

KANSAI—HEARTLAND OF JAPAN

Kansai, the area served by The Kansai Electric Power Co., Inc., forms the cultural, historical, industrial and commercial core of the Japanese archipelago. From the treasured ancient capitals of Nara and Kyoto to the bustling business centers of Osaka and Kobe, Kansai is where the nation's heart began to beat—and where it continues to ring loud with dynamic growth for the 21st century.

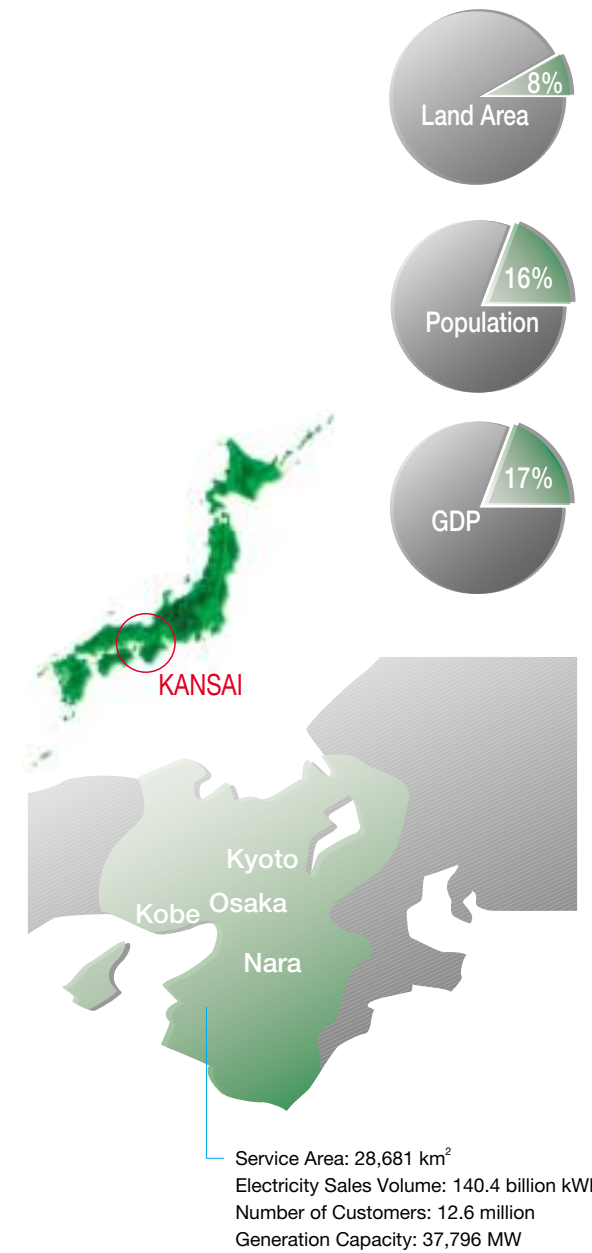
Although Kansai covers a modest 8% of Japan's land area, it accounts for a stunning 17% of the nation's gross domestic product. The region, with a population today numbering more than 20 million, has long served as Japan's economic dynamo in segments spanning from manufacturing to services. A remarkable number of the nation's leading business enterprises trace their beginnings to Kansai, and today they are aug-

mented by a host of vibrant companies marking steady growth driven by innovative technologies representing the state of their respective arts.

In January 1995 the Kansai area suffered devastating damage in what came to be known as the Great Hanshin-Awaji Earthquake. While the costs in human lives and economic loss ravaged the region and generated dire anxiety over the area's ability to recover, the undaunted spirit and determination of Kansai's citizens enabled them to squarely face the challenges the disaster placed before them. As a result, even in these times of severe economic recession the Kansai region is roaring back to its former vigor with renewed vitality and new ideas to ensure the area's bold and dynamic growth in the first century of the new millennium.

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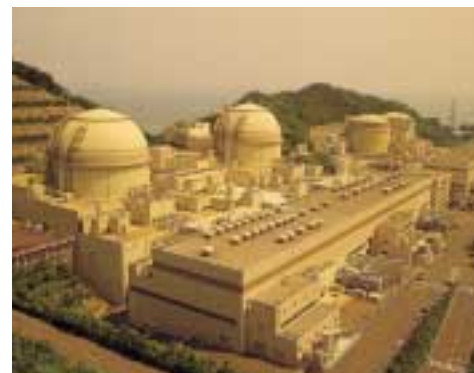
THE KANSAI ELECTRIC POWER CO., INC.

The Kansai Electric Power Co., Inc. (Kansai EP) has been serving the power needs of the Kansai area since its founding in 1951. Through half a century the company has been a total supplier in the truest sense, developing and operating its own power plants, securing diversified resources to run them, and delivering the generated power with optimum efficiency and reliability to customers throughout the region.

Geographically, Kansai EP's service area is remarkably expansive, covering nearly 29 thousand km². The company's output is equally impressive: in the fiscal year ended March 31, 2000, sales reached 140.4 billion kWh—nearly equal to the national power needs of Sweden.

One secret behind Kansai EP's ability to keep pace with Kansai's expanding power demand has been its steadfast commitment to technological development. Today, in an era of burgeoning deregulation of the

utility industry, the company is reinforcing its position in core electricity operations while simultaneously probing innovations in new growth-driving operations for tomorrow.



Ohi Nuclear Power Plant.



Kurobegawa No.4 Hydro Power Plant.



Himeji No.2 Fossil Fuel Power Plant and Himeji LNG Terminal.

Cautionary Information With Respect to Forward-Looking Statements
 Statements made in this annual report with respect to The Kansai Electric Power's plans, strategies and beliefs, and other statements that are not historical facts are forward-looking statements about the future performance of the company. These statements are based on management's assumptions and beliefs in light of the information currently available to it, and therefore involve risks and uncertainties. Potential risks and uncertainties include, without limitation, the general economic conditions and changes to laws and regulations.