

# Presentation materials for IR meeting

November 13, 2019



Statements made in this overview of operations regarding Kyushu Electric Power's strategies and forecasts and other statements that are not historical facts are forward-looking statements based on management's assumptions and beliefs in light of information currently available, and should not be interpreted as promises or guarantees. Owing to various uncertainties, actual results may differ materially from these statements. Investors are hereby cautioned against making investment decisions solely on the basis of forward-looking statements contained herein.

(Note)

The English translation is for reference purposes only for the convenience of our English-speaking investors.

In case a difference arises regarding the meaning herein, the original Japanese version shall prevail.



Section1 Financial results 2Q FY2019

Section2 Business Update







# Section1 Financial results 2Q FY2019

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## Sales (Decrease), Ordinary Income (Decrease)

Consolidated Sales : **1,020.2 billion of yen** (Decrease by **1.1%** Compared with FY2018 2Q)

Consolidated Ordinary Income : **17.0 billion of yen** (Decrease by **42.1%** Compared with FY2018 2Q)

Ordinary income decreased compared to FY2018 2Q, despite the reduction in fuel costs achieved by increased nuclear power generation. Ordinary income decreased because of a decline of power sold to other suppliers due to low market prices in the domestic power business, an increase of losses in surplus LNG trading due to the sharp decline of the market price, and an increased depreciation as trial runs of Matsuura Unit 2 have started.

	(Billion of Yen,%)				FY2019 2Q Consolidated Ratio
	FY2019 2Q	FY2018 2Q	Difference	Rate of Change	
Ordinary Revenues	1,028.7	1,039.0	-10.2	-1.0	
Sales [Figures are included above]	1,020.2	1,031.6	-11.3	-1.1	(1.10)
Ordinary Expenses	1,011.6	1,009.5	2.1	0.2	
(Operating Income)	(30.1)	(41.6)	(-11.5)	(-27.6)	
Ordinary Income	17.0	29.5	-12.4	-42.1	(6.16)
Net Income attributable to owners of the parent	7.1	19.6	-12.4	-63.4	

Note: Consolidated subsidiaries: 46 companies (1 company is added)

Equity method companies: 37 companies (9 companies are added)

Sales decreased by 1.1% to ¥1,020.2 billion and ordinary revenues decreased by 1.0% to ¥1,028.7 billion, although there was an increase in ICT services business. The decrease in Sales was caused by less power sold to other suppliers due to low market prices in the domestic power business. Lighting and power has been stable as the electricity sales volume was similar to FY 2018 2Q.

(Billion of Yen,%)

	FY2019 2Q	FY2018 2Q	Difference	Rate of Change
Operating Revenues (Sales)	1,020.2	1,031.6	-11.3	-1.1
Other Revenues	8.4	7.4	1.0	14.6
(Share of profit of entities accounted for using the equity method) [Figures are included above]	(5.0)	(2.6)	(2.3)	(89.1)
Ordinary Revenues	1,028.7	1,039.0	-10.2	-1.0

Ordinary expenses increased by 0.2% to ¥1,011.6 billion, although there was a reduction in fuel costs achieved by increased nuclear power generation. Ordinary expenses increased because of losses in the surplus LNG trading, an increase in depreciation costs, an increase of electricity procurement expenses of a consolidated subsidiary, and in addition an increase in expenses of ICT services business.

(Billion of Yen,%)

	FY2019 2Q	FY2018 2Q	Difference	Rate of Change
Operating Expenses	990.0	989.9	0.1	—
Other Expenses	21.5	19.5	1.9	10.2
Ordinary Expenses	1,011.6	1,009.5	2.1	0.2

# 1 (3) Ordinary Income/Net Income Attributable to Owners of the Parent

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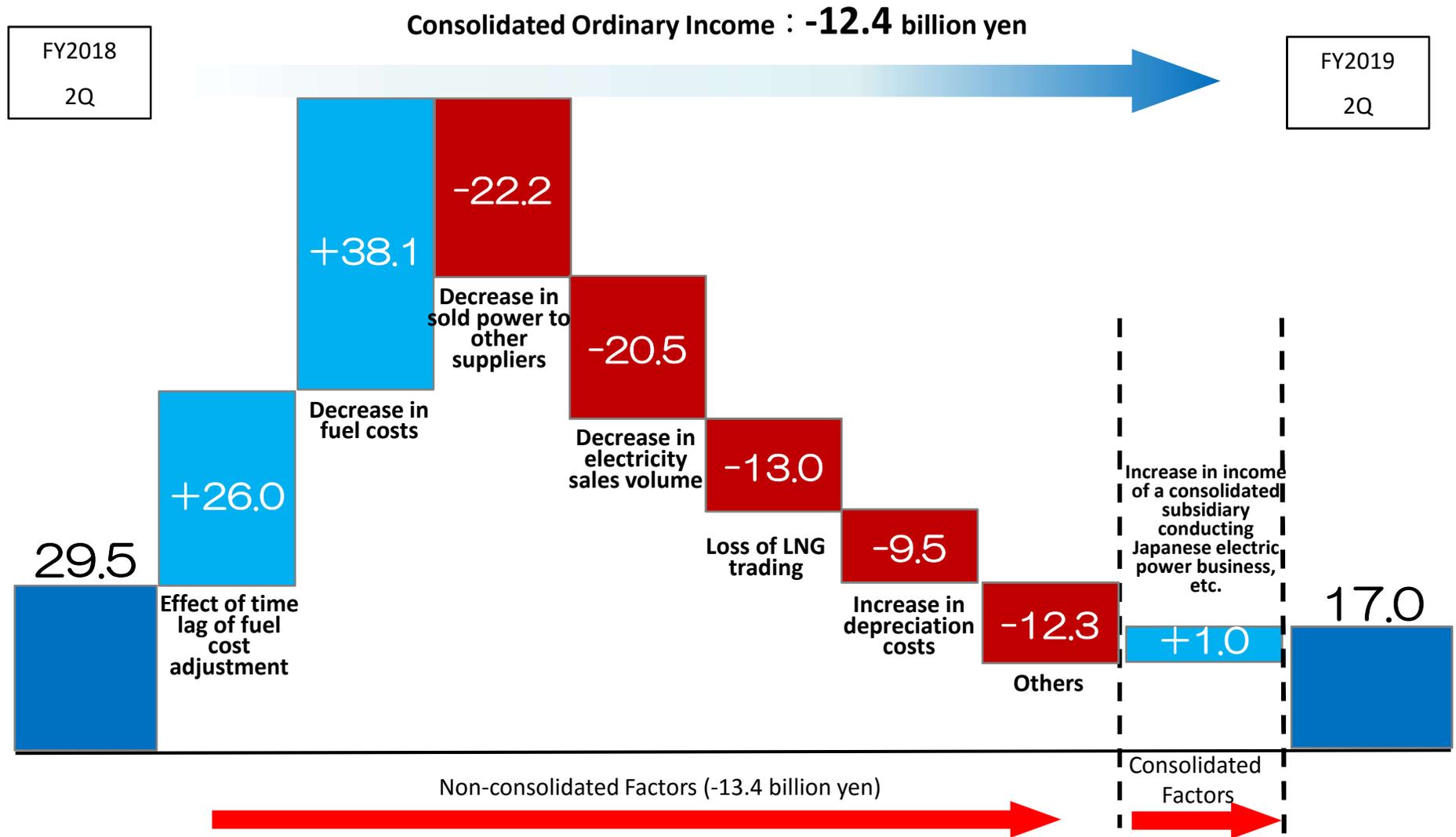
Ordinary Income decreased by 42.1% to ¥17.0 billion and Net Income Attributable to owners of the parent decreased by 63.4% to ¥7.1 billion, when comparing to FY 2018 2Q.

(Billion of Yen,%)

	FY2019 2Q	FY2018 2Q	Difference	Rate of Change
Ordinary Income	17.0	29.5	-12.4	-42.1
Provision for Reserve for Fluctuation in Water Levels	-0.1	—	-0.2	—
Income Before Income Taxes	17.2	29.4	-12.1	-41.3
Income Taxes	9.0	9.0	—	—
Net Income Attributable to Non-controlling Interests	1.0	0.7	0.2	40.3
Net Income Attributable to Owners of the Parent	7.1	19.6	-12.4	-63.4

# 1 (4) Major Factors Affecting Ordinary Income(Consolidated)

(Billion of Yen)



Consolidated ordinary income excluding effect of time lag around 45.0

Consolidated ordinary income excluding effect of time lag around 6.0

(Billion of Yen)

			FY2019 2Q		FY2018 2Q		Difference	
Energy services businesses	Japanese electric power business	Sales	(939.1)	941.1	(953.2)	955.2	(-14.0)	-14.0
		Operating Income		20.5		29.7		-9.2
	Other energy services businesses	Sales	(35.7)	84.6	(35.4)	94.9	(0.3)	-10.3
		Operating Income		3.7		6.2		-2.5
ICT services businesses	Sales	(39.0)	51.2	(33.7)	45.3	(5.2)	5.8	
	Operating Income		3.3		1.8		1.5	
Other businesses	Sales	(6.2)	13.6	(9.1)	15.9	(-2.9)	-2.2	
	Operating Income		2.3		3.3		-1.0	
Inter-segment transactions eliminated	Sales		-70.4		-79.9		9.4	
	Operating Income		—		0.2		-0.2	
Total	Sales		1,020.2		1,031.6		-11.3	
	Operating Income		30.1		41.6		-11.5	

Note1: The above amounts represent figures prior to elimination of transactions among segments.

Note2: Figures in ( ) represent sales excluding transactions among group companies.

Note3: Our segment classification was changed from FY2019 1Q

**Sales** : **941.1 billion of yen** ( Decrease by **1.5%** Compared with FY2018 2Q)  
**Operating Income** : **20.5 billion of yen** ( Decrease by **30.9%** Compared with FY2018 2Q)

Sales decreased by 1.5% to ¥941.1 billion, because power sold to other suppliers decreased due to low market prices in the domestic power business. Lighting and power has been stable as the electricity sales volume was similar to FY 2018 2Q.

Operating Expenses decreased by 0.5% to ¥920.5 billion, due to the reduction of fuel costs achieved by increased nuclear power generation. However this reduction was offset by losses in the surplus LNG trading, an increase of depreciation and electricity procurement expenses of a consolidated subsidiary.

As a result, operating income decreased by 30.9% to ¥20.5 billion.

(Billion of Yen,%)

	FY2019 2Q	FY2018 2Q	Difference	Rate of Change
Sales	941.1	955.2	-14.0	-1.5
Operating Expenses	920.5	925.4	-4.8	-0.5
Operating Income	20.5	29.7	-9.2	-30.9

# 1 (5) ① Japanese electric power business(Electricity Sales Volume)

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Non-Consolidated electricity sales volume decreased by 3.3% to ¥35.3 billion kWh, due to the influence of the unseasonable weather such as a long rainy season and heavy rain.

Consolidated electricity sales volume was the same as the second quarter of 2018, because of an increase of sales outside Kyushu.

## 【 Non-Consolidated】

(Billion kWh,%)

	FY2019 2Q	FY2018 2Q	Difference	Ratio
Lighting	11.78	12.71	-0.93	92.6
Power	23.47	23.76	-0.29	98.8
Total	35.25	36.47	-1.22	96.7

Note: Some rounding errors may be observed

## 【Reference】 Total electricity sales volume of the Kyuden group (Lighting · Power)

(Billion kWh,%)

	FY2019 2Q	FY2018 2Q	Difference	Ratio
Total electricity sales volume of the Kyuden group	36.47	36.55	-0.08	99.8

Note: These figures represent sales volume of our company and a consolidated subsidiary (Kyuden Mirai Energy Company, Incorporated).

The electricity supply has been stable, which is the result of a stable operation of 4 nuclear power units, a comprehensive operation such as thermal power and water pumping, and the implementation of renewable energy output control based on government rules.

## 【 Non-Consolidated】

(Billion kWh,%)

		FY2019 2Q	FY2018 2Q	Difference	Ratio
Own facilities *1	Hydro	2.93	2.94	-0.01	99.6
	(Water flow rate)	(9.47)	(9.86)	(-0.39)	
	Thermal	11.82	15.33	-3.51	77.1
	Nuclear	13.30	10.75	2.55	123.7
	(Utilization rate) *2	(7.59)	(5.49)	(2.10)	
	New Energy etc	0.54	0.52	0.02	103.6
	Subtotal	28.59	29.54	-0.95	96.8
Other companies *3		9.74	9.58	0.16	101.6
( New Energy etc. [ Figures are included above] )		(6.79)	(6.46)	(0.33)	(105.0)
Interchange*3		-0.08	—	-0.08	—
For pumping		-1.16	-0.92	-0.24	125.9
Total		37.10	38.21	-1.11	97.1

Note: Some rounding errors may be observed.

\*1 Own facilities' generation means transmission-end number.

\*2 Utilization rate of nuclear power in FY2018 is calculated based on 5 units. On April 9, 2019, unit No.2 of Genkai nuclear power station was decommissioned.

\*3 "From other companies & Interchange" includes the volume of electricity recognized as of the end of quarter of fiscal year.

## (Reference) Ratio of Generated and Received Electricity

(%)

	FY2019 2Q	FY2018 2Q	Difference
Nuclear Power	35.9	28.1	7.8
Renewable Energy *	28.0	26.8	1.2

\* "Renewable Energy" represents a total of Solar, Wind, Biomass, Waste, Geothermal and Hydro (excluding "For pumping") generated by facilities of our own and other companies.

**Sold power to other utilities and other suppliers**

【 Non-Consolidated】

(Billion kWh,%)

	FY2019 2Q	FY2018 2Q	Difference	Ratio
Sold power to other utilities and other suppliers	3.11	4.16	-1.05	74.9

Note: Some rounding errors may be observed

**Crude Oil CIF Price and Exchange Rate**

	FY2019 2Q	FY2018 2Q	Difference
Crude Oil CIF Price	69\$/b	74\$/b	-5\$/b
Exchange Rate	109¥/\$	110¥/\$	-1¥/\$

# (Reference) 【Non-Consolidated】 Income Statement

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(Billion of Yen,%)

		FY2019 2Q	FY2018 2Q	Difference	Ratio	Explanations
Ordinary Revenues	Lighting	277.3	293.9	-16.5	94.4	Decrease in electricity sales volume -20.5 Renewable Energy Power Promotion Surcharge -0.5(90.6←91.1)*
	Power	386.9	387.9	-1.0	99.7	
	(Sub Total)	(664.3)	(681.8)	(-17.5)	(97.4)	
	Sold power to other utilities and other suppliers	22.7	44.6	-21.8	51.0	Sold power to other suppliers -22.2
	Other	246.3	238.6	7.7	103.2	Grant based on the Act on Purchase of Renewable Energy Sourced Electricity 6.2(191.7←185.4)*
	(Sales)	(927.6)	(961.1)	(-33.4)	(96.5)	
Total		933.4	965.1	-31.6	96.7	
Ordinary Expenses	Labor	71.3	70.6	0.6	101.0	
	Fuel	94.8	132.9	-38.1	71.3	Effect of operating of nuclear power station -17.0 Thermal power composition -15.5 Decrease in electricity sales volume -9.5 Decrease in sales to others -9.0 Decrease in Thermal from other suppliers 10.0
	Purchased power from other utilities and other suppliers	289.8	291.2	-1.4	99.5	Purchased power from other suppliers -1.5 (Figures are included above : Purchase of Renewable Energy Sourced Electricity 4.2(231.7←227.4))*
	Maintenance	77.6	85.6	-8.0	90.6	Nuclear -11.4 Distribution 4.1
	Depreciation	97.4	87.8	9.5	110.9	unit 2 of Matsuura 10.6
	Interest	11.9	13.8	-1.8	86.5	
	Tax and public dues	46.4	45.7	0.7	101.6	Non-current assets Tax 3.7 Tax for nuclear fuel -2.0 (Effect of operating nuclear power station -2.6)
	Nuclear back-end	31.5	29.5	1.9	106.5	Effect of operating nuclear power station 2.3
	Other	209.7	191.4	18.2	109.5	Miscellaneous cost 12.1(Loss of LNG trading 13.0) Miscellaneous loss 3.9 Levy based on the Act on Purchase of Renewable Energy Sourced Electricity -0.5(90.6←91.1)*
Total		930.6	948.9	-18.2	98.1	
(Operating Income )		(15.6)	(28.7)	(-13.0)	(54.5)	
Ordinary Income		2.7	16.1	-13.4	17.1	

\* The underlined parts are related to Feed-in Tariff Power purchase and sale system of renewable energy

(Billion of Yen)

	FY2019 2Q	FY2018 2Q	Difference
Ordinary Revenues	21.5	4.9	16.6
Sales [Figures are included above]	21.5	4.8	16.6
Ordinary Expenses	18.1	3.8	14.2
(Operating Income)	3.5	1.2	2.3
Ordinary Income	3.4	1.1	2.3

Sales :84.6 billion of yen (Decrease by 10.9% Compared with FY2018 2Q)  
 Operating Income : 3.7 billion of yen (Decrease by 40.1% Compared with FY2018 2Q)

Sales decreased by 10.9% to ¥84.6 billion and operating income decreased by 40.1% to ¥3.7 billion compared to FY2018 2Q, due to a decrease in the construction and repair work of plants and in the sales of LNG, despite of an increase in replacing electrical measurement equipment.

(Billion of Yen, %)

	FY2019 2Q	FY2018 2Q	Difference	Rate of Change
Sales	84.6	94.9	-10.3	-10.9
Operating Expenses	80.8	88.6	-7.8	-8.8
Operating Income	3.7	6.2	-2.5	-40.1

[Other Energy Services Businesses]

Stable energy supply business as construction and maintenance of electrical equipment, Sales of gas and LNG business, Renewable energy business, Overseas business, etc.

**Sales :51.2 billion of yen ( Increase by 12.9% Compared with FY2018 2Q)**  
**Operating Income : 3.3 billion of yen ( Increase by 80.8% Compared with FY2018 2Q)**

Sales increased by 12.9% to ¥51.2 billion and operating income increased by 80.8% to ¥3.3 billion compared to FY2018 2Q, due to an increase in commissioned developments for information system and sales of information system devices.

(Billion of Yen, %)

	FY2019 2Q	FY2018 2Q	Difference	Rate of Change
Sales	51.2	45.3	5.8	12.9
Operating Expenses	47.8	43.5	4.3	10.0
Operating Income	3.3	1.8	1.5	80.8

[ICT Services Businesses]

Data communications business, Optical broadband service business, Telecommunications construction/ maintenance business, Developments for information system business, Data centers business, etc.

**Sales :13.6 billion of yen ( Decrease by 14.1% Compared with FY2018 2Q)**  
**Operating Income : 2.3 billion of yen ( Decrease by 29.5% Compared with FY2018 2Q)**

Sales decreased by 14.1% to ¥13.6 billion and operating income decreased by 29.5% to ¥2.3 billion compared to FY2018 2Q, due to a decrease in revenue related to real estate sales.

(Billion of Yen, %)

	FY2019 2Q	FY2018 2Q	Difference	Rate of Change
Sales	13.6	15.9	-2.2	-14.1
Operating Expenses	11.2	12.5	-1.2	-9.9
Operating Income	2.3	3.3	-1.0	-29.5

[Other Businesses]

Real estate business, Pay nursing home business, etc.

## 2 Financial Status for FY2019 2Q (Consolidated)

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### 【 Total Assets 】

Assets increased by ¥42.8 billion to ¥4,836.8 billion compared to the end of FY2018 due to an increase of non-current assets because of capital investment in spite of a decrease of current assets such as cash and deposits.

(Billion of Yen)

	Sep.30, 2019	Mar.31, 2019	Difference	Explanations
Non-Current Assets	4,248.5	4,188.4	60.0	
Electric Power Business Non-Current Assets	2,366.7	2,388.3	-21.5	Depreciation -85.4 Completion of construction, etc. 63.8
Other Non-Current Assets	357.3	368.0	-10.7	Depreciation -16.8 Completion of construction, etc. 6.0
Non-Current Assets in Progress	743.7	665.6	78.1	
(Construction in Progress) [Figures are included above]	(653.2)	(583.0)	(70.2)	
Nuclear Fuel	257.5	267.8	-10.2	
Investments and Other Assets	523.1	498.5	24.5	
Current Assets	588.2	605.5	-17.2	
Cash and Deposits	169.6	218.2	-48.6	
Other	418.6	387.3	31.3	Bill receivable and Accounts receivable 44.7
<b>Total</b>	<b>4,836.8</b>	<b>4,794.0</b>	<b>42.8</b>	

## 2 Financial Status for FY2019 2Q (Consolidated)

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### 【 Liabilities and Equity】

Liabilities increased by ¥46.6 billion to ¥4,175.4 billion compared to the end of FY2018 due to an increase of interest-bearing debt, despite a decrease of contribution payable for reprocessing of spent nuclear fuel.

Net assets decreased by ¥3.8 billion to ¥661.4 billion compared to the end of FY2018 due to a decrease by payment of the dividends in spite of a record of net income\*. As a result, shareholders' equity ratio was 13.1%.

\*= Net income attributable to owners of the parent

(Billion of Yen)

	Sep.30, 2019	Mar.31, 2019	Difference	Explanations
Non-current Liabilities	3,181.7	3,105.0	76.6	Bonds 70.0 Long-term Loans 13.5
Current Liabilities	984.9	1,014.7	-29.8	Contribution payable for reprocessing of spent nuclear fuel -29.5
Reserve for fluctuations in water levels	8.7	8.9	-0.1	Bill payable and Account payable -12.4 Commercial paper 25.0
<b>Total Liabilities</b>	<b>4,175.4</b>	<b>4,128.7</b>	<b>46.6</b>	
(Interest-bearing Debt [Figures are included above])	(3,320.5)	(3,223.1)	(97.3)	
Shareholders' equity	650.4	657.1	-6.7	Net Income attributable to owners of the parent 7.1 Year-end dividend -8.8
Other	10.9	8.0	2.9	
<b>Total Equity</b>	<b>661.4</b>	<b>665.2</b>	<b>-3.8</b>	
<b>Total</b>	<b>4,836.8</b>	<b>4,794.0</b>	<b>42.8</b>	

Equity Ratio (%)	13.1	13.3	-0.2
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## Forecast of sales and ordinary income are revised from the previous announcement (July 2019)

**Consolidated Sales** : **2,035 billion of yen**  
( -50 billion of yen compared with the previous forecast)

**Consolidated Ordinary Income** : **55 billion of yen**  
( -25 billion of yen compared with the previous forecast)

We forecast that Sales will decrease to ¥2,035 billion, mainly due to a decrease in power sold to other suppliers as a result of low market prices in the domestic power business.

Ordinary income will decrease to ¥55 billion, even though we are working on group-wide cost reduction. The decrease is due to a decline of sales in the Japanese electric business and an increase of losses in surplus LNG trading due to the sharp decline of the market price.

Net income attributable to owners of the parent will decrease to around ¥30 billion.

### 3 Forecasts of Financial Results for FY2019

#### Consolidated

(Billion of Yen,%)

	Forecast (October)	Previous Forecast (July)	Difference	Rate of Change
Sales	2,035	2,085	-50	-2.4
Operating Income	80	105	-25	-23.8
Ordinary Income	55	80	-25	-31.3
Net Income attributable to owners of the parent	30	55	-25	-45.5

#### Non-consolidated

(Billion of Yen,%)

	Forecast (October)	Previous Forecast (July)	Difference	Rate of Change
Sales	1,850	1,915	-65	-3.4
Operating Income	50	75	-25	-33.3
Ordinary Income	25	50	-25	-50.0
Net Income	10	35	-25	-71.4

#### (Reference) Key factors

	Forecast (October)	Previous Forecast (July)	Difference
Total electricity sales volume of the Kyuden group	75.3 billion kWh	74.7 billion kWh	0.6 billion kWh
Crude Oil CIF Price	67 \$/b	70 \$/b	-3 \$/b
Exchange Rate	109 ¥/\$	110 ¥/\$	-1 ¥/\$
Nuclear Power [Transmission-end] (Utilization Rate of Nuclear Power)	28.6 billion kWh (81.7%)	27.3 billion kWh (78.1%)	1.3 billion kWh (3.6%)

Electricity Sales Volume (Non-consolidated)	72.7 billion kWh	73.4 billion kWh	-0.7 billion kWh
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#### Financial impact\*

(1\$/b) around 0.18 billion of yen
(1¥/\$) around 0.84 billion of yen
(1%) around 1.10 billion of yen

Note: These figures represent sales volume of our company and a consolidated subsidiary (Kyuden Mirai Energy Company, Incorporated).

\* These figures represent financial impact for fuel expenses, etc. in case Key Factors fluctuate after October.

# 3(1) Changes in Forecast of Ordinary Income (Consolidated)

Ordinary income : **-25.0** billion yen

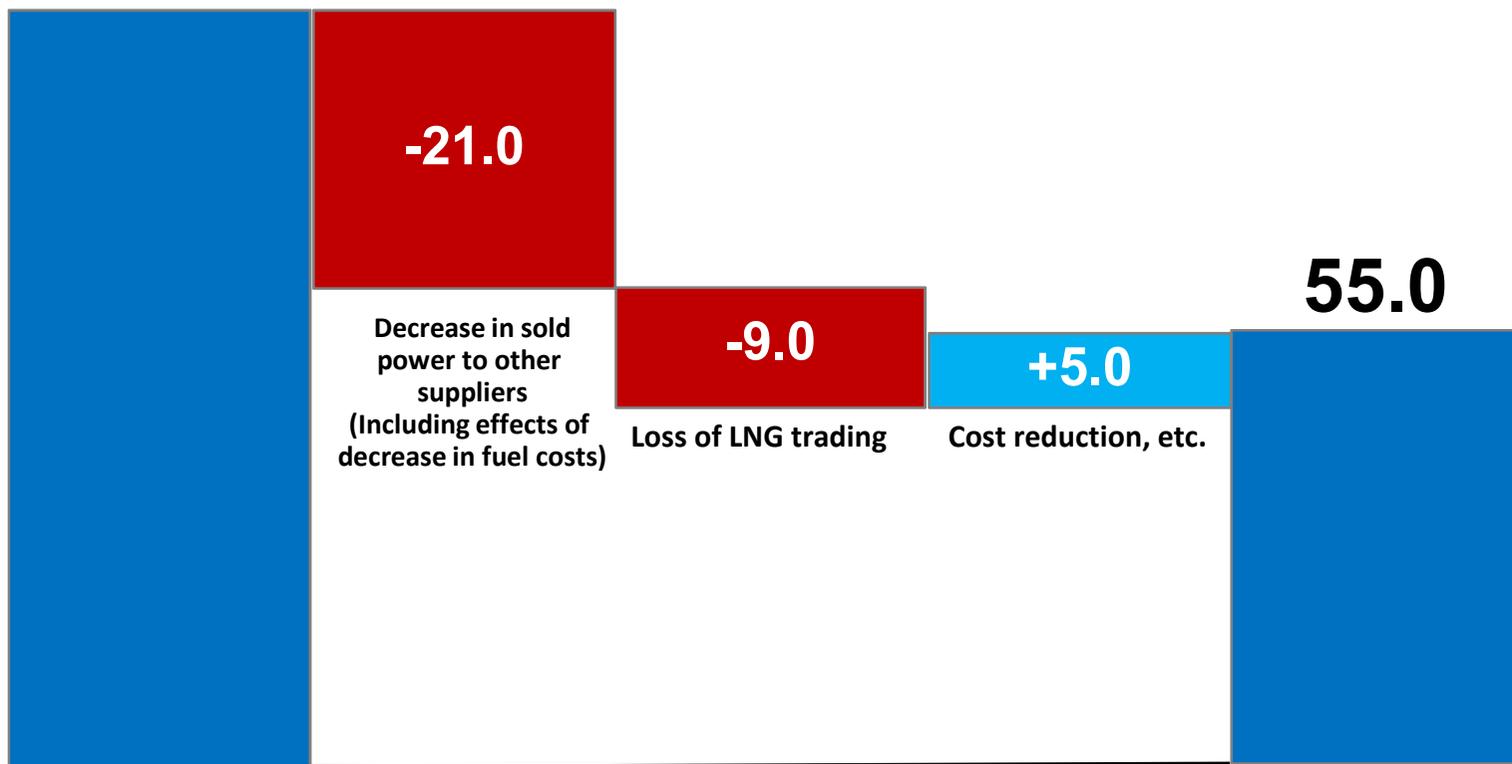
(Billion of Yen)

Previous  
forecast  
(July)



Forecast  
(October)

**80.0**



Regarding the dividend forecast for FY2019, unfortunately we have to revise the earnings forecast for the current fiscal year, as the previous dividend forecast will revise from 40 yen per share to 35 yen per share of common stock.

As for the breakdown of the interim and year-end, the interim dividend will remain at ¥ 20, the year-end dividend will be revised to 15 yen. Because the revision was announced after the final date with the right of interim dividend, considering the impact on shareholders.

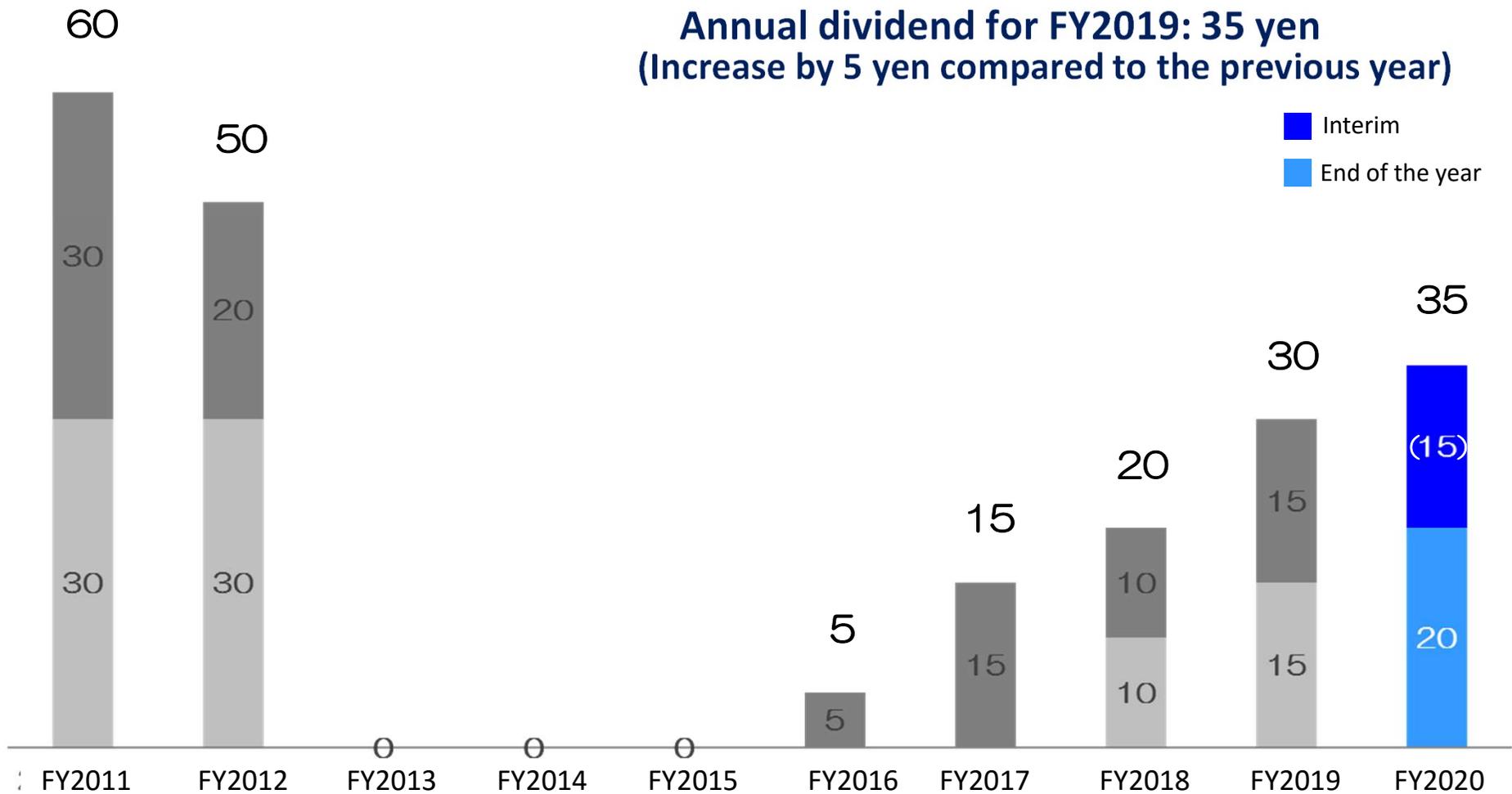
There is no change from the previously announced values for Class A Preferred Stock.

### (1) Interim dividend

**Common Stock** : 20 yen per share ← As previously announced  
**Class A Preferred Stock** : 546,575 yen per share (total of approximately 550 million yen) ← As previously announced

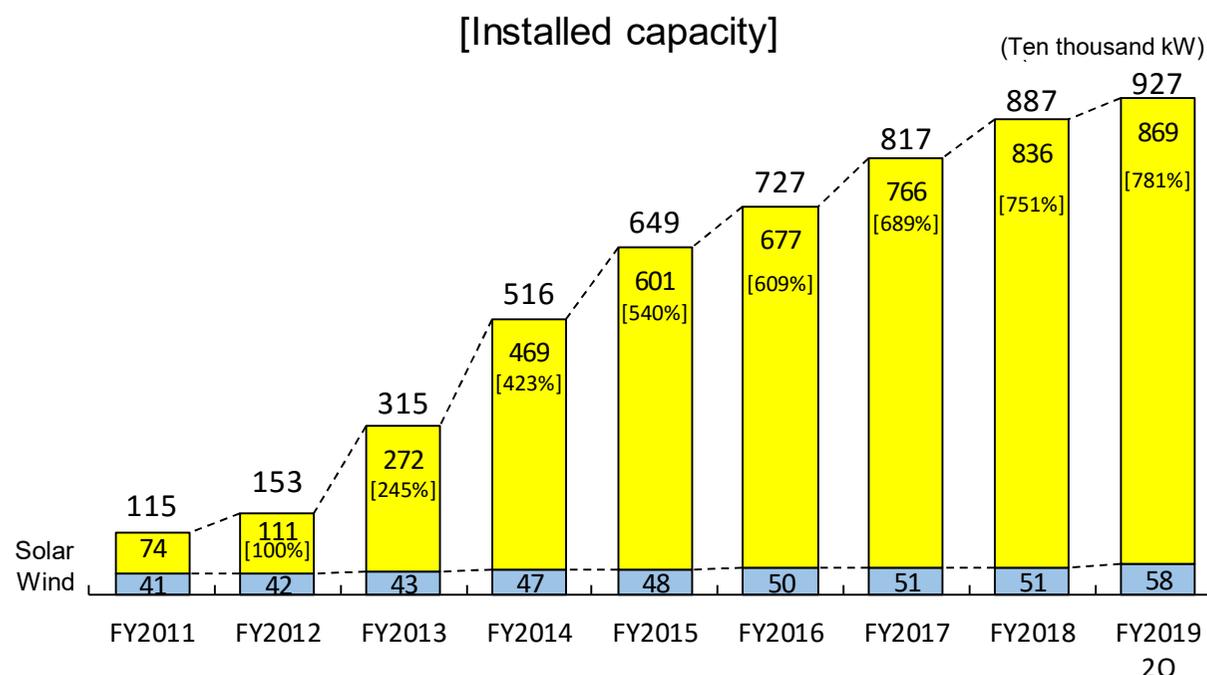
### (2) Year end dividend

**Common Stock** : 15 yen per share ← Previously announced value: 20 yen  
**Class A Preferred Stock** : 1,052,877 yen per share (total of about 1.05 billion yen) ← As previously announced



Figures in parentheses for FY2009 are a forecast and have changed

【Power purchase contract amounts】



Note: These figures represent total installed capacity based on power purchase contracts with other companies. (excluding our own facilities)

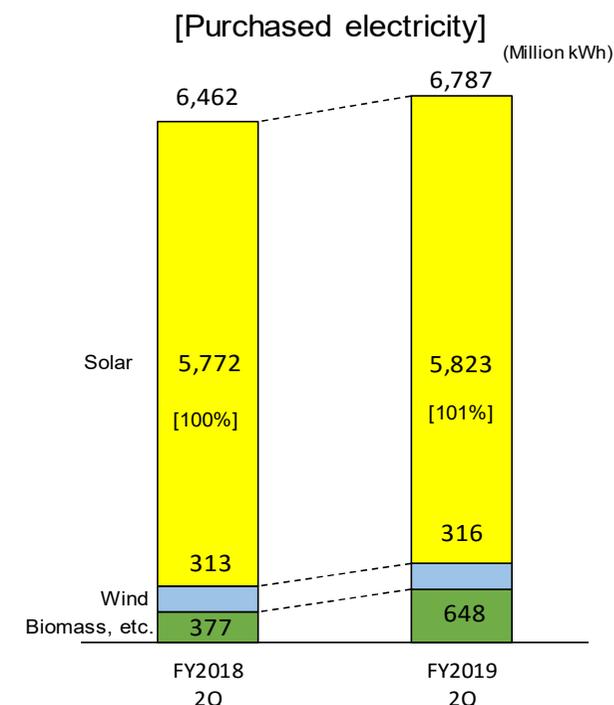
### Transition of Renewable Energy Power Promotion Surcharge

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Surcharge (Yen/kWh)	0.22	0.35	0.75	1.58	2.25	2.64	2.90	2.95
Price per household (Yen/Month)	55	87	187	395	562	660	725	737

Note 1: Meter rate: Lighting B, Contract Current 30A, Monthly use of 250kWh

Note 2: Feed-in tariff has been enforced since July 2012 ( and a surcharge on electricity rate has started in August 2012).

Note 3: Renewable energy power promotion surcharge in FY2019 is applied from May 2019.



	FY2018 2Q	FY2019 2Q
Ratio of Purchased Power to Generated and Received Electricity	16.9%	18.3%

(Reference) Ratio of Renewable Energy\* to Generated and Received Electricity

	FY2018 2Q	FY2019 2Q
Total Renewable Energy Generated by Facilities of Our Own and Other Companies	26.8%	28.0%

\* "Renewable Energy" represents a total of Solar, Wind, Biomass, Waste, Geothermal and Hydro (excluding "For pumping") generated by facilities of our own and other companies.

# (Reference) Segment Information (Ordinary Income)

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(Billion of Yen)

		FY2019 2Q	FY2018 2Q	Difference
Energy services businesses	Japanese electric power business	6.3	14.8	-8.4
	Other energy services businesses	7.1	8.8	-1.6
	( Overseas businesses ) [Figures are included above]	(1.0)	(3.4)	(-2.4)
ICT services businesses		1.3	1.8	-0.4
Other businesses		2.6	3.5	-0.8

Note: The above amounts represent figures prior to elimination of transactions among segments.

Following a formulation of the “Kyuden Group Management Vision 2030” in June 2019, we changed our reporting segments from “Electric power business”, “Energy related businesses”, “IT and Telecommunications businesses” and “Other businesses” to “Japanese electric power business”, “Other energy services businesses”, “ICT services businesses” and “Other businesses”, respectively, since FY2019 1Q.

[The revised reporting segments ]

Energy services businesses	【 <u>Japanese electric power business*</u> 】 (Former “Electric power business”)
	【 <u>Other energy services businesses</u> 】 (Former “Energy related businesses”)
【 <u>ICT services businesses</u> 】 (Former “IT and Telecommunications businesses”)	
【 <u>Other businesses</u> 】	

[Kyuden Group Management Vision 2030]

<b>Evolving the energy service business</b>
Japanese electric power business
Energy related businesses
Overseas businesses
<b>Building a sustainable community together</b>
ICT services
Urban development and city planning
Infrastructure services
Business support
Life support
Tourism-related businesses
Primary industry-related businesses

\* “Kyuden Mirai Energy Company, Incorporated”, which was classified as “Energy related businesses” previously, was classified as “Japanese electric power business” since FY2019 1Q .



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**(Reference) Data**

Non-consolidated

(Billion of Yen,%)

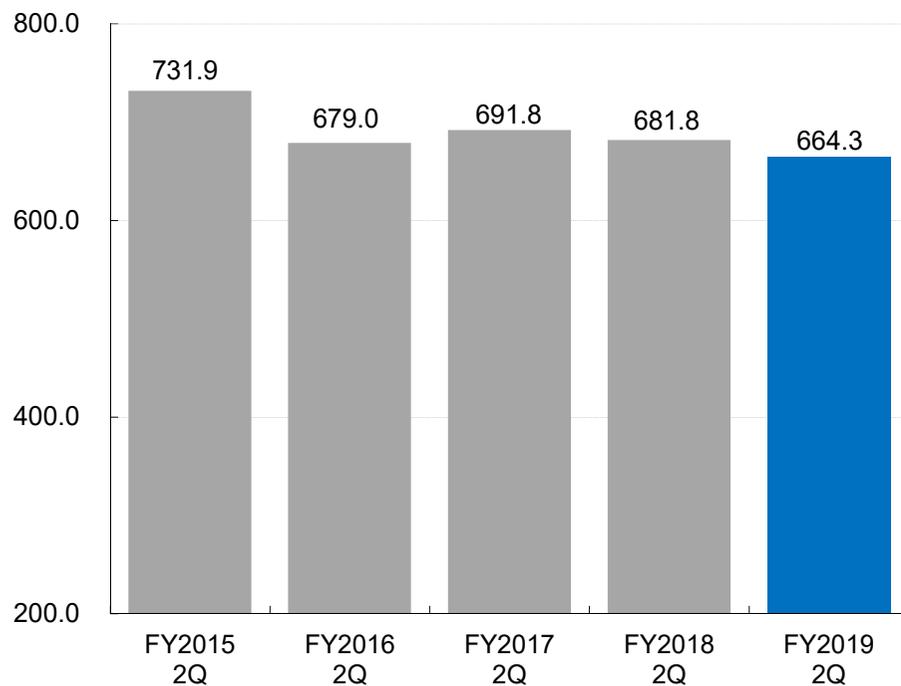
	FY2019 2Q	FY2018 2Q	Difference	Ratio
Lighting and Power	664.3	681.8	-17.5	97.4

Difference FY2019 2Q FY2018 2Q

1. Decrease in electricity sales volume	-20.5	
2. Renewable Energy Power Promotion Surcharge	-5.0	( 90.6 ← 91.1 )

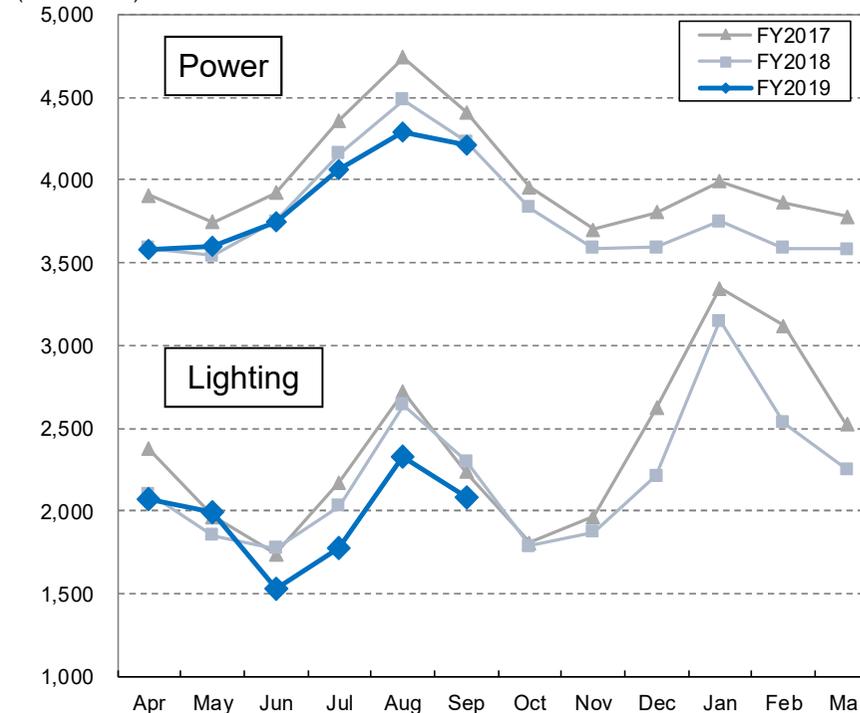
(Billion of Yen)

【Lighting and Power】



【Reference】 Changes in electricity sales volume

(Million kWh)



# Revenues from Sold power to other utilities and other suppliers and from Others 27

## Non-consolidated

(Billion of Yen,%)

	FY2019 2Q	FY2018 2Q	Difference	Ratio
Sold power to other utilities and other suppliers	22.7	44.6	-21.8	51.0

Difference FY2019 2Q FY2018 2Q

1. Sold power to other suppliers -22.2 ( 22.0 ← 44.2 )

(Billion of Yen,%)

	FY2019 2Q	FY2018 2Q	Difference	Ratio
Others	246.3	238.6	7.7	103.2

Difference FY2019 2Q FY2018 2Q

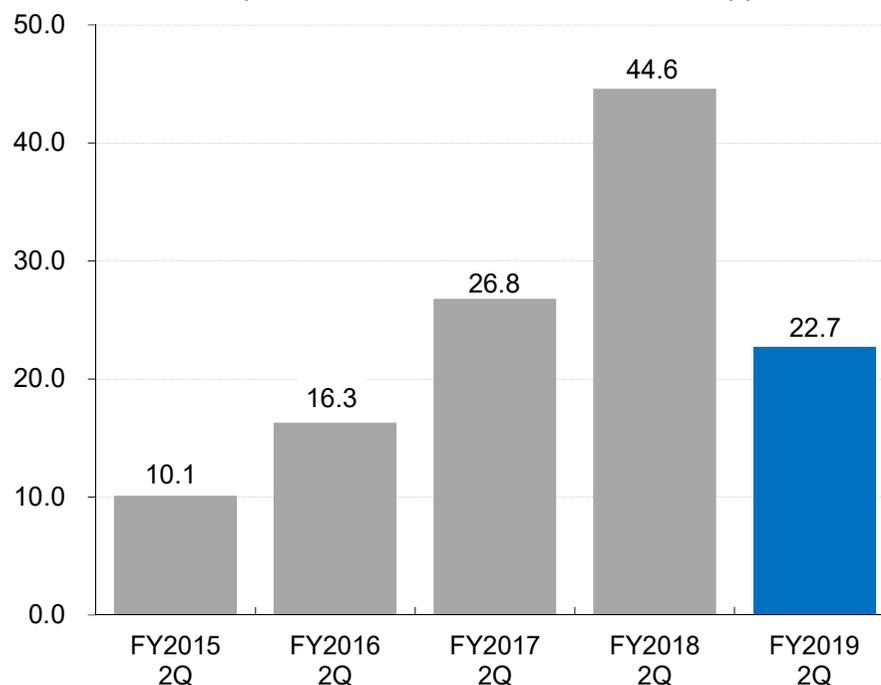
1. Grant based on the Act on Purchase of Renewable Energy Sourced Electricity 6.2 ( 191.7 ← 185.4 )

## 【Reference】

(Million kWh,%)

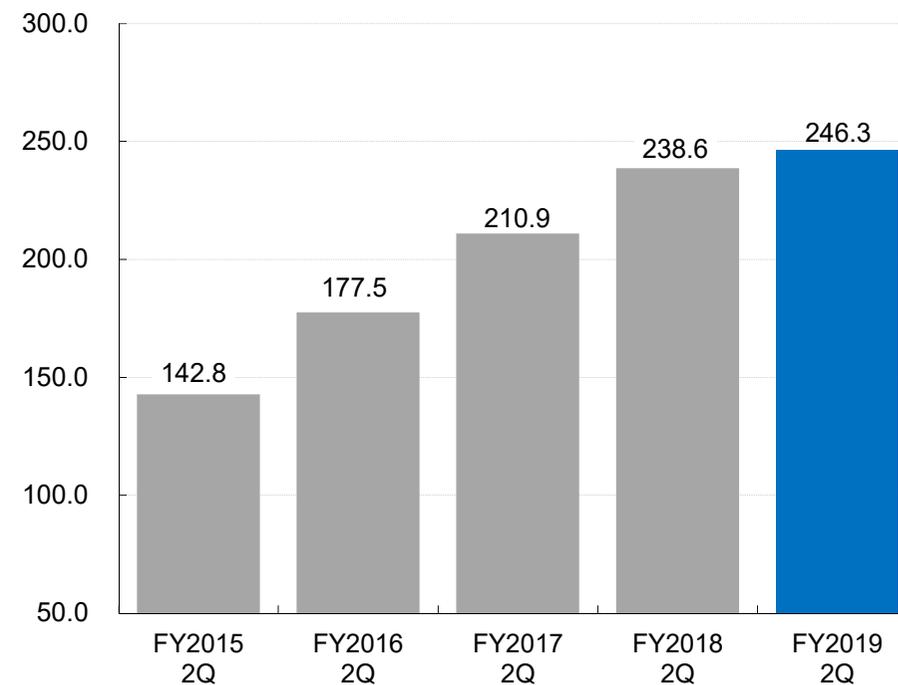
	FY2019 2Q	FY2018 2Q	Difference	Ratio
Electricity sales volume to other utilities and other suppliers	3,113	4,158	▲ 1,045	74.9

(Billion of Yen) 【Sold power to other utilities and other suppliers】



(Billion of Yen)

【Others】



## Non-consolidated

(Billion of Yen,%)

	FY2019 2Q	FY2018 2Q	Difference	Ratio
Fuel	94.8	132.9	-38.1	71.3

	Difference	Difference
1. Effect of operating of nuclear power station	-17.0	4. Decrease in electricity sales to other companies -9.0
2. Thermal power generation constitution difference	-15.5	
3. Decrease in electricity sales volume	-9.5	5. Decrease in thermal from other companies 10.0

### 【Reference1】 All Japan CIF prices

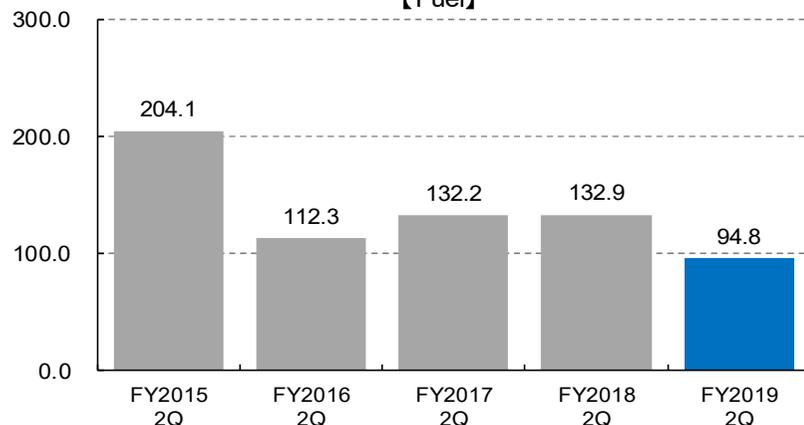
	FY2019 2Q	FY2018 2Q	Difference
Coal(\$/t)	111	120	-9
LNG(\$/t)	499	518	-20
Crude oil(\$/b)	69	74	-5

### 【Reference2】 Fuel consumption

	FY2019 2Q	FY2018 2Q	Difference
Coal (ten thousand ton)	283	258	25
Heavy oil (ten thousand kiloliter)	—	1	-1
Crude oil (ten thousand kiloliter)	—	—	—
LNG (ten thousand ton)	56	125	-69

(Billion of Yen)

### 【Fuel】



Water Flow Rate (%)	113.0	113.2	93.1	98.6	94.7
Nuclear Power Utilization Rate* (%)	4.5	39.6	39.8	54.9	75.9

\* Utilization rate of nuclear power in FY2015 - FY2018 is calculated based on 5 units. On April 9, 2019, unit No.2 of Genkai nuclear power station was decommissioned.

(Billion of Yen,%)

	FY2019 2Q	FY2018 2Q	Difference	Ratio
Purchased power from other utilities and other suppliers	289.8	291.2	-1.4	99.5

	Difference	FY2019 2Q	FY2018 2Q
1. Purchased power from other suppliers	-1.5	( 289.2 ← 290.8 )	

- ◆ Thermal from other suppliers -7.9 ( 47.7 ← 55.7 )
- ◆ Purchase of Renewable Energy Sourced Electricity 4.2 ( 231.7 ← 227.4 )

### 【Reference3】 Received electricity from other suppliers

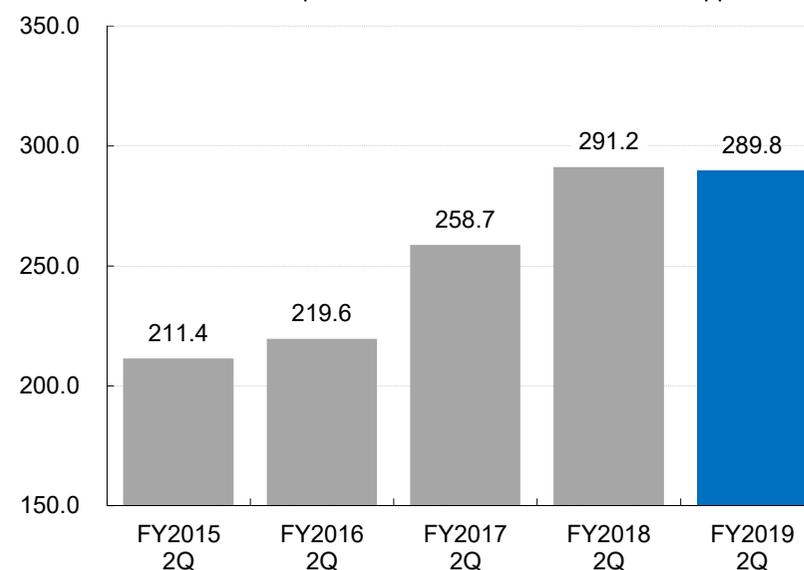
(Million kWh)

	FY2019 2Q	FY2018 2Q	Difference
Hydro	928	943	▲ 15
Thermal *1	2,024	2,179	▲ 155
New Energy, etc. *2	6,787	6,462	325
Total	9,740	9,584	156

\*1 These amounts represent figures as a result of offsetting transmission electricity to other suppliers.

\*2 "New Energy etc." includes Solar, Wind, Biomass, Waste and Geothermal.

### (Billion of Yen) 【Purchased power from other utilities and other suppliers】



# Expenses for Maintenance and Depreciation

29

Non-consolidated

(Billion of Yen,%)

	FY2019 2Q	FY2018 2Q	Difference	Ratio
Maintenance	77.6	85.6	-8.0	90.6

Difference FY2019 2Q FY2018 2Q

1.Nuclear -11.4 ( 22.7 ← 34.1 )

2.Distribution 4.1 ( 27.6 ← 23.4 )

(Billion of Yen,%)

	FY2019 2Q	FY2018 2Q	Difference	Ratio
Depreciation	97.4	87.8	9.5	110.9

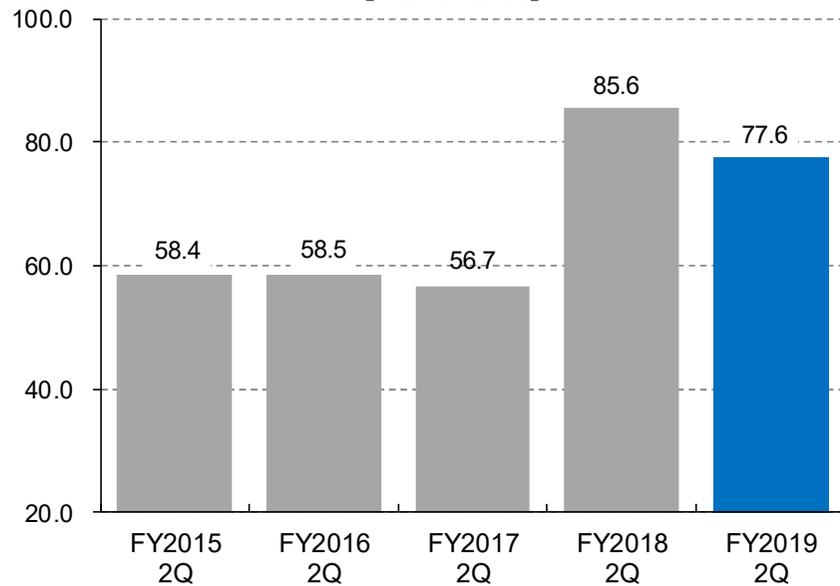
Difference FY2019 2Q FY2018 2Q

1.Depreciation for trial run\* 10.6 ( 10.6 ← — )

\*On June 1,2019,unit 2 of Matsuura power station started generating power as part of its trial run.

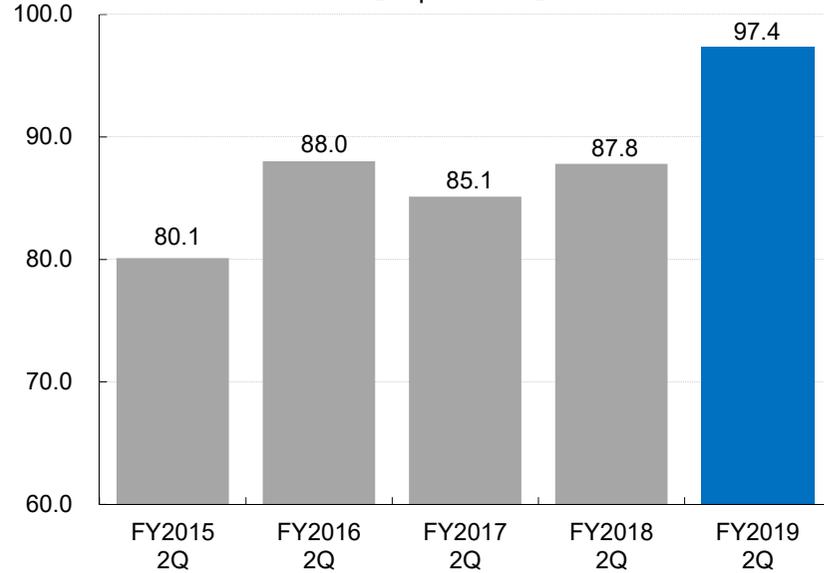
(Billion of Yen)

【Maintenance】



(Billion of Yen)

【Depreciation】



Non-consolidated

(Billion of Yen,%)

	FY2019 2Q	FY2018 2Q	Difference	Ratio
Labor	71.3	70.6	0.6	101.0

(Billion of Yen,%)

	FY2019 2Q	FY2018 2Q	Difference	Ratio
Others	299.7	280.6	19.0	106.8

Difference FY2019 2Q FY2018 2Q

1. Employee retirement benefits	0.9	( 8.7 ← 7.7 )
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2. Salary	-0.3	( 49.5 ← 49.8 )
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Difference FY2019 2Q FY2018 2Q

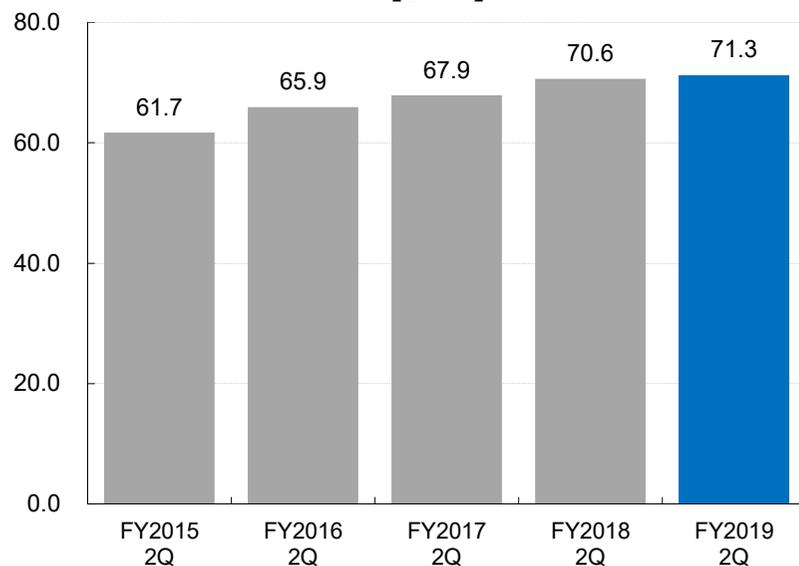
1. Miscellaneous cost	12.1	( 85.9 ← 73.7 )
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2. Incidental business operating expenses	2.3	( 9.9 ← 7.5 )
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3. Nuclear back-end	1.9	( 31.5 ← 29.5 )
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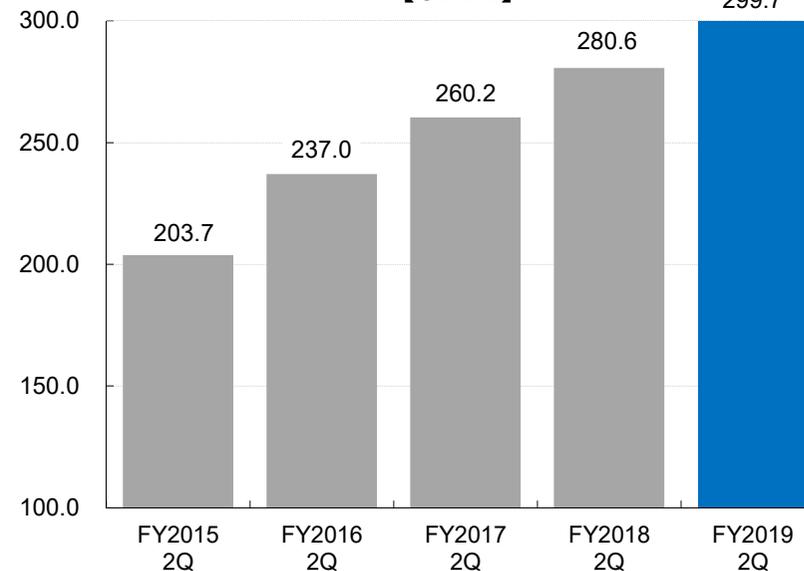
(Billion of Yen)

【Labor】

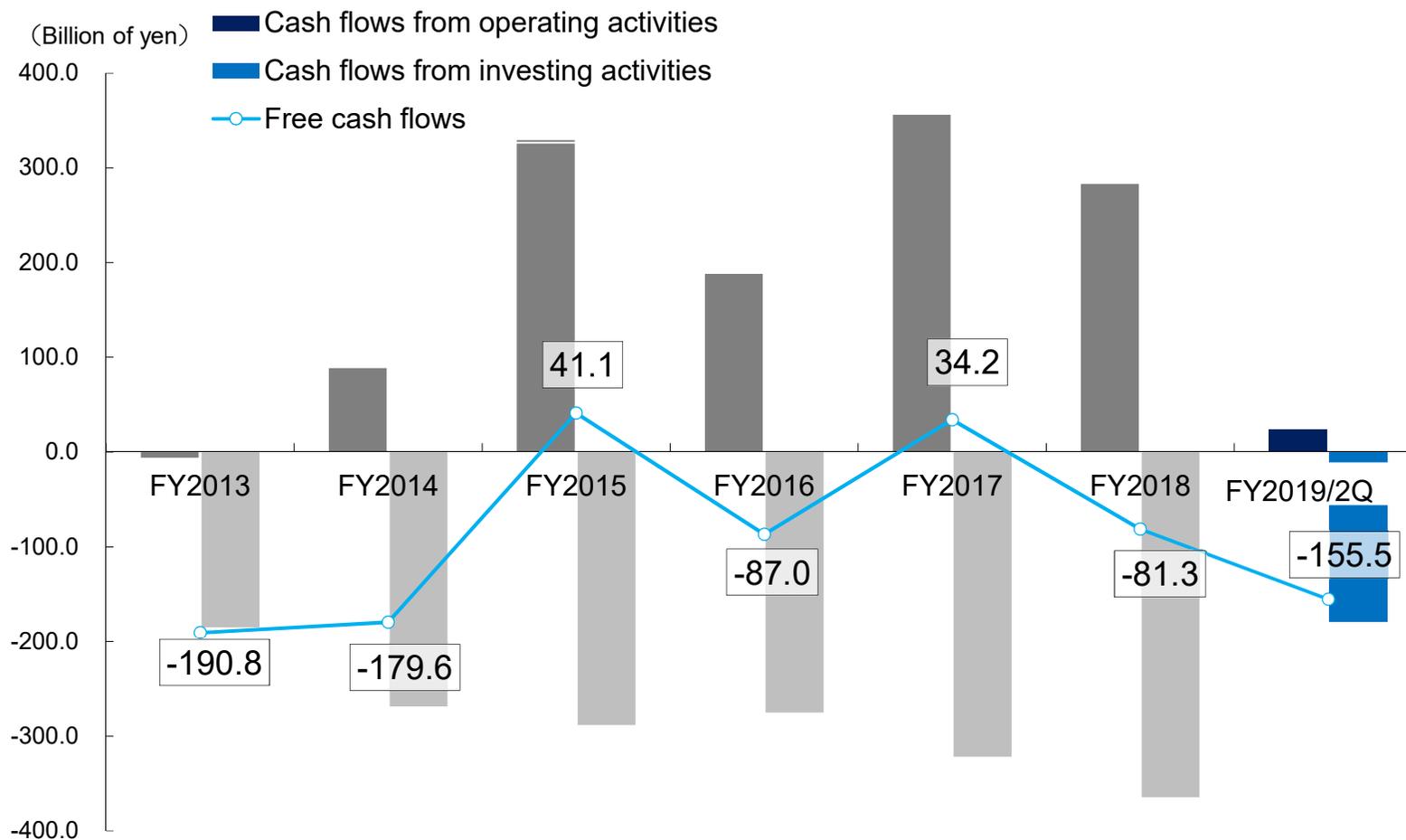


(Billion of Yen)

【Others】



Consolidated



(Billion of yen)

Cash flows from operating activities	-5.9	88.7	329.4	188.0	355.9	283.0	23.6
Cash flows from investing activities	-184.9	-268.4	-288.3	-275.0	-321.7	-364.3	-179.1
Free cash flows	-190.8	-179.6	41.1	-87.0	34.2	-81.3	-155.5



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# Section2 Business Update

Noted mainly about movement after the last IR meeting FY2018 (May 9, 2019)

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## Status of applications related to SSF (Specific Safety Facilities)

### <Application for the permission of changes to the reactor installation>

- Approvals have been received for Sendai No.1 and No. 2 on April 2017, for Genkai No.3 and No.4 on April 2019.

### <Construction planning permission>

- All approvals have been received for Sendai No.1 and No. 2.
- Regarding Genkai No. 3 and No.4, we have submitted part 1 and part 2 for approval, and currently part 3 is under preparation.

### 【Status of construction planning permission】 (As of the end of October 19)

	Facilities	Date of application/approval			
		Sendai No.1	Sendai No.2	Genkai No.3	Genkai No.4
First part	Facilities installed in a reactor subsidiary building	(application) May 24, 2017 (approval) May 15, 2018	(application) July 10, 2017 (approval) August 10, 2018	(application) May 16, 2019 [correction] October 9, 2019	(application) June 18, 2019 [correction] October 9, 2019
Second part	Newly installed buildings	(application) August 8, 2017 (approval) July 26, 2018	(application) August 8, 2017 (approval) August 31, 2018	(application) September 19, 2019	(application) September 19, 2019
Third part	Newly installed facilities	(application) March 9, 2018 (approval) February 18, 2019	(application) March 9, 2018 (approval) April 12, 2019	Preparing for application	Preparing for application
SSF deadline (Date of approval for the main facilities)		March 17, 2020 (March 18, 2015)	May 21, 2020 (May 22, 2015)	August 24, 2022 (August 25, 2017)	September 13, 2022 (September 14, 2017)
Construction progress (As of the end of September 19)		Engineering work : Approx.90% Machinery construction : Approx.30%			

### < Permission for Changes in Safety Regulations >

- Application has been submitted for Sendai No.1 and 2 on August 2, 2019.

## Status of SSF construction work for Sendai No.1 and No.2

- During the Board of Directors on the 3<sup>rd</sup> of October 2019, we approved construction period of SSF for Sendai No.1 and No. 2. Unit No.1 is expected to start on December 2020 and No. 2 on January 2021.
- Concrete examples for shortening construction period are doing engineering construction in tandem with cable laying work, and subdivision of the construction area from engineering area to machinery area.
- Construction progress of the engineering works is approx. 90%, and of the equipment works is approx. 30% (As of the end of September 2019)
- Cost of construction based for this delay is approx. 242 billion yen (previous announced approx. 220 billion yen)

【Regular inspection schedule for Sendai No.1 and No.2】 (As of October 3, 2019)

	Inspection	Suspension	Restart of generating electricity
Sendai No.1	No. 24	July 27, 2019	October 5, 2019
	No. 25	March 16, 2020	December 26, 2020
Sendai No.2	No. 23	October 18, 2019	December 26, 2019
	No. 24	May 20, 2020	January 26, 2021

【For reference: Regular inspection schedule of Genkai No.3 and No.4】 (As of October 3, 2019)

Genkai No.3	No. 14	May 13, 2019	July 22, 2019
	No. 15	August 10, 2020	December 3, 2020
Genkai No.4	No. 12	August 16, 2019	October 24, 2019
	No. 13	December 19, 2020	April 22, 2021

## Status of lawsuits (provisional disposition) regarding nuclear power

- All appeals (provisional disposition) have been decided. The last appeal was September, 2019 for Genkai.
- We have won all lawsuits which had been filed for a temporary injunction of our nuclear power plant operations.

### 【Sendai】

	Request for an injunction regarding the restart of Sendai No.1 and No.2	
	First trial	Appeal trial
Filing date	May, 2014	May, 2015
Court	Kagoshima district court	Fukuoka high court in Miyazaki
Date of trial	April, 2015	April, 2016

### 【Genkai】

	Request for an injunction regarding the restart of Genkai No.3 and No.4 ①			Request for an injunction regarding the restart of Genkai No.3 and No.4 ②	
	First trial	Appeal trial		First trial	Appeal trial
Filing date	July, 2011	June, 2017	Filing date	January, 2017	April, 2018
Court	Saga district court	Fukuoka high court	Court	Saga district court	Fukuoka high court
Date of trial	June, 2017	July, 2019	Date of trial	March, 2018	September, 2019

### 【Reference : About “ground motions evaluated without specifying seismic sources”】

- Design basis ground motions (DBGM) takes into account the following two types of ground motions, “site-specific ground motions evaluated by specifying seismic sources” and “ground motions evaluated without specifying seismic sources”.
- Our basis ground motions ( Genkai / Sendai ) are 620 gal. It is determined by considering “ground motions evaluated without specifying seismic sources”.
- This time, Nuclear Regulation Authority (NRA) has formulated a new nationwide standard “ground motions evaluated without specifying seismic sources” and the standard is scheduled to be revised in February 2020.

## Development of Matsuura No. 2 【overall progress rate 98.6% (as of end of September)】

- We are developing Matsuura No.2, which improves power efficiency and provides a stable power supply. By using Ultra-Super Critical (USC) technologies, it reduces CO<sub>2</sub> emissions.
- Matsuura No.2 has started trial runs in June 2019, and is scheduled to start commercial operation in December 2019.
- Old oil-fired power plants are being decommissioned or undergoing a planned suspension.

【Outline of Matsuura No.2】

	Program outline	Reference
Unit	Matsuura No.2	Matsuura No.1
Location	Matsuura city, Nagasaki prefecture	Same
Fuel	Coal	Same
Output	1,000MW	700MW
Thermal efficiency <sup>※</sup>	Approx. 46%	Approx. 43%
Commercial operation date	December, 2019 (Scheduled)	June 1989
CO <sub>2</sub> emissions	4.7 million tons / year	3.6 million tons / year
CO <sub>2</sub> emissions (Basic unit)	0.211kg-C/kWh	0.226kg-C/kWh
Fuel consumption	Approx. 2.15 million tons / year	Approx. 1.6 million tons / year

※Based on Power generation end and Lower heating value(LHV)

【Being decommissioned】

Fuel	Name of Station	Output	Decommission Date
Crude oil	Ainoura No.1 and No.2	875MW	April 2019
	Buzen No.1	500MW	June 2019

【In planned suspension】

Fuel	Name of Stations	Output	Period
Crude oil	Buzen No.2	500MW	From FY2018
	Sendai No.1 and No.2	1,000MW	From FY2018
LNG	Shin-Kokura No.4	600MW	From FY2020

In addition to reasonable priced electricity, we will respond quickly to customer needs and create new value.

## Retail sales of Kyuden Mirai Energy

- The wholly-owned subsidiary Kyuden Mirai Energy has engaged in the retail electricity business in the Kanto area since April, 2016. In September 2018, the number of acquired customers in the Kanto area passed the 10,000 and as of the end of September 2019, this number is 16,600.
- In a ranking of new electricity retailers and their electricity sales volume, Kyuden Mirai Energy climbed 102 places from 112<sup>th</sup> (As of the end of April 2018) to 10<sup>th</sup> (As of the end of July 2019) place.
- In August 2019, Kyuden Mirai Energy opened a Tokyo office, aiming to expand sales in the Kanto area by further strengthening sales capabilities and customer service.

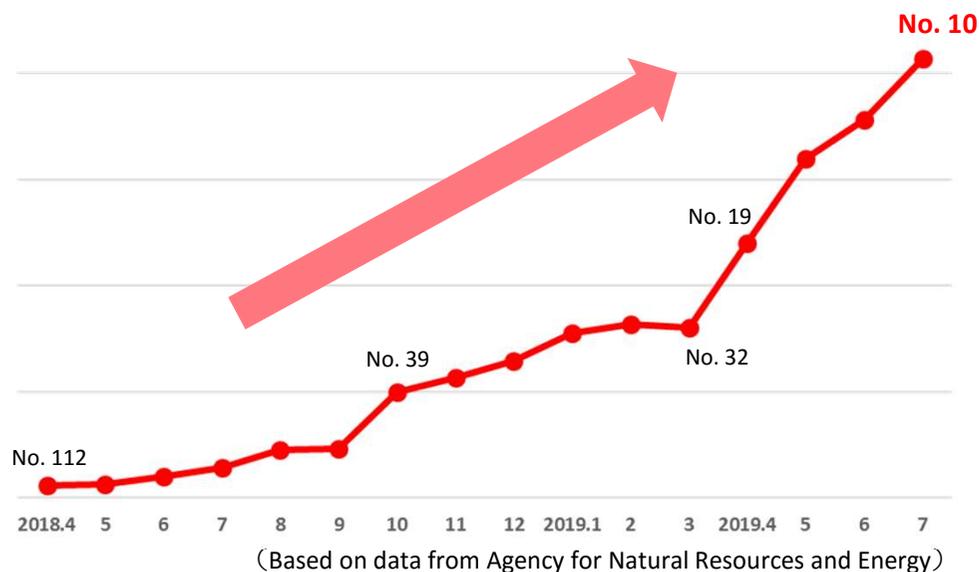


Kyuden Mirai Energy

Acquired customers in the Kanto area  
(As of the end of September 2019)

Approx. 16,600 customers  
(surpassed the target of 10,000 customers)

【Ranking of new electricity retailers based on electricity sales volume】



## Purchase plan after expiration of Renewable Feed-in Tariff System purchase period

- For electricity generated under the “Renewable Feed-in Tariff System,” the purchase period will expire sequentially from November 2019. In the Kyushu area, about 100,000 cases and approx. 400 MW are expected to expire by the end of 2019.
- In order to realize a sustainable and a low-carbon society, we intend to continue to purchase renewable energy, even though the purchase period has expired, as we want to accept renewable energy as much as possible.

### 【Contract condition】

Purchase unit price	7.00 yen / kWh (tax included, consumption tax rate 10%)
Contract period	From the day after the “Purchase period expiration date” to the day before the meter reading date in April (After that, if there is no objection between the two parties, the contract will be automatically continued every year)
Attribution of non fossil value	All values belong to the company. (Note) The above unit price includes the equivalent of non-fossil value.

## Heatstroke Prevention Plan

- Due to the heat wave, there is an increased risk of heatstroke for the elderly. Last year, we introduced the heatstroke prevention plan, to stimulate the use of air conditioners and fans at home without worrying about electricity charges.
- The heatstroke prevention plan was implemented in 2019.
- We received 185,000 applications (an increase of 21,000 compared to the previous year).

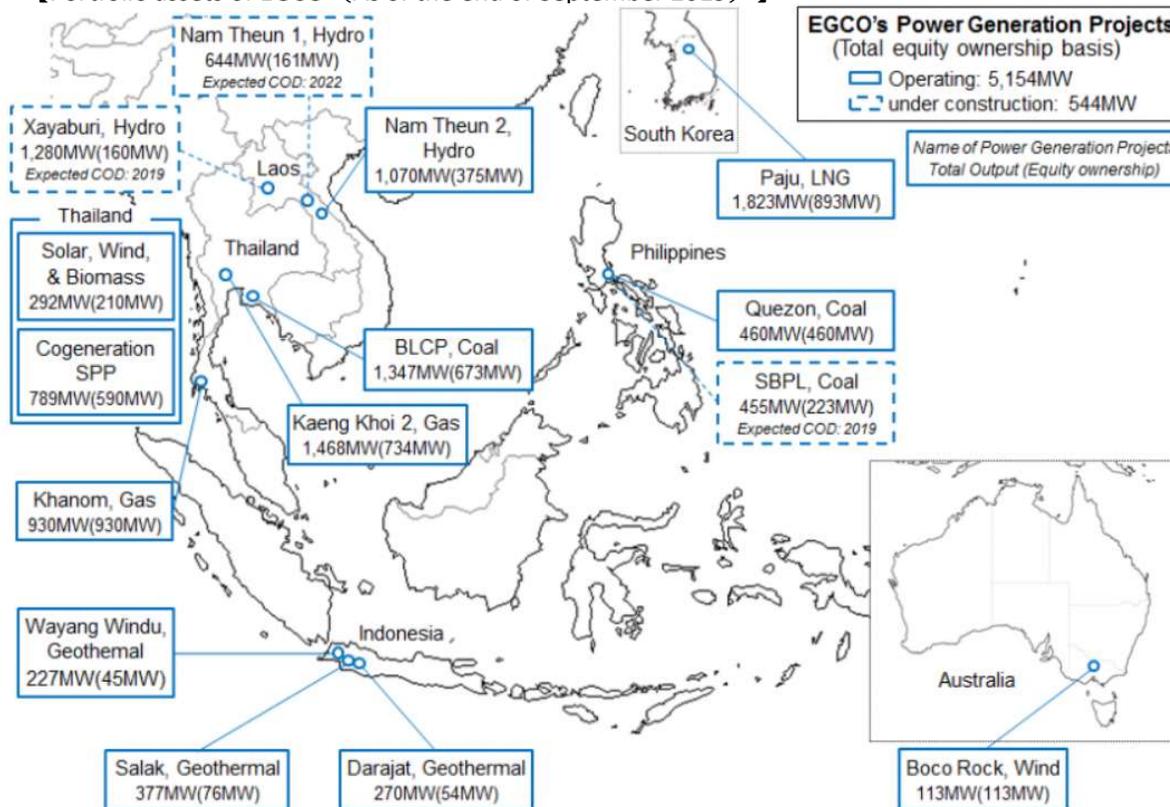
### 【Outline of Heatstroke Prevention Plan】

Subject	Households including a person older than 75 years and have contracts such as "Smart Family Plan" or "Plans for all electrification such as Night Select by electrification"
Discount	▲ 1,500 yen discount on electricity for September 2019

## Shares Acquisition of EGCO in Thailand

- From May 2019, Kyushu Electric Power is involved in the management of EGCO, which is one of the largest Independent Power Producers in Thailand. EGCO has power plants in 6 countries besides Thailand.

【Portfolio assets of EGCO (As of the end of September 2019)】



【Outline of EGCO】

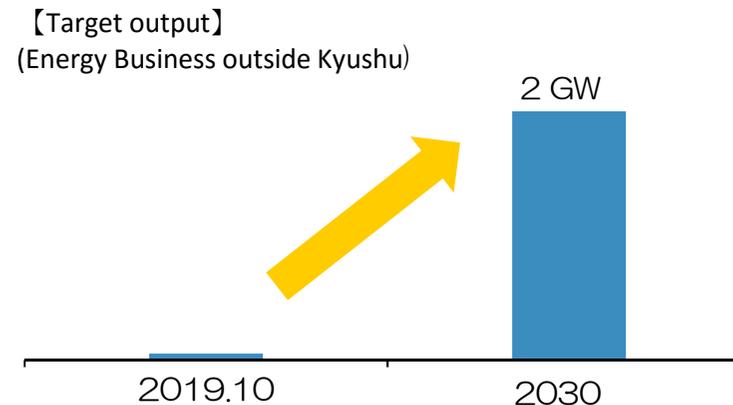
Head office	Bangkok in Thailand
Date of Establishment	May, 1992
Investment ratio	EGAT 25.41% JERA 12.28% Mitsubishi Corporation 6.14% Kyuden 6.14%
Capital	5,265 million baht (¥ 18.4 billion)
Capacity	569.1万kW

## Kyuden International Corporation has set up a representative office in Thailand

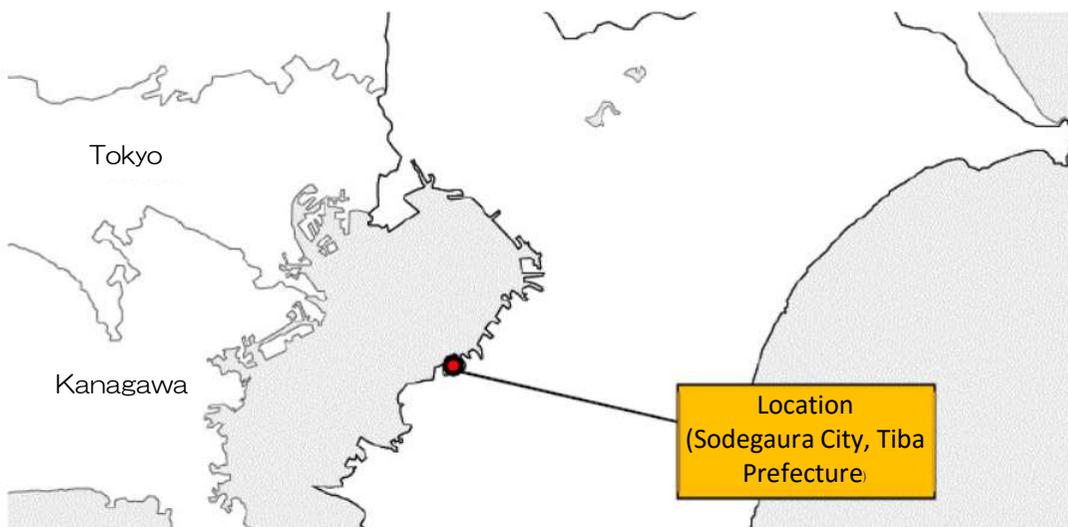
- In October 2019, Kyuden International Corporation has set up a representative office in Bangkok in Thailand for gathering information on energy projects in Asia, where the demand for electricity is expected to steadily increase.

## Chiba Sodegaura Power Co., Ltd. established

- In January 2019, Tokyo Gas Co., Ltd. ("Tokyo Gas") and Idemitsu Kosan Co., Ltd. ("Idemitsu Kosan") and Kyushu Electric Power Co., Inc. ("Kyuden") decided that there would not be sufficient business feasibility for the joint development of a coal-fired power plant in Sodegaura City, Chiba Prefecture.
- In September 2019, Tokyo Gas and Kyuden established Chiba Sodegaura Power Co., Ltd. to conduct a feasibility study of a LNG-fired thermal power plant. Tokyo Gas and Kyuden jointly plan to construct a combined-cycle power plant on the (currently unused) industrial site owned by Idemitsu Kosan Co., Ltd. in Sodegaura City, Chiba Prefecture.



【Location of plant】



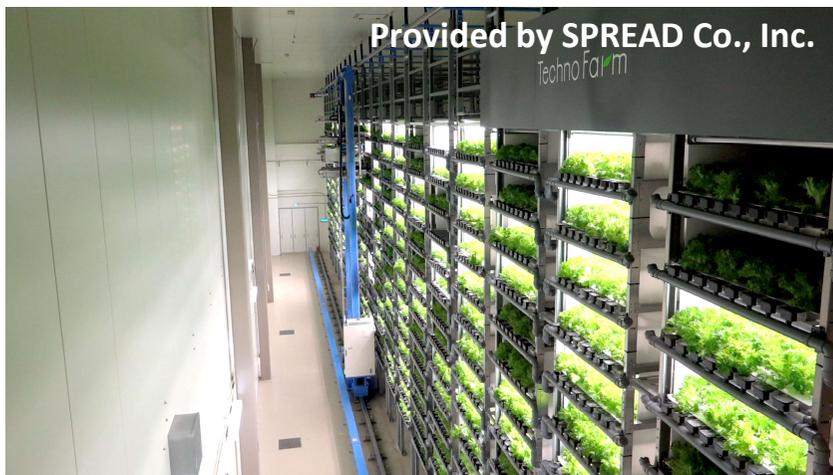
【Project details】

Location	Sodegaura City, Chiba Prefecture
Generation system	Gas turbine combined cycle system
Output	Max.2GW
Fuel	LNG

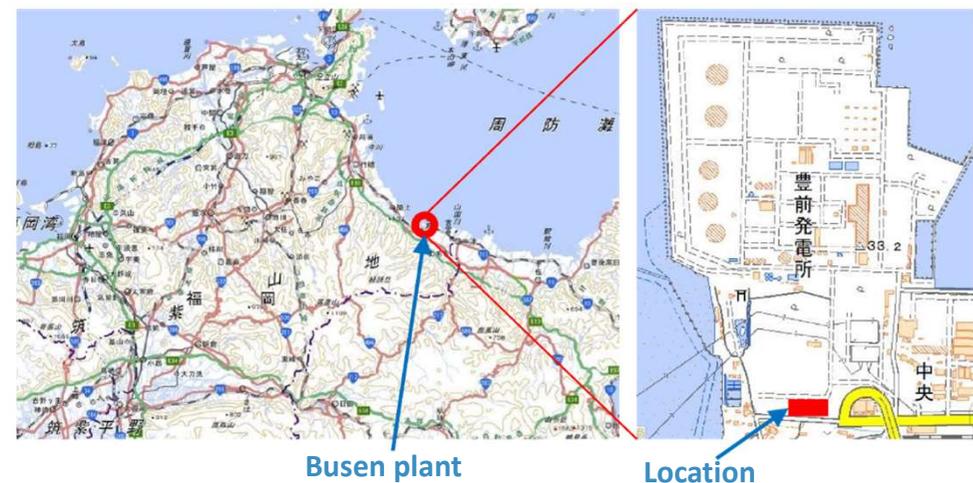
## Feasibility assessment of commercialization of one of the world's largest plant factory

- In September 2019, we agreed with Kyuden Co., Ltd., Tokyo Century Co., Ltd., and SPREAD Co., Ltd. to start a study on the commercialization of the next-generation plant factory on the land of the Buzen Power Plant, which is currently not in use anymore.
- The next-generation plant factory would be one of the world's largest, as the lettuce production would be 5 tons per day. The project would make a big contribution in providing vegetables and would of course contribute socially .
- Next-generation plant factories have a high power demand. It has the possibility to provide the value as Virtual Power Plant, and provide lettuce with low environmental impact by using renewable energy sources.
- Positioning this project as the start of a challenge in the primary industry-related areas, as defined in the “Kyuden Group Management Vision 2030” and by supporting business solutions of domestic agriculture, we show our commitment to developing and growing along with the region.

【Image of plant factory inside】



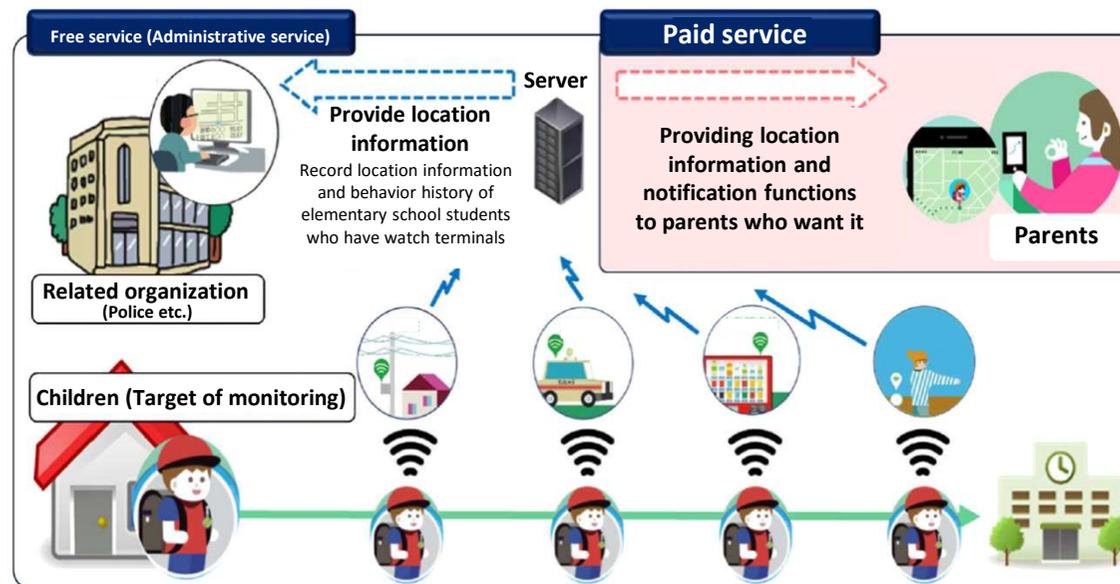
【Location】



(Based on data from the Geographical Survey Institute's HP)

## Qottaby : IoT monitoring service

- Since September 2018, we provide a IoT monitoring service, Qottaby.
- In August 2019, we signed a “Cooperation Agreement on Child Monitoring with IoT” with Fukuoka City. We are distributing transmitters to elementary school students in Fukuoka City and are developing services that provide location information.
- The introduction of a city-wide monitoring system is the first initiative in ordinance-designated cities.

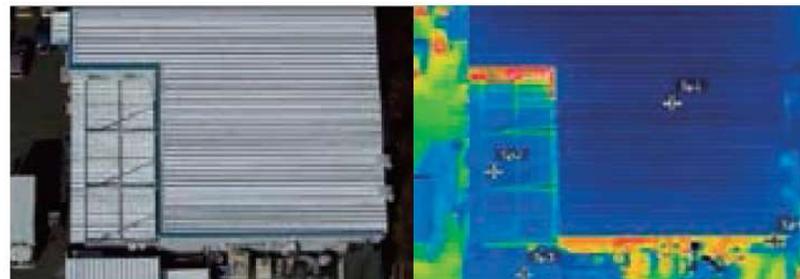


## Drone services

- In July 2019, we started aerial photography and data processing services for corporate customers by using drones that we have purchased for equipment inspections. In October, we expanded the area to the entire Kyushu region in response to customer demand.
- Our company has the largest number of drone pilots (108), aircrafts (68 units), and bases (8 locations). We are the largest drone service company in Kyushu (as of the end of October 2019).
- In the future, we will consider other services such as measuring the deterioration of equipment by using AI.



▼Drone image taken with IR camera to confirm heat-blocking effect





■ Reference data

Overseas Energy Business	42
Renewable Energy Business	44
ESG Initiatives	46



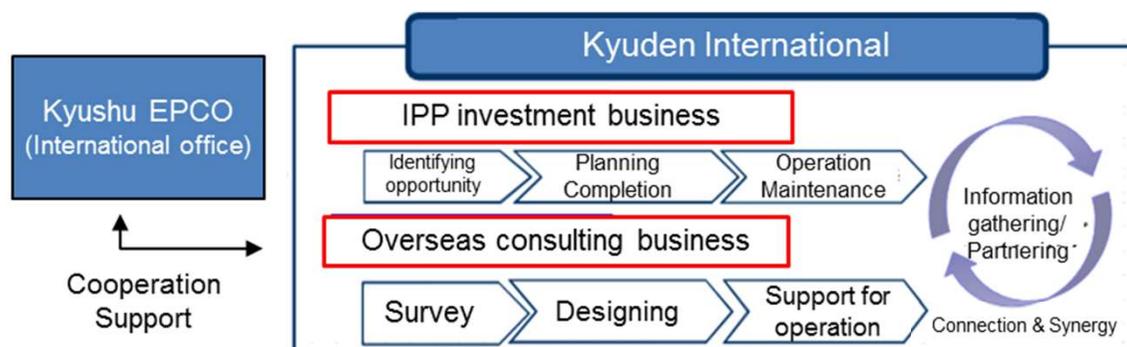
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# Overseas Energy Business

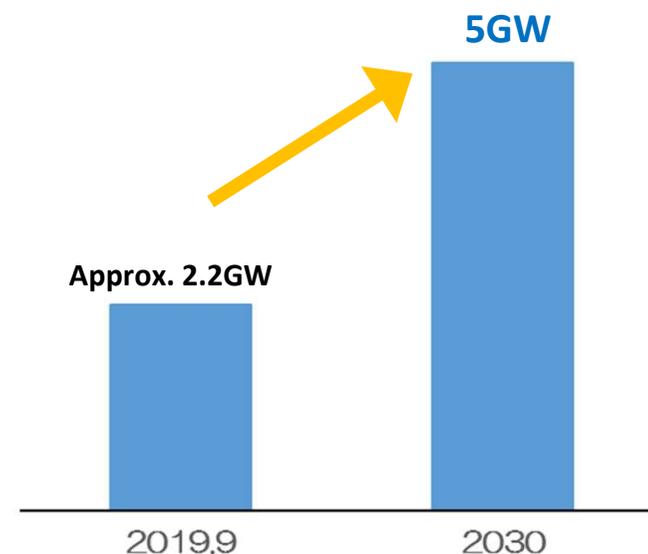
## Promotion of overseas energy business

- International Business Office builds a strategic network, within and outside the Kyuden Group. Kyuden International Co., Inc., which is our wholly-owned subsidiary, promotes IPP investments and overseas consulting business.
- We are aiming for 5GW equity ownership in electricity output in 2030 by developing projects mainly in Asia where electricity demand is expected to increase, as well as North America and Europe.

[Overseas energy business promotion system]



[Target Equity Ownership in 2030]



[Outline of Kyuden International Co., Inc.]



Location of headquarters	Fukuoka city
Capital fund	31.9 billion yen (Kyuden EPCO CO., INC .100%)
Date of establishment	August 2, 1999

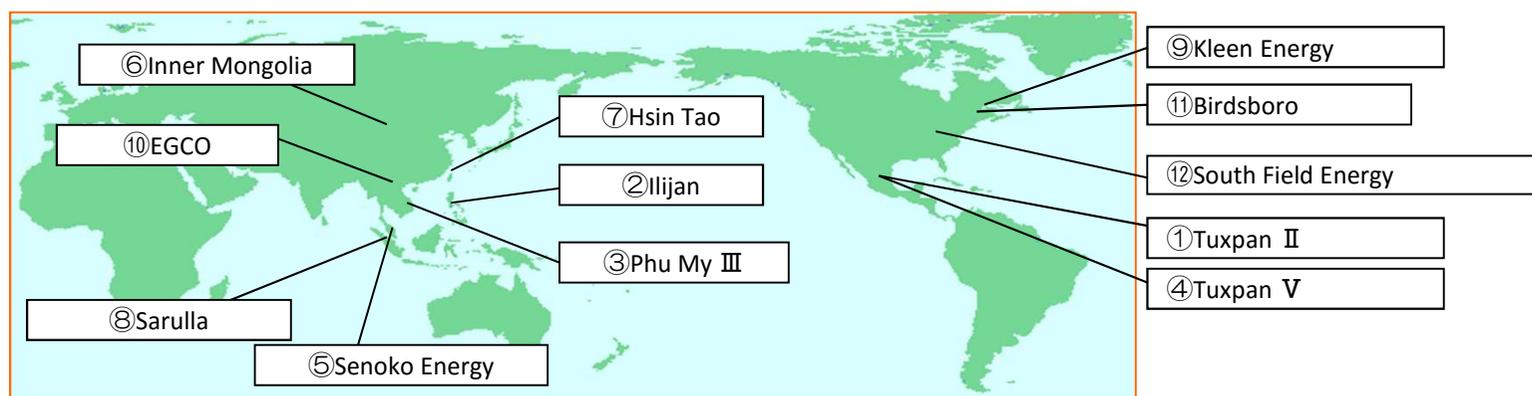
## Business Development Overseas (As of the end of September 2019)

		Project name	Fuel	Start of Operation /Investment	Output	Ownership	Net Capacity
In operation	①	Mexico: Tuxpan II	Gas	2001/12	495MW	50%	248MW
	②	Phillippines: Ilijan	Gas	2002/6	1200MW	8%	96MW
	③	Vietnam: Phu My III	Gas	2004/3	744MW	26.7%	199MW
	④	Mexico: Tuxpan V	Gas	2006/9	495MW	50%	248MW
	⑤	Singapore: Senoko Energy	Gas	[Investment] 2008/9	2380MW	15%	357MW
	⑥	China: Inner Mongolia	Wind	2009/9	50MW	29%	15MW
	⑦	Taiwan: Hsin Tao	Gas	[Investment] 2010/10	600MW	33.2%	199MW
	⑧	Indonesia: Sarulla I~III	Geothermal	2018/5	330MW	25%	83MW
	⑨	USA : Kleen Energy	Gas	[Investment] 2018/5	620MW	20.25%	126MW
	⑩	Thailand : EGCO-related power generation assets	Gas/Coal Renewable	[Investment] 2019/5	5691MW	6.14%	349MW
	⑪	USA : Birdsboro (Start of Operation: 2019)	Gas	[Investment] 2018/1	488MW	11.1%	54MW

Approx.1,980MW

Under construction	⑫	USA:South Field Energy (Start of Operation: 2021)	Gas	[Investment] 2018/8	1182MW	18.1%	214MW
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Approx.210MW

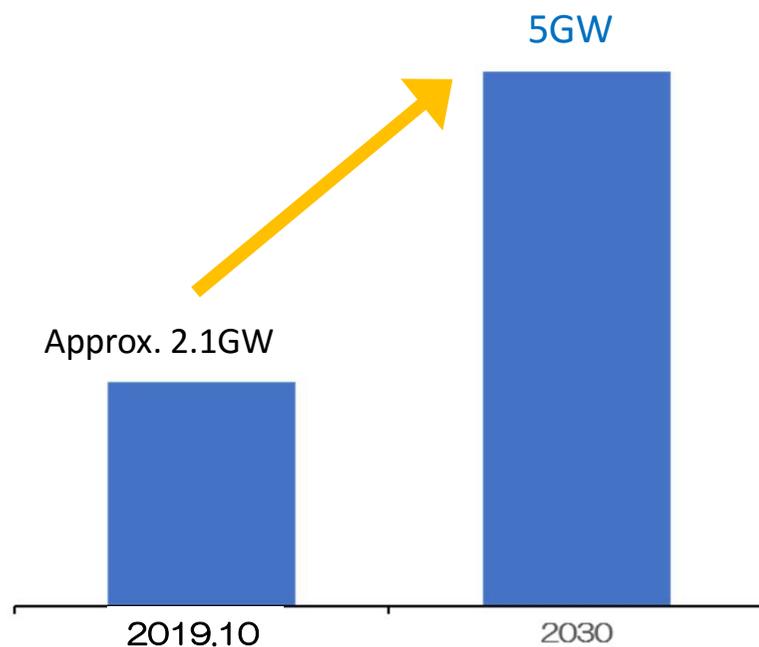


# Renewable Energy Business

## Promotion of renewable energy business

- We have set approx. 5GW of output as a target in 2030 by promoting geothermal and hydroelectric power generation, both in Japan and overseas.
- In order to respond to a wide range of needs from the local community, Kyuden Mirai Energy is in charge of renewable energy in general (research, planning to construction and operations), and of geothermal development. Kyuden Mirai Energy has been in close coordination with group companies such as West Japan Engineering Consultants (West JEC), which has world-class technological know-how on geothermal development.
- The hydro power plant Shin-Kosa in Kumamoto prefecture has started commercial operation in August 2019. The maximum output increased from 3.6MW to 7.2MW by increasing the waterflow due to an additional waterway.

[Output target 2030]



[List of Kyuden Group's renewable energy facilities]

(As of the end of October 2019)

Solar 94MW



Wind 115MW

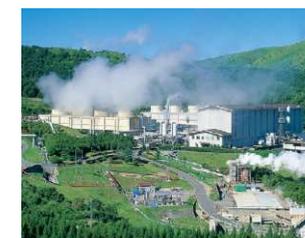


Hydro 1,289MW

(excluding pumped storage)



Geothermal 548MW



Biomass 90MW



## Development plan of renewable energy (As of October 2019)

\*1 Kyuden Mirai Energy Co., Inc. \*2 Kushima Wind Hill Co., Inc.

	Name	Prefecture	Output(MW)	Notes
Solar	【Outside Kyudhu】 Miya river watarai*1	Mie	72.00	Starting operation in FY2023 (scheduled)
	<b>Subtotal</b>		<b>72.00</b>	—
Wind	Kushima wind*2	Miyazaki	64.80	Starting operation in October 2020 (sheduled)
	Karatsu Chinzei wind farm*1	Saga	27.20	Starting operation in FY2021 (Scheduled)
	Experimental Study of Next Generation Offshore Floating Wind Power System*1	Fukuoka	3.00	Starting operation in May 2019 [Commissioned project in collaboration with NEDO] (May 2019~FY2021(Demonstration Phase))
	<b>Subtotal</b>		<b>95.00</b>	—
Geothermal	Ohtake	Ohita	14.50	Starting operation in December 2020 (scheduled) Update of existing facility (12.50MW→14.50MW)
	<b>Subtotal</b>		<b>14.50</b>	—
Hydro	Tsukabaru No.1-4	Miyazaki	66.60	Starting operation in May 2020 (scheduled) Update of existing facility (62.60MW→66.60MW)
	Shin-takeda	Ohita	8.30	Starting operation in March 2022 (scheduled) Redevelopment (7.00MW→8.30MW)
	<b>Subtotal</b>		<b>74.90</b>	—
Biomass	【Outside Kyushu】 Shimonoseki-Biomass*1	Yamaguchi	74.98	Starting operation in FY2021 (scheduled)
	Buzen-biomass*1	Fukuoka	74.95	Starting operation in FY2019 (scheduled)
	【Outside Kyushu】 Nagano-biomass*1	Nagano	14.50	Starting operation in FY2020 (scheduled)
	Karita biomass*1	Fukuoka	74.95	Starting operation in FY2021 (scheduled)
	【Outside Kyushu】 Okinawa Uruma*1	Okinawa	49.00	Starting operation in FY2021 (scheduled)
	Fukuoka biomass*1	Fukuoka	5.70	Starting operation in FY2020 (scheduled)
	【Outside Kyushu】 Hirohata biomass*1	Hyogo	74.90	Starting operation in FY2023 (scheduled)
	Ohita-Biomass*1	Ohita	22.00	Starting operation in FY2021 (scheduled)
<b>Subtotal</b>		<b>390.98</b>	—	
Tidal	Tidal power generation technology commercialization project*1	Nagasaki	0.50	FY2019(scheduled)
	<b>Sub total</b>		<b>0.50</b>	—
<b>Total</b>			<b>647.38</b>	—

## Adoption of TCFD Recommendations for Enhanced Climate-Related Financial Disclosures

- In July 2019, we adopted the TCFD Recommendations for Enhanced Climate-Related Financial Disclosures.
- As listed as one of our performance targets in the Kyuden Group Management Vision 2030, we aim to contribute to a low-carbon society by reducing Kyushu’s CO2 emissions, through increasing the non-fossil power source ratio, by using nuclear power and expanding renewable energy, and through the promotion of electrification. We will make ongoing efforts to enhance our disclosure of environmental information to fulfill our information responsibilities to our stakeholders.



## Supporting Kanto area to restore power after Typhoon No.15 and No.19

- In response to a power outage in the Kanto region due to Typhoon No. 15 in September 2019 and Typhoon No. 19 in October, we received a request from TEPCO Power Grid Co., Ltd., and dispatched vehicles and employees to help quickly fix the power outage.

【Typhoon No.15】				【Typhoon No.19】			
Staff members	Total	Vehicles	Total	Staff members	Total	Vehicles	Total
Kyuden staff	112	High voltage mobile power stations	13	Kyuden staff	84	High voltage generator cars	13
Contractor staff	212	Aerial work platforms	46			Aerial work platforms	3
		Pole erecting vehicles	8			Other vehicles	28
		Other Vehicles	97				

## Health & Productivity Management Organization Certification (two consecutive years in a row)

- We have established Kyushu Electric Power Health Declaration in April 2018, and it has received recognition of its measures to support mental and physical health of employees. The company has been certified as an “Excellent Enterprise of Health & Productivity Management 2019” for two consecutive years in February 2019 (certification system of the Ministry of Economy, Trade and Industry).



For more information, please contact:

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Statements made in this overview of operations regarding Kyushu Electric Power's strategies and forecasts and other statements that are not historical facts are forward-looking statements based on management's assumptions and beliefs in light of information currently available, and should not be interpreted as promises or guarantees. Owing to various uncertainties, actual results may differ materially from these statements. Investors are hereby cautioned against making investment decisions solely on the basis of forward-looking statements contained herein.



Reference

# Kyuden Group Management Vision 2030 (Outline)

## Introduction

We, at Kyuden Group, have always grown together with the development of the Kyushu region, supporting the lifestyles and business activities of our customers through the stable supply of reasonably priced, good quality energy, as in line with the group mission, summarized by the brand message “enlighten our future” . Our company’s business environment is currently undergoing a period of major transition. And around the world, there is greater public awareness of sustainability issues including issues surrounding the ESG and SDGs. Additionally, in Japan, the issues of a shrinking population and aging society grow increasingly severe, as do problems such as the growing social and economic gap between different regions. It is under these circumstances that we have drawn up the Kyuden Group Management Vision 2030 to illustrate the contribution that the Kyuden Group can make towards the sustainable development of communities and society to harness the potential of Kyushu, showing our willingness to develop and grow together with the region. We believe that our mission is to contribute to the revitalization of Kyushu, and we also want to contribute to the development of Asia and the world. We aim to “provide more prosperous, comfortable living to become our customers’ No.1 choice” by “creating the future, starting from Kyushu” together with the region.

## 1 Our 2030 Vision

**Kyuden Group : Creating the future, starting from Kyushu**

**Providing more prosperous, comfortable living to become our customers' No.1 choice**

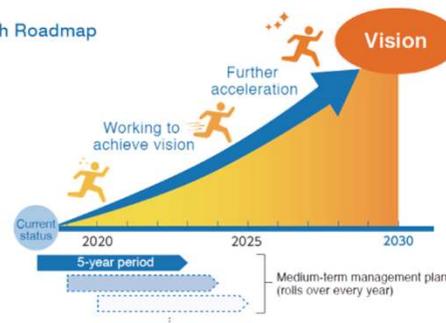
- We are taking on the challenge of creating a sustainable society in Kyushu and beyond
- We are taking on the challenge of further evolving the Kyuden Group including creations new businesses and services

## 2 Strategies for Achieving our Vision

- Strategy I Developing the energy service business**  
Providing more prosperous, comfortable lifestyles through an attempt to create a sustainable low carbon society.
- Strategy II Building a sustainable community together**  
As a local company with operations in all of Kyushu’s prefectures, we will grow together with Kyushu’s local communities and society through the creation of markets for new businesses and services.
- Strategy III Strengthening our business foundations**  
We will work to strengthen our business foundations, coming together as a single corporate group to take on challenges and achieve continual growth.



Growth Roadmap



## Strategy I Developing the energy service business

### (1) Continually supplying reasonably priced stable eco-friendly energy

- We are coming together as a group to fulfill our stable energy supply responsibilities.
- Using nuclear power with an emphasis on safety. We also sincerely address and resolve nuclear power-related issues.
- We will expand renewable energy development in Kyushu, other areas of Japan, and overseas, aiming to generate a total of 5,000 MW in renewable energy.
- We will start to encourage electricity usage in other fields including in transport through the increased usage of electric vehicles. (EVs).

### (2) Move rapidly to respond to environmental changes, evolving our energy services

- While providing reasonably priced electricity, we will also respond rapidly to customer needs and creating new value.
- We will engage in alliances with other companies , and aiming to generate a total of 2,000MW in Japan outside Kyushu.
- We will expand our power generation businesses , harnessing the technology we have developed in Japan , aiming to achieve a total equity ownership in output of 5,000MW.
- While maintaining high levels of fairness, transparency and neutrality, we simultaneously achieve stable supply and cost reductions.
- We will aim to improve the sophistication of our network technology, and will engage in various initiatives overseas and participation in various projects.

## Strategy II Building a sustainable community together

- We will cooperate with local authorities and other companies to sincerely address community and social issues.
- We will also engage in other areas including business support and life support, together facing challenges in industries, including those related to tourism and primary industry, to create new markets that will lead to further growth and vitality of Kyushu.
- We will not only pursue digital transformation, we will actively pursue alliances with other companies, incorporating third-party knowledge to create new value.

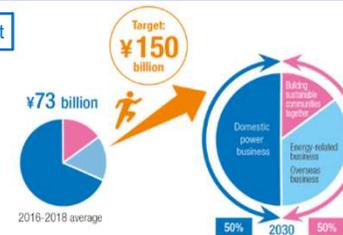
## Strategy III Strengthening our business foundations

- We will prioritize safety, health and diversity as a foundation of all of our business activities.
- We are seeking to create a workplace that stimulates and motivates employees, allowing them to work in a manner that matches their lifestyles.
- We will continuously work to improve the trust of our stakeholders.

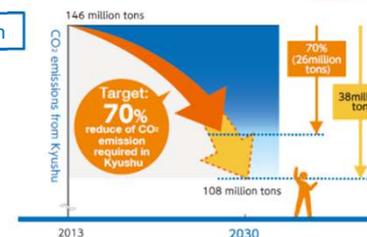
## 3 Business Performance Targets

- Consolidated ordinary profit of ¥150 billion (50% generated by domestic power business, 50% by other businesses)
- Total electricity sales volume of 120 billion kWh. This is a total of retail and wholesale in Japan and overseas (FY2018: 90 billion kWh)
- Contributing to reduce 70% of CO<sub>2</sub> emissions required in Kyushu
- Permanent pursuit of reasonable price for electricity

Consolidated ordinary profit



CO<sub>2</sub>reduction



(Note)  
Japan’s intermediate target is to achieve 26% reduction in comparison to FY2013 by 2030. Converting this into a target for Kyushu results in a required reduction of approximately 38 million tons, corresponding to 26% of the 46 million tons of CO<sub>2</sub> emitted in Kyushu in FY 2013.