

May 1, 2024

Kyushu Electric Power Co., Inc.

Kyushu Electric Power to Issue new Transition Bond

Kyushu Electric Power today announced that the company has decided to issue its transition bond, called “the Kyushu Electric Power Transition Bond^{**}” (hereinafter “the transition bond”).

Through the issuance of this transition bond, the company aims to enhance its stakeholders’ understanding of its commitment to achieving carbon neutrality by 2050 by continuing to "lower the carbon intensity of or decarbonize energy sources" and "accelerate the shift toward electricity-based energy consumption" and intends to diversify its funding base.

The proceeds from the transition bond will be used to refinance investments in safety measures for existing nuclear power plants.

DNV Business Assurance Japan K.K.^{**}, a third-party evaluation organization, has provided the Annex-Second Party Opinion^{***} assessing eligibility of the use of proceeds and the reporting to various standards related to sustainability finance, supplementing the Second Party Opinion published in 2022.

The Kyuden Group views carbon neutrality and other changes in the business environment as a transformative opportunity to achieve further corporate growth.

* Corporate bonds issued for the purpose of using the funds from them for initiative that are in line with the company’s long-term transition strategies to reduce greenhouse gas.

** DNV is an independent third-party organization that operates globally in over 100 countries and provides various services including certification, assessment, and more.

*** DNV conducts additional eligibility assessments on the specific finance. The evaluation report is issued as an annex opinion to the Kyushu Electric Power Sustainable Finance Framework, which was established in 2022.

[Overview of the transition bond (tentative)]

Period to maturity	5 years and 10 years
Total amount of issuance	Approximately 20 billion yen in total
Issue date	May 2024 or later
Use of proceeds	Refinancing of investments in safety measures for existing nuclear power plants
Lead manager	Mizuho Securities Co., Ltd. Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. SMBC Nikko Securities Inc. Daiwa Securities Co. Ltd. Nomura Securities Co., Ltd.

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