

Preserving and protecting the environment as a responsive and responsible global citizen

Commitment to Environmental Management

At Kansai EP environmental management has long been accorded the full-time, full-fledged commitment which this crucially influential aspect of our operations — touching on the very health and lives of our customers, our nation and our planet — deserves. Reduction of CO₂ and other greenhouse gas emissions that are causing irreparable damage to our global environment is at the top of our list of priorities. However, achieving that aim requires aggressive and unwavering commitments on both the supply and demand sides.

Here on the supply side, we are aggressively promoting the adoption of nuclear power generation, a technology that produces no CO₂, and enhancing the thermal efficiency of our fossil-fuel generating facilities. We are also fortifying our commitment to the development of new power-generating systems based on wind and solar energy, particularly in response to the enactment in April 2003 of the RPS (Renewable Portfolio Standard) Law. The new legislation delineates special measures concerning the utilization of new energies by Japan's electricity providers. Going forward we pledge to work to promote expanded adoption of the newly developed systems.

Targeting the demand side, we are pushing for widespread adoption of "Eco Ice," our innovative thermal-storage system that utilizes power generated during nighttime hours, when nuclear power dependency is high and CO₂ emissions are low. We are also actively promoting "Eco Cute," our newly launched electric



Mangrove research

heat-pump water heaters that use a natural refrigerant (CO₂).

These and a broad array of other initiatives are already yielding tangible, positive results. In fiscal 2003 Kansai EP's CO₂ emissions were down by roughly 5.8 million tons from the level of fiscal 1991, despite a dramatic increase in power generation volume during that interim. Also, our emission level per unit of generated electricity is lower than in most major Western countries.

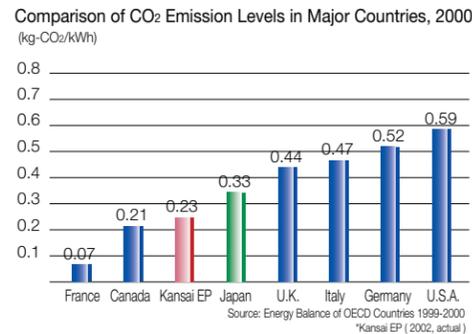
Beyond National Borders

In recognition of the global scale of the CO₂ emissions issue, Kansai EP takes its aggressive stance on environmental protection beyond domestic limits. We proactively participate in a host of projects focused on curbing CO₂ worldwide, including a research project on mangrove afforestation technologies for application in Thailand and environmental tree planting to prevent salinity problems in West Australia. We are also participating in an investment fund created to promote energy conservation and reduce harmful emissions in the nations of eastern Europe.

Contributions toward a World of Renewable Resources

Kansai EP is also seriously committed to contribute toward the eventual elimination of all waste materials that today require landfill disposal. In a quest to achieve business activities matching the demands of a world of ecologically harmonic renewable resources, the Company pursues the "3 Rs" for dealing with industrial and other wastes: reduce, reuse and recycle.

As an example, already we recycle 100 per



Wind-power generation equipment supported by the Kansai Green Power Fund (Taiko-yama, Kyoto)



Nanko Thermal Plant

Kansai EP is a dynamic creator of and dedicated contributor to initiatives to safeguard the Earth's natural environment for future generations.

cent of the heavy/crude oil ash and desulfurized gypsum generated by our fossil-fuel-burning generating facilities as well as all of the low-voltage power line and concrete poles used in our power distribution grids. We are also retooling our purchasing practices to accord highest priority to products that offer high environmental compatibility. To illustrate, from fiscal 2003 we began meeting our full requirement for wire protection conduits by procuring products manufactured from recycled materials originally discarded from our own premises.

We are equally active in recycling initiatives on a Groupwide basis. These include the creation of livestock bedding materials, fertilizers

and soil enhancers from dam driftwood; recycling of incinerated waste ash and other wastes into brick-like blocks; and recycling of styrofoam and other polystyrene products using our own unique solvents.

International Certification

In conjunction with our environmental management initiatives, we are continuously striving to enhance the quality and safety levels of our facilities and bring them in line with international standards. To date (March 2003) our efforts have enabled us to acquire ISO14001 certification for the Nanko Power Plant and 11 other operating bases.

