

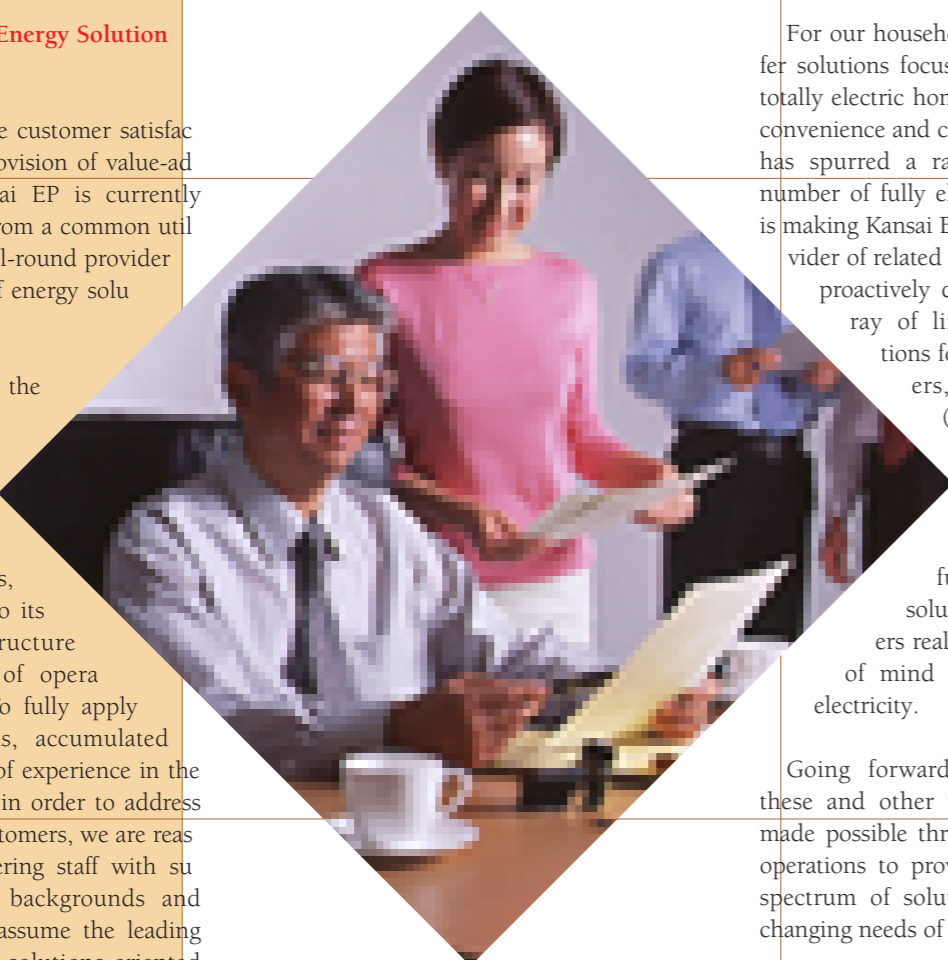
## Developing marketing strategies finely tuned to the evolving needs of the customer

### Transformation to Energy Solution Provider

In a quest to raise customer satisfaction through the provision of value-added services, Kansai EP is currently transforming itself from a common utility company to an all-round provider of a broad palette of energy solutions.

Toward that end, the Company is presently reengineering its business operations at all levels and taking a host of decisive steps, including changes to its organizational structure and enhancement of operations Groupwide. To fully apply our technical skills, accumulated through long years of experience in the electricity business, in order 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 our new solutions-oriented transformation.

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 wide spectrum. Solutions center on energy-related services, including gas sales, but also touch upon the environment, information technology and business support.



For our household customers, we offer solutions focused on the “value” of totally electric homes in terms of safety, convenience and comfort. This initiative has spurred a rapid increase in the number of fully electric dwellings, and is making Kansai EP renowned as a provider of related solutions. We are also proactively developing a total array of life-supporting operations for household customers, including FTTH (fiber-to-the-home) and home security services. The entire Kansai EP Group is pooling its full complement of solutions to help customers realize ever greater peace of mind through reliance on electricity.

Going forward, we will combine these and other value-added services made possible through our Groupwide operations to provide an ever broader spectrum of solutions attuned to the changing needs of the market.

### Dynamic Pricing Strategy

The Company is also carrying out a dynamically aggressive pricing strategy in a quest to maintain a competitive edge within the liberalizing power industry. At the core of the strategy is our development, based on exhaustive market research, of a full menu of rate options targeting specific customer segments. Kansai EP is leading the industry in introducing special rate plans not only to customers in the newly liberal



Applying the full complement of its Group resources, Kansai EP is reengineering itself into a provider of energy solutions tailored to customer needs.

ized market but also, in anticipation of further deregulation and competition, to commercial and home users in markets still regulated.

For customers in the liberalized market, we provide a selection of rate schedules tailor-made to their specific needs and energy usage patterns. We also offer special discount options applicable to new or expanded demand requirements.

For customers still affected by industry regulation, the Company has aggressively developed new rate options specifically

targeting areas in which various energy sources compete. One example is the launch of our “HAP-e (Happy) Plan” in 2000. The new program, the first of its kind from any power provider in the nation, offers 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 and adoption of electric kitchens.

### Customer Service Enhancement through Advanced IT

In a quest for greater management ef

iciency and customer satisfaction, we have launched a “one-stop customer service” system at all of our service bases. The one-stop system applies IT in interfacing to enable swift and on-the-mark responses to customer inquiries and requests, with the result that our customers are more satisfied today than ever. In 2003 we also commenced operation of a call center in the heart of Osaka incorporating the latest CTI (computer telephone integration) technology. In ways like these, we intend to continue seeking ever higher customer satisfaction ahead through active use of IT.