

Interviews with External Directors

The Corporate Governance Code went into effect for listed companies in June 2015. After taking into due consideration the gist of this code, the Company is working to further enhance its corporate governance in the aim of ensuring sustainable growth and enhancing corporate value over the medium to long term.

As one such measure, in June 2015 we increased our number of external directors from one to two to strengthen the management supervisory function.

In the following interviews with Akiyoshi Watanabe and Ritsuko Kikukawa, we ask the two external directors about their impressions of Kyushu Electric and the roles they themselves wish to play.



Akiyoshi Watanabe
External Director

My Impressions of Kyushu Electric

I have served as external director for six years. My impressions are that Kyushu Electric is deeply devoted to its mission of providing stable and high-quality electricity to its customers. As a leading company in the Kyushu region, Kyushu Electric also contributes proactively to economic and outreach organizations, invests its money and the time of its employees in volunteer activities, and is a major contributor to the local community.

At the same time, because the Company is managed from a long-term perspective under the so-called fully distributed cost method, whereby selling prices (electricity rates) are determined so as to generate a certain amount of profit over costs, it seems to me that the awareness of management efficiency, productivity enhancement and cost improvement initiatives are less pervasive than they would be in a private-sector company. Also, the Company is relatively impervious to economic, social and other changes in the external environment.

The Role I Wish to Play

Since the Great East Japan Earthquake occurred on March 11, 2011, Kyushu Electric's operating environment has changed dramatically. Due the suspension of operations at nuclear power stations, the supply and demand situation has been problematic, and the Company has been in crisis, generating consecutive losses for the past four years. In these few years, the Company's employees all have clinched their teeth and undergone structural reforms to overcome the crisis. During this time, I have seen the Company transform itself into a stronger entity with a will to survive into the future, even formulating the Kyushu Electric Power Group Medium-Term Management Policy, which states the goal of "aiming to become a corporate group that provides Japan's best energy services." As an external director, I aim to make use of my experience at an automaker to realize this policy. In addition to the Board of Directors, I participate in meetings of the Corporate Management Committee and management workshops, where I aim to be proactive and forthright in expressing my opinions. With competition growing more heated, the question will arise of how to put in place measures that truly adopt the customer's perspective. I hope to offer diverse advice from this important viewpoint, and intend to do my best to help the Company survive and continue to grow.



Ritsuko Kikukawa
External Director

My Impressions of Kyushu Electric

As soon as I was appointed external director, I toured the Genkai Nuclear Power Station and the Matsuura Power Station, which struck me as being clean and refreshing places. With the Japanese electric power industry getting ready to recommence operations of its nuclear power stations and next year's full-scale liberalization of the retail power sector, I think we are the cusp of some major changes. In this environment, I have the sense that morale is high across the Company, from young employees all the way to the general managers of power stations. At a management workshop the other day, we were exchanging opinions about management strategy going forward. I was struck by shared recognition among everyone from site workers to top management that the Company is in a state of reform.

The Role I Wish to Play

After working in government positions with Fukuoka Prefecture and then later at the national level, I was involved in university management at Kyushu University and the Open University of Japan. During that period, I gave birth and raised children while being employed full time. I have to thank the woman who was working as an engineer at Kyushu Electric for letting me read an in-house document called "A career plan for female employees in electric power distribution." I thought the report did a good job of summarizing the situation of balancing work and home life and seeing from a woman's viewpoint how to improve working efficiency, without exaggerations or omissions. It recognized the fundamental capabilities of female employees. Female employees are still in a minority, and I believe that cultivating human resource diversity while taking life events into consideration contributes both to an employee's motivation and a company's performance. As an external director at Kyushu Electric, I also attend Corporate Management Committee meetings. From the perspective of a woman and a consumer, I intend to be frank in opinion exchanges, and I hope to help the Company realize its mission, to "enlighten our future."