### Message from the President



Kazuhiro Ikebe

Member of the Board of Directors, **President & Chief Executive Officer** Kyushu Electric Power Company, Incorporated



#### To our stakeholders and customers,

The mission of the Kyuden Group is to make a brighter future for generations to come. Our corporate activities to provide stable supplies of energy to our customers are based on this mission.

In 2015, we formulated the Kyuden Group's Medium-term Management Policy (FY2015-2019), in which we declared our 2030 vision to become a corporate group that provides Japan's best energy services. To this end, we are striving to expand our energy service business in and outside the Kyushu region, our international business, and our renewable energy business.

The United Nations has formulated a list of sustainable development goals (SDGs) as shared objectives for achievement by 2030. Moreover, in 2016, the Paris Agreement established a new international framework for the reduction of greenhouse gases, and the global trend toward efforts to realize a low-carbon society is clearly strengthening.

The Kyuden Group shares this heightening global awareness, and our environmental management approach promotes the preservation of the environment as well as our commercial objectives, alongside our goals to bring about a sustainable society.

In FY2018, we evaluated and analyzed the major challenges to be addressed through our environmental management, based on an awareness that such management must be even more effective and efficient. We identified issues requiring prioritized attention, and formulated a medium- to long-term action plan to address them. By steadily implementing our action plan, we will respond appropriately to the intensifying competition in the energy market and to our stakeholders' environmental concerns.































Sustainable Development Goals (SDGs) were adopted by the members of the United Nations in September 2015.

The Kyuden Group will also make efforts to solve social problems and achieve the 17 goals-in areas such as poverty, climate change and peaceful societies-by the year 2030.

# Implementing actions as a team, the Kyuden Group will pursue environmental management to balance our business activities with environment preservation, and thereby help realize a sustainable society.



One of Japan's largest geothermal power stations (Hatchoubaru Power Station)

# Implementing measures to reduce greenhouse gas emissions by 2030

At the national level, Japan is putting in place measures to fulfill its international responsibilities, such as reviewing the Basic Environmental Plan and Basic Energy Plan in order to achieve greenhouse gas reduction targets (a reduction of 26.0% from FY2013 levels by FY2030).

As a member of the Electric Power Council for a Low Carbon Society (established in February 2016), we will make the utmost effort to achieve the target for the entire electricity business in 2030 (a CO<sub>2</sub> emission factor of about 0.37 kg of CO<sub>2</sub> per kWh) by steadily working on both the supply and demand sides to curb emissions of greenhouse gases.

In accordance with S+3E (safe + stable supply, improved economic efficiency, and accord with the environment), the fundamental Japanese view of what an energy policy should be, the substance of our approach will be to use nuclear power plants predicated on safety; actively develop renewables and incorporate them to the greatest possible extent; improve the efficiency of thermal power generation; and provide energy-saving and reduced CO<sub>2</sub> services.

Regarding renewable energy, the Kyuden Group aims to develop 4 million kW of power by 2030, primarily geothermal and hydroelectric, in order to effectively utilize domestically produced energy, and exploit the fact that these power sources are outstanding for countering global warming. In May of this year, operations were started at all units of the world-class Sarulla Geothermal Power Station in Indonesia, a project in which our company participated. Going forward, we will continue contributing to the reduction of greenhouse gases both in Japan and globally.



Environmental education in the Kuju Kyuden Forest for learning the importance of the forest in the midst of nature

## Implementing robust environmental action with local communities

As companies whose business operations burden the environment, members of our group are working to reduce environmental loads, and are actively engaged in environment preservation activities in cooperation with people in their local communities. Thus far, we have conducted environmental preservation activities in the Kuju Bogatsuru Marshlands of Oita Prefecture, and actively provided energy and environment education to develop a mindset of care for the environment among the children who will carry forward the next generation.

In particular, since 2016, we have provided Kyuden "Play Forest" experiences incorporating elements of learning, protecting, and enjoying nature, as activities for linking the rich forests of Kyushu with children's futures. This program has been very well received.

We have also channeled efforts into helping solve local problems. For example, to help dispose of the driftwood resulting from torrential rains in northern Kyushu in July of last year, the wood was processed into wood chips, mixed with fuel coal at our Reihoku Thermal Power Station, and used as fuel for power generation.

Going forward, we will build even greater trust as an environmentally-friendly corporate group, through environmental preservation activities in cooperation with local communities, and initiatives to address local issues.

# Let us know your thoughts on our environmental initiatives

At Kyushu Electric Power, we issue this report every year while creating various opportunities to take onboard stakeholders' opinions regarding the group's environmental efforts.

We hope to develop and enhance our environmental initiatives by incorporating this feedback into our future business operations.

Thus, I invite and eagerly welcome your frank and unfiltered opinions.

June 2018