



Operation Management

We are strengthening our operational management structure to respond appropriately to changes in the business climate, maintain healthy management, and continue to build corporate value.

Strengthening Corporate Governance

The Board of Directors and the Board of Corporate Auditors oversee corporate governance at Kyushu Electric. Directors pursue ongoing efforts to strengthen oversight and compliance management systems. They also formulate Principal Policy on Corporate Governance Structure to maintain healthy management.

We revised our Board of Directors and Executive Officer structures at the end of June 2007 in keeping with these priorities.

Board of Directors

In principle, this body meets once monthly to decide on important corporate management matters and monitor the progress of executive officers. One of its tasks is to reinforce auditing by reducing the number of internal directors and choosing external directors¹.

Boad of Managing-Directors, which looks at matters requiring further discussion before Board of Directors decisions and important executive issues. Each Division and branch office has an executive officer to accelerate decision-making and streamline operations.

Board of Auditors

Auditors attend important gatherings, including those of the Board of Directors. They conduct hearings for all divisions, consolidated subsidiaries, and affiliates, audit branch offices, and otherwise handle auditing for the Board of Directors.

In principle, the Board of Auditors meets once monthly to debate on and make resolutions about reports on laws and ordinances and important matters relating to the articles of incorporation.

The Corporate Audit Office assists this body.

Internal auditing


The Management Administration Office assesses compliance and business implementation at all divisions and branch offices to ensure that they operate properly and efficiently.

Staffers from this office audit quality assurance systems for safety initiatives at nuclear and thermal power stations and other important facilities.

Outline of the Principal Policy on Corporate Governance Structure

In conformity with the Corporate Law and its enforcement regulations, we will develop the following structure to ensure compliance of the Directors with laws and the articles of incorporation as well as to secure soundness of business execution.

- (1) Structure for securing compliance of the directors with laws and regulations in the execution of duties
- (2) Structure for the preservation and management of information concerning the execution of duties by the Directors
- (3) Structure for risk management
- (4) Structure for securing efficiency in the execution of duties by the Directors
- (5) Structure for securing compliance of the employees with laws and regulations in the execution of duties
- (6) Structure for securing properness of business operations of our group companies
- (7) Structure for securing properness of execution of duties by the Auditors

 Management policies and plans website (in Japanese only) http://www.kyuden.co.jp/ir_policy_index

Risk Management

We set up an administrative coordination unit to oversee risks that could materially affect operations. This unit identifies, categorizes, and assesses risks, clarifying material companywide and business threats.

Each division and business office produces contingency plans to manage clear general and specific risks.

Crisis management structure

We maintain rules to swiftly address sudden major impacts on operations or on trust in society. Under this setup, the president oversees the Crisis Response Headquarters, which coordinates with affected operations to resolve problems and also drills for emergency scenarios.

We are also prepared to work closely with Group companies to tackle their crises.

Creating a CSR Management Cycle

This CSR report aims to solicit feedback from customers and other stakeholders so we can build a CSR management cycle that reflects this input in our operations.

CSR Promotion Committee

We appointed one director to oversee our CSR management structure. The president chairs the CSR Promotion Committee, comprising senior executives, to bolster our CSR capabilities. The president chairs this body of senior executives, which aims to bolster our CSR capabilities.

CSR Promotion Committee Overview

(Role)
Deliberate on overall CSR policies, plans, and reports

(Structure)
Chairperson: President
Vice chairperson: Director in charge of CSR (Executive vice President)
Committee Members: Executive vice presidents, Managing directors, Directors, and Chairman-appointed managers of related departments

Observer: Senior corporate auditor

(Meeting frequency)
In principle, in March, June, and October

▼Management structure

