

Operational Management

Corporate Governance

Basic Stance on Corporate Governance

We aim to generate sustainable value for all stakeholders in keeping with “Kyushu Electric Power’s mission,” engaging in operations that are socially meaningful from a long-term perspective. It is a top management priority to strengthen corporate governance to ensure that we do business properly. The Board of Directors and the Board of Corporate Auditors oversee corporate governance. Directors handle monitoring while executive officers focus on implementation. We undertake ongoing efforts to strengthen our oversight and compliance management systems, and have formulated our basic internal control policy to maintain healthy management.

Board of Directors

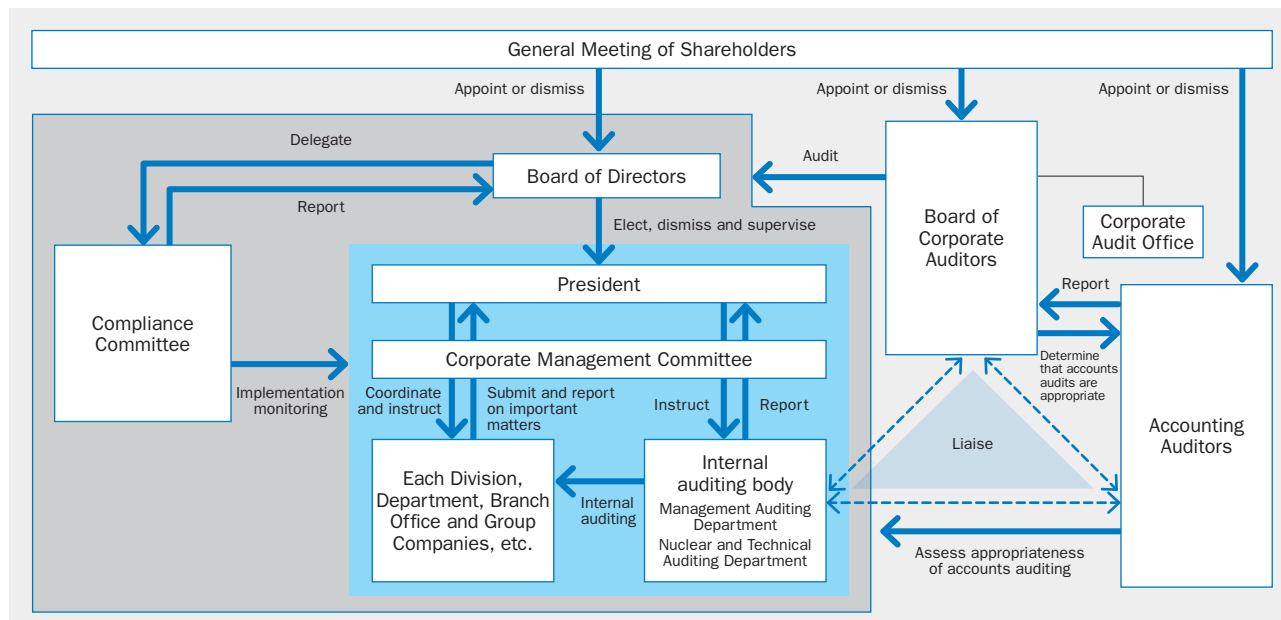
In principle, the Board of Directors meets monthly or as otherwise necessary to decide on important corporate management matters and monitor implementation. In the fiscal year ended March 31, 2012, the Board of Directors met 17 times. In order to heighten the effectiveness of its oversight functions, the Board of Directors receives advice from standpoints independent of the Company, such as by appointing external directors. Moreover, the Corporate Management Committee, which is

made up of the president, executive vice president, the senior managing executive officers, the managing executive officers and other members, considers matters requiring further discussion before the Board of Directors makes decisions and decides on important executive issues. Furthermore, each division and branch office has an executive officer to accelerate decision-making and streamline operations.

Board of Corporate Auditors

In principle, the Board of Corporate Auditors meets monthly or as otherwise necessary to debate on and make resolutions about reports on important matters relating to audits stipulated in laws and ordinances and the articles of incorporation. In the fiscal year ended March 31, 2012, the Board of Corporate Auditors met 16 times. Corporate auditors attend important gatherings, including those of the Board of Directors. They conduct hearings for all divisions, consolidated subsidiaries, and other business units, and otherwise conduct overall audits of the work of directors and executive officers. Furthermore, the Corporate Audit Office, which has 12 members, assists the corporate auditors as a specialist organizational body.

Corporate Governance Structure



External Directors and External Corporate Auditors

When appointing external directors or external corporate auditors, the Company refers to the Tokyo Stock Exchange's evaluation standards regarding the independence of directors and corporate auditors. Moreover, the Company has designated its one external director and three external corporate auditors as an independent director and independent corporate auditors, respectively, judging that these individuals will offer objective and neutral opinions about the Company's business based on their experience and insight.

The external director attends meetings of the Board of Directors and expresses an opinion as necessary on agenda items based on the individual's experience and insight. This external director also expresses opinions regarding management issues at meetings other than the Board of Directors such as the Corporate Management Committee.

The external corporate auditors attend meetings of the Board of Directors, where they offer opinions as necessary on agenda items based on their experience and insight. They also attend meetings of the Board of Corporate Auditors to help formulate audit plans, as well as receive reports from the accounting auditors and the internal auditing body regarding audit results.

Internal Controls (Financial Reporting)

In order to ensure the reliability of financial reporting, the Company properly operates internal controls governing financial reporting and establishes systems to make corrections as required. At the same time, the Company's Financial Reporting Disclosure Committee, which is chaired by the president and consists of management executives, works to ensure the appropriateness of financial reporting.

Risk Management

Based on our risk management rules, we identify, categorize and assess risks, clarifying material Company-wide and

business threats. Each division and business office produces contingency plans to manage clear general and specific risks. Furthermore, we have established rules for a response structure and procedures to quickly and properly address situations where the materialization of a risk leads to an emergency, loss of public trust, or other situations that could have a significant impact on Company operations and society. This includes enhancing and strengthening our crisis management system to minimize the impact on the Company and society. We also regularly conduct drills.

In addition, we have established a Risk and Crisis Management Countermeasures Meeting that prepares all possible responses to a crisis, comprising both prevention countermeasures to be implemented in advance and also responses for when a crisis actually occurs. If a crisis does occur, the Meeting also mobilizes company-wide functions and capabilities to implement an appropriate response.

Internal Auditing

We have set up an internal auditing body (Management Auditing Department) that functions objectively, ensuring that operations are proper and helping to improve management efficiency. The division audits compliance and business operations at all divisions and branch offices. Moreover, staff from a separate specialist internal auditing body (Nuclear and Technical Auditing Department) audit the quality assurance systems in place to monitor safety initiatives at nuclear and thermal power stations and other important facilities, and the status of operations based on these.

Accounting Auditors

The certified public accountants that audited the Company's accounts belong to Deloitte Touche Tohmatsu LLC. The internal auditing body, corporate auditors and accounting auditors work to improve and enhance audit functions through close cooperation on formulating audit plans and reporting audit results.

Board of Directors and Auditors



Masayoshi Nuki
Chairperson



Michiaki Uriu
President



Yoshinori Fukahori
Executive Vice President



Haruyoshi Yamamoto
Executive Vice President



Masanao Chinzei
Executive Vice President



Kenji Tsugami
Executive Vice President

Chairperson

Masayoshi Nuki

President

Michiaki Uriu

Executive Vice Presidents

Yoshinori Fukahori
Haruyoshi Yamamoto
Masanao Chinzei
Kenji Tsugami

Directors

Tomoyuki Aramaki
Soujuu Hirata
Hiroshi Oshima
Masayuki Yamasaki
Tomio Naito
Seiichi Sakaguchi
Naofumi Satou
Kazuhiro Izaki
Toru Yoshizako
Hideomi Yakushinji
Akiyoshi Watanabe
(External Director)

Senior Corporate Auditor

Shinji Yasumoto

Corporate Auditors

Shigeru Matsui
Tsuyoshi Ono
Keiko Hieda
(External Corporate Auditor)
Toshifumi Yada
(External Corporate Auditor)
Yoshio Utsumi
(External Corporate Auditor)