

Protecting the Earth's environment as a responsible global citizen

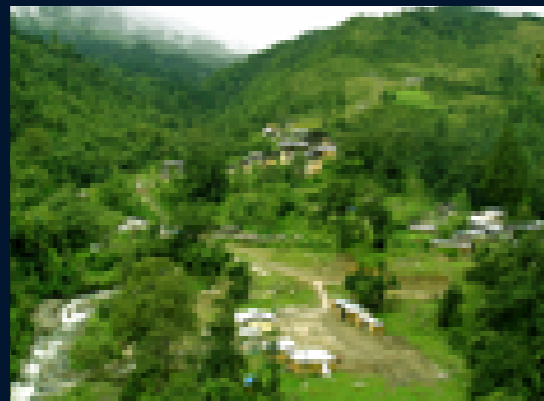
Mangrove research



Nanko Thermal Plant



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.



e7 Micro Hydropower CDM Project in the Kingdom of Bhutan

High Priority on Environmental Management

At Kansai EP environmental management is accorded the full-time, full-fledged commitment that this crucially influential aspect of our operations — touching on the safety and lives of our customers, our nation and our planet — deserves. Reduction of CO₂ and other greenhouse gas emissions that cause irreparable damage to our global environment is one of the Company's top management priorities, to help Japan achieve its targets under the Kyoto Protocol. However, achieving those objectives requires aggressive and unwavering commitments on both the demand and supply sides.

Targeting the demand side, we are pushing for widespread adoption of "Eco Ice," our innova-

tion that led to the shutdown of Unit 3. Going forward, with renewed determination to secure complete safety and restore the public's trust, we will resume actively promoting the adoption of nuclear generating facilities as a way of addressing global warming and other environmental issues.

Activities of International Scope

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 soil salinization in Western Australia. We are also leading a project to construct a micro-hydro power plant in

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, 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 retooling our purchasing practices to give priority to products that offer high environmental compatibility. To illustrate, we meet 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, and revitalization of contaminated soil through washing and thermal desorption.

International Certification

In tandem with our environmental management initiatives, we are striving to bring the quality and safety levels of our facilities in line with international standards. To date (March 2005) our efforts have enabled us to acquire ISO14001 certification for nine operating bases, particularly our fossil-fuel power plants.

Kansai EP is also the first power provider in Japan to receive "Eco Leaf" environmental labeling certification for the electric power it supplies to its customers. The International Organization for Standardization (ISO) has acknowledged "Eco Leaf" as a Type III labeling system.

Kansai EP is a committed instigator of and dynamic contributor to initiatives to safeguard the natural environment for future generations.

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

Here on the supply side, we are vigorously 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 devote our resources all the more to the development and promotion of expanded adoption of new energy formats.

In spite of these initiatives, in fiscal 2005 Kansai EP's CO₂ emissions were up 8.98 million tons from the level of fiscal 1991. This outcome owed to emergency reliance on fossil-fuel power plants to compensate for the energy generated by the Mihama Nuclear Power Station until the mis-

sion in the Kingdom of Bhutan. It marks the first endeavor involving a domestic power company to be authorized as a United Nations Clean Development Mechanism (CDM) project.

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



Soil decontamination services: KANDEN GEO-RE Inc.