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## Corporate Governance

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## Five-Year Summary of Selected Operational Data

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## Corporate Governance

To enhance its corporate value on a sustained basis while maintaining the transparency and soundness of its business operations, Kansai EP and its Group companies view improvement of corporate governance as a vital element integral to operational management. Unstinting efforts focus on that goal.

### Strategic Responses to Management Issues

Kansai EP takes proactive steps to enhance its corporate governance capability on an ongoing basis. Board of Directors meetings are convened regularly once each month, complemented by extraordinary meetings held when deemed necessary, and it is here that matters of essential importance to Group management are deliberated and decided. In addition, all Directors are continuously audited through regularly issued reports on the execution status of the duties incumbent upon them.

In executing important business matters, the Company pursues swift and proper decision-making by convening executive meetings regularly, in principle once every week. Here, the executives decide on strategic responses to management issues, as a way of enhancing corporate value on a continuing basis.

The system of executive officers was introduced in order to separate the executive and auditing functions of management and to boost the speed and efficiency of business execution.

### Assurance of Transparency and Soundness

Kansai EP adopts a system of Corporate Auditors. The Corporate Auditors attend important meetings, including Board of Directors meetings and executive meetings, where they state their opinions, listen to explanations by the Directors pertaining to matters of importance to Company management, and look into the business and assets status of the Company's main bases of operation and Group companies. By auditing the Directors' execution of their duties from the perspectives of legal conformity and propriety, all the while maintaining a wholly independent stance, the Corporate Auditors ensure the transparency and soundness of the Company's business operations. In addition, meetings are regularly convened between the Corporate Auditors and Managing Directors, et al., as a way of promoting exchanges of opinion.

### Management of Risk Accompanying Business Activities

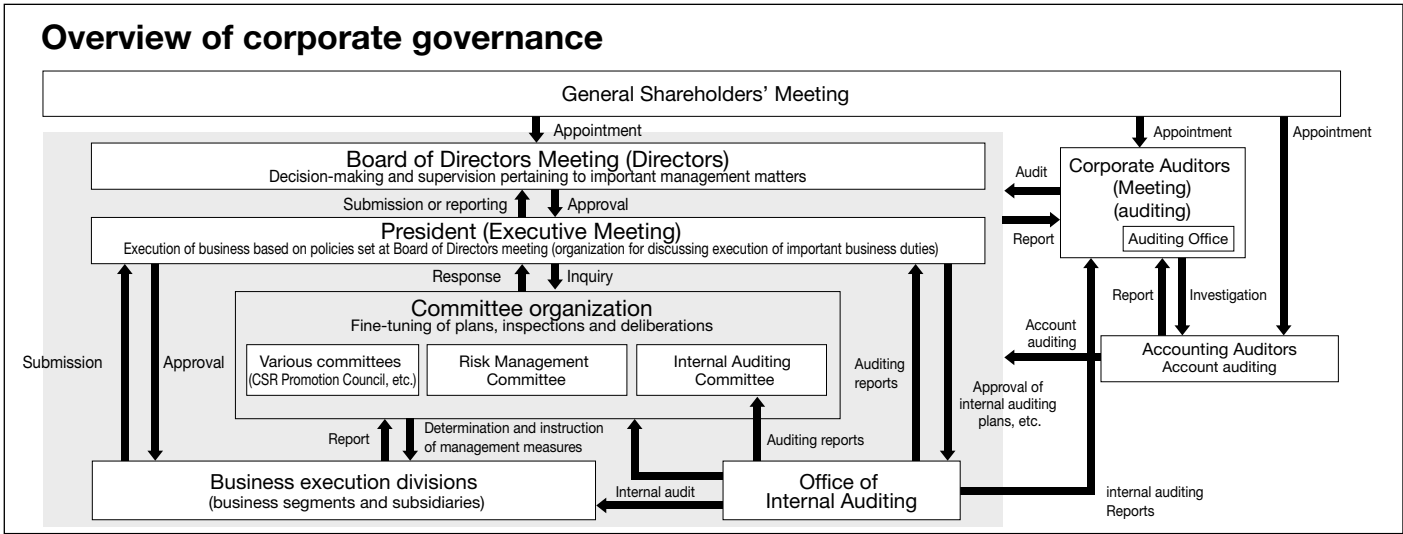
In line with the “Kansai Electric Power Group Risk Management Rules,” risk accompanying business activities is managed autonomously by the executive section of each respective business division. As to risk deemed of importance across multiple organizational levels, risk management is strengthened by determining, when necessary, points in risk management that are special in nature, in which case experts provide advice and guidance to the various business execution divisions.

### Enhancement of Internal Audit Functions

The Kansai EP Group has established an Internal Auditing Committee whose functions are to share and deliberate a broad range of management issues relating to quality or safety, secure views and information from outside the Company and, from an impartial and specialized standpoint, maintain proper internal auditing of the Group as a whole.

An Office of Internal Auditing, consisting of 41 members, has also been established as an organization specially assigned to perform internal auditing. The office conducts regular auditing of risk management systems, risk management status, etc., and submits proposals or reports to the executive meetings concerning internal auditing plans and their results. At the various work areas, activities needed for making improvements in light of the auditing results are carried out in an ongoing quest to ensure proper business management.

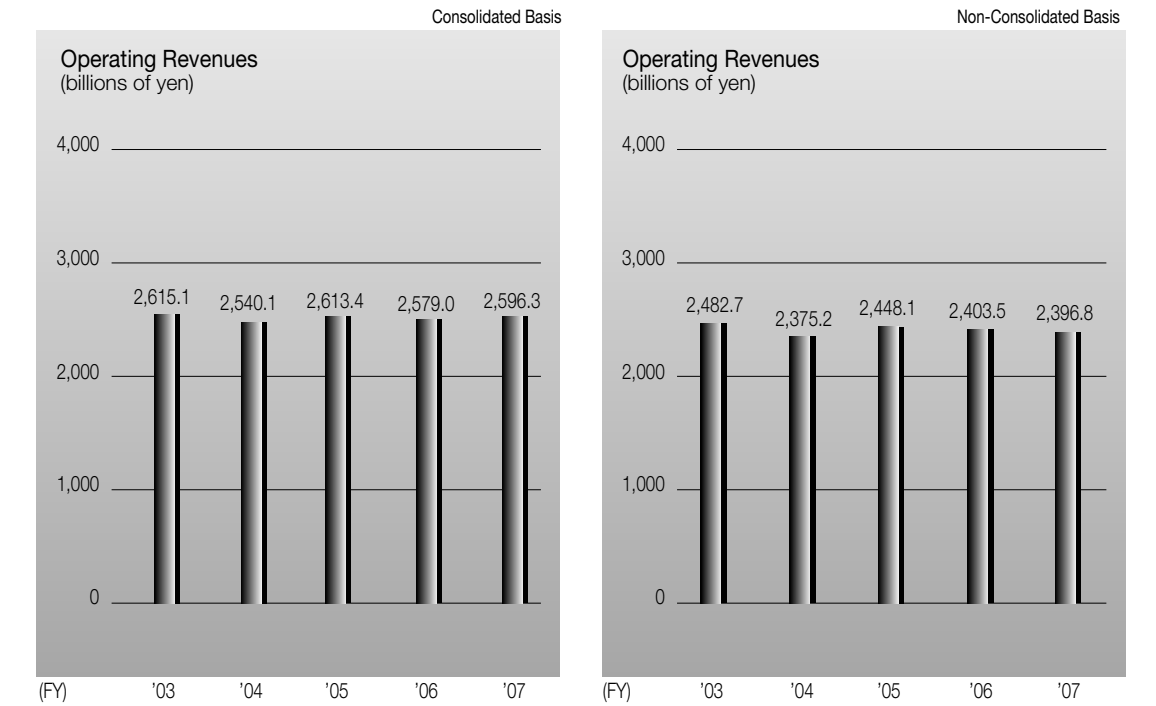
As the vital overseers of corporate governance, the Corporate Auditors, internal auditing division (Office of Internal Auditing) and Accounting Auditors coordinate, at their discretion, in the performance of auditing duties. They also maintain close ties for exchanging views toward auditing results, etc.



## Five-Year Summary of Selected Operational Data

Consolidated Basis						Non-Consolidated Basis					
(FY)	2003	2004	2005	2006	2007	(FY)	2003	2004	2005	2006	2007
Operating Revenues (Millions of Yen)	2,615,154	2,540,155	2,613,483	2,579,059	2,596,371		2,482,743 *	2,375,239*	2,448,181 *	2,403,586 *	2,396,870 *
Operating Income	325,581	349,492	386,939	327,170	271,644		315,575	329,456	366,059	294,877	228,210
Net Income	80,474	90,111	69,739	161,049	147,935		97,277	118,448	110,179	143,548	117,667
Operating Revenues											
Residential							995,426	944,224	990,939	989,390	963,790
Commercial & Industrial							1,426,323	1,356,480	1,373,715	1,326,112	1,317,248
Total							2,421,749	2,300,704	2,364,654	2,315,502	2,281,038
Breakdown of Operating Expenses											
Personnel Expenses							367,818	330,738	292,170	246,176	206,989
Fuel Costs							202,275	168,436	242,944	300,212	358,322
Costs of Purchased Power							407,465	372,126	410,037	404,603	415,832
Maintenance Costs							206,636	185,848	184,663	208,743	235,459
Depreciation							382,931	388,751	359,588	338,286	310,486
Taxes Other than Income Taxes							166,019	160,054	156,357	154,988	153,090
Other							434,024 **	423,714**	408,352 **	416,199 **	439,628 **
Total							2,167,168 **	2,029,667**	2,054,111 **	2,069,207 **	2,119,806 **
Financial Revenues	2,192	2,364	4,143	3,653	6,556		2,932	2,892	3,573	3,876	6,636
Interest Expenses							111,072	98,575	77,836	62,632	56,505

\*Including Incidental Operating Revenues  
\*\*Excluding Incidental Operating Expenses



	Consolidated Basis					Non-Consolidated Basis						
	(FY)	2003	2004	2005	2006	2007	(FY)	2003	2004	2005	2006	2007
Return on Equity (ROE) (%)		5.14	5.66	4.25	9.38	8.08		7.31	8.59	7.55	9.31	7.23
Return on Assets (ROA)* (%)		2.05	2.09	1.75	3.01	2.78		2.44	2.68	2.51	2.97	2.53
Net Income per Share (Yen)		83.49	94.77	73.83	172.84	159.69		101.36	124.97	116.91	154.14	126.97
Cash Dividends per Share (Yen)		50.00	50.00	50.00	60.00	60.00		50.00	50.00	50.00	60.00	60.00
Stock Price (Yen)												
Highest Stock Price								1,912	2,035	2,150	2,805	3,920
Lowest Stock Price								1,641	1,801	1,862	2,050	2,400
Capital Investments (Millions of Yen)		386,850	321,503	273,797	268,652	297,459		326,535	255,110	203,555	180,631	223,704
Total Assets (Millions of Yen)		7,402,327	7,150,826	6,857,871	6,856,489	6,827,230		6,772,316	6,540,844	6,294,612	6,268,884	6,188,914
Equity (Millions of Yen)		1,548,131	1,637,248	1,646,686	1,785,985	1,877,355		1,324,806	1,433,439	1,486,180	1,599,578	1,656,407
Equity Ratio (%)		20.91	22.90	24.01	26.05	27.43		19.56	21.92	23.61	25.52	26.76
Volume of Electricity Sales (Million kWh)												
Residential								45,603	44,655	46,800	48,720	48,360
Commercial & Industrial								96,217	95,591	98,086	98,389	98,896
Total								141,820	140,246	144,886	147,108	147,257
Number of Customers (Thousands)												
Residential								11,590	11,695	11,821	11,964	12,108
Commercial & Industrial								**1,379	**1,358	**1,335	**1,196	**1,175
Total								**12,969	**13,053	**13,156	**13,160	**13,282

\*\*Excluding the liberalized segment

\*ROA= (Income Before Income Taxes+ Financial Expenses) x (1 - Income Tax Rate) / Total Assets

	(FY)	2003	2004	2005	2006	2007
Electricity Generation Capacity by Sources (MW)						
Nuclear		9,768	9,768	9,768	9,768	9,768
Fossil Fuel		17,531	16,907	17,807	17,807	16,907
Hydroelectric		8,135	8,149	8,186	8,186	8,189
Total		35,434	34,824	35,761	35,761	34,864
System Peak Demand (MW)		31,610	30,550	30,470	30,870	30,530
Load Ratio (%)		55.9	57.9	62.2	60.2	60.0
Power Sources (%)						
Nuclear		57	56	43	46	45
Fossil Fuel		31	29	43	43	43
Hydroelectric		12	14	13	10	11
Renewable			1	1	1	1
Total		100	100	100	100	100
SOx Emissions from Fossil Fuel Power Generation (g/kWh)		0.049	0.019	0.064	0.066	0.045
NOx Emissions from Fossil Fuel Power Generation (g/kWh)		0.138	0.124	0.121	0.126	0.121
Nuclear Capacity Factor (%)		90.5	89.1	70.2	75.4	77.0
Heat Efficiency Ratio (power generation end) (%)		39.74	39.50	40.03	40.07	40.50
Number of Employees *		21,920	21,031	20,640	20,408	20,292
Ratings (Moody's)						
In Yen		Aa3	Aa3	Aa3	Aa3	Aa2
In Foreign Currencies		Aa3	Aa3	Aa3	Aa3	Aa2
Date of General Shareholders' Meeting		June 27	June 29	June 29	June 29	June 28

\* The standard for stating the number of employees has been changed since 2000. Using the traditional standard, the number of employees would be 26,248 in 2000.

