
Management Plan

March 29, 2004

The Kansai Electric Power Co., Inc.

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Management objectives

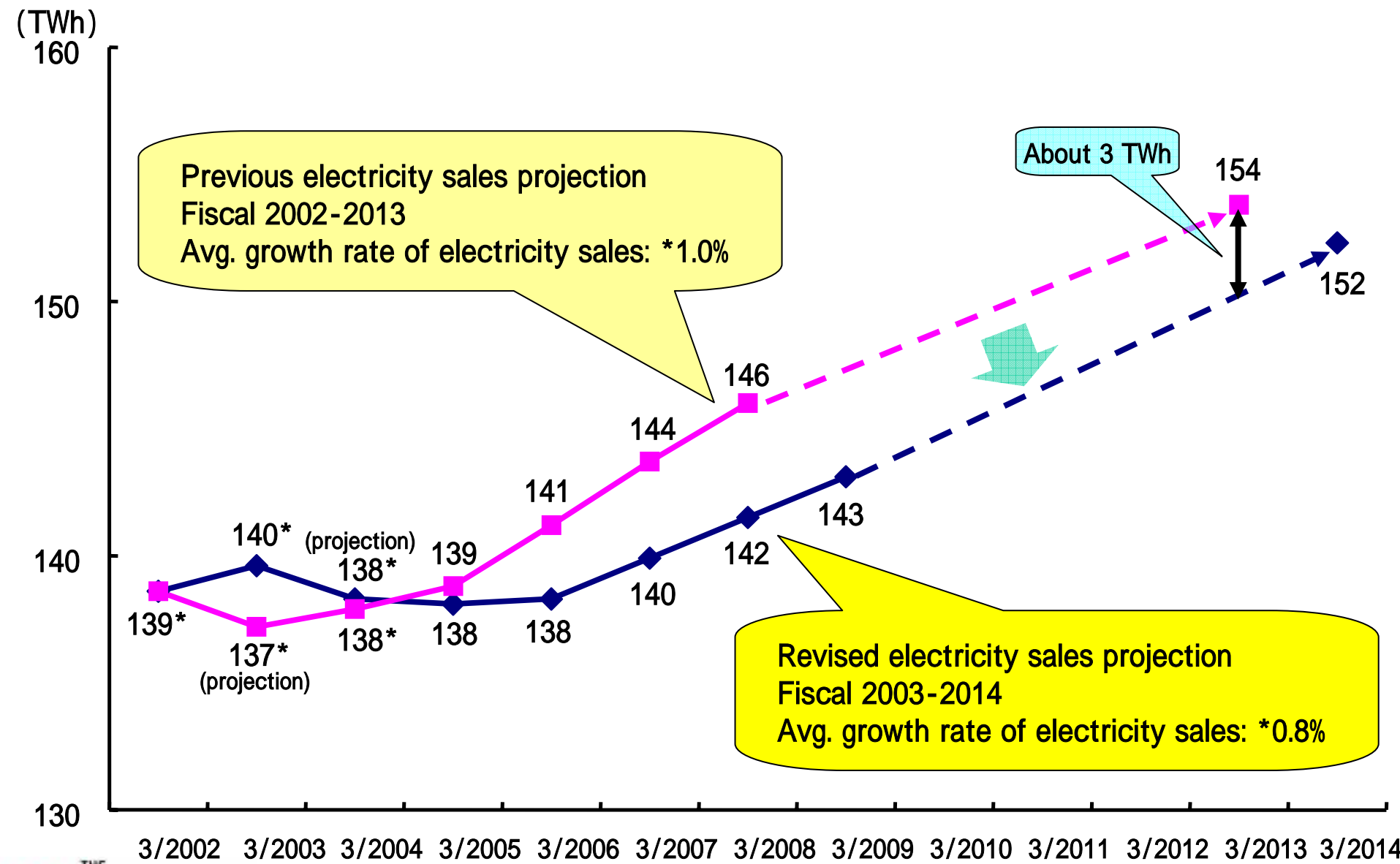
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Specific measures

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Expected Electricity Sales

1



【Consolidated】

	Revised management plan	Previous management plan
FCF	Avg. JPY400bn or greater (FY ending 3/2004 - FY ending 3/2006)	Avg. JPY360bn or greater (FY ending 3/2004 - FY ending 3/2006)
ROA*	Avg. 2.3% or greater (FY ending 3/2004 - FY ending 3/2006)	Avg. 2.4% or greater (FY ending 3/2004 - FY ending 3/2006)
Shareholder's equity ratio	25% or greater (at the end of March 2006)	25% or greater (at the end of March 2006)
Interest-bearing debt	JPY3.3 trillion or less (at the end of March 2006)	JPY3.4 trillion or less (at the end of March 2006)
Ordinary income	Avg. JPY180bn or greater (FY ending 3/2004 - FY ending 3/2006)	Avg. JPY170bn or greater FY ending 3/2006)
Capital expenditures	Avg. JPY330bn or less (FY ending 3/2004 - FY ending 3/2006)	Avg. JPY360bn or less (FY ending 3/2004 - FY ending 3/2006)

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

Management Objectives ()

3

[Non-consolidated]

	Revised management plan	Previous management plan
FCF	Avg. JPY410bn or greater (FY ending 3/2004 - FY ending 3/2006)	Avg. JPY370bn or greater (FY ending 3/2004 - FY ending 3/2006)
ROA*	Avg. 2.5% or greater (FY ending 3/2004 - FY ending 3/2006)	Avg. 2.5% or greater (FY ending 3/2004 - FY ending 3/2006)
Shareholder's equity ratio	25% or greater (at the end of March 2006)	24% or greater (at the end of March 2006)
Interest-bearing debt	JPY3.0 trillion or less (at the end of March 2006)	JPY3.1 trillion or less (at the end of March 2006)
PCA**	Avg. JPY-65bn or greater (FY ending 3/2004 - FY ending 3/2006)	Avg. JPY-65bn or greater FY ending 3/2006)
Ordinary income	Avg. JPY170bn or greater (FY ending 3/2004 - FY ending 3/2006)	Avg. JPY160bn or greater FY ending 3/2006)
Capital expenditures	Avg. JPY240bn or less (FY ending 3/2004 - FY ending 3/2006)	Avg. JPY270bn or less (FY ending 3/2004 - FY ending 3/2006)

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

**PCA Refer to the following page

【Reference】

【Non-consolidated】

	Revised management plan	Previous management plan
PCA*	JPY10bn or greater (FY ending 3/2008)	JPY10bn or greater (FY ending 3/2008)

【Consolidated】

	Revised management plan	Previous management plan
Sales to non-group companies	JPY250bn or greater (FY ending 3/2008)	JPY250bn or greater (FY ending 3/2008)
Non-electric ordinary income	JPY33bn or greater (FY ending 3/2008)	JPY33bn or greater (FY ending 3/2008)

*PCA[Profit after Cost of Asset] : Management benchmark developed by Kansai, similar to EVA™. It represents added value retained after deducting WACC as “cost of asset”.

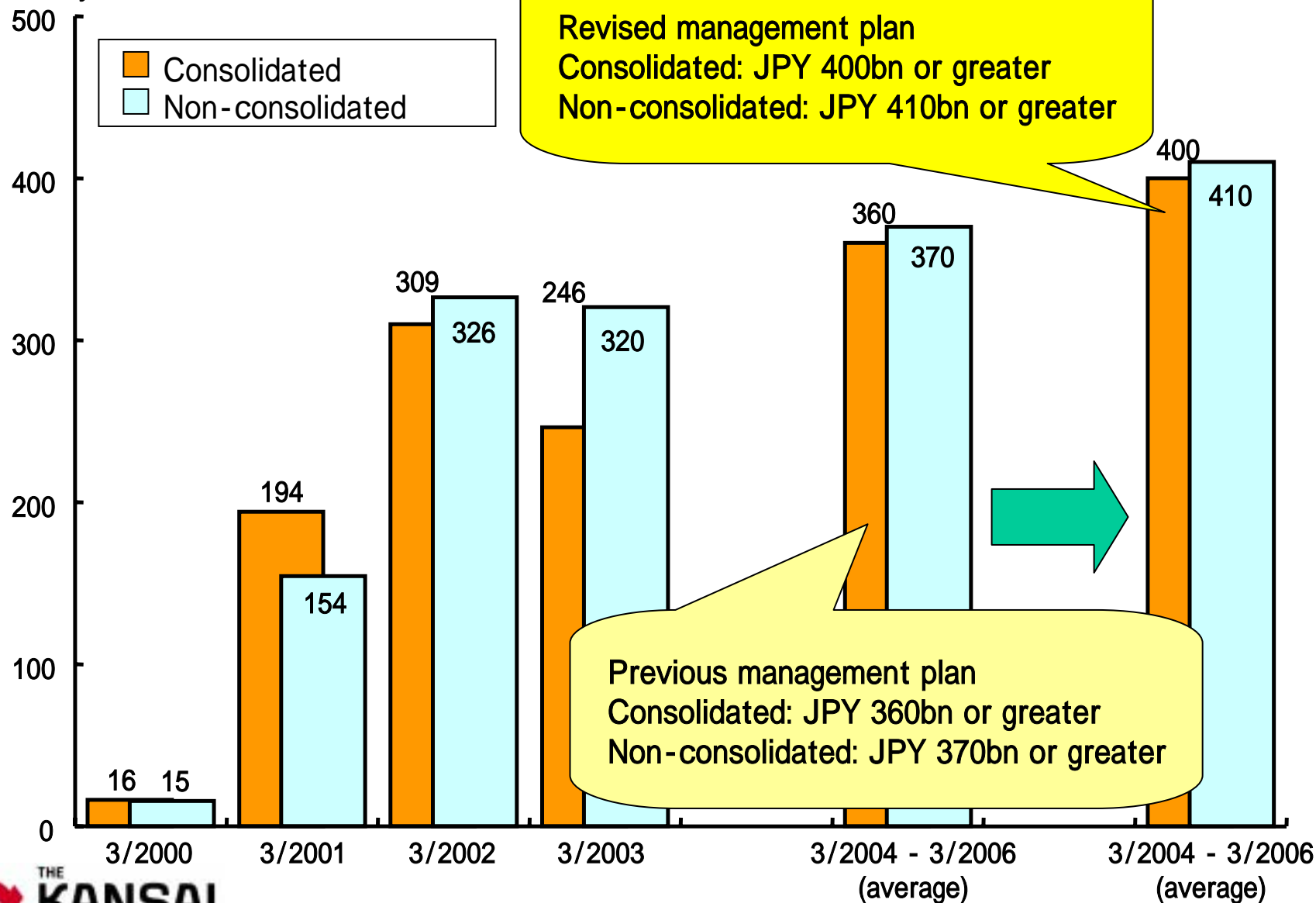
Profit = (Income before income taxes + financial expense) × (1-Income tax rate)

Cost of Asset = Total Assets × 3.5%

Trend of Free Cash Flows

5

(billion yen)

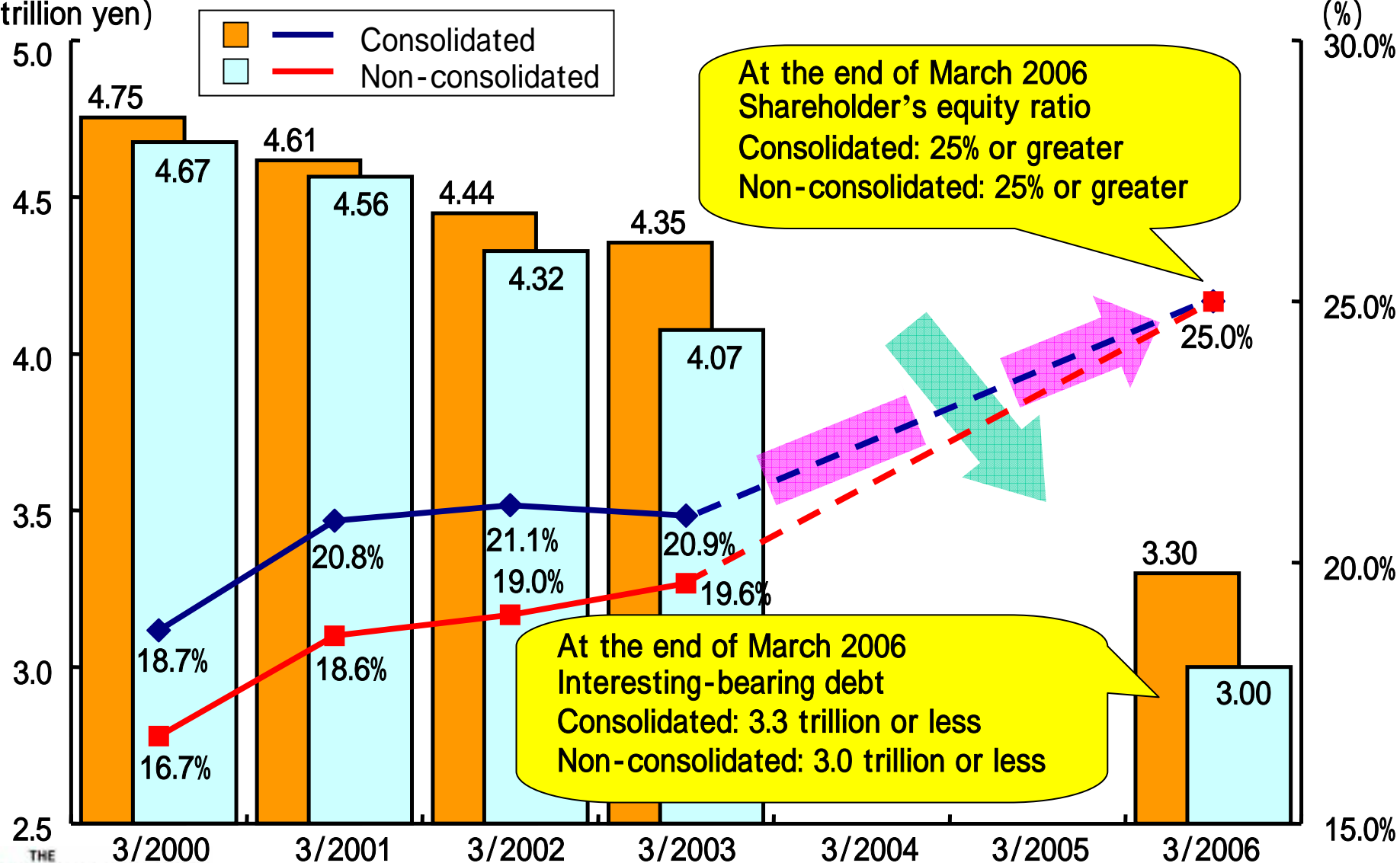


Improve Financial Position

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Interest-bearing debt
(trillion yen)

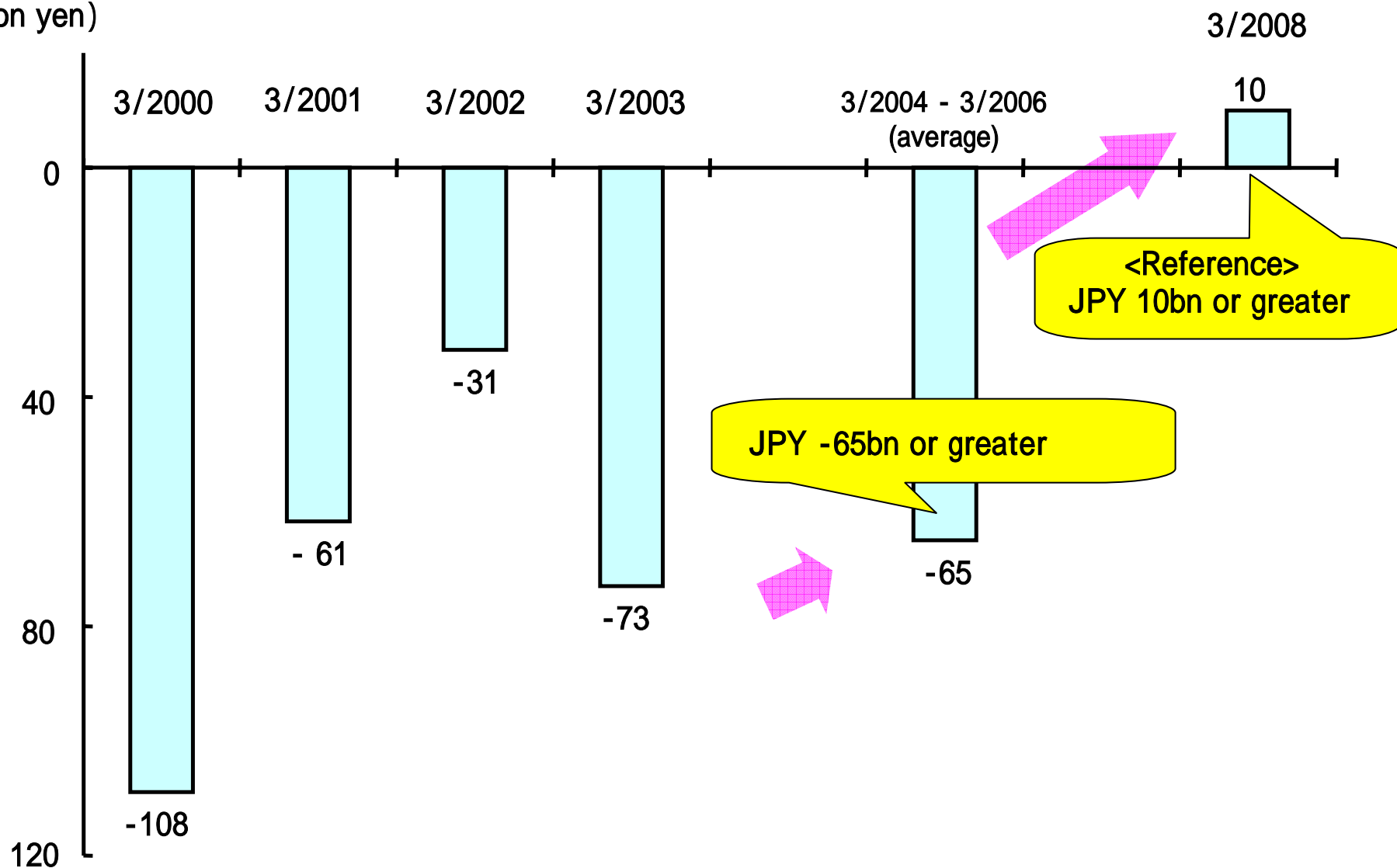
Shareholder's equity ratio
(%)



Trend of PCA (Non-consolidated)

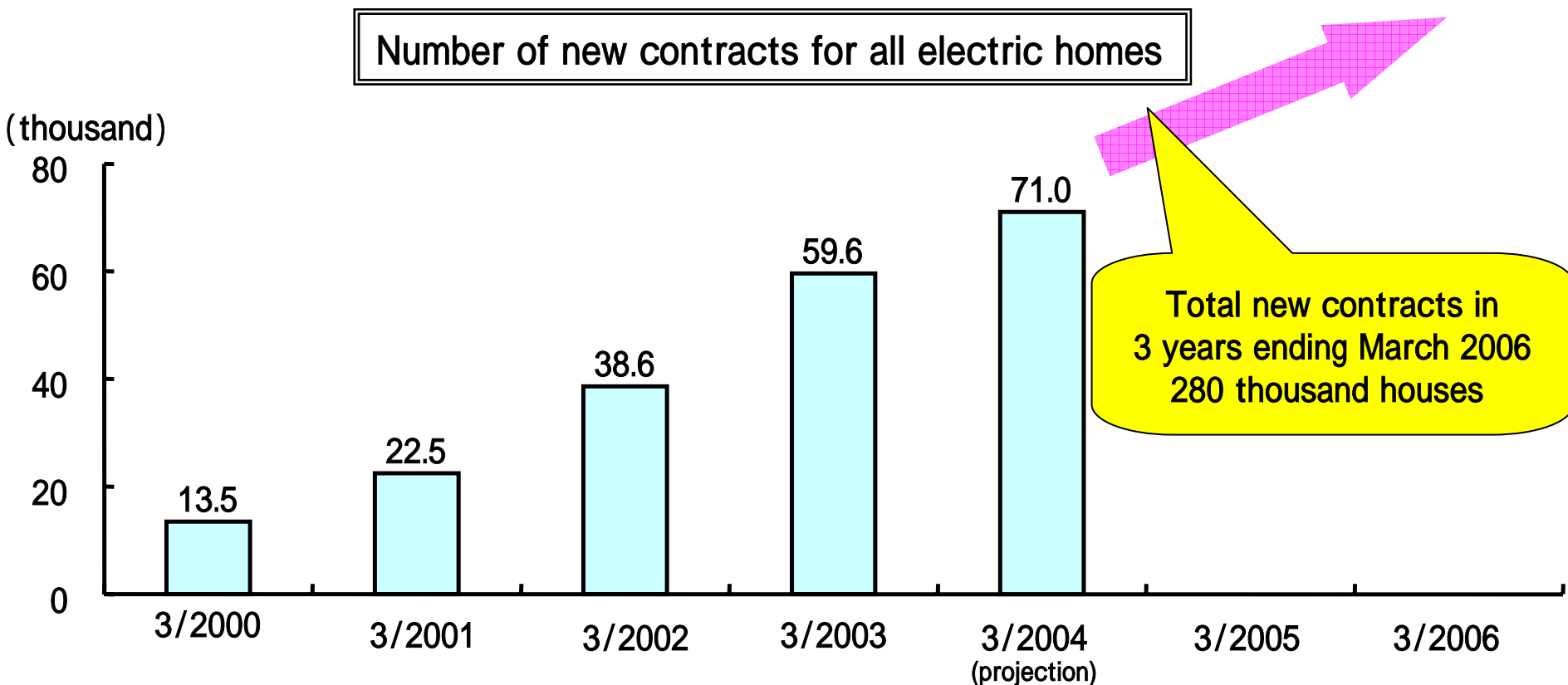
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(billion yen)



1-1 Electricity Business

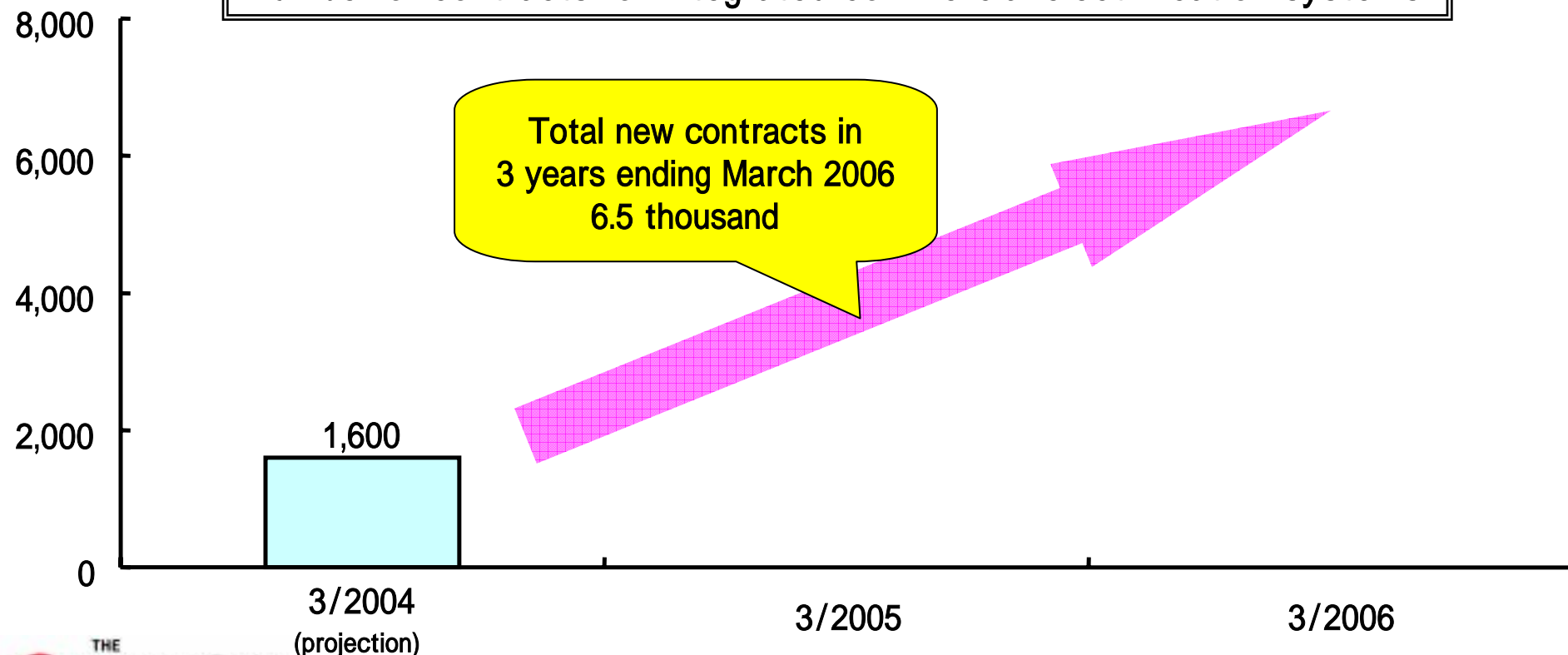
- Increase all electric homes by 280 thousand over 3 years from fiscal 2004 to 2006.



1-2 Electricity Business

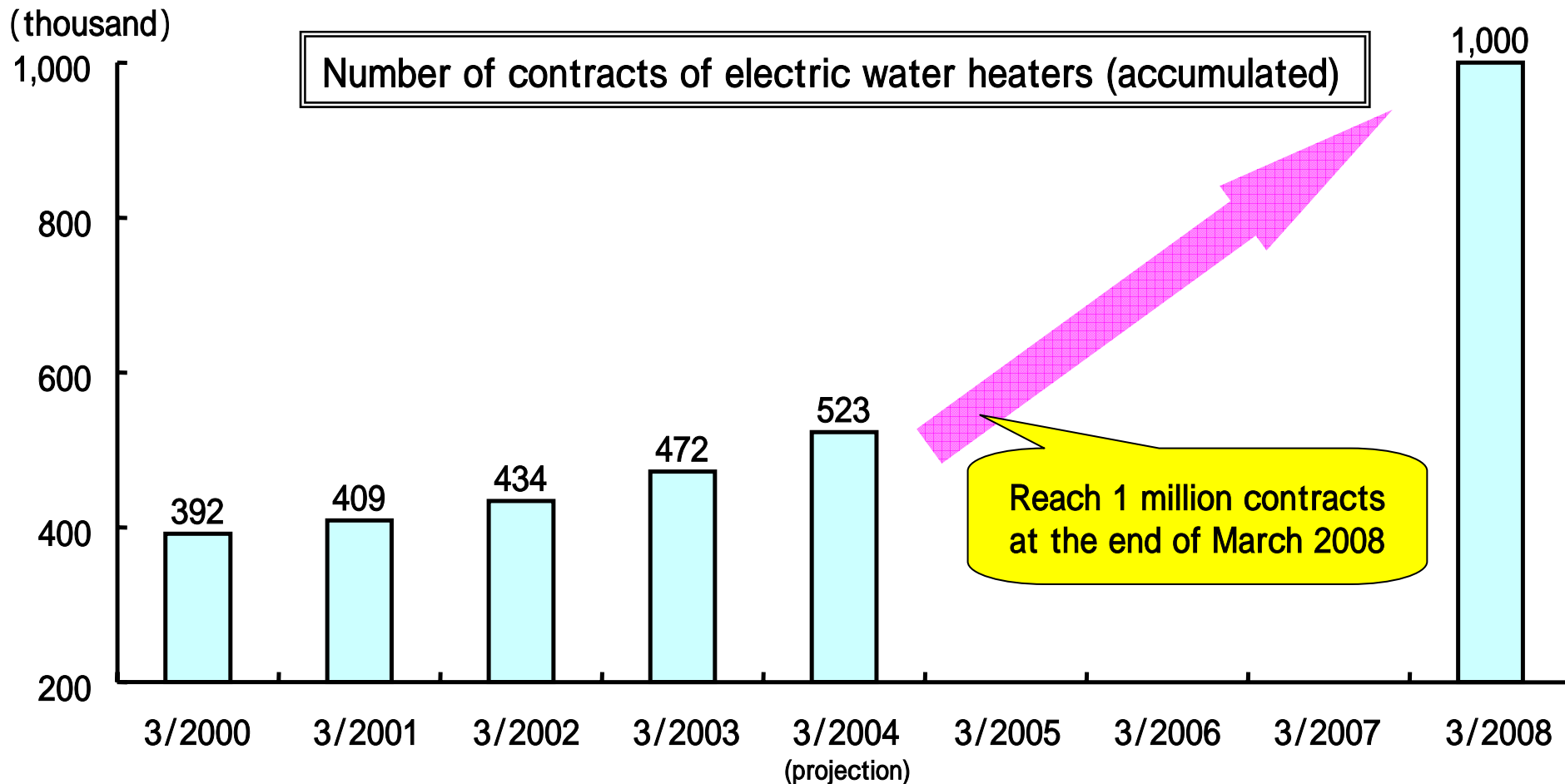
- Increase contracts for integrated commercial electrification systems (electrification of air-conditioning, hot water, and kitchen facilities) by 6.5 thousand over 3 years from fiscal 2004 to 2006.

Number of contracts for integrated commercial electrification systems



1-3 Electricity Business

- Reach 1 million contracts of electric water heaters at the end of March 2008 by promoting the use of electric appliances.



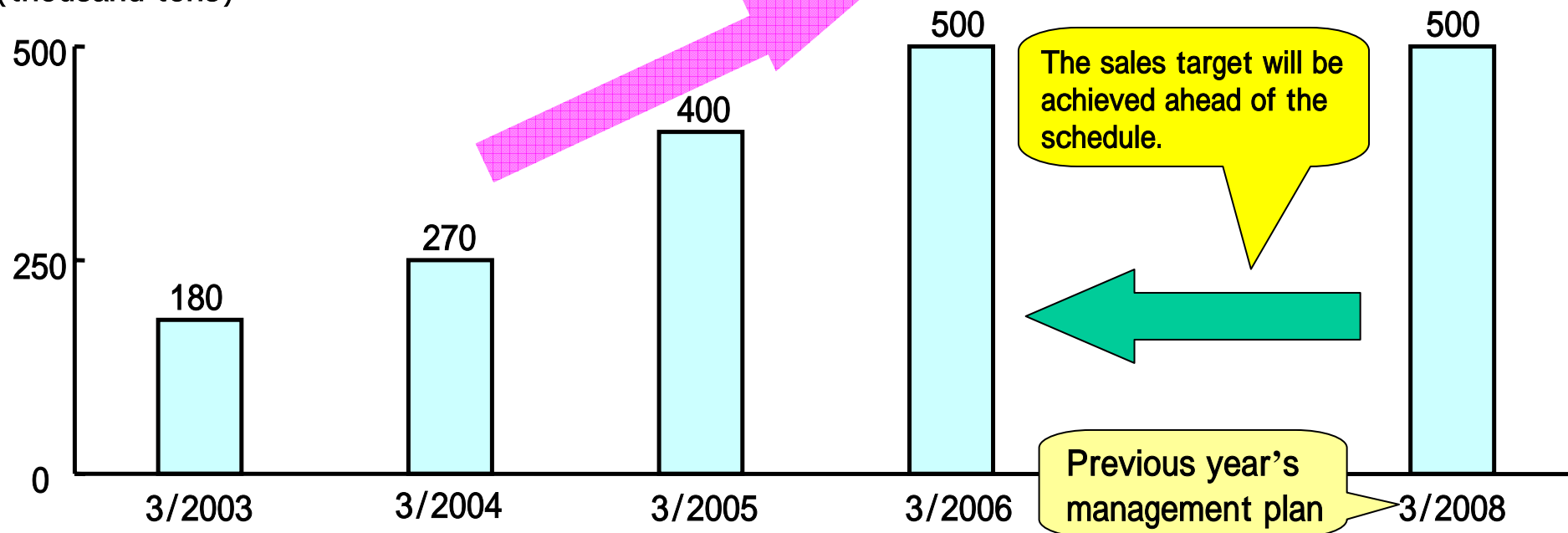
2 Gas Business

- Aim to sell 400 thousand tons of gas and oil for co-generation (calculated in natural gas) in the fiscal year ending March 2005.

*The goal for the previous year's management plan to sell 500 thousand tons of gas and oil (calculated in natural gas) in the fiscal year ending March 2008 will be achieved in the fiscal year ending March 2006.

Forecast of gas sales (calculated in natural gas)

(thousand tons)

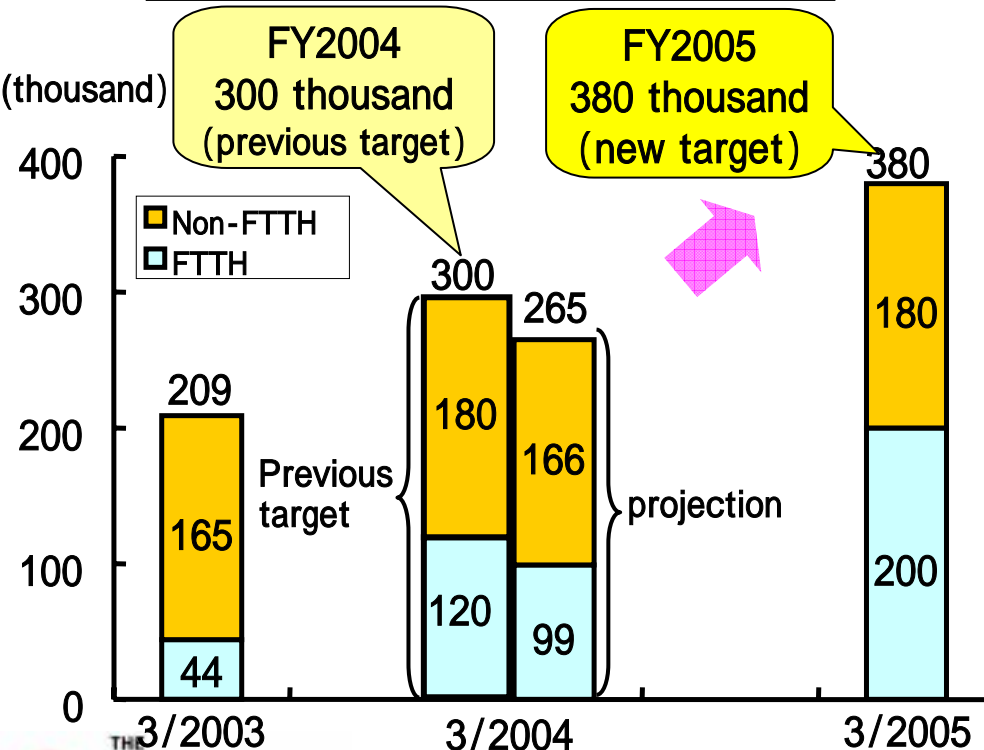


3 IT/Communication

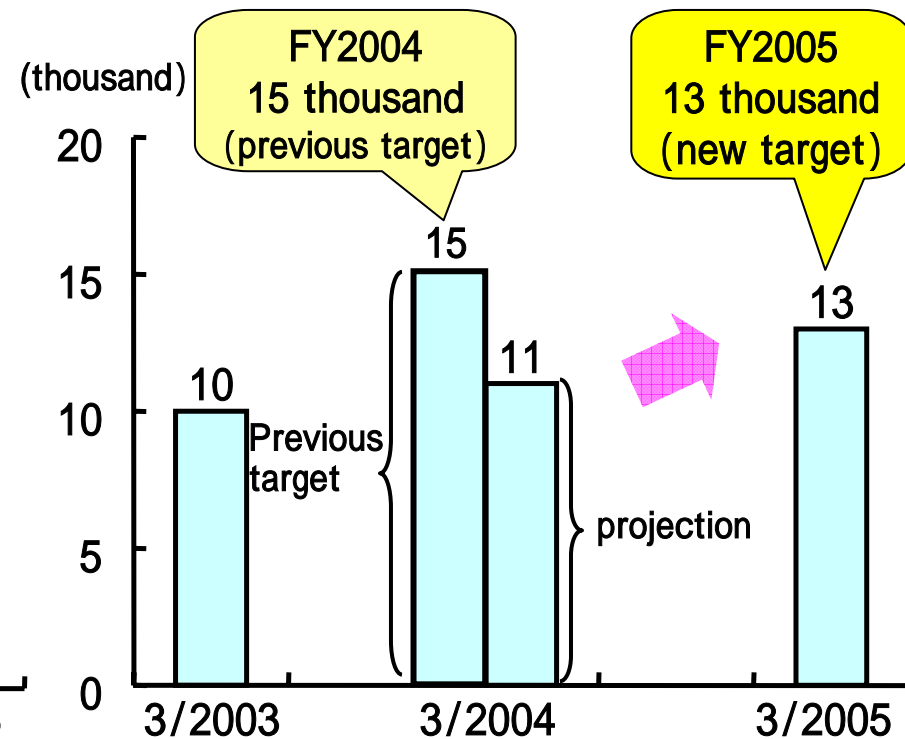
- Provide comprehensive communication services to meet various needs of customers with our subsidiary, K-opticom, as a core.
- Enhance the appeal of FTTH by adding television service* using optical fiber to internet access service and IP phone service.

*We have started mult-channel broadcasting services in some cities since last November and won 1,600 customers

Number of individual customers



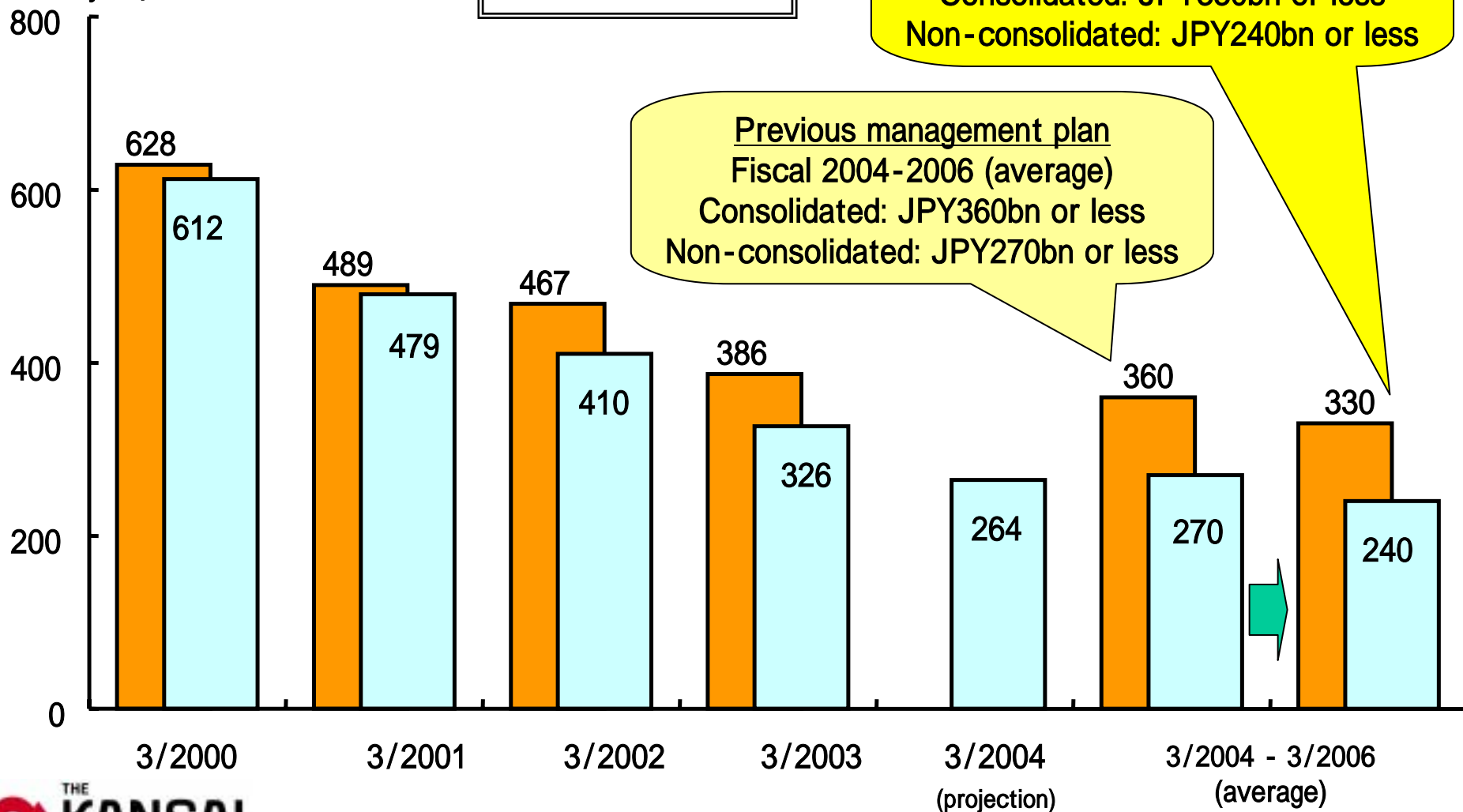
Number of corporate customers



1. Further reduction of CAPEX

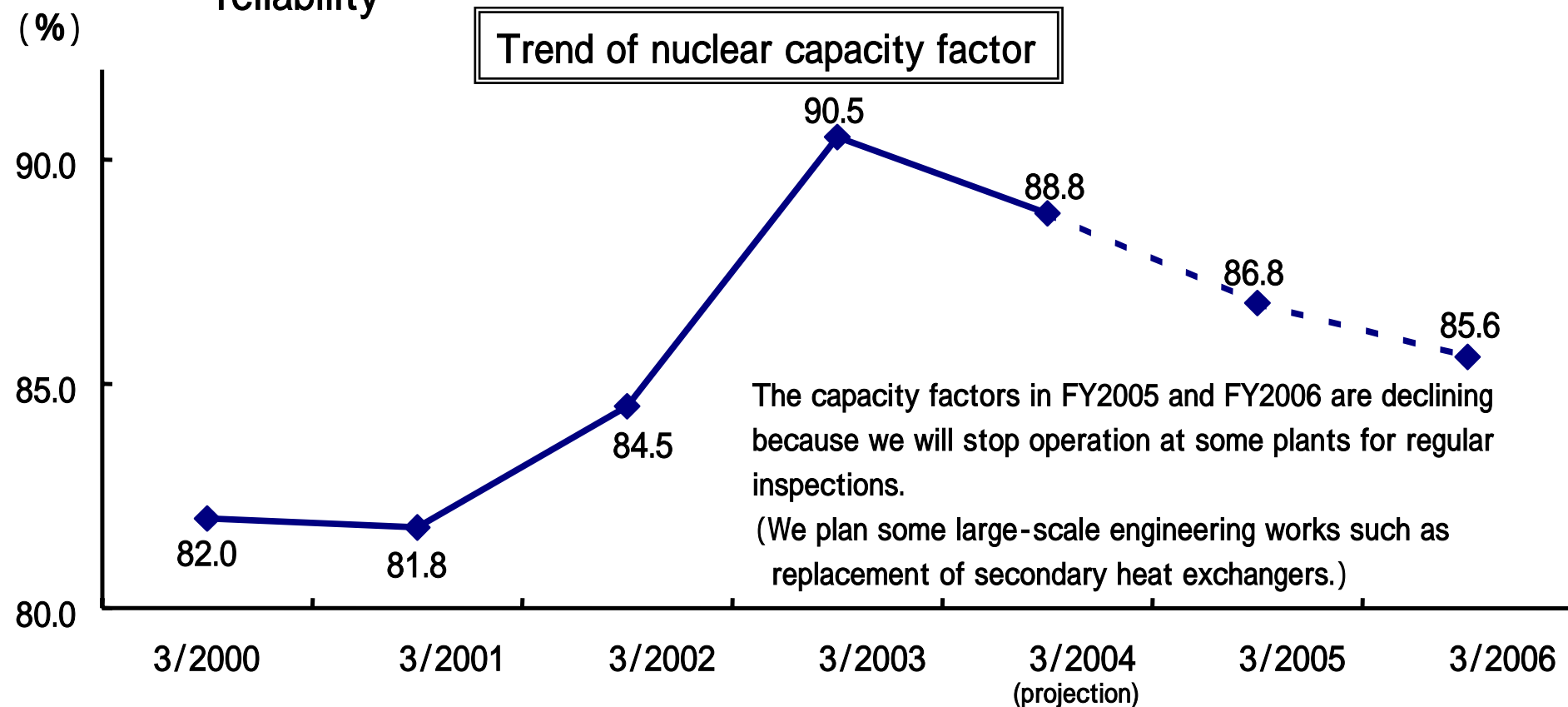
(billion yen)

Trend of CAPEX



2. Maintain high nuclear capacity factor

- Continue to achieve a nuclear capacity factor of more than 85% by rated thermal power operation and concentration of large-scale works during regular inspections, while taking thorough measures to ensure safety and reliability



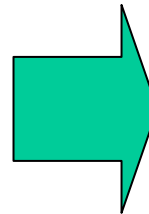
3. Expand suspension of fossil-fuelled power units

- Save maintenance costs and administrative costs further by expanding suspension of fossil-fuelled power units

Suspended fossil-fuelled power units

< Already suspended units > (As of March 2004)

Name of Power Plant	Unit	Generating Capacity
Gobo	#2	600MW
Aioi	#2, #3	750MW
Ako	#1	600MW
Miyazu	#1	375MW
Takasago	#1, #2	900MW
Kainan	#1, #2, #4	1,500MW
Total	10 Units	4,725MW



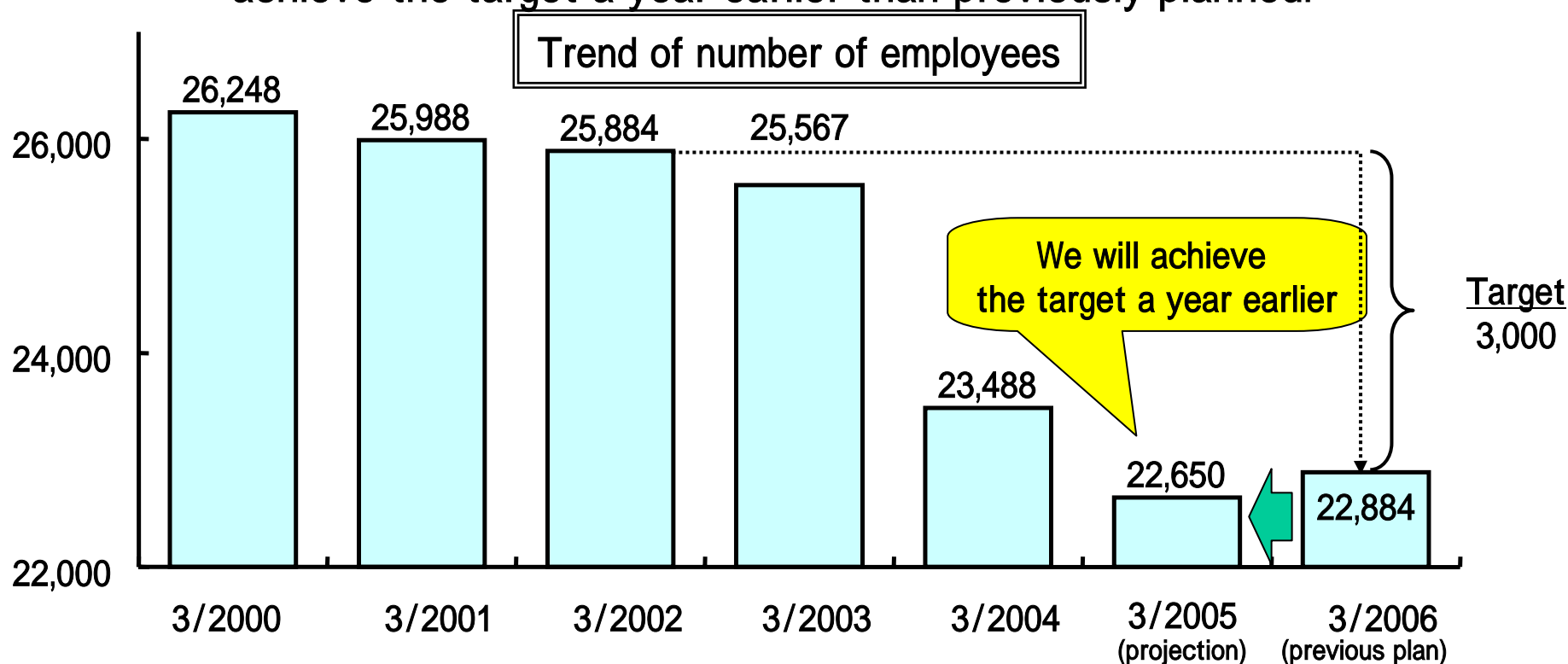
Management plan for FY2005 Suspension of units

- FY2005 ~
Miyazu #2 (375MW)
- FY2006 ~
Tanagawa #1, #2 (120MW)

- ## 4 . Carry out feasibility studies for the renovation of the Sakaiko Power Station, or replacement of existing systems into combined cycle generating systems

5. Streamline and upgrade operating systems

- 1) Reduce headcount by 3,000 employees from those at September 2001 by attrition and improvement of early retirement programs. We will achieve the target a year earlier than previously planned.



- 2) Re-group affiliated companies by related function in order to allocate our group resources optimally

【Key C S R principles】

- **Provide products and services stably and safely**
- **Take a progressive approach to protect the environment**
- **Contribute actively to the development of local economy and society**
- **Respect human rights and establish excellent work environments**
- **Establish a highly transparent corporate management**
- **Strengthen corporate ethics**

For further information

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