



# Presentation materials for IR meeting

**May 10, 2024**

President & Chief Executive Officer  
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Section 1      Performance Highlights

Section 2      Progress on Financial Targets

Section 3      Business Topics

(Attachment)   Financial Results for FY2023

# Section 1      Performance Highlights

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- Regarding the financial results for FY2023, ordinary loss/income and net loss/income attributable to owners of the parent amounted to a profit, a significant improvement:
  - a positive turn in the effect of the time lag of the fuel cost adjustment system, caused by lower fuel prices. FY2022 it had a negative impact, whereas FY2023 it resulted in a gain.
  - decreases in fuel costs, reflecting increased operation of nuclear power stations

## Performance Highlights (consolidated)

(Billion yen)

	FY2023	FY2022	Change	%YoY
Ordinary Revenues	2,169.9	2,246.1	-76.2	-3.4
[ Sales : Figures are included above ]	[2,139.4]	[2,221.3]	[-81.8]	[-3.7]
Ordinary Expenses	1,931.7	2,332.7	-401.0	-17.2
Ordinary Loss/ Income	238.1	-86.6	324.7	-
Extraordinary Income	-	<sup>*1</sup> 11.2	-11.2	-
Extraordinary Loss	<sup>*2</sup> 13.4	<sup>*3</sup> 2.7	10.7	388.3
Net Loss/Income attributable to owners of the parent	166.4	-56.4	222.8	-
(Ref) Ordinary Loss/ Income excluding effect of time lag	176.1	-22.6	198.7	-

<sup>\*1</sup>Gains sales on of investment securities <sup>\*2</sup>Valuation loss on Overseas Businesses <sup>\*3</sup>Provision for loss on the Antimonopoly Act

- Electricity sales volume for retail were 73.5 billion kWh (down 4.0% YoY) caused by decreases in contracted electricity outside the Kyushu area.
- Electricity sales volume for wholesale were 16.7 billion kWh (down 13.9% YoY).
- The total electricity sales volume resulted in 90.2 billion kWh (down 6.0% YoY).

## Consolidated electricity sales volume

(Billion kWh)

	FY2023	FY2022	Change	% YoY
Retail	73.5	76.5	-3.0	-4.0
Lighting	24.3	24.2	0.1	0.6
Power	49.2	52.4	-3.2	-6.1
Wholesale	16.7	19.4	-2.7	-13.9
Total	90.2	96.0	-5.8	-6.0

Note1: Some rounding errors may be observed.

Note2: Includes also consolidated subsidiaries Kyushu Electric Power Transmission and Distribution Co., Inc. and Kyuden Mirai Energy Co., Inc.  
Intersegment transactions have been eliminated.

- Ordinary income is expected to be approximately ¥110.0 billion, lower than FY2023, despite the increase in sales.

The decrease in ordinary income is caused by the following factors: the decrease in the profit on the time lag of fuel cost adjustments due to lower fuel price, as well as the increase in purchased power costs caused by higher prices on the wholesale electricity market.

## Forecast of consolidated financial results

(Billion yen)

	FY2024	FY2023	Change	% YoY
Sales	2,200.0	2,139.4	60.6	2.8
Operating Income	130.0	254.9	-124.9	-49.0
Ordinary Income	110.0	238.1	-128.1	-53.8
Net Income attributable to owners of the parent	80.0	166.4	-86.4	-51.9
(Ref) Ordinary loss / income excluding effect of time lag	97.0	176.1	-79.1	-44.9

## Forecast of electricity sales volume

(Billion kWh)

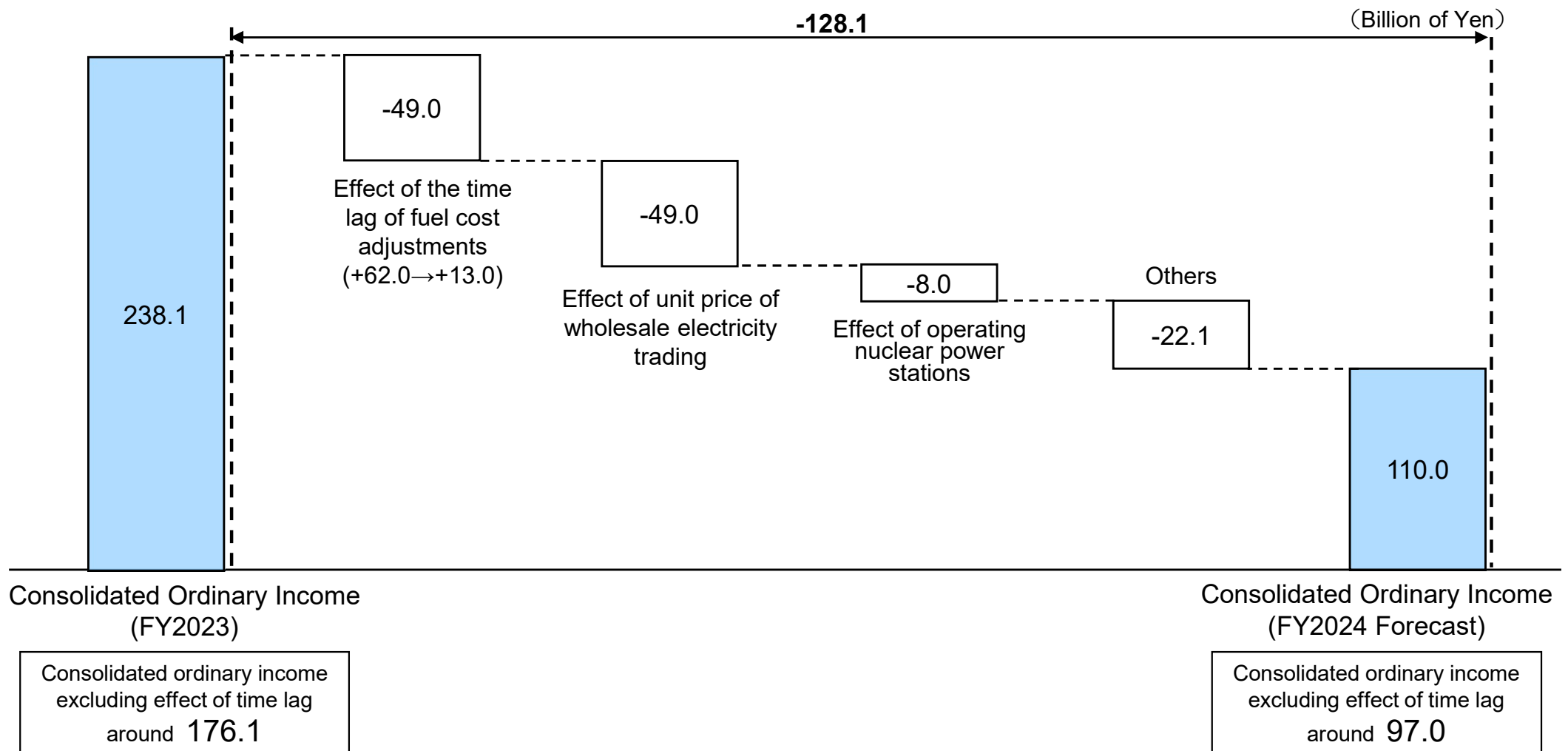
	FY2024	FY2023	Change	% YoY
Retail	73.4	73.5	-0.1	-0.1
Wholesale	23.8	16.7	7.1	42.5
Total Volume	97.2	90.2	7.0	7.8

Note: Electricity sales volume includes also consolidated subsidiaries Kyushu Electric Power Transmission and Distribution Co., Inc. and Kyuden Mirai Energy Co., Inc. Intersegment transactions have been eliminated.

- Ordinary income is expected to be approximately ¥110.0 billion. This is lower than FY2023, despite a forecasted increase in sales.

## Major factors explained

- the decrease in the profit on the time lag of fuel cost adjustments due to lower fuel prices
- the increase in purchased power costs caused by higher prices on the wholesale electricity market
- effect of operating nuclear power stations (2023 actual: 31.7 billion kWh, utilization rate 90.8%  
⇒ 2024 forecast: 30.7 billion kWh, 88.1%)

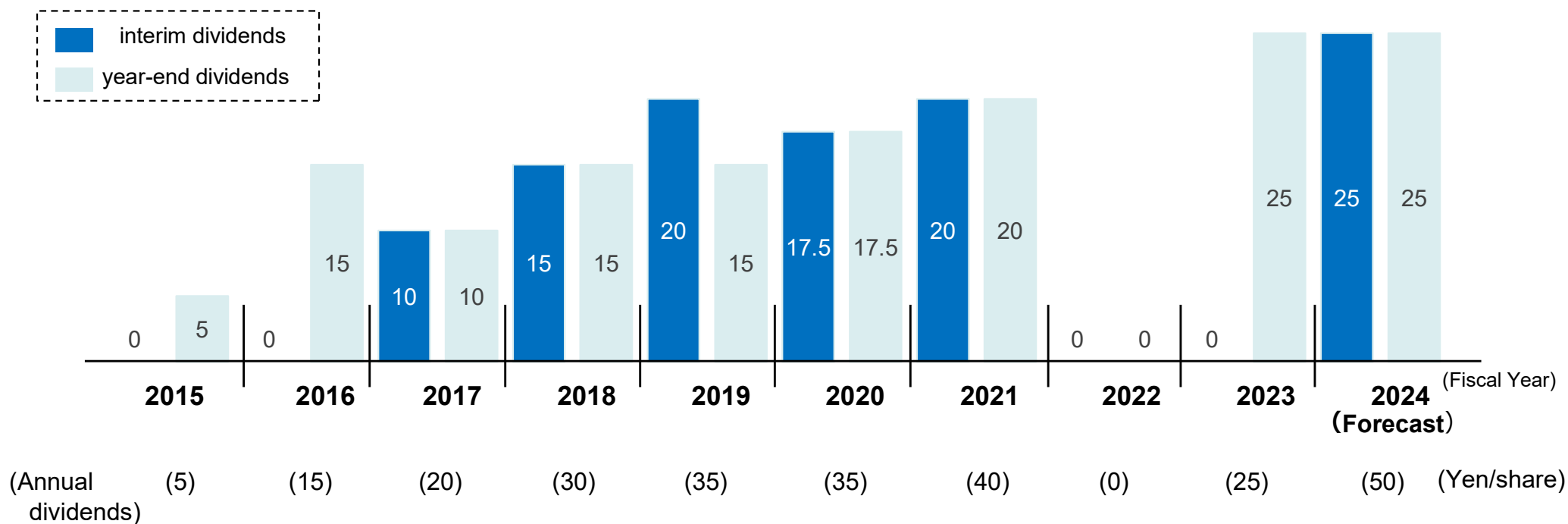


- Regarding forecasts of dividends for FY2024, based on a comprehensive analysis of financial forecasts for FY2024 and medium to long-term balance situation and financial and other factors, we plan to pay the dividend of ¥50 per common share (¥25 for both interim and year-end dividend).
- As for Class B preferred shares, we plan to pay dividend of ¥2,900,000 per share (¥1,450,000 for both interim and year-end dividend).



- Decisions are made based on the maintenance of stable dividends, while comprehensively taking into account the current fiscal year's business results, medium- to long-term income and expenditure, financial position, and other factors.
- Targeting shareholder returns of ¥50 per share as soon as possible before the financial target date FY2025
- We plan to pay ¥50 per share to be paid in FY2024
- From FY2025 onward, we will first strive to maintain a dividend of ¥50 per share, while we continue to provide stable dividend as a basic policy. We will also consider medium- to long-term shareholder returns, taking into account future Growth Businesses and profit growth in Domestic Electricity Businesses and other businesses.

## Dividend trends



## Section 2     Progress on Financial Targets

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- Domestic Electricity Business ordinary income of 189.6 billion yen, exceeding the financial target of 75.0 billion yen, mainly due to lower fuel costs from the operation of four nuclear reactors. Growth Businesses are making steady progress, with ordinary income reaching the target level for FY2025.

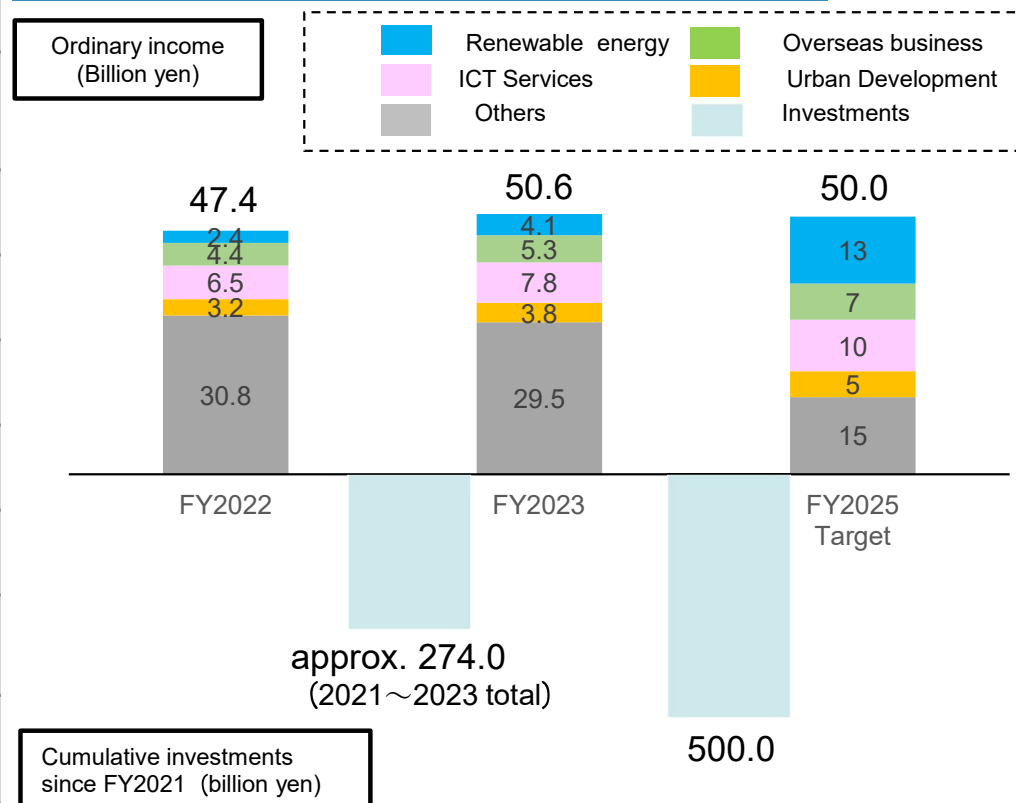
## Ordinary income , ROIC and equity ratio

(Billion yen)

			FY2022	FY2023	FY2025 Target
Ordinary income	Japanese electric power business [excluding time lag effect]		-133.4 [-69.3]	189.6 [127.6]	75.0
	Total growth businesses		47.4	50.6	50.0
	Included above	Renewable energy	2.4	4.1	13.0
		Overseas	4.4	5.3	7.0
		ICT Services	6.5	7.8	10.0
		Urban Development	3.2	3.8	5.0
	Inter-segment transactions eliminated		-0.7	-2.1	-
	Total [excluding time lag effect]		-86.6 [-22.6]	238.1 [176.1]	125.0

ROIC	-0.9%	4.2%	2.5% or higher
Equity ratio*1 [Before taking into account hybrid bonds*2]	12.2% [10.4%]	17.3% [15.5%]	approx. 20%

## Growth Investment and Growth Business Ordinary Income Forecast



(Note) Renewable energy business located overseas has been reclassified as part of "Overseas business".

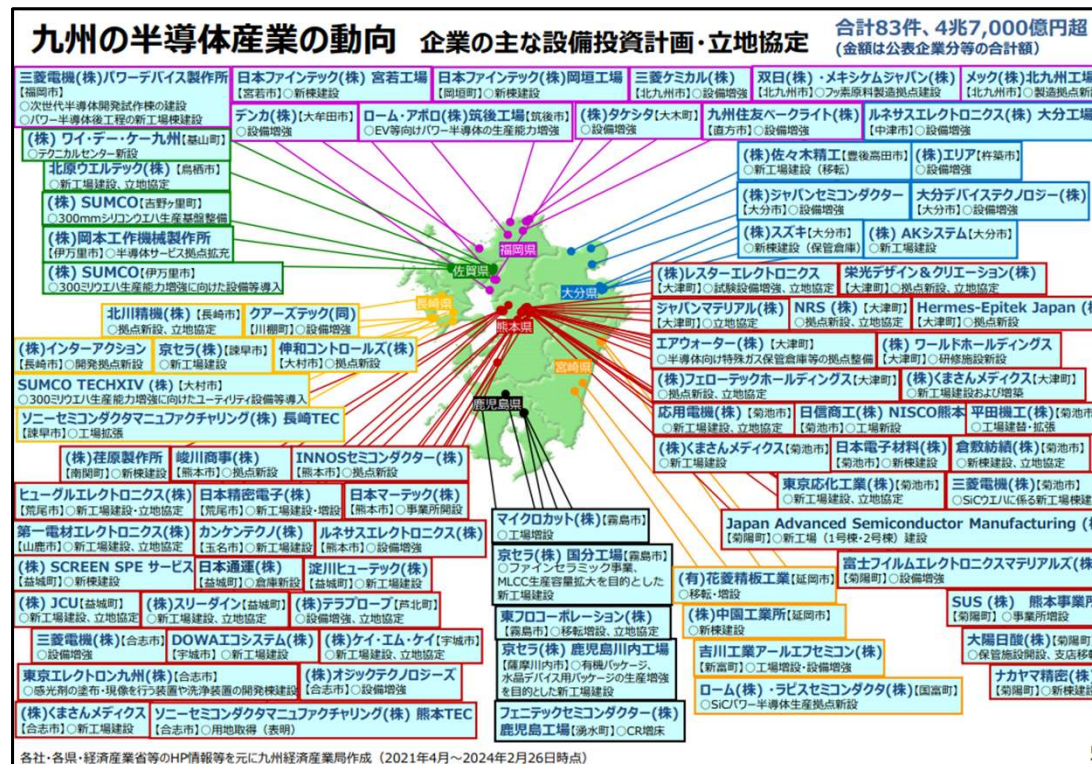
\*1 Includes amount recognized as capital from hybrid corporate bonds

\*2 Figures in parentheses do not include this amount.

- The number of investment plans for semiconductor factories in the Kyushu area have increased rapidly and therefore **electricity demand (annual electricity consumption)** may increase over the next few years by **several billion kWh**
- We aim to increase our earnings **by expanding total electricity sale volume by leveraging our strengths** “competitive electricity tariff rates” and “electricity with low CO2 emissions”

## Trends in the semiconductor industry in Kyushu

(overview of companies' major capital investment plans and location agreements)



(Note) Source: Kyushu Bureau of Economy, Trade and Industry, Ministry of Economy, Trade and Industry, Kyushu Semiconductor and Digital Innovation Council, Kyushu Semiconductor Human Resource Development Consortium

- Major capital investment plans in the Kyushu area by total **83 companies, amounting to over ¥4.7 trillion** (Kyushu Bureau of Economy, Trade and Industry, METI; Kyushu Semiconductor and Digital Innovation Council)
- The economic ripple effect of semiconductor-related capital investment planned over the 10-year period from 2021 to 2030 is estimated at **¥20.1 trillion**, this includes activities such as production and consumption of related goods and services (Kyushu Economic Research Association).

- Steadily work on measures to deal with “Ground motion formulated without specifying seismic source” to improve quake resistance and continue to make maximum use of our four nuclear power plants, with safety assurance as a major premise
- To meet increasing demand for electric power we develop and “renew” environmentally friendly thermal power generation

## Maximize the use of nuclear power

### Ground motion formulated without specifying seismic source

- In February 2024, we received approval from the Nuclear Regulation Authority (NRA) for the recalculation for the values of the standard ground motion, along with new design criteria
- Currently, we conduct detailed seismic evaluations, and we will take measures to complete seismic reinforcement work on equipment deemed necessary within the specified deadline\*<sup>1</sup>
- Seismic reinforcement work to improve quake resistance started in March 2024

\*1 Transitional grace period for approval of design and construction plans, and pre-operational inspections (spring 2024 - spring 2029) (exact date tbd by the completion of the first periodic operator inspection after April 19, 2029)

Note: the operator estimates the maximum possible ground motion generated by an earthquake around the reactor called “ground motion” and then the operator develops steps to ensure the safety of the reactor based on this estimate and request approval from NRA

## Development of thermal power generation

### Development of Hibiki Power Plant

- Construct facilities that employ state-of-the-art combined cycles with low CO<sub>2</sub> emissions, and consider the use of carbon-free fuels (hydrogen, etc.)

Commercial operation is scheduled to start at the end of FY2025.

- Construction site: Kitakyushu City (adjacent to the Hibiki LNG terminal)
- Scale of development: 620 MW x 1 unit  
Thermal efficiency: approx. 64%

Construction progress: As of the end of FY2023, the construction progress rate was 17.1% (according to plan).



## Extra-regional sales initiatives

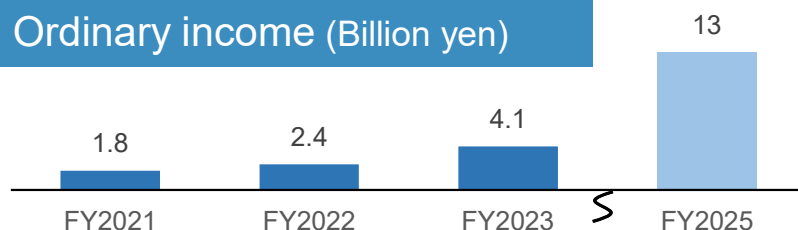
- Aim to expand sales outside the region by securing competitive power sources, such as by utilizing the Goi Thermal Power Plant (\*<sup>2</sup>), which is scheduled to start operation in FY2024.

\*2 Renewal plan is underway in Ichihara City, Chiba Prefecture, and a portion of the equity interest has been acquired from JERA Corporation.

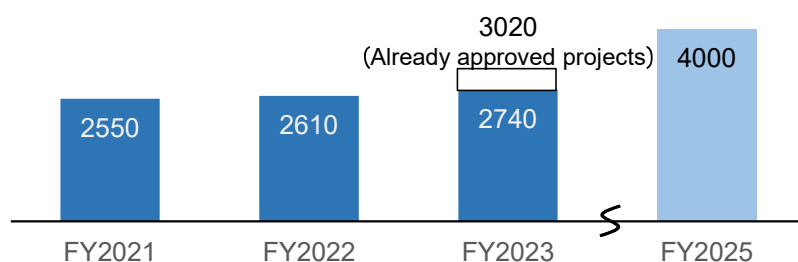


- Accelerate development by utilizing the advantage of the integration of renewable energy divisions into Kyuden Mirai Energy to actively pursue new development, actively promoting new development, developing PPA business and expanding business through alliances
- We also aim to maximize the amount of electricity we generate by maintaining high efficiency and operational performance of existing power sources

Ordinary income (Billion yen)



Renewable energy development (MW)



Main developments for FY2023

## ■ Hirohata Biomass started operation

Operation started in December 2023

- Location: Himeji City, Hyogo Prefecture
- Output approx. 75 MW
- Annual projected elec. generation: approx. 500 million kWh



Income-expanding initiatives

Geothermal
Hydro
Wind
Solar
Biomass

Short-term opportunity maximization

Reducing the cost of development  
research and administration  
Maintaining a high level of  
efficiency and capacity factor

New site development (Mt. Eboshi, Kirishima, etc.)

Development / replacement (Jikumaru, Chinda, Yoake, etc.)

New site development (Hibikinada, Kitakyushu: Offshore, etc.)

New site development (PPA, use of idle land, etc.)

New site development (Tahara etc.)

Mid / long-term opportunity expansion

Considering the use of FIP / PPA  
Considering post-FIT use of power  
sources

Supply-demand management  
service

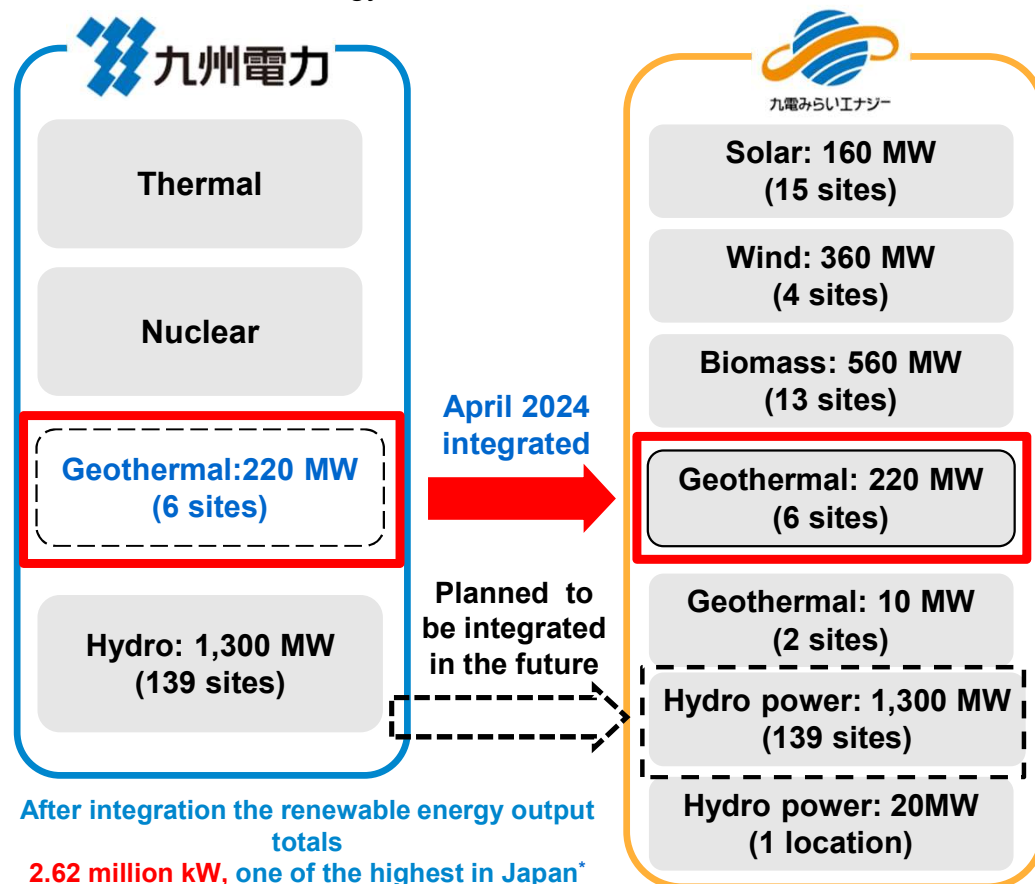
Tidal power generation

Supply-demand adjustment  
capacity business (storage  
batteries, hydrogen production)

- Focus on offshore wind and biomass power generation, in addition to geothermal and hydroelectric power generation, in order to position renewable energy as the core business of the Kyuden Group and accelerate the transition to renewables as the main power source.

## Integration of renewable energy projects

- Integration of our renewable energy functions (large-scale hydro and geothermal) into Kyuden Mirai
- Kyuden Mirai will be the only company in Japan to own all five major renewable energy sources, and will be one of the frontrunners in Japan in terms of the number of renewable energy facilities.



## Kyuden Mirai Energy's Vision for 2050

### Vision for 2050

- Pioneering the future, becoming one of the world's leading green energy companies

### Key Goal Indicators (KGI) for 2050

- Employee Engagement Index
  - Received the highest domestic rating of AAA
- Kyushu to become a region that has a negative carbon footprint
  - Expanding technologies and business models overseas
- Earnings (EBITDA) - ¥150 billion or more

## Major projects

### Development of new geothermal sites

- Conducted geothermal resource surveys at 6 sites located in and outside Kyushu. Kagoshima Prefecture: preparations for construction power plant at the Kirishima Eboshi site (scheduled to be operational in FY2026).

### Promoting the development of offshore wind and biomass

- Currently constructing Hibikinada offshore wind farm (up to 220MW) and Tahara Green Biomass Power Plant (50MW). Both are scheduled to be operational in FY2025.

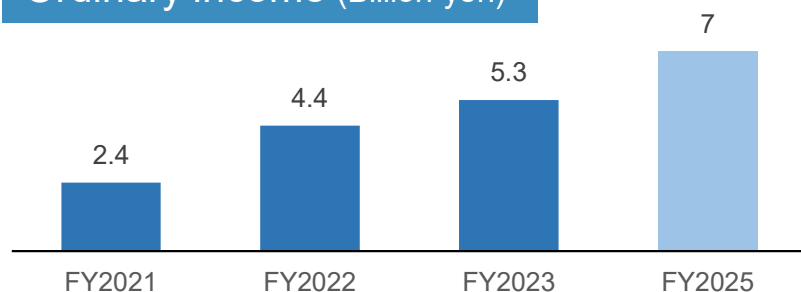
### Steady promotion of development and replacement of hydro

- Approximately 30 power plants planned by 2030

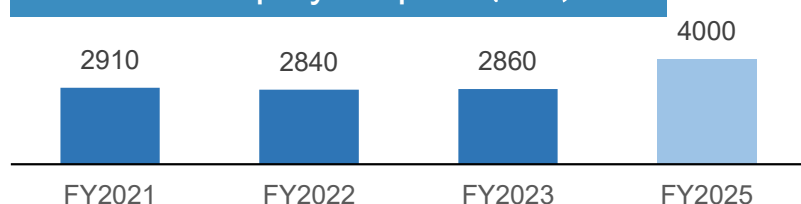
\*total output includes those from investments and output under development

- In response to the global trend toward decarbonization, the company focuses on decarbonizing investments in renewable energy and transmission and distribution projects to achieve a low-carbon and sustainable society, while promoting high-efficiency gas-fired power and distributed energy solutions that contribute to a low-carbon society.

Ordinary income (Billion yen)



Overseas equity output (MW)



Main developments in FY2023

- Preferred bidder for subsea power transmission project for offshore wind farms in the U.K.
- Acquired partial ownership interest in U.K. waste treatment and power generation company
- Our first investment in Renewable Energy Business in the U.S. (Solar Power Generation)
- Invested in Nordic startup investment fund
- Kyuden International opens a representative office in Dubai.

Income-expanding initiatives

Low / zero carbon initiatives

Short-term opportunity maximization

Mid / long-term opportunity expansion

Actively participating in the transmission  
Distribution business and partnering with development companies to expand renewables business  
Expanding thermal power business that contributes to building a low carbon society

Maintaining / improving profitability of existing business operations  
Replacing assets to maximize income

Business envisioning a distributed society  
CO<sub>2</sub>-free fuels (hydrogen, ammonia)

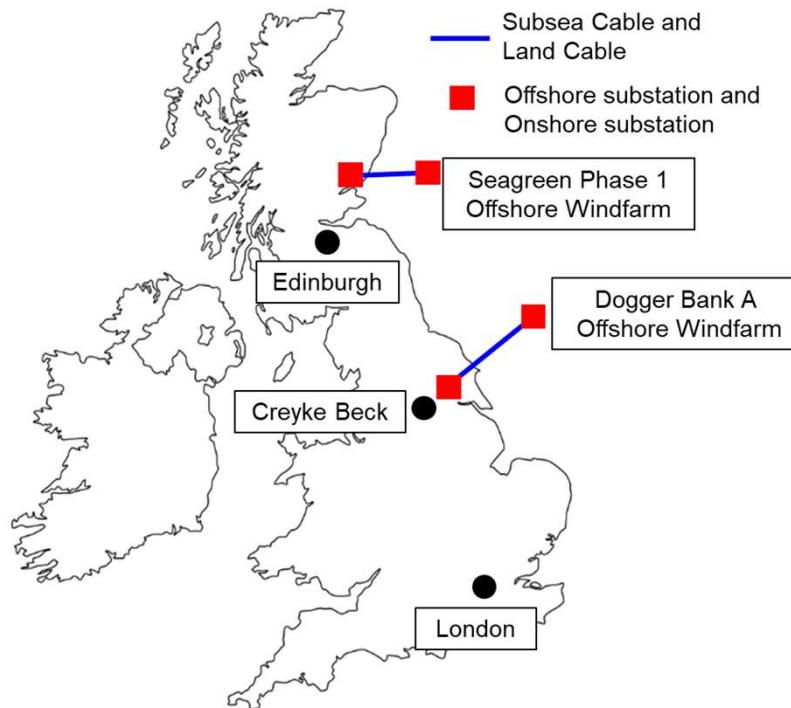
Expansion of business areas

Deploying business mainly in Asia but also in Americas, Middle East and Europe, which is more advanced in renewable energies



## Participation in U.K. submarine transmission project

- Jointly with Equitix, a U.K.-based infrastructure fund, we were selected as the preferred bidder for the offshore transmission owner ("OFTO") projects
  - The Seagreen Phase 1 offshore wind farm is located approximately 27 kilometers off the coast of Angus in North-East Scotland. It has a power generation capacity of approx. 1,080 MW.
  - The Dogger Bank A offshore wind farm is located approximately 130 km off the coast of Yorkshire and is a subsea transmission project (power generation capacity of approx. 1,200 MW) .



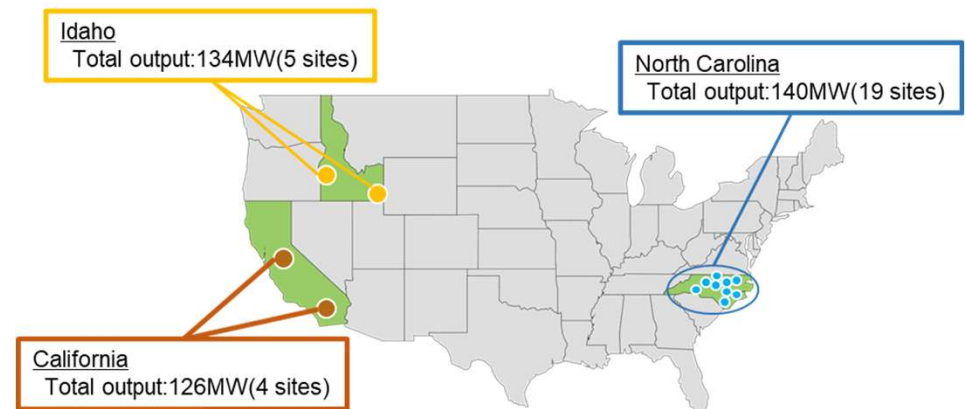
## Acquisition of partial ownership interest in U.K. waste treatment and power generation company

- Development Bank of Japan and Equitix, a U.K. infrastructure fund, jointly acquire partial ownership of Viridor Energy, a leading U.K. waste treatment and power generation company.

Name	Viridor Energy (Investment) Limited
Business	Waste management and power generation in the UK
Plants in operation	11 plants in the UK
General waste treatment volume	Approx. 3.3 million tonnes per year
Power generation capacity	Approx. 240,000 kW (equivalent to the electricity consumption of about 750,000 UK households)

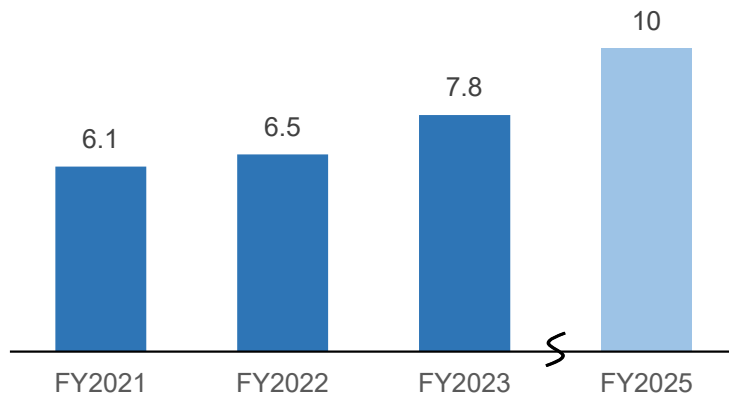
## Participation in U.S. renewable energy projects (solar power generation)

- Signed an agreement with Enfinity Global, a U.S. renewable energy developer, to purchase 40% (160MW) of Enfinity Global's 28 solar power projects in California, Idaho, and North Carolina.



- Our market size of ICT services is expected to continue expanding due to the rapid digitization of society
- Strengthen existing services (e.g. 5G, data centers, security) and develop new services (e.g. generative AI-related services) to expand income from the ICT service business

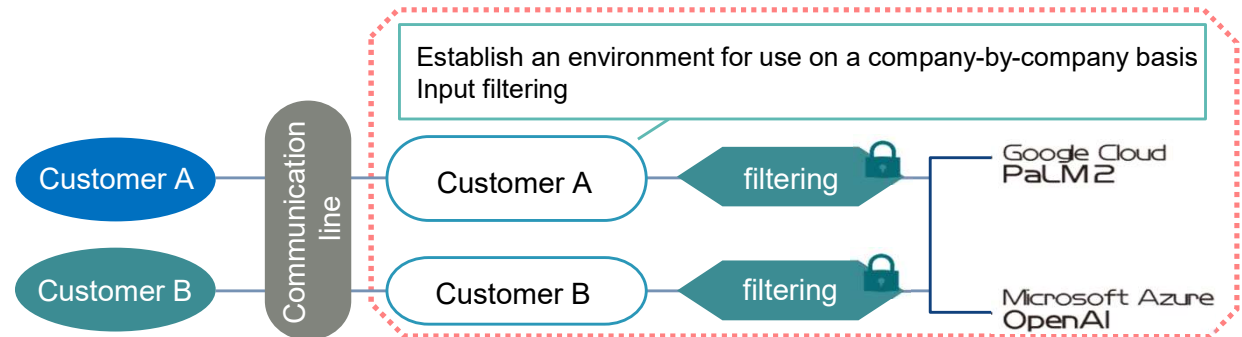
## Ordinary income (Billion yen)



## Main developments in FY2023

- Launched a multi-generational AI platform service for corporate clients (October 2023)

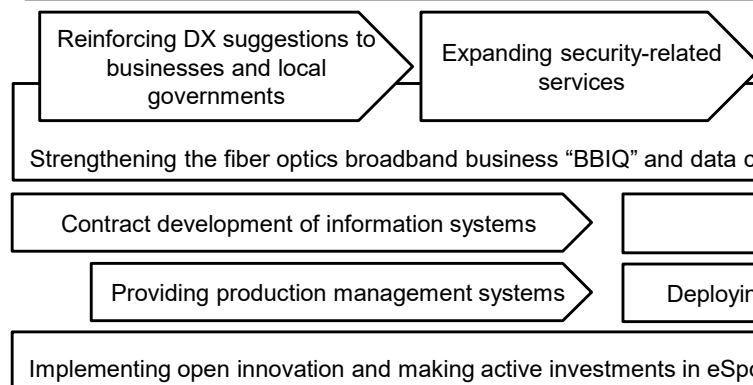
The AI platform can be deployed in multiple ways (Google Cloud: PaLM2, Microsoft Azure: OpenAI), and the use environment can be built on a company specific basis to ensure the security of the AI use. AI generates company-specific answers based on the company's own data, helping to improve productivity



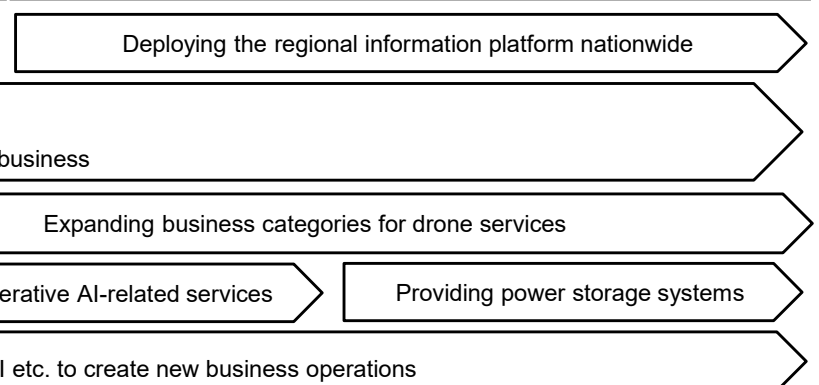
## Income-expanding initiatives

Existing services
New services

## Short-term opportunity maximization



## Mid / long-term opportunity expansion



- From July 2019, the Kyuden Group offers customers in the Kyushu region aerial photography, inspection, surveying, and other services using drones.
- In April 2024, Kyuden established Kyuden Drone Service Co., Ltd. and expanded its service area nationwide in response to the need to respond even more quickly and flexibly to changes in drone-related laws and to the growing needs of various local communities.

## Outline of the New Company

Item	Contents
Company name	Kyuden Drone Service Co.
Location (main office)	2-1-82 Watanabe-dori, Chuo-ku, Fukuoka City, Fukuoka
Date of Establishment	April 2024
Capital	100 million yen
Investment Ratio	Kyushu Electric Power: 100%
Number of Employees	55 *Concurrently with Kyushu Electric Power Co.

## Strengths of the New Company

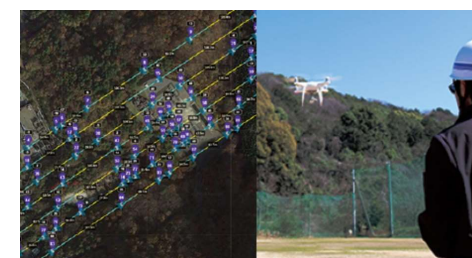
- Proven technical skills developed in infrastructure inspection
- Well-developed service development and provision system
- Diverse services provided by a wide range of aircraft and operators

## Service List



### Inspection Services

Wide range of inspections are possible (including spaces like inside factories/ plants or hazardous places that are narrow, dark, high, or underwater)



### Surveying Services

Speedy and highly accurate surveying and creation of various types of surveying data including 3D and ortho images



### Aerial photography service

Video and still image material for site construction records and introductory movies, from shooting to editing.

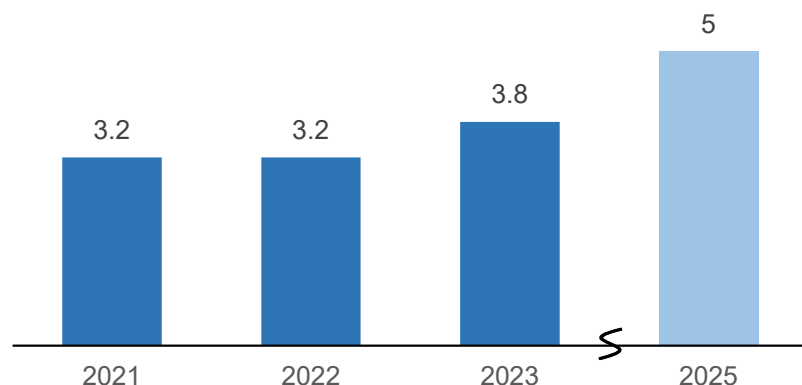


### Agriculture and Forestry Services

Application of pesticides and surveys of current conditions in agriculture and forestry.

- Dividing urban development business into three categories based on profitability (quick turnover, long-term ownership, and services) to establish a balanced portfolio in terms of profitability and stability
- Increasing earnings by deploying value-added business that incorporate energy and digital technology, which are unique to the Kyuden Group

Ordinary income (Billion yen)



Main developments in 2023

- Glo-calogi Kiyama, a logistics facility, commenced operations [Short-term]
  - Use 100% renewable electricity
- Promotion of overseas urban development business (U.S. real estate development) [Short-term]
  - Participated in the development of a rental apartment complex in Dallas and a logistics facility in Chicago
- Promote development of long-term assets [long-term]
  - Began redevelopment of the head office location (tentative name: Watanabe-dori 2-chome Project)
  - Development of a facility (administrative facility + commercial facility) in Oita City.
- Expansion of asset management (AM) business and participation in private REIT business [Services]
  - Establishment of real estate funds No. 2 to No. 6 and AM services
  - Decided to establish Kyuden Urban Development Investment Advisors Co.

## Income-expanding initiatives

### Short-term recovery type

### Long-term ownership type

### Service type

## Short-term opportunity maximization

## Mid / long-term opportunity expansion

### Overseas urban development business

- Strengthening and expanding the condominium development business
- Strengthen development capabilities of logistics project

Offering added value such as decarbonization and DX

### Steadily acquiring assets (offices, community development etc.)

Expanding the asset management business  
(building up fund projects • Liquidation of properties owned )

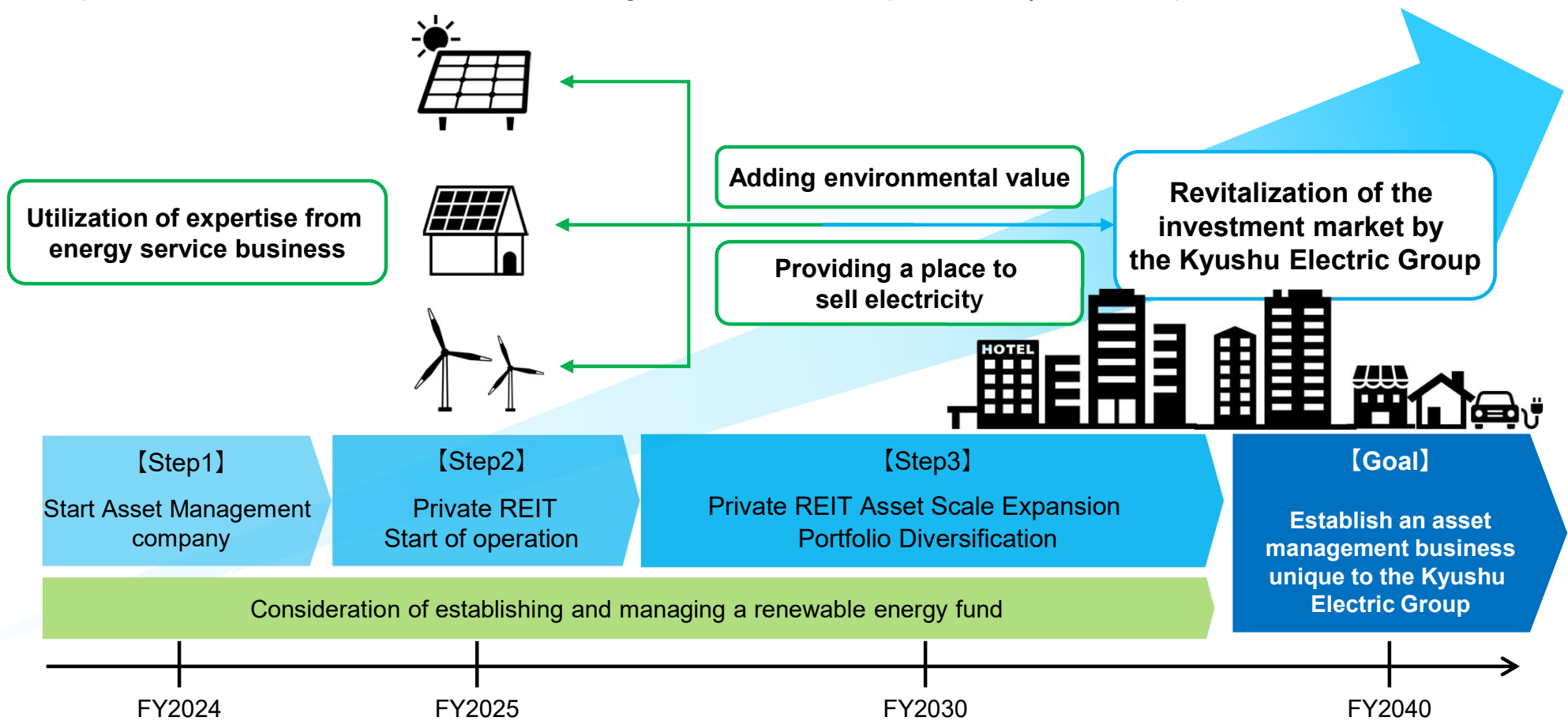
Establishing the asset management business  
(Expand management of private REIT business)

- Toward the realization of co-creation of sustainable communities as stated in Kyuden Group Management Vision 2030, the Kyuden Group plans to establish the "Kyuden Urban Development Investment Advisors, Inc." on July 1, 2024, in order to sustainably expand the Urban Development Business.
- By participating in the private REIT business, mainly in the Kyushu area, we aim for long-term stable management and creating quality investment opportunities for the local community.

## Growth strategy

Commence management of private REIT business by FY2025 and continuously expand asset scale.

Furthermore, by utilizing the expertise in renewable energy and other energy service businesses accumulated by the Kyuden Group, we will establish a real estate asset management business unique to the Kyuden Group.



## Section 3      Business Topics

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- External recognition for being an industry leader in addressing climate change, working toward a decarbonized society, improving information disclosure, and promoting sustainability-related initiatives

## External evaluation of low and decarbonization efforts

### Selected as “A-List” by CDP Climate Change

First Domestic Electricity Utility Company to receive the highest rating of A for excellence in taking Climate change measures and for information disclosure



### SBT Initiative

First major Japanese energy company to receive SBTi certification for GHG emission reduction targets (based on the reduction level of the Kyushu Electric Group's 2030 management targets).

## Integrated Report (Disclosure)

Selected as a recipient of GPIF’s “Outstanding Integrated Reports”. Nominated by three external asset managers, which in the electric and gas sector was the best score (nationwide only 14 companies were selected by 3 or more institutions).

## Human Capital & DX Related

- Certified Health & Productivity Management Outstanding Organization under the Large Enterprise Category (White 500) (both Kyushu Electric Power and Kyushu Transmission & Distribution)
- Obtained certification “DX Certified Operator” by METI (Kyushu Electric Power)

## Status of Inclusion in ESG Indices

Kyushu Electric Power has been included in the following 4 out of the 6 ESG indices used by the Government Pension Investment Fund (GPIF) (as of March 2024).

- FTSE Blossom Japan Sector Relative Index
- MSCI Japan ESG Select Leaders Index
- S&P/JPX Carbon Efficient Index
- Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J)



FTSE Blossom  
Japan Sector  
Relative Index



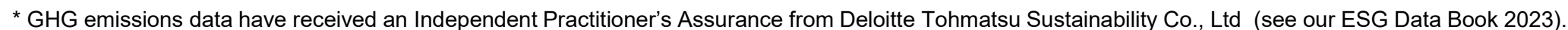
2024 CONSTITUENT MSCI日本株  
ESGセレクト・リーダーズ指数

FTSE Russell confirms that KYUSHU ELECTRIC POWER CO., INC. has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index. The FTSE Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

THE INCLUSION OF KYUSHU ELECTRIC POWER CO., INC. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF KYUSHU ELECTRIC POWER CO., INC. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

## To become Net Zero by 2050 and achieve Carbon Negativity before 2050

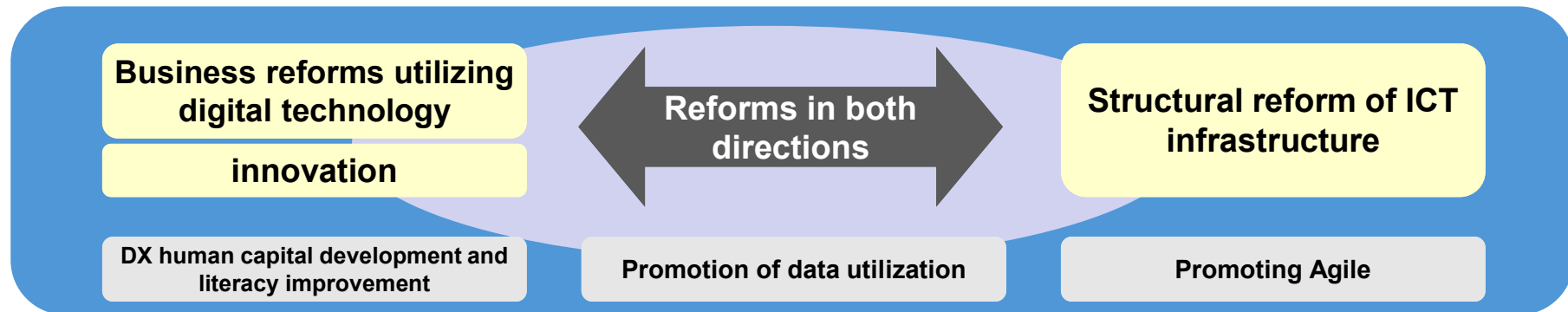
- Achieve virtually zero greenhouse gas (GHG) emissions throughout our supply chain
- Contribute to the reduction of society's GHG emissions through promoting electrification and the development of renewable energy outside the Kyushu region.





- DX Vision and DX Roadmap, which is a basic plan, were formulated to show what we aim to become through DX. Aiming to improve profitability and productivity through fundamental reform of operations and pursuing "corporate transformation "

## DX Roadmap (excerpts)



## Use of Generative AI

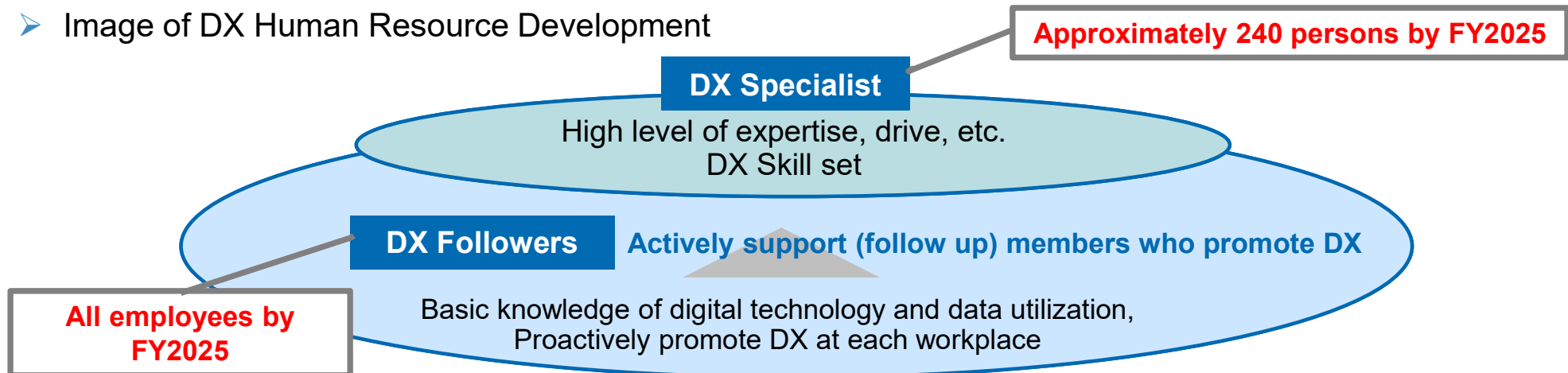
- Establishing a company-wide environment that facilitates the use of generative AI to boost productivity (since July 2023)
  - Created utilization guidelines and provide explanations of effective utilization methods by conducting in-house training and information dissemination
  - Consideration of the introduction of the most appropriate generative AI tool and link with in-house data (internal rules, meeting materials, etc.), etc,



- Focus on developing highly knowledgeable "DX specialists" and raising the skill level of all employees to improve the effectiveness of DX.

### Develop and secure DX human resources

#### ➤ Image of DX Human Resource Development

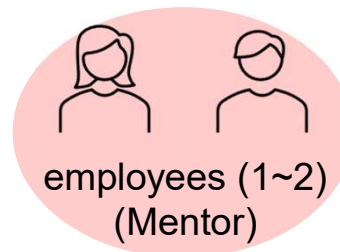


#### ➤ Reverse mentoring scheme

In addition to improving management's understanding of the latest digital expertise and trends, foster an open workplace culture through communication across hierarchical levels and organizations (also increase engagement of employees)



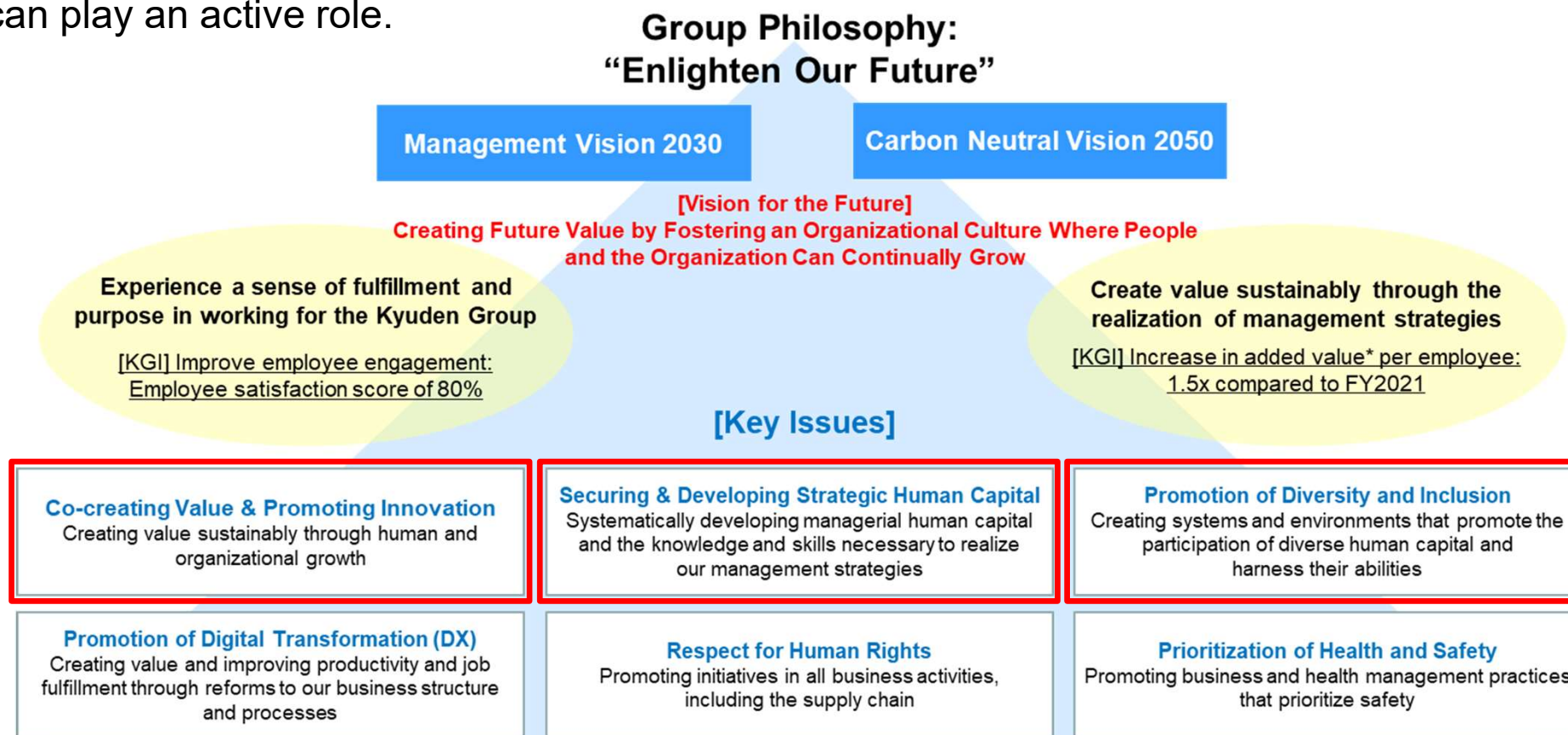
- Learn about the latest trends in digital technology and tools
- Gain a better understanding of what employees think



- Learn how management thinks and how to look at the company as a whole from a bird's eye view.
- Broaden horizons through interaction with executives from other divisions
- Sharing knowledge and skills is a big motivator



- We aim to "create future value by fostering an organizational culture in which people and the organization continue to grow," and we are further strengthening our human capital management.
- To achieve these goals, we will work to create systems and environments that enable diverse human resources to play an active role by securing and developing human resources to realize our management strategies and by implementing diversity, equity, and inclusion (DE&I) initiatives. We will work to create a system and environment in which diverse human resources can play an active role.



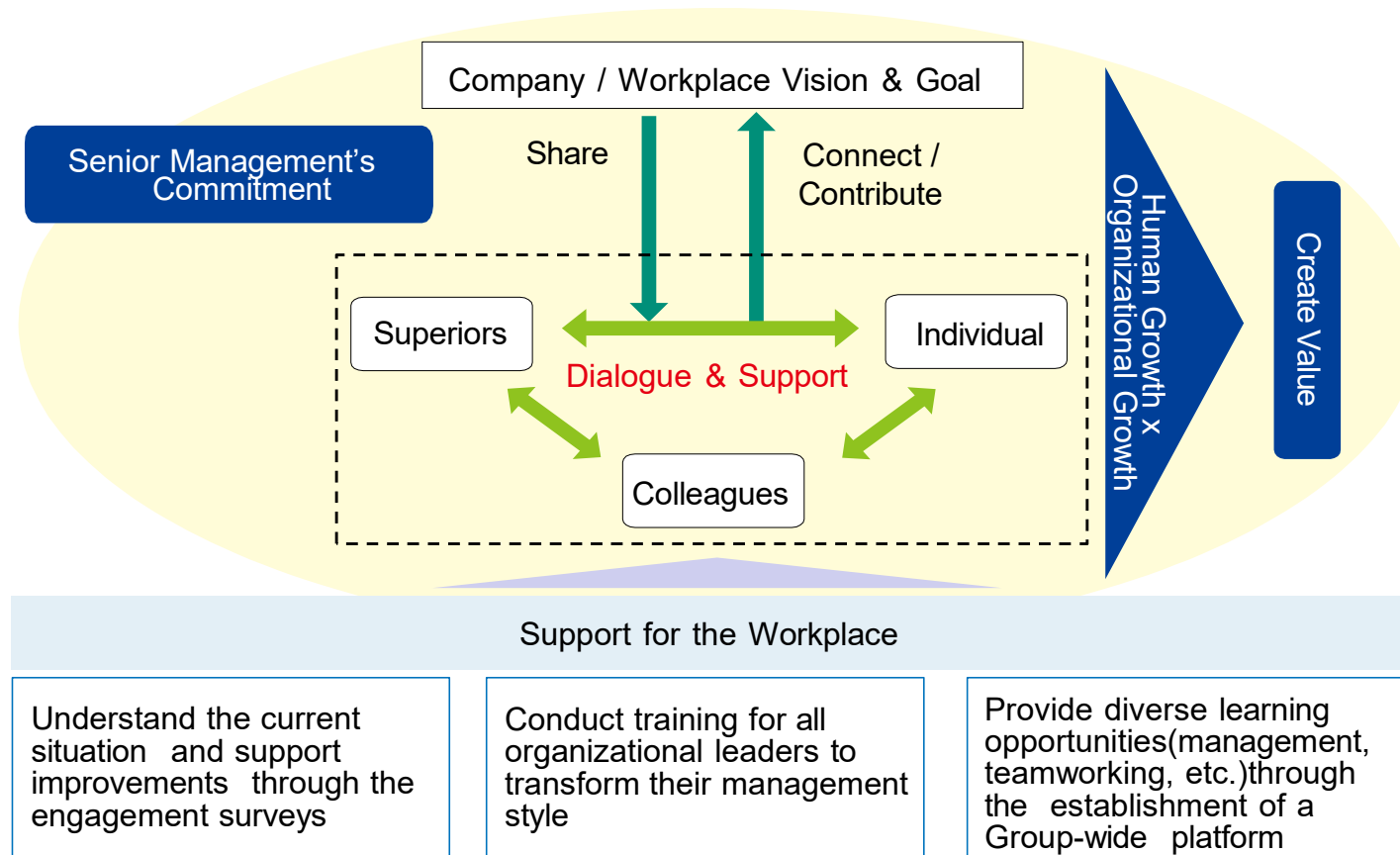
\* Added value = operating revenues minus value of external purchases (such as fuel expenses, outsourcings costs) and depreciation.  
I.e. ordinary income + personnel expenses + rent + finance expenses + taxes and dues.

# Promoting Value Co-Creation and Innovation

## Efforts to Improve Employee Engagement

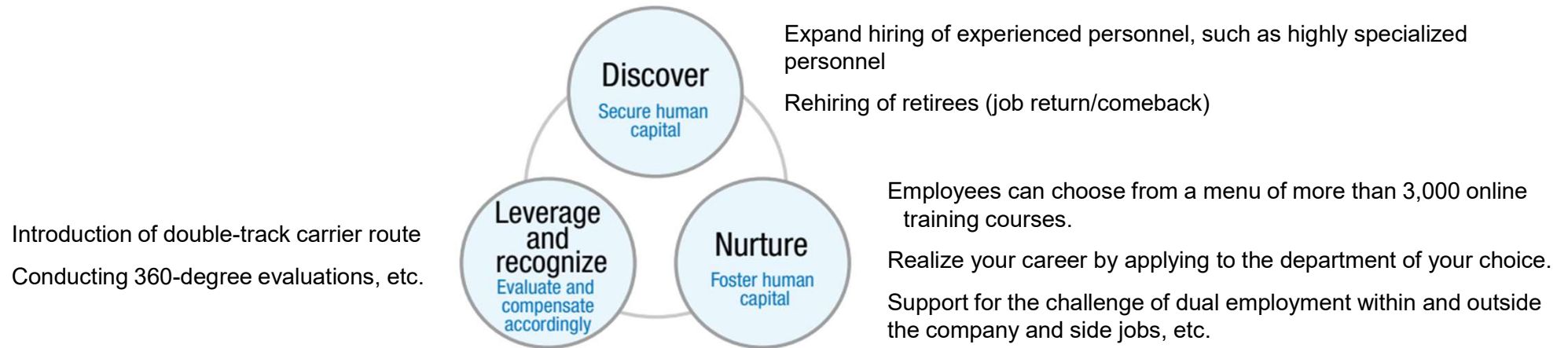
23

- We will accelerate efforts for “human and organizational growth” and the “creation of added value,” in which each employee enthusiastically takes the initiative to act on their own toward a shared vision and builds organizational strength through co-creation, promoting QX (Qden Transformation)
- As part of the QX initiative, an engagement survey is conducted to visualize the workplace climate, etc. of each workplace. Based on the results, heads of organizations learn about management reform, build action plans for workplace reform and improvement, and engage in dialogue and practice in the workplace.



## Securing and developing strategic human resources

- Promote "securing human resources," "human resources development," and "evaluation and compensation" in a three-pronged manner to realize management strategies and support employees' autonomous growth.



## Promotion of DE&I

### (1) Promotion of female employees

- Set targets such as more than doubling the ratio of women in management positions by the end of FY2028 (Women's Activism Act Phase III Action Plan)
- Fast-tracking careers and playing catch-up to account for life events

### (2) Initiatives aimed at 100% male childcare leave utilization rate (target achieved in FY2023)

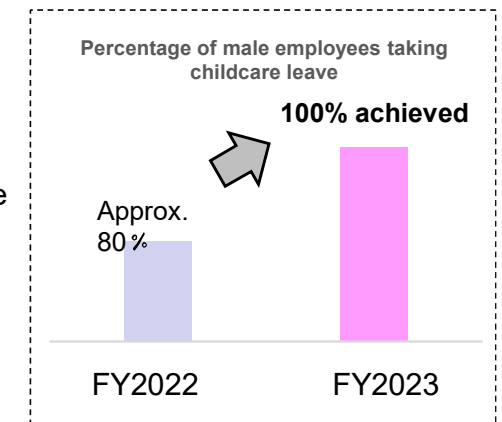
- Encourage male employees to take at least 2 weeks of childcare leave, and partially pay for childcare leave

### (3) Leave for grandchild care

- Introduced from the perspective of fostering a culture in which the grandparents' generation participates in and supports each other's childcare.

### (4) Promotion of work style reforms

- Trial implementation of full Introduction of "Super Flex" system that allows human resources to work without being restricted by "core hours," including the realization of autonomous work styles.
- Fully remote working system that allows human resources with various circumstances such as childcare and nursing care to work from any location.



- The current management vision was formulated in June 2019 as the direction of the Kyuden Group's management with a view to 2030.
- Five years have passed since its formulation, and the environment surrounding our business has changed significantly, including the global energy situation and the trends in Japan's energy policy. We have begun to consider a review of our management vision in light of the business environment from a long-term perspective

## Reference material

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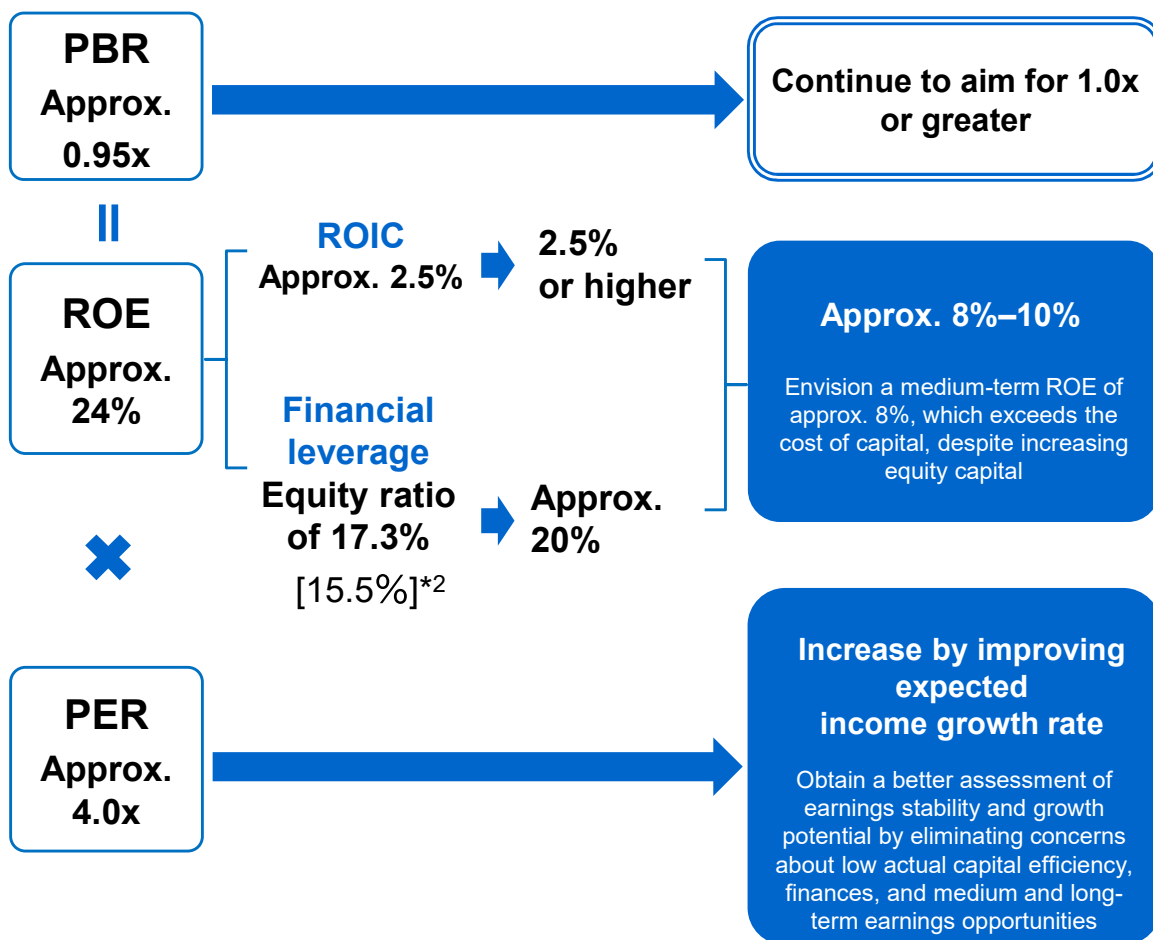


- (1) Realization of return on capital in excess of cost of capital (increase in ROE) and (2) improvement of current earnings recovery and evaluation of future growth potential (increase in PER) are essential to achieve sustainable corporate value growth (continuous PBR of over 1x).

## Current PBR, ROE, and PER levels and future direction

FY2023\*

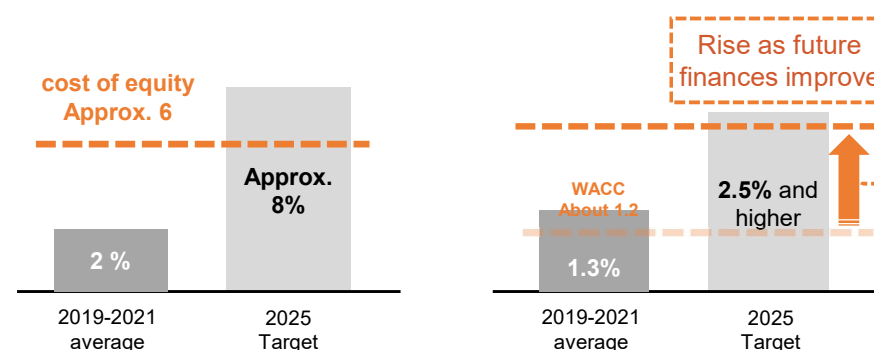
Medium Term level



Promote continuous and stable profit generation and steady expansion of growing businesses through ROIC management

<ROE>

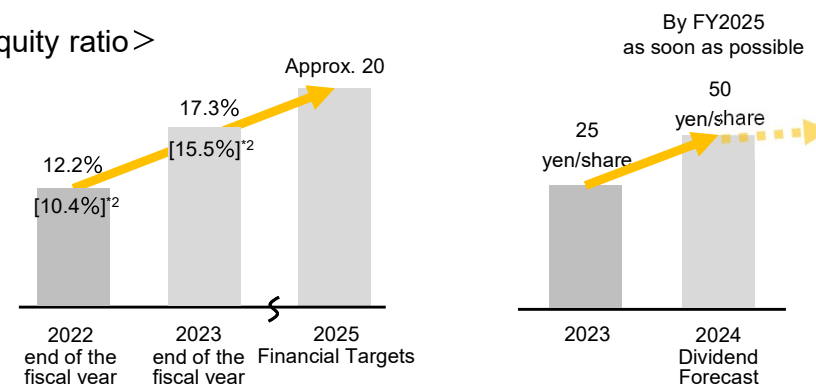
<ROIC>



Steady accumulation of profit and equity capital through the operation of 4 nuclear reactors

Strengthening Shareholder Returns

<Equity ratio>



\*1 Share price: as of March 31, 2023; net income per share based on FY2023 fiscal values  
; net assets per share: as of end of FY2023 (excluding preferred shares)

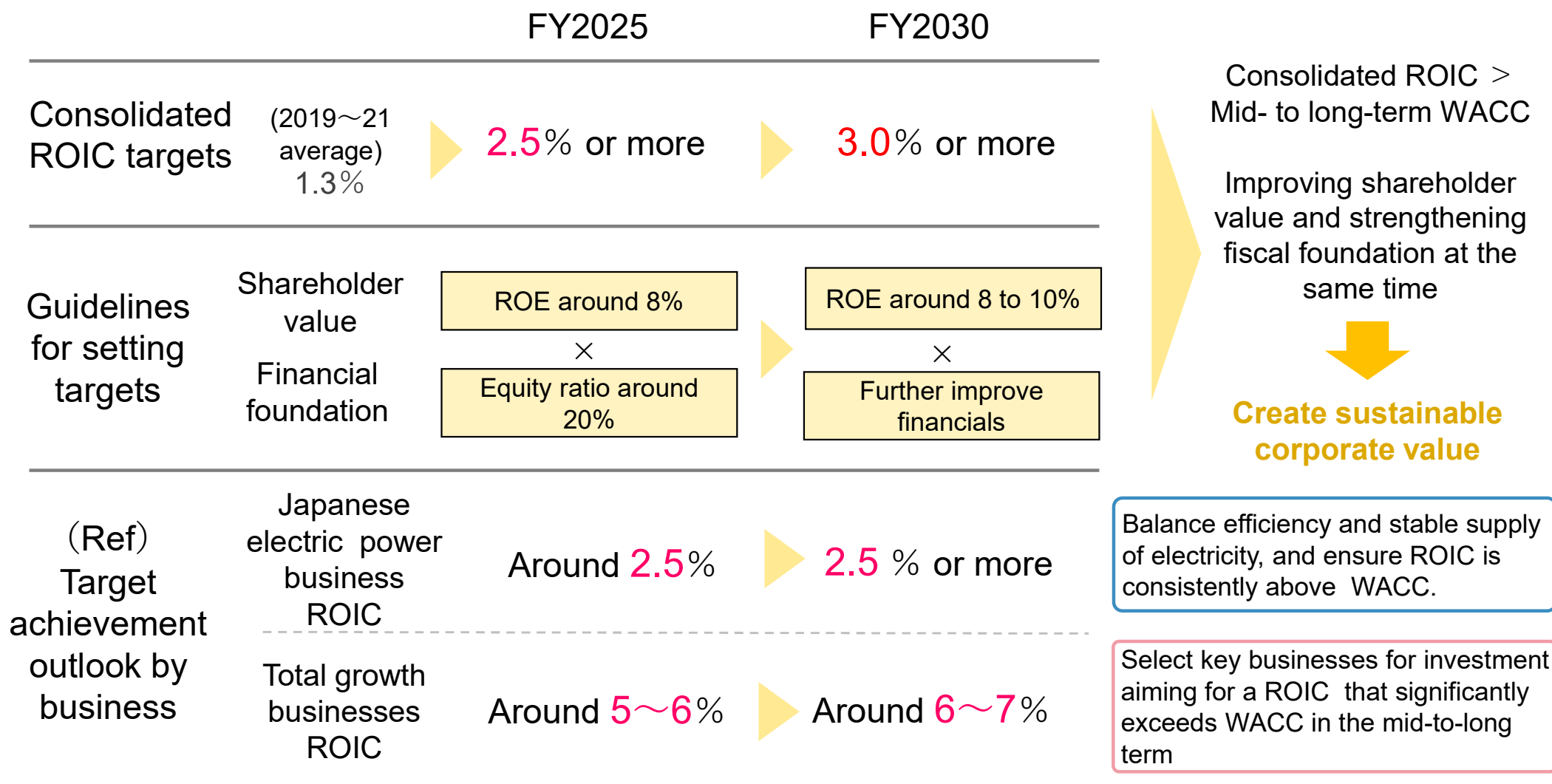
\*2 Before taking into account hybrid bonds



- In addition to financial initiatives, expand non-financial initiatives such as carbon neutrality and strengthening human capital management, leading to lower cost of capital and higher expected profit growth

Ideal State	Perspectives	Perspective	Targets, etc.
Sustainable enhancement of corporate value (PBR of 1x or greater)	1) Achieve capital profitability that exceeds the cost of capital (increase ROE)	<b>Finance-related efforts</b> <div>Steadily implement management cycle to achieve ROIC target (announced April 2023)</div> <div>Generate sustainable, stable income, strengthen financial base, and thus increase shareholder return</div>	FY2025 financial objectives and management indicators Consolidated ROIC : <b>2.5% or higher</b> Consolidated ROE : <b>approx. 8%</b> Ordinary income : <b>125 billion yen or more</b> Capital adequacy ratio : <b>approx. 20%</b> <b>Quickly resume dividend payments (¥50/share)</b>
	2) Gain trust through recent recovery in earnings and shareholder return	<b>Non-financial efforts</b> <div>Non-financial initiatives related to carbon neutrality, human capital, and other issues, which increase expectations of medium and long-term growth</div>	FY2030 environmental objectives Reduce supply chain GHG emissions: <b>60%</b> Electrification rate for Kyushu Household : <b>70%</b> , Commercial : <b>60%</b> FY2030 employee engagement : <b>80%</b> Increase per employee value added : <b>1.5x</b>
	Obtain positive assessment of future growth potential		
	(Improve PER) Lower cost of equity Improve expected income growth rate	<b>Capital market dialogue</b> <div>Promote understanding of the above efforts through active dialogue</div>	

- Setting ROIC targets as below, including clearing WACC, as the standard that should be achieved group-wide in the mid- to long-term from the perspective of improving shareholder value and strengthening fiscal foundation.



※ We will consider announcing business-specific targets after reviewing the impact of renewable energy business integration and other factors

## Renewable energy development plan (as of March, 2024)

	Power station, etc.	Prefecture	Total output (kW)	Remarks
<b>Wind</b>	Kitakyushu Hibikinada Offshore Wind*	Fukuoka	220,000	Due to go operational in FY2025
<b>Hydro</b>	Jikumaru	Oita	13,600 [ + 1, 100]	Due to go operational in February 2026 [12,500kW→13,600kW]
	Chinda	Oita	9,900 [ + 1, 600]	Due to go operational in March 2026 [8,300kW→9,900kW]
	Yoake	Oita	12,500 [ + 500]	Due to go operational in June 2027 [12,000kW→12,500kW]
	Subtotal		36,000 [ + 3,200]	-
<b>Geothermal</b>	Mt. Eboshi site, Kirishima*	Kagoshima	4,990	Due to go operational in FY2026
<b>Biomass</b>	【Outside Kyushu】 Tahara Biomass*	Aichi	50,000	Due to go operational in FY2025
	Total		278,190	Increased output is accounted for hydropower

\*Under development by Kyuden Mirai Energy

## &lt;Verification test / Open project&gt;

	Power station, etc.	Prefecture	Total output (kW)
<b>Tidal power</b>	Project to build a local decarbonization model with tidal power generation (Open tender project by the Environment Ministry)*	Nagasaki	1,100

\*Being carried out by Kyuden Mirai Energy

## &lt;Business Development Overseas (As of March 2024)&gt;

Project name	Generation type	Start of Operation /Investment	Output	Ownership	Equity output
Mexico : Tuxpan II	Gas	2001/12	495 MW	50.0 %	248 MW
Mexico : Tuxpan V	Gas	2006/9	495 MW	50.0 %	248 MW
Singapore : Senoko Energy	Gas	[Investment] 2008/9	2,382 MW	15.0 %	357 MW
China : Inner Mongolia	Wind	2009/9	49.5 MW	29.0 %	14 MW
Taiwan : Hsin Tao	Gas	[Investment] 2010/10	600 MW	33.2 %	199 MW
Indonesia : Sarulla I~III	Geothermal	2018/5	330 MW	25.0 %	83 MW
USA : Birdsboro	Gas	[Investment] 2018/1	488 MW	8.3 %	41 MW
USA : Kleen Energy	Gas	[Investment] 2018/5	620 MW	20.3 %	126 MW
USA : South Field Energy	Gas	2021/10	1,182MW	18.1 %	214 MW
Thailand : EGCO	Gas, Renewable, others	[Investment] 2019/5	6,996MW	6.1 %	429 MW
USA : Westmoreland	Gas	[Investment] 2019/11	940 MW	12.5 %	118 MW
UAE : Taweelah B	Gas	[Investment] 2020/3	2,000 MW	6.0 %	120 MW
Bahrain : Al Dur I	Gas	[Investment] 2021/8	1,234 MW	19.8 %	244 MW
Uzbekistan : Syrdarya	Gas	[Investment] 2022/3	Approx. 1,600 MW	14.3 %	Approx. 230 MW
Philippines : PetroGreen	Renewable	[Investment] 2022/10	127 MW	25.0 %	32 MW
USA : Enfinity	Solar power	[Investment] 2024/3	400 MW	40.0 %	160 MW
UK: Viridor Energy	Waste	[Investment] 2024/1	239 MW	—	—

(Note) The list includes projects participated prior to commercial operation. Due to rounding of figures they may not match the sum.

## &lt;Other investments (As of March 2024)&gt;

Name	Business Overview
Philippines – PowerSource Philippines, Inc.	Using existing power distribution networks for off-grid electrification
Thermochem	Providing geothermal technology service, consulting service etc.
USA – Enernet Global Inc.	Designing optimized facility configuration and operation by combining distributed power sources
UAE – HVDC subsea transmission project	Supplying clean energy from the mainland to offshore oil / gas production facilities
Shizen International	Developing solar, wind and other renewable energies primarily in Southeast Asia
USA – Persistent Energy Capital LLC	Investing in and supporting a venture business in off-grid areas in Africa
NordicNinja Fund II	Fund investing in startups with strong potential in the field of sustainability and digital technology in the Nordic region

## Status of Major Projects (As of March 2024)

region	Category	Project name	~FY2022	FY2023	FY2024	FY2025	~	FY2030
kyushu	Multi-functional facility	Utilizing the former Fukuoka City fruit and vegetable market site (Lalaport Fukuoka)		▼completion of construction				
		Utilizing the former site of Niagemachi Elementary School		▼construction starts		▼completion of construction		
		Utilizing the former Fukuoka Family Court site				▼construction starts		▼completion of construction
	Hotels	Fukuoka City Hotel Project		▼Investment				
	Office buildings	Fukuoka Maizuru Square		▼completion of construction				
		Denki Building in front of Nagasaki Station		▼completion of construction				
		Utilizing the former site of Fukuoka City Office's North Annex			▼construction starts		▼completion of construction	
		Jointly develop Watanabe-dori 2-chome Project (tentative name)				▼construction starts		▼completion of construction
		Fukuoka City Office Project		▼Investment				
	Residential	Island City condol Island City condominium project				▼construction starts		▼completion of construction
		Kumamoto City Rental Housing Project		▼Investment				
		Fukuoka City, etc. Rental Housing Business		▼Investment				
		Utilizing the former site of Nagasaki Broadcasting Company			▼construction starts		▼completion of construction	
	Logistics	Kiyama-cho logistics development		▼construction starts		▼completion of construction		
		Kasuya-machi logistics development (LogiPort Fukuoka Kasuya)		▼construction starts		▼completion of construction		
		Island City logistics operation project				▼construction starts		▼completion of construction
	Airport	Fukuoka Airport operation project	▼Investment					
		Kumamoto Airport operation project	▼Investment					
Outside Kyushu	Hotels	Hotel investment projects in Japan including Kanto and Kansai	▼Investment					
	Office buildings	Yokohama City Office, Laboratory Project		▼Investment				
	Residential	Osaka City Rental Housing Project		▼Investment				
	Logistics	Higashi-Ogishima logistics project (Kanagawa Prefecture)	▼Investment					
		Fukuyama City logistics project (Hiroshima Prefecture)	▼Investment					
		Kasukabe City Logistics Project			▼construction starts		▼completion of construction	
		Osaka City Frozen and Refrigerated Logistics Project			▼construction starts		▼completion of construction	
		Toyama City Frozen and Refrigerated Logistics Project			▼construction starts		▼completion of construction	
		Nagoya Logistics City Project			▼construction starts		▼completion of construction	
	Airport	Hiroshima Airport operation project	▼Investment					
Overseas	Residential	Portland USA / Rental housing project	▼construction starts		▼completion of construction			
		Development of ESG-considerate rental housing [4 sites] in southern USA		▼construction starts		▼completion of construction		
		Dallas USA / multi-family rental housing development project	▼construction starts		▼completion of construction			
	Logistics	Chesterfield USA / Logistics development		▼construction starts		▼completion of construction		
		Chicago USA / Logistics development			▼construction starts		▼completion of construction	

(Note) Schedule as of the end of March 2024 (plans may change in the future), including properties to be sold by fiscal 2030.

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