



# Safeguarding the natural environment as a responsible global citizen



Kansai EP is Japan's first power provider to have its electricity acquire the "EcoLeaf"™ label. Under this labeling program, quantitative data on a product's environmental impact is certified and disclosed by a third party.

Kansai EP is a committed instigator of and dynamic contributor to initiatives to preserve the Earth's environment for future generations.



Mangrove research



Nanko Thermal Plant



## High Priority on 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 CO<sub>2</sub> and other green house 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 vigorously promoting the adoption of nuclear power generation, a technology that produces no CO<sub>2</sub>, 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 devote our resources all the more to the development and promotion of expanded adoption of new energy formats.

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 CO<sub>2</sub> emissions are low. We are also actively promoting "Eco Cute," our newly launched electric heat-pump water heaters that use a natural refrigerant (CO<sub>2</sub>).

These and a broad array of other initiatives are already yielding tangible, positive results. In fiscal 2004 Kansai EP's CO<sub>2</sub> emissions were down by 6.05 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.

### Activities of International Scope

In recognition of the global scale of the CO<sub>2</sub> 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 CO<sub>2</sub> worldwide, including a research project on mangrove afforestation technologies for application in Thailand and



Soil decontamination services: KANDEN GEO-RE Inc.

environmental tree planting to prevent soil salinization in Western Australia. We are also participating in an investment fund created to promote energy conservation and reduce harmful emissions in the nations of eastern Europe.

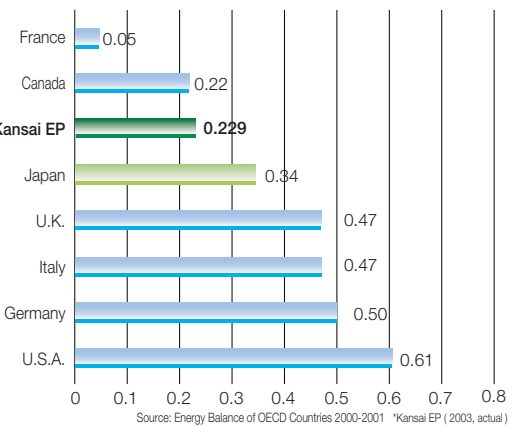
### Contributing toward a World of Renewable Resources

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 percent of the heavy/crude oil ash generated by our fossil-fuel-burning generating facilities as well as all of the low-voltage power lines and concrete poles used in our power distribution grids. We are also retrofitting 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 en-

Comparison of CO<sub>2</sub> Emission Levels in Major Countries, 2001 (kg-CO<sub>2</sub>/kWh)



hancers from dam driftwood, and revitalization of contaminated soil through washing and thermal desorption.

### Environmental 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 2004) our efforts have enabled us to acquire ISO14001 certification for the Nanko Power Plant and nine other operating bases. The Company is also the first power provider in Japan to receive "Eco Leaf" environmental labeling certification for its electrical power systems. "Eco Leaf" is expected to be acknowledged by the International Organization for Standardization (ISO) as a Type III labeling system.