The Kansai Electric Power Co., Inc. Annual Report 2001 **Business Focus: Marketing Strategies**

Pursuing marketing strategies focused on the needs of every customer

Kansai EP is cultivating higher levels of customer satisfaction through attractive pricing systems and energy solutions tailored to specific needs.





Dynamic Pricing Strategy

To secure a competitive edge within the liberalizing power industry, Kansai EP is carrying out a dynamically aggressive pricing strategy. At the core of the strategy is our development of a full menu of rate options targeting specific customer segments, based on exhaustive market research.

For customers already affected by industry liberalization, we provide a selection of rate schedules tailor-made to their specific needs and energy usage patterns. In a quest for new customers, we also offer special discount options applicable to new or expanded demand requirements.

For customers still affected by industry regulation, in October 2000 we implemented rate reductions averaging 4.2%. We also aggressively developed new rate options specifically targeted at applications marked by competition among energy sources, and in 2000 we took the lead among power providers nationwide in launching a succession of these rate options. One example is our "Hap-E (Happy) Plan" offering discounted rates to household customers who rely entirely on electric power to meet all their energy needs; the program has resulted in a dramatic increase in totally electric homes.

Under the foregoing pricing strategy centered on the development of dynamic rate schedules, Kansai EP is actively working to enhance customer satisfaction and convenience.

Transformation to Energy Solutions Provider

In addition to fortifying its rate menu development initiatives, Kansai EP is currently transforming itself from a utility company to an energy solutions provider, in an effort to

O The Kansai Electric Power Co., Inc. Annual Report 2001

boost customer satisfaction even further by offering them a host of value-added services.

Toward that end, the Company is presently reengineering its business operations at all levels and taking aggressive measures including changes to its organizational structure. In order to fully apply our technical skills, accumulated through long years of experience in the electricity business, to address the needs of our customers, we are reassigning our engineering staff with superlative technical backgrounds and rich experience to assume the leading role in solutions provision.

Solutions are carefully devised to match the specific needs of each customer segment. For large-volume customers, for example, we capitalize on the comprehensive capabilities of our Group companies to provide optimum solutions across a broad spectrum. Solutions center on energy-related services, including gas sales, but also touch upon the environment, information technology and business support. With individual customers in mind, in July 2000 we established a new company to provide lifestyle solutions focused on the merits of totally electric homes, in terms of safety, comfort, economy and convenience. Since its founding, the new firm, known as Kanden E-House Co., Ltd., has seen rapid expansion of its business activities.

Customer Service Enhancement through Advanced IT

In July 2000 we completed the launch of "one-stop" customer services at all of our sales offices. The one-stop system utilizes state-ofthe-art information technology interfacing to enhance our management efficiency and the customer's satisfaction, by enabling us to respond more precisely and far more swiftly to customer inquiries and service requests. Already the system is making a major contribution to raising the level of satisfaction among our customers.