

Kyushu Electric Power Announces Its Plan to Transition to a Pure Holding Company Structure—No Impact on the Rating

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the announcement made by Kyushu Electric Power Company, Incorporated (security code: 9508) on March 26, 2026 regarding its transition to a pure holding company structure through a sole-share transfer.

- (1) Kyushu Electric Power Company, Incorporated (the "Company") announced on March 26, 2026 that it will transition to a pure holding company structure, effective October 1, 2026 (the "Transition"). It expressed its intention to consider reorganizing the group structure back in January 2024, and the Transition is a part of this. As a factor behind the Transition, the Company realizes a need to transition to a structure whereby it can achieve group-wide management from a holistic optimization perspective as well as the autonomous and agile operation of individual businesses in the pursuit of further growth in both energy services businesses and growth businesses including renewable energy, overseas, ICT services and urban development.
- (2) JCR announced on July 29, 2025 an upgrade of the Company's rating to AA with the outlook changed to Stable. Since then the Company's performance has been solid, and there have been no particular events affecting creditworthiness. The Transition is the reorganization within the Kyuden Group (the "Group") and will not affect the Group's creditworthiness on a consolidated basis. JCR will keep an eye on future governance over, and financing mechanisms, etc., of operating companies, but at present there appear to be no factors regarding the Group's control, the holding company's own earnings structure and such that would require attention for the purpose of rating.

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<Reference>

Issuer: Kyushu Electric Power Company, Incorporated

Long-term Issuer Rating: AA Outlook: Stable

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