

Maintaining Our Safety-First Principle

The top priority in all our business activities is to ensure safety for society and employees by constantly endeavoring to improve our facilities and technologies.

Ensuring Nuclear Power Safety

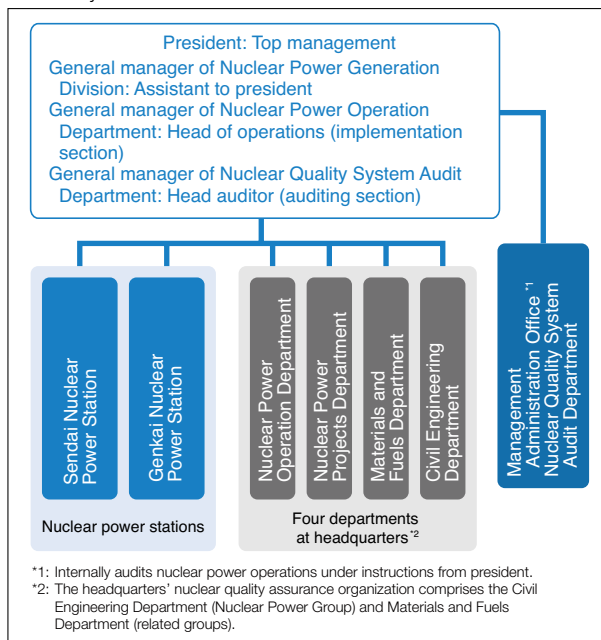
Safety is our prime goal in managing our nuclear power stations. We deploy extensive security and quality assurance initiatives to ensure safety and build community trust.

Safety Management Systems

● Quality Assurance Structure

The president has established a system to ensure the safety and quality of our nuclear power operations. Our system complies with laws and ordinances and the requirements of the Japan Electric Association's Quality Assurance Code for Safety in Nuclear Power Plants, known as JEAC 4111.

▼ Quality Assurance Structure



● Fostering a Culture of Safe Nuclear Power Operations

Our management system emphasizes building positive worksite environments and communicating with business partners because we believe that safety starts with individual awareness and the organizational culture.

We maintain extensive internal communications through conferences with executive managers

and through worksite meetings and regularly reassign employees between headquarters and our nuclear power stations.

We maintain close ties with business partners by participating in their pre-work meetings and site inspections while participating with them in site patrols, formal discussions, and other activities.

Maintaining Nuclear Power Facilities

● Inspecting and Repairing Facilities in Line with Maintenance Management guidelines.

We ensure that our nuclear power stations are safe and reliable and that facilities and equipment perform as required by frequently formulating and implementing inspection and repair standards. We assess the results of our work to decide if we need to review our approach. These and other efforts are in keeping with laws, ordinances and the code of Maintenance and Inspection for Nuclear Power Plants, known as JEAC 4209.

● Implementing Preventive Maintenance

We refer to nuclear power station accidents in Japan and abroad to take thorough preventive steps and monitor the aging of our Facilities. We draw on our knowledge to maintain and upgrade Facilities and equipment.

Keeping Our Technological Edge

The technological capabilities of our employees are essential to keep our nuclear power stations operating safely.

On-the-job training is the main tool for imparting operational and maintenance technologies. Operational simulators and maintenance Facilities at the training centers of our Genkai and Sendai nuclear power stations help us retain our practical technological capabilities.



Simulator room at training center of Genkai Nuclear Power Station

Managing Radiation

● Controlling Occupational Radiation Exposure

We minimize exposure at our nuclear power stations by strictly managing water quality, shielding workers, and having them perform tasks through remote control or automated systems.

In FY 2007, the average occupational dosage at our Facilities was 1.2 milliSievert (mSv), far lower than the legally permitted 50 mSv.

● Managing Environmental Radiation

We constantly monitor radiation levels around our nuclear power stations. We disclose real-time data on our Japanese Web site. We regularly measure the radioactivity of samples of seawater, agricultural and marine products. We have found no environmental radiation from our Facilities.

The annual dosage level among people living around our nuclear power stations is 0.001 milliSievert. This is well below the legal maximum of 1 mSv per year and the Nuclear Safety Commission's target of 0.05 mSv annually.

Ambient radiation from our nuclear power stations

FY 2007: Less than 0.001 mSv

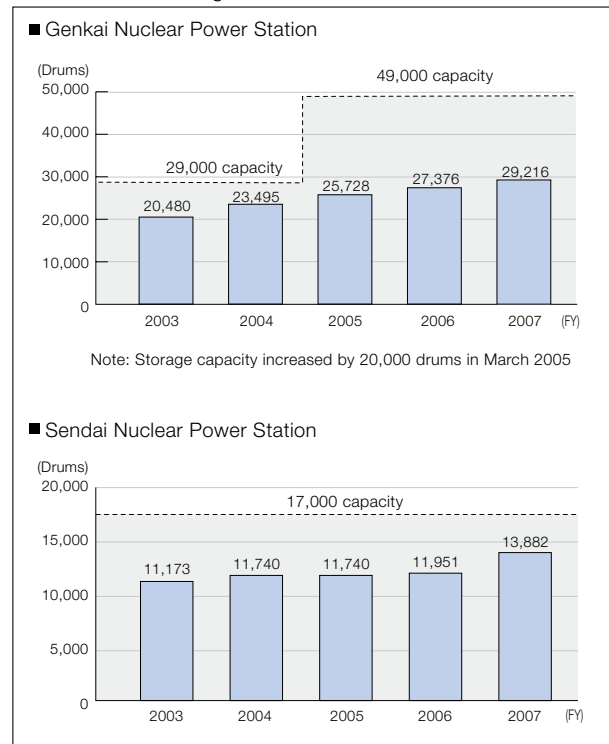
FY 2008 target: Less than 0.001 mSv

● Managing Radioactive Waste

On-site Facilities treat the small amounts of radioactive gaseous and liquid waste that our nuclear power stations create and safely dispose of it. This waste has miniscule impact on radioactivity outside our plants.

We store and strictly supervise solid waste on-site and then ship it to Japan Nuclear Fuel Limited's Low-Level Radioactive Waste Disposal Center. The center stores the waste underground until the potential dangers for humans disappear.

▼ Solid Waste Storage



Preventing Nuclear Disasters

Our nuclear power stations maintain rigorous safety measures to minimize disaster risks. As part of ongoing efforts to ensure preparedness, we maintain contingency response plans with national and local government bodies in line with the Special Law of Emergency Preparedness for Nuclear Disasters and the Disaster Countermeasures Basic Act.

We participate in annual nuclear disaster drills in Saga and Kagoshima prefectures. Headquarters and our nuclear power stations have emergency response departments that regularly participate in issuing bulletins and monitoring the environment.



Worker Safety and Health Initiatives

We aim to eliminate all industrial accidents and provide a work environment that fosters the physical and mental well-being of our employees. Management and members of staff collaborate to produce and follow Companywide goals.

We encourage employees to regularly discuss and air views about safety and mental health and we aim to expand the involvement of the Safety and Health Committee in dealing with these issues.

Eliminating Occupational Accidents

The number of occupational accidents has fluctuated in recent years despite ongoing efforts to optimize the safety awareness of employees and remove potential dangers. We thus undertook task-specific risk assessments that would be central to an eventual occupational safety and health management system, and going forward we aim to strengthen our PDCA cycles.

We have implemented hazard prediction activities, and require employees to perform safety checks on objects before and after performing tasks. We also provide education and training to improve compliance with laws and ordinances and enhance safety awareness to help prevent things such as traffic accidents.

▼ Numbers of occupational accidents by category

FY	2003	2004	2005	2006	2007
Electric shock	1	2	1	1	2
Traffic accident	8	8	10	7	12
Falling accident	1	1	2	0	0
Others	16	16	19	16	29
Total	26	27	32	24	43

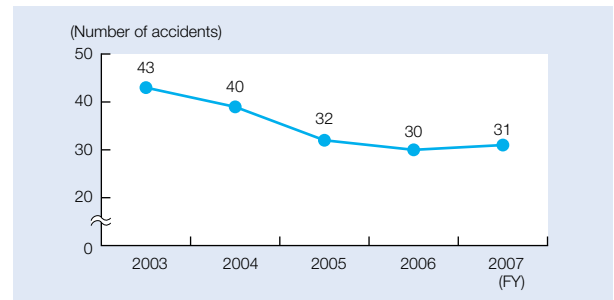
Note: The "others" category includes incidents such as Falls and being jammed or caught in machines

Mandating Supplier Safety

We support and instruct suppliers on their safety activities as our responsibilities.

For example, we hold safety months in summer and winter, during which we patrol supplier work sites. We also meet suppliers to discuss accident prevention and other safety issues.

▼ Number of supplier accidents



The Patrolling of Worksites by Architects

Certified architects from Kyuden Fudosan Ltd., patrol the construction and renovation sites of their contractors twice weekly.

The architects confirm construction details and procedures to ensure buildings are completed on schedule. They also make sure that site workers consider safety to be their top priority.

Kyuden Fudosan Ltd. will continue such activities to maintain safe working environments and improve the safety of structures for owners.



An architect on patrol

Ensuring the Mental and Physical Well-being and Comfort of Employees

We provide our employees with support how to prevent illness, improve their health and a variety of programs implemented by the Company safeguard workers from the mental and physical damage of overwork, prevent eyesight damage from the use of video display terminals, shield workers from cigarette smoke, and create workplaces that minimize fatigue and stress. We will continue to evaluate and improve these programs.

Overview of Mental Health Initiatives	
Level 1 Prevention	<ul style="list-style-type: none"> Educate and enlighten (instruct how to recognize and address stress, as well as identify and assist others in stress) Measure occupational stress and build frameworks to improve working environments
Level 2 Early detection and response and alleviation	<ul style="list-style-type: none"> Create a climate in which employees can identify when they are experiencing stress (through interviews to assess health and simple occupational stress diagnoses) Make it easy for employees to seek help (through occupational therapists, mental health counselors and external consultancies) Encourage occupational therapists and physicians to have follow-up sessions with sufferers of stress to quickly identify and treat their problems
Level 3 Helping employees to return to work	<ul style="list-style-type: none"> Provide support during treatment (liaise with case physicians, Families and supervisors, and communicate regularly with sufferers) Assist employees when they return to work (initially setting shorter working hours, then prohibiting overtime and business trips) Provide worksite support (liaise with supervisors and follow up with physicians and occupational therapists)

Ensuring Safe Products and Services

Preventing Electric Shocks

We hold three publicity campaigns annually to help reduce the incidence of electric shocks. During Power Safety Month, we highlight this issue to engineering and construction firms, crane companies, educational institutions, municipalities and other organizations. In light of the July 2007 accident in which a ship-mounted crane severed a 66,000-volt power line, in February 2008 we informed such interested parties as harbor offices and other public authorities and companies operating crane vessels of the locations and heights of our power lines in straits and river mouths. We also publicized precautions for ships passing under power lines or working near them.

Other safety awareness tools include the Know Your Electricity pamphlet, which we distribute to new customers, and a questions and answers Web site on power usage. We recommend that customers check their facilities for potential problems and use their own safety procedures.

 [Questions and answers Web site on power usage \(in Japanese only\):](http://www.kyuden.co.jp/life_living_safe_index)
http://www.kyuden.co.jp/life_living_safe_index

- Spring and Summer Publicity Campaigns to Prevent Electric Shocks**
We hold publicity campaigns every three months, from December through May. The main priorities are to prevent shocks from carp streamers touching power lines and from mishaps at construction sites.
- Power Safety Month**
We join together with several electric power bodies in holding this campaign every August under the auspices of the Ministry of Economy, Trade and Industry to deepen public awareness of the need to use electricity safely and prevent accidents.
- Publicity during Typhoons and Other Disasters**
We run television commercials, place newspaper advertisements and use other publicity vehicles during disaster periods to heighten power safety awareness and inform the public of outages from debris.

▼ Number of public electric shock incidents

FY	2003	2004	2005	2006	2007
Number	1	3	2	0	1

About Our Electric Water Heater Recall

Group company KYUHEN Co., Inc. is engaged in inspecting and repairing its water heaters with no charge to customers. The move is in light of the remote possibility that loose electrical wiring in some of the heaters might cause fires. We ask customers to accept our deepest apologies for the concern and inconvenience stemming from quality or safety problems with a product from our Group.

The Group will strengthen its policies to ensure the safety and peace of mind of customers.

KYUHEN learned that there was a remote possibility that loose electrical wiring in 11 models in the Yunoka water heater line that were manufactured between September 1996 and October 2000 could cause fires. KYUHEN began inspecting and repairing (or replacing parts) in these products in April 2008 to ensure their reliability.

Contacts

Toll-free: 0120-048-500

The line is open from 9:00 a.m. to 7:00 p.m. everyday, including holidays, through August 31, 2008.

Please check the following Web site for details on the models that this service covers:

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