

March 29, 2022

Kyushu Electric Power Co., Inc.

NYK Line

ITOCHU ENEX CO.,LTD.

SAIBU GAS CO., LTD.

LNG Bunkering Vessel to Start Operation in Kyushu and Setouchi Regions in 2024
— Determining to Operationalize LNG Fuel Supply for Vessels in Kyushu and Setouchi
Regions —

Kyushu Electric Power Co., Inc., NYK Line, ITOCHU ENEX CO., LTD., and SAIBU GAS CO., LTD.(hereinafter "the parties") have established a joint venture company, KEYS Bunkering West Japan Co., Ltd. ("KEYS"), in February this year and have performed considerations with the goal of beginning the operation of the liquefied natural gas ("LNG") fuel supply business for ships in Japan's Kyushu and Setouchi regions in the spring of 2024.¹

The parties announced today the conclusion of a shipbuilding contract for one private vessel for the supply of LNG fuel to ships (hereinafter "LNG bunkering vessel") between KEYS and Mitsubishi Shipbuilding Co., Ltd.² The construction of the LNG bunkering vessel is planned to be completed in March 2024, and the vessel will become the first LNG bunkering vessel operated in West Japan.

For starting the LNG fuel supply business, the parties also applied, in January 2022, for support from the subsidy program for development of LNG bunkering bases , the Ports and Harbours Bureau, Ministry of Land, Infrastructure, Transport and Tourism (hereinafter "MLIT") assistance project that supports the establishment of LNG fuel supply facilities. The support for this LNG fuel supply business was approved on March 4, 2022.³ With the support of the MLIT, KEYS will own and manage LNG bunkering vessels and implement the LNG fuel supply business.

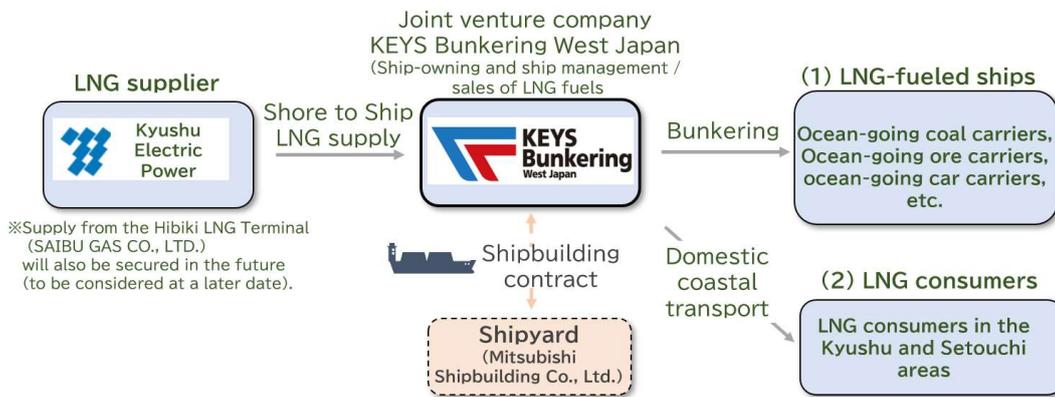
Through this business, which handles environment-friendly LNG fuel, the parties and KEYS will contribute to the reduction of greenhouse gas emissions with the goal of realizing a carbon-neutral society.⁴

¹ Outline of the joint venture

- (1) Corporate name: KEYS Bunkering West Japan Co., Ltd.
KEYS is an acronym for Kyushu, Enex, Yusen, and Saibu.
- (2) Head office address: Kitakyushu-shi, Fukuoka, Japan
- (3) Representative: Takashi Mitsuyoshi
- (4) Details of business: sales of LNG fuels
ship-owning of LNG bunkering vessel
- (5) Stockholders: Kyushu Electric Power Co., Inc. 40%
NYK Line 40%
ITOCHU ENEX CO., LTD. 15%
SAIBU GAS CO., LTD. 5%
- (6) Established: February 2, 2022



Business scheme



² Outline of the LNG bunkering vessel

- Length overall: 82.4 meters
- Breadth: 18.2 meters
- Draft: 4.8 meters
- Gross tonnage: Approx. 4,850 tons
- LNG tank capacity: 3,500 m³
- Propulsion system: Electric propulsion (Dual-fuel engine uses LNG and diesel oil)
- Delivery: March 2024
- Shipyard: Mitsubishi Shipbuilding Co., Ltd.



³ Approved for the 2021 LNG Bunkering Base Formation Project (Ministry of Land, Infrastructure, Transport and Tourism)
https://www.mlit.go.jp/report/press/port02_hh_000161.html

⁴ When compared with heavy oil used as marine fuel, the environmental impact of LNG fuel is lower and it is expected to reduce sulfur oxide (SO_x) and particulate matter (PM) emissions by 100%, nitrogen oxide (NO_x) emissions by 80% at the maximum, and carbon dioxide (CO₂) emissions by approx. 30%.

Assuming that 100,000 tons of LNG fuel is supplied annually, ships shifting from heavy oil to LNG is expected to reduce CO₂ emissions by approximately 100,000 tons-CO₂/year.

Company overview

Company name:	Kyushu Electric Power Company, Incorporated	NYK Line	ITOCHU ENEX CO., LTD.	SAIBU GAS CO., LTD.
Representative Director, President and Chief Executive Officer	Kazuhiro Ikebe	Hitoshi Nagasawa	Kenji Okada	Yukinori Michinaga
Head office	Chuo-ku, Fukuoka	Chiyoda-ku, Tokyo	Chiyoda-ku, Tokyo	Hakata-ku, Fukuoka

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