Presentation for Investors

- **Our Objectives**
- **Our Missions**
- **Our Efforts**

The Kansai Electric Power Co., Inc.
February 2004

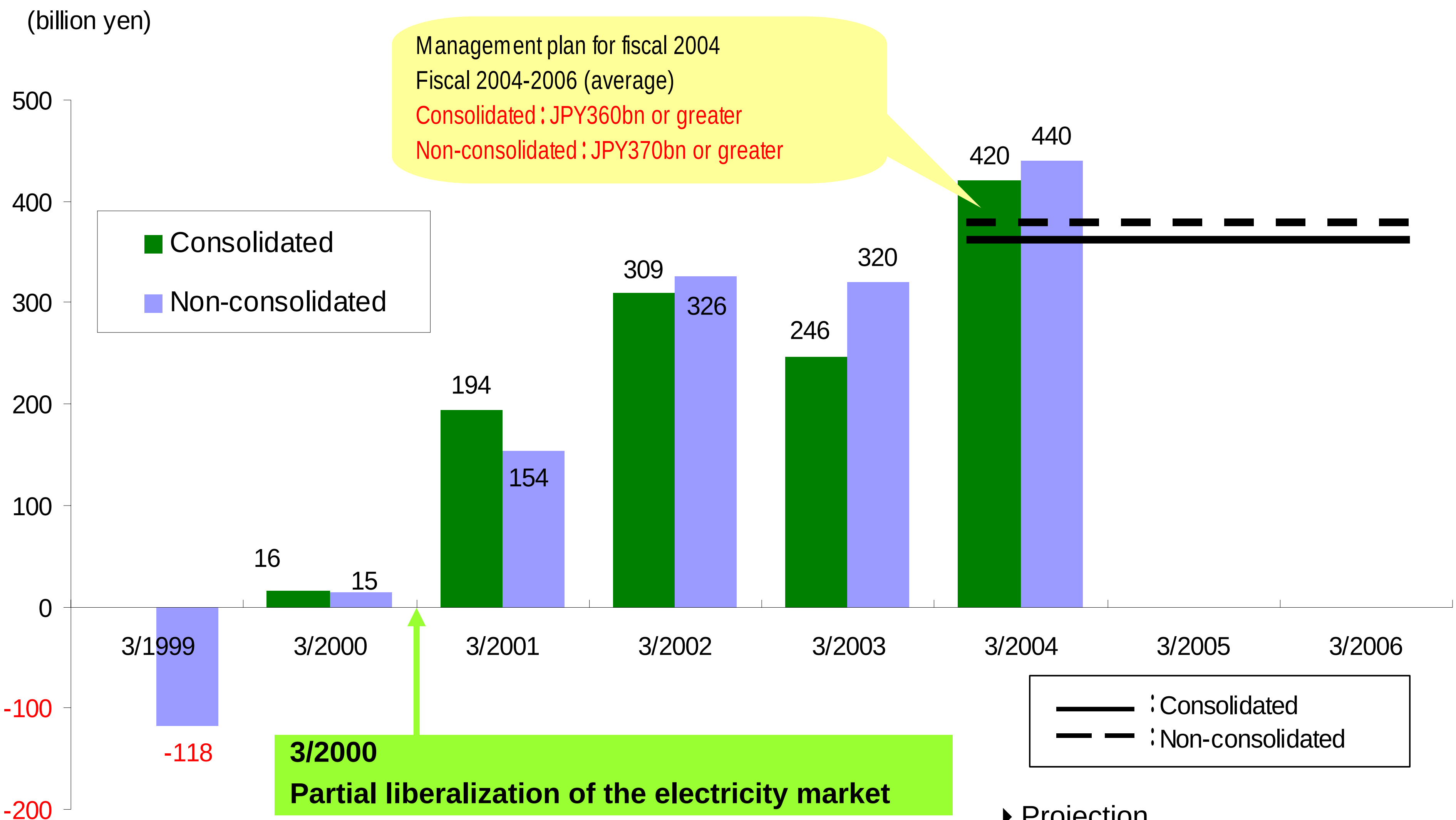
Executive Summary

- **Gain and maintain competitive advantage and improve financial position by increasing FCF**
  - Look upon liberalization as an opportunity to enhance shareholder value

- **Develop new businesses on a groupwide scale**
  - Utilize groupwide resources, such as existing infrastructure, technical capability and human resources, to maximum effect.

Increase Shareholder Value

Increase FCF



Follow-up on Management Plan (1) Consolidated

Management objectives for 3 years beginning 4/2002 (Consolidated)		FY ended March 2003 results	Projection
FCF (FY ending 3/2003 - FY ending 3/2005)	**Avg. JPY250bn or greater**	**JPY246.4bn**	**JPY420.0bn**
ROA* (FY ending 3/2003 - FY ending 3/2005)	**Avg. 2.4% or greater**	**2.1%**	**2.0%**
Shareholders' Equity Ratio (By the end of March 2005)	**24% or greater**	**20.9%**	**22.0%**
Interest-Bearing Debt (By the end of March 2005)	**JPY3,800bn or less**	**JPY4,354bn**	**JPY4,000bn**
Ordinary Income (FY ending 3/2003 - FY ending 3/2005)	**Avg. JPY160bn or greater**	**JPY174.7bn**	**JPY162.0bn**
Capital Expenditures (FY ending 3/2003 - FY ending 3/2005)	**Avg. JPY430bn or less**	**JPY386.8bn**	**JPY380.0bn**

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

THE KANSAI ELECTRIC POWER CO.,INC.

Follow-up on Management Plan (2) Non-Consolidated

Management objectives for 3 years beginning 4/2002 (Non-Consolidated)		FY ended March 2003 results	Projection
FCF (FY ending 3/2003 - FY ending 3/2005)	**Avg. JPY310bn or greater**	**JPY320.4bn**	**JPY440.0bn**
ROA* (FY ending 3/2003 - FY ending 3/2005)	**Avg. 2.5% or greater**	**2.4%**	**2.5%**
Shareholders' Equity Ratio (By the end of March 2005)	**23% or greater**	**19.6%**	**21.1%**
Interest-Bearing Debt (By the end of March 2005)	**JPY3,500bn or less**	**JPY4,075bn**	**JPY3,700bn**
Ordinary Income (FY ending 3/2003 - FY ending 3/2005)	**Avg. JPY160bn or greater**	**JPY186.5bn**	**JPY170.0bn**
Capital Expenditures (FY ending 3/2003 - FY ending 3/2005)	**Avg. JPY340bn or less**	**JPY326.5bn**	**JPY288.3bn**

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

THE KANSAI ELECTRIC POWER CO.,INC.

Management Objectives (1) Consolidated

	Management plan for 3 years beginning 4/2003	Management plan for 3 years beginning 4/2002
FCF*	Avg. JPY360bn or greater (FY ending 3/2004 - FY ending 3/2006)	Avg. JPY250bn or greater (FY ending 3/2003 - FY ending 3/2005)
ROA**	Avg. 2.4% or greater (FY ending 3/2004 - FY ending 3/2006)	Avg. 2.4% or greater (FY ending 3/2003 - FY ending 3/2005)
Shareholders' equity ratio	25% or greater (at the end of March 2006)	24% or greater (at the end of March 2005)
Interest-bearing debt	JPY3,400bn or less (at the end of March 2006)	JPY3,800bn or less (at the end of March 2005)
Ordinary income	Avg. JPY170bn or greater (FY ending 3/2004 - FY ending 3/2006)	Avg. JPY160bn or greater (FY ending 3/2003 - FY ending 3/2005)
Capital expenditures	Avg. JPY360bn or less (FY ending 3/2004 - FY ending 3/2006)	Avg. JPY430bn or less (FY ending 3/2003 - FY ending 3/2005)

*FCF=Operating Cashflow − Investment Cashflow

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

THE KANSAI ELECTRIC POWER CO.,INC.

Management Objectives (2) Non-Consolidated

	Management plan for 3 years beginning 4/2003	Management plan for 3 years beginning 4/2002
FCF*	Avg. JPY370bn or greater (FY ending 3/2004 - FY ending 3/2006)	Avg. JPY310bn or greater (FY ending 3/2003 - FY ending 3/2005)
ROA**	Avg. 2.5% or greater (FY ending 3/2004 - FY ending 3/2006)	Avg. 2.5% or greater (FY ending 3/2003 - FY ending 3/2005)
Shareholders' equity ratio	24% or greater (at the end of March 2006)	23% or greater (at the end of March 2005)
Interest-bearing debt	JPY3,100bn or less (at the end of March 2006)	JPY3,500bn or less (at the end of March 2005)
PCA***	Avg. JPY△65bn or greater (FY ending 3/2004 - FY ending 3/2006)	Avg. JPY△70bn or greater (FY ending 3/2003 - FY ending 3/2005)
Ordinary income	Avg. JPY160bn or greater (FY ending 3/2004 - FY ending 3/2006)	Avg. JPY160bn or greater (FY ending 3/2003 - FY ending 3/2005)
Capital expenditures	Avg. JPY270bn or less (FY ending 3/2004 - FY ending 3/2006)	Avg. JPY340bn or less (FY ending 3/2003 - FY ending 3/2005)

*FCF=Operating Cashflow − Investment Cashflow

**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)

THE KANSAI ELECTRIC POWER CO.,INC.

Long-term Objectives

Consolidated	Management plan for 5 years beginning 4/2003
Groupwide sales to outside the group	Expand 50% to JPY250bn (FY ending 3/2008)
Groupwide Ordinary Profit	JPY33bn (FY ending 3/2008)

Non-consolidated	Management plan for 5 years beginning 4/2003
PCA*	JPY10bn or greater (FY ending 3/2008)

*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 Mission in a Liberalized Market

- **Strengthen competitiveness**
  - Retain competitive advantage in electricity supply in both in the Kansai region and the rest of Japan.

- **Improve financial position**
  - Prepare for further market liberalization

- **Enhance returns to shareholders**
  - Increase shareholder value

Strengthen Competitiveness

Oct. 1, 2000

- Sharply reduced rates for commercial use, main target of PPS (new entrants). (Average over 4% rate reduction)
- Introduced strategic rate menus ahead of rivals
  ex. "Discount menu by load factor", etc.

Oct. 1, 2002

- Sharply reduced rates for commercial use and strengthened competitiveness in industrial category (Average over 5% rate reduction)
- Expanded strategic rate menus
  ex. "EL plan" (tailor-made menu by each customer's conditions, such as expected load factor and demand)", etc.

At present

- The impact of entrance of PPS (new entrants) is not a concern.

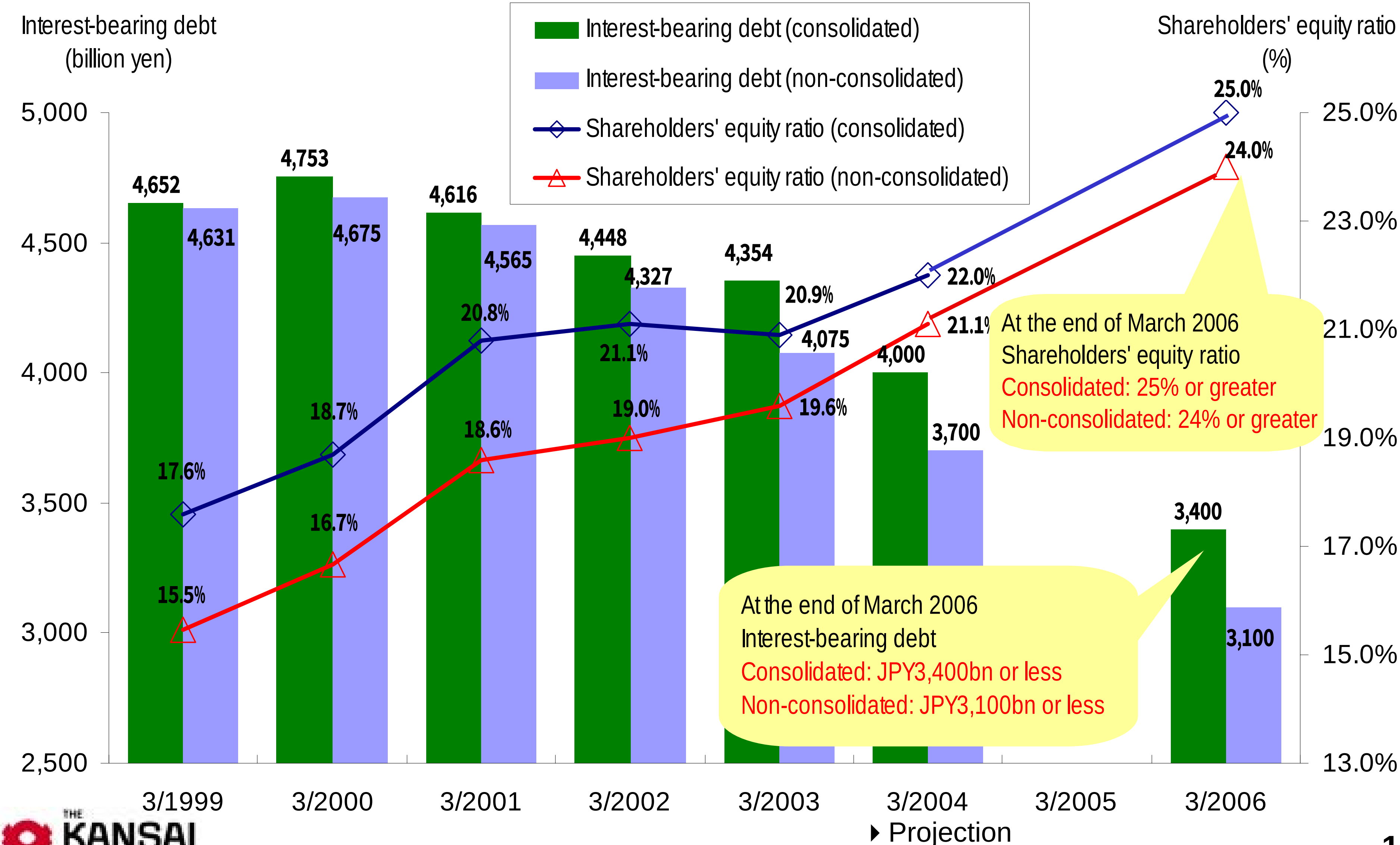
In the future

- Prepare for competition with PPS as the free market expands
- Prepare for cost down of on-site power generation as the technology advances

❖ **Strengthen price-competitiveness**

❖ **Provide value-added solutions to customers**

Improve Financial Position



Enhance Returns to Shareholders

- **Dividends**

  - Maintain dividends, JPY50 per share

- **Increase Shareholder Value**

  - Grow profit and free cash flow

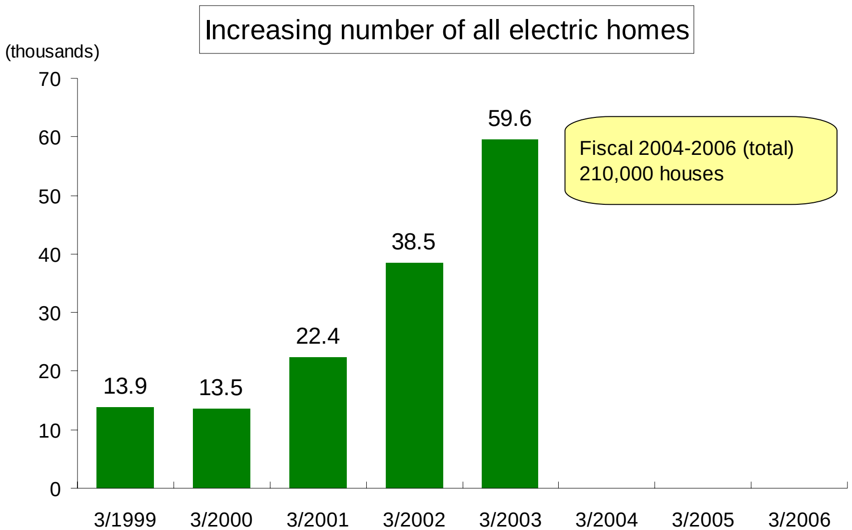
- **Share Buyback**

  - Fiscal 2002: JPY30bn, 16m shares

  - Fiscal 2003: JPY28bn, 16m shares

  - Continue to strive to achieve management objectives of shareholders' equity ratio and interest-bearing debt reduction targets

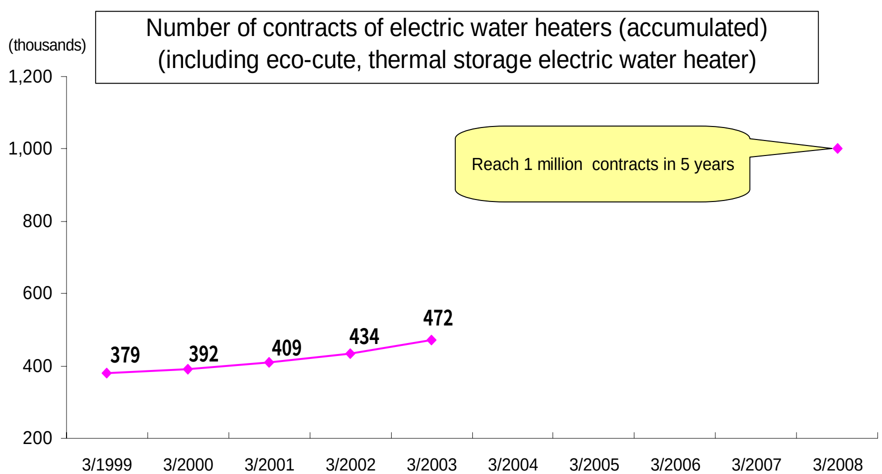
Growth Initiatives (Electricity Business)



- **Increase all electric homes by 210,000 for next 3 years by promoting the use of IH cooking heaters and electric water heaters.**

Number of contracts gained from April to September;

35,000



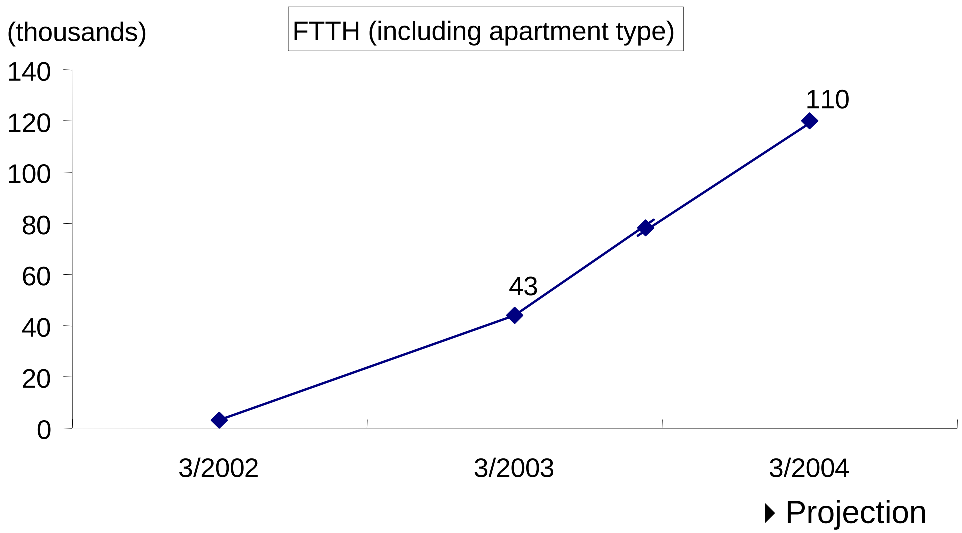
- **Reach 1m contracts of electric water heaters in 5 years by promoting the use of electric appliances.**

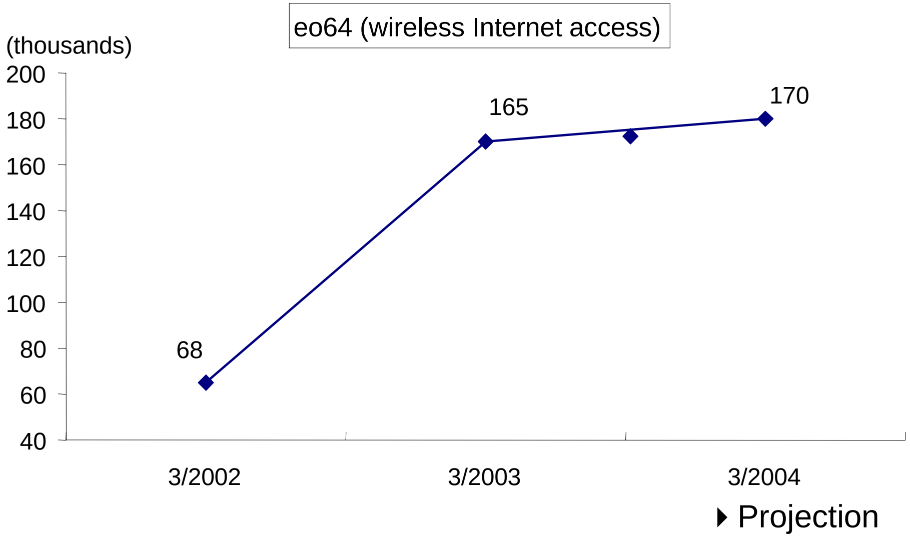
Numbers of contracts at the end of December 2003;

518,000

Growth Initiatives (IT/Communications)

- Aim to increase number of users by enriching services, especially FTTH service.
- Operate facilities efficiently and prepare a wide variety of service menus by amalgamating K-Opticom and Osaka Media Port Corporation as a unit.





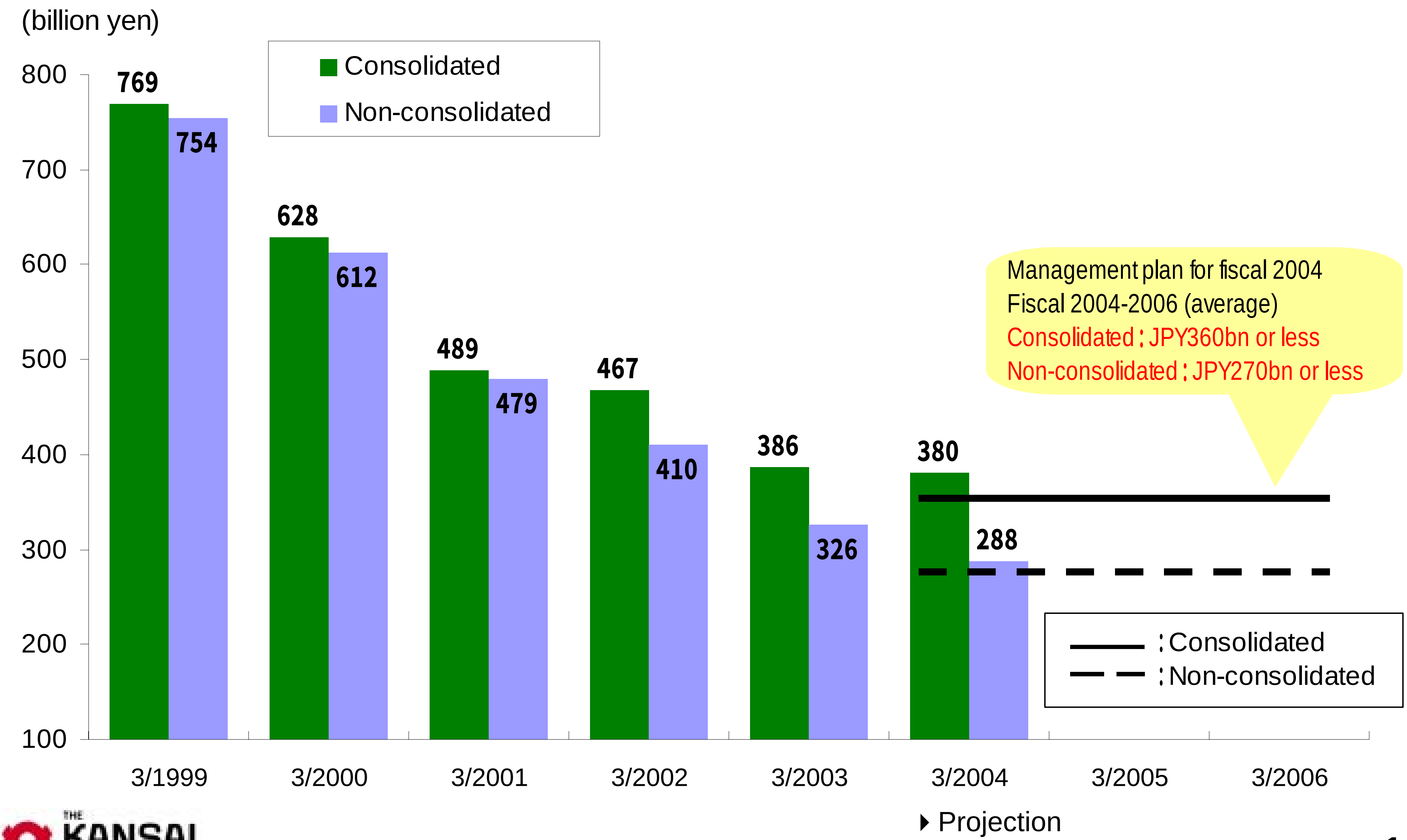
Number of contracts at the end of December 2003;

81,000

Number of contracts at the end of December 2003;

165,000

Reduce CAPEX



Improve Management Efficiency

	3/2002	3/2003	3/2004

Manage employees more efficiently

❖ **Target: Reduce headcount by 3,000 employees (9/2001–3/2005) *Non-consolidated**

Enhance early retirement plan
1,900 applicants (fiscal 2003)　　620 applicants (fiscal 2004)

9/2001- # of employees :25,884

9/2003- # of employees :23,151

Efficient operation and development of facilities

❖ **Close small fossil-fuelled power units**

3/2002	3/2003	3/2004
Number of units: 15 Total capacity: 1,976MW	1 unit, 156MW (Sampo power station)	4 unit, 624MW (Osaka power station #1,2,3,4)

❖ **Suspend fossil-fuelled power units**

3/2002	3/2003	3/2004
Number of units: 11 Total capacity: 4,293MW	Number of units: 2 Total capacity: 900MW	1 unit, 156MW (Osaka power station #4)

3/2001 authorized Capacity (Fossil-fuelled): 19,561MW

❖ **Improve nuclear power capacity factor :Strive to achieve more than 85% by introducing rated thermal power operation**

3/2002	3/2003	3/2004
84.5% (result)	90.5% (result)	88.6% (projection)

❖ **Discontinue the Kaneihara hydroelectric power plant construction plan**

Announced on Nov. 19, 2002
Total capacity: 2,280MW

❖ **Halt the Suzu nuclear power plant project**

Joint project by Kansai EP, Hokuriku EP, and Chubu EP

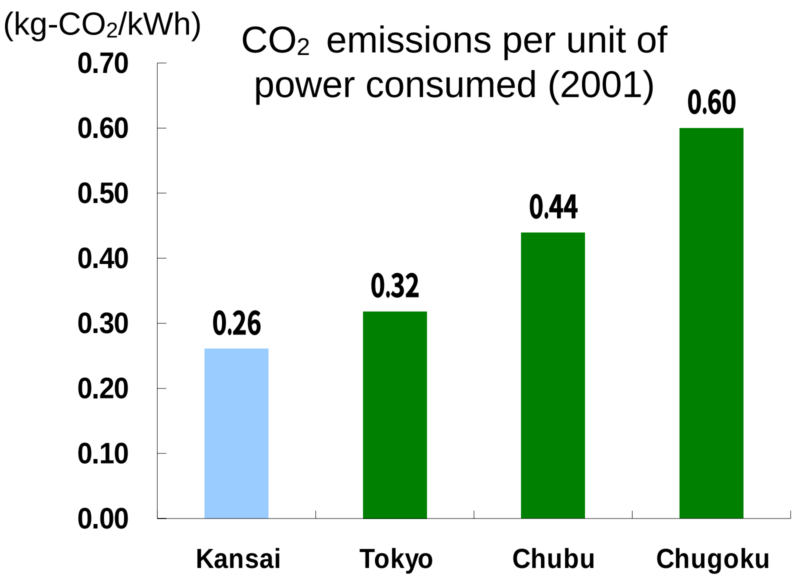
Announced on Dec. 5, 2003
Total capacity: 2,700MW

Fulfill Social Responsibility for Sustainable Growth

- **Ecological Actions**

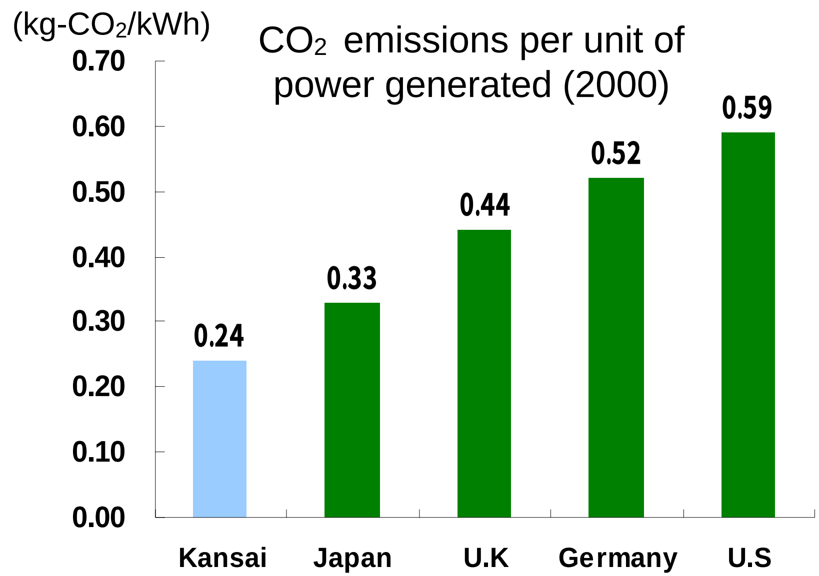
  - Achieve low CO_2 emissions per unit of generated electricity

(vs. Other Electric Power Companies)



Source: Environmental Report of each company

(vs. Major Countries)



Source for foreign countries:
Energy Balances of OECD Countries 1999-2000

- Obtained “Eco-Leaf”, a ecological certification
- Reduce, reuse, recycle industrial waste on a group wide scale
- Establish environmental management system conforming to ISO14001
- Develop overseas environmental tree planting projects

No.AT-03-001

Secondary Offering of Our Shares (January 2004)

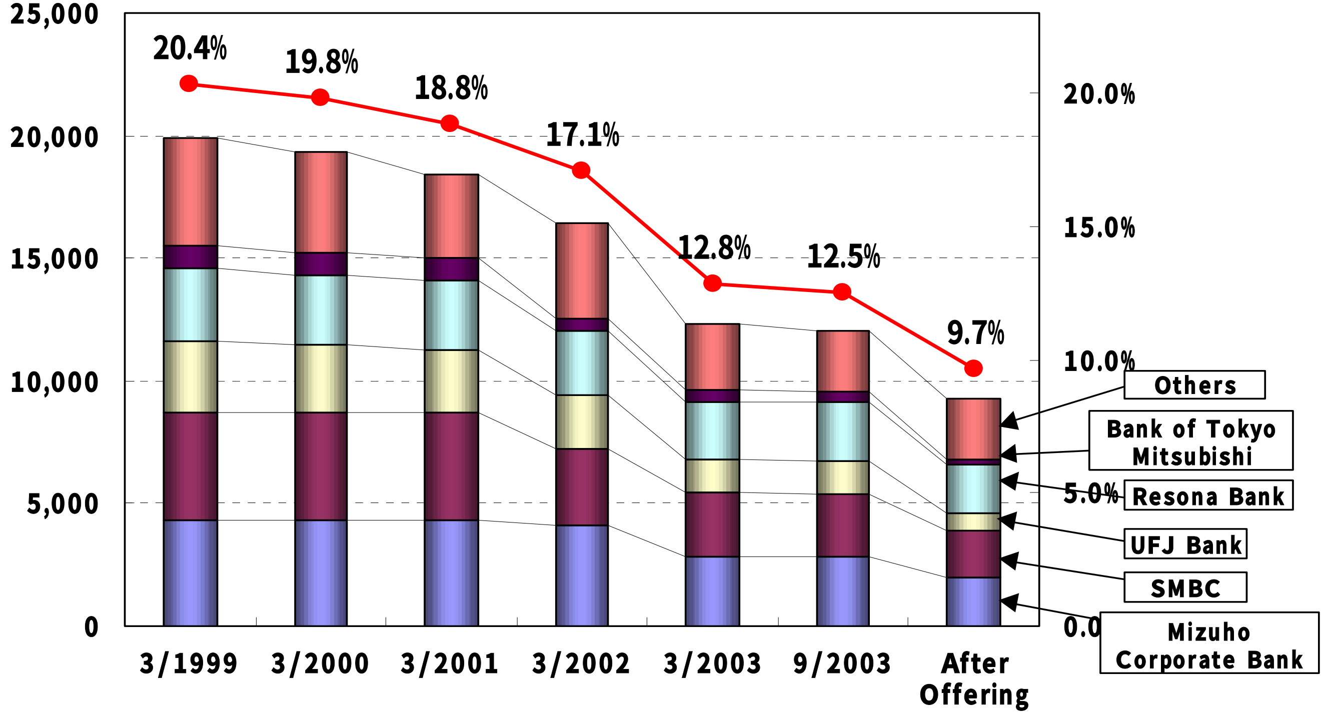
- **Size** - Number of shares offered and sold 27.6m shares
  - 2.9% of total number of stock issued
- **Purpose** - Active measure for stock selling by major banks
  - Maintain supply-demand balance in the stock market
  - Broaden shareholder base, especially individual shareholders, to replace major banks
  - Effective IR and PR activities
  - provision of share purchase opportunity

Equity Stakes of Commercial Banks

3/1999: 20.4%

After Offering: 9.7%

(except for trust accounts: 7.6%)



Executive Summary

- **Gain and maintain competitive advantage and improve financial position by increasing FCF**
  - Look upon liberalization of retail sales as an opportunity to enhance shareholder value
- **Develop new businesses on a groupwide scale**
  - Utilize groupwide resources, such as existing infrastructure, technical capability and human resources, to maximum effect.

Increase Shareholder Value