

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

Basic Corporate Governance Framework

The Board of Directors and the Board of Corporate Auditors oversee corporate governance at Kyushu Electric Power. Directors promote ongoing efforts to strengthen oversight and compliance management systems. They also formulated our basic corporate governance policy to maintain healthy management.

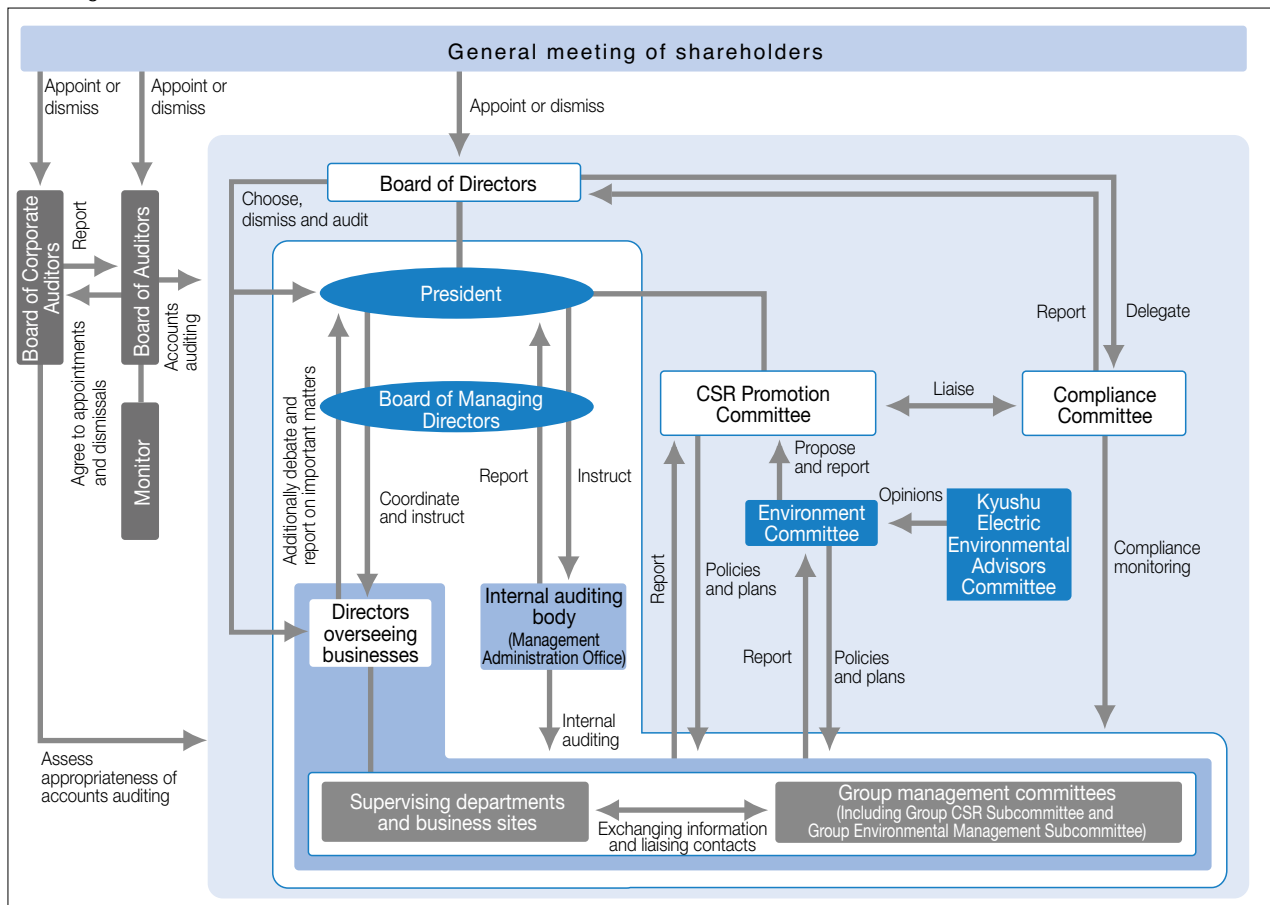
We clarified oversight and implementation roles in 2007 and revised our Board of Directors and executive officer structures to bolster our corporate governance capabilities.

Board of Directors

In principle, this body meets monthly to decide on important corporate management matters and monitor the progress of executive officers. We have taken steps to revitalize this board and strengthen oversight, notably by having directors serve for one year, reducing the number of directors and appointing external directors.

The Board of Managing Directors considers matters requiring further discussion before decisions are made by the Board of Directors and decides on important executive issues. Each division and branch office has an executive officer to accelerate decision-making and streamline operations.

▼ Management structure



Board of Auditors

Auditors attend important meetings, 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 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.

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

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 general and specific risks.

Crisis Management Structure

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

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

Topic Revisions to Board of Directors and Executive Officer Structures

We have reinforced corporate governance under an internal auditing framework and have accordingly strengthened the oversight of the Board of Directors and deployed an executive officer system to accelerate decision-making. In 2007, we revised our Board of Directors and executive officer structures to clarify their roles.

Basic Concepts and Specific Systems

Directors

Each director deliberates on and authorizes important management policies and decisions and monitors business implementation.

Changes

- We reduced the number of directors, from 25 to 17.
- We halved the terms of directors to one year.
- We terminated the Board of Managing Directors.

Executive officers

The president is in charge of these executive officers, who execute operations as the Company authorizes.

Changes

- We augmented managing executive officers and executive officers with senior executive officers.

▼ Overview of revisions

