

2 Promotion of Environmental Management

1 Environmental Management Promotional Scheme

Environmental management ① is currently pursued by 44 group companies of Kyushu Electric Power Co., Inc. (as of April 2005) that joined the Group Management Association.

The Group Management Association is comprised of all related companies* of Kyushu Electric Power Co., Inc. except for those whose head offices are located outside Kyushu. The association examines and discusses various issues regarding the management of the group.

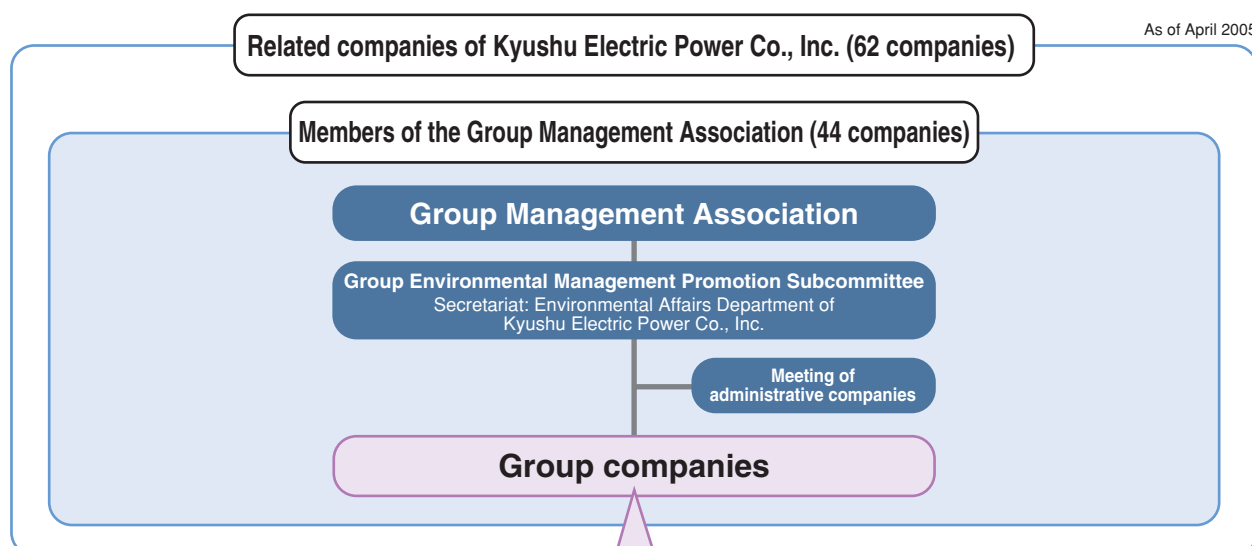
The association employs subcommittees, which deliberate specific issues for the association and report to the association for approval.

* As of April 2005, there are 62 related companies (including subsidiaries and associated companies) based on the financial statements regulations.

The Group Environmental Management Promotion Subcommittee was established to propel environmental management for the Group, and serves as the principal forum to push forward with environmental management for the Group.



The 2nd meeting of the Group Environmental Management Promotion Subcommittee held on January 20, 2005



Kyushu Rinsan Co., Inc.

Nishinippon Plant Engineering and Consultation Co., Ltd.

Kyuden Sangyo Co., Inc.

West Japan Engineering Consultants, Inc.

Kyudenko Co., Inc.

Nishikyushu Kyodo Kowan Co., Ltd.

Kyuken Co., Ltd.

Nishigi Kogyo Co., Inc.

Nishigi Engineering Co., Inc.

Nishigi Surveying and Design Company, Inc.

KYUKI CORPORATION

NISHI NIPPON AIRLINES CO., LTD.

Kyushu Meter & Relay Engineering Corp.

Koyo Denki Kogyo Co., Ltd.

KYUHEN Co., Inc.

Kyushu Koatsu Concrete Industries Co., Ltd.

SEISHIN Corporation

Nishi Nihon Denki Tekkou Co., Ltd.

TOBATA CO-OPERATIVE THERMAL POWER COMPANY, INC.

Oita Co-operative Thermal Power Company Inc.

Oita Liquefied Natural Gas Co., Inc.

Nishinippon Environmental Energy Co., Inc.

KITAKYUSHU LIQUEFIED NATURAL GAS CO., INC.

KYUSHU CRYOGENICS CO., LTD.

Fukuoka Clean Energy Corporation

Kyushu Telecommunication Network Co., Inc.

Kyuden Infocom Company Inc.

Nishimu Electronics Industries Co., Ltd.

Kyuden Business Solutions, Co., Inc.

Kyushu Environmental Management Corporation

Japan Recycling Light Technology & System

DENKI BLDG. CO., LTD.

Shinrintoshi Co., Ltd.

Kyuden Good Life Kumamoto Company, Inc.

Kyuden Business Front, Inc.

Kyushu Housing Guarantee Corporation

Kyuden Good Life Kagoshima Company, Inc.*

Kyuden Shared Business Corporation*

Kyuden Good Life Company, Inc.

Kyushu Captioning Co-Production Center Inc.*

Reihoku Salt Co., Ltd.

Kyushu Highlands Development Co., Ltd.

Ito Golf Co., Ltd.

Medical Support Kyushu Co., Ltd.*

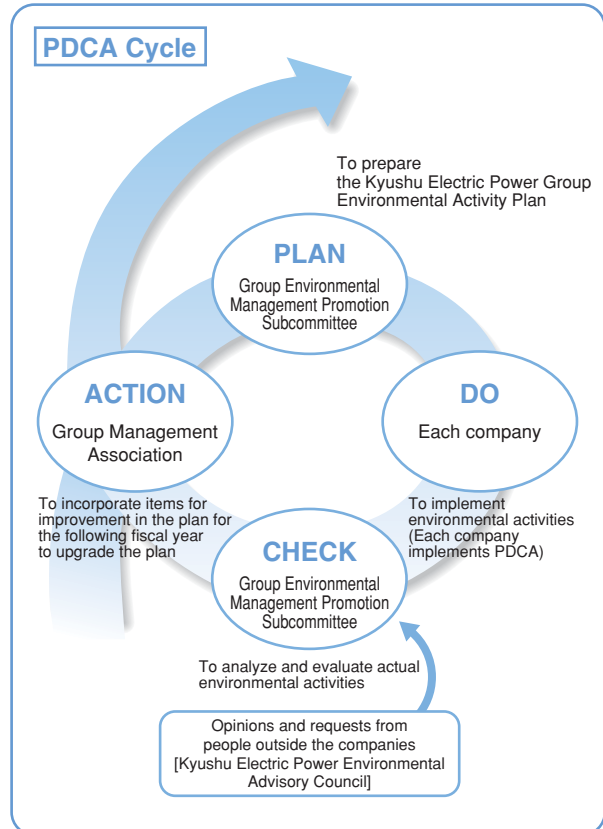
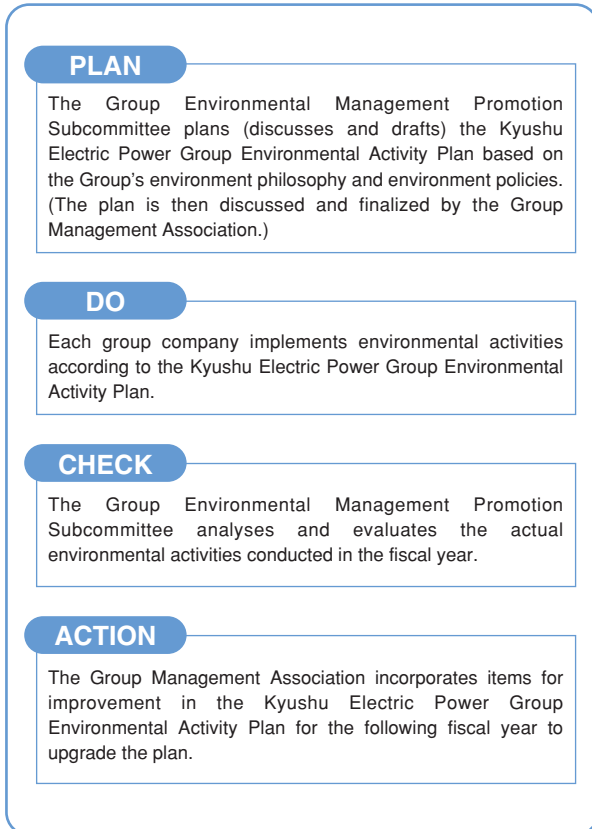
: Administrative companies

* Companies newly joined the Group Environmental Management Promotion Subcommittee in fiscal 2005

2 Environmental Management Framework

The environmental management framework utilizes the PDCA Cycle based on the environmental management system (EMS) to improve environmental management with group-wide efforts.

A company joining the Group Management Association and Group Environmental Management Promotion Subcommittee is required to establish its EMS, devise procedures for obtaining environment-related data, and subsequently implement the Kyushu Electric Power Group Environmental Activity Plan.



3 Status of Environmental Management System (EMS) Implementation at Group Companies

The Group has introduced unified standards, Kyushu Electric Power Group Standards for the Implementation of EMS, that divide the EMS development into six levels to help each company to move towards ISO14001 certification acquisition in stages.

For Kyushu Electric Power Group Standards for the Implementation of EMS, visit: http://www.kyuden.co.jp/environment_plan_ems_index

As a rule, the Group companies are required to implement at least the first level EMS, and proceed to the 2nd level and higher EMS based on their respective conditions.

In fiscal 2004, two companies, namely KITAKYUSHU LIQUEFIED NATURAL GAS CO., INC. and West Japan Engineering Consultants, Inc., worked to raise their EMS levels.

EMS implementation status

EMS development standards		EMS development status		
Development level	Development scope	Company name	Date of establishment	
6th level	ISO14001 certification acquisition	Company wide	Nishinippon Environmental Energy Co., Inc.	Oct. 2000
			KYUKI CORPORATION	Mar. 2003
			Kyushu Environmental Management Corporation	Sep. 2003
			KITAKYUSHU LIQUEFIED NATURAL GAS CO., INC.	Dec. 2004
5th level	Head office and operational sites	West Japan Engineering Consultants, Inc.	Mar. 2005	
		Kyudenko Co., Inc.* (head office only)	Dec. 1999	
		Kyuden Sangyo Co., Inc.* (Environment Department only)	Dec. 2002	
4th level	ISO-14001 based system development	SEISHIN Corporation* (head office only)	Jan. 2004	
3rd level		Oita Liquefied Natural Gas Co., Inc. (company wide)	Dec. 2003	
2nd level		-	-	
1st level		Company wide	34 group companies	Sequentially upon joining the subcommittee

Note: Regarding the 2nd through 5th levels of development, the highest development level for each company is used as its development level for listing (for the three companies marked with "*"). The 34 companies in the first level of development include these three companies.

Companies that raised EMS ① levels (acquisition of ISO14001 ① certification)

KITAKYUSHU LIQUEFIED NATURAL GAS CO., INC.

Contributing to environmental conservation through company wide EMS development

KITAKYUSHU LIQUEFIED NATURAL GAS CO., INC. was established in 1974 mainly to receive, store, gasify and deliver liquefied natural gas (LNG) ① purchased from Indonesia.

In 1999, the company prepared environmental management rules, set up an environmental management committee, and started taking environmental measures closely related to its business activities based on the 4Rs*.

Requirements of the ISO14001 were incorporated into the existing environmental management rules, and the EMS was developed with the unified effort of all employees. As a result, the company acquired ISO14001 certification in December 2004. Transition to the 2004 version of ISO 14001 was completed in March 2005 and has commenced its operations. We will be dedicated to the reduction of environmental load ① substances in our business activities, and to the environmental conservation of the local area as well as on a global-scale.

*4Rs: Reduce (reduction of products); Reuse (reuse of products); Recycle (recycle of products); and Refuse (prevent receiving unnecessary items).

Main environmental activities

Reducing the emissions of environmental load substances, such as coolant ① and methane ①, into the atmosphere
Promoting zero emissions ① (by encouraging the purchase of more eco and green products and less photocopy paper)
Promoting energy conservation and improving the efficiency of cryogenic power generation ① facilities
Actively participating in environmental conservation activities

Environmental policies

Basic philosophy

KITAKYUSHU LIQUEFIED NATURAL GAS CO., INC. regards the stable supply and diffusion of liquefied natural gas, a clean energy, to be its mission and aims to contribute to the creation of a society that emphasizes environmental conservation, by achieving harmony with the environment and efficient energy use through its operations.

Activity guidelines

Guideline 1: Reduction of environmental load in its operations

We will work towards:

1. continual improvement of the EMS.
2. the reduction of environmental load such as GHGs ① and substances causing ozone layer ① depletion.
3. the improvement of energy use efficiency and the creation of a recycling society ①.

Guideline 2: Contribution to environmental conservation of the local area and on a global scale

1. We will contribute to environmental conservation by promoting natural gas.
2. We will contribute to environmental conservation activities in the local area.
3. We will work to enhance employee awareness of global environmental conservation through environmental education activities.
4. We will comply with laws and regulations and other requirements for environmental conservation.

Kazunobu Matsuo, President,
KITAKYUSHU LIQUEFIED NATURAL GAS CO., INC. June 1, 2004

West Japan Engineering Consultants, Inc.

ISO 14001 certification acquired for company wide and all business activities

Since its establishment in 1967, as a comprehensive construction consultant, West Japan Engineering Consultants, Inc. has served the power industry as well as public enterprises by responding to their wide ranging needs. People demand that energy be developed and used efficiently in consideration of the protection of our nature and environment. It is time that we reconsider the balance between nature and industries on a global scale.

In this context, the company prepared environmental policies in December 2003 to promote environmental activities more effectively and also set up a project team for ISO 14001 certification acquisition in April 2004 to start building an EMS. Upon establishment of the EMS, the company started operating the system in October 2004. In March 2005, ISO 14001 certification was granted for the company wide business activities of the entire company, including those taking place at business offices and operational sites in all prefectures of Kyushu and in Yamaguchi Prefecture.

The company will work to implement environmental activities by making use of the effort of all employees to fulfill our environmental policies, and continue to enhance our EMS.

Main environmental activities

Conserving power used in offices (turning lights off during lunch breaks)
Reducing the amount of photocopy paper purchase (5% reduction from fiscal 2003)
Reducing gasoline consumption (encouraging eco-efficient driving practices)
Suggesting and promoting energy saving and the use of new energy sources to its customers (target of 17 contracts or more)
Suggesting and promoting the improvement of the natural and living environment to its customers (target of 14 contracts or more)
Promoting the sorting of general waste (i) (preparation of guidelines and implementation of actual sorting)

Environmental policies

Towards harmony between humans and the environment

Under the corporate philosophy "Establish harmony between humans and the environment, create a more affluent society," West Japan Engineering Consultants, Inc. will give consideration to the environmental conservation of the earth and the community and contribute to society through our business operation, including surveys, planning and design of civil engineering, construction facilities and energy plant construction, as well as surveys of the natural and living environment.

The following policies will be observed:

Environmental guidelines

1. Establish, implement and constantly improve the EMS

The company will establish an EMS, set environmental objectives and targets to realize environmental policies, and make company wide efforts towards their implementation. The company also continues to improve the EMS through review by management.

2. Comply with laws and regulations

In its business activities, the company will comply with environmental laws and regulations as well as other requirements agreed upon by the company, and work for environmental conservation and pollution prevention.

3. Conduct business activities while caring for the environment

In its business activities, the company will take into consideration environmental conservation, environmental load reduction and the creation of an environmentally-harmonious society, while actively offering technological advice to its customers.

4. Promote resource and energy conservation

Each employee of the company will work to conserve resources and energy and take pro-environment actions including "Reduce, Reuse and Recycle" initiatives.

5. Promote environmental education ① for employees and related companies

The company will provide education on environmental matters to all employees to enhance their awareness on the importance of environmental consideration in business activities. The proper environmental education is also offered to companies related to our operations to seek their understanding on our environmental undertakings.

Kazumi Takedomi, President
West Japan Engineering Consultants, Inc. December 26, 2003

4 Compliance with Environment-related Laws and Regulations and Compliance Management by Group Companies

The Group companies will ensure strict compliance with environment-related laws and regulations as well as environmental conservation agreements ① concluded with local governments, while promoting compliance management that develops fair business activities according to corporate ethics.

The companies also establish their respective guidelines based on the Kyushu Electric Power Group's Guidelines

for Environmental Activities and pursue environmental activities in accordance with such guidelines.

Kyushu Electric Power Group's Guidelines for Environmental Activities

Guidelines for:

1. Waste management
2. Green procurement ①
3. PRTR Law ①
4. Countermeasures for soil pollution ①

5 Environmental Philosophy and Environmental Policies

The Kyushu Electric Power Group Environmental Philosophy was established stating the principle of the Group's commitments to environmental activities. The Kyushu Electric Power Group Environmental Policies were also established prescribing attitudes towards practical implementation of such activities.

Kyushu Electric Power Group Environmental Philosophy

The Group recognizes the importance of environmental conservation in every aspect of energy supply and other businesses and works towards the realization of an affluent society and an improved global environment.

May 2002



Kyushu Electric Power Group Environmental Policies

- 1. We fulfill our social responsibility by complying with all environmental conservation laws and regulations.**
- 2. For the creation of a recycling society, we work to reduce environmental load through the effective use of energy and resources as well as the recycling of waste.**
- 3. We tackle all environmental issues aggressively and contribute to society through consistent environmental activities.**
- 4. We disclose environment-related information and work for improved communication with society.**

May 2002

VOICE No. 10 Environmental management in Kyushu Electric Power Group

The businesses of the Group companies vary widely, and include the general energy business, information and telecommunication business, environment and recycling business, and lifestyle services business – each having a different impact on the environment. Under these circumstances, each company's contributions to the development and implementation of an EMS based on its conditions will help reduce its environmental load to achieve the overall reduction of environmental load for the whole group.

I will do my best to support the companies' environmental activities as a member of secretariat and wish to learn more about their business activities and to promote environmental management under the Kyushu Electric Power Group Environmental Philosophy through our unified efforts.



Environmental Activities Support Group,
Environmental Affairs Department

Shigeru Masuda



6 FY2005 Environmental Activity Plan

In March 2005, the Group Management Association passed the FY2005 Kyushu Electric Power Group Environmental Activity Plan, which was drafted, discussed and developed by the Group Environmental Management Promotion Subcommittee. The plan was prepared based on the Kyushu Electric Power Group's Environment Philosophy and Environment Policies. After the Group Environmental Management Promotion Subcommittee analyzed and evaluated the actual activities of fiscal 2004 and the Group Management Association incorporated the items for improvement to upgrade the plan.

The aim for fiscal 2005 is to maintain and build on the content of the fiscal 2004 activities.

Since fiscal 2003, the Group has set unified targets for the Group and been working towards the reduction of environmental load ①.

FY2005 Kyushu Electric Power Group's Environmental Activity Plan

I. Group promotion of the environmental management ①

1 Establishment and reinforcement of Group's environmental management promotional scheme

- To comply with laws and regulations.
- To familiarize and reinforce the EMS.①

2 Establishment and enhancement of the environmental accounting ① system

- To ensure an accurate understanding of environmental activity costs ①.
- To deploy measures for understanding the effect of environmental activity.

3 Enhancement and reinforcement of environmental target management

- To ensure an accurate understanding of environment-related data.
- To deploy measures to increase establishment rate for the Group unified targets and voluntary targets for individual companies.
- To deploy measures to increase achievement rate for the Group unified targets and voluntary targets for individual companies.

4 Implementation of environmental education ① and sharing of environment-related information

- To provide and participate in various environmental education programs.
- To ensure sharing of environment-related information among the Group companies.

II. Measures for global environmental issues ①

1 Steady measures for reduction of GHG ① emissions

- To obtain GHG emission records.
- To ensure SF₆ ① collection.
- To further promote energy saving activities in offices (reduction of power consumption).

2 Steady measures for reduction of regulated freon ① emissions

- To ensure the collection of regulated freons.

III. Measures for the creation of recycling society ①

1 Promotion of recycling

- To further promote recycling of confidential documents ① and used fluorescent tubes.
- To further improve recycling rates ① of used paper ① and industrial waste ①.

2 Promotion of green procurement ①

- To further improve usage rates of recycled photocopy paper and toilet tissue ①.
- To ensure the purchase of eco-friendly commodities*² having an equivalent cost*¹ as a rule and to expand such practices to supplies other than commodities within the means of each company.

IV. Coordination with society

1 Thorough disclosure of environment-related information and expansion of the scope of disclosure

- To continuously report the Group's measures in the Environment Action Report to facilitate a year-to-year comparison, and to increase the items to be reported

*1: Equivalent costs between eco-friendly or green products ① and regular products *2: Commercially available products such as office supplies

FY2005 Kyushu Electric Power Group's unified targets

Items (Target)	Content
Power consumption at offices [1% year-by-year reduction]	<ul style="list-style-type: none"> • A 3% decrease from FY2002 levels by FY 2005 • 1% year-by-year reduction based on FY2002 levels
SF₆ collection rate during equipment inspection [98% or over] SF₆ collection rate during equipment dismantlement [99% or over]	<ul style="list-style-type: none"> • Ensure collection by the strict use of the recovery system during equipment inspection and dismantlement
Regulated freon collection rate* during equipment inspection [100%]	<ul style="list-style-type: none"> • Ensure collection by the strict use of the recovery system during equipment inspection • Install equipment requiring no regulated freons when replacing or installing equipment
Used paper recycling rate [100%]	<ul style="list-style-type: none"> • Recycle all used paper by collecting used paper by type
Usage rate of recycled photocopy paper [100%]	<ul style="list-style-type: none"> • Promote 100% usage of recycled paper through green procurement
Usage rate of recycled toilet tissue [100%]	<ul style="list-style-type: none"> • Promote 100% usage of recycled paper through green procurement

Note: In case the establishment of the Group's unified targets is difficult (due to differences in individual companies' situation), voluntary targets are set separately by the respective companies. Once these voluntary targets are achieved, the companies may then strive to reach the Group's unified targets.

* Rate of equipment whose gas collection during inspection met the mandatory reference level (or mandatory pressure level in the case of equipment dismantlement).