



News Release

September 3, 2019
Kyushu Financial Group, Inc.

The Kagoshima Bank, Ltd. is Selected for ESG Regional Finance Promotion Program by Japan's Ministry of the Environment

The Kagoshima Bank, Ltd. (the Bank), a subsidiary of Kyushu Financial Group, Inc. (the Group) is selected to receive support from the Ministry of the Environment (MOE) for ESG Regional Finance Promotion Program as follows.

1. Overview

Project name	<p>ESG Regional Finance Promotion Program</p> <ul style="list-style-type: none"> As a regional financial institution selected to be supported by MOE, the Bank formulates an overall concept and implements financial and regional revitalization support for customers. Five regional financial institutions nationwide are selected for the program as of September 2, 2019.
Project summary	<p>This project promotes the operation of ESG regional finance at regional financial institutions, and supports the effort on discovering and building regional green projects and structuring evaluation process of customers business potential and the company's perspective of the ESG factors in collaboration with local governments. In conjunction, it facilitates to identify regional issues and supports business development to solve the problems.</p>
Adopted proposal Title	<p>Resolving regional issues through biomass power generation and building a model for local production and consumption of energy (provisional title)</p>
Proposal summary	<ul style="list-style-type: none"> In Kimotsuki town, where livestock is the main industry, livestock feces treatment has traditionally been a regional issue. It is proposed that the livestock manure is regarded as a local resource, and use it as a raw material for biomass power generation. In addition, the electricity generated by it that does not emit carbon dioxide (CO2 free) will be provided to the region through the new regional electric power company "Osumi Peninsula Smart Energy Co., Ltd.", which was invested by Kimotsuki town and others. By using all the generated electricity in the microgrid area through the electrical wiring installed by the locally owned company, it is considered to creating a model for local production and consumption of energy. When surplus electricity is expected, a part of livestock manure will be dried, pelletized and sold as fertilizer for horticulture or biomass fuel, or consider ways to eliminate energy loss by utilizing storage batteries installed in the area. By providing steam generated in the power generation process as energy, the region aims to attract companies such as food processing industries that use



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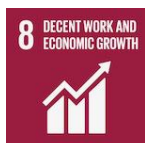
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	a lot of steam, also aims to create innovative agriculture by utilizing it in crop farming such as vinyl greenhouses. “Kimotsuki town model” with these initiatives is to be implemented aiming for regional revitalization.
Related business organizations/local government	Kimotsuki town (local government with regional revitalization partnership agreement) Osumi Peninsula Smart Energy Co., Ltd. (Regional new electric power company, local government PPS) IHI Corporation (Technical and hardware support) Kyushu Economic Research Institute Co., Ltd. (Research project)

2. Corresponding SDGs



Goal 7 Realization of a carbon-free society through local production and consumption of renewable energy



Goal 8 Realization of regional revitalization through new industries and job creation

Based on the “Sustainability Declaration” announced on February 14, 2019, the Group continues to contribute to the creation of sustainable local communities by supporting the solution of issues for customers and local communities.

For inquiries regarding this topic please contact to

Qinglin Yuan, Sustainability Management Division, Kyushu Financial Group, Inc.

kfgir@kyushu-fg.co.jp