

Group CSR Initiatives

We aim to continue to build corporate value by providing energy and other products and services so we can progress with the communities we serve.

Pursuing groupwide initiatives

As our Management Vision and Charter of Conduct state, the Kyushu Electric Group seeks to sustainably increase corporate value and grow with society by improving the satisfaction of customers, shareholders and other investors, society, and employees.

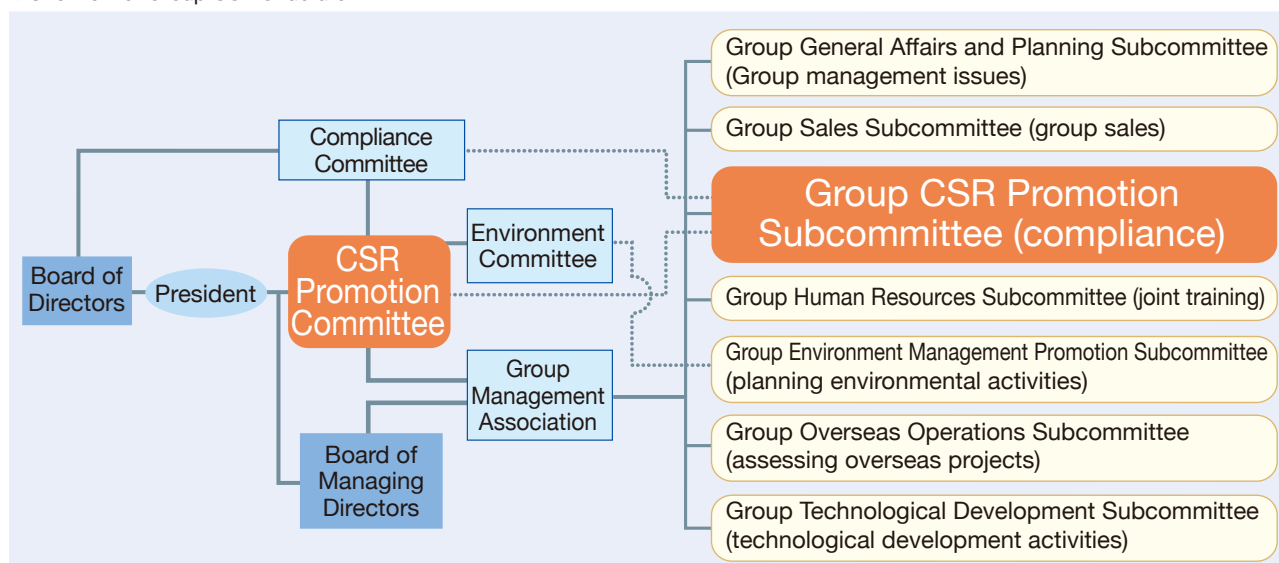
In August 2006, we established the Group CSR Promotion Subcommittee in recognition of the need to create a Group management cycle. This body reports to the Group Management Conference, and produced the Group CSR Action Plan.

From FY2007, we will deploy PDCA cycles based on this plan, as part of a groupwide commitment to corporate social responsibility.

Group CSR promotion subcommittee Overview

Roles	<ul style="list-style-type: none"> To ensure Group understanding of Kyushu Electric's CSR policies and plans To formulate Group CSR Action Plan
Members	<ul style="list-style-type: none"> Chairperson: General manager of Kyushu Electric's General Affairs Department Representatives of 47 Group companies (as of the end of March 2007)

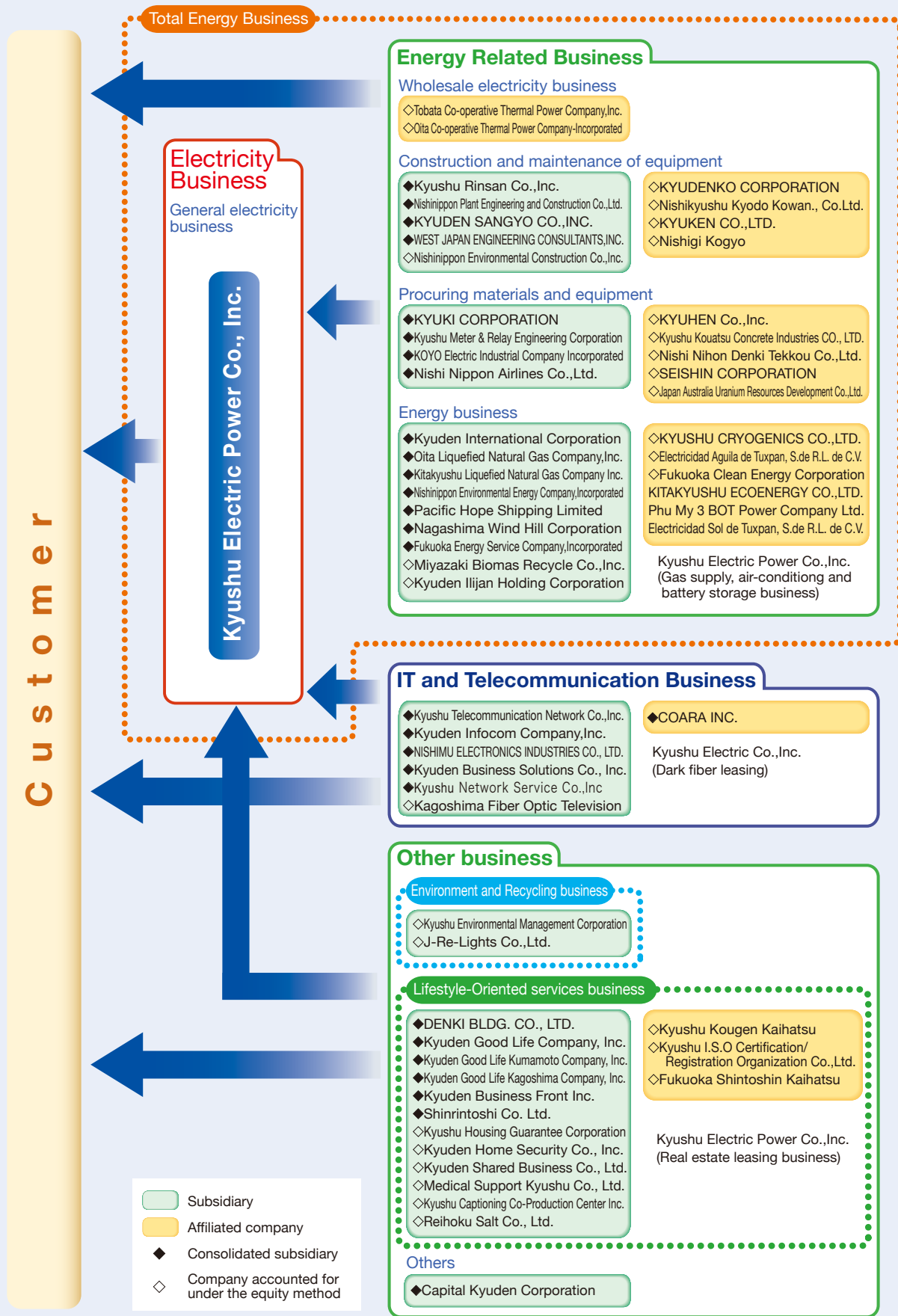
▼Overview of Group CSR structure



▼Prime focuses of Group subcommittees in FY2007 under Group CSR Action Plan

Compliance management	<ul style="list-style-type: none"> Compliance Committee meets regularly Conducts surveys of Group employee consciousness 	<ul style="list-style-type: none"> Shares information through Group intranet
Disclosure and communications	<ul style="list-style-type: none"> Announces financial results and conducts other investor relations activities Explores Group disclosure plans 	<ul style="list-style-type: none"> Handles ongoing internal communications
Environmental management	<ul style="list-style-type: none"> Works in keeping with Group environmental activities plan (see page 34) 	
Human rights and working environment	<ul style="list-style-type: none"> Participates in Group human rights training and other training gatherings Enforces measures to prevent sexual harassment 	<ul style="list-style-type: none"> Ensures ongoing employment of retirees Takes steps to improve employee motivation and ability
Safety-first principle	<ul style="list-style-type: none"> Reinforces policies to prevent occupational and traffic accidents Holds and follows up on regular health examinations 	<ul style="list-style-type: none"> Implements measures to prevent overwork Takes steps to optimize working environments
Community involvement	<ul style="list-style-type: none"> Participates in local activities 	

▼Kyushu Electric Power Group Outline (as of March 31, 2007)



Fulfilling Social Responsibilities through Our Businesses

Total Energy Business

Energy



Nishinippon Environmental Energy Co., Inc.

<http://www.neeco.co.jp/>

— Pursuing harmony between people and the environment —

Society increasingly seeks solutions for environmental and resource scarcity issues.

Nishinippon Environmental Energy aims to contribute to its customers and society by helping resolve these issues. We help municipalities and other bodies formulate their new energy-saving visions and policies. We develop biomass and other power sources and translate recycling plans into reality.

We offer proposals that optimally balance environmental, energy-saving, and economic factors. We also provide ideas on comprehensively and efficiently harnessing energy, such as through energy services companies.

For example, in Miyazaki Prefecture our biomass generation business has begun sourcing poultry droppings as fuel. This initiative won praise for creating a business model that

fosters local industry by creating a recycling ecosystem while harnessing the precepts of the Law of Renewables Portfolio Standard. This setup won an award in FY2005 from the Director of the Farming Community Promotion Bureau of the Ministry of Agriculture, Forestry and Fisheries and the Chairman's award from the New Energy Foundation in fiscal 2006.

Nishinippon Environmental Energy will continue to draw on its technological expertise to help protect the environment through new ways to conserve resources and energy.



Miyazaki Biomass Recycle power plant fueled by poultry droppings

IT and Telecommunications Business

Information and telecommunications



Kyushu Telecommunication Network Co., Inc.

<http://www.qtnet.co.jp/>

Kyushu Telecommunication Network Co., Inc. (QTNet) offers BBIQ Internet connection service and BBIQ Hikari-Denwa IP telephony service for individuals and its VLAN broadband Internet service for corporate customers by using Kyushu Electric's fiber-optic network.

Telecommunications are increasingly important in an aging society in which there is a drive to enhance safety and security and revitalize the economy by ensuring universal access to networks at any time and place.

Through its lifeline optical telephone service, QTNet is endeavoring to maintain and improve telecommunications for its

customers.

We believe that information technology will become much more important among small and medium-sized enterprises, and are working on optimal solutions for customers in local industries.

Through these initiatives, we will continue contributing to community progress.



Community portal site

We launched the free Kyushu-no-Wa Q-ring portal site to provide information and community services specifically for the people of Kyushu.



<http://www.q-ring.jp>

J-Re-Lights Co., Ltd.

 <http://www.j-relights.co.jp/>

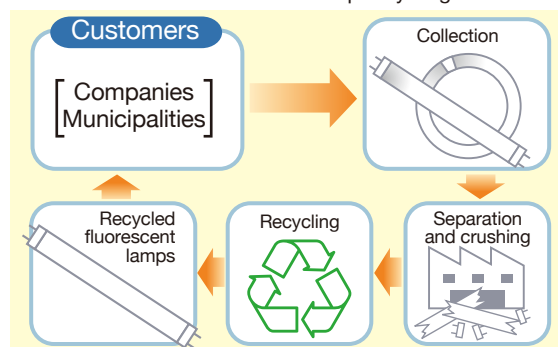
In Japan, most used fluorescent bulbs are incinerated or become landfill.

The environmental impact of these practices is a concern, as the lights contain mercury, albeit in minute amounts.

J-Re-Lights Co., Ltd., has responded to such concern by collecting used fluorescent bulbs from companies, schools, and municipalities (as well as from household waste), recycling them into raw materials such as glass, phosphorous, mercury and metals. The company also makes and sells fluorescent bulbs made out of these recycled materials by contracting production to outside manufacturers.

Through this business and a waste battery recycling business started in June 2006, J-Re-Lights will help resolve social issues by fostering recycling and preventing pollution.

▼Overview of used fluorescent lamp recycling



Product introduction **Top Star**

Since 2002, J-Re-Lights has sold the Yoka Lamp for commercial use. It is made of recycled materials. In 2005, we launched Top Star, an energy-saving bulb that complies with the Law on Promoting Green Purchasing. The brightness and lifespan are comparable to those of conventional bulbs.



Top Star brand lamp

Kyuden Good-Life Co., Inc.

 <http://www.kyuden-gl.jp/>

Kyuden Good-Life Co., Inc. develops modern apartments for senior citizens in central urban locations. These facilities provide services that ensure safety through medical support and other services and comfortable lifestyles. Kyuden Good-Life operates such facilities in Fukutsu in Fukuoka Prefecture, Kumamoto, and Kagoshima.

Kyuden Good-Life will draw on expertise gained through running such operations to develop facilities at other locations and manage nursing care and welfare businesses. Its goal is to continue serving senior citizens who wish to maintain active urban lifestyles without compromising convenience and safety.



Kyuden Care Town in Fukutsu, Fukuoka Prefecture



Grand Garden Kumamoto in Kumamoto



Grand Garden Kagoshima in Kagoshima

Corporate Social Responsibility at KYUDENKO

The social responsibility mission of KYUDENKO CORPORATION, Inc. is to ensure that all companies in the KYUDENKO Group contribute to sustainable development through their business activities.

It is important for each employee to understand corporate principles and the Charter of Conduct and apply them to their daily activities.

Deploying compliance initiatives

Compliance is the basis for all corporate activities in the KYUDENKO Group. It is the foundation of corporate social responsibility and is the prime factor in earning society's trust.

The president chairs monthly meetings of the compliance committee, which implements PDCA cycles and provides all employees with ongoing compliance education.

KYUDENKO has established a Group Compliance Consultation Desk to solicit information on legal violations in the workplace without compromising the privacy of informants.

Unfortunately, there was one incident in

FY2006 in which an employee dispatched to an overseas subsidiary was indicted for violating the Unfair Competition Prevention Law. We have redoubled compliance activities to prevent a reoccurrence of such a violation.

Key in FY2006 achievements

- Produced KYUDENKO Group Compliance Manual
- Employee education
 - KYUDENKO Group compliance training (three times in year)
 - Introductory compliance training for new employees
- Compliance seminars
 - Seminar on compliance for specified commercial transactions

CSR through Core Businesses

■ **Quality improvements in construction planning and implementation**
KYUDENKO complies strictly with legally mandated construction standards. It is also committed to safety, and has accordingly reinforced its internal inspection system in line with the ISO 9001 quality management standard. KYUDENKO strives to provide high-quality facilities by enhancing its technologies and skills.

■ Key CSR businesses in KYUDENKO Group

- **Remote medical diagnostic systems business**
<Net Medical Center Co.>
- **Hospital management**
<Medical, Nursing and Education Research Foundation>
- **Onsen Paradise Kyushu site for booking hotels with spas to foster tourism throughout the region**
<KYUDENKO Communications Co., Ltd.>
- **Operating business hotels to promotion tourism**
<Three In Co., Ltd.>
- **Marriage introduction service to address low childbirth rates and late marriages**
<KYUDENKO Net Produce Co., Ltd.>
- **Employment for the physically and mentally challenged**
<KYUDENKO Friendly Co., Ltd.>
- **Businesses offering wind power and other energy technologies**
<Shin Energy Kikaku Co., Ltd.>



Miyakonojo Culture Hall
(Electrical facilities)



AEON Ito Shopping Center
(Air conditioning ducts)



Hotel Urbic Kagoshima



Shikamachicho Wind Farm

Occupational Safety and Health

■ Targeting zero accidents

We strictly enforce observance of safety standards and the requirements of the Industrial Safety and Health Law to prevent accidents among employees of KYUDENKO, affiliates, and business partners. Extensive patrols and safety and health educational programs complement these efforts.

■ Preventing traffic accidents

We conduct activities to prevent such accidents and prevent drink-driving among employees.

■ Managing employee health

We work closely with the industrial physician and nurse in the Health Consultation Room and provide physical and mental health guidance and education.

Tackling Environmental Issues

We engage in recycling and other activities as part of Kyushu Electric's Group Environmental Management Subcommittee.

■ Environmental organization

The director in charge of environmental management heads our Environmental Committee, which meets regularly to assess progress. Kyudenko's headquarters obtained certification under ISO 14001 and accordingly established a PDCA cycle for environmental management throughout the KYUDENKO Group.

■ Conservation activities

We produce a detailed annual environmental activities plan with quantifiable targets. We reduce general waste and pursue green purchasing. Our technology department develops environmental designs and is working to spread the use of wind and solar power.

We separate and recycle construction waste in line with the Construction Waste Recycling Law, issue manifestos to waste disposal businesses based on the Waste Disposal and Public Cleaning Law, and check disposal processes. These and other efforts help prevent illegal disposal and pollution.

Community Involvement

■ October Community Campaign

In a parallel effort with Kyushu Electric's customer appreciation campaign, Kyudenko employees participate in community activities of every October. They inspect and clean public welfare facilities, donate goods for fund-raising bazaars, and assist nonprofit organizations.



Kumamoto branch employees cleaning walls of Kumamoto Castle



Kitakyushu branch employees cleaning Kaho Theater

■ Fostering community sports

We foster our athletics team and other sports in local communities by cosponsoring local professional and amateur athletes.

