



Management Plan Fiscal 2003

(Year ended March 31, 2003)

March 27, 2002
Kansai Electric Power Co., Inc.

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Consolidated Management Objectives

	Management plan Fiscal 2003
FCF	Avg. 250 billion yen or greater (Fiscal 2003~2005)
ROA*	Avg. 2.4% or greater (Fiscal 2003~2005)
Shareholders' Equity Ratio	24% or greater (At the end of March, 2005)
Interest Bearing Debt	3,800 billion yen or less (At the end of March, 2005)
【Ref.】 Ordinary Income	Avg. 160 billion yen or greater (Fiscal 2003~2005)
【Ref.】 Non-Electric Ordinary Income	29 billion yen or greater (Fiscal 2007)

*ROA={ (Income before income taxes + financial expense) × (1-Income tax rate) / total asset

Non-Consolidated Management Objectives

	Management plan Fiscal 2002		Management plan Fiscal 2003
FCF	Avg. 200 billion yen or greater (Fiscal 2002~2004)		Avg. 310 billion yen or greater (Fiscal 2003~2005)
ROA*	Avg. 2.3% or greater (Fiscal 2002~2004)		Avg. 2.5% or greater (Fiscal 2003~2005)
Shareholders' Equity Ratio	20% or greater (At the end of March, 2004)		23% or greater (At the end of March, 2005)
Interest Bearing Debt	4,000 billion yen or less (At the end of March, 2005)		3,500 billion yen or less (At the end of March, 2005)
PCA**	【Ref.】Avg. Δ80 billion yen or greater (Fiscal 2002~2004)		Avg. Δ70 billion yen or greater (Fiscal 2003~2005)
Ordinary Income	Avg. 150 billion yen or greater (Fiscal 2002~2004)		【Ref.】 Avg. 160 billion yen or greater (Fiscal 2003~2005)

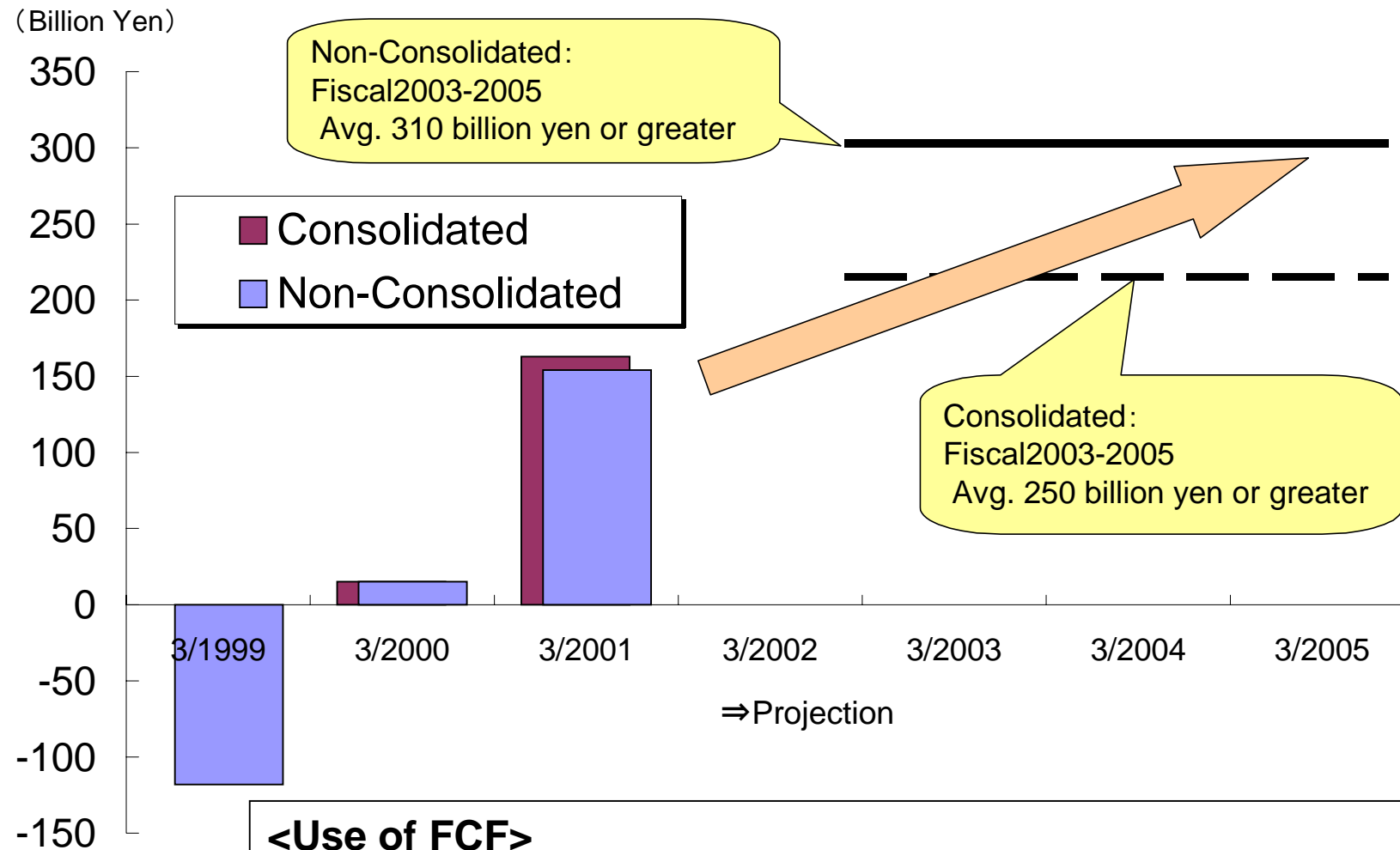
*ROA={ (Income before income taxes + financial expense) × (1-Income tax rate) } / total asset

**PCA[Profit after Cost of Asset] : Management benchmark developed by Kansai, similar to EVA™.

Profit = (Income before income taxes + financial expense) × (1-Income tax rate)

Cost of Assets = Total Assets × 3.5% (Hurdle rate for capital costs; our actual capital cost is lower than 3.5%)

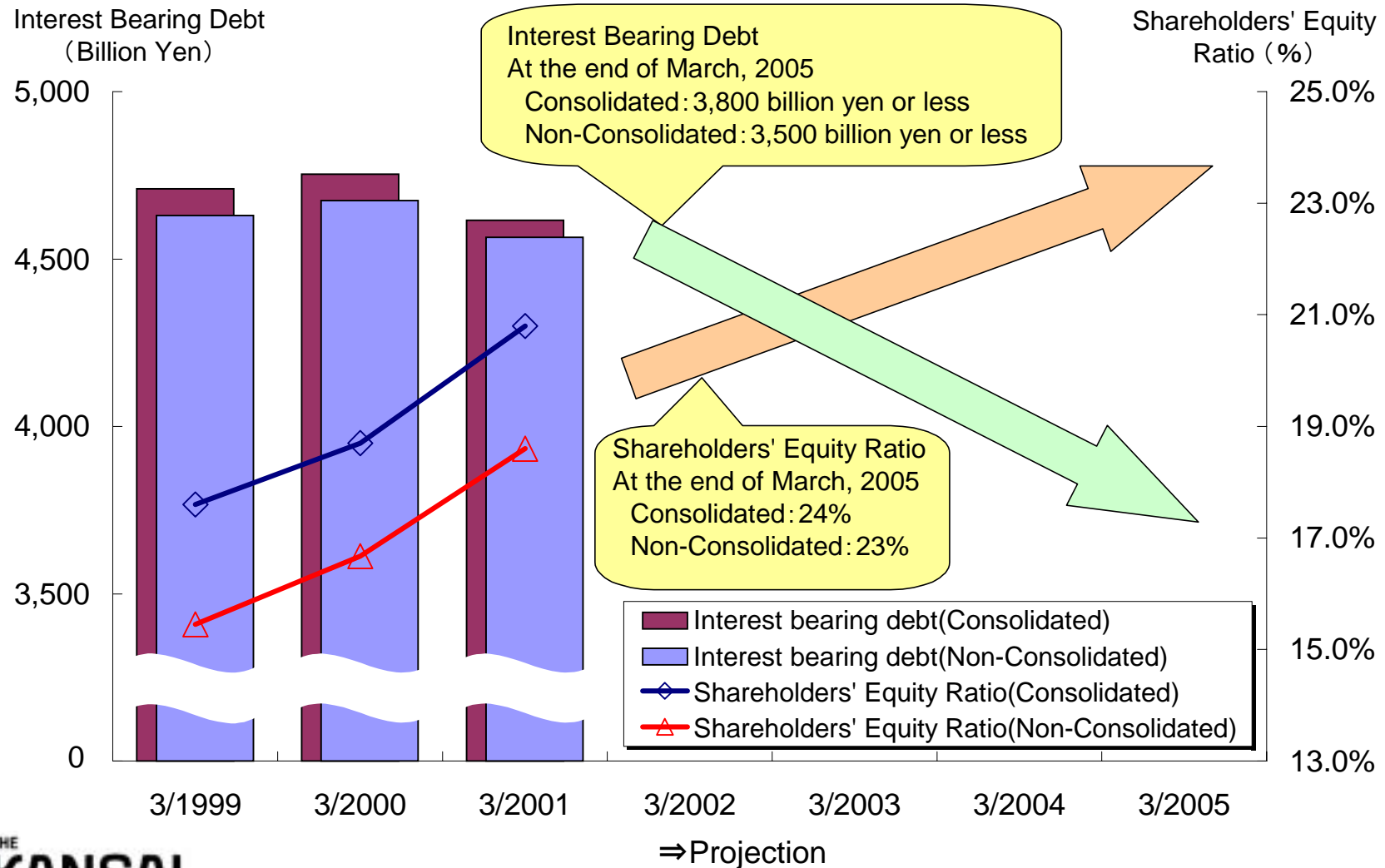
FCF



<Use of FCF>

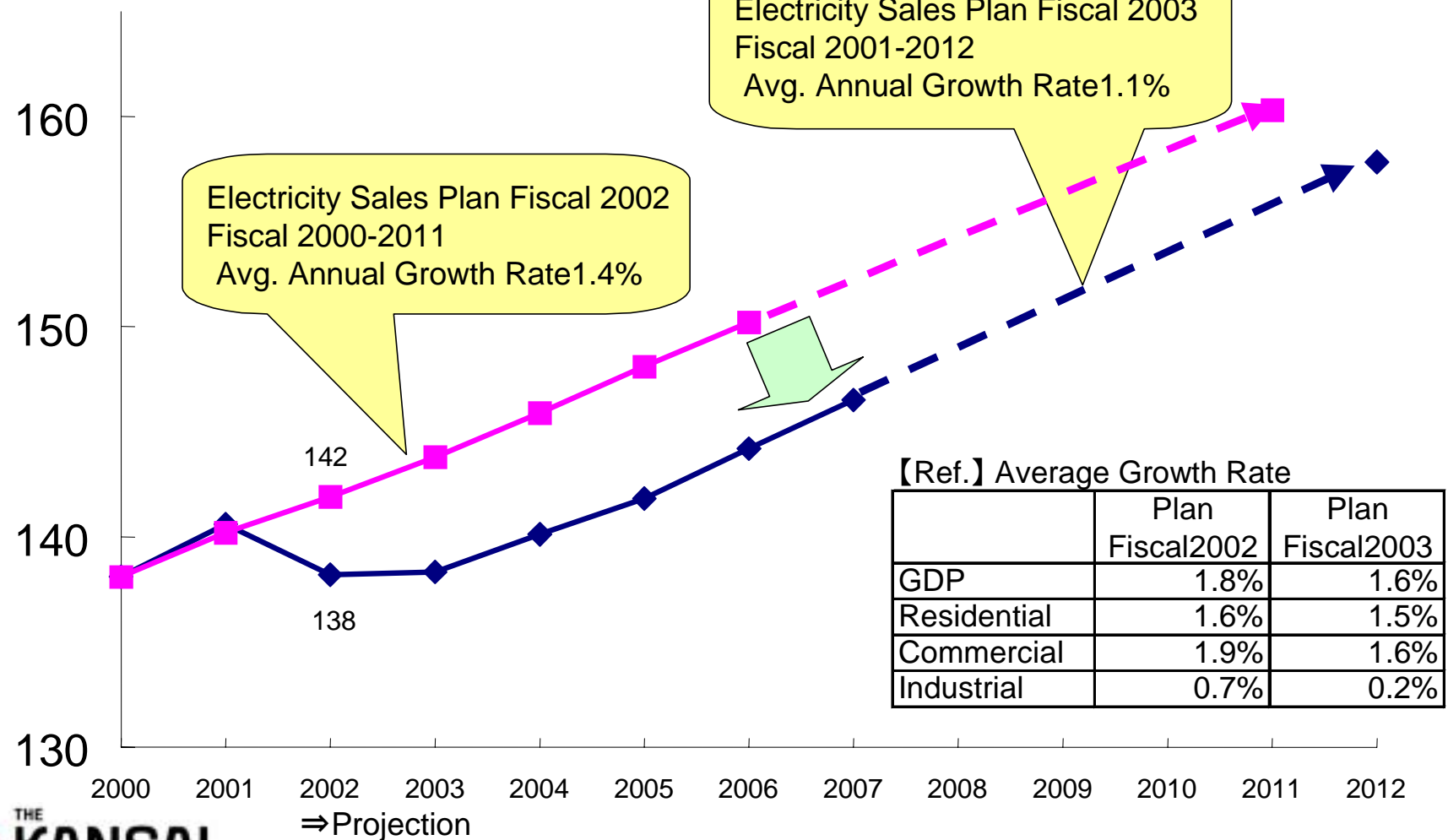
In principal, to be used to improve our group financial position

Improve Financial Position



Expected Electricity Sales

(Billion kWh)



Group-wide Revenue Growth Initiatives(1)

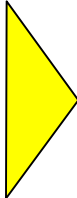
- Development of electric apparatus
 - IH cooking heater, Electric water heater
 - “All-electric” homes
- Acceleration of IT/Communications services
 - Internet by PHS, “eo64” (started from 06/2001)
 - Internet by optical fiber, “FTTH, eo Mega Fiber” (starting from 04/2002)
- Promotion of Gas Businesses
 - Establishment of “Kanden GASCO” (04/2001)
 - Gas sales using Osaka Gas’s pipelines (starting from 04/2002)
 - Construction of Sakai LNG terminal (starting from 2006)
- R&D
 - Heat pump development
 - New products (cf. Electric floor heating system for reform)
 - New rate menu (cf. Expansion of “Hap-E(Happy) Package”, lease of IH cooking heater and/or Electric water heater)
 - Redox-flow battery
 - Digital power line technology
 - Contents distributions

Group-wide Revenue Growth Initiatives (2)

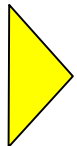
- Performance-based contract system (starting from 04/2002)
 - Between President and each Branch Manager
 - Between President and President of each affiliates
- Performance-oriented management system for all employees
 - To be undertaken in conjunction with HR/payroll policies
- Regrouping of affiliates

Efficient Electric Facility Development and Operation

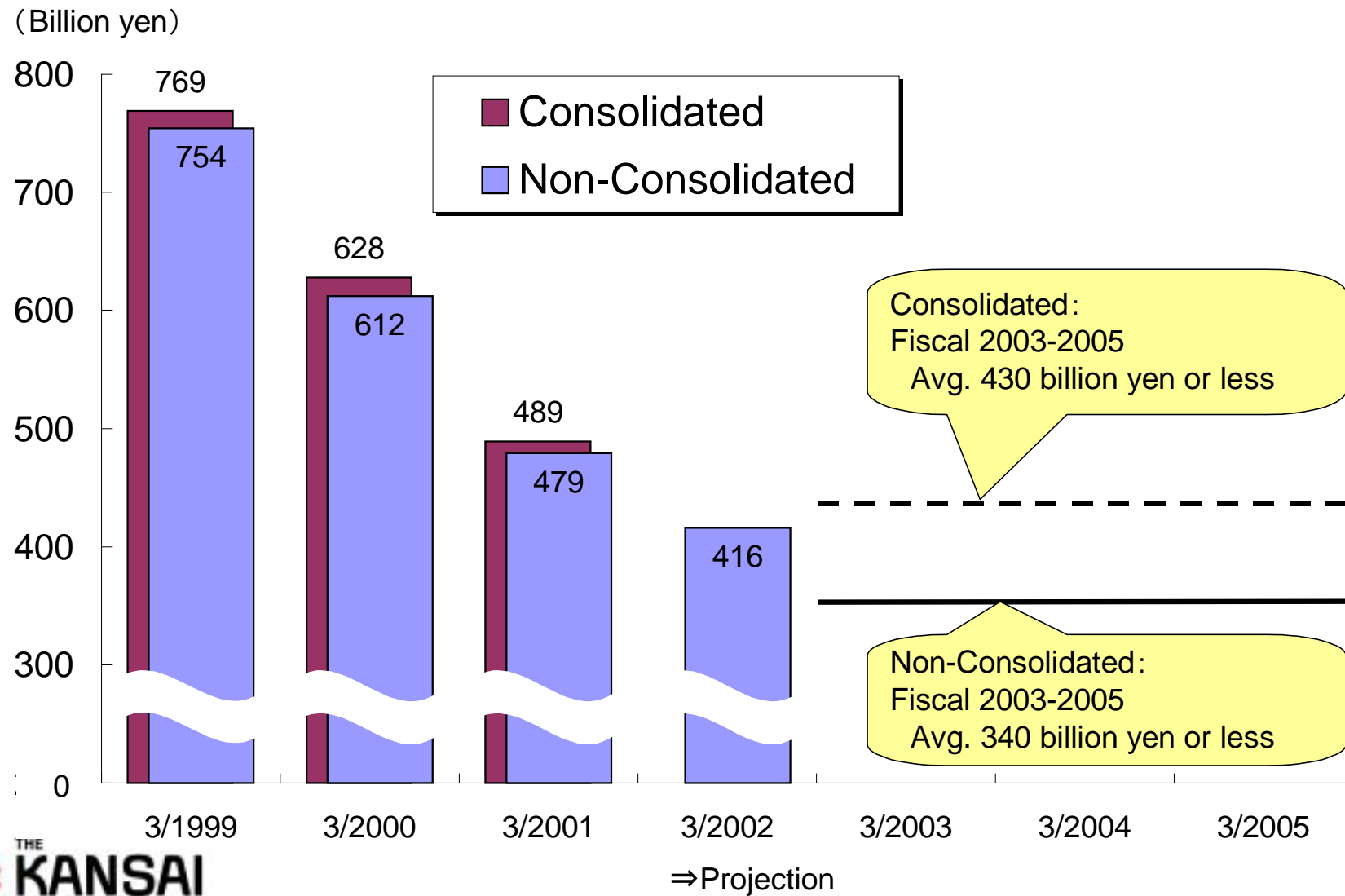
■ Further Reduction of CAPEX

Management plan Fiscal 2002		Management plan Fiscal 2003
Fiscal 2003~2005 Avg. 450 billion yen or less (within depreciation and amortization)		Fiscal 2003~2005 Avg. 340 billion yen or less (within depreciation)

■ Expansion of suspended fossil-fueled powered units

Management plan Fiscal 2002		Management plan Fiscal 2003
10 units, 4.14 million kW		Additional 2 units, 0.9 million kW

Trend of CAPEX



Efficient Management of Employees

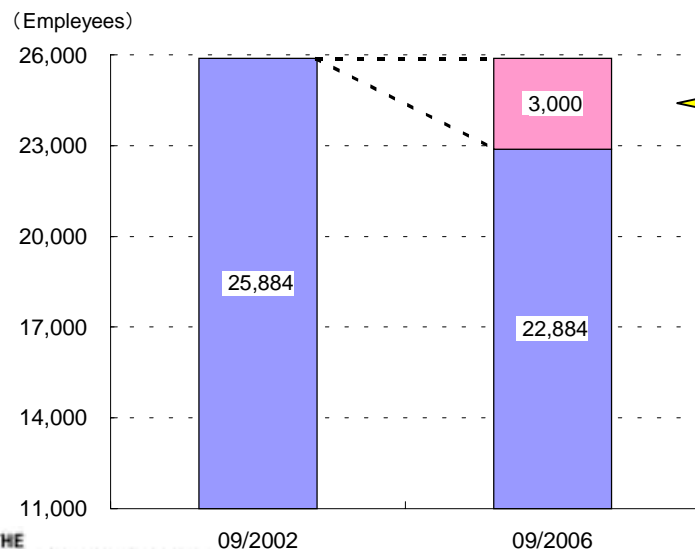
Management plan Fiscal 2002

Reduce headcount by 1,000 employees
(03/1999~03/2004)
*Non-Consolidated

Management plan Fiscal 2003

Reduce headcount by 3,000 employees
(09/2001~03/2005)
*Non-Consolidated
【Ref.】 09/2001 25,884 employees

【Number of employees (Non-Consolidated)】



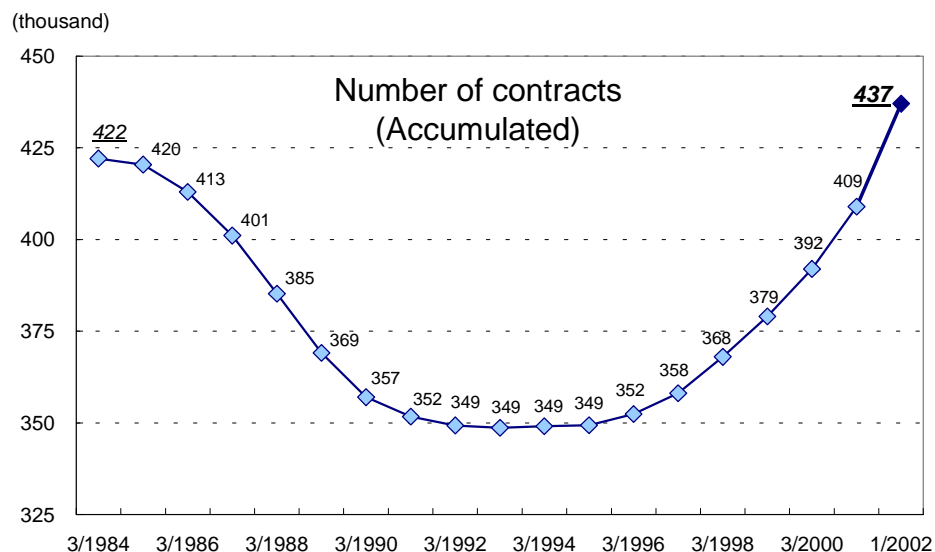
- Enhance favorable early retirement plan
- Continue to hold down recruiting
- Increase dispatched and/or transferred employees to affiliates etc.

Best use of
human resources

Electricity business,
especially sales section

New businesses

Diffusion of Electric Apparatus



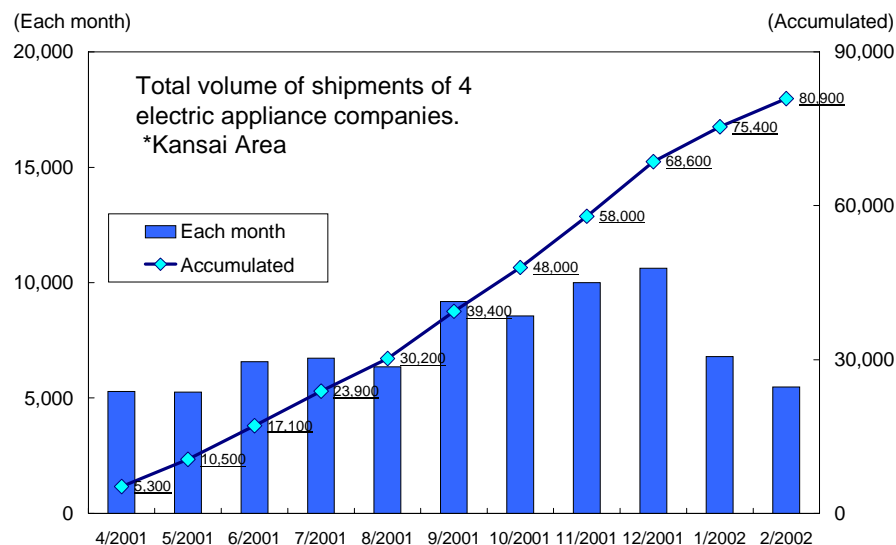
Electric Water Heater

As of Jan. 2002:
437 (thousand)

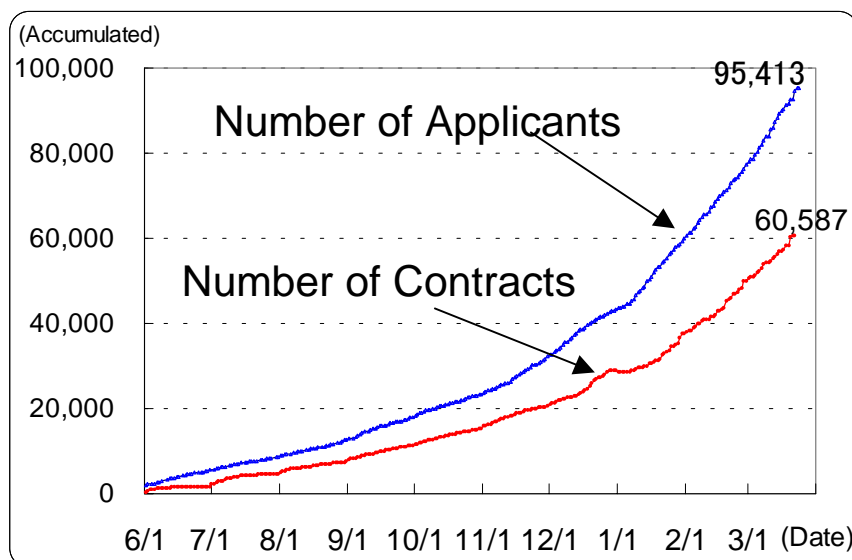


IH Cooking Heater

As of Feb.2002:
80,900



Current Status of IT/Communication Businesses



“eo64” (Internet by PHS)

(Applicants)

As of March 24, 2002:

95 thousand

(Contracts)

At the end of March, 2002:

65 thousand (forecast)

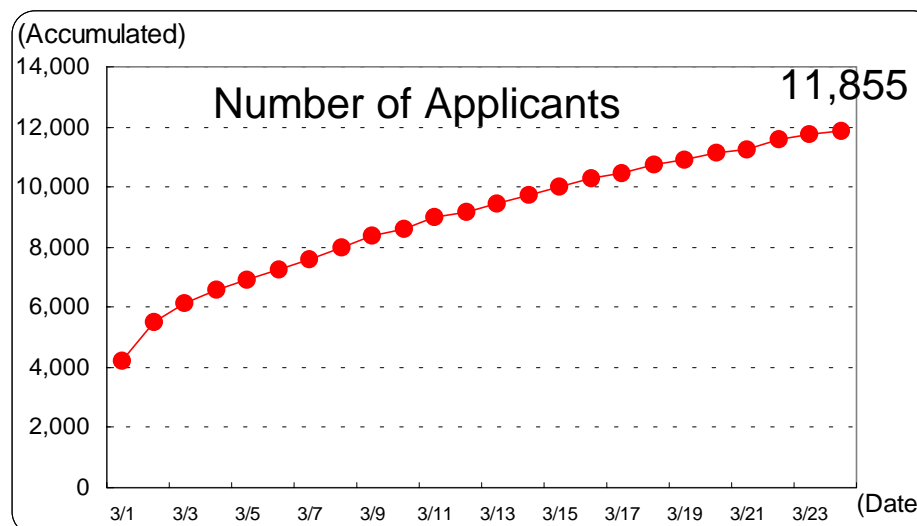
【Target】 150 thousand
(At the end of March, 2005)

“eo Mega Fiber”
(Internet by optical fiber)

As of March 24, 2002:

11,855

【Target】 300 thousand
(At the end of March, 2005)



For Further Information

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