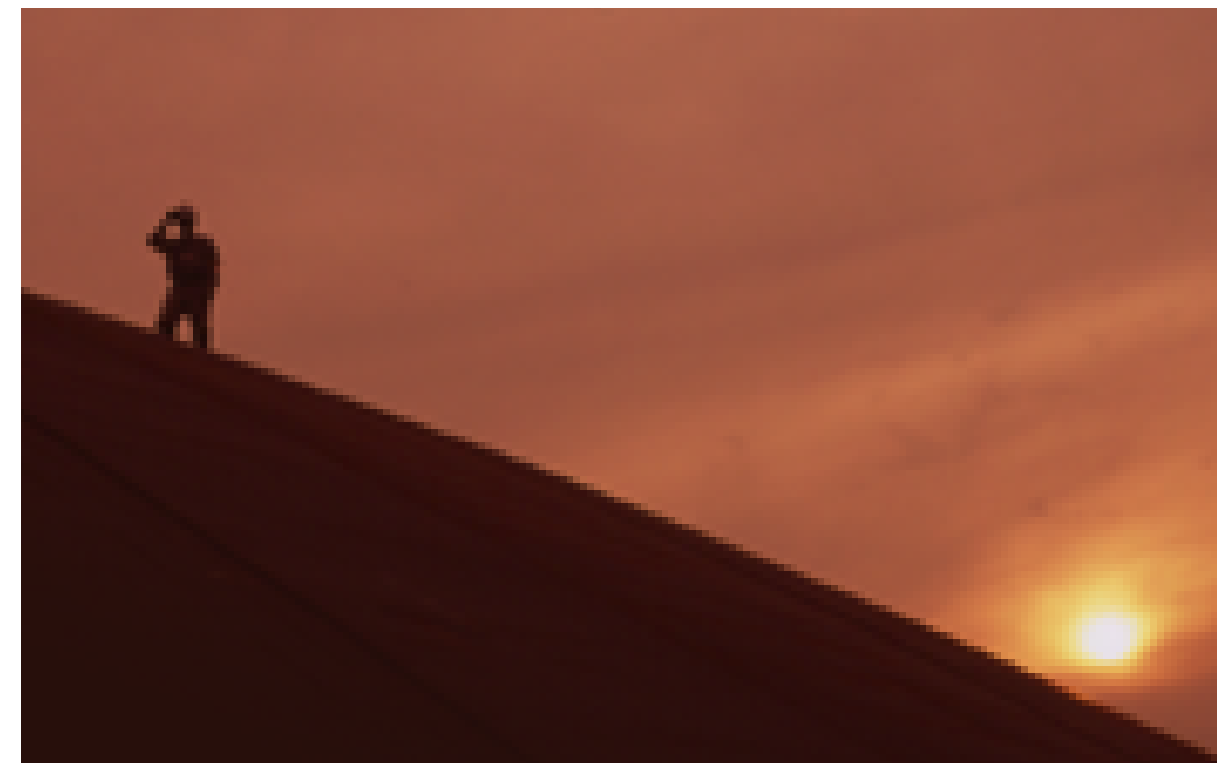




Pursuing supreme customer satisfaction as an all-around life-support industry



Kansai EP is investing its Groupwide resources into new business areas with potential to drive earnings and boost corporate and shareholder value.



Application of Groupwide Strengths

At Kansai EP we believe that in order to remain the power provider chosen by our customers, we must provide them not only with electricity but also with a panoply of services supporting both their daily living and business environments, as a way of inviting an ever higher level of customer satisfaction.

It is our firm belief that in pursuing these goals on a Groupwide basis, we will be able to furnish ever higher value to customers and induce them to choose our power and other services. In this way, we aim to elevate the earnings of all Group enterprises.

Three Core Business Domains

In line with the objectives just described, Kansai EP engages in a kaleidoscope of Groupwide business endeavors all targeted at enabling the most effective use of managerial resources. We concentrate on three strategic areas: energy solutions, life-support amenities, and information technology.

As a comprehensive energy provider, we are making steady progress in providing customers with optimal energy solutions to match their power requirements, relying

foremost on electricity but also on gas and cogeneration options as well. In fiscal 2004 we scored solid results in this respect, as illustrated by an increase in retail gas sales to 270,000 tons, and we are targeting 400,000 tons for fiscal 2005. To support this expansion in gas operations, we are presently constructing a new LNG depot.

In recent years we have also launched a wealth of new amenity-type business operations to support lifecycle-related needs. The new ventures include operations in home security, settlement services, meal services and health-management support services. In the coming years, we will continue to respond to the trust of our customers, nurtured through many years of service as a dependable electricity provider, by applying these and other new business initiatives to the creation of safe, convenient and comfortable living environments, centering on the adoption of totally electric facilities.

In the IT field, in fiscal 2004 we continued to enhance our Internet connection services capitalizing on the Company's fiber-optic network, now some 65,000 kilometers in length. As of the end of fiscal 2004 these services had attracted 260,000 subscriptions, and our target for the year in progress has been set at 380,000. In addition we are pursuing ongoing improvement



in our content distribution and application services — illustrated by program distribution integrating communications and broadcasting capabilities — as well as expansion of our user base centered on fiber-to-the-home (FTTH) technology. Our underlying goal is to make operations in these areas our second-largest earnings source after electricity.

Medium-Term Targets

Through the three strategy vectors just described, Kansai EP aims to apply its full Group resources to provide its customers with new forms of added value ahead. As the tangible outcome of that commitment, we have hoisted two targets for fiscal 2008: 1) to expand Groupwide sales by 50% to ¥250 billion and 2) to secure ¥33 billion in recurring profit.