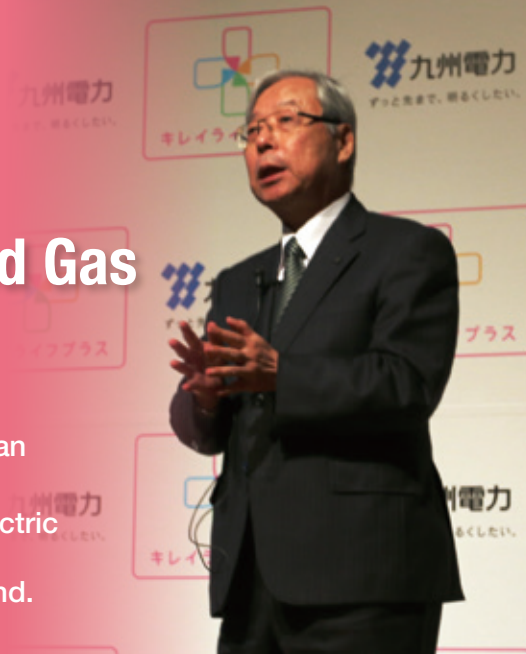


Feature 1

Policies Amid Full Liberalization of the Retail Markets for Electricity and Gas

- Full liberalization of the retail markets for electricity and gas began in April 2016 and April 2017, respectively.
- In addition to providing attractive rates and services, Kyushu Electric Group will answer the wishes of individual customers through its comprehensive capabilities, including reliability and peace of mind.



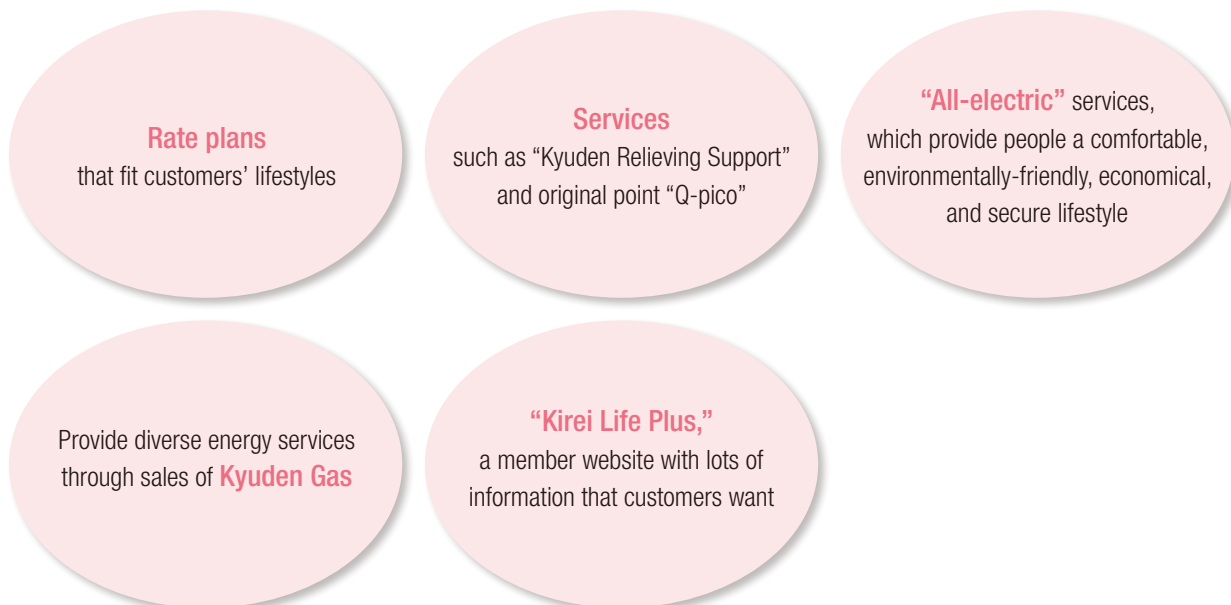
Electricity and Gas Market Status and Policies

Progress with Competition in Conjunction with Full Liberalization of the Retail Markets for Electricity and Gas

- The full liberalization of the retail market for electricity began in April 2016. As of the end of June 2017, 4,250,000 customers nationwide have switched providers (changed electric power companies).
- In the Kyushu area, approximately 280,000 customers have switched (as of the end of June 2017), which comprises about 7% of the number nationwide (the number of low-voltage accounts comprises 11% of the national total).
- Meanwhile, the city gas sales count stood at approximately 30,000 as of the end of June 2017, which is about 75% of the target (40,000 per year).

Policy Response to the Full Liberalization of the Retail Markets for Electricity and Gas

- Respond with comprehensive capabilities of rates + services + brand strength (reliability)



- Thorough promotion of services to customers by personable marketing through one-day sales offices and other initiatives
- Furthermore, we began retail electricity sales in the Kanto area from April 2016



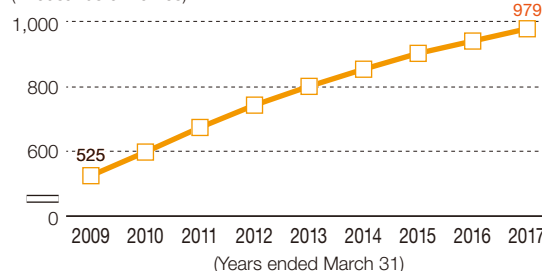
Providing Comfortable, Environmentally-Friendly, Economical and Secure Lifestyles

Promote Marketing of All-Electric Service

- Deliver all-electric service to customers that allow them to live comfortably, economically, and in an environmentally-friendly manner with a sense of security
- In the Kyushu area, the cumulative total number of all-electric households is about 980,000 (as of March 31, 2017)
- Kyuden home advisors meet directly with customers to promote our all-electric service, taking the views of customers especially women

Number of homes (cumulative) using all-electric service

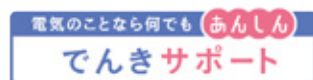
(Thousands of homes)



Offering New Services

Offer Kyuden Relieving Support

- Offer seven types of support as Kyuden Safety Support, to help customers lead worry-free lives



An electricity professional provides one-stop service for each electricity-related problem that suddenly occurs.



We regularly check on customers' elderly parents living far away and provide reports on them.



We send a text alert if the electricity use by an elderly parent living alone becomes irregular.



We support moms, dads and healthy upbringing for children.



We provide emergency response 24 hours a day, 365 days a year to resolve emergency problems such as issues with keys, plumbing, or broken windows.



We help find solutions to daily life issues, such as help with taking care of children and housework.



We check the status of vacant homes owned by customers as well as vacant parents' homes, and report on these homes with texts containing photos.



We check on graves that are too far away for family members to visit, and report on these graves with texts containing photos.

Efforts to Satisfy Customers' Wishes

Carry out Personable Marketing

- We will proactively engage in initiatives to meet directly with customers. In one effort, employees will go out from our 50 sales offices in Kyushu and open “One-day shops” in shopping malls and large home appliance stores. We will also dispatch home advisors to hold seminars, such as “IH Cooking Classes,” for small groups of people, such as groups of housewives and seniors.
- Also, turning sales offices into showrooms encourages customers to come in, making them attractive sales bases. At these sites, our people proactively recommend all-electric as well as other new services.



One-day shop



Parent-child cooking class



Christmas illuminations

Initiatives Towards Opening Up Sales Offices

We are beginning the Kyushu Electric Power × LAWSON “Town Lights Project”

- In May 2017, we launched the “Town Brightening Project” with LAWSON to brighten up towns in Kyushu
- Under this project, the Kyushu Electric Power Group will operate LAWSON stores with community space sales offices. In addition to the accessibility offered by convenience stores, this initiative will aim to make these stores more open to people in communities as places for people to interact. This will include providing helpful information on living, health, interests, and other information, as well as holding events that will enrich customers' lives.



Electric Power Sales in the Kanto Area

- In April 2016, wholly-owned subsidiary Kyushu Mirai Energy launched retail electricity sales in the Kanto area
- Win contracts through initiatives such as the JAL Mileage Plan, which allows customers to accrue JAL miles based on their electric bills
- We also provide services including “Filial Support” and “Monitoring Support” as Kyushu Filial Support in the Kanto area
- Furthermore, in January 2017 we began sales to factories and other large commercial facilities



Launch of Gas Service

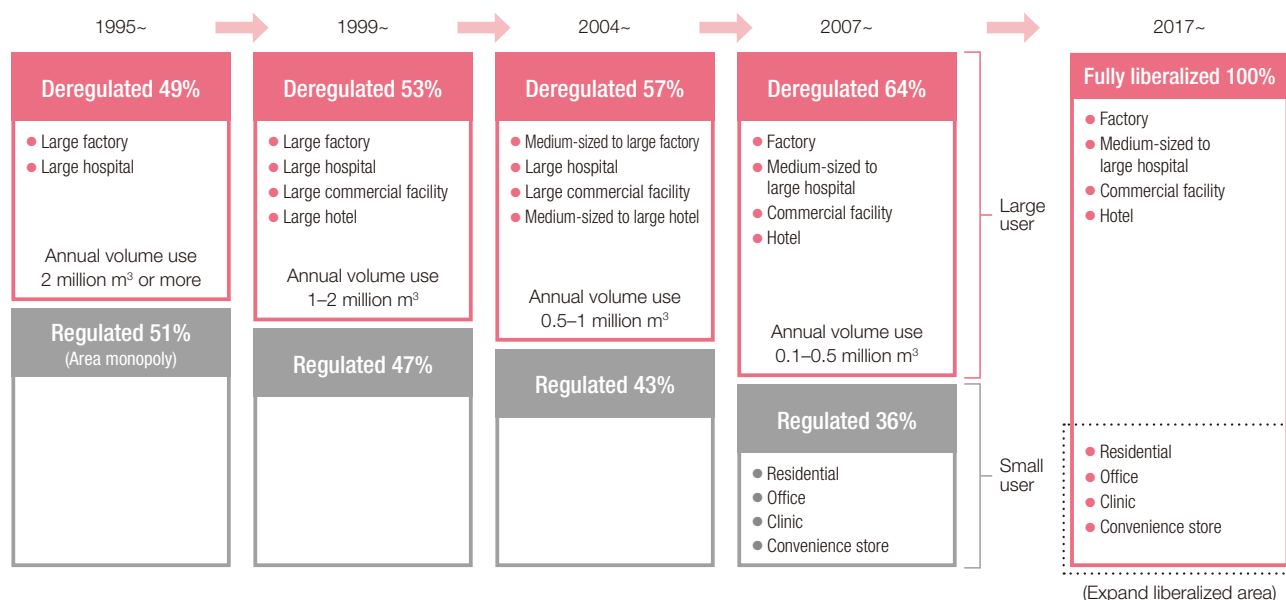
Initiatives in Conjunction with the Full Liberalization of the Retail Market for Gas

- In conjunction with the full liberalization of the retail market for gas, which began in April 2017, we started residential gas sales in northern Kyushu (Fukuoka and Kitakyushu districts)
- By proposing electricity and gas sales as a set, we aim to win gas contracts as well as prevent the loss of electricity demand and bring back customers we previously lost

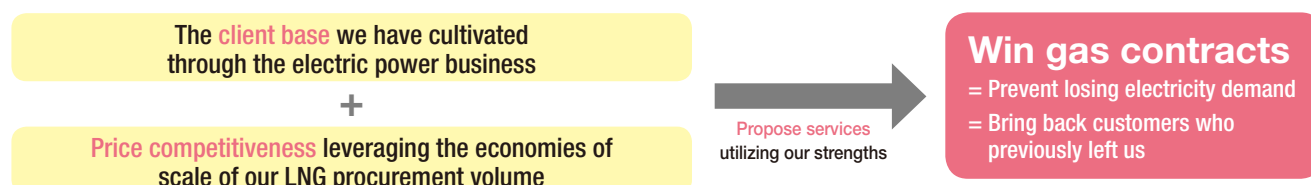
Kyushu Electric Power's Residential Gas Sales Area



Full liberalization of the gas retail market



Our Strength in Residential Gas Sales



Gas Marketing Activities

- Centered on sales offices in the Fukuoka and Kitakyushu areas, we will carry out promotion activities for sales of electricity and gas as a set
- We will pursue rate plans that are cheaper than the large gas companies, and carry out sales activities aiming to achieve our target number of contracts

