

# “Valuing Trust” is the CSR of Kyushu

## The mission and responsibility to take a role in the lifeline

I'd like to thank you all for using our electricity every day.

Our company has long understood the social responsibility of public utilities, of bearing a lifeline of electricity to our customers, and doing so with safety and stability. From the very beginning, we have been fulfilling our social responsibility of providing inexpensive and dependable electricity.

Without the community's cooperation and support, constructing, operating and staffing our facilities would be impossible. With this in mind, we have undertaken activities that will further strengthen the trust we have worked long and hard to earn from society.

There is no change in our fundamental mission to prioritize safety and continue providing electricity reliably and efficiently amid a business environment in which competition in the energy markets is growing increasingly intense. Our company takes pride in handling our responsibilities, and we strive for a sincere, fair and rigorous code of business conduct.

## Contributions for sustainable social development

A company is a part of society—a truth that is important to remember amid today's numerous corporate scandals. A company cannot exist if we ignore its relationship with society.

Together with the advance of globalization, recent trends in deregulation and administrative reform, greater corporate-community engagement are

spreading through all industries. Defining a company's role and responsibilities has become critical.

It is generally said that CSR embodies a company's efforts to contribute to sustainable social development by meeting public expectations, not merely regarding legal compliance, but also involving the company's capacity to satisfy the public's fiscal and ethical expectations and enhance corporate value.

This is perfectly in accord with the business stance of Kyushu Electric Power Group's Management Vision and Kyushu Electric Power Group's Charter of conduct, the latter of which slates our pledge to create corporate value and contribute to developments in society, by raising the degree of satisfaction in our customers, shareholders, investors, society and employees.

We believe that is Kyushu Electric Power's CSR vision. The basic philosophy I continue to stress is “cultivating and maintaining trust”—which is the essence of the CSR we are hoping to achieve.

## Striving for CSR Excellence

Positive approach for CSR includes compliance management, information disclosure, environment management, and co-existence with society.

These contribute to social development, of course, but they also lead to the creation of greater value for the Kyushu Electric Power Group and improving our competitive edge. For us, CSR activities are not merely responses to social demands; they are actions directly rooted in our own company principles.

# Electric Power Company



Our company has taken positive steps to pursue our CSR ideals. To further enhance effectiveness, we appointed an officer specializing in CSR in June 2005. And in July 2005, we established the CSR Promotion Committee with our managing executive officers.

With this system in place, we are striving to be a company known for its CSR excellence.

## United with our stakeholders

Recent animated discussions regarding the nature of company ownership frequently ask: To whom does a company really belong? But I have long felt that it is not a matter of possession. Instead, a company is a public entity, a place where various stakeholders are engaged in creating value.

In order to continue being a company whose value can be measured by all stakeholders, we must listen closely to the voices of our stakeholders and reflect their opinions and feedback in our business management. In so doing, we will build our own CSR Management Cycle. Only then can we attain true excellence in CSR as well as business.

June 2006

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Shingo Matsuo

President

Kyushu Electric Power Co., Incorporated.

# Contributing to Building a Sustainable of Environmental Management

Message  
from the  
Chairperson of  
the Environmental  
Committee

## Environmental Conservation is Our Social Responsibility

As a part of our effort to fulfill our corporate social responsibilities (CSR), the whole Kyushu Electric Power Group practices “environmental corporate management” to promote awareness of the importance of environmental protection in all of our business activities, and to contribute to the maintenance of a rich natural environment.

In February 2005, the Kyoto Protocol, which obliges advanced countries to cut their greenhouse gas emissions, came into force. This represents a major movement for efforts to prevent global warming, but the road to that goal is rocky, and not negotiable by the Kyoto Protocol alone.

We are keenly aware that companies like us, which have little alternative than to produce environmental load in such forms as CO<sub>2</sub> in the process of generating electricity, have a responsibility to face challenges such as environmental protection in general—and prevention of global warming in particular—in a sincere manner.

In Japan, the enforcement of the Kyoto Protocol has seen an increase in the importance of the environmental endeavors of electricity producers, as illustrated by the inclusion in the Kyoto Target Achievement Plan adopted by the Cabinet in April 2005 of the necessity for the electricity industry to make efforts in this area.

In light of this, we have set ourselves a target of reducing the CO<sub>2</sub> emission per net system energy demand to less than 20% of FY1990 levels by FY2010, and we are doing everything we can to achieve this.

Specifically, we are looking to achieve the optimum combination of power sources for the future, with nuclear power as the core of that mix. Based on that, we are implementing measures to gear electric power supply towards that goal—such as by increasing nuclear power generation usage rates, improving thermal power generation efficiency, and introducing renewable energy sources—as well as demand, such as by promoting the use of energy-saving devices like heat-pump water heaters.

We believe these endeavors are capable of contributing to the realization of a sustainable society, and we are determined to see them make steady progress.

## Saving the Environment Together with Our Customers

Increased interest in environmental issues and more stringent regulations pertaining to anti-global-warming measures has resulted in a significant increase in enquiries from our customers about our environmental stance. Certainly, deregulation of the electricity industry means we are working hard to improve efficiency and reduce costs so as to drive electricity charges down, but rest assured that we are also labouring every day to provide customers with electricity that is of a high environmental quality and safe to use, and are open to suggestions from customers regarding energy conservation. In this way, we are working in cooperation with our customers to achieve consistent improvement in reducing our environmental loads.

# Society through Active Promotion

## Promoting Environmental Communication

Global warming and other environmental issues are highly relevant to socio-economic activity and the lives of people in general. Therefore, it is said that they are issues that everyone—national and local governments, businesses and people—must get involved in, and co-operate on. To that end, we believe communication is vital; we are proactive in eliciting our customers' opinions through visits to their homes and offices, environment and energy education workshops, through lectures and Eco Mother activities, and in reflecting those views in our implementation of environmental corporate management.

This is the 10th issue of the Kyushu Electric Power Environment Action Report as part of our communication efforts. We have worked to reflect the opinions and requests to enrich its content, giving more focus to “communication.”

We undertake to engage in environmental communication in order to better satisfy all our customers. We look forward to hearing your frank views and opinions.

June 2006

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Kowashi Imamura  
Executive Vice President  
Chairperson of the Environmental Committee  
Kyushu Electric Power Co., Incorporated.

