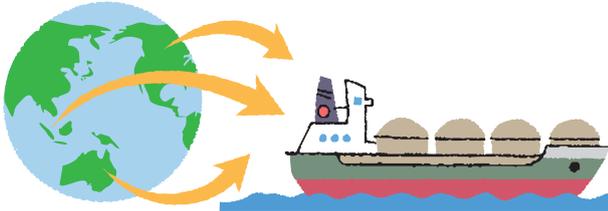


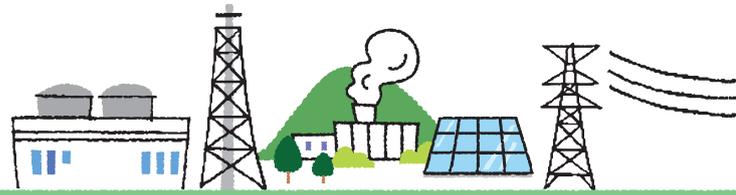
# Kyushu Electric Power's Supply Chain

## Fuel procurement



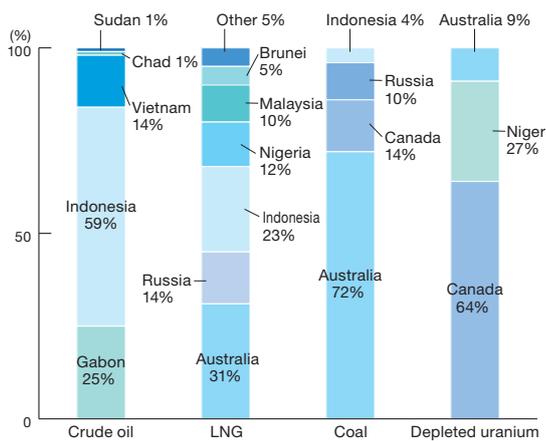
Kyushu Electric Power is strengthening its fuel procurement through such ways as diversification of fuel procurement, participation in resource development and production projects and introduction of fuel trading (adjustment of fuel volume and price management). We strive for cost reduction in fuel transportation by using our own LNG tanker and chartered ships for shipping.

## Power generation

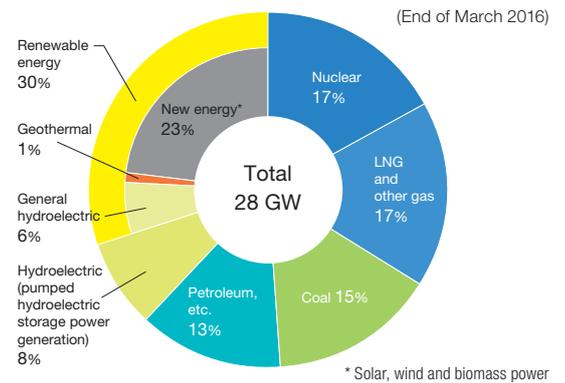


We generate power through a combination of a best balance from various types of power sources from the perspective of securing long-term, stable energy in such ways as taking countermeasures against global warming and economic power supply, promoting nuclear power on the assumption of safety and security, actively developing and installing renewable energies such as solar, wind and geothermal power and improving the efficiency of thermal power.

### Fuel procurement status (fiscal 2015)

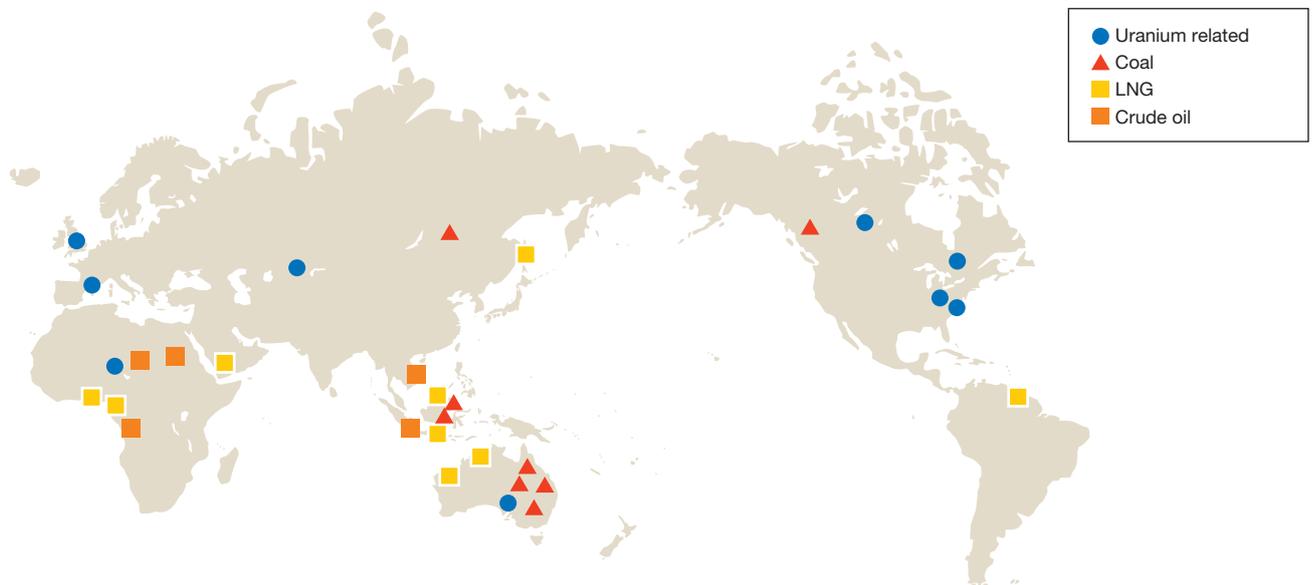


### Composition of Capacity for All Facilities (GW) (Including power purchased from other companies)

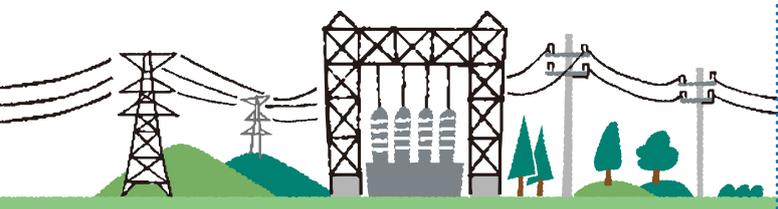


Feature 2: Initiatives to Strengthen the Competitiveness of Power Sources (See pages 28 to 29)

### Regional fuel procurement status (fiscal 2015)



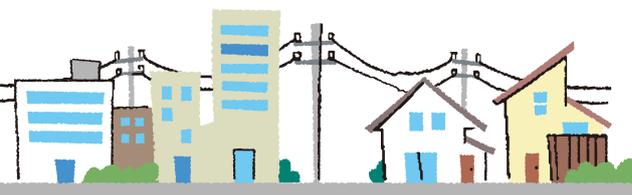
## Power transmission and distribution



We deliver a stable supply of electricity, sending it along transmission lines from power stations to substations, and along distribution lines from substations to places such as homes and factories.

To be able to deliver a low-cost, stable electricity supply to support Kyushu's industries and lifestyles, we operate a stable electricity system preserving steady transmission and distribution facilities.

## Energy services



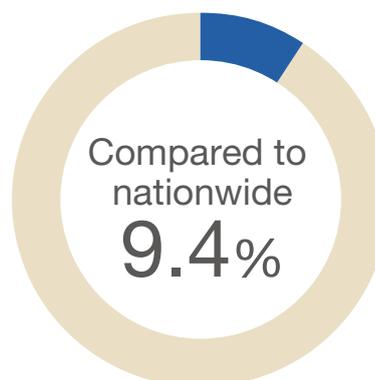
We provide various energy services that respond to the diverse needs of customers, including proposals for plans and services meeting the requirements of household customers and one-stop energy services for corporate customers.

Please refer to The Kyushu Electric Group's Policy Regarding Electricity Retail Liberalization (See pages 24 to 27)

### Power transformation, transmission and distribution (as of March 31, 2016)

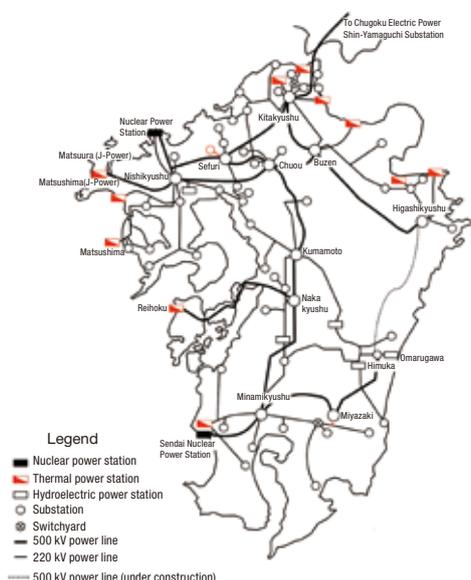
Transformation	Number of substation		596
	Capacity		725,990,000 kVA
Transmission	Length of transmission lines		10,773 km
	Supporters	Steel towers	approx. 25,000
		Others (concrete pole, etc.)	approx. 40,000
Distribution	Length of distribution lines		140,352 km
	Supporters	Concrete pole	Approx. 2,380,000
		Others (steel towers, etc.)	approx. 43,000

### Kyushu Electric Power's Sales as a Ratio of the Entire Electricity Business (fiscal 2015)

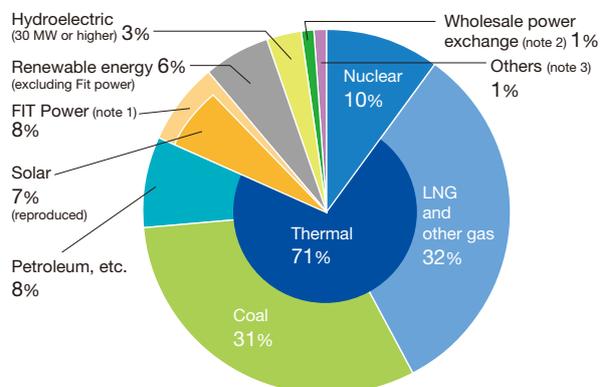


Reference: Report on Total Electric Power Demand for Fiscal 2015 (Agency for Natural Resources and Energy)

### Power transmission diagram (as of March 31, 2016)



### Kyushu Electric Power's power sources (fiscal 2015)



Note 1: Feed-in tariff (FIT) system for renewable energy  
Kyushu Electric Power's electricity procurement costs are partially financed by a levy on all electricity users, including non-customers. As a result, these CO<sub>2</sub> emissions from electricity are regarded as the national average of CO<sub>2</sub> emissions from electricity, including that generated through sources such as geothermal power.  
Outline of feed-in tariff (FIT) system for renewable energy  
Subject to powers generated by solar, wind, hydroelectric (below 30 MW), geothermal, and biomass.

Note 2: Power procured from wholesale power exchange  
Includes hydroelectric, thermal, nuclear, FIT, and renewable energy powers.

Note 3: Others  
Includes power procured from other companies that the power station cannot be specified.

\* Calculated and announced based on "Formulation of the Guidelines Concerning the Management of the Electricity Retail Business" by Ministry of Economy, Trade and Industry

\* Calculated on a basis of power generated by Kyushu Electric Power and volume of power purchased from other companies (includes remote islands)