

Frequently Asked Questions (IR FAQ)

Q1 What overall impact will the trend toward carbon neutrality have on Kyushu Electric Power's future performance?

In order to achieve carbon neutrality, it is crucial to promote both “lowering the carbon intensity of and decarbonizing energy sources” on the supply side and “electrification” on the demand side. In terms of supply, we have been promoting the development of renewable energy to become the main source of power generation and maximizing use of nuclear power generation in an aim to achieve a low-carbon and sustainable society. In addition, to make the renewable energy business the core business of the Kyuden Group, we will integrate the renewable energy business of Kyushu Electric Power and the subsidiary Kyuden Mirai Energy to strengthen the business operation structure and thereby accelerate efforts to reach the 5,000 MW renewable energy development target for FY2030.

Renewable energy is expected to grow significantly as a growth business, and nuclear power is both an environmentally friendly and economical source of power. We believe that they will both have a hugely positive impact on our business performance.

In addition, on the demand side, we are also promoting efforts for electrification in all sectors, including household, commercial, industrial, and transportation sectors, toward achieving our goal of contributing to the electrification rate of Kyushu. We view the increase in total electric power sales due to the promotion of electrification as a positive contribution to our future business performance.

Q2 What is your vision for the future of your nuclear power business?

We recognize that nuclear power generation will continue to play a key role in achieving both carbon neutrality and a stable supply of electricity, as it is a stable power source unaffected by weather or climate, and does not emit CO₂ during operation.

In addition, given the low weight of fuel costs in power generation costs and the carbon emission regulations to be introduced in the future, such as carbon pricing, we believe that nuclear power generation can be expected to contribute to our income and expenditures over the medium to long term.

In the Sixth Strategic Energy Plan, which forms the basis for energy policy, nuclear power generation is positioned as an important source of baseload power for achieving carbon neutrality in 2050. Moving forward, we will continue to make maximum use of our nuclear power plants currently in operation as we continuously work to improve their safety and reliability, based on the basic premise of prioritizing safety and gaining the understanding of local communities.

Q3 What is the outlook for your future business performance?

With regard to the financial forecast for FY2023, we expect consolidated ordinary income to be ¥120 billion. This is due to a significant improvement in our income and expenditures, as four nuclear power plants will be in operation following the completion of the Specific Safety Facilities, and the delayed effects of fuel cost adjustments due to lower fuel prices will shift from the previous fiscal year's losses to delayed gains.

In the medium term, we are working to achieve the ordinary income target of ¥125 billion in our FY2025 financial objectives.

In the Domestic Electricity Business, we aim for ordinary income of ¥75 billion through continued stable, safe operation of four nuclear power plants and the expansion of total electricity sales volume with secured optimal supply capacity.

With regard to growth businesses (renewable energy, overseas, ICT services, and urban development), we aim to realize ¥50 billion overall through participation in geothermal and hydroelectric power development and overseas renewable energy projects, which are the Group's strengths, as well as participation in overseas power generation and transmission projects that leverage the Group's overall technologies and know-how. This ¥50 billion target is expected to be achieved through projects we have already invested in or have decided to invest in, and we are therefore confident that we will reach this target.

Q4 What is Kyushu Electric Power's basic policy when it comes to shareholder returns?

Our basic policy on shareholder returns has historically been to maintain stable dividends, making decisions based on a comprehensive review of our recent business performance, income and expenditures, and financial condition. Moving forward, we will first continue our efforts to restore our dividends to their pre-Great East Japan Earthquake level of ¥50 per share as soon as possible during the current financial objective period (until FY2025). Once accomplished, we will consider profit sharing based on our growth in areas other than our Domestic Electricity Business as we strive to further enhance shareholder returns while maintaining stable dividend payments.