.



Junji Tsuda
Member of the Board
of Directors (External)

Common stock in the company held: 14,700 shares

Overview of career, positions, and responsibilities

- 1976 Joined Yaskawa Electric Mfg. Co. Ltd. (now Yaskawa Electric Corporation)
- 1998 Vice President, Yaskawa America, Inc.
- 2003 Retired as Vice President, Yaskawa America, Inc.
- 2005 Member of the Board of Directors, Yaskawa Electric Corporation
- 2009 Managing Director of the Board, Yaskawa Electric Corporation
- 2010 President (Representative Director), Yaskawa Electric Corporation
- 2013 Representative Director, Chairman of the Board, and President, Yaskawa Electric Corporation
- 2016 Representative Director, Chairman of the Board, Yaskawa Electric Corporation
- 2017 Chairman, board of directors, the University of Kitakyushu (current position)
- 2018 External Director, TOTO Ltd. (part-time, current position)
- 2021 Member of the Board of Directors, Kyushu EP (current position)
- 2022 Member of the Board of Directors, Yaskawa Electric Corporation
- 2022 Special Advisor, Yaskawa Electric Corporation (current position)
- 2022 Member of the Board of Directors, NSK Ltd. (part-time, current position)

Important concurrent positions

Special Advisor, Yaskawa Electric Corporation
Chairman, board of directors, the University of Kitakyushu
External Director, TOTO Ltd.
External Director, NSK Ltd.



Yasuaki Endo
Member of the Board
of Directors,
Audit & Supervisory
Committee Member

Common stock in the company held: 25,569 shares

Overview of career, positions, and responsibilities

- 1980 Joined Kyushu EP
- 2018 Managing Executive Officer, Director of District Symbiosis Division, Business Solution Headquarters
- 2019 Senior Managing Executive Officer, Director of District Symbiosis Division, Business Solution Headquarters
- 2021 Member of the Board of Directors, Audit & Supervisory Committee Member, Kyushu EP (current position)



Kazuko Fujita
Member of the
Board of Directors,
Audit & Supervisory
Committee Member
(External)

Common stock in the company held: 4,000 shares

Overview of career, positions, and responsibilities

- 1971 Joined Chuo Accounting Office (Auditing Corporation, subsequently Misuzu Audit Corporation)
- 1975 Registered Certified Public Accountant (to present)
- 1983 Member, Chuo Accounting Office
- 1989 Representative Member, Chuo Shinko Audit Corporation (subsequently Misuzu Audit Corporation)
- 2007 Left Misuzu Audit Corporation
- 2007 Partner, Tohmatsu Auditing (now Deloitte Touche Tohmatsu LLC)
- 2009 Retired as Partner
- 2009 Established Fujita Certified Public Accountants
- 2010 Registered Tax Accountant (to present)
- 2020 Member of the Board of Directors, Audit & Supervisory Committee Member, Kyushu EP (current position)

Important concurrent positions

Certified Public Accountant, Tax Accountant (Fujita Certified Public Accountants)



Yuji Oie
Member of the
Board of Directors,
Audit & Supervisory
Committee Member
(External)

Common stock in the company held: 900 shares

Overview of career, positions, and responsibilities

- 1990 Associate Professor, School of Computer Science and Systems Engineering, Kyushu Institute of Technology
- 1995 Professor, Information Initiative Center, Nara Institute of Science and Technology
- 1997 Professor, School of Computer Science and Systems Engineering, Kyushu
- 2008 Research Professor, Graduate School of Computer Science and Systems Engineering, Kyushu Institute of Technology
- 2009 President, Graduate School of Computer Science and Systems Engineering, Kyushu Institute of Technology
- 2010 Director, Vice President, Kyushu Institute of Technology
- 2016 President, Kyushu Institute of Technology
- 2022 Resigned from Kyushu Institute of Technology
- 2022 Member of the Board of Directors, Audit & Supervisory Committee Member, Kyushu EP (current position)



Tomoka Sugihara
Member of the
Board of Directors,
Audit & Supervisory
Committee Member
(External)

Common stock in the company held: 900 shares

Overview of career, positions, and responsibilities

- 1999 Registered as an attorney (current position)
- Joined Miura Okuda Iwamoto Law Office (now Miura Okuda Sugihara Law Office)
- 2007 Partner, Miura Okuda Sugihara Law Office (current position)
- 2020 Director, Audit & Supervisory Committee Member, Nippon Tungsten Co., Ltd. (part-time, current position)
- 2022 Member of the Board of Directors, Audit & Supervisory Committee Member, Kyushu EP (current position)

Important concurrent positions

Attorney (Partner, Miura Okuda Sugihara Law Office)
External Director, Audit & Supervisory Committee Member, Nippon Tungsten Co., Ltd.

Notes: 1. Common stock in the company held as of March 31, 2023

2. Not eligible for the Board Benefit Trust (BBT), a stock remuneration system; no individual equity

Ensuring Compliance

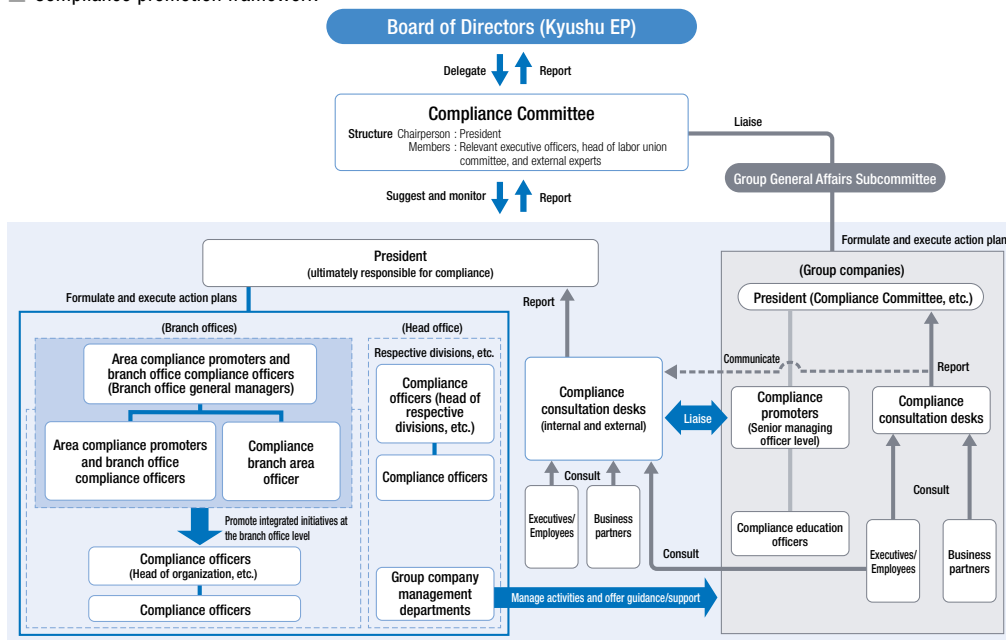
Based on the recognition that “the Group’s survival depends on the trust of all members of society,” we promote compliance management to ensure that each and every member of the Group operates the business with integrity and fairness. In light of the administrative penalties imposed by the Japan Fair Trade Commission and the incident involving the improper handling of customer data of other retail electricity companies in FY2022, we will take measures to prevent recurrence and strive as one Group to ensure that our business activities once again make compliance our top priority.

Compliance Promotion Framework

At Kyushu EP, under the Compliance Committee, which handles issues delegated by and is monitored by the Board of Directors, we have designated the heads of different business execution units as compliance officers who formulate and implement action plans. We have also created a framework, which included establishing consultation desks both within and outside the company. In these ways, we are promoting compliance, including corruption prevention.

For Group companies, we have a Group General Affairs Subcommittee, which includes members from each company. The subcommittee shares information relating to compliance and acts as a forum where members can exchange ideas. As well as promoting a Group-wide, unified approach, the subcommittee clearly defines the roles of the management departments that guide and support the Group companies, and strengthens the Kyuden Group’s compliance promotion framework.

Compliance promotion framework



Compliance Committee

We have established a Compliance Committee chaired by the President, regularly provide advice and monitor compliance, and obtain suggestions and other forms of support from outside experts in the event of a scandal with significant social impact. Advice provided by the Committee is also shared with Group companies and reflected in initiatives throughout the Group.

Overview of the Compliance Committee

Roles	<ul style="list-style-type: none"> Propose and deliberate on compliance-related policies and measures, etc., and monitor implementation Provide advice, etc., from external experts in the Compliance Committee in the event of a scandal with significant social impact
Structure	[Chairperson] President [Members] External experts (3), head of the labor union committee, relevant executive officers
Frequency of Meetings	Twice a year, in principle

Record of FY2022 activities

Major items for deliberation/reporting by the Compliance Committee	
• Status of initiatives at each site	
• Operational status of compliance consultation desks	
• Causes of compliance violations and measures to prevent recurrence	

Committee meeting in session

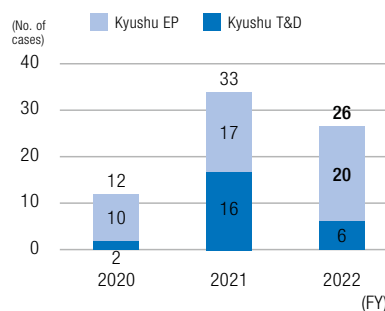


Compliance Consultation Desks

To prevent actions that violate laws, regulations, and corporate ethics and detect such violations at an early stage, we have established compliance consultation desks at Kyushu EP and Kyushu T&D. Officers, employees, and business partners (contractors, etc.) of the Kyuden Group can consult with these desks when they have doubts about the legality or ethics of our business operations or the behavior of other officers and employees. We have also established an external consultation desk at a legal office to provide consultation services. The privacy of users of these services is strictly protected in accordance with laws, regulations, and internal rules, and users will not be subjected to any disadvantageous treatment as a result of consulting with or reporting to these desks.

In addition, to create an environment conducive to such consultations, we are encouraging employees to use the consultation desks through documents and on the Intranet. In FY2022, 26 consultations and reports were received. Appropriate action was taken in response to the consultations we received, including necessary investigations and consideration of measures to prevent recurrence.

Consultations and reports over time



Initiatives to Ensure Compliance

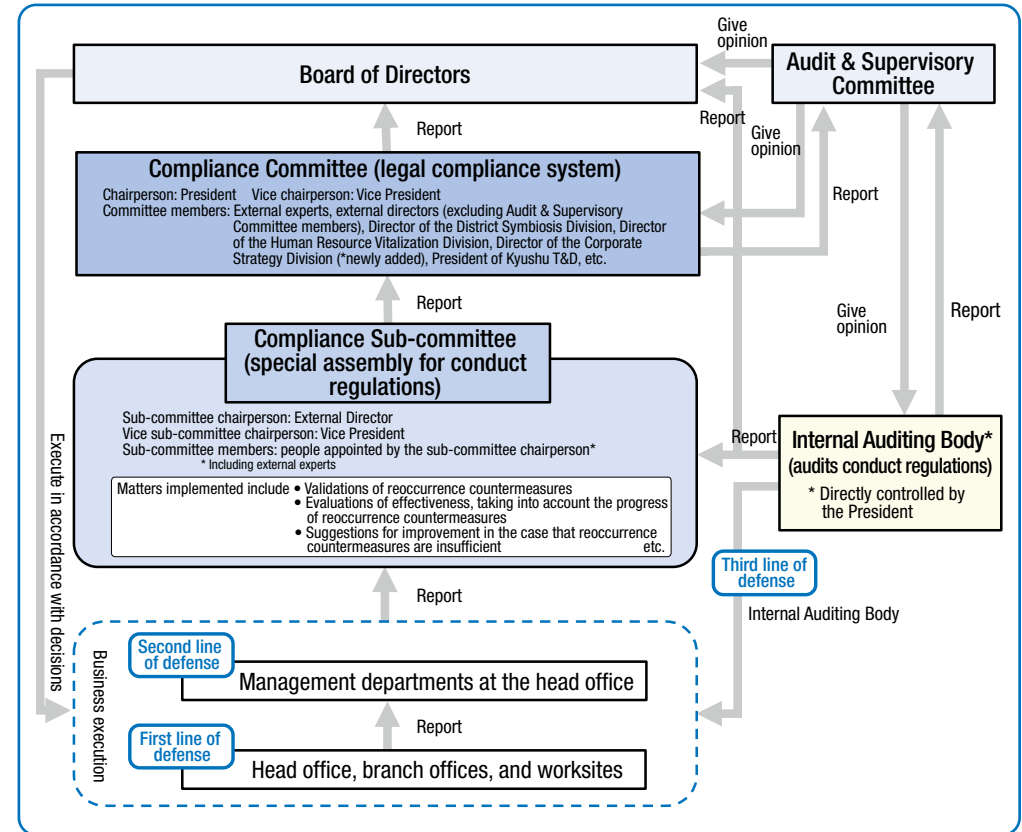
We regret the significant inconvenience and concern caused to our stakeholders as a result of serious compliance violations, including the administrative penalties imposed by the Japan Fair Trade Commission and the improper handling of customer data of other retail electricity companies. In order to prevent such situations from ever occurring again, all of our officers and employees will make a concerted effort to ensure thorough compliance and restore the public's trust.

Measures to prevent recurrence of improper handling of new electricity customer information, etc.

Overview	<p>Kyushu EP was found to have been using a system owned by Kyushu T&D in business operations other than the handling of emergency disasters and incidents, which Kyushu T&D had contracted it to perform, to access the customer data of other retail electricity utilities (this was announced in press releases between January and March 2023). There were no cases in which the accessed information was used in customer acquisition activities.</p> <p>To prevent such a situation from happening again, all employees are working together to prevent recurrence under the leadership of senior management, led by the President, and with the help of external knowledge.</p>
Cause	<ul style="list-style-type: none"> • Lack of sensitivity (literacy) with respect to non-public information (non-publicly disclosed information regarding operations such as wheeling services that could affect competition in the retail electricity business, etc.) • Failure to consider the specific legal risks and business norms that would arise as a result of the spin-off • Failure to create an organizational climate conducive to consultation
Efforts to Prevent Recurrence	<p>(1) Measures for information systems that “prevent” and “do not allow” inappropriate behavior to occur</p> <ul style="list-style-type: none"> • Ensure strict management of login IDs, passwords, and terminals (Relevant internal rules were also revised) • Further reinforce system-based measures such as access restrictions on communication channels <p>(2) Developing systems and mechanisms that “prohibit” the behavior and an organizational culture that “discourages” it</p> <ul style="list-style-type: none"> • Build and reinforce a structure for periodic, multi-tiered verification of compliance with laws and regulations (See diagram on the right for the structure) • Communicate messages from senior management • Enhance training and education on conduct restrictions • Create an environment conducive to the detection of misconduct, including developing an internal reporting system • Reduce risks in all operations by conducting a comprehensive review of operations, with a focus on conduct restrictions • Clarify responsibility for compliance, including conduct restrictions, and rules for disciplinary actions

Structure for periodic, multi-tiered verification of compliance with laws and regulations

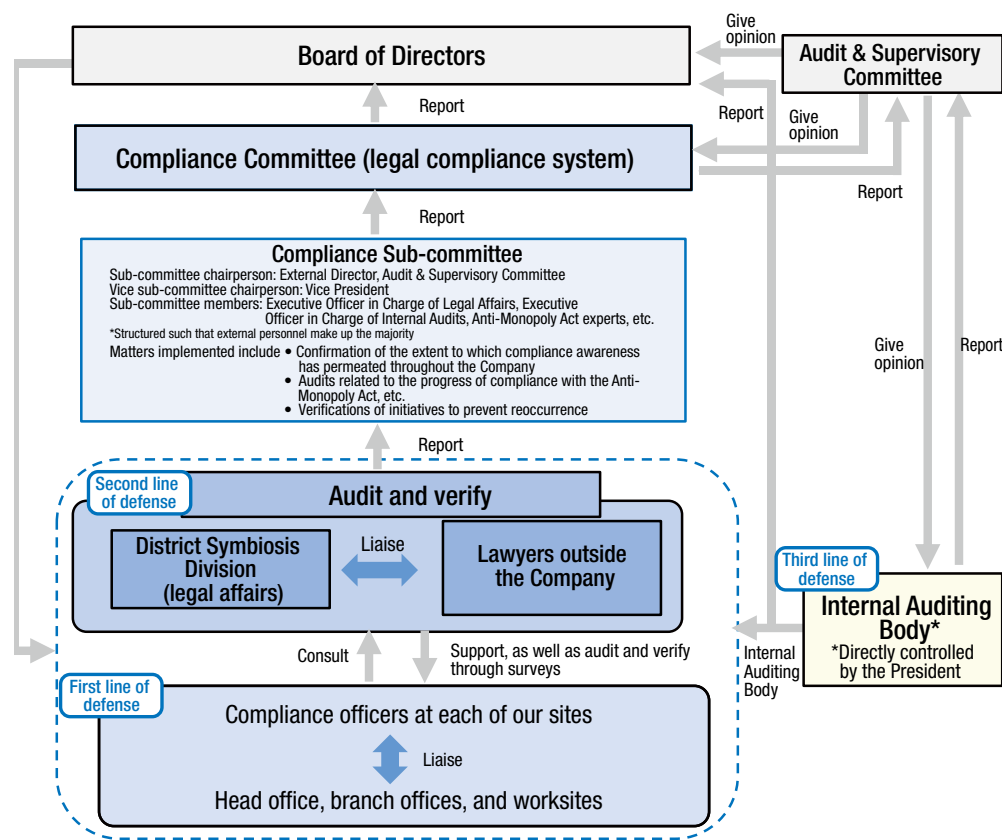
Internal system



Measures to prevent recurrence in light of administrative penalties imposed by the Japan Fair Trade Commission

Overview	<p>Kyushu EP and Kyuden Mirai Energy received cease and desist orders and a surcharge payment order (Kyuden Mirai Energy received the cease and desist order only) from the Japan Fair Trade Commission on March 30, 2023, for violating the Antimonopoly Act in connection with the supply of extra high voltage power and high voltage power.</p> <p>Due to a difference of opinion with the Commission regarding the facts of the case, Kyushu EP filed a lawsuit seeking the revocation of each order. However, to prevent such allegations in the future, we are implementing measures to ensure compliance with laws and regulations, including the Antimonopoly Act.</p> <p>To compile these measures, the Compliance Committee, which includes external experts and external directors, deliberated on the issues while obtaining knowledge from attorneys and other experts.</p>
Cause	<ul style="list-style-type: none"> We conducted meetings with a competitor without having a sufficient understanding of the Antimonopoly Act, including that there was a risk of being suspected of violating the Antimonopoly Act simply by making contact with a competitor, etc.
Efforts to Prevent Recurrence	<p>(1) Commitment by top management to prevent recurrence and Group-wide attitude and corporate culture reforms [Measures that “discourage” the behavior]</p> <ul style="list-style-type: none"> Issue a declaration by top management Issued the “President’s Commitment,” which expresses our strong determination not to repeat situations that could be suspected of violating the Antimonopoly Act Foster awareness of compliance as our top priority Foster an organizational climate that encourages members to point out to each other risks of legal violations regardless of department or position <p>(2) Improving understanding and awareness of the Antimonopoly Act [Measures that “discourage” the behavior]</p> <ul style="list-style-type: none"> Revise Compliance Action Guidelines, etc. Enhanced the list of points to bear in mind regarding contact with competitors, in order to comply with the Antimonopoly Act Conduct education and training Implemented regular training on problematic actions that could constitute cartel behavior and specific standards of conduct to avoid suspicion <p>(3) Establishment of an Antimonopoly Act compliance structure and reinforcement of checks in the structure [Measures to “prohibit” the behavior] (See diagram on the right for the structure)</p> <ul style="list-style-type: none"> Establishment of “Antimonopoly Act Compliance Rules” Established rules that stipulate initiatives and structures for compliance with the Antimonopoly Act Establishment of the “Unreasonable Restraint of Trade (Cartels and Bid Rigging) Prevention Manual” Established a manual that specifies precautions to be taken when contacting competitors in order to avoid suspicions of forming a cartel, etc. Audits of compliance with the Antimonopoly Act and external verification of efforts to prevent recurrence <ul style="list-style-type: none"> Implemented periodic audits by the legal division and outside counsel Established a Compliance Subcommittee consisting of a majority of external personnel to monitor efforts to prevent recurrence

Structure for auditing compliance with the Antimonopoly Act and verifying efforts



Strengthening Risk Management System

To manage risk, Kyushu EP identifies, categorizes and assesses risks every year based on its risk management rules, clarifying company-wide and division-specific threats that could affect Kyuden Group management.

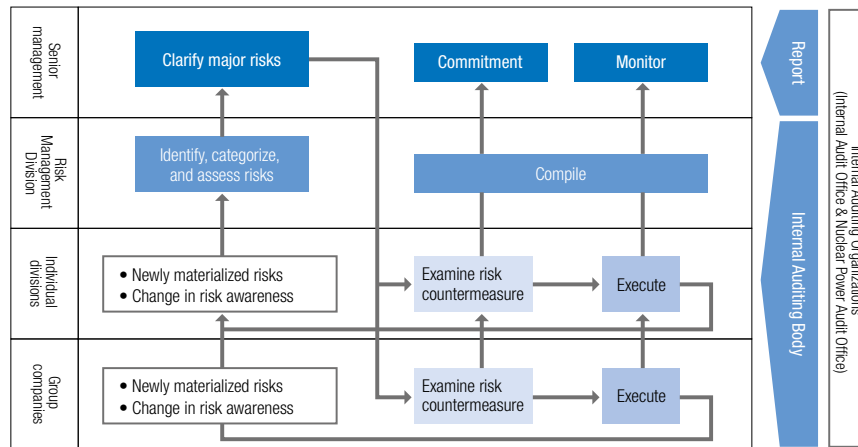
Individual divisions and business offices incorporate measures to address significant risks into business plan and manage them appropriately.

With regard to risks that relate to multiple departments and risks for which concerns of manifestation are high, we share information among related departments, clarify response structures, and address these risks appropriately. For nuclear power in particular, we take external knowledge and opinions into consideration as we work to identify a broad range of risks, share this information with members of the Board of Directors and executive officers, and reduce the risks thoroughly and on an ongoing basis.

In addition, to respond rapidly and appropriately to emergencies and disasters, we have established rules, in advance, covering response structures and procedures, and we conduct regular drills.

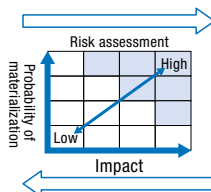
To ensure the adequacy of this risk management system, the Internal Audit Division, which is independent from business operations, audits the implementation of risk management at individual divisions and Group companies.

Risk management process (framework)



Risk management process

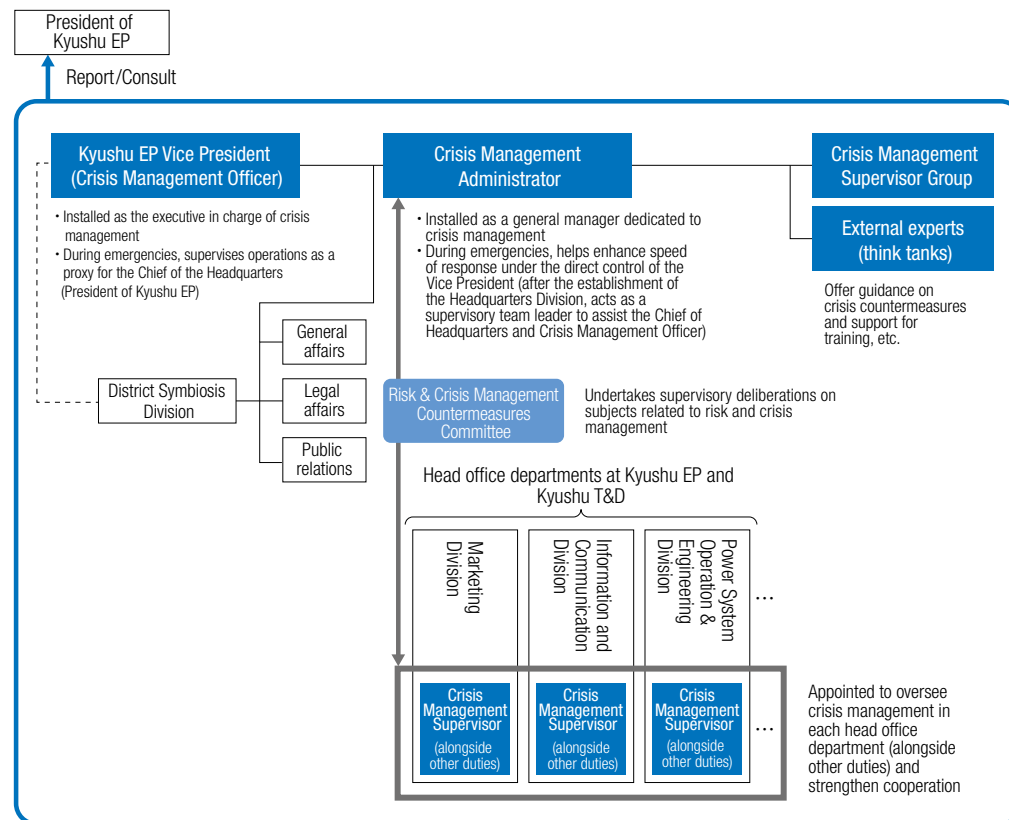
- Events that occurred in the last year
- Identify risks taking into consideration expected changes in the business environment in the medium to long-term
- Share information on state of response to risk with related parties and senior management



- Assess risks based on their probability of materialization and potential impact
- Clarify major risks through management discussion
- Individual divisions incorporate risk countermeasures into business plans then implement

Crisis Management System

As the risks that the Kyuden Group faces grow more diverse and complex at an unprecedented scale and speed, we have created a crisis management system and strive to minimize the impact if they materialize. Specifically, having installed not only an officer in charge of crisis management (Vice-Presidential Executive Officer, Kyushu EP) and the respective division manager responsible for crisis management but also crisis management staff at such locations as the head office of Kyushu EP and Kyushu T&D, we share information and collaborate in the case of a crisis. In addition to having established a Risk & Crisis Management Countermeasures Committee, we have built a support system based on outside experts with specialized and advanced knowledge to continually improve and strengthen crisis management functions.



Strengthening Supply Chain Management

Business risks announced by Kyushu EP

The main risks that have the potential to affect the Group's business performance, financial situation, etc., include, but are not limited to, the following.

Risk Category	Content	Countermeasures
Changes in the competitive environment		
Domestic Electricity Business	Impact of temperature rises, economic trends, etc. Fiercer competition due to full deregulation of retail electricity sector Trends in the fuel market and wholesale electricity transactions	Provide competitive products and services Secure supply capacity and reduce costs
Other businesses (Overseas Business, etc.)	Country risk Fiercer competition Changes in systems Changes in prices, interest rates, and exchange rates	Assess potential profitability and risks Establish a risk management framework Optimize our business portfolio Reduce costs and implement initiatives related to new technology
Status of the situation surrounding nuclear power		
Stable operation of nuclear power	Restrictions on operations due to new regulatory standards Unsuccessful litigation over nuclear power	Respond to new regulatory standards (bolster safety) Implement appropriate countermeasures to such litigation
Atomic fuel cyclic and back-end of nuclear operations	Uncertainty accompanying extremely long-term projects	Alleviate impact through government measures
Fluctuations in market prices		
Fluctuations in fuel prices	Changing conditions in international fuel markets and fluctuations in foreign currency rates Changes in procurement conditions (difficulties meeting demand)	Diversify procurement sources and ensure we remain flexible Make use of foreign exchange forwards and fuel price swaps
Interest rate fluctuations	Macroeconomic conditions	Procure capital through long-term borrowings with fixed interest
Wholesale electricity market prices	Dramatic price increase due to gap in supply and demand Increase in cost of purchasing renewable energy linked to the market	Optimize our energy source portfolio Use derivatives
Changes in systems related to the power industry		
Basic Energy Plan Electricity system reforms	Changes in systems related to energy policy Development of the energy market	Gather information on the system and respond appropriately
Climate change		
Climate change	Environmental regulations Procurement needs from decarbonized power sources Changes in actions by investors concerning ESG Insufficient initiatives and information disclosures	Promote electrification and low- or zero-carbon energy sources Establish an ESG promotion framework Disclose information on low-carbon and decarbonization initiatives (information disclosure and dialogue, etc., based on TCFD recommendations)
Facility accidents/failures and system failures		
Natural disasters System failures, etc.	Large-scale natural disasters Breakdown of equipment due to age System failures Cyber-attacks	Formulate business continuity plans (BCP) Cooperate with relevant organizations and local governments Carry out priority inspections and repairs, improve maintenance efforts, etc. Constantly monitor system operations and update systematically Maintain and raise our information security level
Operational risks		
Professional negligence (employee accidents, etc.)	Personal injury such as electric shock Large-scale or long-term blackouts	Establish detailed plans in advance and put in place a work task management framework Conduct job training and drills Put in place an in-house safety promotion framework
Violation of laws and regulations	Violations resulting from insufficient understanding of laws and regulations Inadequate response to system changes Dishonest practices	Thoroughly implement compliance with laws and regulations (education, cultural awareness, systems) Establish a compliance promotion framework
Lack of human capital and skills	Inability to secure and train human capital or exodus of existing personnel	Systematically hire human capital Educate and train personnel so as to develop human capital Put in place a better working environment

To provide products and services that are valuable to customers, it is necessary to procure safe, quality materials and parts in an economic and safe manner. In the process of procurement, we recognize the importance of contributing to the realization of a sustainable society by fulfilling our social responsibilities throughout the supply chains involved.

At Kyushu EP and Kyushu T&D, we have established a Basic Policy for Procuring Materials, which outlines our basic approach to procurement, and the Sustainable Procurement Guidelines, which summarizes our “requests to suppliers,” a list of matters that we would like our suppliers to comply and cooperate with in order to conduct procurement activities based on the aforementioned policy. We will continue striving to promote understanding of these guidelines among all stakeholders in the supply chain, and also plan to conduct in-house training to deepen employee understanding of these guidelines.

In order to continue our efforts to realize a sustainable society throughout the supply chain in the future, we will revise these guidelines as necessary to keep up with changes in social conditions and new insights.

Sustainable Procurement Guidelines

Basic Policy for Procuring Materials

- | | |
|---|---|
| 1 Open procurement | 7 Ensuring information security and protecting personal information |
| 2 Fair and equitable business activities | 8 Adhering to and faithfully executing contracts |
| 3 Adhering to laws, regulations, and social norms | 9 Promotion of communication to establish mutual trust |
| 4 Rejection of all relations with antisocial forces | 10 Creation of value |
| 5 Taking into consideration the environment | 11 Contribution to society and the regional community |
| 6 Ensuring safety | |

Requests to suppliers

- | | |
|---|--|
| 1 Adhering to laws, regulations, and social norms | 7 Fair and equitable transactions and ethics |
| 2 Adhering to and faithfully executing contracts | 8 Quality and safety |
| 3 Reduced procurement costs and stable delivery | 9 Information security |
| 4 Human rights and labor | 10 Business continuity plan |
| 5 Safety and health | 11 Establishment of a management structure |
| 6 Preserving the environment and biodiversity | 12 Promoting good communication |

Conducting Questionnaires Targeting Business Partners

We conduct a questionnaire on sustainability initiatives targeting our major suppliers* and survey the extent to which they are addressing social issues such as the SDGs and carbon neutrality. From the results of the questionnaire, we summarize examples of initiatives that help to improve sustainability, and strive to share the findings with our suppliers through briefings and other opportunities.

* Suppliers with whom we place consistent orders, etc.

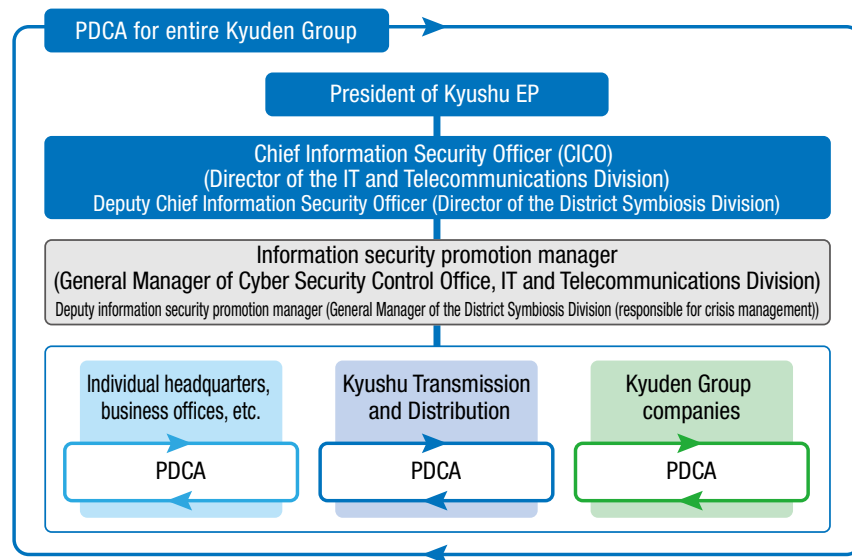
Ensuring Information Security

We are working to ensure appropriate information security and protect personal information by setting a fundamental approach to information security and the protection of personal information and ensuring officers and employees are well aware of the approach. In addition, we will strive to strengthen information security measures across our entire supply chain, including suppliers outside of the Group, to improve the overall level of information security.

Promotion Framework

Kyushu EP has created a framework under which the President is ultimately responsible and where the director of the IT and Telecommunications Division acts as the Chief Information Security Officer (CICO). The Cyber Security Control Office, which is part of the framework, is the heart of Group-wide efforts to promote the security PDCA cycle and works to guarantee information security.

Information Security Promotion Framework



Information Security Measures

To prevent information security incidents, we implement multi-faceted initiatives that include organizational, human resource, physical, and technical measures. These efforts are centered on the Cyber Security Control Office, and involve cooperation among those responsible for information security at each of our sites, including Group companies.

Organizational measures

Under the framework detailed above, we promote the use of the PDCA cycle throughout the entire Group, check on progress in implementing information security efforts at each workplace, and make continuous improvements.

Human resource measures

All employees undergo information security training and take part in drills related to targeted cyber-attacks via email. Through this and other types of training, we raise awareness and understanding of information security and improving employees' ability to respond.

Physical measures

As well as introducing security gates and electronic locks, we implement necessary measures at facilities to control who can enter our buildings and offices.

Technical measures

In preparation for cyber-attacks, which are growing more sophisticated and ingenious, we are strengthening our security countermeasures by utilizing antivirus software and introducing security firewalls.

Examples of recent information security measures

[Measures related to the use of generative AI (promotion of DX)]

When we began using generative AI in July 2023, we prepared a secure environment to protect our information assets, summarized the important precautions to keep in mind, and informed all employees of those precautions.

Protecting Personal Information

We have put in place various internal regulations, and strive to use and manage personal information appropriately within the scope of specific usage purposes. However, in FY2022, improper viewing and handling of new electricity customer information was discovered and reported to the Personal Information Protection Committee. In order to prevent such a situation from happening again in the future, we will strive to prevent recurrence and properly and strictly manage personal information in accordance with relevant laws and regulations.

Individual Number (My Number) System

In accordance with the purposes and requirements of relevant laws and regulations, we make sure to confirm individuals' identities when we are required to submit their personal individual number. When it is no longer necessary, we handle the information appropriately by promptly disposing of or deleting it or taking other steps. Moreover, when a customer contracts with us for electricity, we do not require them to provide their personal individual number.

Enhancing Stakeholder Engagement

The Kyuden Group has relations with a wide range of stakeholders through its business activities. To build better relationships with our stakeholders, we engage in two-way communication such as dialogue activities, and conduct community and social coexistence activities.

Promoting Two-way Communication with Stakeholders

The Kyuden Group utilizes a variety of opportunities to promote two-way communication, including dialogue activities in which we explain our business activities to stakeholders and listen to their opinions and requests, press releases and other channels through which we actively disclose and disseminate information, and visiting lectures and facility tours.

Face-to-face dialogue activities

We utilize various opportunities for communication to promote face-to-face dialogue with stakeholders, such as onsite visits and dialogue sessions. To further promote these activities, we actively undertake initiatives such as preparing original explanatory materials and conducting activities via our dialogue promotion teams.



Onsite visits for local residents

Active disclosure and dissemination of information

In order to gain the understanding and trust of our customers and the local community by increasing the transparency of our corporate activities, we have established the Disclosure Commitment*, which outlines our basic stance on the disclosure of information.

Based on this commitment, we proactively disclose and disseminate information on all aspects of our corporate activities, including management information, problems at power stations, safety measures at nuclear power plants, and corporate PR. To do so, we utilize various media, such as press releases, websites, social media, and pamphlets.

* Published in the Kyuden Group ESG Data Book 2023 (p. 45)

Utilization of diverse opportunities for communication

Besides onsite visits, we utilize diverse opportunities for communication, such as visiting lectures and facilities tours. To complement existing face-to-face activities, we are expanding communication opportunities through the use of digital technology, such as online classes and virtual power station tours that make use of VR, computer graphics, video, and other technologies.



Virtual power station tour

Business Operations That Value Stakeholder Feedback

In FY2022, Kyushu EP and Kyushu T&D received about 2,000 pieces of feedback from stakeholders through day-to-day business activities, dialogues, and other activities. Using internal systems and other means, we share the feedback we receive from stakeholders with the entire company, including those at the top level of management. We also examine suggested countermeasures from a cross-divisional perspective and reflect them in the operating plans of each division, branch, office, etc., to lead to better management. We will continue to listen carefully to stakeholder feedback and strive to respond promptly to their needs.

Promotion of Community and Social Coexistence Activities

The Kyuden Group conducts a variety of community and social coexistence activities under our Basic Policy for Community and Social Coexistence*, with the aim of fulfilling our role as a member of the local community and deepening communication with local residents to build strong relationships of trust. In FY2022, a cumulative total of about 34,000 employees participated in volunteer activities such as Korabora-Q-den and various other community initiatives.

* Posted on Kyushu EP's website

Korabora-Q-den

In collaboration with NPOs and other community members, we are rolling out Korabora-Q-den (collaboration + volunteer) activities across the Kyushu region, aiming to find solutions to local issues.

Korabora-Q-den activities in the environmental arena, such as efforts to protect biodiversity and preserve natural landscapes, are called Korabora-Q-den Eco initiatives. Through these initiatives, we are working together with community members across the Kyushu region to protect the environment.



Releasing salmon fry (Iizuka Power Distribution Office)

Kyuden Play Forest

We host Kyuden Play Forest events, which are experiential learning events for elementary school students held in forests throughout the Kyushu region, with the aim of nurturing children's respect for the environment.



A walk rally activity held during the Kyuden Play Forest at the Saga Prefectural Hokuzan Youth Retreat (Saga Branch)

Activities to create a society that is friendly to elderly people and children

We are working with local communities to create a society that is friendly to elderly people and children through various activities, such as the inspection of wiring in the homes of elderly people living alone, food drives*, and the provision of sites to hold children's cafeterias.

* Food that cannot be consumed by the best before date is brought to food bank organizations to be donated to welfare facilities



Indoor wiring inspection (Kumage Distribution Office)



Food drive (Kumamoto Branch)

Participation in local festivals

Employees from various offices and Group companies participate in and help to run local festivals to revitalize the local community and deepen ties with local residents.



Satsumasendai Hanya Festival (Sendai Nuclear Power Plant)