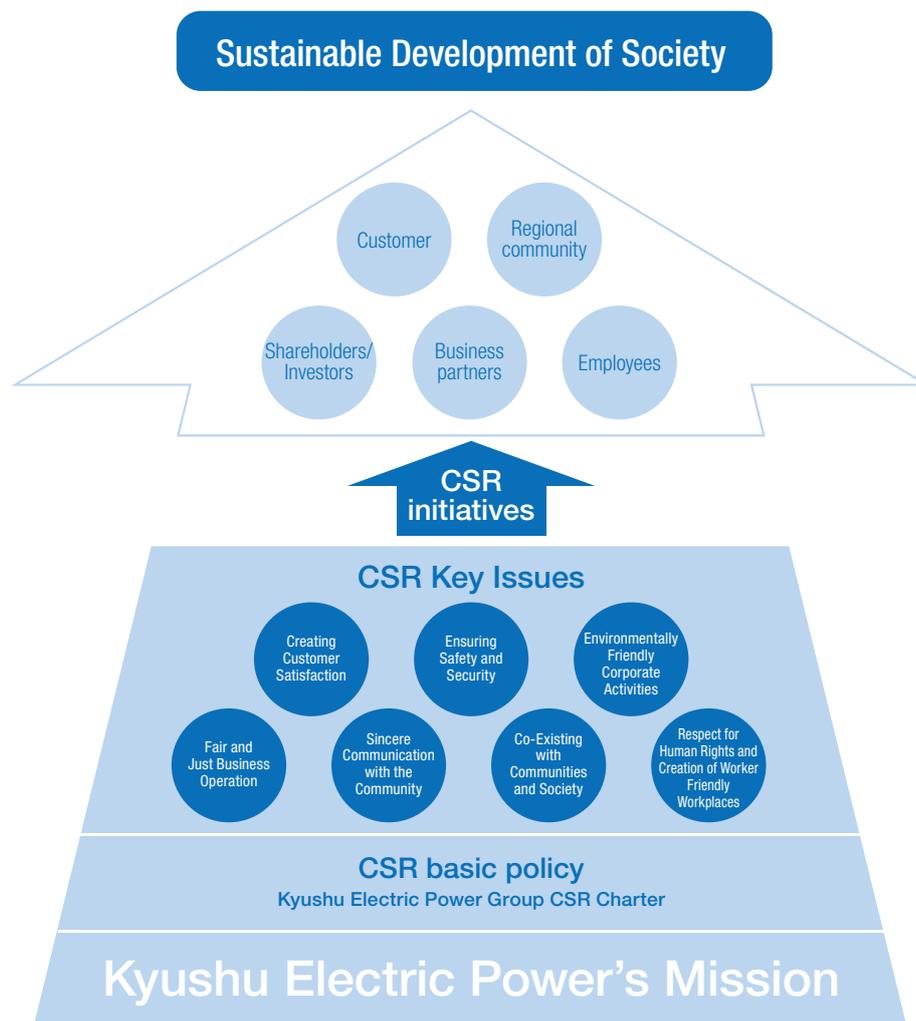


The Kyushu Electric Power Group's CSR Promotion System

Based on the Kyushu Electric Power Group's Mission, we deliver energy to customers after going from fuel procurement to power generation and transmission and distribution while carrying out business to respond to customers' diverse energy needs.

The base of those business activities is not only a consideration for society, but also an aim to develop together with stakeholders by meeting expectations and responding to requirements and promoting CSR initiatives that contribute to resolving issues faced by the community and society.



CSR Management

We are building a CSR management cycle that reflects feedback from shareholders and investors, in our management and business operations.

CSR Promotion Committee:

Our CSR promotion efforts include bolstering our CSR initiatives through the appointment of a director to oversee our CSR management structure and the establishment of the CSR Promotion Committee, which is chaired by the president and formulates our CSR Action Plan to advance CSR.

Group CSR Promotion Subcommittee:

We established this body to foster groupwide CSR efforts and implement plan-do-check-act (PDCA) initiatives for our CSR action plans.

Creating Customer Satisfaction

We provide valuable products and services that meet customer needs and address their issues.

Major Risk Scenario

If we do not quickly and accurately address customer needs and issues in a competitive environment, it could result in a decrease in the electricity sales volume and have an impact on financial performance.

Main Initiatives in Fiscal 2016

- Restoring power rapidly after outages in major disasters
- Providing energy services based on customer needs and issues
- Developing electrical power businesses outside Kyushu
- Incorporating customer feedback in business operations

Approx. **12,000** comments

Customer Feedback in Business Operations

We received approximately 12,000 items of feedback from customers in fiscal 2015 through daily business activities, dialogue with customers and other interactions.

Examples of Specific Initiatives

Restoring power rapidly after outages in major disasters

Responding to the 2016 Kumamoto Earthquake

In the 2016 Kumamoto Earthquake, up to 480,000 households were without electricity. Kyushu Electric Power worked as one to restore power and with the help of other power companies, we had returned power to high-voltage distribution lines within four days of the earthquake, except in areas where restoration proved exceedingly difficult due to landslides, road damage or other such obstacles.

Kyushu Electric Power will continue to stably supply power without interruption to support the lives of customers and further facilitate corporate economic activity.



▲ Temporary transmission tower wiring work



▲ Restoration work on distribution lines

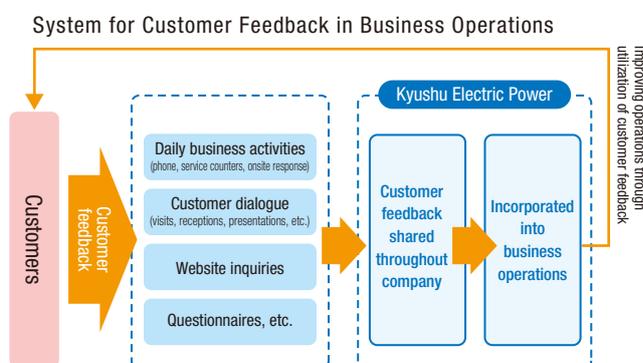


▲ Power supplied by mobile generators

Incorporating customer feedback in business operations

Kyushu Electric Power disseminates feedback from customers to management and throughout the company and incorporates it into business operations.

We will continue to faithfully take in feedback from customers and strive to rapidly respond to customer requirements.



For information on new rate plans, new services and retail power sales outside of the Kyushu region, refer to Feature 1 Full Liberalization of Retail Power Sales (See pages 24-27)

Ensuring Safety and Security

We will rigorously implement safety measures for facilities, ensure the safety of workers and conduct business activities with safety and security as the highest priority.

Major Risk Scenario

Depending on the response to new regulatory standards and the outcome of lawsuits related to nuclear power, and other factors, there could be an impact on our financial performance if nuclear power stations remain shut down for the long term or capital investment increases, among other possibilities.

Main Initiatives in Fiscal 2016

- Ensuring the safety of nuclear power stations
- Initiatives to ensure the safety of customers
- Initiatives to ensure the security of facilities
- Initiatives for occupational safety and health

520 gal. / 620 gal.

Standard Seismic Motion for Sendai Nuclear Power Station

The buildings and facilities of Sendai Nuclear Power Station have been designed to withstand standard seismic motion (540 gal*1 / 620 gal*2), which is based on the largest earthquake that could conceivably occur as determined by surveys of fault lines in the vicinity and information on past earthquakes. The station will automatically stop in the event of seismic motion of 160 gal or higher.

*1 Seismic movement that could conceivably occur along active fault lines in the power station's vicinity

*2 Past seismic movement that is difficult to attribute to the epicenter and active fault lines

Examples of Specific Initiatives

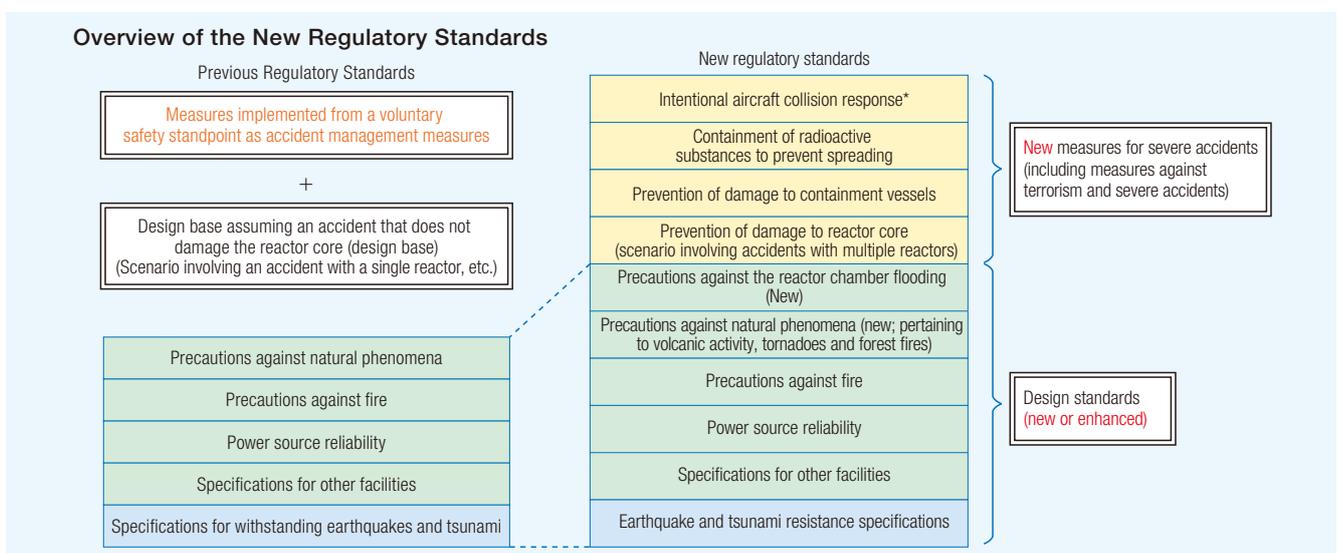
■ Initiatives to further raise the safety and reliability of nuclear power stations

Kyushu Electric Power is absolutely determined to never allow an accident to occur like the one that occurred at Fukushima Daiichi Nuclear Power Station. Based on the national government's new regulatory standards, we are further strengthening measures to prevent major accidents and respond appropriately in the event an accident does occur as we make every effort possible to ensure the

safety of our nuclear power stations.

Furthermore, we are fully aware that there is no end to initiatives for improving safety and so will willingly and continually work to raise levels of safety and reliability while striving to earn the confidence and trust of local residents.

Overview of the Nuclear Regulation Authority's New Regulatory Standards



[Prepared from materials announced on July 3, 2013 by the Nuclear Regulation Authority]

*A five-year grace period, calculated from the approval date for projects related to conformance with the new standards, has been set as an interim measure for facilities to address specific large-scale disasters (measures for restricting abnormal emissions of radioactive materials caused by a large aircraft collision or other act of terrorism) until conformance is achieved.

Overview of Safety Measures at Nuclear Power Plants

We are working to conform to the new regulatory standards set by the national government and are implementing a range of safety measures to further raise safety and reliability.

Main Measures at Sendai Nuclear Power Station

1 Prevent abnormalities from occurring

Protect facilities from natural disasters such as earthquakes, tsunami and tornados



Barrier wall for seawater pump area



Metal netting to protect outdoor tanks from tornados

2 Prevent abnormalities from spreading

Prepare for the loss of external power



Large-capacity air-cooled generator

Protect facilities from internal water leaks



Watertight door

3 Prevent fuel damage Add various means of cooling reactor fuel



Large-volume pump truck



Portable injection pump



Permanently powered injection pump

4 Prevent damage to containment vessels

Reduce hydrogen concentration in containment vessels to prevent damage to the vessels caused by a hydrogen explosion



Static catalyst hydrogen recoupling device



Electrical hydrogen igniter

5 Reduce the spread of radioactive substances

Spray water on damaged areas of containment vessels



Water-spraying drill using a water cannon

Prevent the spread of radioactive substances into the ocean



Drill involving the establishment of a silt fence (in-sea curtain)

6 Protect people in the region from radioactive substances

Kyushu Electric Power conducts internal drills, participates in nuclear emergency preparedness drills sponsored by national and local governments, confirms that nuclear emergency preparedness organizations function effectively and works to enhance disaster preparedness measures to ensure the safety of everyone in the region should an accident occur.

In addition, as a company, we will provide maximum support for the evacuation of residents and other needed measures.

Main Initiatives for Nuclear Emergency Preparedness

- Secure any needed welfare vehicles, buses and drivers as a means of evacuating people in the PAZ* zone who require support
- Provide personnel and supplies for testing, decontamination and emergency monitoring in the evacuated area
- Stockpile daily commodities and other items (non-perishable food, electronic products, miscellaneous items) and supply them to facilities that protect people from radioactive substances
- Supply fuel to monitoring posts, offsite centers and facilities that protect people from radioactive substances

*The area within about five kilometers of a nuclear power station

Environmentally Friendly Business

We are advancing with initiatives toward the preservation of the environment, and co-existence with it.

Major Risk Scenario

It is the responsibility of companies with substantial emissions of greenhouse gases to take measures to reduce them, and if these measures are delayed, it may erode the confidence of the public in the Group, increase environmental costs, such as CO₂ credits, and have an impact on financial performance.

Main Initiatives in Fiscal 2016

- Environmental initiatives
- Helping create a recycling oriented society
- Environmental protection
- Harmonizing with society
- Pursuing environmental management

0.528kg-CO₂/kWh [provisional value]

CO₂ Emissions per kWh of Electricity Sold

Since the Great East Japan Earthquake operation of nuclear power stations has continued to be halted and there has been an increase in coal-fired power generation used as an alternative, which has increased both CO₂ emissions and CO₂ emissions per kWh of electricity.

In fiscal 2015, CO₂ emissions per unit of electricity sales volume decreased by 0.528 kg-CO₂/kWh, or 11.7%, compared to fiscal 2014 due to recommencing operations at Sendai Nuclear Power Plant Units 1 and 2.

Examples of Specific Initiatives

Kyushu Electric Power Group Environment Charter

The Kyushu Electric Power Group Environmental Charter has been established as a set of guidelines for integrated environmental management by the Group. We have established a framework that

ties directly to management, created an evaluation body of external experts and are steadily advancing environmental management.

Main Environmental Targets and Achievements

	Item	Unit	Fiscal 2015 target	Fiscal 2015 results	Fiscal 2016 target
Environmental initiatives	CO ₂ Emissions per kWh of Electricity Sales volume	kg-CO ₂ /kWh	— ^{*1}	0.528	Maximum possible reduction ^{*5}
	Total thermal efficiency for thermal power stations on transmission end (higher heating value basis)	%	— ^{*2}	39.6	— ^{*2}
	Office power usage	Million kW	55 or less	54	54 or less
Efforts to Create a Recycling Society	Industrial waste recycling rate	%	99 or more	About 100	99 or more
	Paper recycling rate	%	100	100	100
	Green procurement rate	%	Maximum possible procurement ^{*3}	99	Maximum possible procurement ^{*3}
Environmental protection	SOx emissions per unit of thermal power generation	g/kWh	Maximum possible reduction ^{*4}	0.29	Maximum possible reduction ^{*4}
	NOx emissions per unit of thermal power generation	g/kWh	Maximum possible reduction ^{*4}	0.24	Maximum possible reduction ^{*4}
	Dose evaluation for the public ground the nuclear power station (per year)	milli sieverts	under 0.001	under 0.001	under 0.001

^{*1} Was decided as a matter to be considered going forward based on developments in the government's energy and environmental policies and at the FEPC, etc.

^{*2} Revisions, etc. to nuclear power in supply plans are unclear, so setting this target has been postponed.

^{*3} A qualitative target has been set based on the fact that activities are nearly fully established, and other factors.

^{*4} A qualitative target has been set because it fluctuates greatly depending on the usage rate of oil-fired thermal power stations.

^{*5} Maximum effort will be made to achieve the target set for all electricity providers (approx. 0.37 kg-CO₂/kWh on the usage end in fiscal 2030).

Environmental initiatives

Raising the Thermal Efficiency of Thermal Power Stations

To secure fuel in a stable manner over the long term, we are working to diversify fuels, and this includes liquefied natural gas

(LNG) and coal, and to maintain or improve overall thermal efficiency based on fuel amounts consumed and CO₂ emissions reduction.

 For more information on raising the thermal efficiency of thermal power stations, please see Feature 2 Initiatives to Strengthen Competitiveness of Power Sources (See pages 28 to 29)

Developing Geothermal Power Stations

Kyushu Electric Power owns around 40% of the nation's geothermal power facilities by capacity, including Hatchoubaru Geothermal Power Station, one of Japan's largest, and has been involved in their development over many years. We conduct surveys not only in Kyushu but in various regions inside and outside Japan thought to be promising in terms of resource availability, comprehensively consider technological factors, economic feasibility, the site environment and other factors, and conduct development while working to maintain harmony with the local area.

In June 2015, operations commenced at the Sugawara Binary Cycle Power Station (5,000 kW), a geothermal power project in Kokonoe, Oita Prefecture involving collaboration with the local government and a private enterprise, which is a first for Japan. The town of Kokonoe provides the geothermal resources (steam and heated water), and Kyuden Mirai Energy utilizes them to generate power.

The Otake Power Station, also in Kokonoe, Oita Prefecture, commenced operations in 1967 as Japan's first geothermal power station for commercial use, but it has aged considerably, so upgrades are being planned to its power generation facilities. The upgrades are slated for completion in December 2020.

We are also engaged in a new geothermal development project and are drilling test wells to confirm geothermal resources in the northern Mt. Hiji region near Taketa, Yufushi and Kokonoe, Oita Prefecture. In addition, at Minami-aso, Kumamoto Prefecture, we are conducting a geothermal resource survey jointly with Mitsubishi Corporation and are planning test well drilling based on the results. Further, in Ibusuki, Kagoshima Prefecture, we are partnering with the city of Ibusuki and Seika Sports Center and considering the development of geothermal resources within the city limits.

Moreover, outside of Kyushu, in Sobetsu, Hokkaido, we have partnered with Hokkaido Electric Power and are helping the town of Sobetsu survey geothermal resources and plan to move forward with considerations related to their development.

Test Project to Improve the Supply-Demand Balance for Large-Capacity Electricity Storage Systems

Kyushu Electric Power is working to accept as much renewable energy as possible on the condition of stable power supply. As one such initiative, we have been contracted by the government to conduct a test project to improve the supply-demand balance for large-capacity electricity storage systems and have commenced operations at the Buzen Storage Battery Substation, equipped with one of the world's largest high-capacity electricity storage systems.

▼ Facility Overview

Facility Name	Functions / Specifications
NAS storage batteries*	Output: 50,000 kW (capacity: 300,000 kWh)
Power conditioner (PCS)	AC-DC converter
Transformers for interconnection	Raise voltage from 6 kV to 66 kV (2 units of 30,000 kVA capacity)

*Sodium-sulfur battery



Sugawara Binary Cycle Power Station

▼ Geothermal Power (as of May 2016) (kW)

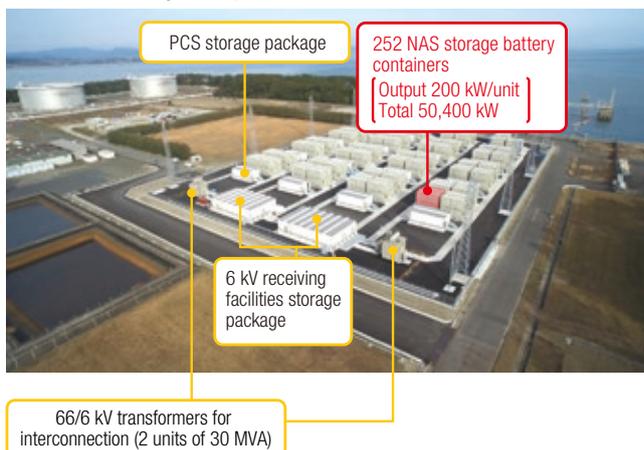
		Output
Existing Facilities (approx. 213,000)	Oyama	12,500
	Hatchoubaru	110,000
	Yamagawa	25,960
	Ogiri	30,000
	Takigami	27,500
	Hatchoubaru Binary	2,000
	Sugawara Binary ^{*1}	5,000
Planned	Otake ^{*2}	+2,000

*1 Developed by Group companies

*2 2,000 kW of capacity will be added with upgrades to power facilities at Otake Power Station.

Going forward, we plan to actually charge and discharge the storage batteries depending on solar power output and utilize them to improve the supply-and-demand balance while also conducting demonstration testing and other studies on efficient operating methods for large-capacity electricity storage systems (conducted from fiscal 2015 to fiscal 2016).

View of Buzen Storage Battery Substation



Fair and Just Business Operation

We conduct business operations in a fair and just manner with individual employees possessing a strong awareness of compliance.

Major Risk Scenario

If company information or personal information is divulged as a result of a non-compliant action or cyber attack, etc., it could diminish the public's confidence in the Group and have a negative impact on financial performance.

Main Initiatives in Fiscal 2016

- Promoting Compliance Management
- Initiatives to raise compliance awareness
- Rigorous practice of fair business operations
- Rigorous information security and personal information protection and management

11,428 employees

Compliance Training

Kyushu Electric holds training for different levels and ranks, including new employee training and new manager training, and these programs include curriculum to provide the compliance knowledge needed by each age group and rank. In addition, training is conducted at each worksite in which participants independently consider ways of preventing compliance violations, through group discussions on typical examples that could potentially occur at the Company and other exercises, and connect these considerations into their day-to-day activities.

In fiscal 2015, 11,428 employees underwent compliance training.

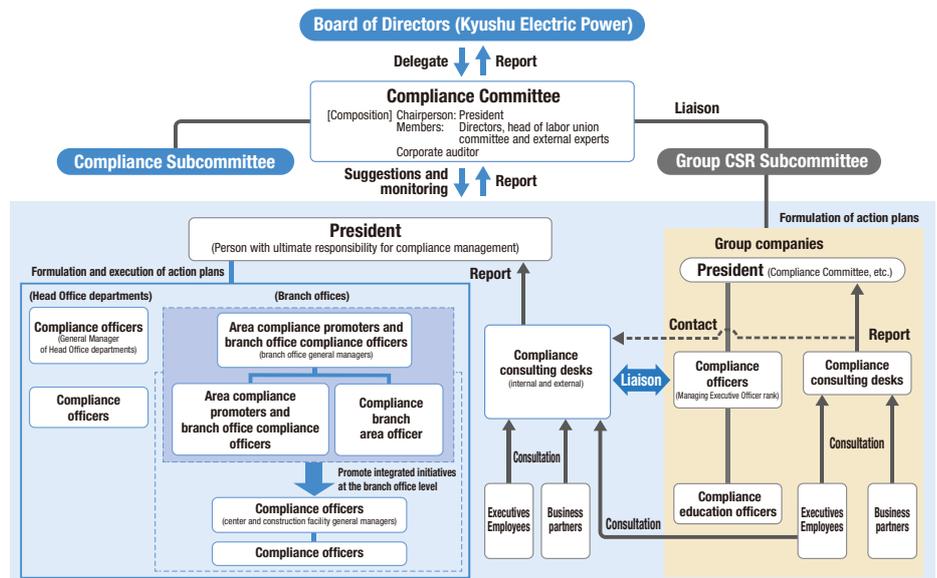
Examples of Specific Initiatives

Promoting Compliance Management

Kyushu Electric Power has established a Compliance Committee chaired by the president which promotes CSR management. Under the Compliance Committee there are implementation bodies led by compliance officers. The Compliance Committee formulates and executes policies, and has established structures which include internal and external consultation desks, and promotes compliance management.

In fiscal 2015, general managers of branch offices were designated as area compliance promoters, as efforts were made to further strengthen systems for promoting integrated initiatives at the branch office level.

Integrated initiatives at the Group level are also being promoted, led by the Group CSR Subcommittee.



Information Security Measures

We implement information security measures from organizational, human, physical and technological standpoints and are currently further strengthening these measures through an initiative led by the Cyber Security Office, which was established in April 2016.

Guidance and technical support for enhancing information security measures is also provided to Group companies, and going forward we will continue to enhance and augment information security for the Group as a whole.

Sincere Communication with the Community

We disclose information in a timely manner and actively advance communication with communities.

Major Risk Scenario

If communication with customers or people in the community is inadequate, it could prevent us from obtaining understanding for company projects and thus delay business activities, which could have an impact on financial performance.

If communication with shareholders and investors is adequate, it could diminish trust and have an impact on the ability of capital markets to make appropriate evaluations.

Main Initiatives in Fiscal 2016

- Public relations activities
- Information disclosure and dissemination during power outages
- Disclosure and dissemination of nuclear power related information and communication activities
- IR activities based on shareholder and investor needs

Total of **180,000** customers

Promotion of Dialogue with Customers

Kyushu Electric Power promotes face-to-face communication activities utilizing various opportunities to listen to the opinions and requests of customers and convey information on the Company's business activities.

To further promote these activities we are actively conducting initiatives that include forming dialogue promotion teams.

Dialogue was held with 180,000 customers in fiscal 2015.

Examples of Specific Initiatives

Public Relations Activities

Basic Stance on Information Disclosure

We have established the Kyushu Electric Power Approach to Information Disclosure, which expresses our basic stance on information disclosure to raise the transparency of business activities and earn the understanding and trust of customers, local communities and the general public.

Based on this approach, we actively disclose and disseminate information on management, issues at power stations, safety measures at nuclear power stations, corporate PR and other information on overall business activities through various media that include press conferences, websites, pamphlets and flyers.

Kyushu Electric Power Approach to Information Disclosure

1. Actively disclose information to customers.
2. Work to quickly disclose accurate, straightforward information from the customer's standpoint.
3. Determine the information customers need at every possible opportunity.
4. Constantly conduct self-inspections to prevent discrepancies in awareness and recognition between ourselves and customers.

Established April 1999; revised July 2011

Disclosure Initiatives Related to Restarting Operations at Sendai Nuclear Power Station

Operations have been restarted at Sendai Nuclear Power Station. It is the first nuclear power station in Japan to restart operations since enactment of new regulatory standards based on the accident that occurred at Fukushima Daiichi Nuclear Power Station. Given the public's extremely high level of interest in the restart process, we strengthened our public relations systems for reinforcing information disclosure by establishing a temporary press room within the power station's administrative office and through other measures.

We worked to regularly disseminate information on the station's operating status and quickly disclose information on any problems or issues.



Disclosing information in the temporary press room on restart of station operations (Construction Arrangement office at Sendai Nuclear Power Station)

Co-Existing with Communities and Society

Kyushu Electric Power contributes to resolving community and social issues through environmental activities, support for raising future generations and activities deeply rooted in the community.

Basic Policy on Activities for Co-Existence with Communities and Society

As a good corporate citizen, Kyushu Electric Power actively promotes activities for co-existing with communities and society with a view to realizing pleasant and enriching communities and society and contributing to their sustained development.

Main Initiatives in Fiscal 2016

- Environmental activities
- Activities to support the development of the next generation
- Regional economic promotion
- Volunteer activities

Total of **60,000** employees

Employees' Community Co-Existence Activity Reports

To contribute to solutions to community and societal issues, 60,000 employees participated in volunteer activities in fiscal 2015.

Kyushu Electric Power is creating an environment where employees are able to actively participate in volunteer activities, including a volunteer leave program (seven days annually), support for activity costs, and information provided via internal bulletin boards and other means.

Examples of Specific Initiatives

Initiatives to Further Enhance Activities for Co-Existence with Communities and Society

Establishment of Kyuden Mirai Foundation for Enhancement of Environmental Activities and Activities to Support Raising Future Generations

Kyuden Mirai Foundation was established in May 2016 to meet the expectations of community members and further enhance activities for contributing to solutions to community issues by conducting environmental activities and activities to support raising future generations.

The foundation will enhance environmental protection activities in the Bogatsuru wetlands in Oita Prefecture, which have been conducted together with community members, and our environmental education program that utilizes watershed forestland,

and will also provide grants for activities to support the development of future generations that are conducted by local organizations.

Activities

- ◎ **Environmental activities**
 - Environmental preservation activities at the Bogatsuru wetlands (Taketa, Oita Prefecture)
 - Environmental education activities at Lake Yamashita (Yufu, Oita Prefecture)
- ◎ **Activities to support the development of the next generation**
 - Grants for activities such as support for children's education and support for childcare conducted by local organizations

Volunteer activities with local communities around Kyushu

Kyushu Electric has carried out the Korabora Q-den volunteer activity in regions around Kyushu since 2014 with the collaboration of NPOs and local residents.

In fiscal 2015, we conducted the activity 28 times with 20 organizations throughout Kyushu and approximately 1,600 people participated. Going forward, we will continue to work together with even more local community members to help solve issues faced by the region.

Name and Logo



Korabora is formed from the Japanese renderings of the words "collaboration" and "volunteer." Its logo expresses, from left, the "C" in collaboration, "V" in volunteer, and "Q" in the pronunciation of Kyushu Electric Power to create two smiling faces that symbolize friendliness, the warmth of feeling in volunteering and, the connection with local community members.



Cleaning a Saga Castle wall (Saga Prefecture)

Respect for Human Rights and Creation of Worker Friendly Workplaces

We respect human rights and strive to create workplace environments that enable diverse human resources to maximize their talents.

Empowering Workplaces for Diverse Human Resources

We will promote the development of workplace environments that enable all human resources, including women and senior citizens, to fully exhibit their abilities without prejudice.

Main Initiatives in Fiscal 2016

- Respect human rights
- Create energetic, worker-friendly workplaces
- Create conditions that empower diverse human resources
- Enhance employee skills and maintain and pass down technological capabilities

Ratio of Female Employees Recruited **24.8%**

Hiring Women and Promoting Women to Managerial Positions

Kyushu Electric Power will work to raise corporate value through the empowerment of diverse human resources.

We have formulated an action plan for female empowerment based on the Women's Workplace Participation Promotion Act³ and are creating an environment that enables women to fully demonstrate their abilities. We are aiming to double the number of new promotions of women to management positions by fiscal 2018 (fiscal 2014 to fiscal 2018) compared to the past five years (fiscal 2009 to fiscal 2013).

* Act of Promotion of Women's Participation and Advancement in the Workplace (Enacted September 2015)

Examples of Specific Initiatives

■ Create conditions that empower diverse human resources

Initiatives to Promote Women's Empowerment

We will conduct leadership development training for female employees as a new initiative to promote women's participation and advancement, and will institute a re-employment program for employees (men and women) who have to resign due to marriage, childcare, spousal transfer or other reason.

We will also develop various other conditions that empower women at the workplace.

Enhancing the Employment Environment for Seniors

Employees age 60 and above are seen as valuable human resources with extensive experience and advanced knowledge and skills, and in fiscal 2015 we worked to further enhance our re-employment program by instituting the career employee program as a system for more fully utilizing motivated senior employees.

In addition, we are conducting broad-ranging support for senior employees through a career bank program in which work assignments are made based on the wishes of retiring employees, as well as through a re-employment support course and transfer preparation leave program to support work by seniors outside the Company.

Going forward, we will continue to consider measures to enhance senior employment, including expanding the scope of activities, and conduct initiatives for raising employment awareness.

Main Initiatives for Next 3 Years (FY2016-18)

- **Conduct work assignments, transfers and job assignments from a long-term, career development perspective**
 - Planned development, transfers and job assignments that take into account marriage, maternity, etc.
 - Support for women in management positions with subordinates (hold seminars, etc.)
- **Further enhance conditions that allow women to continue working after marriage or while raising children**
 - Institute e-learning (including for employees taking childcare leave)
 - Institute re-employment program for employees who have to resign due to marriage or childcare, etc.
- **Hold career-building seminars for female employees based on their career stage**
 - Young: Hold dialogue with Human Resource Activation Center activation division
 - Mid-Career: Establish new female leadership training course
 - Raising Children: Hold seminars on work-life balance support
- **Provide information such as role model profiles on a dedicated internal site**

Initiatives for raising employment awareness

Career design training

Target: Employees aged 55
Objective: Create opportunities for becoming more concretely aware of one's own future, enhancing one's future work life and thinking about post-retirement paths.

Training prior to career employee employment

Target: Employees aged 59 (employees wishing to utilize the program)
Objective: Become prepared, mentally and otherwise, to change one's awareness with the change in role that comes with being a career employee and to willingly work in harmony with regular, pre-retirement employees.