KYUDEN GROUP

WATT'S NEXT

KYUDEN Group Integrated Report

2026

INTRODUCTION Preface

Inside Watt's Next 2026

On October 1, 2026, the publication date of this report, we established KYUDEN Holdings Inc., the first pure holding company among Japan's electric power companies, and opened a new chapter for the KYUDEN Group.

Ahead of the full transition to a pure holding company structure in April 2027, we have expanded this report to help readers understand the change in depth. It covers the purpose of the transition and the thinking behind it, how far we have come in putting an effective structure in place, and how the people involved, from employees working in our businesses to our external directors, view the change.

Throughout the report, we also tell a consistent growth story that reflects not only the strengths we have built up over the years but also the management issues now coming into view.

We hope this report gives you a clear view of the path to the future that we are now charting.



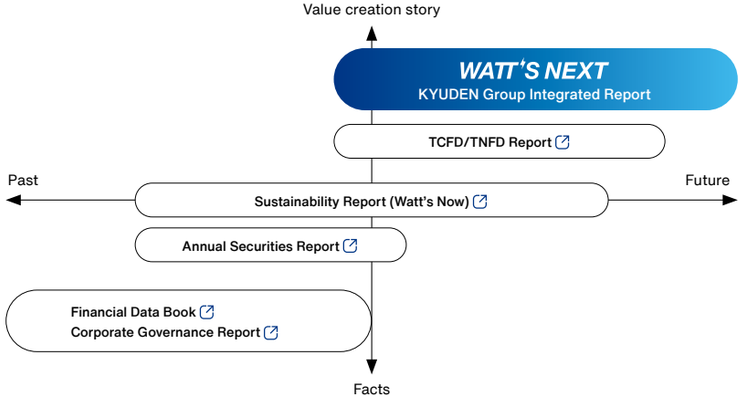
Sincerely,
The Watt's Next 2026 Editorial Team

General approach to information disclosure

The KYUDEN Group discloses information through publications with clearly defined roles, so that you can gain a multifaceted understanding of the Group according to your needs. These include the Financial Data Book, which presents key financial data and related indicators; the Sustainability Report (Watt's Now), which gives a comprehensive overview of our sustainability management initiatives; and the TCFD/TNFD Report, which provides integrated disclosure of our environment-related financial information. This year, we paid particular attention to strengthening the links between these publications.

Within this disclosure framework, Watt's Next (the KYUDEN Group Integrated Report) centers on our medium- to long-term vision and strategies. It aims to convey our value creation story, which brings together both financial and non-financial perspectives. By consulting the related reports through the links in this report as needed, you can gain an even deeper understanding of the Group's initiatives.

Our Annual Securities Report does not yet include disclosures based on the SSBJ Standards (Sustainability Disclosure Standards). We are actively considering such disclosures, with the aim of making them in FY2028 (the fiscal year ending March 31, 2029).

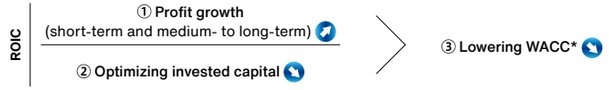


Promoting ROIC Management

The KYUDEN Group introduced ROIC as a management indicator in FY2023 and has since worked to embed it in how we manage the business. As we run our businesses under the pure holding company structure, ROIC-conscious management will matter even more, not only for equity and capital investment in each business area but also for non-financial measures.

In the Action section later in this report, we show how much each of our initiatives, particularly non-financial ones, contributes to ROIC management. We visualize this using the ROIC-WACC spread.

Maximizing the ROIC-WACC spread



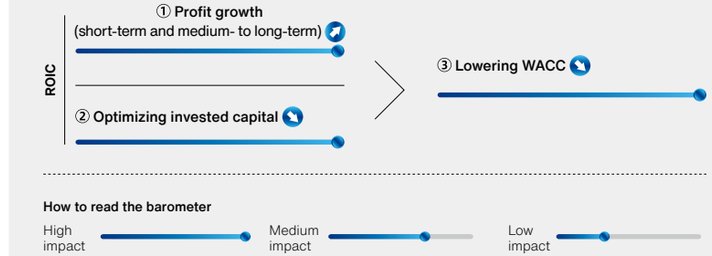
① Profit growth (short-term and medium- to long-term)
We capture earnings opportunities by responding swiftly to new business prospects and proactively managing risks.

② Optimizing invested capital
We allocate assets with rigorous investment discipline and direct capital flexibly to growth areas.

③ Lowering WACC*
We reduce business risk and hold down our cost of capital through corporate governance, a more stable financial base, and other measures.

* The weighted average of the costs (interest rates, dividend yields, etc.) of raising funds through borrowing from financial institutions, investment from shareholders, and other sources

Visualizing the ROIC-WACC spread in this report



CONTENTS

about DESIGN

In line with this transition, we have reviewed the Group brand, including the Group name, symbol (logo), and brand story, and the design of this report reflects the new brand. We will continue to build a consistent brand image and create brand value as one Group.

NEW BRAND SYMBOL

KYUDEN GROUP

We value the trust and track record we have built as “Kyuden.” The name comes from Kyushu and *denki* (electricity), but we aim to go beyond the electricity business in Kyushu and become a corporate group that takes on a new future with flexible thinking. With that aim, we based the design on “KYUDEN.”

The stable straight lines and the central curve express qualities the KYUDEN Group aims to embody. They stand for trust, strength, and warmth. The linked “U” and “D” symbolize how we connect with everyone involved with the Group and co-create across boundaries. The bright blue tone expresses how those connections light up the present and the future. The gradation also represents our broad range of people and their diverse personalities.

Prologue

Preface 01

Contents 02

Group Philosophy 03

KYUDEN Group Charter of Corporate Behavior 04

CEO Interview 05

GRAPHIC STORY 01
The new holding company structure is up and running! 10

SPECIAL FEATURE 01
Toward the Next Stage of Growth
The future the transition opens up for the KYUDEN Group 12

External Director Discussion 16

Chapter 1
As is
Where the KYUDEN Group Stands Today

GRAPHIC STORY 02
Group History : Grounded in Kyushu 21

History of the KYUDEN Group 22

Group Business Overview 24

Insights from the Data 25

Chapter 2
To be
The Future We Envision

GRAPHIC STORY 03
Strategic Vision 2035 : Looking to the future 28

KYUDEN Group Strategic Vision 2035 30

Value Creation Process 32

Chapter 3
Action
Strategies and Measures for Realizing Our Vision

GRAPHIC STORY 04
Limited resources . Where do we put them? 34

A Value Creation Tree That Integrates Financial and Non-Financial Value 35

TOPIC DX Leads the KYUDEN Group to Its Next Stage :
Value Creation Tree in Practice 36

Strategies by Business (Energy Services Businesses)

Power Generation Business / Retail Business (Kyushu Electric Power) 39

Power Transmission and Distribution Business (Kyushu Electric Power Transmission and Distribution) 41

SPECIAL FEATURE 02
Growing Electricity Demand and Reliable Supply Capability
The electric power business grows together with Kyushu 42

Strategies by Business (Growth Businesses)

Renewable Energy Business (Kyuden Mirai Energy) 45

Overseas Business (Kyuden International) 46

ICT Service Business (QTnet) 47

Urban Development Business (KYUDEN Urban Development) 48

SPECIAL FEATURE 03
Farther. Higher.
The competitive strengths behind Kyuden International’s growth 49

A Management Cycle That Balances Autonomy and Group-Wide Optimization 54

Crisis Management 55

Information Security 56

Corporate Governance under the Pure Holding Company Structure 57

List of Directors 63

Stakeholder Engagement 65

Integrated Disclosure of Environment-related Financial Information 67

Sustainable Enhancement of Corporate Value in the GX Era 69

CHRO Message 71

Human Capital Management 72

Employee Roundtable 75

GRAPHIC STORY 05
United for the future 79

Chapter 4
Data
Data Section

Five-Year Consolidated Financial Data 81

Non-Financial Data 82

Corporate Data 84

GROUP PHILOSOPHY

The KYUDEN Group's Mission

Enlighten Our Future

Towards a comfortable and environment-friendly lifestyle today and for generations to come.

Guided by the same mission,
the KYUDEN Group moves forward under a renewed brand.

KYUDEN Group Charter of Corporate Behavior

Seven Promises to Enlighten Our Future

Under our Group Philosophy, "Enlighten Our Future," we have taken a new step by moving to a pure holding company structure. As a common foundation shared across all our companies and businesses, we have established the KYUDEN Group Charter of Corporate Behavior.

1

We will not compromise on safety or on a stable supply of power.

Action Principles

- We prioritize safety in all our judgments and actions.
- We embrace our mission to ensure a stable supply of electricity and support the daily lives and industries of our local communities.
- We prepare for risks such as disasters, accidents, and cyberattacks, and we respond promptly, accurately, and in good faith when a crisis occurs.

2

We will stand with our local communities, think with them, and grow with them.

Action Principles

- We value dialogue with local communities and reflect their views in our business operations.
- We advance co-creation with a diverse range of partners, including local governments, companies, universities, and the residents of these communities.
- We apply the trust, technology, and expertise we have built in Kyushu to help solve the issues facing Japan and the world.
- Through cooperation with KYUDEN Group companies and related parties, including business partners and other companies we work with, we strive for mutual prosperity across the entire supply chain.

3

We will build trust with integrity.

Action Principles

- We act with a strong sense of ethics and ensure rigorous compliance, including adherence to social standards, laws and regulations, and internal rules.
- We respect human rights and do not tolerate unfair treatment such as discrimination or harassment.
- We ensure prompt and appropriate disclosure of corporate information and build trust through thoughtful dialogue with our stakeholders.
- We ensure fairness, transparency, and neutrality, and we conduct our business fairly at all times, guided by the intent of the laws and systems that apply to each of our businesses.
- We have no relations whatsoever with antisocial forces.

4

We will harness advanced technologies in pursuit of "Carbon Minus."

Action Principles

- To become carbon negative, we use advanced technologies to pursue carbon reduction and decarbonization in our power sources and the promotion of electrification.
- Safety is at our core as we pursue a stable supply of energy, economic efficiency, and environmental compatibility together.
- We support the electrification of our customers and society and contribute to reducing greenhouse gas emissions across the entire supply chain.
- We address environmental issues such as climate change, biodiversity, and the circular economy as a single whole, and we connect this work to greater social and economic value.

5

In our free and open culture, we will draw out the potential of every individual and support them as they take on new challenges and grow.

Action Principles

- We respect diverse values, experiences, and expertise.
- We create a rewarding workplace where each person can take on challenges and grow toward what they want to achieve.
- We ensure health and safety, and we provide a workplace environment where everyone can work with peace of mind.
- We commit to professional development and to transferring our technologies and skills to the next generation. By continuing to learn, we support the sustained growth of the KYUDEN Group.

6

We will take on challenges with flexible thinking and create new value.

Action Principles

- We create new businesses, services, and systems in response to social issues.
- Going beyond the boundaries of energy, we develop solutions to meet the diverse needs of our customers' daily lives, industry, local communities, and society.
- We apply new technologies such as AI to transform how we work and create new value.
- We are not bound by precedent: we think and act for ourselves, learn from failure, and apply what we learn to our next challenge.

7

Looking ahead, we will leave a legacy we can be proud to entrust to the next generation.

Action Principles

- We give weight not only to short-term results but to enhancing corporate value over the medium to long term.
- We treat investment in our people, facilities, research and development, intellectual property, and our ties with local communities as the source of future value creation.
- We advance sustainability management that creates both social and economic value, creating value today that we can be proud of tomorrow.

KYUDEN Group Charter of Corporate Behavior

THE NEXT CHAPTER

CEO Interview

**It has long been said that achieving great things requires three elements: the right time, the right place, and harmony among people.
This saying from the Mencius points to the opportunity the times bring, a favorable environment, and the power of people.
If even one of them is missing, nothing can succeed, and of the three, people are said to matter most.
Right now, the KYUDEN Group has all three in place.
As Group CEO, I am confident in our growth,
and I have a solid sense that we are on the right track.
Let me explain why from three perspectives: time, place, and people.**



From Kyushu to the world:
Building lasting growth, together,
for generations to come

Masaru Nishiyama

Representative Director, President & CEO
KYUDEN Holdings Inc.

Born in Nogata City, Fukuoka Prefecture, he began his career at Kyushu Electric Power in 1986, starting at the Kumamoto Customer Service Office. Since then, he has served in a variety of roles, including secondment to the JETRO New York office, general affairs, HR and labor relations, executive secretary to the president and chairman, overseas business, and corporate planning and management. He then served as Executive Director of the Energy Service Headquarters, overseeing the Group's core divisions of fuel, power generation, and retail, which deepened his understanding of the company as a whole and the profound social responsibility that comes with energy. After serving as President & CEO of Kyushu Electric Power, he took up his current position in October 2026. He will lead the Group as CEO of KYUDEN Holdings.

THE NEXT CHAPTER CEO Interview

The Right Time: Progress on Strategic Vision 2035

We continue to move forward under the banner of Strategic Vision 2035. Our business environment has shifted significantly from year to year, with the situation in Russia and Ukraine, developments in the Middle East, and rising prices. Through all of this, we have steadily built up results. Our earnings forecast for FY2026 is already on a par with our financial targets for FY2030. **That shows how the Group's underlying strength has grown year by year, and that we now have a structure that can generate profit whatever the business environment.**

Seen through the lens of time, place, and people, what underpins this steady progress is, first, the right time: the tailwinds in our business environment. Through stable nuclear operations, the expansion of renewable energy, and other measures, the Group has become more resilient to changes in the business environment. Our ability to present solid figures, at a time when other companies are said to find it difficult to disclose profits and earnings forecasts, is a sign of this. New markets such as the capacity market and the non-fossil value trading market, and new frameworks such as the Long-Term Decarbonization Power Source Auction, are also clear positives for us. Carbon neutrality, which we are putting a great deal of effort into, is currently seen as losing momentum. But as a medium- to long-term trend, the need for it is not in doubt. Decarbonization is a challenge that must be met, and I am convinced that this powerful current will give strong support to our business.

As we keep working to turn these tailwinds into results, our footing has grown stronger. Our overseas, ICT service, and urban development businesses drove our growth while the electricity business was struggling to grow. **The seeds we planted there are now bearing fruit, and their contribution to earnings is growing**. And the electricity business itself has entered a new phase. With demand expected to rise, we have changed our thinking in the retail business, a key part of the electricity business. When the retail market was first fully liberalized, our strong wish to keep every customer left us preoccupied with stopping customers from leaving. Excessive price competition wore down our sales teams and made it hard to earn a profit.

We realized this was no way to build a sustainable business. So we changed our approach to sales, looking beyond retail alone to what would contribute to profit across the whole Group. We made rates and structures that support both stable supply and growth the basis of our sales strategy, and applied them consistently. As a result, **we now have a foundation that keeps our rates competitive, attracts new demand, and generates stable profit**.

The Right Place: Kyushu, Our Regional Foundation

A further factor driving our growth is the right place: Kyushu, the foundation of our business. Semiconductor makers and other companies keep setting up in Kyushu, and data centers are being built here at a growing pace. As a gateway to fast-growing Asia, the region's potential keeps rising. This is not an advantage we chose for ourselves, but it is a strong tailwind for our business.

The right place does not work in one direction only, with the region simply benefiting our business. The relationship runs both ways. For example, our competitive energy supply is an important factor for companies deciding to set up here. **Working out how we can grow together with Kyushu is the path that brings the best results, for the region and for our business**. We run our business on the mandate our shareholders have entrusted to us. Beyond that, the trust and expectations of the Kyushu region are



THE NEXT CHAPTER CEO Interview

a powerful force that moves our management forward.

Kyuden, as people here know us, is a company that has walked alongside the people of this region and been built together with them. The strength of our employees matters, of course, but we are where we are today because of the support of the local community. We take pride in the fact that local communities have entrusted us with running our power stations, including our nuclear power stations, and that they trust us to do so. That is exactly why living up to that trust is the foundation of our strong relationship with the region. After the Great East Japan Earthquake, Kyushu Electric Power's nuclear power station was the first in Japan to restart, and that was possible only because of this relationship of trust. **When the local community thrives, we draw even more energy from it. This virtuous cycle is a strength rarely seen at other companies**.



The trust and expectations of the Kyushu region are our greatest source of energy for moving our management forward.

Why We Are Moving to a Pure Holding Company Structure

In October, we established KYUDEN Holdings Inc. In April 2027, we will complete the transition to a pure holding company structure, with six core companies under the holding company. **We are the first of Japan's former general electricity utilities to adopt a pure holding company structure**.

Becoming a holding company is not a goal in itself. It is a means to further growth. To grow the Group with the energy services businesses and the growth businesses as our two pillars, an organization in which Kyushu Electric Power manages every business is no longer the best fit. I oversaw our overseas business myself from 2019 to 2021, and I saw firsthand how different it is from the domestic electricity business in its characteristics, its pace, and its approach to risk and return. When Kyushu Electric Power makes the key decisions across the full range of our growth businesses, we can end up missing business opportunities. Going forward, **we will delegate authority to the core companies and respect their autonomy**. This will let each one run its business in a way that suits its own characteristics, and **it will make the performance of each segment clearly visible**. The holding company will **assess each business closely** against clear management indicators and **allocate management resources from the perspective of the Group as a whole**. I expect this healthy rivalry, and the discipline that comes with it, to spur the growth of the core companies, energize the whole Group, and create further value. **Kyushu Electric Power, for its part, will focus on the domestic electricity business**. That will allow its management team, and the company as a whole, to **give full attention to key priorities, starting with nuclear safety**, which is also the foundation of our strengths.

Strengthening Our Financial Base and Earning the Confidence of the Capital Markets

Achieving the targets of Strategic Vision 2035 will require further investment to sustain and grow our businesses. In particular, rising electricity demand, which is the basis of our growth, also increases GHG emissions, so strategic investment toward carbon neutrality is essential. At the same time, largely because of investment in nuclear safety measures, the Group's interest-bearing debt has roughly doubled compared with before the Great East Japan Earthquake. **With interest rates expected to rise, strengthening our financial base, by curbing growth in interest-bearing debt and generating more profit, is a basic premise of our management**. These two goals can look contradictory. To achieve both, I have asked each business to grow not by relying on new investment funds, but **by recycling its own assets, generating cash, and putting that cash into its next investment**. For assets we develop from now on, our basic approach will be to run the business without adding interest-bearing debt, including by considering special purpose companies (SPCs). **I have long said that ROIC is an indicator we must prioritize, because I want efficient use of capital to be at the core of our management**. We will keep ensuring efficient capital recycling and a stronger financial base across the whole Group.

We also believe we need to deepen our dialogue with capital markets on how we run our business with financial discipline. In recent years, our ROE has averaged over 10%. In terms of management that is conscious of the cost of capital, we have consistently exceeded the level investors expect. Our price-to-book ratio (PBR), however, has not reached 1.0. The main reason is our low price-to-earnings ratio (PER). We candidly acknowledge that **this is because we have not communicated our growth scenario well enough, and investors cannot yet be confident about our future growth**. We believe one of the causes is the way we set our management targets. Until now, the Group has tended to end each fiscal year ahead of the targets it set. This probably reflects a mindset of preferring conservative targets we can clear comfortably over ambitious ones we might miss, or of wanting targets we can still meet if risks materialize. But clearing easy targets creates no value. Pipe dreams that are completely out of reach are meaningless too. What investors expect is for our words and actions to match: **setting challenging targets and, once we have committed to them, doing everything we can to achieve them. I believe that is what will earn the trust of capital markets and raise our PER.**

THE NEXT CHAPTER CEO Interview







To address these issues, **our top priority right now is to revise the financial targets of Strategic Vision 2035 and our shareholder returns**. The growth story we envision for the KYUDEN Group is challenging, but it is achievable. It holds great value for the company, for our investors, and for the communities we serve. We will develop financial targets that reflect that value and share them with you soon. Underlying all of this is **our determination to establish the electricity business, where our company began, as a solid growth business**. Meeting rising demand while achieving carbon neutrality is no easy task. Our frontline teams are tackling it with energy and commitment, and as management we will support them, guide them, and turn their efforts into growth.

On shareholder returns, we sometimes hear the concern: “Won’t returns be put off because you need to strengthen your financial base?” That is not the case. Our share price is not the kind that jumps within a few months, but our business still has plenty of room to grow. I want shareholders to be able to hold our shares with confidence and fully share in the rewards of our growth. I am not at all satisfied with our current share price. **We will deliver on our growth story so that we can reward shareholders who hold our shares over the long term and support our management**, not only through dividends and other returns **but also through capital gains**. As a first step, we plan to announce a clear dividend policy within this fiscal year, alongside the revised financial targets. It will set the current dividend level as a floor and aim to meet your expectations further as we grow.

Harmony Among People: Our Greatest Strength and Top Priority

Being in the right place at the right time can give us every advantage, but it is people who turn those advantages into growth. My first year or so as president has brought that home to me more than anything. From the moment my appointment was decided, I have said that human capital is the foundation of our company. And the more I visit our frontline sites and talk with employees, the stronger that conviction grows.

Through our NISHIYAMA NOTE video series, I have talked with employees from many different departments and companies across the Group. We have now held more than 50 sessions. It gives me energy to see that each employee has clear views of their own and shares them openly and naturally, talking about what they want to do and how they want to go about it. One session that struck me in particular was with employees from support functions such as accounting and legal. Their work rarely gets noticed, and they are, in a sense, the unsung heroes of the company. Yet they approach their work with real passion and take great pride in their roles. I was deeply moved, and I could see that **the Will and passion I have spoken about again and again are steadily taking root among our employees.**

The KYUDEN Group’s greatest asset is employees who think for themselves, make proposals, and take action, rather than waiting for decisions and instructions from above. I state plainly the values I will not compromise on, and I leave the details to employees’ own judgment. Our Group is made up of sincere people who love Kyushu. I joined the company for a simple reason myself: I loved Kyushu and wanted to contribute to it. Traveling around the region as president, I have seen how much people

THE NEXT CHAPTER CEO Interview

across Kyushu expect of our Group and how much they trust us, and I feel the responsibility of walking alongside the region, and its rewards, more strongly than ever. Our employees' wish to be of service to Kyushu has reached the people of the region and built strong relationships of trust. **The strength of our people and our relationship with the region are what make the Group unshakable.**

What I do want to change is how our people and organization work. We want a culture where passionate employees are free to take on challenges and those around them back them up, and where a challenge is valued even when it does not succeed and leads to the next one. We are only partway there.

Our QX* (Qden Transformation) initiative is now in its fourth year, and this year we held the QX Awards for the first time. I had hoped to recognize any meaningful challenge, even one that had not yet produced results, but unfortunately no such projects were put forward this time. Whether no one took on such a challenge, or people hesitated to speak about it with pride, is unclear. Either way, I take it as pointing to an issue we need to address. As a culture that respects each person's Will and willingness to take on challenges takes root, the foundation for the Group's growth will become stronger still. **The key to that, I believe, is coachability and feedback from management, myself included, to create psychological safety**. We often talk about the importance of transformation and communication, but for employees, changing things and speaking up takes courage. It comes with anxiety and risk: worry about whether an idea will be well received, or what will happen if it goes against their superiors' wishes. If they find the courage to act and nothing changes, or they don't even get feedback, employees will conclude that it is better not to take risks or speak up.

Our robust corporate culture, which has supported safety and stable supply, is a source of pride for our company. But at a time when our business environment keeps changing so rapidly, we need to hold on to that pride while becoming an organization where the employees who run our businesses think and make proposals for themselves. **We will listen openly to what employees tell us, think things through with them, and give them clear feedback on the results. We aim to become an organization that keeps growing, where action and practice aimed at reaching even higher arise naturally.**

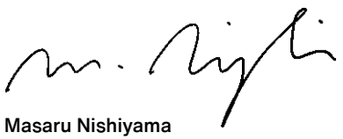
* A core initiative of our human resources strategy, aimed at helping people and the organization grow together and create value

To Our Stakeholders

We are transitioning to a pure holding company structure. Yet even as our structure changes, the values that unite every business across the Group will remain constant. Those values are expressed in our Group Mission: "Enlighten Our Future. Towards a comfortable and environment-friendly lifestyle today and for generations to come." From our energy services businesses to our growth businesses, this shared purpose unites everything we do. We chose the name KYUDEN Holdings for our pure holding company because we want to preserve the trust embodied in the name "Kyuden," a name long embraced by the people of Kyushu, while creating a Group whose employees can come together under that name with pride. Our direction is clear, set out in our Strategic Vision 2035 and Carbon Neutral Vision 2050. My responsibility is to empower people across the Group to move forward with confidence and pride, while fostering a shared conviction that together we can achieve the future we envision.

The time is right, geography is on our side, and our people are united. With these elements aligned, we will move forward together—from Kyushu to the world—building lasting growth for generations to come.

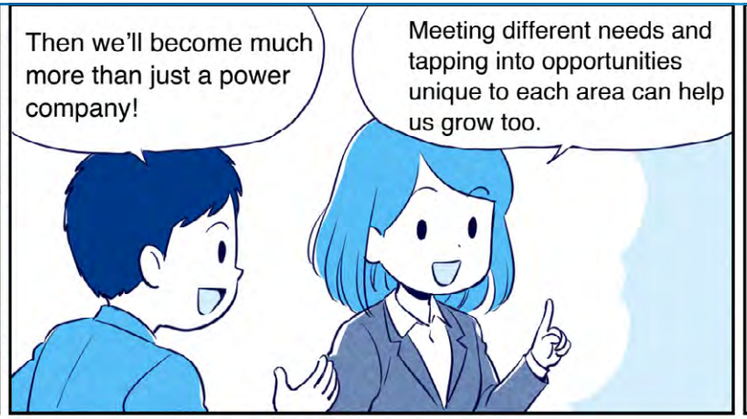


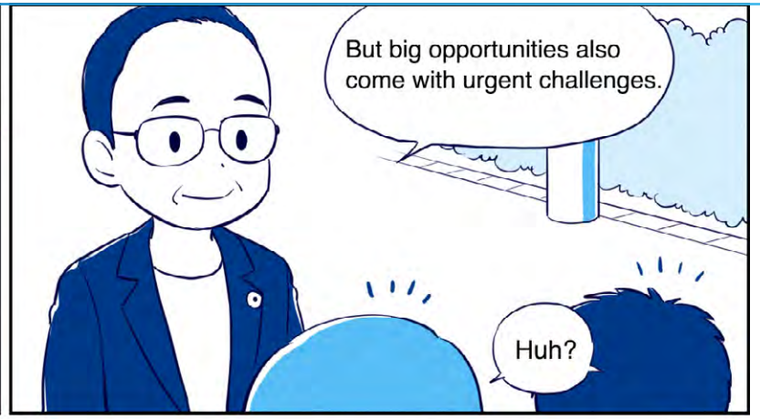


Masaru Nishiyama
Representative Director, President & CEO
KYUDEN Holdings Inc.


The new holding company structure is up and running!
The All-New KYUDEN Group: Lighting today and tomorrow
Senpai!
KYUDEN HQ
"KYUDEN Group Strategic Vision 2035" came up again and again in this morning's meeting, didn't it? But what is it?!
Yamato Watanabe (New Hire)
Huh? Well...
Oh, right. You haven't heard much about it yet.
Honoka Yakuin (Third Year)
So you sat through that whole meeting without really knowing?
Thump Thump
S-sorry... I need to study more...
The KYUDEN Group Strategic Vision 2035 is...
BAM
our roadmap to 2035!
So basically... what does that mean?
Huh?
It maps out how the KYUDEN Group will grow with Kyushu toward 2035.
President Nishiyama!
ICT services
Power generation / T&D
Urban development
Renewable energy solutions
etc.
We'll create value not only through our energy businesses, but through growth businesses too. That's the basic idea.
OH! I get it!
Pop
Kyushu really does have huge potential.
Exactly! Data centers, semiconductor plants...
and Kyushu's huge renewable energy potential. They can all drive Kyushu's growth.

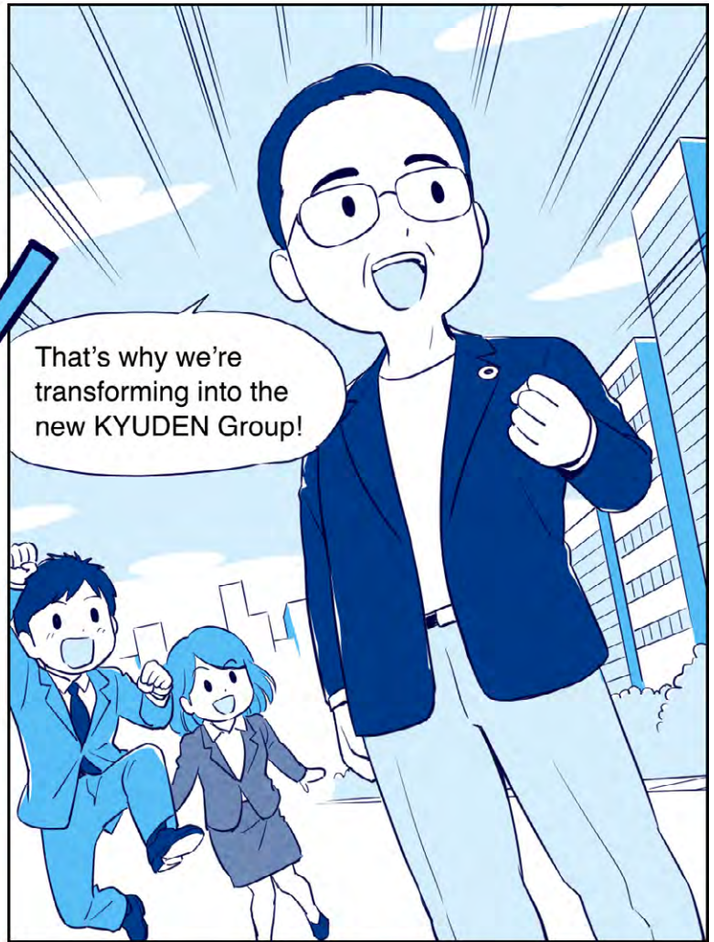

And we want to help Kyushu's local economy grow too.
That sounds great!


Then we'll become much more than just a power company!
Meeting different needs and tapping into opportunities unique to each area can help us grow too.


But big opportunities also come with urgent challenges.
Huh?


...Doing all this is going to take a lot of money, right?
We'll need a stronger financial base.
And we have to keep moving toward carbon neutrality.


Exactly!
With limited resources,
we have to meet more diverse needs and tackle more challenges while still growing the Group.
Ta-da!


That's why we're transforming into the new KYUDEN Group!


And there's another issue: our organization.
Kyushu EP
If one power company has to make every major decision for every business, eventually, that won't work.


Each business needs deeper expertise, plus more flexibility and speed.


And looking across the whole Group, we need to think much harder about where our resources go.
So Group companies need clear roles, so we don't miss great opportunities!

SPECIAL FEATURES **01**

GROWTH AHEAD

Toward the Next Stage of Growth

The future the transition opens up for the KYUDEN Group

**In October 2026, the Group took a major step in its transition to a new structure.
With ordinary income at record levels over the past three years,
the Group's earning power continues to grow steadily.
With semiconductor plants, data centers, and other facilities moving into the region,
electricity demand is expected to rise,
and the electric power business has ample room to grow.
Building on this, the Group is expanding not only the electricity business where it began,
but also its growth businesses: renewable energy,
overseas, ICT services, and urban development.
Its aim is a further leap forward for the Group as a whole, in other words,
achieving Strategic Vision 2035. How will the Group climb to the next level?
The following pages map out the transformation the transition will bring.**

Purpose of the Transition

At the end of March 2026, the Board of Directors resolved to establish a new holding company and transition to a pure holding company structure, in which a holding company with no operating businesses of its own focuses solely on managing the Group. The decision was formally approved at the General Meeting of Shareholders that June. No former general electricity utility had taken this step before, and it was driven by the Group's aim of achieving further growth.

In Strategic Vision 2035, announced in May 2025, the Group declared its aim of further growth driven by two pillars. These are the energy services businesses, centered on the electricity business where the Group began, and the growth businesses: renewable energy, overseas, ICT services, and urban development.

Achieving the vision early requires each operating company to run its business autonomously. The Company therefore decided to transition to a pure holding company structure that enables (1) Group management from the perspective of overall optimization and (2) autonomous, agile business operations.

New Group Structure

On October 1, 2026, as the first step toward the new structure, the pure holding company KYUDEN Holdings Inc. (hereinafter "KYUDEN HD") was established. The name "Kyuden" reflects the Group's wish to build on the trust and track record it has earned under that name. The name comes from Kyushu and denki (electricity), but the Group aims to go beyond the electricity business in Kyushu and take on a new future with flexible thinking. KYUDEN HD has four main roles, all from the perspective of optimizing the Group as a whole: (1) steering portfolio management, (2) sharing common Group values, (3) communicating with stakeholders to enhance the Group's corporate value, and (4) Group-wide governance. Through these four roles, it will drive the Group's growth strategy forward.

In April 2027, as the second step of the transition, Kyushu Electric Power's hydroelectric power generation and urban development businesses will be transferred to Kyuden Mirai Energy and KYUDEN Urban Development, respectively. The six main operating companies will be reorganized as subsidiaries held directly by KYUDEN HD. These six operating companies will serve as the Group's core companies and pursue further growth together with the Group companies in their business areas (partner companies).

Steps in the Transition

Establishment of KYUDEN HD (October 1, 2026): Becomes the parent company of Kyushu Electric Power



Group reorganization (April 1, 2027): Core companies take the lead in each business area



Note: Kyushu EP refers to Kyushu Electric Power Co., Inc., and Kyushu T&D refers to Kyushu Electric Power Transmission and Distribution Co., Inc.

Transformation 1: Group Management Focused on Overall Optimization

The transition aims to achieve Group management focused on overall optimization. One of the changes that will make this happen is the effort to allocate management resources optimally. Alongside the transition, KYUDEN HD has established the Business Portfolio Review Committee, a new body dedicated to discussing the Group's medium- to long-term business portfolio from a cross-Group perspective. The committee will monitor each business in both quantitative and qualitative terms.

Drawing on this, it will hold ongoing discussions on the Group's business portfolio from the perspective of overall optimization. This will shift management resources to businesses with higher capital efficiency, helping the Group achieve Strategic Vision 2035 and deliver sustained profit growth.

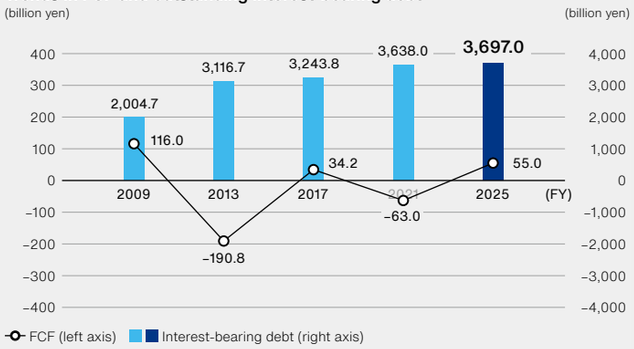
Allocating management resources for overall optimization, led by the Business Portfolio Review Committee

Current status and challenges

Current status

- In FY2025, the Group posted ordinary income on a par with its FY2030 financial targets. It is on track to meet the targets and is now considering revising them.
- The Group aims to keep building profits steadily and achieve sustained growth. This makes it essential to expand profits in the energy services businesses by seizing opportunities such as rising electricity demand, and to capture earnings by expanding the growth businesses.
- At the same time, the Group is currently developing and renewing power generation and transmission and distribution facilities in the energy services businesses. This has put FCF under pressure, and interest-bearing debt stands at around ¥3.7 trillion. These factors place certain constraints on future growth investment

Trends in FCF and outstanding interest-bearing debt



Challenges

The Group aims to use its limited management resources efficiently while achieving steady profit growth (FCF generation). To do so, it must read a fast-changing business environment accurately and identify focus areas for the medium to long term. It must also prioritize how management resources are allocated to each business. These steps are essential to promoting the Group's growth and strengthening its competitiveness.

Initiatives to address challenges

Basic approach to business portfolio management

- To realize the Group Philosophy, "Enlighten Our Future," the Group builds a business portfolio that raises both social and economic value and works to enhance its corporate value over the medium to long term
- In building the portfolio, the Group uses qualitative assessments, such as contribution to social value and synergies with other businesses, alongside quantitative assessments such as capital efficiency.
- The Business Portfolio Review Committee continuously monitors, discusses, and reviews which areas to focus on and which to exit in the future.

[New] Business Portfolio Review Committee

Purpose	To promote growth and strengthen competitiveness across the Group, and thereby enhance corporate value, by discussing the medium- to long-term business portfolio in light of social conditions and other factors
Members	Chair: KYUDEN HD President Members: KYUDEN HD directors and officers (including external directors), presidents of the core companies, and other relevant officers

Business evaluation framework (see the next section for details)

Group strategy
Continuously review the business portfolio to enhance corporate value over the medium to long term

- Monitor each business on quantitative and qualitative measures
- Decide on and review investment allocation by business, and rotate assets (evaluate exits and identify focus areas)
- Consider large-scale new businesses and M&A

Business strategies
Speed up decision-making and improve each business's capital efficiency autonomously

- Review portfolios autonomously within each business
- Expand business areas and earnings through active use of alliances and M&A

Quantitative evaluation
Capital efficiency (ROIC, etc.)

• Growth potential
• Business risk
• Contribution to social value

Qualitative evaluation
Best-owner perspective
Synergies with other businesses

Medium- to long-term business portfolio and the allocation of management resources to achieve it

Actions

KYUDEN HD ⟷ Each Core Company

- Identifying focus areas and making strategic investments
- Generating cash and shrinking the balance sheet through disciplined investment allocation
- Entering new business areas that reflect market trends and the Group's strengths

Based on Group-wide allocation of management resources, each business area builds its portfolio and formulates and executes business plans, so that ROIC > WACC is achieved

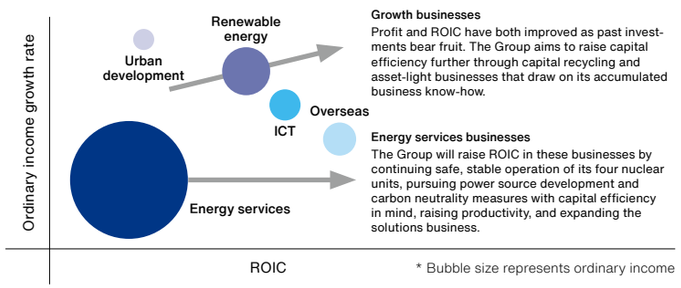
Business Evaluation

In evaluating businesses, the committee will look beyond quantitative measures such as capital efficiency, centered on ROIC. It will also weigh why the Group should hold each business, including alignment with the management philosophy and synergies with other businesses, and make an overall assessment.

Quantitative Evaluation

ROIC and other capital efficiency indicators, along with ordinary income, FCF, and other figures, are monitored for each business, covering not only single-year results but also past trends and future outlooks. ROIC can fall temporarily right after a major investment. Its evaluation therefore takes a medium- to long-term view, considering each business's characteristics and the lead time before investments contribute to profit.

ROIC × ordinary income growth rate (illustration)



Qualitative Evaluation

The rationale for holding each business is set out below, considering not only quantitative factors but also alignment with the management philosophy and synergies with other businesses. In light of each business's strategy and growth outlook, the committee will keep discussing whether the Company is the best owner of that business.

Renewable Energy Business

Renewable energy is a core business that is leading the Group toward "Carbon Minus." It also helps build a Group-wide power source portfolio based on S+3E.

SYNERGY

- Applying power source development and operating know-how built up in the electricity business
- Diversifying the power source portfolio
- Revitalizing the Kyushu region and increasing electricity demand by capturing decarbonization-driven demand

Overseas Business

The overseas business applies expertise built up in the Group's domestic businesses overseas, and brings advanced business models and technical knowledge gained overseas back to Japan. In this way, it contributes to sustainable development both in Japan and overseas.

SYNERGY

- Applying expertise built up in the electricity business
- Bringing back advanced knowledge and optimal solutions from overseas markets

Electricity businesses

ICT Service Business

The ICT service business contributes to a smart society by using digital technology to transform the structure of local communities and businesses and to create new lifestyles.

SYNERGY

- Applying the electricity business's customer base and know-how in telecommunications infrastructure and its operation
- Applying digital technology (such as drones) in the electricity business

Urban Development Business

The urban development business is a developer with green (energy, environment, and smart technology) at its core. It develops and operates properties that make the most of each area's character. Starting from Kyushu, it carries out community development across Japan and overseas, energizing regional economies.

SYNERGY

- Developing and operating properties that draw on civil engineering and construction know-how and relationships of trust with local communities
- Increasing electricity demand through regional economic development

COLUMN

Building Group Management Focused on Overall Optimization

Establishing the Business Portfolio Review Committee



Hiroto Kido
Senior Managing Executive Officer, KYUDEN Holdings Inc.

The Business Portfolio Review Committee has been running on a trial basis since FY2025. Members from KYUDEN HD and the operating companies, each from their own standpoint, have already held repeated discussions on how businesses will be evaluated after the transition and what to prioritize when reviewing the Group's overall business portfolio.

Specifically, the management team first revisited its shared understanding of the Group's PBR, the views we have received from shareholders and investors, changes in the business environment, and our business performance. On that basis, KYUDEN HD has set out the rationale for holding each business and what it expects each business to look like in the future. Building on this, we are now discussing future investment levels and the profit levels each business will be expected to deliver.

Under the new structure, we plan to analyze each business's profitability, capital efficiency, growth potential, and other factors more closely than ever. We will then set policies on identifying future focus areas, entering new areas, and exiting or selling existing businesses.

As the business environment changes rapidly, continually reviewing the Group's business portfolio is essential to enhancing corporate value sustainably. Under the new structure, each business will run autonomously. For the management teams, including those of the core companies, to share a common understanding and manage the Group as one, I believe close, ongoing communication through forums like this committee is important.

We will continue our discussions in this committee to enhance the KYUDEN Group's corporate value and turn them into the best possible allocation of resources.

Points raised during the trial period

Director A

The pure holding company's mission is to drive the growth strategy from the perspective of overall optimization, in order to build the business portfolio we are aiming for. This committee will hold its discussions from the perspective of optimizing the Group as a whole, not individual companies, and reflect them in how investment is allocated.

Director B

As KYUDEN HD, we will take a hard look not only at results but also at how likely each plan is to be achieved. Then, drawing on the results of indicator monitoring and the plans each company has drawn up, we will thoroughly discuss where resources should be allocated.

Core Company President

To generate FCF, we will pursue not only capital recycling but also asset-light businesses such as operations and maintenance. This will also help us raise ROIC.

Executive Officer

Beyond setting targets for each operating company and optimizing the whole, we should also check whether there are cross-business priority areas and then discuss where to direct our limited cash.

Transformation 2: Autonomous, Agile Business Operations

Through the transition, the Group will boldly entrust management to the core companies. With each company focused on its own business, decisions can be made autonomously and quickly. In addition, the core companies, including Kyushu Electric Power, will stand side by side, with their roles clearly defined. Each will then be in a position to drive its business with responsibility and ownership as an operating company in its own right, not as one business within Kyushu Electric Power.

To raise each company's autonomy, the Group plans to delegate more authority as part of the transition, for example by raising the threshold amounts up to which a core company can decide on its own on equity investments and asset acquisitions. In the growth businesses in particular, the competitive environment changes quickly, so it is important to run them without missing investment opportunities. Expanding each company's authority will help maximize earnings opportunities.

Building Autonomous, Agile Business Operations

What the transition will change

What changes will the transition bring to the growth businesses? We asked the people leading these businesses how they see it.

Q: Were there aspects of the previous organizational design that you felt were problematic?

A: The need for prior approval from the parent company (Kyushu Electric Power). On top of our own decision-making, investments above a certain amount had to go through that process, which took time. I think that sometimes held back proactive investment. In fact, in some cases, whether a project fell within our own discretion ended up becoming one of our decision criteria. At times I also felt the parent company applied the same investment criteria across the board, so its reviews did not reflect the nature of the growth businesses.

Q: Given those issues, how do you see the benefits of the transition?

A: First, each company will have more authority over investments. At least within our own discretion, we will be able to make decisions using evaluation criteria suited to the nature of our business. I also expect employees' mindset to change as each business becomes an operating company in its own right. Previously, there was a lingering sense of being just one unit within Kyushu Electric Power, which made it hard to build a proactive growth mindset. As an independent operating company, we should be able to approach our work with more ambition and responsibility than ever.

Q: In the past, Kyushu Electric Power also served as a safeguard in some respects. How do you see that?

A: That was certainly part of its role. Going forward, we plan to set up an investment review body within our company to take on that role, so that we can run the business quickly and with discipline while keeping an independent perspective.

Q: What role do you expect KYUDEN HD to play?

A: I expect KYUDEN HD to allocate management resources with each business's characteristics in mind. I also hope it will strike the right balance between the operating companies' discretion and management and control focused on overall optimization. KYUDEN HD and the operating companies stand in different positions, but our futures are bound together, as we both work to raise the Group's corporate value. By staying in close communication, I hope we can work together to run the Group in the best way possible.

Final thoughts

This transition marks a major turning point for the Group, but the aspiration behind our Group Philosophy, "Enlighten Our Future," remains unchanged. KYUDEN HD will manage the Group with a focus on overall optimization, and the core companies will run their businesses autonomously and with agility. By achieving both, the Group will build on the electricity business where it began and turn its growth businesses into its next pillar of earnings.

A new chapter for the KYUDEN Group. To respond to the changing times and bring the Group steady growth, we will take governance and strategy to a higher level through this new challenge. We will share the benefits that result with all our stakeholders and work together with you to build a future that stays bright for generations to come.

KYUDEN GROUP Brand Story

Enlighten Our Future.

This belief has always been at the heart of who we are.

At the KYUDEN Group, it brings us together and keeps us close to
the communities we serve, as we step forward into a new era.

Day after day, we show up for our communities, no matter what.

The understanding and experience we've built, combined with the power
to create a better tomorrow, lead to greater peace of mind and a higher standard of comfort.

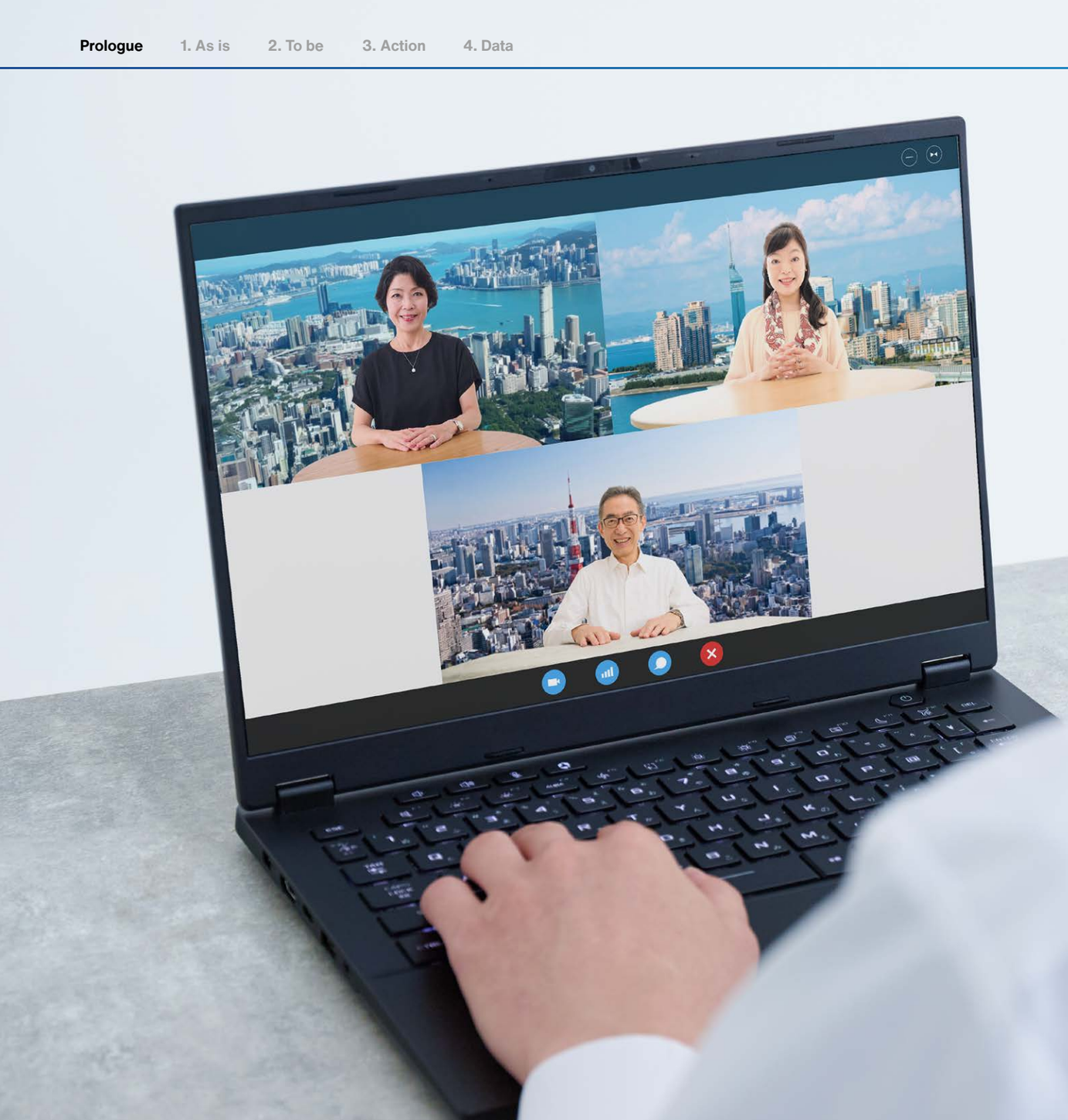
A brighter sense of possibility for every person, and every way of life.

A world with reason to smile for everyone, today and into the future.

With Kyushu by our side and the world ahead,

we remain committed to lighting the way forward for generations to come.

KYUDEN
GROUP



GOVERNANCE DIALOGUE

External Director Discussion

In June 2025, the Kyuden Group launched a new management team under new President Nishiyama. It then set out toward achieving Strategic Vision 2035. On October 1, 2026, the Group established a pure holding company (the holding company), marking a major milestone in its transformation. Under the holding company structure, what should governance look like to support sustained growth and higher corporate value? We connected three external directors based in Hong Kong, Tokyo, and Fukuoka for an online meeting.

Held on June 18, 2026



Yuji Hirako
External Director

Joined All Nippon Airways (ANA) in 1981, driven by a dream of becoming a pilot. Around the age of 40, he led efforts to turn around the international route business, which had lost money since its launch. As ANA president, he also steered the company through the COVID-19 pandemic. When he wants to relieve stress, he listens to Brahms, Bruckner, Wagner, and other composers.



Tomoka Sugihara
External Director

Attorney-at-law. Member of the Japan Federation of Bar Associations' project team on outside officers. Provides legal counsel and representation on crisis response, HR/labor, and other matters for corporations and municipalities. She is committed to building a society free from harassment. Raising her children was once her favorite pastime. Now that they are older, she enjoys musicals and classical ballet.



Yuka Shigetomi
External Director

Lives in Hong Kong. Spent many years at EY working on financial audits, internal controls, risk management, and IPO support for Japanese companies. Holds CPA qualifications in Japan, Hong Kong, and the United States, and is well versed in sustainability and corporate governance. Keeps busy as the mother of a high school student and a college student.

GOVERNANCE DIALOGUE External Director Discussion

Looking Back on FY2025

Sugihara FY2025 was a landmark year for the Kyuden Group. The first thing to mention is that President Nishiyama took over the leadership and a new management team got under way.

He places great emphasis on human capital management, and my impression is that he wants to bring out the best in every employee. When I shared the latest thinking on harassment at a Board meeting, he immediately sent employees a message in his own words. That showed me he can embrace new ideas and values flexibly, and that he is a dependable leader to take the Kyuden Group forward. And it is not just President Nishiyama. I sense that a **mindset of staying alert to change and rethinking old assumptions has taken hold across the Kyuden Group's management**. How would the rest of you sum up the past year?

The holding company should check whether the Group's segments fit together organically, and if necessary, be prepared to reorganize them.

– Yuji Hirako



Shigetomi On the financial side, profit rose compared with FY2024, and debt has continued to trend down. I would say the soundness of the financial base is steadily improving.

There was progress on the non-financial side, too. The environmental assessment for building LNG-fired Unit 6 at the Shin-Kokura Power Plant has been completed. In renewable energy, the Kitakyushu Hibikinada Offshore Wind Farm began commercial operation. **Growing electricity demand, CO_2 emissions cuts, and the expansion of decarbonized power sources are all challenges we face. I feel this was a year of steady progress in taking them on with new methods and in new areas.**

Hirako I am paying close attention to Strategic Vision 2035. In the process of formulating this vision, I sensed a strong commitment from management to extend the Group's reach worldwide while keeping Kyushu as its starting point.

That said, **when it comes to how capital markets assess us, there is a gap between the strength of the vision and the current PBR level**. The main reason for the low PBR is a low PER. In other words, expectations of growth have not fully reached the market and are not reflected in the share price. In particular, I feel a major factor is that the growth story of the energy services businesses, which ought to lead our growth, has not been clearly conveyed to investors.

Communicating the growth story effectively to investors is a key challenge in achieving the vision.

Sugihara You are quite right. In our IR dialogues, too, we heard many comments that the vision's financial targets are conservative. Kyuden Group employees tend to be steady and sincere, more farmers than hunters, so to speak. When they set targets, they carefully look for a level they can be sure of reaching, and that shows in the numbers. I suspect that is why shareholders and investors saw the targets as "conservative." That sincerity is an important part of the Kyuden Group's culture, but in dialogue with capital markets, it may be necessary to show a little more drive and ambition for growth.

Shigetomi Overseas, companies often press their governments harder for support, and many secure generous backing. Investors have pointed out that, by comparison, Japanese companies, the Kyuden Group included, may be shouldering too much of the burden themselves and being too well behaved. That comment stuck with me.

Expectations for the Transition to the Holding Company Structure

Shigetomi The Corporate Governance Code, revised this year, states that the Board's key roles are to set out the overall direction and vision for sustained growth, and to create an environment in which the executive team can take risks more easily. With this transition to a holding company structure, KYUDEN Holdings, the pure holding company, will handle strategy formulation and governance for the whole Group, while the operating companies concentrate on the operations needed to achieve their own business strategies. I feel this is **a very meaningful transformation, partly because it creates a management structure that makes it easier to put the principles of the Corporate Governance Code into practice. What do the rest of you see as most important about the holding company structure, and what do you expect from it?**

Hirako For me, **the key question is how the holding company will oversee the Group as a whole**. The holding company needs to make strategic decisions across the Group from an objective and fair standpoint, such as which business areas to focus on, whether to enter new areas, and whether to restructure or exit existing businesses. It also needs to allocate and share management resources, such as people, assets, funds, and intelligence, with overall optimization in mind. To do that, it should examine whether the Group's segments truly fit together organically. Rather than simply taking existing business practices and relationships as given, it should also be prepared to reorganize them if necessary.

Sugihara **I am also hopeful about the transition to the holding company structure, because it will let us focus more than ever on discussing how to raise the Group's corporate value over the medium to long term**.

Until now, Kyushu Electric Power's management has made decisions specific to the electricity business, such as safety management at power stations and bidding in the electricity

GOVERNANCE DIALOGUE External Director Discussion

market. At the same time, it has steered the whole Group toward growth, including in new business areas. Delegation of authority from the Board of Directors to the President & CEO (delegating decisions on important business execution) has progressed steadily. Even so, many matters specific to the electricity business still come up on the Board's agenda. From now on, the operating companies will make the decisions specific to their own businesses, and the holding company will focus on Group management and look across the Group as a whole.

I have also heard frontline employees who drive our businesses say that decisions on entering a business or signing contracts used to take time, and opportunities were sometimes missed. Under the holding company structure, they expect to move faster on their own judgment. I feel there are high expectations on the front lines that decision-making will speed up.

Hirako On the KYUDEN Holdings Board, the proportion of external directors will change from 5 of 14 to 5 of 10. From now on, rather than changing only the Board's outward form, we need to think about **how to build mechanisms that put the issues raised in discussions among the external directors onto the Board's agenda**, among other things, so that the Board is truly effective.

Shigetomi Moving to a holding company and delegating authority to the operating companies is important, but if the agenda is cut back too far, it may become harder to see what is happening across the Group as a whole. So the design of the agenda needs careful thought. I would like the operating companies and the executive team to share information proactively, and as external directors, let's keep raising questions ourselves.

Growth-Oriented and Defensive Governance

Sugihara The preamble to the revised Corporate Governance Code, which Ms. Shigetomi mentioned earlier, now states explicitly that the Code aims for "growth-oriented governance" that goes beyond "defensive governance." How do the rest of you see the balance between growth-oriented and defensive governance in supporting growth?

Hirako **I think growth-oriented and defensive governance are essentially inseparable. The six key strategies for achieving Strategic Vision 2035 reflect exactly that structure**.

The three business-related strategies, "Becoming Carbon Minus," "Advancing Solutions," and "Co-creation with Local Communities," represent growth-oriented governance. The Board needs to actively discuss how to build the growth story for the energy services businesses and how to move forward with investment in new nuclear and thermal power technologies. To advance solutions and co-creation with local communities, it is also important to consider how to make the most of the tangible and intangible assets the Kyuden Group has built up, including through partnerships with other industries.

The three strategies that underpin the Group, "Human Capital Management," "DX Leadership," and "Strengthening Governance," represent defensive



I hope employees will show not only their steady, sincere farmer side but also a bolder hunter side.

– Tomoka Sugihara

governance. I see them as the operating system (OS) that supports the growth-oriented side. Switching to this OS is what will let us really get moving toward the new vision.

Pursuing growth always carries risk. How to manage that risk is the essence of defensive governance. **It may be worth considering a risk appetite framework, which integrates strategy and risk management by setting how much risk we will accept in pursuit of returns for each action.**

Shigetomi Speaking as an accountant, I have told the Board that, from both a growth-oriented and a defensive perspective, I would like to see the Group's management control systems upgraded through DX. We should build a foundation and systems that gather the Group's financial and non-financial information at the holding company with minimal burden on the operating companies, so that they can focus on their businesses.

When misconduct or compliance problems arise, it is also important to have systems that get information to the holding company quickly and accurately, without anyone filtering it. Looking back at scandals at other companies in recent years, there are quite a few cases where information failing to reach the holding company was a major reason the problem dragged on and grew. This year, too, there have been several reports of accounting fraud, quality fraud, and other cases that arose from focusing only on growth and sales while neglecting governance. The Kyuden Group also had an incident this year involving the loss of an external storage device, and stronger controls to prevent a recurrence are essential. On top of that, it is important for each operating company to establish a three-way audit triangle, in which its Audit & Supervisory Board members, accounting auditor, and internal audit department work together, and for the holding company to bring these together into a larger triangle. With this structure in place, I believe we can create a healthy environment for taking on challenges, where the operating companies maintain the controls they need while feeling secure enough to go all out for growth.

Sugihara As an Audit & Supervisory Committee member and a lawyer, **I want to pay even closer attention to whether we are earning our profits the right way**.

At the same time, as I said earlier, many Kyuden Group

GOVERNANCE DIALOGUE External Director Discussion

employees are steady and sincere, more farmers than hunters, but I would also like to see their bolder hunter side. Semiconductor-related companies and data centers are expected to cluster in Kyushu at an accelerating pace. I hope the Group will reliably meet that strong demand for electricity and keep Kyushu brightly lit.

The share of zero-emission power sources, including renewable energy, already exceeds 50%, a top level among the former general electricity utilities. Ideally, the Group would build on this strength by expanding zero-emission power further for the sake of the planet, then use the profits it earns for shareholder returns and to strengthen its financial base, creating a cycle that attracts further investment.

Hirako Like the airline industry, the electric power industry is heavily regulated, so to some extent it is understandable that it may seem to lack boldness, as Ms. Sugihara says. But as electricity demand rises, how to raise profitability will be a challenge, including for pursuing growth investment.

In the airline industry, for example, companies hold ongoing dialogue with the supervising authorities on regulation through industry organizations. Safety regulations cannot be relaxed because human lives are at stake, but I believe economic regulations can be adjusted to reflect changes in the balance of supply and demand, such as those caused by population decline.

In the electric power industry too, when rules need to change to keep up with changes in the business environment, I would like to see the Kyuden Group take the lead.

What We Want to Commit to as External Directors

Hirako If you follow the pursuit of lasting growth in corporate value to its end, it comes down to people. I feel that overseeing human capital management is one of our most important responsibilities as external directors.

These days, converting tacit knowledge into explicit knowledge and advancing DX has become the norm. DX is also one of the key strategies of Strategic Vision 2035, and we should pursue it actively. It is very important to reduce work that depends on particular individuals and stalls without them, and to build systems that let the organization function autonomously and efficiently. I also want to encourage a shift in mindset so that **every employee sees DX as their own concern**.

At the same time, not all tacit knowledge can be turned into explicit knowledge. Tacit knowledge gained from personal experiences of failure and success is a uniquely human value that AI, which can only take in explicit knowledge, will not be able to imitate for some time.

We are entering an era of searching for how to make the most of the abilities only people have. To make the most of diversity, we also need an environment where different personalities and values can clash. **Innovation comes from different kinds of knowledge colliding and merging. I believe building that kind of corporate culture will help the Kyuden Group achieve QX* (Qden Transformation)**.

* A core initiative of our human resources strategy, aimed at helping people and the organization grow together and create value

Sugihara As a lawyer, I will continue to watch closely to make sure no violations of laws or compliance rules occur. As I said earlier, I want to focus on whether we are earning our profits the right way. Alongside that, I will keep a careful eye on whether employees who notice something wrong at work can go to the compliance hotline without hesitation, including how the hotline is set up and how it is actually used.

As the only external director based in Fukuoka, I have more chances than the others to hear directly from employees. During the transition to a holding company, I have heard some employees express confusion, saying they joined an electric power company but now find themselves working for a company in a different industry, and others express worry about the future of the Group companies. **I have made sure these concerns reach management and have asked management to explain the changes carefully to employees. I will keep taking it on myself to act as a bridge between employees and management.**

Shigetomi **I want to keep thinking about how to communicate the Kyuden Group's ability to change**. I see the transition to the holding company structure as the first step in showing that ability, both inside and outside the Group. To appeal to investors, it is essential to set out our capital allocation policy clearly in words and numbers, and to make it visible as a long-term value creation story. I am confident that if we deepen our discussions at the Board and communicate the resulting story across all our channels, consistently, transparently, and in a comparable form, we can show investors the Kyuden Group's commitment and determination to change.

One more thing that matters to me is making the Kyuden Group a company its employees can be proud of. If every employee serves customers knowing they represent the Kyuden Group, and proud to do so, that will be a powerful driver of corporate value. I see supporting the creation of that kind of company as another important part of my role as an external director.

The transition to a holding company structure is the first step in showing, inside and outside the Group, the Kyuden Group's ability to change.

– Yuka Shigetomi



Chapter 1

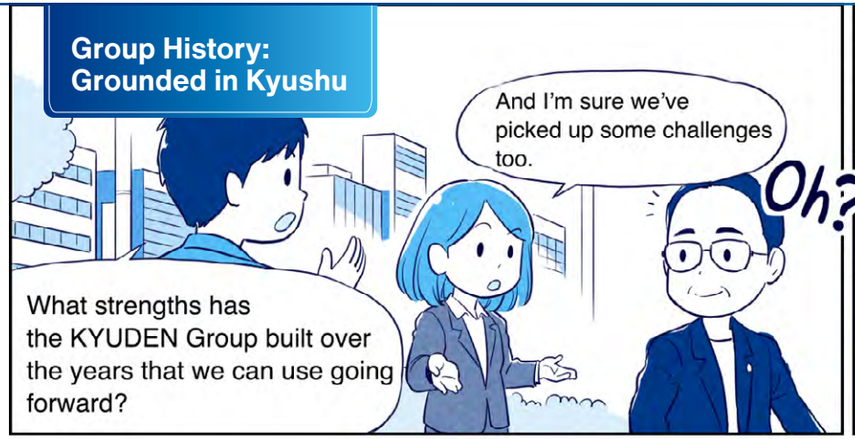
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Where the KYUDEN Group Stands Today

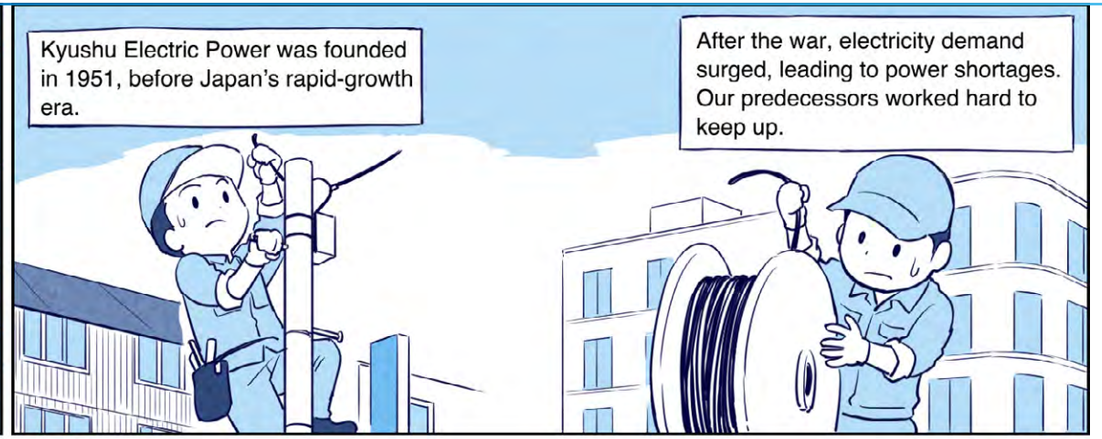
Kyushu Electric Power was established on May 1, 1951, in the reorganization of Japan's electric power industry, which merged the Kyushu portion of the broken-up Japan Electric Generation and Transmission Company with Kyushu Electric Distribution Company.
Over the 75 years since then, we have fulfilled our mission of ensuring a stable supply of electricity while taking a wide range of initiatives beyond the electric power business in response to Kyushu's changing economy.
It is also thanks to the support of people throughout the region that the KYUDEN Group is where it is today.

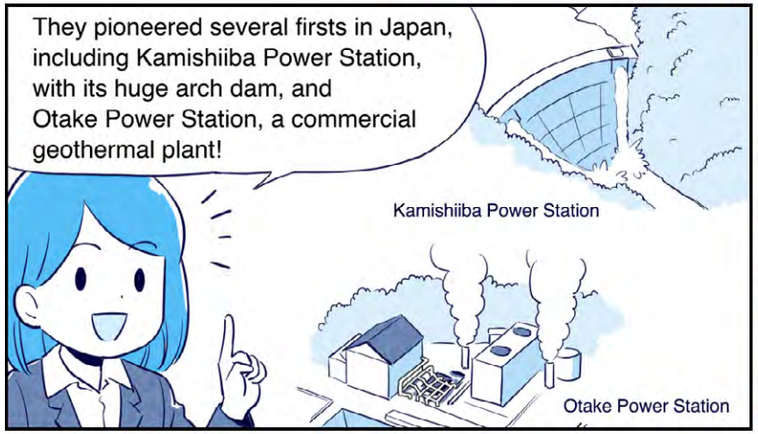
GRAPHIC STORY 02 Group History: Grounded in Kyushu **21** History of the KYUDEN Group **22** Group Business Overview **24** Insights from the Data **25**

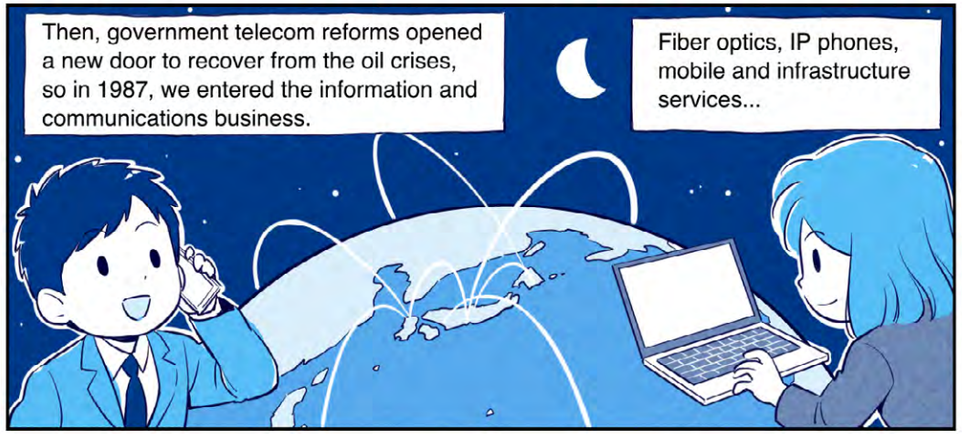
Group History: Grounded in Kyushu

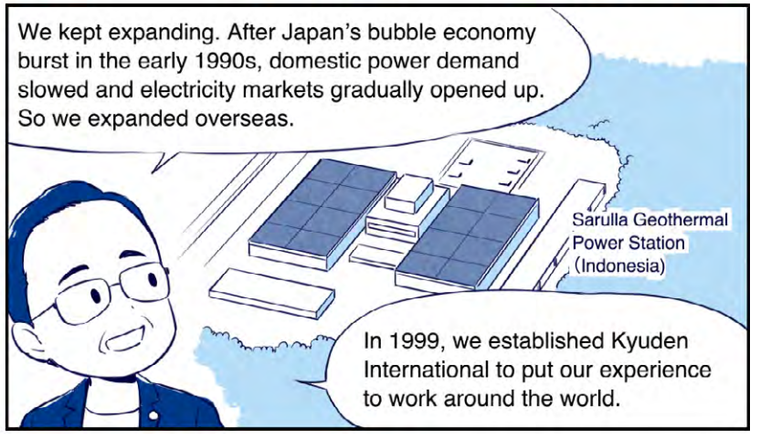


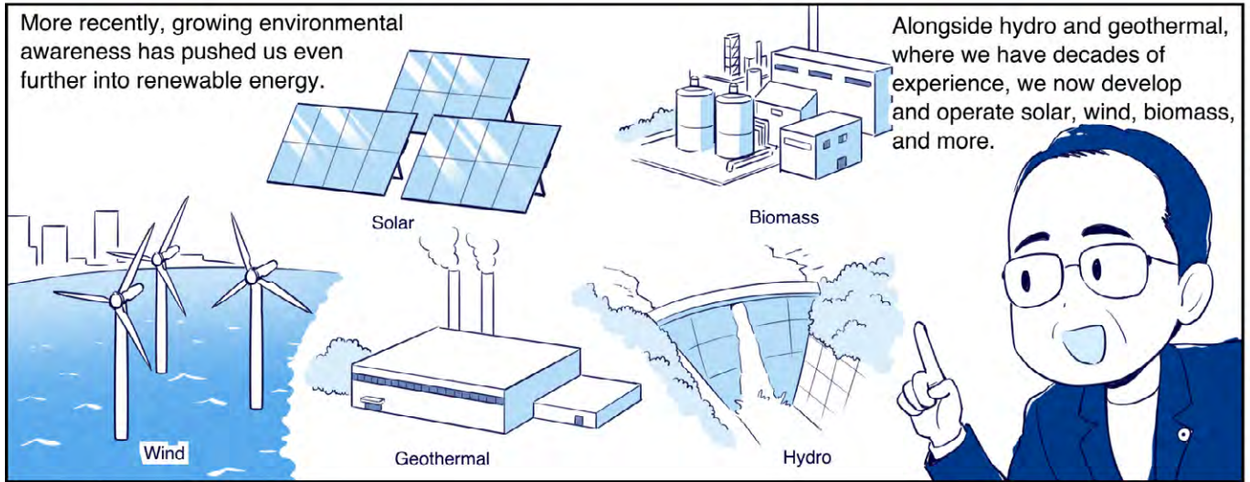










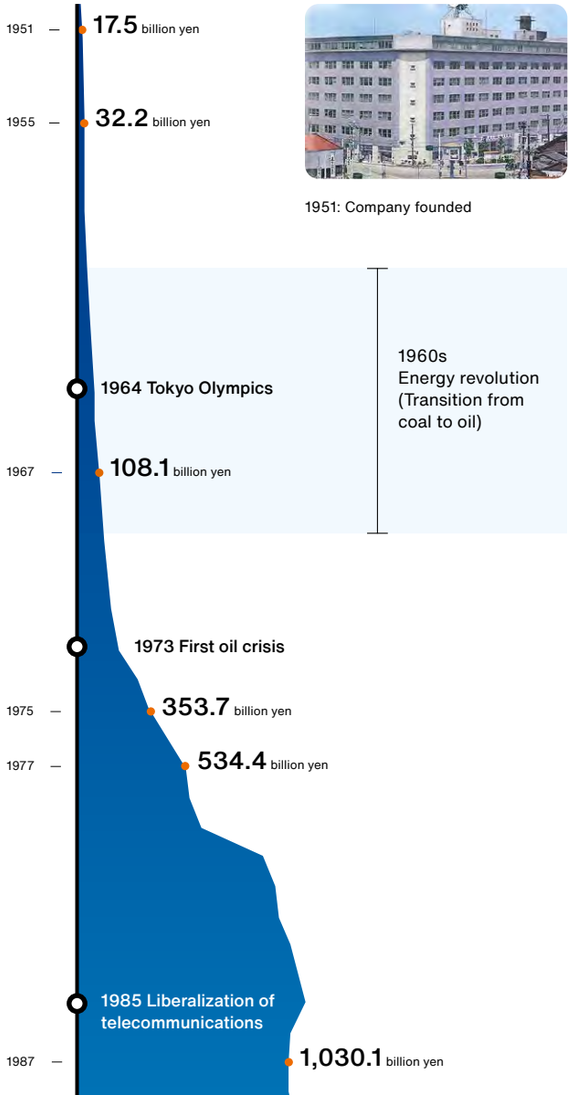




HISTORY of THE KYUDEN GROUP

For details, please see our website.

Operating revenue



1951: Company founded

1950s–1960s

The business environment and the Kyushu economy

From 1951 through the 1960s, Kyushu's economy moved from the boom fueled by special procurement demand during the Korean War into a period of rapid economic growth. Heavy industries such as steel, chemicals, and cement expanded rapidly. Meanwhile, the coal industry, which had accounted for roughly half of electricity demand, declined as coal mines closed one after another amid the energy revolution from coal to oil that took hold from the late 1950s. As Japan's energy structure underwent a major transformation, companies were increasingly called on to reshape their businesses and improve productivity.

ACTIONS Founding and establishing a stable supply

1951: Company founded Amid surging postwar electricity demand and tight supply nationwide, we constructed Kamishiiba Power Plant, a hydropower plant featuring Japan's first large-scale arch dam, as well as state-of-the-art, high-capacity thermal power plants such as Karita Power Plant Unit 1. We also developed a backbone grid by connecting the thermal power plants and major demand centers of northern Kyushu with hydropower plants in the south via 220 kV transmission lines, enabling us to stabilize electricity supply and demand at an early stage. In 1955, following the enactment of the Atomic Energy Basic Act, we established a nuclear power research office and put in place the organizational framework for nuclear power plant construction.

Major Milestones

1951	Founded
1955	Kamishiiba Power Plant begins operation, featuring Japan's first large-scale arch dam
1956	Karita Power Plant Unit 1 begins operation
1967	Otake Power Plant, Japan's first commercial geothermal power plant, commences operation

HIGHLIGHTS Japan's first large arch dam



Kyushu is blessed with abundant natural resources such as water and geothermal energy, so there was considerable interest in how to make the most of these resources. In 1953, construction began on the Kamishiiba Dam in the upper reaches of the Mimi River in Miyazaki Prefecture. With no domestic precedent and lacking modern construction equipment, Kyuden's engineers tackled the project by learning every aspect, from surveying and design to construction, entirely from scratch. The result was the completion, in 1955, of Japan's first large-scale arch dam, standing 110 meters tall.

1970s–1980s

The business environment and the Kyushu economy

In the 1970s, two oil crises brought Japan's period of rapid economic growth to an end, and the Kyushu economy was hit by soaring inflation and recession. As crude oil prices surged, reducing dependence on oil, conserving energy, and diversifying energy sources became pressing social priorities. At the same time, materials industries such as steel entered a prolonged structural downturn.

In the 1980s, the economy moved from the recession caused by the yen's sharp appreciation following the Plaza Accord into the bubble economy. However, materials industries remained sluggish, and companies faced growing pressure to restructure their businesses, strengthen their management foundations, and improve operational efficiency.

ACTIONS Meeting the challenges of a turbulent energy era

In response to growing calls for alternative energy and energy conservation following the first oil crisis, we reduced our dependence on oil and diversified our power sources. In addition to developing the Genkai and Sendai Nuclear Power Plants and LNG-fired thermal power plants, we also expanded into renewable energy sources such as wind power. In the 1980s, we completed a 500 kV backbone grid extending across Kyushu in a T-shaped configuration. We also led the way in Japan by introducing automated distribution line control systems and live-line maintenance methods, helping to shorten power outages and reduce labor requirements. We also entered the information and telecommunications business following the enactment of the Telecommunications Business Act.

Major Milestones

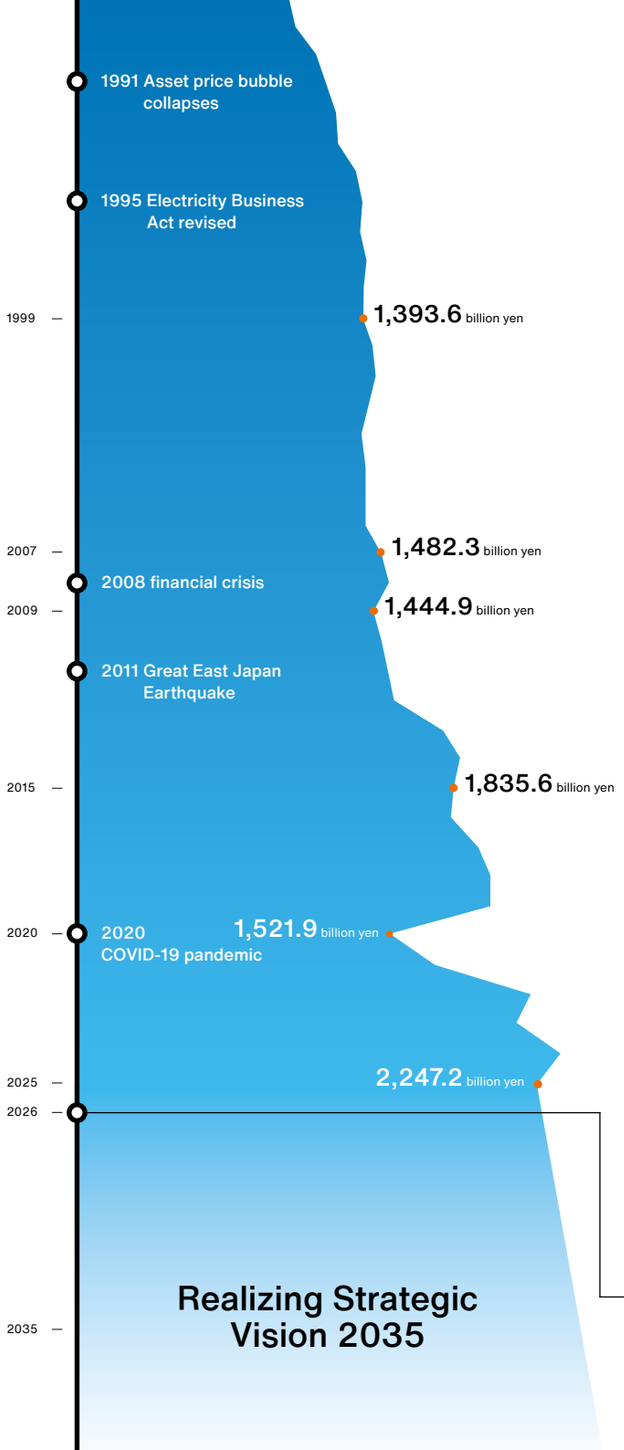
1975	Genkai Nuclear Power Plant Unit 1 begins operation
1977	Shin-Kokura Power Plant Units 1 and 2 converted to exclusive LNG use, promoting the shift away from oil
1987	Three information and telecommunications companies, including Kyushu Telecommunication Network (now QTnet), founded

HIGHLIGHTS Development of our information and telecommunications business





To counteract economic stagnation brought on by the oil crisis, the Japanese government enacted sweeping reforms in the telecommunications sector. In 1985, legislation liberalizing telecommunications took effect to stimulate the industry. Seizing this opportunity, the Kyuden Group entered the information and telecommunications business. Today, the KYUDEN GROUP has built a communications infrastructure covering all of Kyushu and continues to break new ground in areas such as data centers, generative AI, and drones.



1990s–2000s

The business environment and the Kyushu economy

In the 1990s, Kyushu's economy remained mired in the prolonged recession that followed the collapse of Japan's asset-price bubble, amid failures and restructuring in the financial sector, rising unemployment, and weak consumer spending. Globally, the Cold War ended and globalization advanced, while in Japan deregulation gathered pace in the financial, energy, and telecommunications sectors. Following the 1995 revision of the Electricity Business Act, liberalization of the electricity market also progressed in stages.

In the 2000s, the economy recovered against a backdrop of growth in emerging markets. The business environment then changed significantly, however, with the downturn following the global financial crisis and growing awareness of global warming and corporate social responsibility (CSR).

ACTIONS Electricity deregulation and the challenge of new business ventures

Amid the gradual deregulation of electricity and slowing growth in domestic electricity demand, the Kyuden Group began exploring entry into overseas markets. To manage investments, financing, project operations, and risk effectively, we established Kyuden International in 1999, specializing in overseas business development. In 2009, we established Kyuden Ecosol (now Kyuden Mirai Energy), the first company in Japan dedicated to on-site solar power generation. We viewed changes in the business environment as opportunities for growth and actively pursued new ventures.

Major Milestones

1999	Kyuden International founded
2007	Introduced the new corporate philosophy, "Enlighten Our Future"
2009	Kyuden Ecosol established

HIGHLIGHTS Challenges abroad





Since the 1990s, the KYUDEN Group has developed power generation, transmission, and other businesses around the world, with a particular focus on high-growth markets in Asia. By dispatching engineers and commercial staff to project sites and having them work closely on the ground, we have built up extensive expertise. We apply that expertise to subsequent projects, creating a cycle of continued growth. Drawing on the pioneering spirit that has driven the development of our overseas business, we will continue contributing to solutions for global challenges.

2010s–2020s

The business environment and the Kyushu economy

The business environment for the electric power industry changed significantly following the Great East Japan Earthquake in 2011, as electricity system reforms gathered pace and the feed-in tariff (FIT) scheme was introduced.

The 2016 Kumamoto Earthquake caused extensive damage, but growing demand associated with recovery and reconstruction subsequently helped support the regional economy. In the 2020s, the COVID-19 pandemic dealt a severe blow to the economy. At the same time, the establishment of large-scale semiconductor plants has spurred a wave of semiconductor-related investment, raising expectations for a revival of Kyushu's "Silicon Island" reputation and further growth in the regional economy.

ACTIONS Overcoming disaster and leading Japan's decarbonization efforts in Kyushu and beyond

Following the Great East Japan Earthquake in 2011, all nuclear power plants across Japan were shut down. Kyushu Electric Power implemented a range of safety measures to comply with the new regulatory standards, and with the understanding and support of local communities, Sendai Nuclear Power Plant Unit 1 became the first reactor in Japan to return to normal operation in 2015. Today, the four operating units at Sendai and Genkai contribute to a stable supply of electricity and a high ratio of zero-emission power sources. At the same time, as electricity system reforms progressed—including the full liberalization of the retail electricity market and the separation of the transmission and distribution business—we drew on the knowledge and experience we had accumulated to expand into urban development.

Major Milestones

2015	Sendai Nuclear Power Plant Units 1 and 2 resume regular operation
2020	Transmission and distribution operations spun off as Kyushu T&D
2020	The Urban Development Business Division established as an organization under the direct control of the President

HIGHLIGHTS Community building led by a power company





Through many years in the electric power business, the KYUDEN Group has built up expertise in areas including civil engineering and construction, property management, and ICT. Urban development can create new electricity demand while also contributing to earnings growth across the Group. In 2020, we established the Urban Development Business Division and began pursuing urban development on a full scale. Drawing on strengths unique to an electric power company, we will continue contributing to the creation of attractive communities.

In 2026, we established KYUDEN Holdings Inc becoming the first electric power company in Japan to transition to a pure holding company structure.

OUR BUSINESSES

Energy services businesses

Power Generation Business



Our core power generation business uses nuclear and thermal power to produce the electricity essential to daily life and business activities. With safe and stable operation as the fundamental prerequisite, we will maximize the use of nuclear power while improving the efficiency of thermal power generation and optimizing fuel procurement and supply-demand operations. By ensuring a stable electricity supply while reducing carbon emissions from and decarbonizing our power sources, we aim to achieve further growth in our domestic electricity business. These efforts will play an important role in achieving carbon neutrality by 2050 and realizing the KYUDEN Group's "Carbon Minus" goal. We will continue to provide customers with reliable electricity whenever they need it, while reducing our environmental impact.

logo. KYUSHU ELECTRIC POWER CO.,INC.

Retail Business



We supply electricity to a wide range of customers, primarily in Kyushu. With electricity demand expected to grow as more semiconductor plants, data centers, and other facilities are established in the region, we see increasing opportunities for growth. At the same time, we will use digital transformation to reshape both our operations and systems, with the aim of improving customer satisfaction while doubling productivity. We will then reinvest the resources freed up through these gains to expand our energy solutions business, with Enebee as a starting point, into areas such as DR/VPP, energy management, and energy efficiency. By developing a new pillar of earnings alongside our electricity retail business, we aim to become our customers' most trusted partner.

Power Transmission and Distribution Business



As a general transmission and distribution utility, we are responsible for building, maintaining, and operating the transmission and distribution network across Kyushu, ensuring that electricity is delivered to customers reliably and efficiently. By maintaining a stable electricity supply, we support people's daily lives and industrial activity throughout the region, while also promoting the further integration of renewable energy and strengthening the resilience of transmission and distribution infrastructure. We are also expanding into new areas where we can leverage our management resources and expertise, including new businesses in Japan and power transmission projects overseas.

logo. Kyushu Electric Power Transmission & Distribution

Growth businesses

Renewable Energy Business



Kyuden Mirai Energy is one of Japan's leading renewable energy power producers, with a portfolio spanning all five major renewable energy sources: solar, wind, biomass, geothermal, and hydropower. In April 2027, it will integrate Kyushu Electric Power's hydropower business and take the lead in renewable energy across the Group. Its operations span the entire renewable energy value chain, from resource assessment and development through construction, operation and maintenance, supply-demand operation, and electricity sales. In addition to generating and selling electricity from its own power sources, it will provide a broad range of renewable energy services, including PPAs, aggregation and trading, and O&M services.

logo. Kyuden Mirai Energy

Overseas Business



Kyuden International will take the lead in addressing energy challenges in countries and regions around the world. Drawing on the technology, expertise, and networks the KYUDEN Group has built in Japan and overseas, it will actively develop and operate gas-fired power generation, renewable energy, transmission and distribution, and businesses in new areas such as battery storage and asset-light models. Looking ahead, it aims to evolve into a solutions provider that addresses global energy challenges through new forms of value creation. This will include developing integrated business models that combine gas-fired power generation with CCUS or renewable energy with battery storage, in response to customers' needs to reduce and decarbonize their energy use.

logo. KYUDEN INTERNATIONAL

ICT Service Business



QTnet serves as the core of the Group's ICT services business, primarily providing services to external customers. Its offerings include fiber-optic internet services for consumers, network services for corporate customers, AI and other solutions, and data center services. Kyushu Electric Power's information and telecommunications division and related Group companies—including Qsol, which develops, operates, and maintains IT systems, and Nishimu Electronics Industries, which manufactures and sells telecommunications equipment and provides installation and maintenance services—support the KYUDEN Group's business foundation while also offering services that draw on the expertise and knowledge accumulated through the electric power business.

logo. QTnet

Urban Development Business



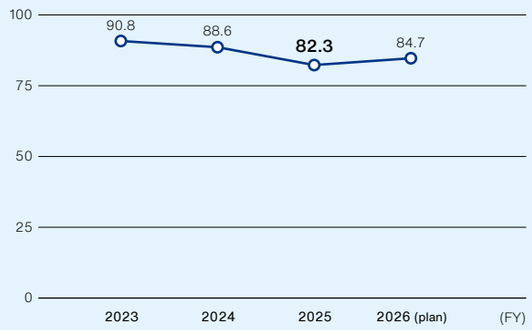
Since establishing the Urban Development Business Division in 2020, we have worked with relevant Group companies to develop businesses spanning urban development, real estate leasing and sales, facility management, asset management, and other areas. In April 2027, these operations will be transferred to KYUDEN Urban Development, which will become the core company responsible for driving the business forward. Building on the strengths we have developed and the synergies across the KYUDEN Group, we aim to establish a business model that consistently delivers both economic and social value.

logo. KYUSHU ELECTRIC POWER CO.,INC.

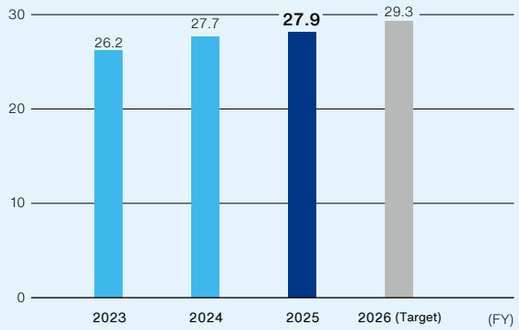
INSIGHTS from THE DATA

Manufactured capital / Natural capital

Nuclear power plant utilization rate (%)

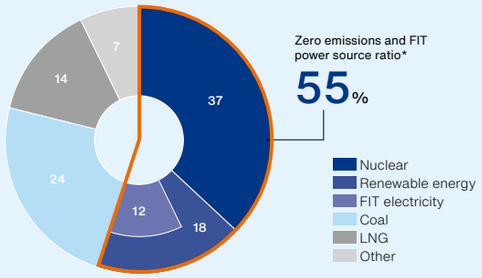


Renewable electricity sales volume (billion kWh)



* Includes sales overseas and sales of FIT electricity without non-fossil certificates (which has no value as renewable energy or as a CO_2 zero-emission power source).

Ratio of zero-emission power sources (FY2025) (%)



* The figures are the ratio to the amount of electricity generated and received by Kyushu EP before Non-Fossil Fuel Certificate trading. The portion of the above that does not use non-fossil fuel certificates has no value as renewable energy, or as a CO_2-free power source, and is treated as having the same CO_2 emissions as the national average for electricity, including thermal power generation.

Human capital / Intellectual capital

Employees (consolidated)
21,189 people

Percentage of mid-career hires among total hires
19.7%

KYUDEN i-PROJECT Participants*2
1,480 people (cumulative total)

Number of major certifications held*1
14,738 (cumulative total)

Number of digital transformation (DX) specialist training participants
470 people (cumulative total)

Number of new business and service developments*3
13 projects

*1 Covers official certifications required or important for operations in each business and division (Chief Electrical Engineer (Type 1), Chief Nuclear Reactor Engineer, etc.)
*2 A project to drive innovation across the KYUDEN Group, fostering the creation of new businesses and services
*3 Number of projects created through KYUDEN i-PROJECT.

Social and relational capital

Trust in the KYUDEN Group
74.6%

Cases of serious compliance violations
0

Cases of serious human rights violations (including the entire supply chain)
0

Number of comprehensive partnership agreements (Kyushu EP)
+2 from the previous fiscal year
62 municipalities

Number of partners (procurement)
+8 from the same period of the previous year
2,667 companies*

* As of July 2026

STRENGTHS 01
High ratio of zero-emission power sources
As demand for environmental value continues to grow, the KYUDEN Group has a ratio of zero-emission power sources that is among the highest in the industry, achieved through the high capacity factor of our nuclear plants and the expansion of renewable energy sources that make use of Kyushu's abundant natural resources. Building on this foundation, we will steadily turn the growing demand for decarbonization into earnings.

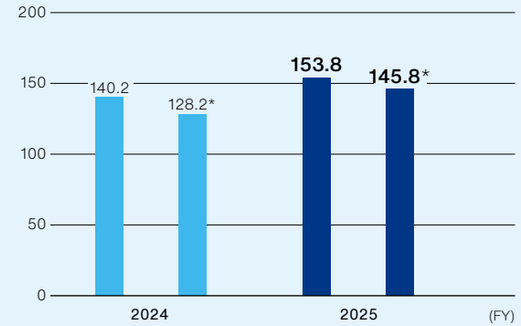
STRENGTHS 02
Talent base
Since our founding, respect for people as the source of corporate value creation has run through our organizational culture, and it is now part of the KYUDEN Group's DNA. Looking ahead to operating under a holding company structure, we are focused on securing and developing not only people with the skills and know-how in safety and stable power supply that we must hold on to, but also specialists in growth areas. And across the Group, a spirit of taking on new challenges is steadily taking root.

STRENGTHS 03
Regional base in Kyushu
With semiconductor plants, data centers, and other industries clustering here, Kyushu has some of the highest growth potential of any region in Japan. Momentum for regional economic development is also building, and the trust we have earned with the people of Kyushu over the years is a major strength as we expand our business. Drawing on a network grounded in that trust, we will work with local communities to co-create social and economic value and shape the future of Kyushu together.

INSIGHTS from THE DATA

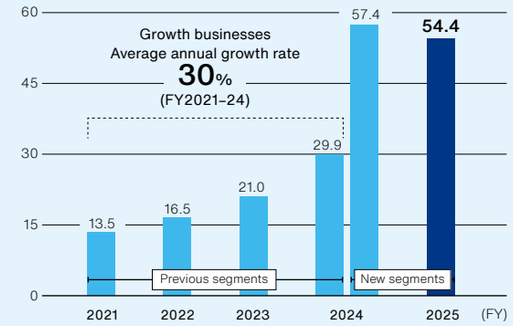
Financial capital

Ordinary income (energy services businesses)

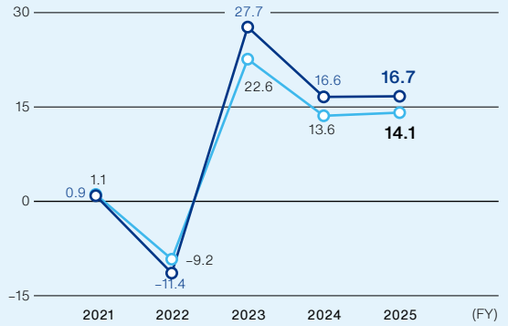


* Excluding the effects of time lag

Ordinary income (growth businesses)



ROE

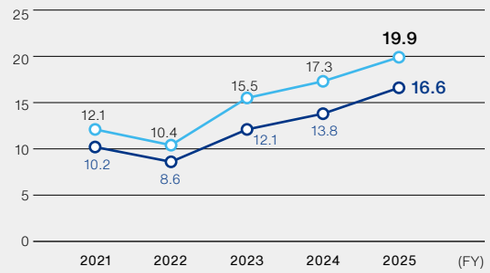


Note: Business segments were revised in KYUDEN Group Strategic Vision 2035, announced in May 2025 (including the transfer of part of the domestic electricity business to the renewable energy business)

Excluding preferred shares Including preferred shares

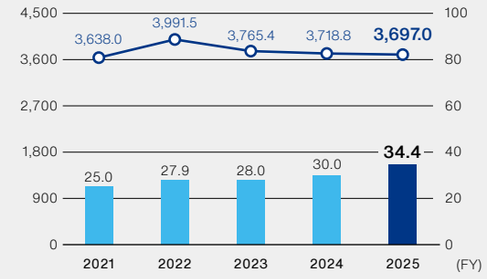
Financial capital

Equity ratio



Excluding preferred shares Including preferred shares

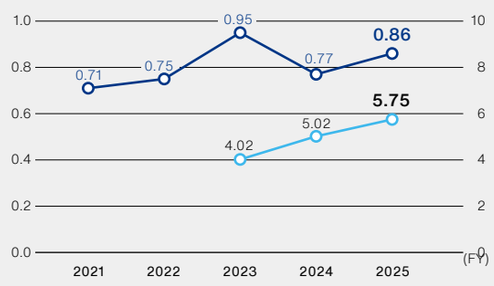
Interest-bearing debt / interest expenses



Interest-bearing debt (left axis) Interest expenses (right axis)

Financial capital

PBR/PER



PBR (left axis) PER (right axis)

* Calculated from the share price, EPS, and BPS at each fiscal year-end. FY2021 PER was 80.97 times (share price ¥817, EPS ¥10.09). FY2022 PER cannot be calculated because EPS was negative.

STRENGTHS 04

Stronger earning power

Our energy services businesses have continued to steadily increase profits even as geopolitical and other risks have materialized, demonstrating their growing earnings power. Our growth businesses (renewable energy, overseas, ICT services, and urban development) also recorded average annual ordinary income growth of 30% from FY2021 to FY2024. ROE has averaged above 10% in recent years (excluding preferred shares), and we aim to keep it consistently above our cost of equity even as we expand our equity capital.

CHALLENGES 01

Strengthening our financial base

Our equity ratio is recovering as earning power grows, but given the rising uncertainty in the business environment, we need to raise it to a level that would consistently stay at or above 20% even after redeeming preferred shares and other equity-type capital. Now that interest rates have returned, we also need to hold down interest-bearing debt, which has roughly doubled since FY2009, as far as possible. To achieve both at once, each of our businesses will further advance ROIC-based management with a focus on capital efficiency.

CHALLENGES 02

Raising market expectations

Our price-to-book ratio (PBR) remains below 1.0. We see our low price-to-earnings ratio (PER) as an issue, and we need to raise the market's expectations of the Group. We will continue our careful dialogue with the market to make the case for the Group's growth potential. At the same time, we are now considering revisions to our profit targets and shareholder return policy so that we can meet the market's expectations while continuing to strengthen our financial base.

Chapter 2

To be

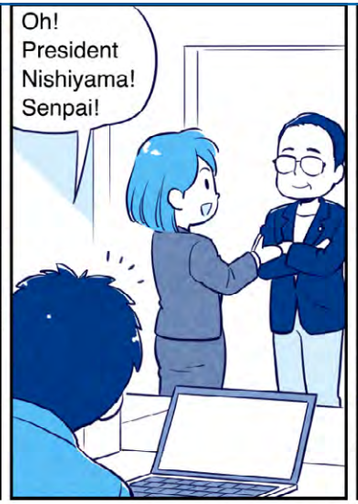
The Future We Envision

In May 2025, the KYUDEN Group announced Strategic Vision 2035, setting out a new direction for the years ahead. The financial, environmental, and human capital targets established under the Vision are already approaching the levels set for the FY2030 interim targets. At the same time, in light of the challenges identified through our “As Is” analysis, we are currently reviewing and updating our financial targets and shareholder return policy.

GRAPHIC STORY 03 Strategic Vision 2035: Looking to the future **28**
KYUDEN Group Strategic Vision 2035 **30**
Value Creation Process **32**


Strategic Vision 2035: Looking to the future
Strategic Vision 2035 starts by looking back from...2050.
2050?
Kyushu in 2050, huh... I can't even picture it.
Creak
2050...
NNN...
2050
So this is... Kyushu in 2050?
Beautiful!
Look at all the greenery and solar panels!
Screech!
President Nishiyama! Senpai!
Semiconductor plants, AI data centers... Electricity demand is way higher than it used to be.
And with fewer workers, robots are everywhere too.
Almost every car is an EV, too!
So quiet!
To meet growing power demand while still cutting carbon, we've diversified our energy sources.
This future actually looks pretty bright. What a relief!
Phew
And Strategic Vision 2035 helped us get here.
Boom
The KYUDEN Group will keep growing with Kyushu—and brighten the world from Kyushu!


What a weird dream that was...

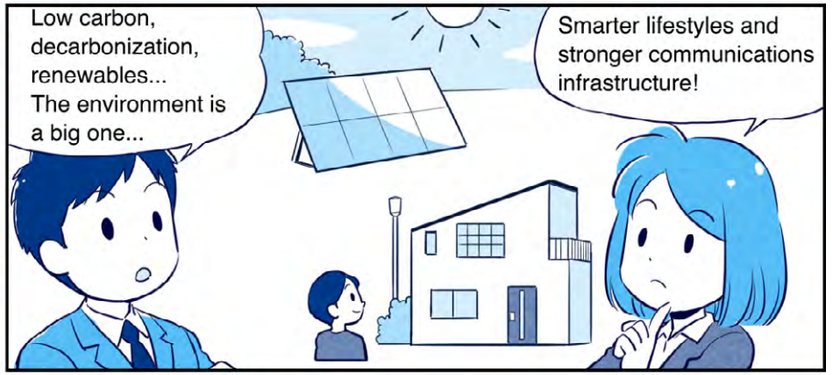

Oh! President Nishiyama! Senpai!


Now I finally get what Strategic Vision 2035 is for!


Strategic Vision 2035 asks: What do we need today to prepare for the world of 2050?
It uses what's called a "backcasting" approach.
Kyushu's future

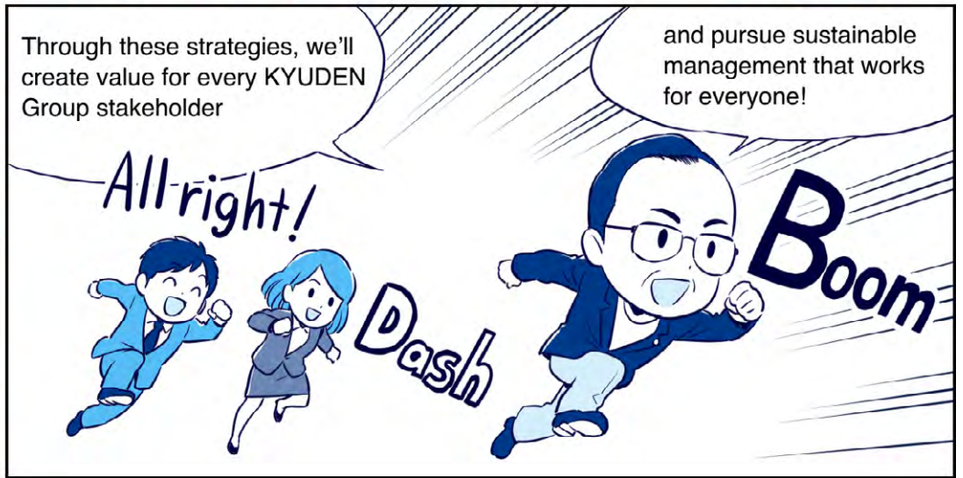

And then there's forecasting—looking ten years ahead from today.
The Vision combines both perspectives.
To make that great Kyushu of 2050 a reality, we need to be ready by 2035.
KYUDEN Group Strategic Vision 2035
Forecast
Backcast
Current status
2035
Future


Now, a question for you two. What do we need to do to make the Vision happen?


Low carbon, decarbonization, renewables... The environment is a big one...
Smarter lifestyles and stronger communications infrastructure!


And above all, stronger communities and better everyday lives.


So, to realize our vision, we created six key strategies.
Becoming Carbon Minus
Advancing solutions to meet a range of diverse needs
Co-creation with local communities to create value and growth
Human capital management to drive value creation
Accelerating corporate transformation through DX leadership
Strengthening governance to support innovation and growth


Through these strategies, we'll create value for every KYUDEN Group stakeholder
and pursue sustainable management that works for everyone!
All-right!
Dash
Boom

KYUDEN Group Strategic Vision 2035

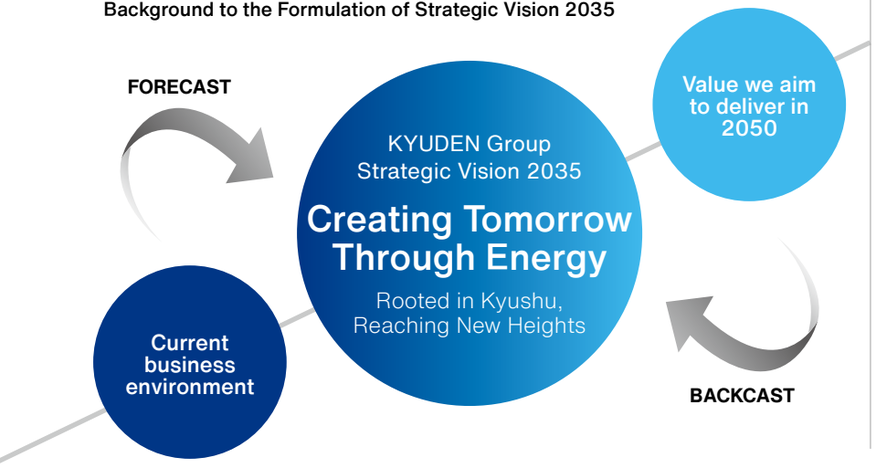
KYUDEN Group Strategic Vision 2035

Formulating Strategic Vision 2035 and Our Vision for the Future

While initiatives under the previous vision were progressing steadily, the business environment surrounding the KYUDEN Group was changing rapidly and becoming increasingly complex, driven by factors such as the rapid evolution of digital technologies, shifts in the outlook for electricity demand, increasingly severe natural disasters, and heightened geopolitical risks. Against this backdrop, and with the aim of continuing to grow together with Kyushu over the long term, we formulated Strategic Vision 2035 in May 2025. The Vision was developed from two complementary perspectives: a backcasting approach based on the value we aim to deliver in 2050 and the long-term changes expected in the external environment, and a forecasting approach based on the current business environment.

We also defined our desired state for 2035 through three sets of management targets—financial, environmental, and human capital—and established six Group Key Strategies to realize the Vision. These strategies address both the creation of economic and social value through our businesses and the further strengthening of our management foundation. They are fully aligned with the material issues we have identified as priorities in advancing sustainability management.

Background to the Formulation of Strategic Vision 2035



Our Vision for 2035

- **Environment**
  Advance initiatives to preserve the global environment and lead worldwide sustainability efforts
- **Social**
  Accelerate efforts to address social challenges and become a company that earns the trust of local communities and partners and grows alongside them
- **Services**
  Create higher-value-added services that anticipate needs and take customers' lives one step into the future
- **People / Organization**
  Build a corporate culture where every employee feels excited about their work

Strategies and Challenges for Achieving Our Vision

Group Key Strategies / Material Issues

Creating social and economic value through our business

1 Becoming Carbon Minus
Accelerate efforts towards achieving Carbon Minus by focusing on decarbonizing power sources and promoting electrification

2 Advancing solutions to meet diverse customer needs
Expand and enhance our services, including platform-based businesses, to adapt to changing customers' needs

3 Co-creation with local communities to create value and growth
Promote initiatives that generate both social and economic value by co-creating with local communities for mutual growth and development

Further strengthening of the management foundation

4 Human capital management to drive value creation
Connect individual aspirations with the Group's vision, enabling people and the organization to grow together and create new value

5 Accelerating corporate transformation through DX leadership
Maximize the use of digital technology to boost productivity, optimize and automate business processes, and drive operational excellence

6 Strengthening governance to support innovation and growth
Promote autonomous management in each business and enhance business portfolio management to improve overall capital efficiency

Management Targets in Strategic Vision 2035

	Indicator	FY2030	FY2035
1. Financial targets	Consolidated ROIC	3.3%	Approx. 4%
	Consolidated ordinary income	180 billion yen	200 billion yen or more
2. Environmental targets	Supply chain GHG emissions intensity	0.36 kg-CO_2/kWh (–50% compared to FY2013)	0.29 kg-CO_2/kWh (–60% compared to FY2013)
	Electrification rate in Kyushu	Residential: 70% / Commercial: 60%	Residential: 75% / Commercial: 65%
3. Human capital targets	Employee engagement rating*1	AA	AA
	Value added per employee*2	1.5x	2x

*1 Rating in the engagement survey provided by Link and Motivation Inc.
*2 Compared to FY2021. Operating revenues minus external purchase costs (e.g., fuel and outsourcing costs) and depreciation and amortization expenses (ordinary income + personnel expenses + rental fees + financial expenses + taxes and public charges, etc.)

KYUDEN Group Strategic Vision 2035

Update on Progress and Plans

Progress toward the management targets set out in Strategic Vision 2035 remains steady. On the non-financial side, our employee engagement rating, one of our human capital targets, has already reached “AA,” the target level for FY2030 onward. Value added per employee has also risen to 1.4 times the FY2021 level, approaching the FY2030 target of 1.5 times. On the environmental front, supply chain GHG emission intensity is currently 49% below the FY2013 level, close to the FY2030 target of a 50% reduction. Even allowing for a temporary increase as electricity demand grows, we consider progress to be on track.

On the financial side, ordinary income for FY2025 was ¥207.0 billion, or ¥199.0 billion excluding the impact of timing differences in fuel cost adjustments, already reaching a level comparable with the FY2030 interim target of ¥180.0 billion. For FY2026, we similarly expect ordinary income of around ¥180.0 billion, or ¥193.0 billion excluding the effects of time lag. Consolidated ROIC for FY2025 was 3.6% excluding the effects of time lag, exceeding the FY2030 target of 3.3%. This indicates that business management with a stronger focus on capital efficiency is becoming firmly embedded across the Group.

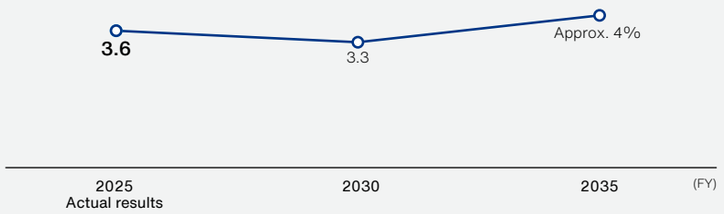
This financial growth has been driven primarily by the recent strong performance of our energy services businesses. The KYUDEN Group regards all of its businesses—including the electric power business on which the Group was founded—as growth businesses. However, our current financial targets do not fully reflect factors such as the expected increase in electricity demand and, in some respects, no longer align with the Group’s current outlook and strategic direction. Against this backdrop, **we are currently considering an upward revision of the financial targets under the Vision. This would clearly demonstrate our commitment to translating the favorable conditions currently supporting the electric power business into earnings, while further strengthening our earning power as we work to reinforce our financial foundation.**

Alongside the review of our financial targets, **we are also considering revisions to our dividend policy, taking into account factors such as the equity ratio we aim to achieve.** We believe this series of reviews will also contribute to improving our PER as we work toward one of the Group’s key challenges: consistently maintaining a PBR of 1.0 or higher.

1. Financial targets

Consolidated ROIC

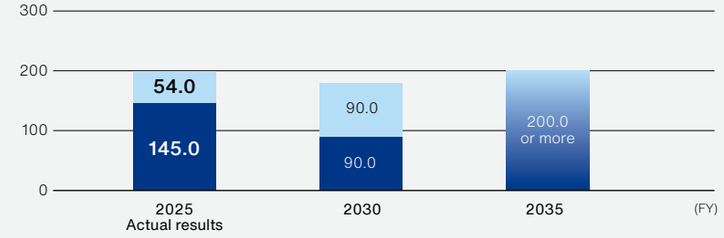
(%)



* FY2025 results are adjusted to exclude the time lag effect of the fuel cost adjustment system from the reported figure (consolidated ROIC: 3.7%).

Consolidated ordinary income

(billion yen)



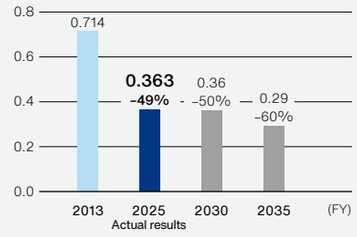
Energy services businesses (power generation, retail, and transmission/distribution business)
Growth businesses (renewable energy, overseas, ICT services, and urban development)

* FY2025 results are adjusted to exclude the time lag effect of the fuel cost adjustment system from the reported figure (consolidated ordinary income: ¥207.0 billion).

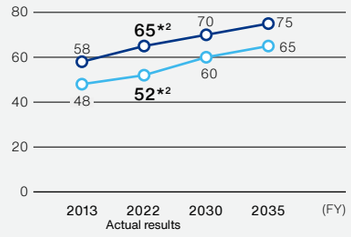
2. Environmental targets

Targets aimed at achieving carbon negativity

[Supply side]
Supply chain GHG emissions intensity*1
(compared to FY2013)
(kg-CO_2/kWh)



[Demand side]
Electrification rate in Kyushu
(%)

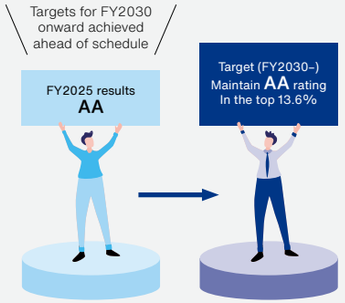


Residential sector
Commercial sector

*1 Calculated in accordance with the GHG Protocol for Scope 1, 2, and 3
*2 Company estimate based on the Agency for Natural Resources and Energy’s Energy Consumption Statistics by Prefecture.
Note: Set in anticipation of government policy support and technological advancements, and may be revised as circumstances require.

3. Human capital targets

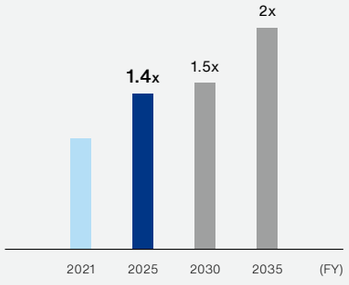
Employee engagement rating*



* The engagement rating is based on an engagement survey provided by Link and Motivation Inc. Ratings are assigned on an 11-level scale from AAA to DD based on standardized scores calculated across more than 10,000 companies that use the survey.

Value added per employee*

(compared to FY2021)



* Operating revenues minus external purchase costs (e.g., fuel and outsourcing costs) and depreciation and amortization expenses (ordinary income + personnel expenses + rental fees + financial expenses + taxes and public charges, etc.)

The KYUDEN Group's Mission

Enlighten Our Future

THE ROAD TO 2035 Value Creation Process

As is

INPUT

The KYUDEN Group's management capital

- Financial capital
- Human capital
- Manufactured capital
- Intellectual capital
- Natural capital
- Social and relational capital

Strengths

1. High ratio of zero-emission power sources
2. Talent base
3. Regional base in Kyushu
4. Stronger earning power

Challenges

1. Strengthening our financial foundation
2. Raising market expectations

Megatrends

External environment surrounding the Group

- Climate change
- Economy and policy
- Technology
- Resource depletion
- Demographics
- Geopolitical

Strategy formulation based on the internal and external business landscape

Action

MATERIALITY / STRATEGY

Creating social and economic value through our business

1 Becoming Carbon Minus

- Strategies and initiatives addressing the Group's financial impacts related to both climate and nature (TCFD/TNFD Report) P.67
- Initiatives for sustained enhancement of corporate value in the GX era P.69

2 Advancing solutions to meet diverse customer needs

- Strategy by business (power generation, retail, and power transmission and distribution) P.39
- Growth strategy for the domestic electricity business P.42
- Strategy by Business (renewable energy, overseas, ICT services, and urban development) P.45
- Strengthening the competitiveness of the overseas business P.49
- Stakeholder Engagement P.65

3 Co-creation with local communities to create value and growth

Promoting ROIC-based management

4 Human capital management to drive value creation

- Identifying priority initiatives and KPIs for achieving our Strategic Vision (Mapping the impact pathway for human capital management) P.73
- Embedding Qden Transformation (QX) across the organization P.74

Further strengthening of the management foundation

5 Accelerating corporate transformation through DX leadership

- Digital transformation strategy targeting ¥100 billion in cumulative profit P.36

6 Strengthening governance to support innovation and growth

- Enhancing the business portfolio strategy and strengthening autonomous management across each business (transition to a pure holding company structure) P.12
- Enhancing the management cycle P.54
- Strengthening crisis management P.55
- Establishing a Group-wide information security framework P.56
- Corporate Governance P.57

Creating value that is good for everyone (*zenpo-yoshi*)

To be (Our Vision for 2035)

OUTPUT

Products and services

- Electricity supply and a wide range of energy-related services and solutions
- ICT services that enhance security and resilience
- Community development leveraging expertise and skills in energy, ICT, and other fields
- Community co-creation businesses
- Connecting local companies and startups with customer needs

Outputs from our businesses

- Profit growth and higher capital efficiency
- Industrial clusters formed by attracting companies
- Enhanced disclosure
- Organizational culture reform
- Fair and impartial business operations
- Lower GHG emissions and greater avoided emissions
- Protection of the natural environment through assessments and other measures

OUTCOME

For customers

- Affordable, stable energy
- Solving challenges through a diverse range of solutions and delivering high customer satisfaction

For local communities and society

- Revitalization of the local economy through value co-creation
- Comfortable, livable communities

For shareholders and investors

- Stable, highly predictable returns through dividends and other means
- Disclosure of information useful for investment decisions

For employees

- A corporate culture and work environment where employees can see themselves grow and feel excited about their work
- A fulfilling work-life balance

For the supply chain

- Corporate growth through equal partnerships
- Enhancing sustainability through policies including respect for human rights

For the global environment

- Mitigating global warming and extreme weather impacts
- Biodiversity conservation

Reinvesting strengthened capital to drive sustained value creation

Chapter 3

Action

Strategies and Measures for Realizing Our Vision

**With the transition to the holding company structure,
the ROIC-based management approach we have pursued since FY2023 is entering a new phase of refinement.
Across the Group, we will advance initiatives that integrate financial and non-financial perspectives,
not only across the business areas of the six core companies,
but also through sustainability initiatives designed to create both economic and social value.**

GRAPHIC STORY 04 Limited resources. Where do we put them? **34** A Value Creation Tree That Integrates Financial and Non-Financial Value **35** TOPIC DX Leads the KYUDEN Group to Its Next Stage: Value Creation Tree in Practice **36**
Strategies by Business 38 **Corporate Sustainability 53** GRAPHIC STORY 05 United for the Future **79**

Limited resources. Where do we put them?

I'm starting to see what strengths we can use to achieve Strategic Vision 2035.

But I can also see the challenges we have to overcome.

Exactly.
There's a mountain of things we need to do.

But our resources aren't unlimited.

KYUDEN Holdings

Core companies

Look at each business and initiative, and one thing becomes clear: we need to play to our strengths

and get the most out of the resources we have.

So every initiative needs to produce real results.

Right.
That's why we're advancing ROIC management.

So it's not just about making more profit. We also have to think about the cost of capital and invest at the right scale.

What ROIC management aims for

Maximizing the ROIC-WACC spread

Grow profits (short, medium and long term) ↗
Optimize invested capital ↘
> **Lower WACC** ↘

ROIC
Return on invested capital

WACC
Weighted average cost of capital

right!

OH, I get it!

So that's ROIC management!

And if the capital markets see that the whole Group is serious about ROIC management,

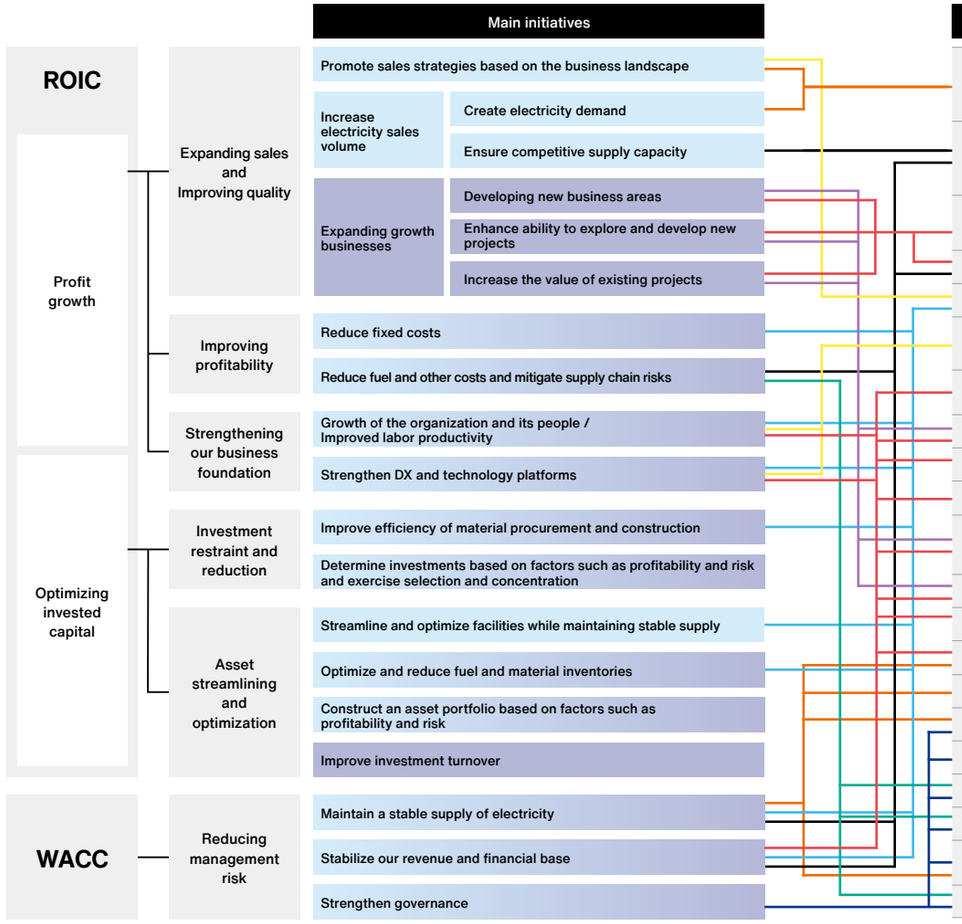
that could boost market confidence in the KYUDEN Group, too.

Now let's see what the KYUDEN Group is actually doing to put ROIC management into action.

VALUE CREATION TREE

A Value Creation Tree That Integrates Financial and Non-Financial Value

The KYUDEN Group introduced return on invested capital (ROIC) as a management indicator in FY2023 and has since worked to embed and promote ROIC-based management. Each business area uses an ROIC tree to link management objectives to employees' day-to-day work. From FY2026, we have also established Sustainability Priority Indicators linked to our materiality and developed specific action plans for achieving each indicator as part of the Medium-term Management Plan. Through these initiatives, we are working to enhance corporate value by integrating financial and non-financial perspectives.



Key materiality issues and Sustainability Priority Indicators (items with no fiscal year indicated are FY2035 targets)		FY2025 results
Promoting electrification 1	• Incremental electricity volume (cumulative FY2021–FY2035): residential 2.3 billion kWh / commercial 2.6 billion kWh • Company vehicle EV conversion rate (FY2030 onward): maintain 100%	Residential: 0.11 billion kWh Commercial: 0.17 billion kWh *single-year result 35.0%
Reducing carbon emissions and decarbonizing power sources 1	• [Making renewables a main power source] Renewable electricity sales volume: 37.0 billion kWh • [Maximizing the use of nuclear power] Nuclear power plant capacity factor (FY2031–FY2035 average): 90% or higher • [Reducing the carbon intensity of thermal power generation] Hydrogen and ammonia co-firing in thermal power generation: hydrogen 10% / ammonia 20%	27.93 billion kWh 82.3% Ammonia co-firing test completed (FY2023)
Building comfortable, sustainable cities 3	• Number of community co-creation businesses created: 16 (cumulative through FY2035)	0
Enhancing our solutions 2	• Number of platform-based businesses established (cumulative FY2026–FY2030): 5	(counted from FY2026)
Promoting sweeping business reforms using digital technology 5	• Profit generated through DX: ¥100.0 billion (cumulative through FY2035) For more information, see p. 36	Cumulative total: ¥7.0 billion
Developing and securing talent to promote DX and system development 5	• Development of DX specialists: 820 (cumulative through FY2027) For more information, see p. 37	Specialist training participants: 470
Ongoing improvement initiatives 4	• Number of challenge activities: 10,000	Introduction of a Challenge Activity System (tentative name) planned by FY2026.
Taking on challenges with the future in mind 4	• Number of new businesses and services developed: 30 (cumulative through FY2030)	Cumulative total: 13 projects
An organization built on co-creation 4	• Employee engagement rating: AA	AA
Mutual understanding through dialogue 4	• Percentage of workplaces conducting dialogue: 90% (FY2030)	90%
Appointment of diverse talent 4	• Percentage of women in management positions: 6% at manager level or above; 12% across all management positions • Ratio of experienced hires to total hiring: 20%	1.7% at manager level or above; 3.9% across all management positions 19.7%
Self-directed development of knowledge and skills 4	• Medium- to long-term development of knowledge and skills: 70% positive responses in the employee survey (FY2030)	74%
A supportive work environment 4	• Utilization rate of childcare leave by eligible male employees: 100%	104.2%
A safe and healthy work environment 4	• Serious occupational accidents, including at contractors and subcontractors: 0	8
Maintaining a stable supply of energy 2	• Annual outage volume (target level to be determined in light of future regulatory developments)	29.2MWh
Improving stakeholder engagement 6	• Trust in the KYUDEN Group: 80% or higher	74.6%
Improving the effectiveness of corporate governance 6	• Average overall score in the Board effectiveness evaluation survey: 4 or higher (out of 5)	4.75 points
Improving supply chain management 6	• Number of violations of the Sustainable Procurement Guidelines (ESG-related) by key partners: 0	(Survey to begin in FY2026)
Ensuring thorough compliance 6	• Number of serious compliance violations: 0	0
Ensuring information security 6	• Personal information leak incidents: 0 • Number of information security incidents: 0	1 0 (Kyushu EP and Kyushu T&D)
Respecting human rights 6	• Number of serious human rights violations, including across the entire supply chain: 0	0

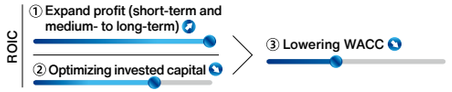
Energy services businesses　Growth businesses

The superscript numbers next to each initiative indicate which of the following material issues the initiative relates to; 1 becoming carbon minus; 2 advancing solutions to meet diverse customer needs; 3 co-creation with local communities to create value and growth; 4 human capital management to drive value creation; 5 accelerating corporate transformation through DX leadership; and 6 strengthening governance to support innovation and growth

TOPIC

DX Leads the KYUDEN Group to Its Next Stage

Value Creation Tree in practice

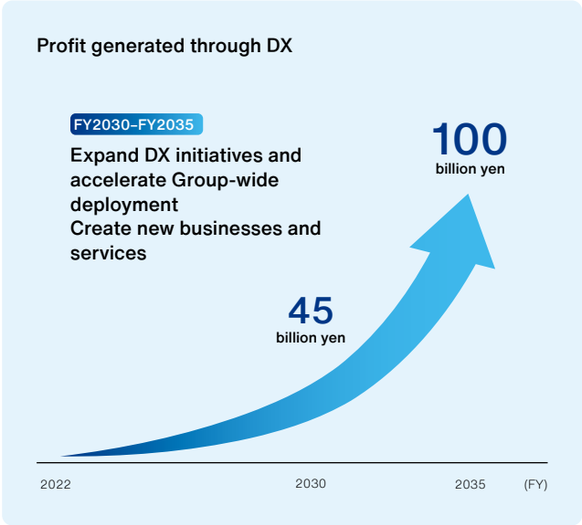


The KYUDEN Group combines the power of AI and data with the capabilities of its people to drive an integrated transformation spanning business process reform, the enhancement of existing businesses, and the creation of new services. We will then expand the technologies and outcomes generated through these efforts across the Group and beyond to customers and society, pursuing both sustained profit generation and solutions to social challenges.

Profit generated through DX: Targeting a cumulative ¥100 billion by FY2035

Kyushu Electric Power established its DX Promotion Division in July 2022 and has since deepened and expanded its initiatives, including building the foundations for DX by fostering momentum and developing talent, rolling out generative AI company-wide, and advancing the use of data. To realize Strategic Vision 2035, which newly positions the promotion of digital transformation (DX) as one of the Group's key strategies, we are pursuing value creation through DX based on three pillars: (1) business transformation centered on AI, (2) enhancing existing businesses, and (3) creating new businesses and services.

By building on the impact of these initiatives, we aim to generate a cumulative ¥45 billion in profit over the roughly nine years from the establishment of the Division through FY2030. Over the following five years, we expect further profit contributions by expanding DX initiatives across the Group, with the aim of generating a cumulative ¥100 billion in profit through DX by FY2035.



(1) Business transformation centered on AI: Building the framework for an "AI-Powered Company"

To achieve this goal, we are transforming ourselves into an "AI-Powered Company."* To support this transformation, we have established a company-wide framework, led by the DX Promotion Division, to support the use of AI and data across all departments. After reviewing each department's operations and challenges, we assess and test potential applications of AI.

* A company that embeds AI throughout its operations and decision-making, with people and AI working together to create value

(2) Enhancing existing businesses

Rather than simply introducing AI into existing operations, we are revisiting the purpose and necessity of each process and redesigning the processes themselves. In particular, we are applying AI and mathematical optimization in areas that have a significant impact on earnings, including facility operation and maintenance, supply-demand operations, fuel procurement and trading, and customer service, with the aim of reducing costs, enhancing facility operations, and improving productivity.

Specifically, we apply mathematical optimization to generation planning for thermal, hydroelectric, and other power sources based on the supply-demand balance, as well as to procurement and shipping plans for LNG, one of the main fuels used in thermal power generation. In this way, we are enhancing core electricity business operations from fuel procurement through power generation. By developing plans that maximize economic efficiency while taking into account complex factors such as market conditions, electricity supply and demand, and equipment status, these initiatives contribute to improved earnings and greater operational efficiency. These initiatives alone are expected to generate well over ¥10 billion in cumulative profit through FY2035.

(3) Creating new businesses and services: Delivering new value to local communities and beyond

Group companies are leveraging technologies, data, and broad expertise developed through the electricity business to provide advanced facility inspection and maintenance services using drones and AI, as well as Q-ie Mamori, a home monitoring service that uses smart-meter electricity consumption data and proprietary analytics. Going forward, we will continue to expand the scope of challenges addressed through digital transformation (DX) and translate these efforts into greater value for customers and local communities.

Examples of initiatives

(1) Business transformation centered on AI

Redesigning processes around AI and leveraging data

- Use AI to detect equipment abnormalities and signs of failure at an early stage
- Automate responses to inquiries using AI

(2) Enhancing existing businesses

Improving profitability and efficiency through data and technology

- Optimize power generation and supply-demand operations, as well as fuel procurement planning
- Improve efficiency through AI-powered call centers
- Optimize customer services through the use of data

Target indicators

Data utilization (advanced analytics)	Data sharing*
FY2035 target: 100 cases (cumulative)	FY2035 target: 50 cases (cumulative)
Results through FY2025: 21 cases (cumulative)	Results through FY2025: 10 cases (cumulative)

* Initiatives to make operational and external data available across organizational boundaries through a common company-wide platform, thereby promoting more advanced operations and decision-making through the use of data.

Examples of new businesses and services

(3) Creating new businesses and services

Extending expertise developed in the electricity business to customers and society

- Inspection and surveying services using drones
- Monitoring services using electricity consumption data
- Digitization services for gift vouchers and similar items using a regional information platform


Infrastructure inspection using drones

TOPIC DX Leads the KYUDEN Group to Its Next Stage

The power of people: Strengthening the talent and organizational foundations that support DX

As a foundation for this transformation, we are developing the talent needed to drive digital transformation (DX) and fostering an organizational culture in which each workplace takes the initiative in pursuing change.

As a new initiative, Kyushu Electric Power and Kyushu T&D are working to expand the talent base that supports digital transformation. This includes using DX skill assessments to assess and visualize each employee's skill level, as well as designating recommended DX certifications—the G Certificate*1, Data Scientist Certification*2, and IT Passport*3—and supporting employees in obtaining them. The cumulative number of employees obtaining these recommended DX certifications has reached approximately 1,300. Through DX Specialist training, we are also developing talent with specialized skills in areas such as data analysis and project management. With these DX specialists playing a central role, we are advancing the use of data and business process reform based on the specific challenges faced by each department.

We have also assigned DX Ambassadors to 56 locations, including power plants and sales centers, to serve as accessible sources of support and advice in the workplace, while fostering greater awareness of DX and encouraging the use of ICT tools. DX Ambassadors support frontline-led DX by helping workplaces reform their operations using digital tools, including generative AI, and by sharing successful examples. In this way, we are building an organizational framework in which each workplace identifies its own challenges and advances DX proactively and autonomously.

The KYUDEN Group will continue to create greater economic value through DX by harnessing the synergies between AI and data and the power of people. We will also translate the results and expertise gained through these initiatives into social value through new services and other offerings, thereby pursuing both sustained Group growth and the delivery of value to customers and local communities.

Development of DX specialists
FY2027 target:
820 people (cumulative)
Results through FY2025:
470 people (cumulative)

Recommended DX certifications
- G Certificate
- Data Scientist Certification
- IT Passport

Number of certified employees:
approx. 1,300 (cumulative)



NISHIYAMA NOTE (Vol. 20): DX Ambassadors



DX Ambassador kickoff (FY2025)

*1 A qualification certifying basic knowledge of AI and deep learning, as well as literacy in their application
*2 A qualification certifying the data science, data engineering, and business skills required of data scientists
*3 A national qualification certifying basic IT knowledge, as well as knowledge of management, information security, and other areas required in the DX era

CEO MESSAGE

With DX as Our Partner: From Kyushu to the World

Some 20 years after Apple unveiled the iPhone, smartphones have become not merely information devices, but indispensable partners in our daily lives. AI is one of the key technologies underpinning this transformation, and the pace of its evolution in recent years has been remarkable. Our approach to business has also entered a new phase. We now see AI not merely as a tool for improving operational efficiency, **but as a partner, and believe that how we harness it within our business strategy will shape our competitiveness and future growth**.

The KYUDEN Group sees change—not only advances in AI—as an opportunity for growth. In Strategic Vision 2035, we newly positioned "Accelerating corporate transformation through DX leadership" as one of the Group's key strategies and an important driver for realizing the vision. By harnessing AI based on the vast amounts of data we hold, **we will provide higher-value-added services and enhance our business processes, while also driving the growth of our people and the transformation of our organizational culture**. We will also enhance our capabilities for the stable supply of electricity, thereby creating additional demand while **creating new value by helping address challenges facing local communities and customers**.

With every employee embracing change with autonomy and initiative, and with DX as a partner, the KYUDEN Group will grow from Kyushu onto the global stage as a corporate group that "creates tomorrow through energy," creating social and economic value simultaneously.



KYUDEN Holdings Inc.
Representative Director, President & Chief Executive Officer
Masaru Nishiyama

For our DX policy and related information, see p. 75 of the Sustainability Report.

Action

STRATEGIC BUSINESS UNIT

Strategies by Business

Energy Services Businesses

Power Generation Business / Retail Business (Kyushu EP) 39

Power Transmission and Distribution Business (Kyushu T&D) 41

Energy Services Businesses (Power Generation Business)

SPECIAL FEATURE 02 42
Growing Electricity Demand and Reliable Supply Capability :
The Electric Power Business Grows Together with Kyushu

Growth Businesses

Renewable Energy Business (Kyuden Mirai Energy) 45

Overseas Business (Kyuden International) 46

ICT Service Business (QTnet) 47

Urban Development Business (KYUDEN Urban Development) 48

Growth Businesses (Overseas Business)

SPECIAL FEATURE 03 49
Farther. Higher.
The Competitive Strengths Behind Kyuden International's Growth

KYUSHU ELECTRIC POWER CO.,INC.

Power Generation Business
Retail Business



PRESIDENT'S MESSAGE

Turning Rising Electricity Demand and the Need for Low-Carbon and Decarbonized Energy into Opportunities for Growth and Corporate Value Creation

Representative Director,
President & Chief Executive Officer,
Kyushu Electric Power Co., Inc.
Norihiro Nakamura

Joined Kyushu Electric Power in 1990. He has been involved in a wide range of operations, such as power generation projects using thermal and renewable energy, as well as energy consulting and new business creation. He is excited about technology and digital advancements and enjoys DIY, gardening, and getting in touch with local history.

In Kyushu, the foundation of our business, electricity demand is expected to continue growing substantially, driven by the expansion of semiconductor plants, data centers, and other facilities, as well as accelerating electrification. At the same time, the global transition toward carbon neutrality is increasing both the need for low-carbon and decarbonized energy and the value society places on it. We intend to capture these opportunities and, through our energy services businesses, deliver new value to customers and society while growing together with the communities we serve. In power generation, safety remains our highest priority as we continue to build on a strong track record of stable operation while advancing carbon reduction and decarbonization and improving productivity. In doing so, we will strengthen profitability and position ourselves to meet future growth in electricity demand. In retail, we will respond to increasingly diverse and sophisticated customer needs and remain their most trusted partner. We will expand and evolve our service offerings, beginning with platform-based businesses and making full use of digital technology, to develop new pillars of earnings. As international fuel and electricity markets undergo increasingly dramatic change, we will further optimize fuel trading, electricity trading, and supply-demand operations to reduce business risk, secure a stable supply, and expand earnings. By capturing these growth opportunities, we will create a virtuous cycle of regional development and enhanced corporate value.

Power Generation Business

Business environment

Opportunities
- Increase in electricity demand due to establishment of semiconductor plants, data centers, and progressive electrification
- Increased demand for low-carbon and zero-carbon power sources as carbon neutrality progresses

Risks
- Fuel procurement issues due to geopolitical risks
- Higher costs due to fluctuations in fuel and electricity market prices, exchange rates, inflation, and other factors
- Lower utilization rates at thermal power plants due to tighter carbon-neutrality regulations and other factors

Challenges (internal environment)
- Building an optimal power source portfolio that ensures a stable electricity supply while advancing carbon reduction and decarbonization in power sources
- Aging power source infrastructure
- Responding appropriately to carbon pricing schemes
- Building a solid foundation to support enduring business operations

Business development that draws on our strengths (1)

Strengths of the business area
- Nationally competitive pricing and high ratio of non-fossil power sources
- Power supply portfolio able to meet a wide range of needs and adapt to supply-demand fluctuations
- An upstream-to-downstream value chain spanning fuel procurement, power generation and supply-demand operations, and sales, together with highly specialized talent
- Advanced fuel trading capabilities
- Trusted relationships with local communities and know-how to ensure safe, reliable operations

MISSION

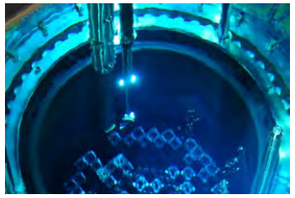
Mission of the power generation business

Viewing the growth in electricity demand in Kyushu and rising demand for low- and zero-carbon power sources as opportunities, we will pursue further growth in the domestic electricity business while contributing to Kyushu's development and the stable supply of electricity.

Strategy

The power generation business views growing electricity demand in Kyushu and rising demand for low- and zero-carbon power sources as business opportunities. We leverage strengths including industry-leading price competitiveness and a high ratio of non-fossil power sources, as well as the relationships of trust we have built with local communities through many years of business operations.

Going forward, we will maximize the use of nuclear power, with safety as the basic premise, while advancing the carbon reduction and decarbonization of thermal power generation. We will also expand our fuel business by fully leveraging our value chain and further adopt digital technologies such as AI.





Retail Business

Business environment

Opportunities
- Increase in electricity demand due to establishment of semiconductor plants, data centers, and progressive electrification
- Increased demand for low-carbon and zero-carbon power sources as carbon neutrality progresses
- Abundant zero-emission power sources with high environmental value in the region
- Increase in customer equipment upgrades and adoption of electric equipment
- Increased sales opportunities in other areas

Risks
- Increasingly intense competition across regions and industries
- Volatility in fuel/electricity markets and foreign exchange

Challenges (internal environment)
- Need to procure low-carbon and carbon-free power sources
- Need for accurate risk management against market fluctuations

Business development that draws on our strengths (1)

Strengths of the business area
- Energy consulting, customer service, rate collection, and other insights as an energy company
- Touchpoints and data for approximately 8 million customers
- Customer trust and brand strength



Strategy

The electricity retail business supplies electricity to a broad customer base of approximately 8 million customers, mainly in Kyushu.

We view growing electricity demand driven by the expansion of semiconductor plants and data centers, together with progress toward carbon neutrality, as growth opportunities, and are working to strengthen the competitiveness of our electricity retail business and create new sources of earnings.

Specifically, by leveraging the latest digital technologies to enhance the flexibility and efficiency of both operations and systems, we will improve customer satisfaction and productivity while further advancing the electricity retail business.

Business development that draws on our strengths (2)

By promoting power source development with an emphasis on capital efficiency and introducing decarbonization technologies, we will build a power source portfolio that ensures a stable electricity supply, advances carbon reduction and decarbonization, and strengthens competitiveness, while improving financial indicators such as ROIC. We will also develop a fuel procurement portfolio that balances security of supply with economic efficiency, thereby supporting growth in the domestic electricity business. In nuclear power, with safety as the basic premise, we will maximize the use of existing reactors while also considering the development and installation of next-generation advanced reactors. Over the medium to long term, we will strengthen nuclear power's role as a core power source supporting decarbonization, stable electricity supply, and a stronger earnings base.

Building an optimal power source portfolio to fulfill our business mission

- Reducing carbon emissions and decarbonizing power sources
- Stable power supply
- Enhancing competitiveness (price competitiveness and environmental value)

Recent initiatives

Commencement of operations at the Hibiki LNG Thermal Power Plant and launch of an AI-powered supply-demand optimization system

In March 2026, the Hibiki LNG Thermal Power Plant began commercial operation. The plant employs a high-efficiency combined-cycle system with relatively low CO_2 emissions, helping to advance the carbon reduction and decarbonization of thermal power generation while strengthening competitiveness.

In addition, to advance the replacement of the aging Shin-Kokura Power Plant with high-efficiency LNG-fired generation, we were successful in the Long-Term Decarbonization Power Source Auction in May 2026, securing a framework expected to provide stable revenue over a 20-year period.

In April 2026, we also began full-scale operation of an AI-powered system that automates and optimizes daily supply-demand planning. By using this system to formulate optimized supply-demand plans, we can further reduce fuel costs and strengthen our competitiveness.



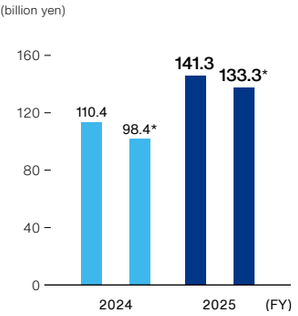


Hibiki LNG Thermal Power Plant

Financial results (FY2025)

Ordinary income

141.3 billion yen



Note: Figures for the power generation and retail businesses. Classification is based on the current financial targets.
* Excluding the time lag effect of the fuel cost adjustment system

Outlook and progress toward 2035

To be the leading clean energy supplier in Japan's decarbonization transition

Power generation business KPIs

Nuclear power plant capacity factor*1
90%
FY2025 results
82.3%

Reducing the carbon intensity of thermal power generation*2
10% hydrogen and
20% ammonia co-firing

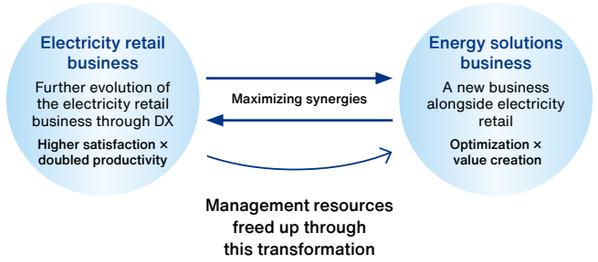
*1 Target: FY2031–FY2035 average. For the time being, we will continue stable operations with a target of zero unplanned outages.
*2 Recent progress and near-term plans.
- Develop an implementation plan for the introduction of carbon-neutral technologies
- Assess the development status of various carbon-neutral technologies, current supply chain conditions, policy trends, and other relevant factors

Retail Business

Business development that draws on our strengths (2)

In our core electricity retail business, we are working to improve productivity through the use of digital technologies and other measures. We are reallocating the resources freed up through these efforts to energy solutions businesses such as DR/VPP, energy management, energy conservation, and Kyuden Smart Lease, with the aim of further expanding these businesses and developing new sources of earnings.

By maximizing synergies between the two businesses, we aim to become "our customers' most trusted partner," responding effectively to changing customer needs and continuing to deliver value.



Recent initiatives

Launch of the new "Enebee" brand to expand the energy solutions business

We offer Enebee DR and Enebee Biz for corporate customers and Enebee STORE for residential customers.

Going forward, we will continue to roll out a range of energy solutions under the Enebee brand, with the aim of further expanding the business.

Corporate customers

Enebee DR by 九州電力

A service for corporate customers that improves the efficiency of energy use through demand response (DR)* using customers' equipment

* A mechanism for balancing electricity supply and demand by increasing or reducing electricity demand

Corporate customers

Enebee Biz

A range of energy solutions, including solar PPAs and automated air-conditioning control services, tailored to the specific needs and challenges of each corporate customer

Residential customers

Enebee STORE by 九州電力

A service covering the entire home equipment replacement process tailored to your lifestyle from selecting products online and obtaining a quote to payment, installation, and after-sales service

Outlook and progress toward 2035

To be the most trusted partner, effectively responding to changing needs and consistently delivering value

Retail business KPIs

Incremental electricity volume from higher electrification (cumulative)

FY2021–FY2035 (target)	FY2021–FY2025 (results)
Residential: **2.3** billion kWh	Residential: 0.6 billion kWh
Commercial: **2.6** billion kWh	Commercial: 0.7 billion kWh

→ Residential and commercial sectors: Both on track

Kyushu Electric Power Transmission & Distribution

Power Transmission and Distribution Business



PRESIDENT'S MESSAGE

Delivering "POWER" to Kyushu to Energize Society: Contributing to Customer Prosperity and Solving Social Challenges

Representative Director,
President & Chief Executive Officer,
Kyushu Electric Power Transmission and Distribution Co., Inc.
Hiroshi Imamura

Joined Kyushu Electric Power in 1985. Kyushu T&D's mascot character "Q-Nin" is a descendant of a ninja clan that has supported people's lives across Kyushu for generations while wishing for the region's continued development. This spirit has much in common with our transmission and distribution business, which supports the stable supply of electricity. Q-Nin has also proved very popular with the international members of our UAE project.

Guided by our purpose, "Delivering 'POWER' to Kyushu to energize society," we fulfill our role as a social infrastructure company supporting the stable supply of electricity, grounded in our three values of trust, evolution, and co-creation.

Kyushu is seeing a growing concentration of semiconductor-related industries and data centers, alongside continued expansion in renewable energy. We view these changes as opportunities for growth. We will respond swiftly to large-scale new demand and expanding renewable energy capacity while developing a transmission and distribution network equipped for the future, including interconnection facilities between the Chugoku and Kyushu regions.

Under the revenue cap system, we will also accelerate efforts to improve productivity and reduce costs through our company-wide efficiency project, digital transformation (DX), and other initiatives. This will enable us to secure the investment required for a stable supply while further improving cost efficiency. The technical capabilities and expertise in infrastructure development and operation that we have cultivated through our transmission and distribution business are among our most important management resources.

Drawing on these strengths, we are expanding into overseas transmission projects and developing new businesses in Japan. Through autonomous business management and co-creation with a diverse range of partners, we will strengthen profitability and achieve sustained growth.

Business environment

Opportunities

- Expanding adoption of renewable energy to achieve carbon neutrality
- Introduction of the revenue cap system aimed at securing investment while reducing costs
- Growth in large-scale demand from data centers, semiconductor factories, and other sources
- Advances in digital technology

Risks

- Aging facilities and equipment
- Tight supply-demand conditions
- Greater complexity in supply-demand management due to increased renewable energy adoption
- Increase in severity of natural disasters
- Growing shortage of construction personnel due to declining population

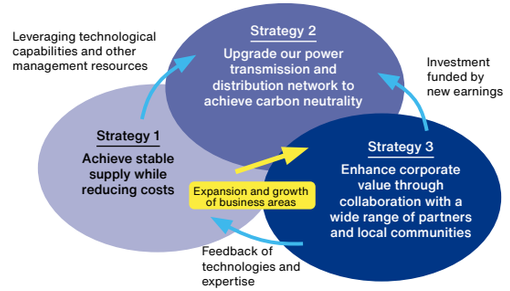
Challenges (internal environment)

- Compliance with laws and regulations, including conduct regulations
- Pursuit of organizational transformation in anticipation of change
- Need to achieve carbon neutrality
- Need to secure sustained and stable earnings

Business development that draws on our strengths

Strengths of the business area

- Facilities and human resources supporting electricity supply in Kyushu
- Industry-leading technical capabilities (construction, maintenance, operation, and disaster recovery) and high electricity supply quality
- Abundant data (grid/facilities, supply-demand management, and smart meter data)
- Touchpoints with stakeholders (customers, local governments, companies, etc.)
- Recognition and trust in Kyushu



Strengthen our business foundation

Putting trust and safety first	Leveraging and securing talent	Business transformation / Improved productivity

Guided by our vision to "become Japan's most advanced infrastructure company through technological excellence and digital transformation," we are advancing initiatives based on the transmission and distribution business strategy formulated in 2025.

As advances in AI and other digital technologies continue to increase the social value of electricity, we are leveraging our strengths to deliver that value to customers, including our infrastructure, our people, and industry-leading technological excellence. In addition to maintaining and renewing aging infrastructure, we are responding swiftly to the establishment of data centers, semiconductor plants, and other facilities.

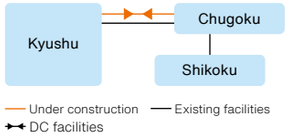
We are also working to strengthen our earnings base by reducing costs through fundamental business transformation and productivity improvements. These efforts include a company-wide efficiency improvement project, the establishment of an in-house development framework for business applications by the Digital Transformation Promotion Office, which was established in 2025, and DX initiatives such as the use of AI and data. We will also actively pursue business expansion by leveraging our resources and know-how, thereby improving profitability and driving profit growth.

Recent initiatives

(1) Contributing to carbon neutrality

Chugoku–Kyushu interconnection facilities

In October 2025, under the wide-area grid development plan aligned with national energy policy, we began construction of new interconnection facilities linking the Chugoku and Kyushu regions. The project is expected to deliver a range of benefits, including reduced output curtailment of renewable energy and greater resilience to large-scale disasters.



Source
Organization for Cross-regional Coordination of Transmission Operators, October 15, 2025
Prepared based on information from the "Fact Sheet on the Chugoku–Kyushu Interconnection Facility Development Plan"

(2) Leveraging our technological expertise

Overseas transmission business

In the UK, we have secured two subsea transmission projects serving offshore wind farms. One began operations in March 2025, while the other is scheduled to commence operations within the fiscal year. In the United Arab Emirates, construction of a subsea direct-current transmission project is under way, with the aim of commencing operations as early as possible.

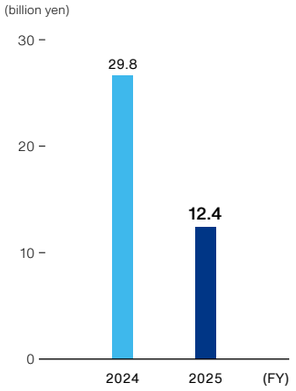


UK subsea transmission project (offshore substation)

Financial results (FY2025)

Ordinary income

12.4 billion yen



Classification is based on the current financial targets.

Outlook and progress toward 2035



Becoming one of Japan's most advanced infrastructure companies through technological excellence and digital transformation

KPIs

Annual outage volume*1
25.4 MWh or less
FY2025 results
29.2 MWh

Expansion and renewal of facilities*2
Achieve our targets
FY2025 results
103% of plan

Installation of second-generation smart meters*3
100%
FY2025 results
115% of plan

Vehicle electrification*4
100%
FY2025 results
109% of plan

Growth businesses*5
1/year
FY2025 results
1

→ **Progress is broadly on track, except for annual outage volume**

*1 FY2023–FY2027 average *2 FY2023–FY2027 cumulative
*3 FY2034 *4 FY2030, excluding vehicles not suitable for EV conversion
*5 Number of new projects developed or participated in

Energy services businesses

SPECIAL FEATURES **02**

RISING DEMAND, RELIABLE SUPPLY

Growing Electricity Demand and Reliable Supply Capability

—The electric power business grows together with Kyushu—



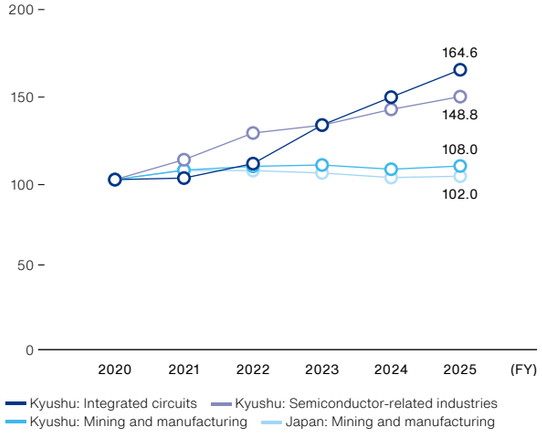
Numerous large-scale investments, particularly in semiconductor plants and data centers, are planned in Kyushu, and electricity demand is expected to grow. The KYUDEN Group views this growth in demand as an important growth opportunity and is working to secure sufficient supply capacity through the development of new power sources and higher capacity factors at existing power plants.

Demand

A new stage of growth for Kyushu, driven by semiconductors and data centers

In recent years, Kyushu has seen a growing concentration of advanced industries, including semiconductor-related industries and data centers. Against the backdrop of global digitalization and the growing adoption of AI, more power-intensive industries are establishing operations in the region, while Kyushu's production index for semiconductor-related industries has risen sharply over the past several years.

Production index for semiconductor-related industries
(FY2020 = 100)



Source: Kyushu Bureau of Economy, Trade and Industry, Ministry of Economy, Trade and Industry; materials from the 8th meeting of the Kyushu Semiconductor Human Resource Development Consortium

Looking ahead, electricity demand in Kyushu is expected to continue growing. According to the Kyushu Bureau of Economy, Trade and Industry, 231 capital investment plans and site-location agreements totaling more than ¥5,799.4 billion had been confirmed across Kyushu's semiconductor-related industries between April 2021 and the end of February 2026. Electricity demand in the region is therefore expected to grow over the medium to long term.

How does this compare with Japan as a whole? The 7th Strategic Energy Plan projects nationwide electricity demand in FY2040 at approximately 1.0–1.2 times the FY2022 level. By contrast, based on the Group's own estimates, which take into account anticipated progress in new facility development and capital investment plans, electricity demand in the Kyushu area could reach approximately 1.2–1.3 times the FY2025 level by FY2035, potentially outpacing growth nationwide.

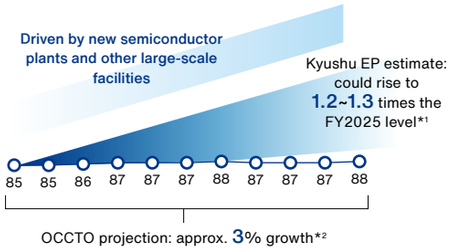
Comparison of future demand: Japan and Kyushu

National
(Strategic Energy Plan estimate):
1.0-1.2 times
FY2040 (vs. FY2022)

Electricity demand in Kyushu expected to grow faster than nationwide

Kyushu
(Kyushu EP estimate):
1.2-1.3 times
FY2035 (vs. FY2025)

Projected increase in electricity demand (FY2035 vs. FY2025)
(billion kWh)



*1 Calculated based on both OCCTO projections and Kyushu EP's independent analysis. Please note that these projections are based on currently available information and do not guarantee future results.
*2 Compiled based on OCCTO's Nationwide and Regional Demand Projections (FY2026).

Semiconductor plants and data centers are facilities designed for long-term operation, making a stable supply of electricity essential. A reliable electricity supply therefore plays an important role in attracting companies to Kyushu, maintaining and enhancing industrial competitiveness, and ultimately supporting the region's growth. The KYUDEN Group will continue contributing to the development of Kyushu while capitalizing on these opportunities to drive sustained growth.

Supply

A reliable power source mix to support growing demand

To translate this growth in demand into sustained value creation, it is essential to secure sufficient and reliable supply capacity. The Group is strengthening its supply capabilities on two fronts: developing new power sources and maximizing the use of existing facilities.

As new sources of supply, the Kitakyushu Hibikinada Offshore Wind Farm and the Hibiki LNG Thermal Power Plant began commercial operation in March 2026. With a combined generating capacity of 840 MW, they are expected to help meet growing electricity demand while contributing to carbon reduction and decarbonization in power sources.

Kitakyushu Hibikinada Offshore Wind Farm

220 MW (30% equity stake)



Photo courtesy of Hibiki Wind Energy (HWE)

Hibiki LNG Thermal Power Plant

620 MW (80% equity stake)



We are also advancing a replacement project for Shin-Kokura Power Plant Unit 6 (provisional name) with the aim of simultaneously ensuring a stable electricity supply, advancing carbon reduction and decarbonization in power sources, and strengthening competitiveness. Shin-Kokura Power Plant, where Unit 3 began operation in FY1978 and Unit 5 in FY1983, is the oldest of the thermal power plants owned by the Group.

Units 3 and 5 employ a conventional power generation system with relatively low generating efficiency. We therefore plan to replace them with a high-efficiency LNG combined-cycle power plant. The replacement facility will have a generating capacity of 900 MW, sufficient to supply electricity to approximately 300,000 households, assuming peak electricity consumption of 3 kW per household.

For the Shin-Kokura replacement project, we submitted a bid in the FY2025 Long-Term Decarbonization Power Source Auction and were successful in May 2026. As the auction provides a mechanism for securing stable revenue for a period of 20 years in principle, it enhances the predictability of the project. Following the successful bid, we will continue coordinating with the relevant parties and proceed with development toward the start of operations in FY2033.

Shin-Kokura Power Plant Unit 6 (provisional name) replacement plan

	Current (Units 3 and 5)	After replacement (Unit 6, provisional name)
Output	1,200 MW (600 MW × 2 units)	900 MW (450 MW class × 2 units)
Power generation method	Conventional	High-efficiency combined cycle
Start of operation	Unit 3: 1978 Unit 5: 1983	FY2033

The KYUDEN Group will continue actively developing power sources to secure supply capacity and advancing carbon reduction and decarbonization in power sources in order to meet growing electricity demand and rising demand for low- and zero-carbon electricity. In developing new power sources, we will consider a range of options, including collaboration with other companies and the use of project finance, from the perspectives of capital efficiency and strengthening our financial position.

Securing new power sources is not the only means of meeting growing electricity demand. With safety as the basic premise, the Group is also working to increase the capacity factor of its nuclear power plants. Strategic Vision 2035 sets a target capacity factor of 90%, averaged over FY2031–FY2035.

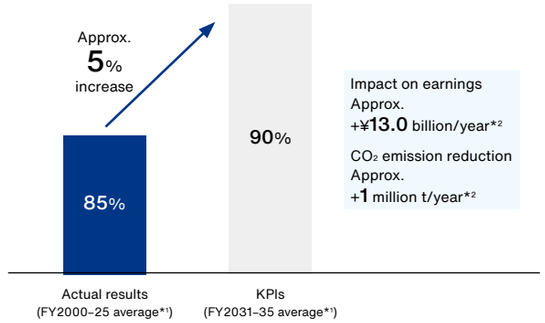
One initiative to increase the capacity factor is the replacement of steam turbines with the latest designs. At Genkai Nuclear Power Plant Units 3 and 4, steam turbine replacement work is planned for FY2027 and FY2028, respectively. The latest steam turbine designs are expected not only to improve generating efficiency but also to contribute to even safer and more stable operation through greater resistance to steam-induced damage.

Another important initiative is extending the interval between periodic operator inspections ("regular inspections"). Currently, the cycle time at a nuclear power plant is approximately 13 months, spanning from restart after fuel replacement to the next shutdown for fuel replacement. Accordingly, we currently conduct regular inspections at intervals of no more than 13 months, but are considering extending this interval. Technical studies toward such an extension began in earnest around 2009, and the necessary legal framework is already in place. Currently, a working group has been formed within ATENA (Atomic Energy Association), composed of electric power companies and plant builders, to assess the impact of extended regular inspection intervals on equipment integrity.

In addition to extending inspection intervals, we are examining whether the inspection period itself can be shortened by streamlining maintenance work. This includes studying the introduction of online maintenance, in which equipment is maintained while a plant remains in operation. Through these initiatives, we aim to improve both facility utilization and safety while ensuring a stable electricity supply.

Through these initiatives, we aim to maximize the value of our existing facilities while improving profitability and contributing to carbon neutrality, with safe and stable operation as the fundamental prerequisite.

Increasing the nuclear power plant capacity factor



*1 Capacity factors are measured at the transmission end. FY2011–FY2017, FY2020, and FY2022 are excluded due to extended shutdowns resulting from the earthquake and construction work for specialized safety facilities for severe accidents.
*2 The impact on improving income/expenditures and reducing CO_2 emissions was estimated based on parameters such as fuel prices and power source mix in the FY2026 performance outlook. The impact on income/expenditures reflects lower fuel costs resulting from a shift in generation from thermal to nuclear power.

Addressing geopolitical risk Power source mix and fuel portfolio

The high utilization of nuclear power, one of the Group's strengths, enhances our resilience to geopolitical risks.

The business environment surrounding energy has changed significantly in recent years. In 2022, fuel prices and wholesale electricity market prices surged amid the Russia–Ukraine conflict and other factors, leaving many electric utilities facing difficult operating conditions. The Company was no exception, posting a consolidated ordinary loss of ¥86.6 billion in FY2022.

More recently, tensions in the Middle East have intensified following military attacks on Iran by the United States and Israel. Nevertheless, even amid periods of rising fuel prices and electricity market prices similar to those seen in FY2022, in April 2026 the Group announced a forecast of ¥180 billion in consolidated ordinary income for FY2026, or ¥193 billion excluding the time lag effect (forecast as of April 2026).

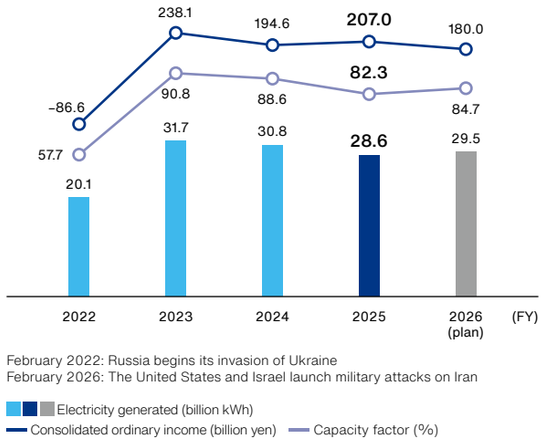
What accounts for the difference? One factor is the utilization rate of our nuclear power plants.

In 2022, when fuel prices and other costs surged amid the Russia–Ukraine conflict, two of the Company's four nuclear units—both at Sendai Nuclear Power Plant—were operating stably. The two units at Genkai Nuclear Power Plant, however, were shut down for safety upgrade work introduced following the Great East Japan Earthquake. As a result, the nuclear power plant capacity factor remained low at 57.7%, leaving the Group significantly exposed to the surge in fuel prices and other costs.

Since then, the major safety upgrade work has been completed, and all four nuclear units can now be operated stably. The average capacity factor for FY2023–FY2026*3 is approximately 86%, substantially higher than in FY2022, strengthening the Group's resilience to fluctuations in fuel prices and electricity market prices.

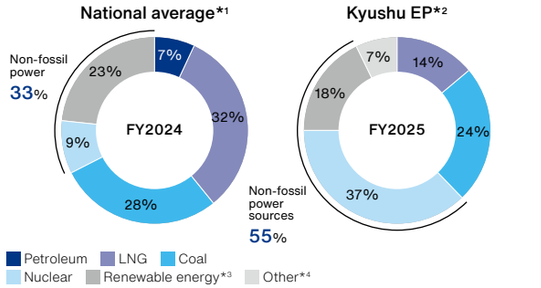
*3 The FY2026 capacity factor is based on the earnings forecast announced in April 2026.

Consolidated ordinary income and nuclear plant operation



February 2022: Russia begins its invasion of Ukraine
February 2026: The United States and Israel launch military attacks on Iran

Power source mix: Japan overall and Kyushu EP

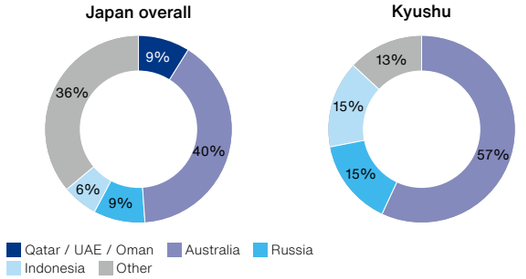


*1 Prepared based on reference materials accompanying the Ministry of Economy, Trade and Industry's FY2024 Energy Supply and Demand Results (final). Due to rounding, the share of non-fossil power sources may not equal the sum of its components.
*2 Based on Kyushu Electric Power's electricity generated and received (kWh) in FY2025.
*3 Includes hydro, geothermal, solar, wind, and biomass. The portion of the above that does not use non-fossil fuel certificates has no value as renewable energy, or as a CO_2-free power source, and is treated as having the same CO_2 emissions as the national average for electricity, including thermal power generation.
*4 Includes electricity procured from the wholesale electricity market and other companies.

In addition to nuclear power, Kyushu also has abundant renewable energy resources. The Group has all five major renewable power sources—solar, wind, biomass, geothermal, and hydroelectric power—and, together with nuclear power, these give the Group a 55% share of non-fossil power sources based on FY2025 results, compared with a national average of 33% in FY2024. High nuclear utilization and a power source mix with a substantial share of nuclear and renewable energy enhance the Group's resilience to geopolitical and other risks, while also contributing to earnings growth through the utilization of environmental value.

Our power source mix is not the only factor strengthening our resilience to geopolitical risks. In fuel procurement, we have also built LNG and coal procurement portfolios that take geopolitical and other risks into account. Although tensions in the Middle East have recently increased, approximately 10% of Japan's LNG imports come from the Middle East, whereas the Company currently imports no LNG from the region and therefore has no direct exposure to supply disruption risk from the Middle East. Most of our LNG is procured under long-term contracts, enabling us to secure the required volumes on a stable basis from five projects in three countries: Australia, Indonesia, and Russia. By leveraging our fuel trading capabilities, we can also operate flexibly in response to fuel market conditions, including through the resale of LNG.

LNG procurement sources for Kyushu EP and Japan overall (FY2025)



Source: Ministry of Finance, Trade Statistics of Japan

Kyushu EP's long-term LNG contracts (as of April 2026)

Contract	Seller	Term	Base contract quantity (10,000 t/year)
Donggi-Senoro (Indonesia)	Donggi-Senoro LNG	2015–2027 (calendar years)	30
Sakhalin (Russia)	Sakhalin Energy LLC	FY2009–2030	50
Gorgon (Australia)	Chevron	FY2017–2031	30
Ichthys (Australia)	Ichthys LNG	2018–2032 (calendar years)	30
Wheatstone (Australia)	Chevron, KUFPEC, Woodside	FY2017–2036	70
	Kyushu Electric Wheatstone*	FY2017–2036	13

*Our subsidiary (our equity share)

"Creating Tomorrow Through Energy"

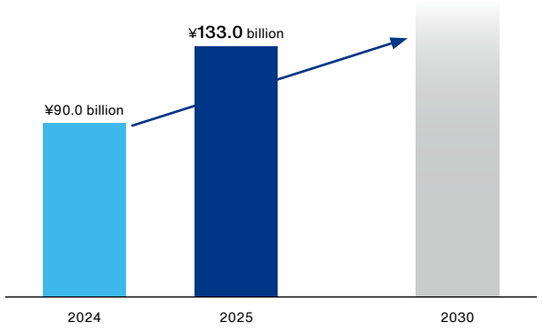
Robust growth in electricity demand, together with the supply capacity to meet it, will serve as growth drivers for the Group. By capitalizing on these strengths, we believe we can further expand our energy services businesses.

The electric power business on which the Group was founded is poised to enter a new stage of growth.

In Strategic Vision 2035, announced in May 2025, we set an FY2030 ordinary income target of ¥90 billion for the energy services businesses. Recent performance, however, indicates that the energy services businesses are already achieving a level of profit above this target, with earnings continuing to build steadily.

Against this backdrop, the Group is currently considering revising its profit target. Taking into account trends in fuel and wholesale electricity prices, the risks of rising prices and interest rates, geopolitical risks, and potential demand growth driven by semiconductor plants and data centers, we are considering how best to articulate a compelling growth story for the electric power business.

Ordinary income of the energy services businesses (illustrative)



* Excluding the time lag effect of the fuel cost adjustment system and the impact of temperature

Even as the business environment continues to change, including the materialization of geopolitical risks and the increasing complexity of electricity market design, the Group will build a business foundation that is resilient to change. We will translate the continued evolution of our electric power business into enhanced Group corporate value and medium- to long-term growth for Kyushu.

Kyuden Mirai Energy

Renewable energy business



PRESIDENT'S MESSAGE

From Quantity to Quality: Building a Profitable Renewable Energy Business Through the Strength of Our People and Organization

Representative Director,
President & Chief Executive Officer,
Kyuden Mirai Energy Co., Inc.

Koji Mine

Koji Mine was born in Fukuoka City, Fukuoka Prefecture, and joined Kyushu EP in 1987. With a belief that "taking the first step always moves you forward," he has worked across technology development, overseas projects, and management reform, primarily in hydroelectric power generation. His hobbies are golf, skiing, and mountain climbing.

The KYUDEN Group aims to achieve carbon negativity in the Kyushu area by 2050, requiring a further expansion of renewable energy. At the same time, rising material and equipment costs and increasing volatility across the power system are making business conditions less predictable. To achieve sustained growth in this environment, we are shifting our focus from growth driven by development volume to high-quality growth that enhances profitability and capital efficiency.

In addition to improving the profitability of our existing power sources and sharpening our ability to assess new projects, we will expand non-asset businesses such as renewable energy sales, aggregation, and O&M. By opening up new earnings opportunities and diversifying how we create value, we aim to evolve into a "green energy platform provider."

Our people are at the heart of this transformation. By ensuring that every employee understands both their role and the direction of the company, we will foster a culture that encourages people to take on challenges, deepen employee engagement, and build a highly productive organization.

For a renewable energy business built on local resources, nothing matters more than the trust of local communities, customers, and partner companies. By growing together with our local communities, we will contribute to the Group's carbon reduction and decarbonization and to the sustained enhancement of its corporate value.

Business Environment

Opportunities

- Rising value of non-fossil energy as emissions trading develops and demand from semiconductors and data centers grows
- More renewable energy development opportunities and better business predictability as regulatory frameworks and support expand
- Growth in the PPA, supply-demand management, and O&M markets driven by growing decarbonization needs and renewable energy adoption

Risks (including internal issues)

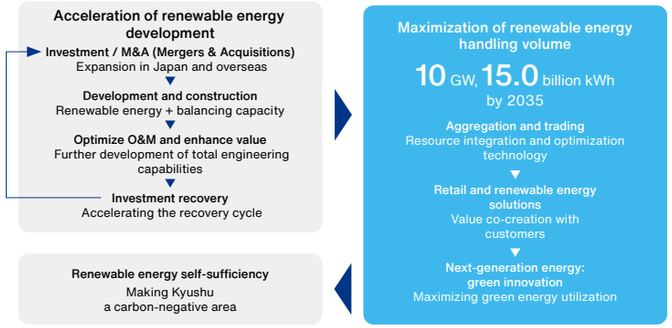
- Uncertain sales revenue due to price fluctuations in electricity and environmental value
- Constraints on development opportunities from regulatory change and fewer suitable development sites
- Lower investment returns from rising interest rates, material and equipment costs and intensifying competition
- Higher repair costs and risk of lower utilization rates as existing facilities age

Business Development That Draws on Our Strengths

Strengths of the business area

- Ability to offer diverse solutions and sales menus built on geothermal and hydroelectric power as stable renewable energy sources
- End-to-end execution capabilities spanning investigation, development, and operation built on a century of expertise and experience
- Project formation and business development built on relationships of trust across Kyushu

Business model concept: balancing improved investment efficiency with growth



Established in 2014, the company integrated its geothermal power business in 2024 and is scheduled to integrate its hydropower business in April 2027, expanding its business base as the Group's core renewable energy company.

As the business environment undergoes significant change, we are shifting from a business model centered on the development and ownership of power generation assets to a green energy platform provider that optimally delivers renewable electricity and environmental value, in pursuit of both sustainable growth and improved capital efficiency.

(1) Expanding asset-light businesses
Leverage our operating expertise in renewable energy assets and balancing capacity to expand services such as renewable energy sales, supply-demand management, and O&M (operation and maintenance)

(2) Developing new power sources with a focus on capital efficiency
Assess profitability, capital efficiency, and risk carefully and concentrate management resources on priority areas

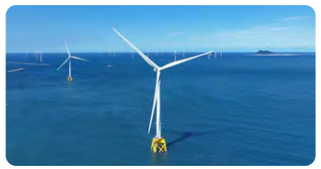
(3) Strengthening the profitability and cash-generating power of existing power sources
Improve facility utilization rates and reduce costs, while reviewing businesses and investments with profitability challenges

Through these initiatives, we will drive the Group's low-carbon/decarbonization efforts and improve its earnings capacity, contributing to the sustainable development of the Kyushu region.

Recent Initiatives

(1) Steady development and a capital recovery and reinvestment cycle

We are steadily advancing renewable energy development, including the commencement of commercial operation at the Kitakyushu Hibikinada Offshore Wind Farm in Kitakyushu City, Fukuoka Prefecture, one of the largest offshore wind farms in Japan, and long-term reliability testing toward the commercial deployment of tidal power off the coast of Goto City, Nagasaki Prefecture. At the same time, we are pursuing capital recycling of some of our power plants and reinvesting the proceeds in growth areas.

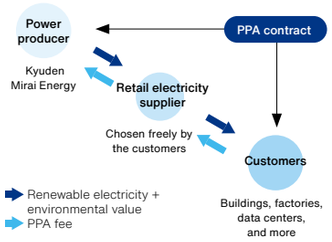


Kitakyushu Hibikinada Offshore Wind Farm

(2) Maximization of renewable energy value through diverse sales methods

We are developing diverse sales methods tailored to the characteristics of each power generation asset and customer needs, including wholesale trading for geothermal and hydroelectric power and corporate PPAs utilizing electricity generated from solar, wind, and geothermal power. Through these efforts, we are working to maximize the added value and profitability of renewable energy.

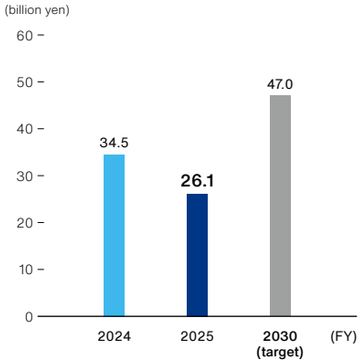
Off-site PPA concepts



Financial results (FY2025)

Ordinary income

26.1 billion yen



Note: Classification is based on the current financial targets (combined figures for Kyuden Mirai Energy, Kyushu EP's hydropower business, etc.). Overseas renewable energy is included in the overseas business

Outlook and Progress Toward 2035

Japan's largest green energy platform provider, leading the future of renewable energy with a growing global reach

KPIs

Renewable energy installed capacity
10 GW
FY2025 results
5.7 GW

Renewable energy handled
15.0 billion kWh
FY2025 results
12.2 billion kWh

→ All on track

Note 1: Includes projects developed in-house and those we are involved in through equity investment, aggregation of other companies' power sources, O&M, and other activities
Note 2: Combined figures for the Company, Kyushu EP's hydropower business, and Kyuden International's overseas renewable energy business

KYUDEN INTERNATIONAL

Overseas Business



PRESIDENT'S MESSAGE

Farther. Higher.

Chief Executive Officer,
Representative Director,
Kyuden International Corporation

Takashi Mitsuyoshi

Takashi Mitsuyoshi was born in Kagoshima City, Kagoshima Prefecture, and joined Kyushu EP in 1988. His hobbies are "cleansing the mind" through weekend housecleaning, and visiting shrines and temples. This year, he visited Ise Jingu and Izumo Taisha. His favorite saying is, "Let the burdens of this world weigh ever heavier, for only then can I know my true strength." (Kumazawa Banzan, Edo-era scholar of the Yomeigaku school of neo-Confucianism)

We are living through a period of profound change in the global energy landscape. The spread of AI and other developments is driving electricity demand higher. As the world advances toward carbon neutrality, society's needs are becoming increasingly diverse, with growing demand for renewable energy and greater supply-demand balancing capabilities. At the same time, geopolitical risks, policy shifts, rising prices, and higher interest rates are adding to uncertainty in the business environment.

We see these changes not only as challenges, but as opportunities to make a leap forward and create new value. Throughout our history, we have discovered new possibilities with every change in the times and continued to take on difficult challenges. That willingness to challenge ourselves is part of our DNA and one of our greatest strengths.

"Farther. Higher." These words express one of our corporate values and our determination to keep challenging ourselves and evolving.

We will remain agile in the face of change, unafraid to transform ourselves as circumstances demand, and evolve into a company that creates and delivers the new value the future requires.

Business Environment

Opportunities

- More opportunities in power generation and transmission as energy demand grows with the spread of AI and other factors
- Increased value of gas-fired power generation as variable renewable energy sources such as solar power expand (baseload power + balancing capacity)
- Expansion of asset recycling opportunities as market liquidity increases with the commoditization of renewable energy and other factors
- Growing need for supply-demand balancing functions (such as battery storage and pumped storage), and increasing use of CCUS and hydrogen and ammonia co-firing

Risks

- Heightened geopolitical risks and the risk of changes in U.S. energy policy
- Declining profitability and greater difficulty in securing new projects amid intensifying market competition and other factors
- Earnings volatility in merchant projects and other businesses due to fluctuations in electricity and gas prices

Challenges (internal environment)

- Narrowing our focus areas through regional strategies and strengthening risk management
- Strengthening the business base as a core company

Business Development That Draws on Our Strengths

Strengths of the business area

- Over 20 years of overseas business experience and a strong reputation and trust among business partners
- Technical expertise and human resources developed across the full energy value chain in our domestic electricity business
- Asset recycling track record, expertise, and know-how
- Risk management expertise, know-how, and systems cultivated through our business operations

Focus business areas

Renewable energy
Short-cycle turnover

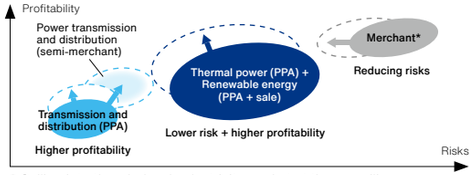
Gas-fired power generation*
Medium-to-long-term ownership and value enhancement

* Includes waste-to-energy

New areas
Future earnings pillars

Power transmission and distribution
Medium-to-long-term ownership and stable sources of earnings

Target portfolio



* Selling into the wholesale electricity market at the prevailing market price

Since its founding in 1999, the company has steadily expanded its business scope, building on development and operating expertise in gas-fired and geothermal power cultivated through its domestic electricity business to pursue renewables such as solar and wind power and, with Kyushu T&D, subsea transmission projects in the UAE and the UK. In recent years, the company has entered new fields such as battery storage and pursued open innovation to incorporate expertise in advanced technologies, including through business alliances with companies specializing in satellite data analysis and AI.

More recently, the company has been pursuing a strategy of "selection and concentration" in promising regions and business areas, while appropriately controlling its risk exposure based on development risks, country risks, and other factors, with the aim of building an optimal portfolio. The company is also working to improve asset value by participating in projects from the early stages of development, while improving capital efficiency and generating funds for reinvestment through asset recycling and participation in O&M (operations and maintenance) businesses that diversify its earnings base.

Beyond conventional IPP projects requiring large capital investment, the company will use its entry into the O&M business as a springboard into asset-light businesses such as electricity and fuel trading, with the aim of further improving capital efficiency and generating earnings across the upstream and downstream segments of the value chain. At the same time, by bringing technology and expertise gained overseas back to the domestic business and establishing a distinctive position through collaboration between the two, the company will help enhance the competitiveness of the KYUDEN Group as a whole.

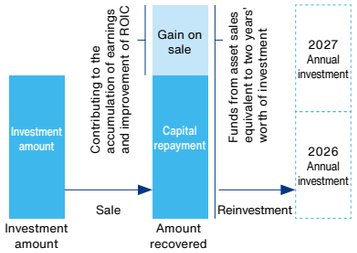
Recent Initiatives

(1) Implementation of asset recycling

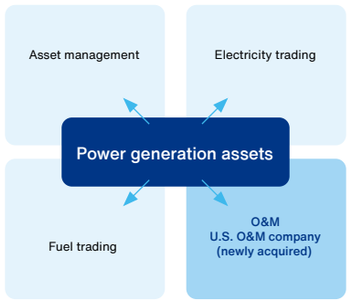
We position asset recycling as one of our key management strategies for sustainable growth and have completed the sale of four assets since FY2025, including a U.S. gas-fired power plant.

(2) Entry into the O&M business in the U.S.

As a first step toward expanding our value chain businesses, we acquired a U.S. O&M company in July 2026 and entered the O&M business under the new company name, Kyuden Energy Partners Corporation.



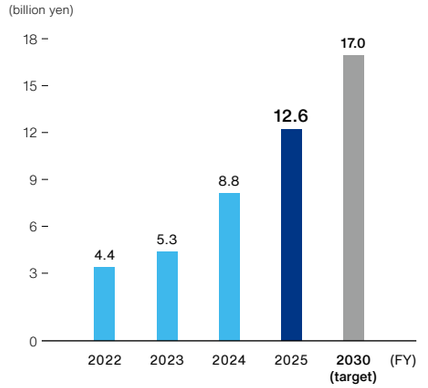
Four asset recycling transactions since FY2025, generating funds for reinvestment



Financial results (FY2025)

Ordinary income

12.6 billion yen



* Overseas renewable energy is included in the overseas business

Outlook and Progress Toward 2035

A solutions provider addressing global energy issues through new value creation

KPIs

Project participation as lead entity
2/year
FY2025 results
3

Asset recycling Number of projects*
10
FY2025 results
2

→ All on track

Share of decarbonization investment*
70%
FY2025 results
98%

* Cumulative total for FY2025–FY2035

ICT Service Business

(Including ICT-related businesses operated by Kyushu EP's partner companies)



PRESIDENT'S MESSAGE

Standing with Local Communities and Shaping the Future Together Aiming to Be a Trusted Partner Company in the Digital Society

Representative Director, President & Chief Executive Officer, QTnet, Inc.

Yoshio Ogura

Yoshio Ogura joined Kyushu EP in 1979. After working in thermal power generation and corporate planning, he became Executive Vice President of QTnet in June 2022 and assumed his current position in June 2023. He is from Kudamatsu City, Yamaguchi Prefecture, and enjoys listening to jazz. His management creed, shaped through experience in new businesses, is a positive mindset that sees change as an opportunity and the spirit of sanpo yoshi, the principle of creating value for all parties involved.

We have built a strong customer base around BBIQ*1, our fiber-optic internet service ranked No. 1 for customer satisfaction in the Kyushu area, and QT PRO, our services for corporate customers.

The ICT sector is undergoing historic transformation, driven by the rapid advance of generative AI and the growing threat of cyberattacks. We see these changes as opportunities. Building on our established telecommunications infrastructure services, we will expand earnings by developing high-value-added services in growth areas such as AI, security, and cloud computing.

In April 2027, we will become a core company under KYUDEN Holdings. As the driver of the ICT Service Business, we intend to make an even greater contribution to the growth of earnings across the Group. In FY2025, we achieved ordinary income of approximately ¥5.9 billion, an increase of 23% year on year. As we work toward the Group-wide targets for FY2030, we are making steady progress along our growth roadmap toward ordinary income of ¥10 billion.

Our vision is "A New Light for the Future, from Kyushu." To realize this vision, we aim to become a trusted partner in the digital society, standing with our local communities and delivering services that enrich everyday life and empower businesses.

Business Environment

Opportunities

- Increasing need for business transformation (DX) driven by rapid advances in digital technologies such as generative AI
- Expansion of data center demand and related markets (including operations and maintenance) as AI demand grows
- Rising demand for system monitoring and information security services in response to increasingly sophisticated cyberattacks
- Factories moving into Kyushu, attracted by low-cost electricity

Risks

- Intensifying competition and market oligopoly by platformers
- Margin pressure from rising costs and procurement prices
- Shortage of highly skilled IT professionals amid rapid technological innovation
- Cyberattacks using AI and other technologies and growing information security threats

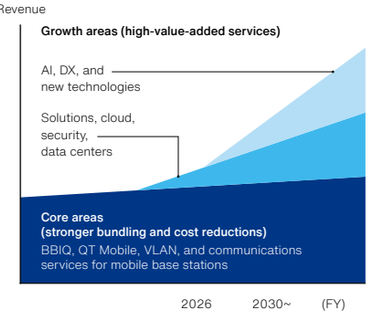
Challenges (internal environment)

- Improving price competitiveness and creating high-value-added ICT services
- Developing and securing highly skilled IT professionals to support further business expansion
- Need to ensure group-wide information security

Business Development That Draws on Our Strengths

Strengths of the business area

- ICT infrastructure such as optical fiber networks and data centers covering the entire Kyushu region
- Diverse business areas, including generative AI, cybersecurity, drones, and municipal cloud services
- Experience and a proven track record in supporting the stable operation of power system communications facilities and core business systems



QTnet offers consumer services such as BBIQ and QT Mobile, as well as corporate services including VLAN, communications lines for mobile base stations, a range of solutions, and data centers. Building on these existing businesses, QTnet is expanding services in growth areas such as AI, security, and data centers in line with customer needs, with the aim of further increasing earnings.

In consumer services, QTnet will strengthen bundled offerings such as the Kyuden Group Matomete Anshin Discount (electricity × BBIQ × QT Mobile), leveraging its strengths as a utility-affiliated telecommunications company. It will also pursue sales strategies that emphasize return on investment and customer lifetime value (LTV), while implementing thorough cost reductions to strengthen price competitiveness.

In corporate services, QTnet will shift from a business model centered on providing communications lines to a vertically integrated model that provides one-stop services, starting with AI and systems development and spanning the application and service areas through to the network and infrastructure areas.

Beyond QTnet, Qsol provides security services within and outside the Group, as well as cloud services for local governments. Nishimu Electronics Industries provides 24/7/365 monitoring services for communications lines and other infrastructure, while Kyuden Drone Service provides patrol, inspection, and surveying services. By leveraging the diverse services offered by these companies and focusing on the creation of new services, such as AI × DX solutions, that could become future sources of earnings, the Group will address a broad range of digital challenges faced by local communities.

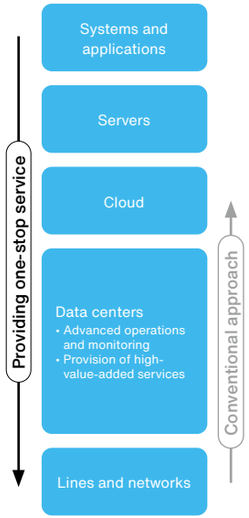
Recent initiatives (QTnet)

(1) Strengthening AI and other solution businesses

The number of companies adopting the QT-GenAI generative AI platform increased by approximately 1.4 times year on year (as of March 31, 2026). We will increase profitability by expanding services in line with customer needs, bringing more development in-house, and providing one-stop services from systems and applications through to communications lines.

(2) Capturing strong demand for data centers

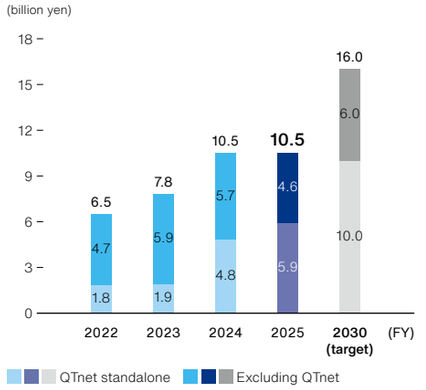
The number of racks provided increased by approximately 13% year on year (as of March 31, 2026), and demand is expected to remain strong. We will maximize customer lifetime value (LTV) and establish a strong earnings base by enhancing monitoring operations and providing high-value-added services.



Financial results (FY2025)

Ordinary income

10.5 billion yen



Outlook and Progress Toward 2035

A digital service partner supporting communities and customers in building a smart society

KPIs*2

Growth area net sales
2x or more
(compared to FY2024)

FY2025 results
1.2 times

Service satisfaction survey
Kyushu area No.1

FY2025 results*1
Kyushu area No. 1

→ All on track

*1 "BBIQ" was awarded No. 1 in the Carrier Category (Overall by Region) for Kyushu and Okinawa at the RBB TODAY Broadband Award 2025. *2 KPI targets for QTnet standalone

KYUSHU ELECTRIC POWER CO.,INC.

Urban Development Business

(Business scheduled to be transferred to KYUDEN Urban Development in April 2027)



PRESIDENT'S MESSAGE

A green developer that builds up the community and the future

Creating Value in Japan and Overseas with Our Partners, Beginning with Kyushu

Executive Officer, Director of Urban Development Business Division,
Kyushu Electric Power Co., Inc.

Masanori Kozuma

Masanori Kozuma was born in Fukuoka City and joined Kyushu EP in 1990. He is applying the structural engineering he studied at university to business structures, taking on the integration of urban development and energy. His favorite food is cheese. He also enjoys exploring the depth of traditional Japanese culture through calligraphy and kouta, a traditional Japanese short song. His motto is: "Your life is up to you."

Population decline, advancing decarbonization, and digital transformation are fundamentally changing what society expects of the urban development business. Our role now extends beyond providing buildings and spaces: we are increasingly called upon to help address the challenges facing local communities and society and to create new value. Against this backdrop, I believe it is essential to pursue value-creating businesses that contribute to the development of local communities and society. The KYUDEN Group's strengths lie in the knowledge and technologies accumulated over many years in the energy business and in the relationships of trust we have built with local communities. Urban development and energy are natural complements. By bringing these capabilities together, we can create new value in response to society's needs for decarbonization, resilience, and digital transformation. Through co-creation with local communities and partners, we will pursue distinctive and attractive urban development that only the KYUDEN Group can deliver.

One conviction guides me: we must continue to pursue businesses that contribute to people's happiness, bringing together our knowledge and ideas with partners we trust. With a market-driven mindset, we will continue to create new business opportunities and, as a green developer that builds up the community and the future, contribute to a sustainable society by creating both economic and social value.

Business Environment

Opportunities

- Increasing concentration of population in urban areas and growing demand for regional city revitalization
- Industrial clustering and growing real estate demand in Kyushu driven by semiconductor-related investment
- Growing demand for urban development in the Tokyo metropolitan area and overseas
- Higher value-added urban development and community building driven by progress toward carbon neutrality and DX (Digital Transformation)
- Growing demand for growth assets such as logistics facilities and data centers
- Creating new business opportunities through co-creation with local communities and partners and technological innovation

Risks

- Market contraction and changes in demand due to population decline
- Lower business profitability due to rising interest rates, soaring construction costs, and other factors
- Intensifying competition for highly specialized talent

Challenges (internal environment)

- Improving competitiveness and earnings capacity by leveraging existing strengths
- Building a business portfolio that balances stability and growth potential
- Strengthening the management foundation and business execution framework to support sustained growth

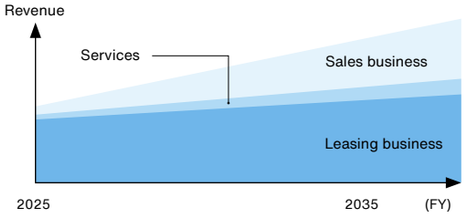
Business Development That Draws on Our Strengths

Strengths of the business area

- Development and operational know-how and expertise cultivated through business experience (energy, ICT, civil engineering and construction, finance, real estate, etc.)
- Strong sense of mission and ability to implement decarbonization
- Networks and business partnerships with companies, local governments, universities, and economic organizations in Kyushu and other regions

Growth outlook

With stable leasing earnings as our base, we will increase the share of our sales business to achieve earnings growth and improve capital efficiency.
We also aim for sustained growth by accelerating the virtuous cycle of asset sales, recovery, and reinvestment.



The KYUDEN Group's urban development business draws on the combined development, operations, management, and investment capabilities of its partner companies, including DENKI BLDG., Kyuden Fudosan, Kyushu Maintenance, and Kyuden Urban Development Asset Management, giving the Group the comprehensive capabilities to address diverse needs. The business also leverages the networks it has built through its energy business with local governments, companies, universities, and other stakeholders, as well as its locally rooted business base, to pursue initiatives that help address regional challenges and create new value.

On strategy, to meet our financial targets, we manage our portfolio with a balance across geographic areas (Kyushu, the Tokyo metropolitan area, the Kansai area, and overseas) and asset types. With leasing and operating businesses that generate stable earnings as our base, we are strengthening the sales business to improve capital efficiency, while flexibly pursuing new development, acquisitions, and asset replacement. Beyond adding value through co-creation with local communities and the integration of the environment, energy, and ICT, we aim to achieve both sustained growth and higher capital efficiency by establishing a cycle of investment, recovery, and reinvestment using REITs and funds.

With energy, the environment, and smart solutions as its core areas, we will continue to develop our business through co-creation with local communities and partners, with the aim of becoming a green developer that builds up the community and the future.

Recent Initiatives

Expanding the leasing business and strengthening the sales business

To enhance the business portfolio, we are expanding the leasing business and strengthening the sales business. We are expanding assets that generate stable leasing income over the long term, such as through the development of the Denki Building West Wing, while strengthening businesses involving capital turnover, such as logistics facility development and the rollout of our high-end residential brand, GROUNDI. In the U.S., we have participated in the development of student housing in California. We have also entered the Australian market through a logistics fund and are working to expand our overseas portfolio. We will continue to pursue sustained earnings growth and higher capital efficiency by optimizing our business portfolio.



Denki Building West Wing



(tentative name)
Kokuraminami Ward, Kitakyushu City, logistics facility

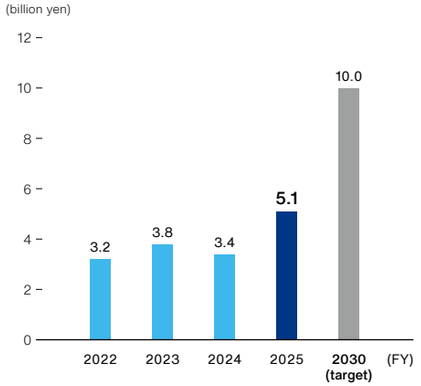


Example property in the Australian fund portfolio (logistics facility)

Financial results (FY2025)

Ordinary income

5.1 billion yen



Outlook and Progress Toward 2035

A green developer that builds up the community and the future

KPIs

Number of projects joined
Cumulative total: **300** projects

FY2025 results
Cumulative total: 128 projects

Environmental certification rate for newly built properties
100%

FY2025 results
100%

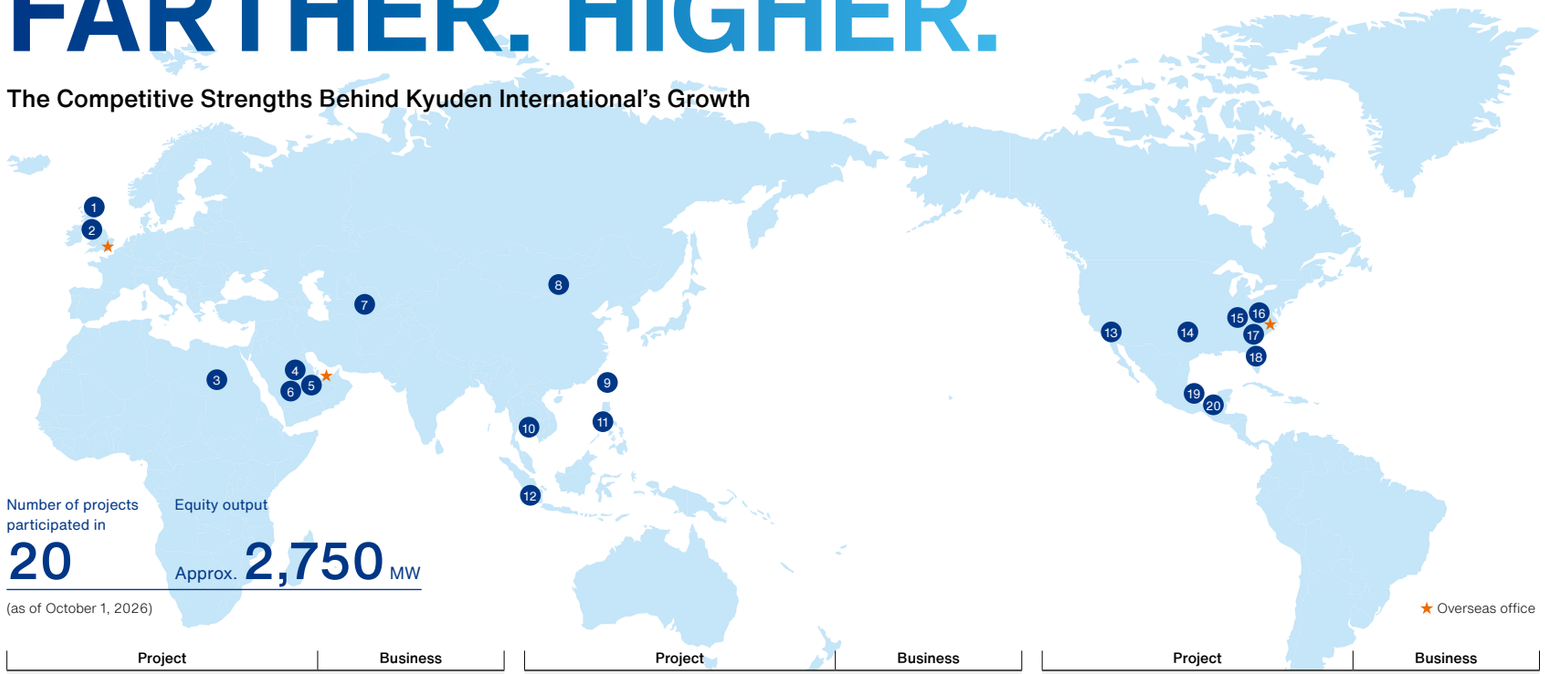
→ All on track

Growth Businesses (Overseas)

SPECIAL FEATURES 03

FARTHER. HIGHER.

The Competitive Strengths Behind Kyuden International's Growth



Number of projects participated in **20**

Equity output Approx. **2,750** MW

(as of October 1, 2026)

★ Overseas office

Project	Business
UK	
① Seagreen Phase 1	Subsea power transmission
② Dogger Bank A (preferred bidder status won; in negotiation)	Subsea power transmission
Egypt	
③ Abydos 2	Solar / storage batteries
Bahrain	
④ Al Dur 1	Gas-fired power / desalination
UAE	
⑤ Abu Dhabi subsea transmission	Subsea power transmission
⑥ Taweelah B	Gas-fired power / desalination

Project	Business
Uzbekistan	
⑦ Syrdarya	Gas-fired power
China	
⑧ Inner Mongolia	Wind
Taiwan	
⑨ Hsin Tao	Gas-fired power
Thailand	
⑩ EGCO	Power generation platform
Philippines	
⑪ PetroGreen Energy	Renewable energy platform
Indonesia	
⑫ Sarulla	Geothermal

Project	Business
U.S.	
⑬ Kyuden Energy Partners	Operation and maintenance (O&M)
⑭ Spearmint	Storage batteries
⑮ South Field	Gas-fired power
⑯ Abeslan	Solar
⑰ Westmoreland	Gas-fired power
⑱ Arrow solar portfolio	Solar
Mexico	
⑲ Tuxpan II	Gas-fired power
⑳ Tuxpan V	Gas-fired power

The fields of activity that now span the globe are the footprints of past challenges and, at the same time, the starting point for shaping the next stage of growth. Beyond them lie industry, people's everyday lives, and a sustainable society.

Kyuden International (hereinafter, "KI") has pursued the creation of new value by refining the expertise it has cultivated in Japan through its experience in local markets. This feature traces that journey, the foundations of KI's competitiveness, and its strategy for the next stage of growth.

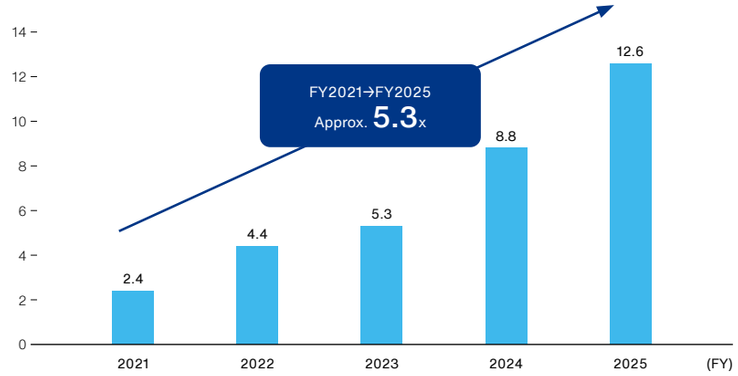
Honed Strengths, Applied to the Next Stage of Growth

Since its establishment in 1999, KI has expanded its overseas business across a wide range of areas, including power generation, transmission, and energy storage. In each field, KI has re-honed the expertise built up through its domestic electricity business to suit local markets around the world, steadily building on that experience.

The results are clearly reflected in its performance: ordinary income from the overseas business grew from ¥2.4 billion in FY2021 to ¥12.6 billion in FY2025, more than fivefold over five years. In highly competitive overseas markets, KI is steadily advancing toward its next stage of growth.

KI consolidated ordinary income

(billion yen)



What are the strengths that underpin KI's growth? Let us examine the business strategies driving KI's growth and the capabilities it has cultivated through its challenges.

Strategy and Capabilities

KI's continued growth overseas has been driven not only by the accumulation of individual projects, but also by the systems and execution capabilities that enable the business to expand sustainably.

Rather than simply holding overseas assets and earning returns from them, KI raises the quality of its business by combining three elements: (1) asset recycling, which keeps capital moving in pursuit of new value; (2) value chain business, which connects the value chain to raise asset value; and (3) experience and trust, together with governance, which provide the foundation for both.

(1) Asset Recycling: Keeping Capital Moving Toward Growth

One of the key drivers KI has identified for the sustainable expansion of its overseas business is asset recycling. The aim is to establish a self-sustaining cycle as a core premise of its business plan: building quality assets, recovering capital at the appropriate time, and reinvesting it in the next stage of growth.

Number of asset recycling transactions

Cumulative total through FY2026	**4** transactions (as of October 1, 2026)
FY2035 KPI	**10** transactions (cumulative FY2025–FY2035)

Asset recycling track record



Senoko Energy project
- Location: Singapore
- Business: power generation and retail
- Capacity: approx. 2,380 MW



Clean Energy gas project
- Location: United States
- Business: gas-fired power generation
- Capacity: approx. 620 MW



Viridor Energy
- Location: UK
- Business: waste-to-energy generation
- Capacity: approx. 620 MW



Birdsboro gas project
- Location: United States
- Business: gas-fired power generation
- Capacity: approx. 490 MW

KI practices ROIC-focused management by flexibly reallocating capital through asset sales and reinvestment. KI has also built a track record of capital recovery through transactions such as Senoko Energy in Singapore, Clean Energy and Birdsboro in the U.S., and Viridor in the UK.

KI's business plan calls for FY2026 investment to be funded entirely from internal funds, including those recovered through asset recycling, and for the business to be operated within its own cash flow from FY2027 onward. Under the holding company structure, KI aims to evolve toward sustainable business operations by using the funds it generates itself to create new value.

(2) Value chain business

In overseas power markets, the conventional IPP model of competing on individual assets is becoming increasingly difficult to differentiate as competition intensifies. Against this backdrop, KI is pursuing value chain businesses that extend beyond the generation assets themselves to related businesses surrounding them.

Drawing on the KYUDEN Group's combined strengths, KI is expanding its involvement upstream and downstream across the power generation asset value chain. By pursuing an asset-light model that does not require large-scale investment, KI aims to diversify its earnings base and improve capital efficiency. One key initiative is the acquisition of Kyuden Energy Partners Corporation, a U.S. operations and maintenance (O&M) company, in July 2026.



MESSAGE from NEW CORPORATE GROUP MEMBER

Lenore Wawrzonek
Chief People Officer,
Kyuden Energy Partners Corporation

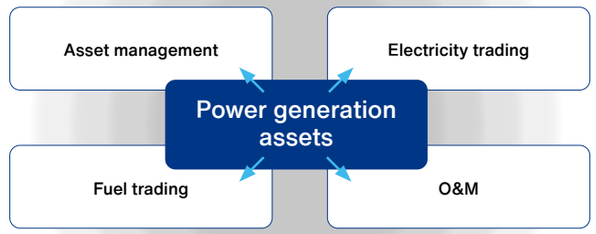
"Kyuden Energy Partners Corporation (formerly IHI Power Services; hereinafter, 'the Company') has joined the KYUDEN Group. We see this as an important milestone that will accelerate our growth and enable us to deliver greater value to our customers.

Drawing on decades of experience as a power plant operator, the Company has earned a strong reputation for optimizing plant performance, reducing operational risks, and maximizing asset value. Going forward, we will leverage the KYUDEN Group's global expertise and resources to further strengthen our organizational capabilities and deliver greater value to our customers.

To further improve our operations, contribute to the expansion of the KYUDEN Group's value chain businesses, and drive sustained growth, we will work closely with Kyuden International and other KYUDEN Group companies under a shared vision and set of values."

Going forward, KI will incorporate O&M and asset management capabilities from the Company to diversify its earnings base and further strengthen its existing asset management capabilities. In addition, KI will expand its energy solutions, including support for customers in optimizing and managing their energy use, while also seeking to develop new customers, such as data centers.

Furthermore, KI plans to use its Texas battery storage business as a foothold for bringing electricity trading capabilities in-house, while also seeking to acquire fuel trading capabilities. By establishing these capabilities, KI aims to maximize the value of each asset.



(3) Experience and Trust / Governance That Supports Growth

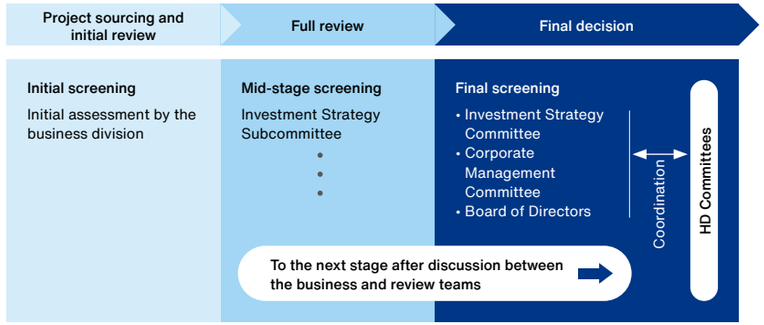
The foundation of KI's competitiveness lies in the experience accumulated through more than 20 years of challenges, together with the depth of technical expertise and talent that the KYUDEN Group has cultivated through more than 70 years in the domestic electricity business. The execution of strategies such as asset recycling and value chain businesses is also supported by the diversity of talent who have accumulated a wide range of knowledge and experience both inside and outside the company.

Over the years, KI has accumulated extensive expertise while responding to different regulatory frameworks and business risks across countries and regions, while creating value by working closely with local communities and partners. This track record has earned the trust of business partners, creating a virtuous cycle of expanding alliances and developing new projects.

Alliances with diverse partners are also important in areas where KI has relatively limited business experience. By incorporating partners' expertise and networks, KI can establish a foothold for creating new business opportunities.

As the business expands, opportunities to participate in projects are increasing, while expanding and diversifying the countries in which KI operates also brings greater country risk and increased complexity in business operations. Against this backdrop, realizing sustainable growth requires a management foundation based on disciplined investment decisions and a portfolio-wide perspective. As a foundation for growth, KI has established integrated mechanisms for both selecting and protecting its businesses.

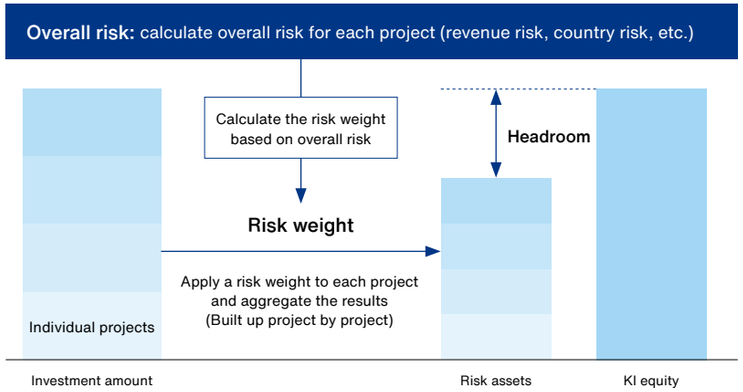
First, the ability to select. From project sourcing and initial assessment through to final decision-making, KI conducts a multifaceted review through its internal evaluation and decision-making bodies, examining alignment with its business strategy, profitability, risk, and allocation of management resources. Depending on the size of the project, KI also works with evaluation bodies within KYUDEN Holdings.



KI has built up knowledge of energy supply and demand, policy trends, country risk analysis, and other areas through information gathered from its bases around the world and through collaboration with external consultants. Using this knowledge, it makes investment decisions by identifying markets and business areas with growth potential.

After joining a project, it continues to apply this knowledge to enhance business value through asset management. It pursues selection and concentration through new project development and the reallocation of resources through asset recycling, continually improving the quality of its portfolio.

The next pillar is the ability to protect. KI manages risk exposure not only through assessments of individual projects, but also across the portfolio as a whole.

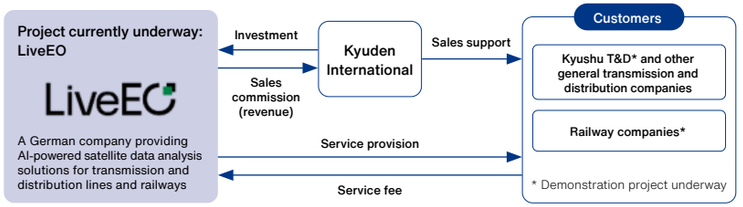


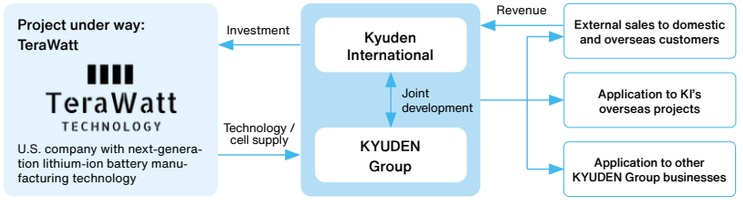
Specifically, KI calculates risk assets based on the various risks associated with each project and checks that they remain within the acceptable range, thereby preventing excessive growth in company-wide risk. This portfolio-wide perspective is the bedrock that underpins the soundness of the entire overseas business.

Synergies with the domestic electricity business

One of KI's new strategies is to connect the experience and expertise gained through its overseas business to new business opportunities. The aim is not only to expand the growth frontier overseas, but also to apply the knowledge and networks gained to businesses in Japan and abroad, strengthening the competitiveness of the KYUDEN Group as a whole.

One catalyst for this approach is KI's investment in LiveEO and TeraWatt. These startup investments are not aimed solely at generating capital gains. Rather, they are strategic initiatives through which KI engages in the businesses themselves, assesses the potential to apply advanced technologies, and seeks to create new earnings opportunities.





Through its partnership with LiveEO, KI also aims to enhance the KYUDEN Group's domestic electricity business, including by reducing the labor and costs required to inspect transmission and distribution facilities and enabling faster assessment of damage following disasters. KI and LiveEO are working together, involving Kyushu T&D within the Group, to assess the technology's effectiveness in transmission and distribution operations while exploring its implementation.

The partnership with TeraWatt is significant in terms of deepening KI's expertise in battery-related projects, which are expected to increase in Japan and overseas. The company's technology enables both lightweight and high-output solutions, opening up the potential to develop new markets for a range of applications beyond stationary battery storage, including drones and EVs.

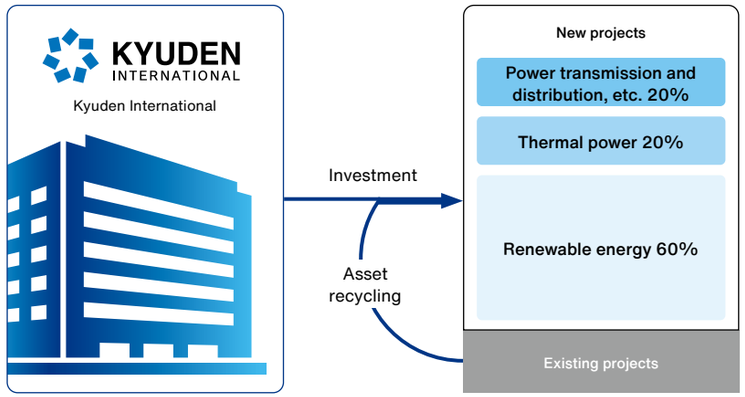
The synergies from these initiatives will be maximized by connecting them with the core companies and partner companies within the KYUDEN Group. With KI serving as an intermediary, combining these technologies with the Group's expertise and business base is expected to create new models of collaboration and business opportunities. Through these initiatives, KI aims to further strengthen the competitiveness of the KYUDEN Group as a whole while contributing to the resolution of social challenges, including by enhancing infrastructure and disaster response and advancing decarbonization.

FY2030 Target and Beyond

KI has set a target of achieving ¥17 billion in ordinary income in FY2030. This target represents more than simply reaching a certain level of earnings. It reflects KI's determination to achieve sustainable growth in the rapidly changing global energy market while balancing profitability and capital efficiency, and to evolve into a driving force behind the KYUDEN Group's growth under the new pure holding company structure.

To achieve this goal, KI will further enhance the quality and pace of its growth, building on the development capabilities, operational capabilities, and trusted relationships with partners it has cultivated over the years.

Over the next five years, KI expects to make strategic investments in renewable energy, thermal power, and transmission and distribution, in a 6:2:2 ratio. Alongside this, it will steadily pursue strategies such as raising capital efficiency through asset recycling, advancing the value chain business, and realizing synergies with the domestic electricity business.



Executing these strategies also requires a stronger business base. As its businesses and fields of activity continue to expand, KI is working to foster a sense of unity among employees around the world, so that it remains an organization in which diverse talent can demonstrate their strengths under shared values and keep taking on challenges based on their own independent judgment. As part of these efforts, KI introduced action guidelines and an internal newsletter in FY2025.

KI's Value

Farther. Higher.

Our field is the world.
The strength each of us holds may be small—but when we bring it together, we can go farther and climb higher than any of us could alone.

Engage with sincerity
We face our colleagues, partners, and stakeholders with honesty and integrity.
With gratitude for every opportunity, we strive to earn trust one piece of work at a time.

Meet the self you have yet to know
We take ownership of our work with initiative and responsibility, and carry it through to the end. Beyond that awaits a view we have never seen.

Turn differences into strength
Every one of us is indispensable.
We respect one another, exchange views openly regardless of position or role, and build relationships in which we bring out the best in each other.

Create tomorrow together
Creation = dreams × daring× colleagues.
With thinking unbound by assumptions, we create a new future together.



MESSAGE from PROJECT MEMBER

Yuichiro Kosugi
Manager, Asia & Oceania Asset Management Unit

"To realize the vision and management targets KI has set, it is essential that people from diverse backgrounds working around the world move forward in the same direction while making the most of their respective expertise and experience. We believe it is important to establish a common set of principles that enables each individual to make independent judgments and take action, regardless of their region or area of responsibility. This is why we developed these action guidelines."



MESSAGE from PROJECT MEMBER

Misaki Matsuyama
Business Development & Management Unit

"The action guidelines are not intended to fit every employee into a single mold. They are a way of translating our management philosophy and vision into our daily actions and providing a point of reference when we are unsure how to proceed. Starting from these guidelines, we value turning our differences in experience and perspectives into strength. Together with our colleagues, we seek to create new value and remain an organization that continues to create tomorrow together."

Building on the experience and competitiveness it has developed through on-the-ground operations around the world, KI is moving toward its next stage of growth. The FY2030 targets mark an important milestone on that journey, making its progress tangible. At the same time, KI will contribute to a sustainable society by providing optimal energy solutions tailored to regional needs, drawing on the technologies, expertise, and networks cultivated by the KYUDEN Group in Japan and overseas.

"A solutions provider addressing global energy issues through new value creation." This is the vision KI aspires to realize and the very purpose of advancing its overseas business.

KI connects the KYUDEN Group with the world, bringing the capabilities cultivated globally to the Group's future.

Kyuden International will continue to rise to new challenges.

Action

CORPORATE SUSTAINABILITY

GOVERNANCE

A Management Cycle That Balances Autonomy and Group-Wide Optimization 54
Crisis Management 55
Information Security 56
Corporate Governance Under the Pure Holding Company Structure 57
List of Directors 63

ENVIRONMENT

Integrated Disclosure of Environment-Related Financial Information 67
Sustainable Enhancement of Corporate Value in the GX Era 69

SOCIETY

Stakeholder Engagement 65
CHRO Message 71
Human Capital Management 72
Employee Roundtable 75

Sustainability Report: Related Pages

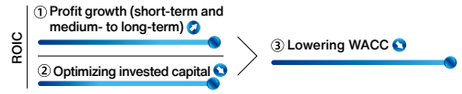


→ Compliance 102
Supply Chain 106
Human Rights 111

→ Environmental Management 19
Biodiversity 35
Environmental Conservation 41
Resource Circulation 42
Water Resources 44

→ Stable Supply 54
Community 69
(Initiatives to Address Local Challenges)

MANAGEMENT CYCLE A Management Cycle That Balances Autonomy and Group-Wide Optimization



Basic Approach

From the standpoint of group-wide optimization, KYUDEN Holdings concentrates on formulating and supervising management strategy, while each core company runs its business autonomously and quickly in line with the characteristics of that business. It exercises its control function through target setting, monitoring, and performance evaluation, and by allocating management resources optimally and reviewing strategy flexibly, it optimizes Group management while supporting each company's autonomous operations.

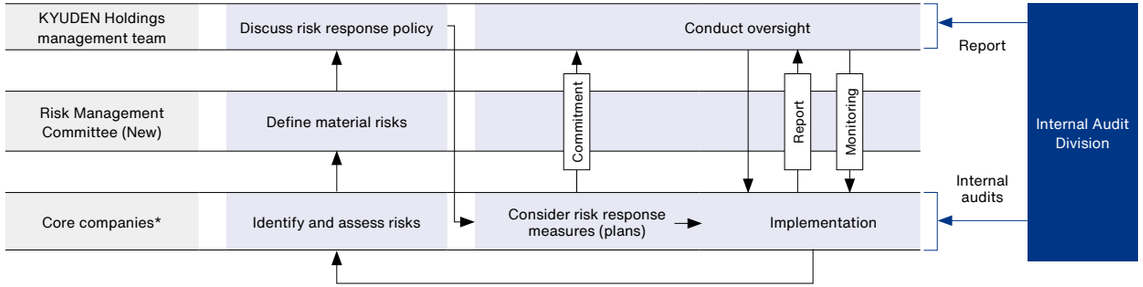
Overview of the management cycle

Target setting	Core companies set targets for each business area in agreement with KYUDEN Holdings, working toward the Group's Strategic Vision. **Financial** Ordinary income / ROIC (Group-wide) **Non-financial** Set according to the characteristics of each business area
Monitoring	KYUDEN Holdings monitors progress against the management targets and management indicators (KPIs and the like) set for each core company and, where necessary, instructs it to consider and implement countermeasures. **Method** • Progress management of KPIs and the like (monthly) • Reports on the state of business execution to the KYUDEN Holdings Board of Directors (quarterly), among others
Performance evaluation	Executive remuneration partially reflects the fiscal-year performance of the core companies.

Risk Management

With the move to a pure holding company structure, we have newly established a Risk Management Committee to identify and assess the Group's material risks across the whole Group and to continuously monitor how each core company is responding to its risks. Building on the Committee's discussions, we will strengthen risk management further, for example by having the president of each core company commit to risk responses to the President of KYUDEN Holdings, which makes those responses more effective.

Risk management framework



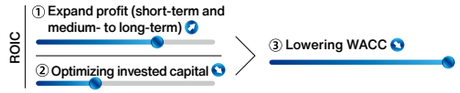
* Core companies are responsible for risk management within their respective business areas (including related Group companies).

Establishment of the Risk Management Committee

Categories	Details	
Composition	Chairperson: President of KYUDEN Holdings Committee members: Relevant KYUDEN Holdings officers and relevant core company officers	
Meetings	Convened twice a year in principle	
Key matters deliberated	① Risk assessment	Identify the Group's material risks and assess their impact on the business.
	② Review of risk responses	Confirm the appropriateness of the risk responses developed by each core company.
	③ Risk monitoring	Continuously monitor progress on risk responses, changes in the business environment, and emerging risks.

For the main risks identified by the Group, see the Sustainability Report p. 101

CRISIS MANAGEMENT



Basic Approach

KYUDEN Holdings oversees crisis management for the KYUDEN Group as a whole, including setting basic policies, monitoring incidents occurring at core companies, and rolling out recurrence-prevention measures across the Group.

Crisis management for each business area is handled autonomously by its leading core company. If an incident occurs that may have a significant impact on Group management or society, KYUDEN Holdings establishes a crisis response organization to carry out appropriate damage control for the Group as a whole.

Crisis Management as a Pure Holding Company

KYUDEN Holdings

- Oversees crisis management for the entire KYUDEN Group.
  - Management and supervision: includes setting basic crisis management policies, tracking all incidents at core companies, and rolling out recurrence-prevention measures.
  - Support: includes advising and instructing core companies and coordinating resources.
  - Establishes a crisis response organization within KYUDEN Holdings if an incident with a major societal impact occurs.
- Reports on the implementation of the above to the KYUDEN Holdings Board of Directors.

Manage / Supervise / Support ↓ ↑ Report

Core Companies and Partner Companies

- Establish a crisis management framework and crisis response organization for each crisis, and respond autonomously.
- Core companies manage, supervise, and support partner companies' crisis management.
- During normal operations: core companies share relevant information with KYUDEN Holdings and promptly report any major incidents.

Types of Crises

- Personal injury
- Property/economic damage
- Information/ reputational damage
- Any incident that has a significant impact on Group management or society

Crisis Management Framework

In order to coordinate and share information during a crisis, we appoint both a Crisis Management Officer and a Crisis Management Office Director, and each core company appoints their own executive crisis management supervisor and dedicated crisis management department.

In addition, we are building a support system of outside experts with specialized, cutting-edge knowledge.

KYUDEN Holdings

President
Oversees all crisis management operations across the KYUDEN Group.

Vice President (Crisis Management Officer)
- Assists the President in all crisis management operations for the entire KYUDEN Group.
- During normal operations: promotes crisis prevention, strengthens response capabilities, and gathers all information necessary for crisis management.
- When a crisis occurs (or is foreseen), leads crisis management, oversees the KYUDEN Group on behalf of the KYUDEN Holdings President, and directs rapid information gathering, risk scenario analysis, and consideration of response policies.

Crisis Management Office Director
- Assists the Crisis Management Officer and oversees core companies' crisis management departments.
- During normal operations: implements measures to prevent crises and strengthen response capabilities.
- Under the direction of the Crisis Management Officer, when a crisis occurs (or is foreseen), instructs KYUDEN Holdings and core companies, implements investigations, and provides support and advice.

Crisis Management Office
- Assists the KYUDEN Holdings Crisis Management Office Director.
- During normal operations: develops measures to prevent crises and strengthen response capabilities.
- Under the direction of the KYUDEN Holdings Crisis Management Office Director, when a crisis occurs (or is foreseen), coordinates with all relevant parties to gather information, implement investigations, and draft response policies.

External experts (think tanks)
- Provide advice and support regarding crisis response, etc.

Manage / Supervise / Support ↓ ↑ Report

Each Core Company

President
Oversees all crisis management operations of the core company.

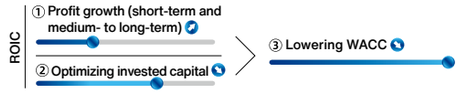
*Established in each department

Executive Crisis Management Supervisor
- Assists the President in all crisis management operations and oversees the heads of the Company's crisis management departments.
- During normal operations: promotes crisis prevention, strengthens response capabilities, and gathers all information necessary for crisis management.
- When a crisis occurs (or is foreseen), leads crisis management, oversees the company and partner companies on behalf of the President, and directs rapid information gathering, risk scenario analysis, and consideration of response policies.

Crisis Management Department
- Assists the executive crisis management supervisor and oversees the core company's crisis management supervisor
- During normal operations: implements measures to prevent crises and strengthen response capabilities.
- Under the direction of the executive crisis management supervisor, when a crisis occurs (or is foreseen), instructs each department, conducts investigations, and provides crisis management support and advice.

Crisis Management Supervisor*
- Oversees crisis management for facilities, operations, employees, and other matters under the jurisdiction of the departments of each core company (including partner companies).
- When a crisis occurs (or is foreseen), implements its own department's specific response, and shares information and coordinates with the crisis management department.

Partner companies



INFORMATION SECURITY Information Security

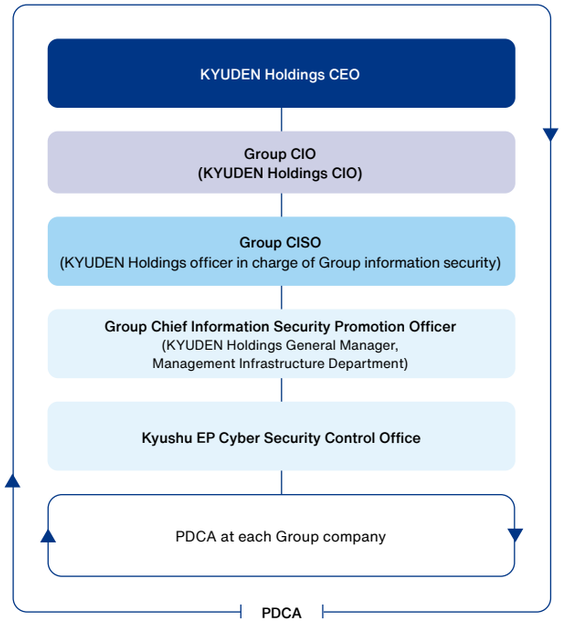
Information security promotion framework

The KYUDEN Group promotes awareness of information security among executives and employees, maintains information security, and protects personal information based on a basic ideology regarding information security and the protection of personal information.

Under a promotion structure led by the KYUDEN Holdings CEO, the Group CIO, and the Group CISO, we run a PDCA cycle and apply organizational, personnel, physical, and technical measures in multiple layers.

We strive to maintain business continuity and stakeholder trust by thoroughly protecting personal information, properly managing My Number information, and strengthening our ability to respond promptly to cyber threats when they occur.

Information Security Promotion Framework and Measures



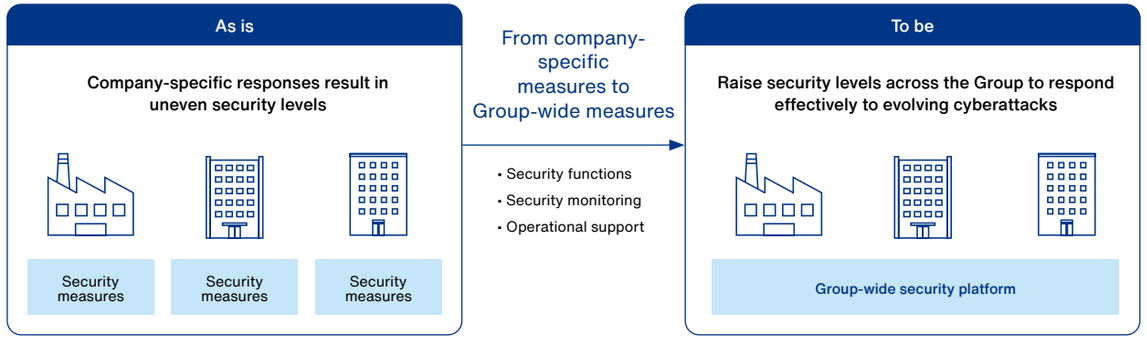
Organizational measures	We promote the PDCA cycle across the Group, regularly review the status of information security measures at every workplace, and continuously improve our efforts.
Personnel-related measures	We strive to raise awareness and promote understanding among all employees, including those at Group companies, about information security and improve their ability to respond to issues by having everyone undergo education and training for handling threats such as targeted cyberattacks via email.
Physical measures	We have taken the necessary security measures to restrict building and office access, such as outfitting facilities with security gates and electronic locking systems.
Technical measures	In response to increasingly advanced cyberattacks, we are constantly strengthening our security countermeasures, including utilizing antivirus software and establishing security firewalls.

Initiatives to Strengthen Information Security

Under KYUDEN Holdings' leadership, we are setting the Group's basic policy and common rules, building a security platform, and putting in place a coordination structure through Group-wide forums, managing security for the whole Group as one and establishing Group security governance that adds to corporate value. We will also strengthen security in response to the growing risks posed by frontier AI, while appropriately addressing government requirements and requests.

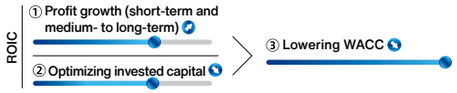
Establishment of basic policies and common rules	**Establish Group-wide basic policies and promote standardized response levels across Group companies. Assess and monitor implementation at each company using a common risk assessment methodology.**
Development of a Group-wide security platform	**Build a common security platform and roll it out across all Group companies. Respond appropriately to evolving cyberattacks.**
Group-wide forums	**Share policies and discuss issues across the Group to ensure that measures are effectively implemented.**

Group-wide security platform (conceptual)



CORPORATE GOVERNANCE

Corporate Governance Under the Pure Holding Company Structure



Our approach to corporate governance

The Group believes that conducting socially meaningful business activities from a long-term perspective in line with the KYUDEN Group's mission will continue to generate sustainable value for all stakeholders. Strengthening corporate governance to ensure that we conduct these business activities properly is an important material issue for management.

Following the transition to a pure holding company structure, we will establish a governance framework that balances autonomous and agile business operations with Group-wide strategic management, with the aim of driving further growth across the Group.

Framework for promoting corporate governance

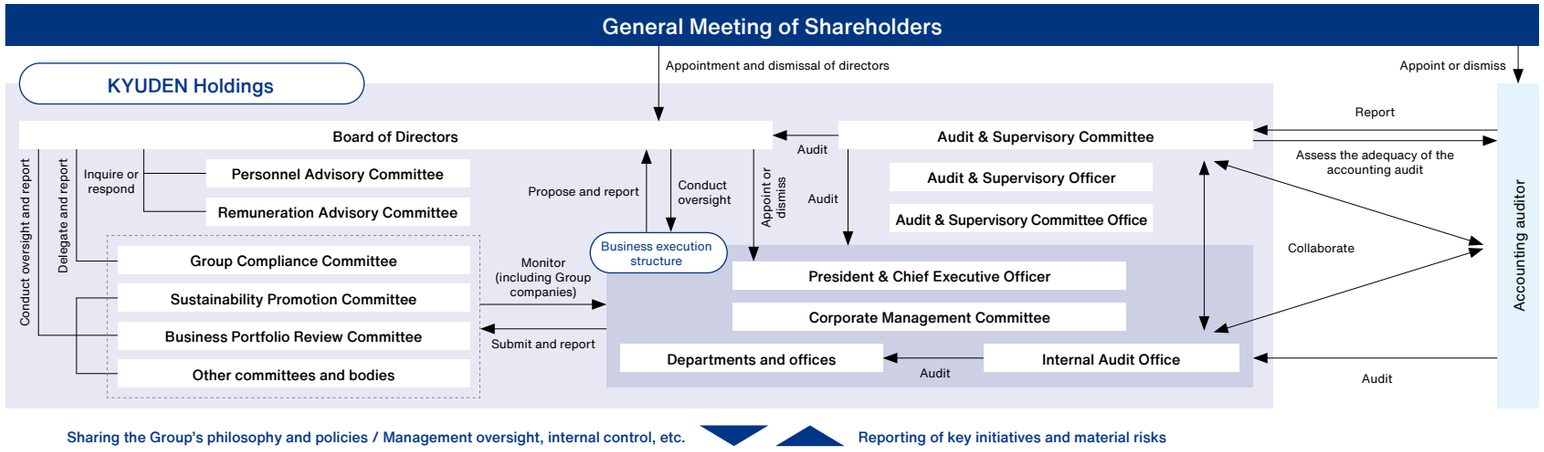
Our governance is based on a Board of Directors and an Audit & Supervisory Committee, with highly independent external directors appointed to strengthen oversight of management of the whole Group. Additionally, the Audit & Supervisory Committee and Internal Auditing Body work together to enhance the effectiveness of audits.

In addition, the company is working to clarify the respective roles of supervision and execution by directors and executive officers, and to thoroughly enforce compliance management. The company has also established the "Framework for Ensuring Proper Business Operations (Internal Controls Policy)" and is continuously enhancing this framework. Following the move to the pure holding company structure, the KYUDEN Holdings Board of Directors deepens its discussion of the Group's medium- to long-term growth strategy, allocation of management resources, responses to material risks, and the like from a group-wide optimization standpoint, and properly supervises the business execution of each autonomously managed operating company.

To enhance the effectiveness of governance in both structure and operation, external directors attend meetings of the Corporate Management Committee. We also hold Directors' Roundtable meetings, where all directors can freely discuss the Group's key management strategies from a broad range of perspectives.

Corporate governance structure

(Planned for April 2027)



* The four main operating companies under Kyushu Electric Power (Kyushu Electric Power Transmission and Distribution, Kyuden Mirai Energy, Kyuden International, and QTnet) are scheduled to be reorganized on April 1, 2027, into subsidiaries held directly by KYUDEN Holdings.

Major transitions

(Kyushu EP structure through FY2025)

		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Composition of Board of Directors	Total number of directors*	20 (2)	20 (2)	21 (2)	19 (2)	16 (2)	15 (3)	15 (3)	15 (3)	14 (3)	14 (3)	14 (3)	10 (3)
	Of which external directors*	5 (2)	5 (2)	5 (2)	5 (2)	5 (2)	5 (3)	5 (3)	5 (3)	5 (3)	5 (3)	5 (3)	5 (3)
Committees	Audit & Supervisory Committee	(Formerly the Audit & Supervisory Board through FY2017)											
	Personnel Advisory Committee	(Formerly the Personnel Investigative Review Committee until January 2022)											
	Remuneration Advisory Committee	(Formerly the Remuneration Review Committee until January 2022)											
	Directors' Roundtable												
	External Director Discussion Forum												
Other Institutions		(FY2015) Implemented evaluations of director effectiveness			(FY2018) Introduced stock compensation system			(FY2021) Added non-financial indicators to KPIs for executive remuneration					(FY2026) Established KYUDEN Holdings

* Includes auditors through FY2017. Figures in parentheses indicate the number of women.

CORPORATE GOVERNANCE Corporate Governance Under the Pure Holding Company Structure

Composition of the Board of Directors and other bodies

In principle, the board meets once a month, or as needed, to make decisions on crucial corporate management matters and to supervise the execution of business operations. To properly fulfill their roles and responsibilities, all directors are required to attend at least 75% of the board meetings, in principle. In addition, the five independent external directors (including three members of the Audit & Supervisory Committee), who account for half of all directors, draw on their expertise and experience to provide necessary advice to the Board of Directors and to appropriately participate in and advise on the nomination of director candidates and director remuneration.

Board of Directors

Composition 10 members
Meetings held (attendance rate): 15 (99%)

External directors **5**/10
Female directors **3**/10

Audit & Supervisory Committee

Composition 4 members
Meetings held (attendance rate): 16 (100%)

External directors **3**/4
Female directors **2**/4

Personnel Advisory Committee

Composition 4 members
Meetings held (attendance rate): 3 (100%)

External directors **3**/4

Remuneration Advisory Committee

Composition 4 members
Meetings held (attendance rate): 5 (100%)

External directors **3**/4

(Note) Figures for meetings held (attendance rates) are for Kyushu EP.

COLUMN



Role of the Board of Directors of a Pure Holding Company

KYUDEN Holdings Inc.
Chairperson and Representative Director
(Chair of the Board of Directors)
Kazuhiro Ikebe

With the transition to a pure holding company structure, the Board of Directors of KYUDEN Holdings will shift away from the conventional approach of being deeply involved in individual businesses and instead focus on formulating and monitoring the Group's management strategy.

A key role of the Board of Directors is to clearly articulate the Group Philosophy and our vision for the future and to set the strategic direction for medium- to long-term growth. We will also work to create an environment where each core company can operate autonomously while sharing our values and goals.

Strategic resource allocation will also be essential to maximizing the Group's overall capacity for value creation.

Furthermore, we will continuously monitor progress on key initiatives and KPIs and identify changes in the business environment and early signs of risk, enabling appropriate course corrections where necessary while, at the same time, respecting the autonomy of core companies. In particular, the KYUDEN Holdings Board of Directors will respond swiftly and appropriately to material risks that could impair the Group's corporate value, thereby supporting the sound development of the Group as a whole.

By balancing strategic management based on group-wide optimization with autonomous and agile business operations at each core company, the Board of Directors will contribute to the Group's sustainable growth and the enhancement of corporate value over the medium to long term.

Evaluating the effectiveness of the Board of Directors

Since 2015, Kyushu EP's Board of Directors has been conducting annual evaluations of its own effectiveness. In FY2025, with the aim of further improving the quality and objectivity of the evaluation, we surveyed all directors on the items below. Based on the survey results, directors also exchanged views at the Directors' Roundtable, and the Board of Directors identified issues to be addressed in further enhancing its effectiveness. Following the transition to a pure holding company structure, and taking into account the role expected of the KYUDEN Holdings Board of Directors, we will continue to examine Group management strategy and the business portfolio, as well as governance that contributes to optimization across the Group, as we work to further enhance the effectiveness of the Board.

Reference: Efforts to Improve the Effectiveness of the Kyushu EP Board of Directors

FY2025	Issues to be addressed to improve effectiveness	Deepening of discussions on management strategy and allocation of management resources in anticipation of a pure holding company structure
	Initiatives	Established a forum for discussing business portfolio strategy, where management, including Board members, discussed the Group's medium-term resource allocation and other strategic matters.
	Evaluation	The board was found to be effective as a result of surveys and discussions with all directors. On the other hand, some voiced the opinion that it is necessary to have more thorough discussions on management strategy and allocation of management resources concerning the pure holding company structure.
	Issues to be addressed to improve effectiveness	Further enrichment of discussions regarding management strategy and business portfolio (management resource allocation and monitoring) Consideration of the optimal role and structure of the Personnel and Remuneration Advisory Committees under the pure holding company structure
FY2026	Direction of efforts	• Based on the findings of the newly established Business Portfolio Review Committee, the Board of Directors discussed and approved revisions to the business portfolio and related matters. • The scope of matters to be deliberated by the advisory committees under the pure holding company structure was clarified at the second advisory committee meetings and by the Board of Directors. • Revisions to the executive remuneration system to strengthen incentives under the holding company structure are being considered for FY2027.

Reference: Survey items for all directors
• Board of Directors composition and operations • Management and business strategies • Business ethics and risk management
• Performance monitoring and management evaluation and remuneration • Dialogue with shareholders and others

CORPORATE GOVERNANCE Corporate Governance Under the Pure Holding Company Structure

Director candidate selection policy and procedures

Selection Policy

Candidates for the Board of Directors are selected based on a comprehensive consideration of their personalities, insights (high ethical standards, sense of responsibility and humanity, etc.), backgrounds, and their ability to appropriately fulfill the functions of the Board of Directors based on a skill matrix.

Specifically, internal director candidates are selected based on comprehensive consideration of their abundant business experience and knowledge, and their management ability to contribute to the sustainable growth of the KYUDEN Group and maximize corporate value over the medium to long term. In contrast, external director candidates are selected based on their abundant experience and insights in corporate management and specialized fields and whether they meet the criteria for determining independence. The board as a whole aims to ensure an appropriate size and diversity in terms of gender, internationality, professional experience, and age.

Selection Process

The board makes decisions after deliberations by the Personnel Advisory Committee (chaired by an external director, with a majority of its members being external directors), which was established to enhance independence, transparency, and objectivity.

Additionally, prior consent is obtained from the Audit & Supervisory Committee with respect to candidates for directors who are also members of the Audit & Supervisory Committee. In addition, to fulfill the role of supervision over the execution of duties by directors, Audit & Supervisory Committee members participate in the Personnel Advisory Committee as observers to confirm that the deliberations of the committee are appropriate.

Skills of Directors

Skill Identification and Definition

In line with the Group's key strategies, the Group transitioned to a pure holding company structure with the aim of pursuing further growth in the domestic electricity business while developing growth businesses in areas such as renewable energy, overseas business, ICT services, and urban development.

Under the pure holding company structure, the holding company is responsible for steering and overseeing Group management and for optimizing the allocation of resources among the operating companies from a Group-wide perspective.

Under this structure, the skills required of the Board of Directors to set the direction of management based on deep expertise and diverse perspectives and to effectively fulfill its supervisory function in pursuit of the vision set out in the KYUDEN Group Strategic Vision 2035 were identified as shown in the table on the right. These skills were determined following deliberations by the Personnel Advisory Committee, which is chaired by an external director and composed of a majority of external directors. The skills were defined with a view to ensuring a balanced mix of knowledge and experience across the Board as a whole.

Skills	Necessity of relevant skills
1. Group management and management strategy	The ability to anticipate changes in the business environment, make Group-wide decisions on the restructuring and optimization of the business portfolio and the allocation of resources, and appropriately oversee their implementation, with the aim of achieving sustainable growth and maximizing corporate value across the Group.
2. Finance, accounting, and corporate finance	The ability to use financial statements and accounting information to make key decisions on capital structure, investments, capital policy, and optimal capital allocation, with due regard to the Group's cost of capital, and to appropriately oversee the soundness and implementation of those decisions in pursuit of maximizing corporate value.
3. Governance and risk management	The ability to take a comprehensive view of risks across the Group; build and maintain effective governance that appropriately balances the autonomy of operating companies with oversight while addressing legal, compliance, and other risks; and oversee the soundness and sustainability of management decisions.
4. Human capital	The ability to integrate management and talent strategies; drive value creation through the recruitment, development, deployment, and empowerment of talent in support of the business portfolio and growth strategy; foster a culture in which diverse talent can thrive; and appropriately oversee and evaluate human capital from a medium- to long-term perspective.
5. Sustainability (Environment and society)	The ability to provide appropriate oversight and advice on material environmental and social issues, including decarbonization and local communities, taking into account their impact on management and with a view to enhancing the Group's value over the medium to long term by balancing the realization of a sustainable society with corporate growth, and to embed this approach throughout the Group.
6. Digital, technology, and innovation	The ability, in light of advances in digital and other advanced technologies and related technological challenges, to take the lead from a holding-company perspective in setting the direction for resource allocation and business transformation to drive change and create new value, and to provide appropriate management-level oversight and advice on these initiatives.
7. Global	The ability to oversee business strategy and management from a global perspective, drawing on knowledge and experience in overseas business and the international business environment while taking into account country risk, geopolitical risk, and other relevant risks.

CORPORATE GOVERNANCE Corporate Governance Under the Pure Holding Company Structure

Skills Matrix

Name	Position in the company	Business assignments and areas of responsibility	Independent external	Female	Personnel/ Remuneration Advisory Committees	Areas of expected contribution*							Reasons for identifying these areas of expected contribution
						Group management and management strategy	Finance, accounting, and corporate finance	Governance and risk management	Human capital	Sustainability (Environment and society)	Digital, technology, and innovation	Global	
Kazuhiro Ikebe	Chairperson and Representative Director	Chair of the Board of Directors				○	○	○	○	○	○	○	He has extensive management experience, having led Kyushu Electric Power for many years as President and having served in key positions including Chairman of the Federation of Electric Power Companies of Japan and Chairman of the Kyushu Economic Federation, through which he has developed a broad perspective on industry and the regional economy as a whole. Drawing on this experience, he is expected to provide strategic direction from a Group-wide perspective and contribute to effective oversight by the Board of Directors.
Masaru Nishiyama	Representative Director, President & Chief Executive Officer	CEO Concurrently serves as a non-executive director of Kyushu Electric Power Co., Inc.			Committee Member	○	○	○	○	○	○	○	He has broad experience in areas including power generation, international business, corporate management, and human resources and labor relations, gained through roles in business divisions such as the energy services business as well as corporate strategy functions. This has given him a broad perspective spanning both business operations and management strategy, and he is expected to lead the formulation and execution of management strategies aimed at realizing the KYUDEN Group Strategic Vision 2035.
Noboru Hashimoto	Representative Director, Vice-Presidential Executive Officer	Responsible for sustainability promotion and compliance Kyushu Electric Power Co., Inc. Concurrently serves as Representative Director, Vice-Presidential Executive Officer				○	○	○	○	○			Through his experience in corporate functions including accounting, legal affairs, human resources, and environmental affairs, as well as serving as a branch office general manager and General Manager of the General Affairs Department, he has developed a broad perspective on the functions that underpin management. Drawing also on his experience in the urban development business, he is expected to help advance Group management strategy and strengthen the Group's management foundation.
Atsushi Soda	Representative Director, Vice-Presidential Executive Officer	CIO Crisis Management Officer Responsible for safety oversight Kyushu Electric Power Co., Inc. Concurrently serves as Representative Director, Vice-Presidential Executive Officer				○		○		○	○		Through his experience overseeing technical divisions, managing crises, and serving as a branch office general manager, he has developed a broad perspective on the functions that underpin management. Drawing on his experience as Chief Information Officer and in the power transmission field, he is expected to provide leadership and oversight in advancing management strategy, including IT strategy and initiatives toward carbon neutrality.
Yuji Hirako	Member of the Board of Directors		○		Chairperson	○	○	○		○		○	He has extensive experience as a corporate executive in both Japan and the United States, together with broad expertise in finance and IR. Drawing on his experience in management decision-making aimed at driving business growth and enhancing corporate value, he is expected to provide effective guidance and oversight in these areas.
Keiko Watanabe	Member of the Board of Directors		○	○				○	○			○	Drawing on her extensive experience at global companies, she brings a broad perspective on the Group's management foundation, particularly in internal control and risk management, as well as expertise in human resource management, diversity, and supply chains. She is expected to provide effective guidance and oversight in these areas.
Yoshiro Uchimura	Member of the Board of Directors, Audit & Supervisory Committee Member					○		○	○	○			In addition to experience in community engagement initiatives, including legal and environmental matters, and in human resources and labor relations, he has worked across a broad range of operations, including frontline functions, through roles such as branch general manager and sales office manager. Drawing on this practical understanding of business operations, he is expected to audit and oversee the appropriateness of business execution and the effectiveness of internal controls.
Tomoka Sugihara	Member of the Board of Directors, Audit & Supervisory Committee Member		○	○	Committee Member			○	○				She has extensive experience across a broad range of legal matters gained over many years as an attorney, and brings the expertise needed to independently audit and oversee the appropriateness of business execution from the perspectives of legal affairs, governance, and risk management. Through her service on various external committees, she is also expected to provide appropriate advice and oversight in the area of human resources.
Yuka Shigetomi	Member of the Board of Directors, Audit & Supervisory Committee Member		○	○			○	○		○		○	Drawing on many years of international experience as a certified public accountant, she brings deep expertise in finance and accounting, together with the ability to assess risk from a global perspective. Her knowledge of sustainability management, particularly environmental matters, also enables her to effectively audit and oversee the appropriateness of business execution.
Yasuo Onozawa	Member of the Board of Directors, Audit & Supervisory Committee Member		○		Committee Member	○		○	○	○			He has extensive experience as a corporate executive, together with broad expertise in urban development-related businesses and in corporate functions including general affairs, executive administration, public relations, and human resources. Drawing on this experience, he is expected to audit and oversee the appropriateness of business execution from a broad management perspective.

* The information does not constitute an exhaustive list of all of the knowledge and experience possessed by the directors.

CORPORATE GOVERNANCE Corporate Governance Under the Pure Holding Company Structure

Remuneration system

Approach to Remuneration and Its Composition

Director remuneration consists of a base salary and performance-linked remuneration (excluding those who are members of the Audit & Supervisory Committee). For external directors, remuneration is limited to a base salary only, considering their role, without applying performance-linked remuneration.

Base remuneration

Base remuneration is paid on a monthly basis. The amount is commensurate with the required job responsibilities, taking into consideration the company's business environment, the level of remuneration at other companies (mainly listed companies) and the level of remuneration for the company's employees.

Performance-linked remuneration

Performance-linked remuneration consists of "bonuses," which are determined based on each fiscal year's performance, and "stock compensation," which is intended to motivate directors to improve corporate value over the medium to long term, in order to provide incentives to improve performance.

Performance indicators include consolidated ordinary income and ROIC in pursuit of realizing the management vision, reductions in GHG emissions intensity toward carbon neutrality, employee engagement ratings, and dividend payments to shareholders. Remuneration levels are set commensurate with the responsibilities of each position.

Bonuses are paid at a set time each year, while stock compensation is, in principle, paid upon retirement and may not be paid depending on performance.

Remuneration determination process

The remuneration amounts are determined by the Board of Directors within the total amount and maximum number of shares set at the General Meeting of Shareholders, based on the deliberations of the Remuneration Advisory Committee, which is chaired by an external director and composed of a majority of external directors. Additionally, Audit & Supervisory Committee members attend the Remuneration Advisory Committee meetings to ensure the appropriateness of the committee's discussions.

Reference: Director remuneration structure at Kyushu EP

(FY2025)

	Type of remuneration		Range of evaluation-linked variation
Base remuneration (paid monthly) [Approx. 60%]	Short-term performance-linked incentives	Bonus (paid annually)	0–120%
Performance-linked remuneration*1 Short-term performance-linked incentives [Approx. 20%]	Medium- to long-term performance-linked incentives	Stock*2 (vested upon retirement)	(Position points) —
Medium- to long-term performance-linked [Approx. 20%]			(Performance points) 0–150%

Performance indicator	Base value	FY2025 results (Payment rate*1)	Evaluation method
Consolidated ordinary income	FY2025 ¥160 billion	¥207 billion (120.00%)	Payment rate determined based on actual results for the fiscal year, relative to the base value

Determined based on position at the end of each fiscal year

	Performance indicator	Base value	FY2025 results (Payment rate*1)	Evaluation method
Financial indicator	Consolidated ordinary income	Three fiscal years ¥441 billion	—*3	Payment rate determined based on cumulative performance over the target period (three fiscal years), relative to the base value
	ROIC	FY2026 3.06%		Payment rate determined based on the performance in the final fiscal year within the target period (three fiscal years), relative to the base value
Non-financial indicator	Supply chain GHG emission reductions (intensity)	FY2026 0.354 kg-CO_2/kWh		Payment rate determined based on performance in the final fiscal year of the target period (three fiscal years) (reduction from FY2013), relative to the base value
	Incremental electricity consumption in the residential and commercial sectors	FY2021–2026 Cumulative total of 1.52 billion kWh		Payment rate determined based on cumulative performance since FY2021, relative to the base value
	Employee engagement rating	FY2026: A		Payment rate determined based on the performance in the final fiscal year within the target period (three fiscal years), relative to the base value

Note: Figures in square brackets indicate the proportion of total remuneration.
*1 When determining the amount of performance-linked remuneration, the Remuneration Advisory Committee deliberates on the matter, taking into account the above indicators as well as the dividend status.
*2 Stock compensation consists of points based on position and points linked to the achievement of performance indicators.
*3 Each target period consists of three fiscal years, and evaluations are based on the end date of each period (current target period: FY2024 to FY2026).

Reference: Director remuneration amounts at Kyushu EP

(FY2025)

Category	Base remuneration		Performance-linked remuneration				Total remuneration (million yen)
	Monetary remuneration				Non-monetary remuneration		
	Monthly remuneration		Bonuses (short-term performance-linked)		Stock compensation (medium- to long-term performance-linked)		
	Number of persons	Total (million yen)	Number of persons	Total (million yen)	Number of persons	Total (million yen)	
Directors (excluding Audit & Supervisory Committee members)	13	345	8	117	8	70	532
Directors (Audit & Supervisory Committee members)	4	80	—	—	—	—	80
Total (including external directors)	17 (5)	426 (60)	8 (—)	117 (—)	8 (—)	70 (—)	613 (60)

CORPORATE GOVERNANCE Corporate Governance Under the Pure Holding Company Structure

Succession plan

Executives responsible for managing the Company are required to possess not only advanced knowledge and decision-making capabilities in their respective fields, but also the mindset, perspectives, and decision-making principles required of business leaders, including “the ability to make decisions from a broad perspective that takes an overall view of management,” “the ability to make decisions from the perspective of overall optimization,” and “the leadership and commitment to drive change while taking risks when necessary.”

At our Company, the Personnel Advisory Committee continuously deliberates on the capabilities and qualities (talent requirements) expected of senior management. We have also established a succession plan to systematically select and develop future senior management candidates from the managerial ranks in higher employee grades.

For candidates, we are developing talent who will lead the next generation of management by combining capability building through selective training programs with opportunities to gain practical management experience through diverse work experiences and assignments to key positions, thereby cultivating the perspectives and decision-making capabilities required for management.

In addition, when selecting executive candidates, members of the Personnel Advisory Committee continuously monitor their remarks at various meetings and their involvement in decision-making, and conduct a multifaceted evaluation of their qualities and suitability as business leaders.

Furthermore, even after executives take office, we provide timely training and development opportunities in response to changes in the management and business environment and the growing complexity of management challenges. Through these efforts, we aim to enhance the knowledge, perspectives, and governance capabilities required of executives and strengthen our management system to support sustainable growth and medium- to long-term corporate value enhancement.



Identification and assessment of senior management

Assessment by members of the Personnel Advisory Committee

Executive candidate assessment by external directors serving on the Personnel Advisory Committee through forums such as the Board of Directors and Corporate Management Committee

Reference: Executive training

(Upon appointment) Undergo a legal seminar for newly appointed executives, which covers legal responsibilities and fiduciary duties of directors.

(After appointment) Undergo crisis management seminars and media training to help clarify roles and responsibilities, along with timely executive training tailored to current management challenges (FY2025 results: the 6th AI/DX study session and a seminar on the advancement of women).

Early development of management candidates (training at the employee level)

Implementation of “Management Leader Training,” our selective in-house development program (since 2016)

- There are two tracks: an Advanced Course for developing senior managers (general manager level) and an Executive Course for fostering future executives, focused on early identification and development of essential management mindsets, perspectives, and decision-making frameworks.
- Participants are systematically developed through cross-functional job rotations and practical assignments in key roles within Group companies.

Participation in competitive external development programs (since 2004)

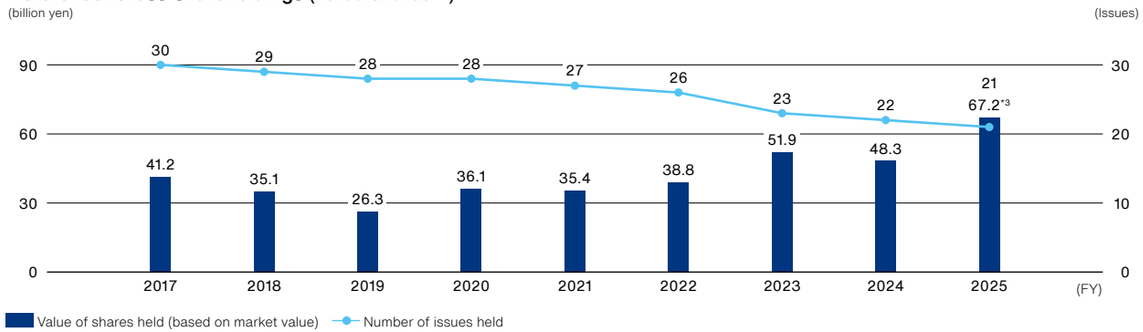
- Annually, we select and dispatch one employee to external programs aimed at cultivating next-generation business leaders with knowledge, insight, and ambition.

Cross-shareholdings

Basic policy

For individual cross-shareholdings*1 held by the Company and by Kyushu Electric Power Co., Inc., a major holder of such shares within the Group, the Board of Directors confirms the rationale for holding each year, comprehensively considering stable procurement of funds, materials, and equipment, contribution to regional development, and other factors, and examining profitability against the cost of capital and future prospects. As a result, assets determined to lack sufficient holding significance will be sold, and even assets deemed significant will be divested to the extent possible. In FY2025, the number of holdings was down by nine from FY2017 (before the 2018 revision of the Corporate Governance Code), a steady reduction.

Reference: Cross-shareholdings (listed shares*2)



*1 Listed shares held as specified investment shares or as deemed holdings

*2 As of the end of FY2025, Kyushu EP held 128 unlisted stocks totaling 65.3 billion yen (of which 52.9 billion yen is shares in Japan Nuclear Fuel Limited), as holdings that contribute to its stable and ongoing business operations. Furthermore, Japan Nuclear Fuel Limited’s operations play a vital role in Japan’s nuclear fuel cycle. The reprocessing of spent fuel and other activities carried out by Japan Nuclear Fuel Limited are essential for the stable operation of nuclear power plants and ensuring a stable energy supply. For this reason, we invest in the company to support its stable operations.

*3 Increase in value of shares held is due to higher share prices.

Criteria for exercising voting rights for cross-shareholdings

In exercising voting rights, we make a comprehensive judgment of approval or disapproval of each individual proposal from the perspective of improving the medium- to long-term value of the Group and the companies in which we hold shares. In particular, with respect to proposals that could potentially damage shareholder value, we gather sufficient information from the companies in which we hold shares with the aim of sharing management risks and other information before exercising our voting rights in an appropriate manner.



Kazuhiro Ikebe

Chairperson and Representative Director

Overview of career, positions, and responsibilities

1981 Joined Kyushu Electric Power
2017 Member of the Board of Directors, Senior Managing Executive Officer, Executive Director of Corporate Strategy Division
2018 Representative Director, President & Chief Executive Officer
2025 Chairperson and Representative Director
2026 Chairperson and Representative Director, KYUDEN Holdings Inc. (current position)

Current external appointments

Chairman, Kyushu Economic Federation

Common shares held

130,249



Masaru Nishiyama

Representative Director, President & Chief Executive Officer

Overview of career, positions, and responsibilities

1986 Joined Kyushu Electric Power
2019 Executive Officer, General Manager of International Business Office
2021 Managing Executive Officer, Executive Director of Corporate Strategy Division
2022 Senior Managing Executive Officer, Executive Director of Corporate Strategy Division
2023 Member of the Board of Directors, Senior Managing Executive Officer, Executive Director of Energy Service Headquarters
2025 Representative Director, President & Chief Executive Officer
2026 Representative Director, President & Chief Executive Officer, KYUDEN Holdings Inc.
(current position)

Common shares held

49,400



Noboru Hashimoto

Representative Director, Vice-Presidential Executive Officer

Overview of career, positions, and responsibilities

1984 Joined Kyushu Electric Power
2017 Executive Officer, General Manager of Kumamoto Branch Office
2020 Managing Executive Officer, Director of Urban Development Business Division
2022 Senior Managing Executive Officer, Director of Urban Development Business Division
2023 Representative Director, Vice-Presidential Executive Officer, Executive Director of Business Solution Headquarters
2026 Representative Director, Vice-Presidential Executive Officer, KYUDEN Holdings Inc.; responsible for compliance and sustainability promotion (current position)

Common shares held

63,961

BOARD of DIRECTORS

Directors (KYUDEN Holdings)



Atsushi Soda

Representative Director, Vice-Presidential Executive Officer

Overview of career, positions, and responsibilities

1985 Joined Kyushu Electric Power
2018 Executive Officer, General Manager of Oita Branch Office
2020 Executive Officer, Seconded to the Federation of Electric Power Companies of Japan
2020 Managing Executive Officer, Seconded to the Federation of Electric Power Companies of Japan
2022 Senior Managing Executive Officer, Seconded to the Federation of Electric Power Companies of Japan
2023 Representative Director, Vice-Presidential Executive Officer, Crisis Management Officer, ESG Matters
2024 Representative Director, Vice-Presidential Executive Officer, Crisis Management Officer, ESG Matters, Chief Information Officer
2025 Representative Director, Vice-Presidential Executive Officer, Crisis Management Officer, ESG Matters, Chief Information Officer, Executive Director of Technical Solution Headquarters
2026 Representative Director, Vice-Presidential Executive Officer, KYUDEN Holdings Inc.; responsible for safety oversight; Crisis Management Officer;
Chief Information Officer (current position)

Common shares held

59,283



Yuji Hirako

Member of the Board of Directors (External)

Overview of career, positions, and responsibilities

1981 Joined All Nippon Airways Co., Ltd. (currently ANA HOLDINGS INC.)
2011 Senior Vice President, Deputy General Manager, Sales Promotion Division
2012 Senior Vice President, The Americas & General Manager, New York, ANA
2015 Senior Vice President, Finance, Accounting & Investor Relations, ANA HOLDINGS INC. Member of the Board, Executive Vice President, Accounting, ANA
2015 Member of the Board, ANA HOLDINGS INC.
2017 Member of the Board, ANA HOLDINGS INC. President and CEO, ANA
2022 Vice Chairman of ANA HOLDINGS INC.
2023 Member of the Board of Directors of Seven Bank (part-time, current position)
2023 Member of the Board of Directors of JVCKENWOOD Corporation (part-time, current position)
2024 Special Advisor to ANA HD (current position)
2024 Member of the Board of Directors, Kyushu EP
2025 Director, SMBC Nikko Securities Inc. (part-time, current position)
2026 Member of the Board of Directors, KYUDEN Holdings Inc. (current position)

Current external appointments

Special Advisor to ANA HD
External Director of Seven Bank
External Director of JVCKENWOOD Corporation
External Director, SMBC Nikko Securities Inc.

Common shares held

2,500



Keiko Watanabe

Member of the Board of Directors (External)

Overview of career, positions, and responsibilities

1981 Joined Applied Materials Japan, Inc.
1983 Left Applied Materials Japan, Inc.
1985 Joined Nippon Dacro Shamrock Co., Ltd.
1990 Left Nippon Dacro Shamrock Co., Ltd.
1990 Joined Bosch Corporation
2005 General Manager, Administrative Purchasing Department, Bosch Corporation
2010 General Manager, Logistics Planning Department, Bosch Corporation
2019 Director, Japan Customs Brokers Association (part-time, current position)
2019 Business Advisor, Bosch Corporation
2021 Left Bosch Corporation
2022 Auditor, Kumamoto University (current position)
2026 Member of the Board of Directors, Kyushu EP
2026 Member of the Board of Directors, KYUDEN Holdings Inc. (current position)

Current external appointments

Auditor, Kumamoto University

Common shares held

0

Notes 1. Common shares held as of March 31, 2026 2. For internal directors, the number includes their individual interests under the Board Benefit Trust (BBT) stock compensation system. For external directors, such interests are not included.



Yoshiro Uchimura

Member of the Board of Directors, Audit & Supervisory Committee Member

Overview of career, positions, and responsibilities

1985 Joined Kyushu Electric Power
2018 Executive Officer and General Manager of Saga Branch Office
2020 Executive Officer and General Manager of Saga Branch
2021 Managing Executive Officer, Director of the District Symbiosis Division, Business Solution Headquarters
2022 Senior Managing Executive Officer, Director of the District Symbiosis Division, Business Solution Headquarters
2024 Member of the Board of Directors, Audit & Supervisory Committee Member, Kyushu EP
2026 Member of the Board of Directors, Audit & Supervisory Committee Member, KYUDEN Holdings Inc. (current position)

Common shares held

32,782



Tomoka Sugihara

Member of the Board of Directors, Audit & Supervisory Committee Member (External)

Overview of career, positions, and responsibilities

1999 Registered as an attorney (current position)
Joined Miura Okuda Iwamoto Law Office (now Miura Okuda Sugihara Law Office)
2007 Partner, Miura Okuda Sugihara Law Office (current position)
2020 Director, Audit & Supervisory Committee Member, Nippon Tungsten Co., Ltd. (part-time, current position)
2022 Member of the Board of Directors, Audit & Supervisory Committee Member, Kyushu EP
2026 Member of the Board of Directors, Audit & Supervisory Committee Member, KYUDEN Holdings Inc. (current position)

Current external appointments

Attorney
(Partner, Miura Okuda Sugihara Law Office)
External Director, Audit & Supervisory Committee Member, Nippon Tungsten Co., Ltd.

Common shares held

5,500

AUDIT and SUPERVISORY COMMITTEE

Directors, Audit & Supervisory Committee Members (KYUDEN Holdings)



Yuka Shigetomi

Member of the Board of Directors, Audit & Supervisory Committee Member (External)

Overview of career, positions, and responsibilities

1993 Joined Showa-Ota Audit Corporation (now EY Ernst & Young ShinNihon LLC)
1997 Became a certified public accountant in Japan (current position)
1998 Transferred to the Hong Kong office of Ernst & Young (EY)
2001 Became a US-certified public accountant (USCPA) (current position)
2002 Became a Hong Kong certified public accountant (current position)
2006 Partner, Hong Kong office of Ernst & Young
Partner, ShinNihon Audit Corporation (now EY Ernst & Young ShinNihon LLC)
Head of services for Japanese companies in Hong Kong and South China at EY
2007 Became a Hong Kong CPA (practicing certificate) (until 2024)
2015 Senior Partner, ShinNihon Audit LLC (now EY Ernst & Young ShinNihon LLC)
2016 Retired from ShinNihon Audit LLC (now EY Ernst & Young ShinNihon LLC)
2018 Head of assurance services for Japanese companies at EY Greater China (Mainland China, Hong Kong and Taiwan)
2024 Retired from EY Greater China
2024 Member of the Board of Directors, Audit & Supervisory Committee Member, Kyushu EP
2024 Senior Advisor, Hong Kong Office of Ernst & Young (current position)
2025 Outside Audit & Supervisory Board Member, Canon Inc. (part-time, current position)
2026 Member of the Board of Directors, Audit & Supervisory Committee Member, KYUDEN Holdings Inc. (current position)

Current external appointments

Senior Advisor, Hong Kong Office of Ernst & Young
Certified public accountant (Japan, U.S. and Hong Kong)
Outside Audit & Supervisory Board Member, Canon Inc.

Common shares held

0



Yasuo Onozawa

Member of the Board of Directors, Audit & Supervisory Committee Member (External)

Overview of career, positions, and responsibilities

1981 Joined Mitsui Fudosan Co., Ltd.
2016 Member of the Board of Directors, Managing Executive Officer, Mitsui Fudosan
2017 Member of the Board of Directors, Senior Managing Executive Officer, Mitsui Fudosan
2020 Member of the Board of Directors, Vice President & Executive Officer, Mitsui Fudosan
2022 Representative Director, Vice President & Executive Officer, Mitsui Fudosan
2023 Member of the Board of Directors, Mitsui Fudosan
2023 Special Advisor, Mitsui Fudosan
2025 Advisor, Mitsui Fudosan (current position)
2026 Member of the Board of Directors, Audit & Supervisory Committee Member, Kyushu EP
2026 Member of the Board of Directors, Audit & Supervisory Committee Member, KYUDEN Holdings Inc. (current position)

Current external appointments

Advisor, Mitsui Fudosan Co., Ltd.

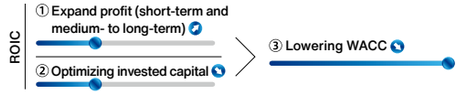
Common shares held

0



Notes
1. Common shares held as of March 31, 2026
2. For internal directors, the number includes their individual interests under the Board Benefit Trust (BBT) stock compensation system. For external directors, such interests are not included.

STAKEHOLDER ENGAGEMENT



Policy and Activities

Guided by the "KYUDEN Group Charter of Corporate Behavior," our group aims to enhance trust with our customers, local communities, shareholders, investors, supply chain partners, and employees. We promote communication across all aspects of our business and promptly reflect stakeholder feedback and requests in our operations.

Customers	We will strive to enhance customer satisfaction by providing products and services that address the needs and challenges of customers, including for comfortable environments and eco-friendly energy, while responding sincerely to customer feedback.
Local communities and society	We will build relationships of trust by carefully communicating with local communities and society, working together to solve problems, and collaborating on business operations and facility development.
Shareholders and investors	We will meet the expectations of shareholders and investors by continuously improving management quality and corporate value, as well as building relationships of trust through proactive information disclosure and sustained dialogue.
Supply chain	Based on equal partnerships with our business partners, we will fulfill our corporate social responsibility throughout the supply chain, and thereby contribute to the sustainable enhancement of corporate value for both our group and our business partners.
Employees	By respecting diversity and working to create an environment in which all employees can fully demonstrate their capabilities, we will foster a corporate culture in which employees feel fulfilled in their work and grow with us as an organization.

Main IR activities (FY2025)

Note: "Chief IR officer" here refers to either the president or an executive appointed by the president to take charge of IR

Stakeholders	Activities	Personnel	Frequency per year
Analysts / institutional investors	Management Overview Briefing	Chief IR Officer	Twice
	Small-group meetings with the President and others	Chief IR Officer, Chief Sustainability Officer	3 times
	Dialogue between external directors and investors	External directors	Twice
	Individual meetings with domestic and overseas investors	Chief IR Officer, Division Directors, and Other Members	218 times
	Business briefings/facility tours with specific themes	Chief IR Officer, Heads of Businesses, and Other Members	Twice
	Posting of IR-related information on our website	—	As needed
Individual investors	Briefings for individual investors	Chief IR Officer, Division Directors, and Other Members	Twice
	Posting of IR-related information on our website	—	As needed

Dialogue with investors and our responses

Main opinions received	Our response
Are the profit targets in Strategic Vision 2035 too conservative? Why not revise them to align with the expectation that electricity demand in Kyushu will grow?	In light of these opinions, we explained at the management overview briefing held in May 2026 that we would consider revising the management targets. We will continue our review while taking into account the risk of rising prices and interest rates, the potential for increased demand from semiconductor plants and data centers, and other factors.
Given the heightened tensions in the Middle East, how does the company view its fuel procurement policy? Please also explain how it is analyzing the impact on earnings.	At the management overview briefing held in May 2026, we explained the current status of our fuel procurement and its impact on earnings. We will continue to provide investors with careful explanations of business risks, including geopolitical risks.

Dialogue between employees and top management (FY2025)

Facilitator	President, vice presidents, senior managing executive officers, branch general managers, external directors, etc.
Period	September 2025 to February 2026
Locations	81 sites, including branches, branch offices, power plants, sales centers, and distribution offices; 21 group companies
Number of participants	5,408 (cumulative)
Number of questions, opinions, and requests raised in the dialogues	1,324
Main topics	・Overview of Strategic Vision 2035 ・Overview of the Group's key strategies for achieving the Strategic Vision, and measures to be taken by each business ・Status of deliberations on the transition to a pure holding company structure ・Thorough information security, safety, and compliance, etc.

For details, see the Sustainability Report, p. 51

EMPLOYEE VOICES Voices of employees who took part in the dialogue

Talking directly with top management was a valuable opportunity to share my own views as well as those of my workplace.

As a Group company employee, I felt this was a valuable initiative that boosts motivation and engagement. It also made me want to increase the value I bring and contribute more to the company.

Hearing directly from management about the background to Strategic Vision 2035 and the thinking behind it—details that cannot be fully conveyed through text alone—deepened my understanding. It also prompted me to think about how I can put the new Strategic Vision into practice in my own work.

For more details on our initiatives, see p. 47 of the Sustainability Report

STAKEHOLDER ENGAGEMENT



KYUDEN GROUP VOICE

Toward realizing the Vision: Sharing stories of challenge and growth

In April 2026, the KYUDEN Group launched KYUDEN GROUP VOICE, a new owned-media platform designed to further deepen trust with stakeholders and strengthen unity across the Group.

As the centerpiece of the Group's communications, KYUDEN GROUP VOICE shares stories of challenge and growth on the path toward realizing Strategic Vision 2035. By sharing the Group's common values and aspirations with employees, it also helps enhance engagement and foster pride and a sense of unity.

Through these communications, we aim to build trust and empathy, expand our community of supporters, enhance brand value, and increase the Group's standing and recognition in the market.

The KYUDEN Group's present and future, told through Will (aspirations), passion, and facts

VOICE goes beyond simply sharing information. It weaves the Group's Will (aspirations), passion, and facts into narratives, conveying them from multiple perspectives through videos and articles.

The editorial team therefore brings together public relations staff and external professionals with expertise in planning, editing, and production. By incorporating their expertise and objectivity, the team can explore management's intentions and the challenges being taken on at the front lines in greater depth and present them in a more compelling way.

The VOICE editorial team visits workplaces and speaks directly with employees, experiencing their energy firsthand. By focusing on each individual's aspirations and values, the team brings the present and future of the Group to life.



Top Voices



Conveying the visions and aspirations of top management at Group companies

NISHIYAMA NOTE Special Guest: Parts 1 and 2
Listening to Haruka Kinoshita
— Musicals and the Power to Take on Challenges —
Listening to Haruka Kinoshita
— Energy: The Power That Supports Society —

Insights



Providing an easy-to-understand view of the KYUDEN Group today and where it is headed in the future

The Transition to a Holding Company Structure: A Growth Opportunity for Everyone in the Group

Legacy



Exploring the history, aspirations, and enduring values passed down through generations across our businesses

[Hydropower]
The Pioneers' Spirit and a Legacy of Pride

Projects



Exploring businesses, services, and projects in depth, including their background and future vision

[Nanamagari Asks!]
Could Next-Generation Solar Cells Change the World?

Sports

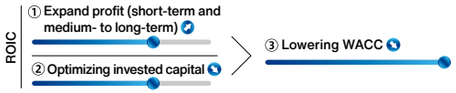


Showcasing the values and corporate culture we cherish through our dedication to sports and club activities

The Challenge of the Japan League and the Lessons Learned Along the Way

TCFD/TNFD INTEGRATED REPORT

Integrated Disclosure of Environment-related Financial Information



Overall Picture of Integrated Environment-related Financial Disclosure

Kyushu's regional economy and daily life are supported by rich natural capital, which is also essential to the Group's growth and development. The KYUDEN Group recognizes its responsibility to address environmental conservation seriously, given the environmental impacts associated with its business activities. In line with this responsibility, we have developed an integrated approach to climate- and nature-related management that takes into account climate change, natural capital, and the interrelationship between them.

Based on the TCFD and TNFD frameworks, we also assess and manage, in an integrated manner, our businesses' impacts on and dependencies on natural capital, as well as climate- and nature-related risks and opportunities. The results of these assessments are appropriately reflected in the Group's strategies and plans. The Group will continue to enhance corporate value through initiatives aimed at achieving "Carbon Minus" and realizing a "world in harmony with nature."1

1. Governance The Board of Directors provides oversight, while the Sustainability Promotion Committee (Chair: President of the holding company) manages environmental risks and opportunities across the Group.

2. Strategy Pursue sustainable business activities by decarbonizing power sources, promoting electrification, and reducing the environmental impact associated with our operations.

● Climate ● Nature

3. Risk management Integrated with company-wide risk management

- 2-(1) Identification of priority areas
- 2-(2) Assessment of impact and dependence
- 2-(3) Scenario analysis
- 2-(4) Assessment of risks and opportunities

Renewable energy business that is effective in addressing climate change (but with impacts on biodiversity)

2-(5) Trade-offs

Thermal power generation business with relatively low impact on biodiversity (but with impacts on climate change)

- 2-(6) Response measures, transition plans, etc.

Becoming "Carbon Minus"
As a front-runner in low-carbon and decarbonized energy, we aim to achieve "Carbon Minus" as early as possible (CN Vision).

Achieving a "world in harmony with nature"[1]
The KYUDEN Group's initiatives toward achieving the global biodiversity targets[2]

4. Indicators and targets

- Environmental targets and KPIs
- Indicators and targets*3

Achieving the KYUDEN Group's mission

Enlighten Our Future

*1 The 2050 Vision set out in the Kunming-Montreal Global Biodiversity Framework
*2 The KYUDEN Group's initiatives toward achieving the 2050 Vision and 2030 Global Targets of the Kunming-Montreal Global Biodiversity Framework
*3 The KYUDEN Group's targets for the TNFD framework's global core and sector core disclosure metrics

For details on TCFD/TNFD, see the next page

TCFD/TNFD Report 2026

TCFD/TNFD INTEGRATED REPORT Integrated Disclosure of Environment-related Financial Information

TCFD/TNFD Report 2026

Climate change

Assessment of risks and opportunities

Physical risk
- Facility damage and power outages caused by typhoons, strong winds, flooding, torrential rain, and associated fallen trees and other impacts
- Deterioration in earnings due to rising fuel prices (coal and LNG)

Transition risk
- Higher thermal power generation costs due to carbon pricing
- Additional costs associated with the phase-out of inefficient coal-fired power generation, etc.
- Decline in the KYUDEN Group's electricity sales due to factors such as increased use of PPAs by other companies as renewable energy becomes more widespread
- Additional work required to accommodate large-scale grid connections of renewable energy and storage batteries, and increased complexity in balancing electricity supply and demand

Opportunities
- Expansion of renewable energy and other businesses and associated earnings opportunities
- Increased electricity sales through the promotion of electrification (2035)
- Increased sales of non-fossil value through the use of zero-emission power sources (Sales potential)
- Differentiation and value enhancement through digital transformation (DX) (Maintaining and improving profitability)
- Expanding energy services by leveraging distributed energy resource control, storage batteries, and EVs

Indicators and targets

Environmental targets
Supply chain GHG emissions intensity

FY2030: **0.36** kg-CO_2/kWh
(–50% compared to FY2013)

FY2035: **0.29** kg-CO_2/kWh
(–60% compared to FY2013)

KPIs

Renewable electricity sales volume

FY2030: **33.0** billion kWh

FY2035: **37.0** billion kWh

Reduce the carbon footprint of thermal power
FY2030: Establish hydrogen and ammonia

Co-firing technology

FY2035
10% hydrogen and **20**% ammonia co-firing

Environmental targets
Electrification rate in Kyushu

FY2030: residential **70**% / commercial **60**%

FY2035: residential **75**% / commercial **65**%

KPIs

Additional electricity for residential sector

FY2030: **1.5** billion kWh (FY2021–2030 total)

FY2035: **2.3** billion kWh (FY2021–2035 total)

Additional electricity for commercial sector

FY2030: **1.6** billion kWh (FY2021–2030 total)

FY2035: **2.6** billion kWh (FY2021–2035 total)

Transportation

FY2030: **100**% of company vehicles converted to EVs

FY2035: Maintain **100**% EV adoption for company-owned vehicles

1. Governance

2. Strategy

3. Risk management

● Climate ● Nature

- 2–(1) Identification of priority areas — For details, see TCFD/TNFD Report, p. 4
- 2–(2) Assessment of impacts and dependencies — For details, see TCFD/TNFD Report, p. 5
- 2–(3) Scenario analysis — For details, see TCFD/TNFD Report, p. 6
- 2–(4) Assessment of risks and opportunities — For details, see TCFD/TNFD Report, p. 7
- 2–(5) Trade-offs — For details, see TCFD/TNFD Report, p. 9
  - Renewable energy business that is effective in addressing climate change
  - Thermal power generation business with relatively low impact on biodiversity
- 2–(6) Response measures, transition plans, etc. — For details, see TCFD/TNFD Report, p. 10

4. Indicators and targets

Natural capital

Identification of priority areas

Areas where locations important for biodiversity in Kyushu overlap with our business activities, including the value chain

- Nuclear (Sendai): Sendai River basin / prefectural natural park
- Geothermal (Otake / Hatchobaru): Aso-Kuju National Park
- Geothermal (Yamagawa): Kirishima-Kinkowan National Park
- Wind (Nagashima): Takaono, Izumi City (KBA*)
- Transmission and distribution: All of Kyushu (including protected areas and KBAs*)

* Key Biodiversity Areas

Assessment of impacts and dependencies

Impacts
- Thermal/nuclear fuel procurement: Land conversion, water withdrawal
- Steel and cement procurement: Land conversion, pollution from waste, etc.
- Thermal power generation: GHG emissions

Dependencies
- Hydropower generation: Water-related ecosystem services
- Biomass power generation: Biomass supply services
- Solar and wind power generation: Global climate regulation (the function of mitigating climate change through CO_2 absorption, etc.)

Assessment of risks and opportunities

Risks
- Thermal power generation (coal / LNG): Carbon levy payments, mandatory improvements in thermal efficiency, etc.
- Hydropower generation: Facility damage and shutdowns due to floods and earthquakes
- Transmission and distribution: Facility damage and power outages due to natural disasters
- All businesses: Supply disruptions due to water shortages and other factors affecting suppliers of construction materials (steel and cement)

Opportunities
- Development of businesses supporting the creation and use of J-Credits
- Expansion of the drone business into natural capital monitoring, inspection, and solutions
- Expansion of solar panel reuse and recycling businesses

Indicators and targets*

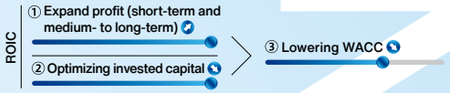
(Target year: FY2035)

- Number of legal violations relating to release of soil contaminants: **0**
- Number of legal violations relating to wastewater discharge: **0**
- Industrial waste (excluding coal ash) recycling rate: **98**%
- Coal ash recycling rate: **100**%
- Waste plastic recycling rate: **100**%
- Number of violations of laws and regulations relating to air pollutants other than GHGs: **0**
- Number of legal violations relating to water resources: **0**
- Green procurement rate (office supplies): **99**%

* The KYUDEN Group's targets for the TNFD framework's global core and sector core disclosure metrics

GREEN TRANSFORMATION

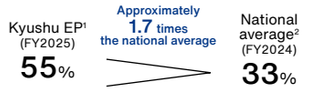
Sustainable enhancement of corporate value in the GX era



Strengths in a carbon pricing environment

The KYUDEN Group has long worked to ensure a stable energy supply, economic efficiency, and environmental compatibility (S+3E), with safety as the fundamental prerequisite. By maximizing the use of nuclear power while placing the highest priority on safety and expanding the introduction of renewable energy, we have built a power generation portfolio with a high share of non-fossil power sources. Our share of non-fossil power sources is also high compared with the national average. This power generation mix helps reduce CO_2 emissions and limit the emissions-related costs associated with carbon pricing.

Comparison of non-fossil power source ratios



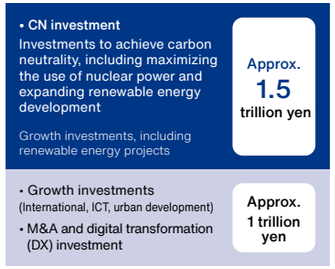
1 Share of Kyushu EP's total electricity generated and purchased in FY2025
2 Prepared based on reference materials accompanying the Ministry of Economy, Trade and Industry's FY2024 Energy Supply and Demand Results

CN investment plan for reducing CO_2 emissions

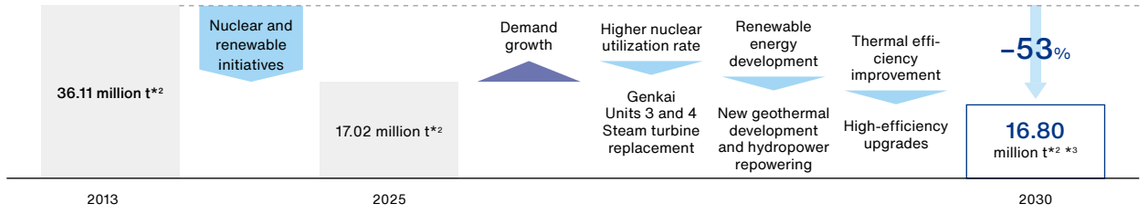
Over the 11 years from FY2025 to FY2035, we plan to allocate approximately ¥1.5 trillion of our ¥2.5 trillion in strategic investments to carbon neutrality investments, further advancing the decarbonization of our power sources. In making these investments, we will give due consideration to capital efficiency and financial soundness. We will also utilize approaches such as collaboration with partner companies and project finance, as appropriate for each project, to improve investment efficiency while strengthening our financial foundation.

The transition plan for the emissions trading system (GX-ETS)1 incorporates investments through FY2030 to improve nuclear power utilization rates, expand renewable energy development, and enhance the efficiency of thermal power generation. Even with electricity demand expected to increase, the FY2030 emissions target is set at 53% below the FY2013 level.

Strategic investment
(Indicative cumulative amount for FY2025–FY2035)



Outlook for CO_2 emission reductions (Kyushu Electric Power, non-consolidated; Scope 1 and 2)



*1 An emissions trading system that sets emissions allowances for companies' CO_2 emissions and allows excess allowances and shortfalls to be traded on the market
*2 Emissions from facilities owned by Kyushu EP as of FY2026, excluding emissions from facilities transferred to Kyushu T&D and Kyuden Mirai Energy since FY2013
*3 Emissions target under the GX-ETS transition plan (formulated in FY2026)

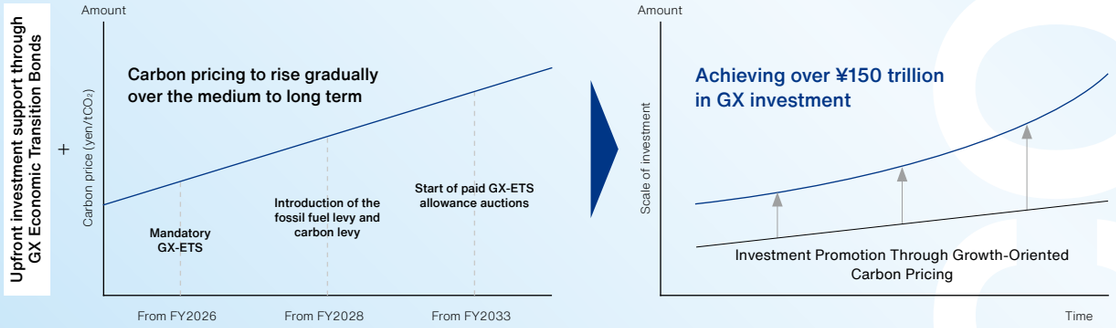
The path toward a decarbonized society set out in the GX2040 Vision

In Japan, initiatives are being advanced under the GX2040 Vision to simultaneously achieve energy security, economic growth, and decarbonization. Amid growing uncertainty over the future—including heightened international tensions, rising electricity demand associated with advances in GX and DX, and the restructuring of supply chains—the GX2040 Vision sets out a direction designed to facilitate medium- to long-term investment decisions by companies. In particular, the Vision positions decarbonization not simply as a cost burden, but as a driver of growth investment and stronger industrial competitiveness. By advancing energy and industrial policies in an integrated manner, the government is working to create a business environment that supports investment by companies pursuing GX.

At the core of this approach is the growth-oriented carbon pricing framework, which combines support for upfront investment through GX Economic Transition Bonds with the emissions trading system (GX-ETS), a fossil fuel levy, and paid allocation auctions for power generators. Under this framework, GX Economic Transition Bonds are first used to front-load support for decarbonization investment. At the same time, the phased introduction of carbon pricing, which places a cost on CO_2 emissions, is clearly signaled, thereby creating incentives for companies to make early GX investments.

As part of the specific design of carbon pricing, the GX-ETS will become legally mandatory from FY2026, the fossil fuel levy will be introduced from FY2028, and paid allocation auctions for power generators will be phased in from FY2033. These measures indicate that carbon prices are expected to rise over the medium to long term. In the electric power business, where competitiveness has traditionally been determined largely by fuel costs and plant efficiency, reducing emissions through the decarbonization of power sources is becoming increasingly important for maintaining and enhancing competitiveness.

Overview of the growth-oriented carbon pricing concept



Source: Ministry of Economy, Trade and Industry (METI), "Pro-Growth Carbon Pricing Concept"

GREEN TRANSFORMATION Sustainable enhancement of corporate value in the GX era

For details on climate change initiatives, see p. 21 of the Sustainability Report

Initiatives for further growth

With carbon prices expected to rise over the medium to long term, it will be important to advance further emissions reduction initiatives and curb or reduce emissions-related costs. Thermal power generation will continue to play an important role in securing sufficient supply capacity as electricity demand is expected to increase with the construction of new data centers and semiconductor-related plants, as well as in providing balancing capacity as renewable energy deployment expands. We will therefore continue to utilize thermal power generation, while pursuing further efficiency improvements and introducing new technologies to reduce emissions. Because nuclear power and renewable energy do not emit CO_2 during power generation, we will work to maximize their use and expand their deployment, while ensuring safety and a stable energy supply.

Thermal power generation

To further improve efficiency, we are developing state-of-the-art LNG-fired power plants. The replacement project for Shin-Kokura Power Station was selected in the third Long-Term Decarbonized Power Source Auction. We will work toward commencing operations in FY2033, with the aim of reducing emissions through the introduction of state-of-the-art, high-efficiency equipment.

As part of our efforts to achieve substantial emissions reductions over the medium to long term, we are also promoting initiatives to introduce hydrogen and ammonia co-firing and CCS. Specifically, we are working toward 10% hydrogen and 20% ammonia co-firing by FY2035 and have conducted ammonia co-firing tests at Reihoku Power Plant Unit 1 and Matsuura Power Plant Unit 2. For CCS, we are conducting studies jointly with J-POWER with a view to capturing approximately 2 million tons of CO_2 annually at the Matsuura site, one of Japan's leading coal-fired power generation hubs. Since FY2024, we have been commissioned by the national government (JOGMEC) to conduct studies under the Advanced CCS Projects program and have carried out feasibility studies for a CCS project covering CO_2 separation and capture, liquefaction, storage, and shipping facilities. Since FY2026, we have been carrying out front-end engineering design (FEED) for the facilities under the framework of the same project.

Status of CCS studies at the Matsuura site (Matsuura City, Nagasaki Prefecture)



Kyushu EP Matsuura Power Plant
Unit 2: 1,000 MW
(Coal-fired)



J-POWER Matsuura Thermal Power Plant
Unit 2: 1,000 MW
(Coal-fired)

Photo is provided by J-POWER (EPDC)

Site features

- Collaboration between the two companies enables the formation of a shared CCS cluster, reducing costs and improving project feasibility. Sharing liquefaction and other facilities will help lower CCS costs further.
- A CCS project on one of the largest scales in Japan is under study, with plans to capture approximately 2 million tons of CO_2 annually from the two power plants.

Value chain (marine transport)

Scope of study (Kyushu EP / J-POWER) | Transport and storage operator

1. CO_2 separation and capture
CO_2 is separated and captured at the power station.

2. CO_2 liquefaction
The captured CO_2 is liquefied to reduce its volume.

3. Temporary storage
The liquefied CO_2 is temporarily stored in tanks.

4. Shipping
The liquefied CO_2 is loaded onto vessels using port facilities such as loading arms.

5. Marine transport
The CO_2 is transported by dedicated vessels to suitable storage sites in Japan and overseas.

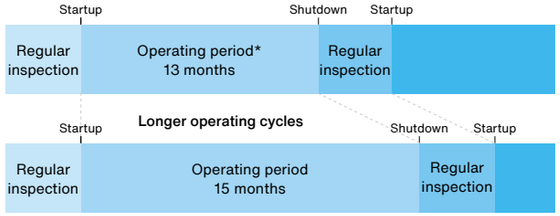
6. Geological storage
CO_2 is stored in suitable geological formations.

Nuclear power generation

For existing plants, we have set a target capacity factor of 90% (average for FY2031–FY2035), with the aim of reducing fossil fuel consumption by improving capacity factors. To achieve this, we are considering measures to improve the efficiency and quality of periodic inspections, including discussions in an ATENA (Atomic Energy Association) working group on extending the intervals between periodic operator inspections, which are currently conducted at intervals of no more than 13 months, and the introduction of online maintenance, under which equipment maintenance is performed while plants remain in operation.

Looking further ahead, we will also study the development and deployment of next-generation advanced reactors incorporating new safety mechanisms.

Conceptual image of long-cycle operation for PWRs



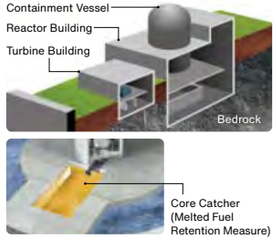
* The period from the end of a periodic operator inspection until the reactor is shut down for the next inspection

Main features of innovative light-water reactors

1. Even greater safety
2. Excellent economics
3. Shorter construction period and greater certainty
4. Flexible operation and high load-following capability
5. Contribution to decarbonization
6. Coexistence with local communities and industrial revitalization

Image courtesy of Mitsubishi Heavy Industries, Ltd.

Illustration of an Advanced Light Water Reactor (Example: SRZ-1200)



Renewable energy

Geothermal power provides a stable source of electricity regardless of weather conditions, making it one of the few power sources that can simultaneously contribute to decarbonization and energy security. Based in Kyushu, which is home to some of Japan's richest geothermal resources, the KYUDEN Group is one of the country's leading geothermal developers, accounting for approximately 40% of Japan's geothermal generating capacity. Drawing on the resource exploration, drilling, and operational expertise accumulated over many years, we are now advancing the development of future projects, including the southern Yamashita-ike area.

In hydropower, in addition to increasing output through the repowering of existing plants, we will make further effective use of renewable energy by converting Morotsuka Power Station to pumped-storage operation, a project selected in the second Long-Term Decarbonized Power Source Auction.





1. Repowering work at a hydropower plant
2. Flow test at a survey well in the southern Yamashita-ike area

CHRO MESSAGE

Message from the CHRO



THEME

Weaving the next story of value creation from the intersection of diverse knowledge

– Toward effective human capital management under the pure holding company structure –

Kikuyo Tsuno
Senior Managing Executive Officer,
KYUDEN Holdings Inc.
CHRO

A strong sense of shared purpose, combined with the drive to venture into new frontiers, will power our future growth

In October this year, the Group transitioned to a pure holding company structure. We see this major turning point not simply as a change in organizational structure, but as an important opportunity to further unlock the potential of the people and organizations that underpin the growth of our businesses.

The Kyuden Group has long been united by a sincere sense of mission to contribute to a better society. Under the holding company structure, this shared purpose will remain a powerful force that brings the Group together. At the same time, in an era of discontinuous change, we need to build on this solid foundation and harness the energy of diverse people with different strengths, knowledge, and experience to take bold steps into new fields and toward the future. Under the holding company structure, the key will be to unleash the full potential of diverse talent across our wide range of businesses, while remaining united by our shared sense of purpose.

I believe that creating an environment in which the passion and expertise of individuals intersect and diverse knowledge and experience come together will become one of the Group's most powerful drivers of value creation in the years ahead.

Dialogue through the Human Resources Committee: Balancing Group-wide optimization with autonomy

With the transition to the HD structure, we established a new Human Resources Committee to strengthen the alignment between the Group's overall business strategy and its human capital strategy. The Committee serves as a forum for dialogue and a platform where HD management and the heads of the core companies come together to speak candidly about the human capital challenges involved in realizing our business strategies, the future of the Group, and the people who will be essential to that future.

It takes a broad perspective in discussing the cross-Group redeployment of talent to optimize human resources across the Group, as well as effective investment in people to build medium- to long-term competitiveness. At the same time, it respects the initiatives pursued independently by each core company in line with its business characteristics and the needs of its workplaces, supporting these efforts while monitoring their progress.

Group-wide optimization and autonomy rooted in the workplaces and business strategies of each company should not be seen as opposing forces. My role as CHRO is to create a dynamic in which the two reinforce one another.

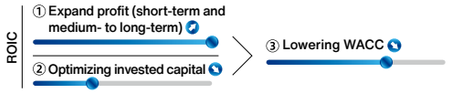
Effective management guided by the Human Capital Management Value Creation Story / Impact Pathway

We have implemented a wide range of human capital management initiatives to date. Going forward, however, it will be essential to determine whether these initiatives are truly contributing to enhanced corporate value and to improve their effectiveness. To this end, we have newly developed a Value Creation Story / Impact Pathway that shows how various human capital initiatives lead to changes in awareness and behavior within the organization and, ultimately, what impact they have on management and business outcomes. Using this framework as our compass, we will take a rigorous look at data and facts, identify what inspires employees to give their best and what stands in the way of value creation, and make our human capital management initiatives more effective.

Believing in the power of people and committing to value creation for the future

The KYUDEN Group's future is not something distant or extraordinary. It will be shaped by the accumulated aspirations and actions of each individual working every day at the front lines of our businesses. Under the new holding structure, we will continue to believe in people's potential and strive to become a company in which every employee can play an active role in shaping the future. Through our people and human capital initiatives, we will support the Group's sustainable growth and the enhancement of corporate value.

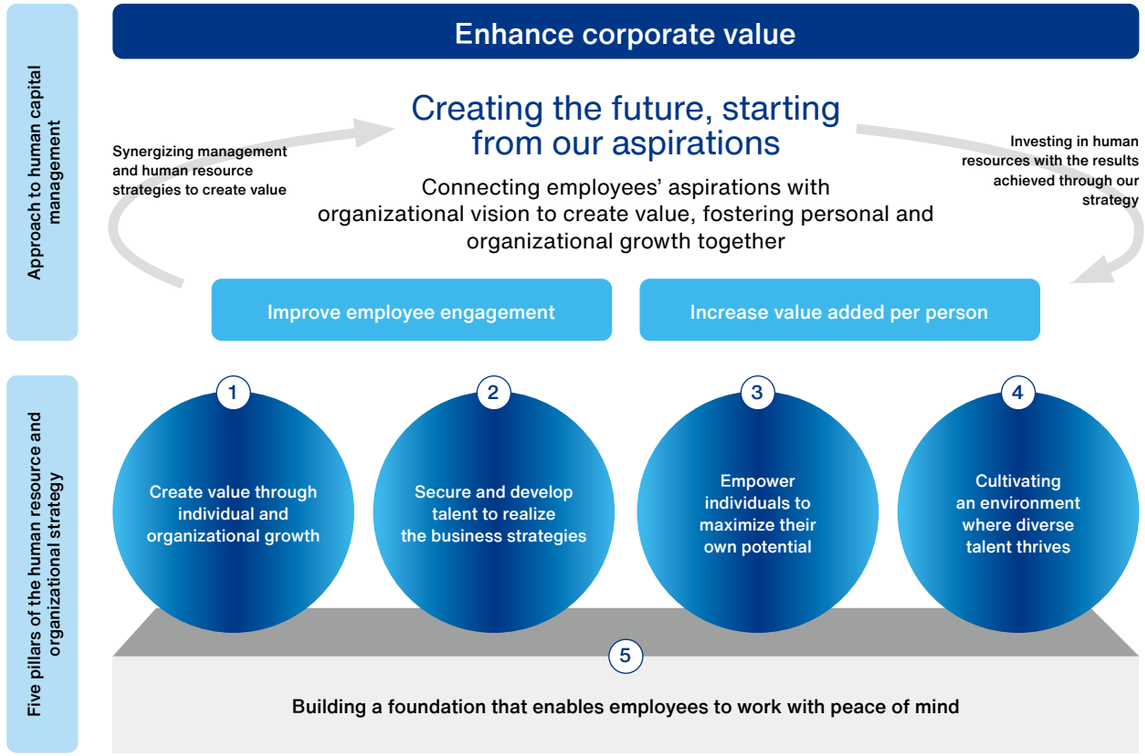
HUMAN CAPITAL MANAGEMENT



Advancing human capital management

Recognizing that people are the driving force behind the execution of our management strategy and the sustainable enhancement of corporate value, we promote human capital management based on the philosophy "Creating the future, starting from our aspirations." Under the five pillars of our human capital and organizational strategy, we are advancing a systematic range of initiatives, including Qden Transformation (QX), our organizational culture transformation program.

How the five pillars of the human resource and organizational strategy create value in human capital management



Results of initiatives to date

In FY2025, our employee engagement rating improved to "AA," enabling us to achieve our FY2030 target ahead of schedule. We also received external recognition: at Human Capital Leaders 2025, our advanced human capital initiatives, including QX, were recognized for their value, while at Human Capital Management Quality Gold, our systematic approach to human capital management and enhanced information disclosure were highly regarded, leading to recognition under each program.

Employee engagement rating

Results FY2024: A
FY2025: AA
Target FY2030 onward: Maintain AA

External Evaluation

人的資本リーダーズ 2025　人的資本経営品質2025

Transition to a holding company structure and new challenges for enhancing corporate value

We are establishing a structure in which the holding company and the core companies work together to formulate and execute human capital and organizational strategies from the perspective of optimizing the Group as a whole. In addition to appointing a Chief Human Resource Officer (CHRO), the newly established Human Resources Committee discusses and deliberates on human capital strategy and the direction of investment in people. We have also established Human Resource Business Partner (HRBP) functions at each core company to develop and implement human capital initiatives tailored to the characteristics of each business and its management challenges, thereby integrating the advancement of business strategy and human capital strategy.

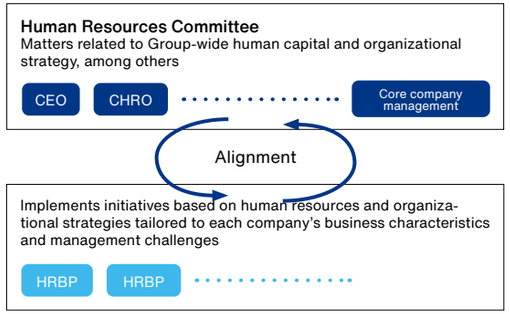
In addition, we have connected management strategy with human capital and organizational strategy and visualized the pathway through which human capital (non-financial) leads to business outcomes (financial) as the Value Creation Story / Impact Pathway (P.73). We will use this framework as a foundation for managing human capital across the KYUDEN Group and further enhance the effectiveness of our human capital management.

Positioning and design of the Human Resources Committee

Composed of management representatives from the holding company and each core company, including company presidents and relevant officers. The Committee discusses and deliberates on a broad range of matters related to human capital management.

Example themes

- Human capital strategy linked to business portfolio strategy
- Cross-Group deployment and development of talent
- Planning and evaluation of investment in people
- KPI management and human capital and organizational issues
- Measures to improve employee engagement



For details of our human capital management, see p. 77 of the Sustainability Report 2026.

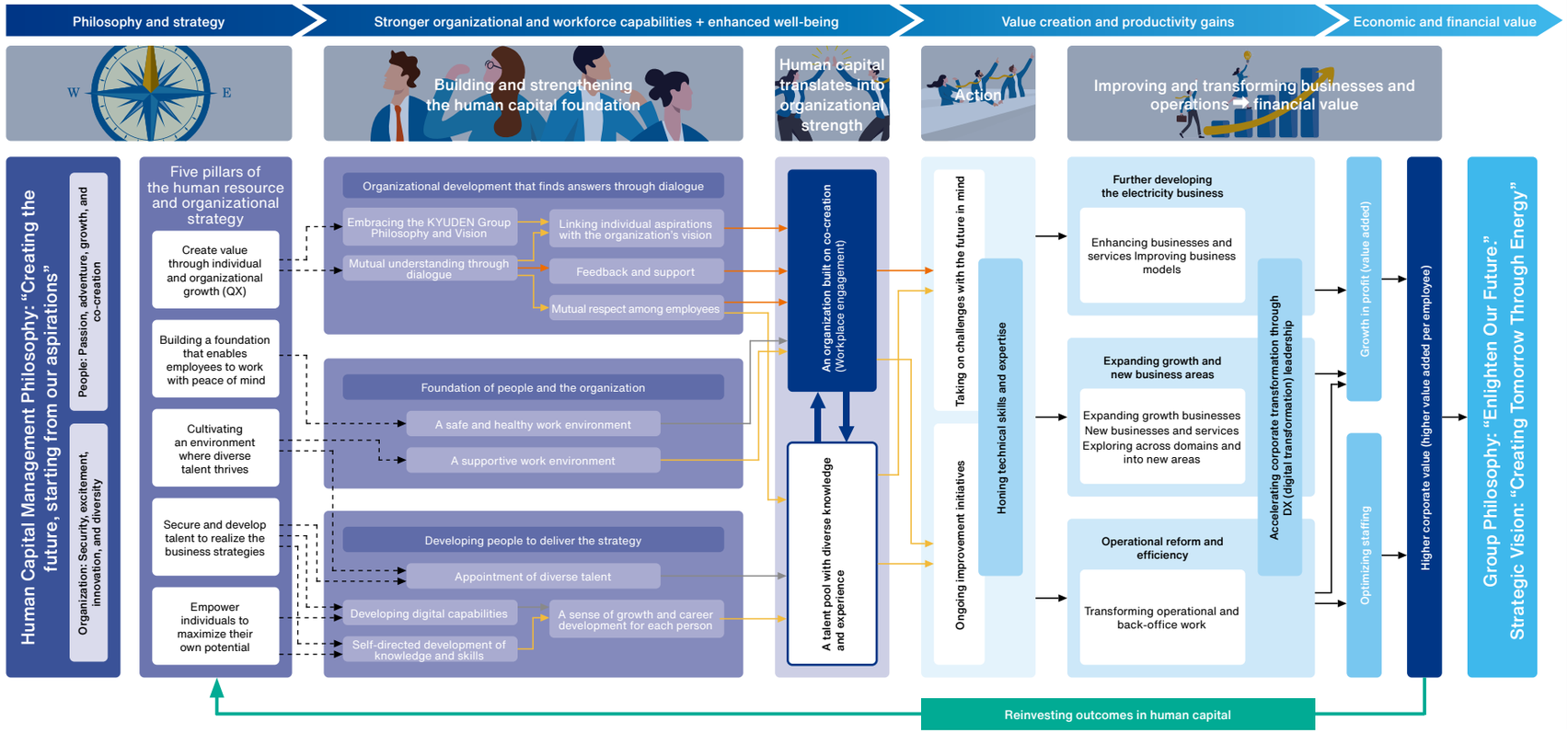
HUMAN CAPITAL MANAGEMENT

Value Creation Story / Impact Pathway

We have visualized the connections between management strategy and human capital strategy and organized the causal links and relationships between human capital (non-financial) and business outcomes (financial) into a Value Creation Story / Impact Pathway. This clarifies how the human capital targets in the Strategic Vision are positioned. For each item, we have also established KPIs (32 indicators in total) to monitor progress, identify issues, and improve each initiative.

* Where possible, the links between items were quantitatively validated through statistical analysis of related data.

KYUDEN Group Value Creation Story / Impact Pathway



KPIs | Human capital targets | Correlation (0.5 or higher) | Strong correlation (0.7 or higher) | * Only statistically significant correlations are shown ($p < 0.001$)

Main KPIs and targets

Categories	KPIs		Targets FY2030	Targets FY2035	FY2025 results
Mutual understanding through dialogue	Workplace dialogue implementation rate		90%	*1	90%
A safe and healthy work environment	Serious occupational accidents, including contractors and subcontractors		0	0	8
A supportive work environment	Utilization rate of childcare leave by eligible male employees		100%	100%	104.2%
Appointment of diverse talent	Percentage of female managers	Manager level or above	4%	6%	1.7%
		Overall	7%	12%	3.9%
	Ratio of mid-career hires to all hires		20%	20%	19.7%
Self-directed development of knowledge and skills	Medium- to long-term development of knowledge and skills		70%	*1	74%
An organization built on co-creation	Employee engagement rating		AA	AA	AA
Taking on challenges with the future in mind	Number of new businesses and services developed		30 (cumulative)	(Under consideration)	13 (cumulative)
Ongoing improvement initiatives	Number of challenge activities		5,000	10,000	*2

*1 Target to be revised based on results through FY2030
*2 Introduction of a Challenge Activity System (tentative name) planned by FY2026.
Note: Currently covers Kyushu Electric Power and Kyushu T&D. Scheduled to be rolled out to the holding company and all core companies from FY2027.

HUMAN CAPITAL MANAGEMENT



Empowering diverse talent to take on new challenges and make an impact

For details on QX, see p. 78 of the Sustainability Report 2026.

Creating a workplace that sparks excitement: QX turns aspirations into reality

We are advancing QX as a core element of our human capital management, which aims to enable people and the organization to grow together and translate that growth into value creation. Starting with each employee's "Will" (aspirations) and connecting it with the organization's vision and other goals, we use dialogue to encourage each individual to take the first step toward a new challenge—an adventure of their own.

COLUMN

Examples of initiatives inspired by employees' Will

For details of the examples, see p. 79 of the Sustainability Report 2026.

1. Turning diverse voices into organizational change

Driven by a desire to deepen understanding of women's health issues and create a workplace where everyone can feel comfortable and supported, the Women's Council* has launched initiatives including renaming menstrual leave and encouraging greater use of the leave.

* An initiative that brings diverse employee perspectives into efforts to improve the workplace



2. Spreading DX through dialogue

DX Ambassador activities began with individual employees wanting to improve the way they work. The ambassadors help introduce DX tools and create opportunities for employees across departments and workplaces to learn from one another. Through dialogue and co-creation, these efforts are encouraging changes in behavior and helping transformation spread organically from the front lines.



Career paths that enable diverse talent to thrive

To recruit people with diverse knowledge and experience, we are actively hiring experienced, mid-career professionals and have established multiple career paths that allow employees to shape their careers in line with their aspirations and strengths. In addition to a path for those seeking to build broad experience across a range of fields, we offer two specialist career paths, creating an environment in which each employee can make the most of their individual strengths.

General career path	Demonstrating ability and management skills across a wide range of fields
Expert career path	Honing expertise developed in-house and applying it in specific fields
Professional career path	Applying specialized knowledge, experience, and expertise acquired outside the company and through other external opportunities



Expert **Tatsuya Yoshida**

Planning & Balance Optimization Division,
Kyushu Electric Power Co., Inc.
Supply-Demand Operation Group, Supply-Demand Operation Center

Leveraging expertise in supply-demand operations that support a stable electricity supply to optimize supply-demand planning and electricity trading



Professional **Tatsuya Kamohara**

Power System Operation & Engineering Division, Kyushu Electric Power Transmission and Distribution Co., Inc.
Digital Engineering Group, Digital Transformation Promotion Office

Leveraging expertise in digital technologies to advance DX through system development, development platform enhancement, and the development of technical talent

QX Award: "Take That Step Toward the Next Challenge" — Celebrating Challenges Together and Accelerating Value Creation

The QX Award (awards ceremony) was established in FY2026 to encourage individuals to take on new challenges and foster a culture that celebrates them, by recognizing initiatives that place particular emphasis on the aspirations behind the challenge and the process involved.

In its first year, six initiatives were selected for recognition from 73 entries. As part of the employee voting process, employees vote for initiatives they found inspiring or learned from, creating a mechanism for sharing a wide range of challenges across the organization.

Going forward, regardless of the scale of the results achieved, we will continue to shine a spotlight on the aspirations and processes behind each challenge, as well as the insights gained along the way, and encourage further challenges that lead to new value creation.



QX Award 2026 ceremony

QX Award 2026 winners

Note: Affiliations are those at the time of the award

01 **Advancing workstyle reform through a cross-functional improvement model**



Eri Ogasawara

Kyushu Electric Power Co., Inc.
General Affairs Group, General Affairs Department,
Nuclear Power Division, Sendai Nuclear Power Station

Description Developed a cross-functional improvement model for the entire site. Created a mechanism for building on small, front-line-driven improvements to eliminate inefficiencies in day-to-day operations.

Will I want to create a workplace that values the "Will" of people on the front lines, where everyone feels comfortable speaking up and can make the most of their abilities.

02 **Improving the efficiency of submarine cable inspections using underwater drones**



Masahiko Morita

Kyushu Electric Power Transmission and Distribution Co., Inc.
Facility Management Group,
Power Department, Nagasaki Branch

Description Improved inspection safety while significantly reducing work time and costs, leading to more efficient maintenance and the transfer of technical expertise.

Will I want to contribute to the Group's growth by further developing and passing on specialist technical expertise while embracing new technologies.

Initiatives to create new value

For details on KYUDEN i-PROJECT, see p. 80 of the Sustainability Report 2026

To create new businesses and services across the Group, we have operated KYUDEN i-PROJECT since 2017.

As part of the initiative, we run i-Challenge, a program for Group employees who are passionate about innovation and interested in developing promising new business ideas.

To date, more than 1,000 employees have participated and over 700 ideas have been generated, creating new value through self-directed challenges.



New business creation training

OUR WILL, OUR FUTURE

Employee Roundtable

— The future of the KYUDEN Group, woven from diverse aspirations —



At the heart of the KYUDEN Group's human capital management is the idea of connecting each employee's aspirations—their Will—with the organization's vision, so that people and the organization can grow together and create value. Three employees of different generations and backgrounds came together to talk about their own Wills, how diversity can create new value, and what they hope the KYUDEN Group will become in the years ahead.

So Okamura (left)
International Business Strategy Group, International Business Office, Kyushu Electric Power Co., Inc.
(Concurrently serves in the Corporate Planning Office, Kyuden International Corporation)
Joined in FY2017. At his previous employer, an engineering company, he completed two overseas assignments. Wanting work that would connect Kyushu, where he was born and raised, with the wider world, he moved to Kyushu Electric Power. After beginning in a technical role, he became increasingly interested in work closer to management and now concurrently serves as General Manager of the Corporate Planning Office at Kyuden International. His hobbies include sports, outdoor activities, travel, and houseplants.

Midori Fukushima (center)
Kyushu Electric Power Co., Inc.
Environment Group, District Symbiosis Division
Joined in FY2021. After working at Matsuura Power Station, she now handles environmental planning and budget management. As a member of the first Women's Council in FY2024, she helped develop proposals to improve the environment for taking menstrual leave. Her hobbies include going to concerts and music festivals and enjoying good food and drinks.

Hisano Shibata (right)
Kyushu Electric Power Co., Inc.
Sales Group, Fukuoka East Sales Center, Fukuoka Branch
(Concurrently serves in the DX Strategy Group, DX Promotion Division)
Joined in FY2016. She is currently responsible for corporate sales and also serves as a DX Ambassador alongside her main role, helping advance digital transformation in her workplace.
Her "DX that leaves no one behind" initiative received the 2026 QX Award. Her hobbies include hosting home parties, playing Mölkky, and mothers' volleyball.

I saw for myself that speaking up leads to real change in the organization.

— Midori Fukushima

The “Will” Within Each of Us

Fukushima Looking back, I think my “Will” really began with my experience working at a thermal power station. There were only four women in a workplace of around 80 men, and it was difficult to speak up about issues specific to women. That experience made me want to create a workplace where everyone—not just women—could feel more comfortable at work.

The Women’s Council was where that aspiration began to take shape. Women employees came together to discuss issues they had experienced in the workplace and ideas for improvement. Our team proposed measures to make menstrual leave easier to take. Those proposals actually led to changes in the company’s system, and it is now easier to take the leave when we need it without feeling as hesitant as before. More than anything, the experience showed me that speaking up can lead to real change in the organization.

Okamura I also worked in a technical role at my previous company. I was based in the Kanto region, but as I got older, I increasingly wanted to build my career in Kyushu, where I was born and raised. That was what brought me to Kyushu EP. I found working on the front lines as an engineer very rewarding, but I also wanted to get closer to management and to where decisions are made, so I chose my current path.

One principle I always try to keep in mind is, “Enjoy what you do, but never compromise on standards.” A friendly atmosphere is important, of course, but I think the real sense of achievement—and the real enjoyment—comes from working through difficult issues one by one. Now that I work closer to management, challenging issues come up one after another. But when we work through them in our own way, one at a time, I feel that I am doing exactly the kind of work I wanted to do.



Shibata I applied to become a DX Ambassador through the internal open-recruitment system because I wanted to support people as they took on new challenges and grew. I had felt for some time that there were challenges in advancing DX in my workplace, but I was not particularly confident with digital tools myself. So when this new initiative came up, I wondered whether I was really the right person for it. Then a colleague said to me, “You know what it’s like to struggle with digital tools. That’s why you can see things others might miss—and why you’re in a good position to help.” Hearing that gave me the push I needed to take the first step.

Simply introducing digital tools does not change anything on its own. They only start to make a difference when the people using them change the way they think and work. Helping people make that shift little by little through dialogue really suited me, because I enjoy talking with people.

Our differences create value

Shibata When I set up the DX promotion team in my workplace, I deliberately chose people of different ages, positions, and levels of digital expertise. I thought that if we included people who were less comfortable with digital tools, we would also bring in the perspective of what would make those tools easier for them to use. Our team motto is “DX that leaves no one behind.” It’s important for people who are good with digital tools to take the lead, but by bringing along those who are less comfortable with them, we can move DX forward together as a team. In the roughly six months since the team was launched, we have considered around 30 improvements and implemented 14 of them. The initiative also received a QX Award. What made me happiest was seeing our belief—that diverse perspectives create value—recognized in such a tangible way.

How do you both see the importance of diverse perspectives?

Okamura That is something I feel every day in my own work. At Kyuden International, where I work, around 30% of employees are mid-career hires. People have joined us from trading companies, engineering firms, banks, manufacturers, and many other backgrounds. The action guidelines Kyuden International introduced in April 2026 include the principle “Turn differences into strength.” I really feel that bringing people with different backgrounds into the same team helps us avoid getting trapped in familiar ways of working and thinking and allows us to take a step toward new challenges.

The same is true of the relationship between managers and their teams. As a manager, there are many times when my team members point out something I had not seen myself. I always make sure to tell them what I think, but I do not want them simply to accept my view at face value. I want them to push back with their own ideas so that we can work through the issue together and arrive at a better answer.

Fukushima I feel the same way about turning different knowledge and experience into value. At the Women’s Council, when I finally voiced a concern I had been keeping to myself, ideas immediately started coming from all directions: “Why not try this?” “Why not talk to your manager like this?” It showed me that problems one person cannot solve alone can often be worked through when people in different positions bring their perspectives together.

At the same time, I think the Group still has some challenges when it comes to diversity. In a large Group made up of people in many different roles, misunderstandings can arise simply because we do not know enough about one another. If we want diversity to create value, I think it is essential that we first make the effort to know and understand each other.

Working with people from different departments led to many new ideas and helped us solve a number of issues.

— Hisano Shibata

I now work on areas including supply chain GHG emissions in the Environmental Planning Group of the District Symbiosis Division. Our team includes both administrative and technical employees, and I learn something new or notice something different almost every day. My work also brings me into contact with many different departments, and each one sees things from a different angle. When I worked at the power station, I sometimes wondered why the head office would ask us for something when we were already so busy. But once I found myself on the side making those requests, I began to understand the reasons behind them, and it really broadened my perspective. If you try to imagine why the other person is doing what they are doing instead of judging everything from your own point of view, work across departments tends to go much more smoothly. That experience is why I now make a point of first putting myself in the other person's position.

Shibata I also think there is still not enough understanding between departments. If you only ever look within your own sales office, its way of doing things starts to feel like the norm, and your thinking can become fixed. Part of the reason, I think, is that we simply do not have enough opportunities to learn how people in other departments think and work. Through my work as a DX Ambassador, I have connected with people from different departments, and that has led to many new ideas and helped us solve a number of issues. To deepen mutual understanding, I think we need both formal opportunities to connect across departments and the willingness of individual employees to step outside their usual circles and join new communities themselves.



Okamura I understand that well. I feel the organizational culture has changed since I joined the company, but I still get the sense that many people tend to protect their own territory rather than look beyond them. If we can break down the walls between us, take a little more interest in what others are doing, and make the effort to communicate across boundaries, I think the Group can grow much faster.

Fukushima To help break down those walls, I try not to dismiss someone's opinion from the outset. Looking back, the workplaces where it was easiest to speak up were the ones where people first listened to what you had to say. When I was at the power station, we also had opportunities to chat casually over tea, regardless of position or gender. I think those informal moments helped make the workplace easier to work in, too.

Okamura An atmosphere where people are not immediately shut down is really important. As Ms. Fukushima said, I think organizations move in a positive direction when people recognize one another and build each other up. That kind of dialogue also encourages people to take on challenges. I have made it a rule that whenever someone brings me an opportunity that could help them grow, I give them a push. If there is a chance to make an external presentation or take part in overseas training, I tell them to go for it. We shouldn't hold on to our own team's work so tightly that we take away someone's opportunity for personal growth. When someone takes on a new challenge, it inspires the people around them and leads to the next challenge. I believe that kind of cycle where people encourage and lift each other up ultimately contributes to the growth of the company and the Group as a whole.

Shibata In my workplace, too, we have set aside time every month for small groups to discuss a single theme since the beginning of 2026. It gives us the chance to talk with people we would not normally interact with, and we make a point of carrying the ideas that come out of those discussions forward rather than letting them end as talk. When you see that one of your ideas has actually been picked up, you feel more positive about offering another. I think that kind of small chain reaction can lead to the next round of value creation.

Each person's Will drives the growth of the KYUDEN Group

Shibata When I think about the future of the Group, I want to start by going back to our Group Philosophy, "Enlighten Our Future," and what those words actually mean. Whenever I look down at the lights of a city from an airplane at night, I find myself thinking, "We have to keep these lights on." To me, that feeling is captured in our Group Philosophy. If our role is to keep Kyushu bright through electricity, then I think the first step is for employees themselves to work with energy and a sense of purpose.

Beyond that, I hope the KYUDEN Group will become an organization where people cheer each other on. When I put my hand up to become a DX Ambassador, the people around me supported me. And across the Group, there are so many people with real passion who take on challenges beyond the work they are assigned. I want people like that to be recognized and given the chance to shine, so that others around them are inspired to think, "Me too." I hope we can become an organization where that kind of positive chain reaction happens naturally.

For that to happen, I also think we need dialogue that helps people whose Will is still vague put it into words. It is not always easy in everyday life to know what matters most to you. I once took part in an internal workshop on identifying your own values, and it was only when I tried to explain to someone why something mattered to me that I realized what was truly important. That experience reminded me how important dialogue is. Some things only become clear once you put them into words.

If more people recognize issues and take it upon themselves to act, I think the Group can grow tremendously.

— So Okamura



Fukushima I agree. I hope the KYUDEN Group of the future will be an organization that respects the Will each person carries and where people feel able to express their own ideas with confidence. For that, I think opportunities for dialogue are essential. Everyone has different values, so I hope we can become a corporate group where managers and employees alike share what they think and make the effort to understand one another.

Okamura As the KYUDEN Group enters this new chapter, I hope we can keep evolving and growing together. If we want to avoid becoming satisfied with the status quo and instead aim higher together, the foundation has to be, as both of you have said, an organizational culture built on mutual respect. On top of that, I think we need a strong sense of ownership to take root throughout the Group. If you see a problem, don't wait for someone else to fix it. Take initiative, speak up, and put the solution into action. If more people work that way, I think the Group can grow tremendously. Taking action always comes with the possibility of failure. That is why I hope we become an organization that accepts failure and, more importantly, values the fact that someone had the courage to act.

In April 2027, we will transition to a pure holding company structure, and each core company will begin operating in earnest with greater ownership of its own business. As the companies become more distinct, there is a natural tendency to focus on what is best for your own organization. That is exactly why I think we need to keep our sights on maximizing value across the entire Group and share a clear commitment to breaking down walls. Even as separate companies, I want us to continue moving in the same direction.

Personally, ever since I joined the company, I have wanted to connect what we do in Kyushu with the wider world. I see tremendous potential in the words of our Group Vision, "Rooted in Kyushu, Reaching New Heights." As the Group moves forward on that larger journey, I hope I can be one of the people helping to lead it.

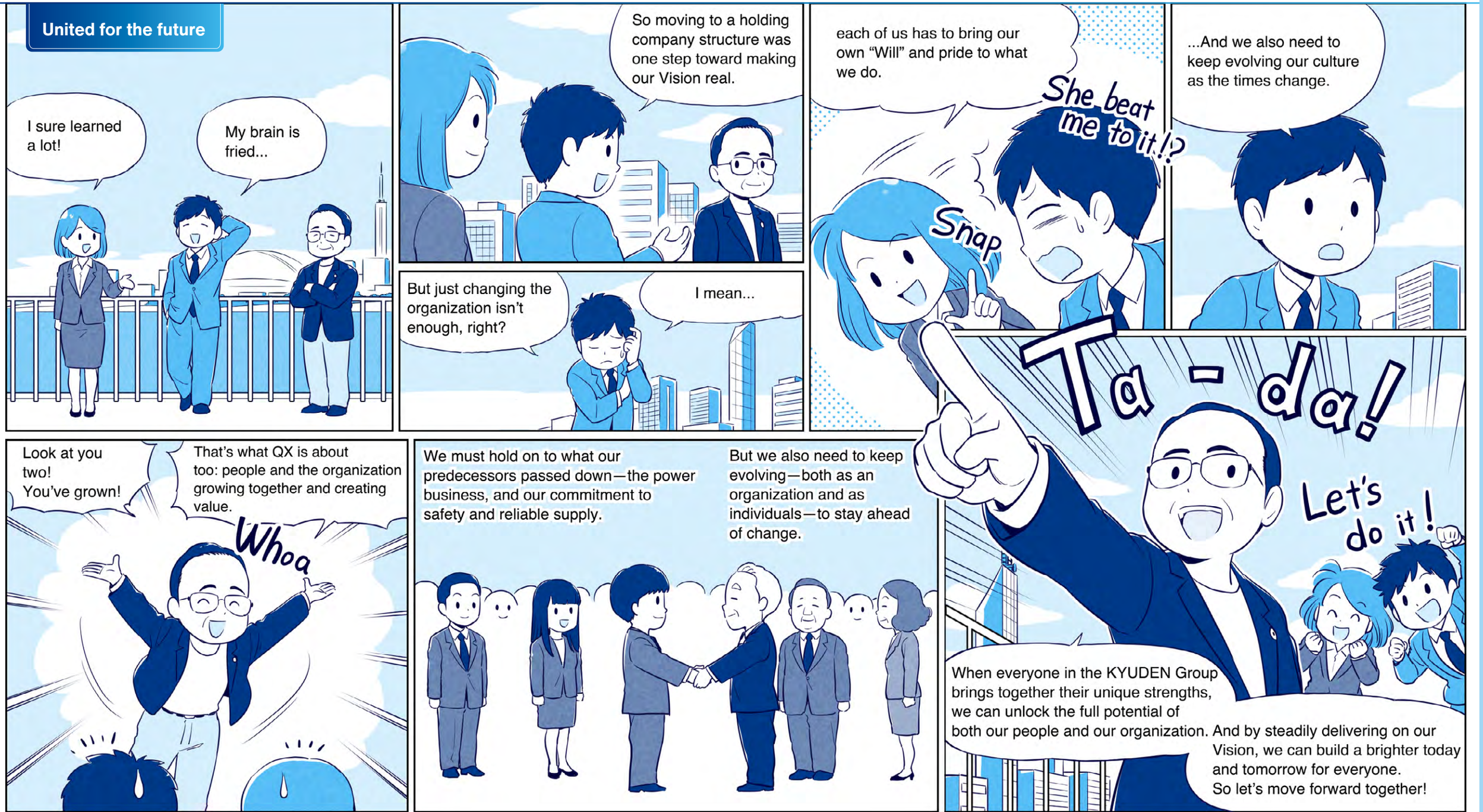
Fukushima What you said reminds me that while each company should push itself and compete, it is also important that we all move forward together—from Kyushu to the world—under a shared Group direction. At the same time, however much the structure changes, I want to hold on to my own aspiration to create workplaces where everyone can feel comfortable. There are still relatively few women in technical roles, so as someone with a background in thermal power, I would like to help build momentum for more women to enter those fields. I am now also involved in the "Rikejo" (women in science) Development Project, which aims to increase the number of women entering science and engineering. Through initiatives like this, I hope we can gradually create a more supportive environment for the people who come after us.

It was through dialogue with other people that I came to understand what I really wanted to do. So I also want to talk openly with younger colleagues and help them draw out what they genuinely want to pursue.

I also feel the same way about the Group Philosophy that Ms. Shibata mentioned earlier. When I worked at the thermal power station, I felt the importance of maintaining a stable supply of power every day, and I worked with a strong sense that what we were doing was directly connected to people's lives in Kyushu. Whatever form the company takes in the future, I want to hold on to that fundamental sense of purpose.

Shibata My role is in sales, so I'm one of the people directly in contact with customers. I want to keep valuing that responsibility as one of the faces of Kyushu EP and as someone involved in delivering electricity. At the same time, I want to put the DX skills I've gained back to work for the company and, through the connections I've built with people, support others as they take on challenges and grow. Listening to both of you today, I realized that although our Wills are very different, at their core they are all pointing in the same direction. And I think new value is created where those different Wills come together. I did have some anxiety about the changes ahead, but now I feel even more excited about what might become possible when we come together as one. I hope we can connect the "Wills" of people across the Group and build the future of the KYUDEN Group together.

United for the future



Chapter 4

Data

Data Section

Thank you for reading Watt's Next 2026.
To conclude, we have compiled key data from the past five years for each section of "Action."
For additional information, please refer to the Financial Data Book, Sustainability Report, and other publications.

Financial Data **81** Non-financial Data **82** Corporate Data **84**

FINANCIAL DATA

Five-Year Consolidated Financial Data

For more details, see the Financial Data Book

(billion yen)

Fiscal year	2021	2022	2023	2024	2025
Operating revenue	1,743.3	2,221.3	2,139.4	2,356.8	**2,247.2**
Electric utility operating revenue	1,486.1	1,946.7	1,904.3	2,098.5	**1,878.5**
Other business operating revenue	257.1	274.5	235.0	258.2	**368.6**
Operating income (loss)	48.6	−72.9	254.9	199.5	**224.8**
Ordinary income (loss)	32.3	−86.6	238.1	194.6	**207.0**
Net income attributable to owners of the parent	6.8	−56.4	166.4	128.7	**154.5**
Capital expenditure	312.1	306.5	320.2	350.3	**381.4**
Depreciation and amortization (including nuclear fuel impairment)	225.2	221.0	249.9	250.6	**250.2**
Research and development expenses	4.8	4.7	4.6	4.8	**5.3**
Cash flows from operating activities	257.8	30.5	586.0	431.8	**438.7**
Cash flows from investing activities	−320.8	−328.8	−344.3	−358.8	**−383.7**
Free cash flows	−63.0	−298.3	241.7	73.0	**55.0**
Cash flows from financing activities	79.4	324.7	−150.5	−91.3	**−57.7**
Dividends paid	19.8	10.5	0	30.4	**29.4**
Net assets	676.3	617.2	921.0	1,031.2	**1,225.8**
Total assets	5,342.3	5,603.6	5,727.2	5,774.0	**5,983.3**
Outstanding interest-bearing liabilities	3,638.0	3,991.5	3,765.4	3,718.8	**3,697.0**
Interest expenses	25.0	27.9	28.0	30.0	**34.4**

Reference Information

Fiscal year	2021	2022	2023	2024	2025
Electricity sales volume (billion kWh)	97.3	96.0	90.2	101.0	**98.3**
Nuclear power plant utilization rate (%)	91.4	57.7	90.8	88.6	**82.3**

(Note) Amounts are truncated to below 100 million yen

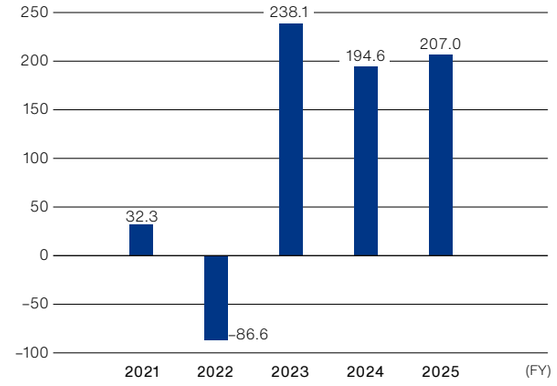
Key Indicators

Fiscal year	2021	2022	2023	2024	2025
ROE (%)	1.1	−9.2	22.6	13.6	**14.1**
ROE (excluding preferred shares) (%)	0.9	−11.4	27.7	16.6	**16.7**
ROIC (%)	1.0	−0.9	4.2	3.6	**3.7**
Equity ratio (%)*	12.1	10.4	15.5	17.3	**19.9**
Equity ratio (excluding preferred shares) (%)	10.2	8.6	12.1	13.8	**16.6**
D/E ratio (%)	5.64	6.86	4.23	3.72	**3.10**
Dividend payout ratio (%)	396.43	—	7.30	19.22	**15.89**
Year-end stock price (yen)	817	757	1,377	1,306	**1,808**
PER (times)	80.97	—	4.02	5.02	**5.75**
PBR (times)	0.71	0.75	0.95	0.77	**0.86**
Dividend yield (%)	4.90	—	1.82	3.83	**2.77**

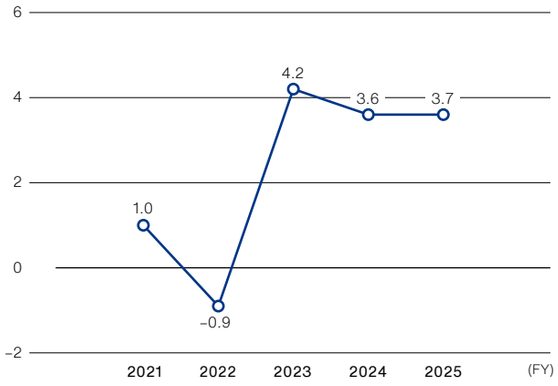
* Excluding the portion of hybrid bonds recognized as equity

Five-Year Trends in Key Data

Ordinary income (loss) (billion yen)



ROIC (%)



NON-FINANCIAL DATA

See the Sustainability Report for details (p.115)

Environment

		Unit	2021	2022	2023	2024	2025	Scope of data collection
Zero emissions and FIT power source ratio	Zero emissions and FIT power source ratio in the domestic energy business*1 (Total)	%	55	43	60	56	**55**	Kyushu EP
	Renewable energy (excluding FIT)	%	6	6	7	7	**6**	Kyushu EP
	FIT electricity	%	14	14	14	12	**12**	Kyushu EP
	Nuclear	%	35	23	39	37	**37**	Kyushu EP
Greenhouse gas	Supply chain GHG emissions Scope 1, 2, and 3 Total (Market-based)	million t-CO_2	40.88	46.29	34.61	38.92	**38.55**	Kyushu EP and consolidated subsidiaries
	Scope 1	million t-CO_2	17.49	23.69	17.79	17.39	**17.87**	Kyushu EP and consolidated subsidiaries
	Scope 2 (market-based)	million t-CO_2	0.00005	0.00005	0.00005	0.00006	**0.00005**	Kyushu EP and consolidated subsidiaries
	(Location-based)	million t-CO_2	0.00005	0.00005	0.00005	0.00006	**0.00005**	Kyushu EP and consolidated subsidiaries
	Scope 3	million t-CO_2	23.39	22.60	16.82	21.53	**20.68**	Kyushu EP and consolidated subsidiaries
	CO_2 emissions (pre-adjusted emissions)	million t-CO_2	21.80	29.90	17.70	22.00	**20.50***5	Kyushu EP
	CO_2 emissions (base and adjusted emissions)	million t-CO_2	28.10	33.90	28.10	31.80	**29.80***5	Kyushu EP
	CO_2 emissions by electricity sales volume (Pre-adjusted emission factor)	kg-CO_2/kWh	0.296	0.407	0.253	0.310	**0.320***5	Kyushu EP
	CO_2 emissions by electricity sales volume (Basic and post-adjustment emissions factors)	kg-CO_2/kWh	0.382	0.462	0.402	0.449	**0.465***5	Kyushu EP
Renewable energy	Renewable energy development achievements (domestic and international)	MW	2,550	2,610	2,740	2,740	**3,010**	KYUDEN Group
Energy (raw material usage)	Energy consumption (crude oil equivalent)	million kl	6.12	8.22	6.18	5.96	**6.90**	Kyushu EP and Kyushu T&D
Water	Water consumption	m^3/person	22	24	25	25	**27**	Kyushu EP and Kyushu T&D
	Water used for power generation at power plants (thermal, nuclear, internal combustion) (Total)	million t	5.24	6.09	5.44	5.60	**5.81**	Kyushu EP and Kyushu T&D
	Wastewater discharge from power generation at power plants (thermal, nuclear, internal combustion) (Total)	million t	2.36	2.57	2.45	2.44	**2.47**	Kyushu EP and Kyushu T&D
Industrial waste	Amount generated	t	782,307	1,037,934	860,791	898,112	**904,776**	Kyushu EP and Kyushu T&D
	Amount recycled	t	776,846	1,013,576	774,769	815,764	**807,246**	Kyushu EP and Kyushu T&D
	Recycling rate	%	Approx. 100	98	90	91	**89**	Kyushu EP and Kyushu T&D
Atmosphere	SOx emissions from thermal power plants	t	3,747	4,619	3,492	2,888	**4,477**	Kyushu EP
	NOx emissions from thermal power plants	t	5,358	6,771	4,822	4,351	**4,510**	Kyushu EP
Electric vehicles (EV/PHV)	Number of vehicles introduced (cumulative)	vehicles	259	354	555	657	**764**	Kyushu EP and Kyushu T&D
Environmental and energy education*2	Outreach lessons*3	Times (people)	286 (8,800)	456 (13,530)	635 (16,350)	618 (16,920)	**603 (16,077)**	KYUDEN Group
	Environmental and energy education using digital content (included in the above)*3	Times (people)	15 (501)	23 (650)	72 (2,510)	102 (5,450)	**107 (6,052)**	KYUDEN Group
	Environmental education at Kyuden Mirai Forest sites and elsewhere*4	Times (people)	2 (100)	11 (610)	17 (960)	25 (1,120)	**25 (1,380)**	Kyushu EP

*1 The figures are the ratio to the amount of electricity generated and received by Kyushu EP before Non-Fossil Fuel Certificate trading. The portion of the above that does not use non-fossil fuel certificates has no value as renewable energy, or as a CO_2-free power source, and is treated as having the same CO_2 emissions as the national average for electricity, including thermal power generation.
*2 The figures in parentheses indicate the number of participants.
*3 From FY2024, the method for aggregating results for "outreach lessons" and "environmental and energy education using digital content" has been partially revised.
*4 Since FY2022, environmental education has been held at Isahaya Kyuden Mirai Forest, and since FY2023, at the Kirishima Kyuden Mirai Forest.
*5 FY2025 results are provisional, and the government is set to announce the final figures in December.

Note: "Kyushu EP" refers to Kyushu Electric Power, and "Kyushu T&D" refers to Kyushu Electric Power Transmission and Distribution.

Social

		Unit	2021	2022	2023	2024	2025	Scope of data collection
Employees	Employees (total)	people	12,543	12,339	12,092	11,888	**11,743**	Kyushu EP and Kyushu T&D
	Male	people	11,481	11,267	11,045	10,833	**10,651**	
	Female	people	1,062	1,072	1,047	1,055	**1,092**	
Average years of continuous employment	Average years of continuous employment (overall)	years	24.4	24.5	24.4	24.2	**24.0**	Kyushu EP and Kyushu T&D
	Male	years	25.0	25.1	25.1	24.9	**24.7**	
	Female	years	17.8	17.6	17.7	17.3	**16.9**	
Number of female managers	Number and ratio of female managers	people (%)	127 (2.7)	136 (2.9)	138 (3.0)	147 (3.2)	**175 (3.9)**	Kyushu EP and Kyushu T&D
Utilization rate of childcare leave by eligible male employees	Utilization rate of childcare leave by eligible male employees*	%	8.3	80.6	103.6	105.1	**104.2**	Kyushu EP and Kyushu T&D
Employment rate of persons with disabilities	Employment rate of persons with disabilities	%	2.29	2.46	2.51	2.63	**2.69**	Kyushu EP and Kyushu T&D
Work Environment Improvements	Days of annual paid leave taken	days	16.6	17.4	17.1	16.7	**16.7**	Kyushu EP and Kyushu T&D
Health and productivity management	Regular health checkup attendance	%	100	100	100	100	**100**	Kyushu EP and Kyushu T&D
	Percentage of employees at healthy body weight	%	63.3	65.5	64.5	63.6	**63.6**	Kyushu EP and Kyushu T&D
	Stress check attendance	%	94.8	94.8	95.8	94.9	**98.0**	Kyushu EP and Kyushu T&D
	Overall health risks identified during stress checks	points	78	76	76	75	**71**	Kyushu EP and Kyushu T&D
Community	Number of volunteer time off days taken	days	66	70	124	132	**119**	Kyushu EP and Kyushu T&D
	Employees recognized for their local community contributions	people	11	18	7	5	**4**	Kyushu EP and Kyushu T&D
Innovation	KYUDEN i-PROJECT participants (cumulative)	people	1,030	1,130	1,260	1,380	**1,480**	KYUDEN Group
Professional development	Average training hours per employee	Hours	76.4	51.0	36.3	42.6	**38.3**	Kyushu EP and Kyushu T&D
Labor union membership rate	As a percentage of all employees	%	66.7	54.5	54.0	52.9	**52.7**	Kyushu EP and Kyushu T&D
	Employees excluding special managers, among others	%	100	100	100	100	**100**	Kyushu EP and Kyushu T&D

* Calculated as the percentage of male employees whose spouse gave birth who took childcare leave or similar leave

Governance

		Unit	2021	2022	2023	2024	2025	Scope of data collection
Board of Directors composition	People	people	15	15	14	14	**14**	Kyushu EP
	Ratio of external directors	%	33.3	33.3	35.7	35.7	**35.7**	Kyushu EP
	Percentage of male directors	%	80.0	80.0	78.6	78.6	**78.6**	Kyushu EP
	Percentage of female directors	%	20.0	20.0	21.4	21.4	**21.4**	Kyushu EP
Board of Directors activities	Number of board meetings held	meetings	15	23	18	14	**15**	Kyushu EP
	Attendance rate of all directors	%	99.6	97.1	97.3	98.9	**99.0**	Kyushu EP

External evaluations

Evaluating agency/index	Evaluation scope	Current results		Special notes
S&P Global DJBIC Asia Pacific Index	ESG investment index that selects the top companies in the Asia-Pacific region. Constituent stocks are selected based on a thorough assessment of a company's economic, environmental, and social aspects.	**Selected as constituent stock**	S&P Global	Selected for the second consecutive year as the only Japanese electric power company
Human Capital Survey 2025	Selects and commends companies engaged in excellent human capital management and information disclosure. Companies with particularly strong initiatives are also recognized at two levels: Gold and Silver.	**Human Capital Leaders 2025** **Human Capital Management Quality (Gold)**	人的資本リーダーズ 2025 人的資本経営品質2025	

For other external evaluations, see p. 17 of the Sustainability Report.

CORPORATE DATA (as of October 1, 2026)

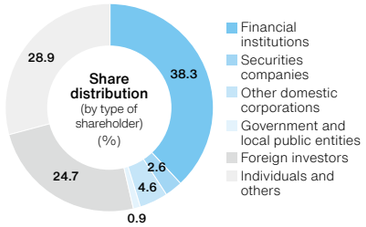
Overview

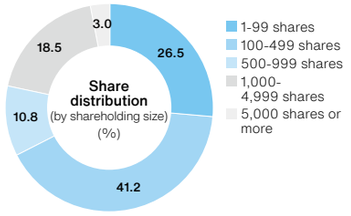
Company name	KYUDEN Holdings Inc.
Head office	2-1-82 Watanabe-dori, Chuo-ku, Fukuoka
Founded	October 1, 2026
Capital	237.3 billion yen

Stock Information

Listed stock exchanges		• Tokyo Stock Exchange (Prime Market) • Fukuoka Stock Exchange
Securities code		642A
Authorized shares	Common shares	1,000,000,000 shares
	Class B preferred shares	2,000 shares
Issued shares	Common shares	473,874,220 shares
	Class B preferred shares	2,000 shares
Shareholders	Common shares	170,550 (as of March 31, 2026 (Kyushu Electric Power Company, Incorporated))
	Class B preferred shares	3
Annual general meeting of shareholders		June
Fiscal year		April 1 to March 31
Registrar and transfer agent		Sumitomo Mitsui Trust Bank, Limited
Accounting auditor		Deloitte Touche Tohmatsu LLC

Common shares (as of March 31, 2026 (Kyushu Electric Power Company, Incorporated))





Major Shareholders

Shareholder name	Number of shares held (thousand)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	65,052	13.7
Custody Bank of Japan, Ltd. (trust account)	28,045	5.9
Meiji Yasuda Life Insurance Company	20,594	4.3
Employee Shareholding Association, Kyushu Electric Power Co., Inc.	9,511	2.0
The Bank of Fukuoka, Ltd.	8,669	1.8
STATE STREET BANK AND TRUST COMPANY 505103	8,329	1.8
STATE STREET BANK AND TRUST COMPANY 505001	8,063	1.7
Nippon Life Insurance Company	7,818	1.6
THE BANK OF NEW YORK MELLON 140044	7,047	1.5
JP MORGAN CHASE BANK 385781	6,702	1.4

Class B preferred shares

Shareholder name	Number of shares held	Shareholding ratio (%)
Mizuho Bank, Ltd.	800	40.0
Development Bank of Japan Inc.	800	40.0
MUFG Bank, Ltd.	400	20.0

Official website and social media accounts

- **Website** https://www.kyudenhd.co.jp/en.html
- **KYUDEN GROUP VOICE** https://www.kyudengroup-voice.jp/
- **Facebook** https://www.facebook.com/kyuden.jp
- **Instagram** https://www.instagram.com/kyuden_official/
- **X** https://x.com/Kyudengroup
- **YouTube** https://www.youtube.com/@Kyudengroupchannel

Preparation of the Integrated Report

As the officer responsible for sustainability and for preparing this Integrated Report, I affirm that the report was prepared through a fair and appropriate process and that its contents are accurate.

I hope this report will serve as a means of communication with all our stakeholders and further deepen your understanding of the KYUDEN Group.



Representative Director
Vice-Presidential
Executive Officer
Chief Sustainability Officer
Noboru Hashimoto

We Value Your Feedback

We invite you to share your opinions through a survey to further improve our integrated report. We would greatly appreciate your feedback.

▶ Click here to take the survey

Any personal information you provide will be handled appropriately and used only for the purposes of this survey. We will not share it with third parties except where required by law.

KYUDEN GROUP

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