

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 establishment in 1951. Through more than half a century it has developed and operated its own power stations, secured the diversified resources indispensable to running them, and delivered the generated power with optimum efficiency and reliability to customers throughout the region.

Geographically, Kansai EP's service area is remarkably expansive, covering nearly 29,000 km<sup>2</sup>. The Company's output is equally impressive: in the fiscal year ended March 31, 2006, sales reached 147.1 billion kWh — almost equal to the national power needs of Sweden.

In response to the Kansai region's power demands, Kansai EP works steadfastly at technological development. Today, in an era of rapid deregulation of public utilities, the Company is reinforcing its position in core electricity operations while simultaneously striving to implement management reforms that will enable Kansai EP to achieve new growth to take it solidly into the future.



Osaka Nakanoshima Area

KANSAI — THE HEARTLAND OF JAPAN

Kansai, the area served by Kansai EP, 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 continues to mark dynamic growth in the 21st century.

Although Kansai covers a modest 8% of Japan's land area, it accounts for a stunning 16% 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 continue to achieve steady growth driven by innovative technologies in their respective fields.

As the nation moves steadily forward on the road to full economic recovery, the Kansai region is concentrating its complete roster of resources — its vitality and wisdom — to ensure the area's sustained and dynamic growth in this first century of the new millennium.

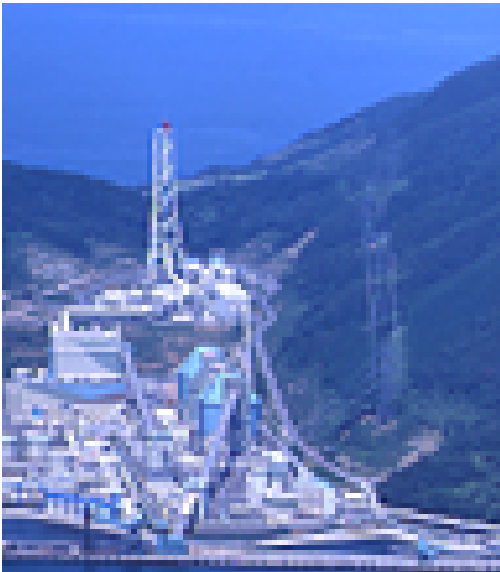
**Cautionary Information with Respect to Forward-Looking Statements**  
Statements made in this Annual Report with respect to The Kansai Electric Power Company's plans, strategies and beliefs, and other statements that are not historical facts are forward-looking statements about the future performance 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.



Kurobegawa No.4 Hydro Power Plant (335 MW)



Ohi Nuclear Power Plant (4,710 MW)



Maizuru Thermal Power Plant (900 MW)

