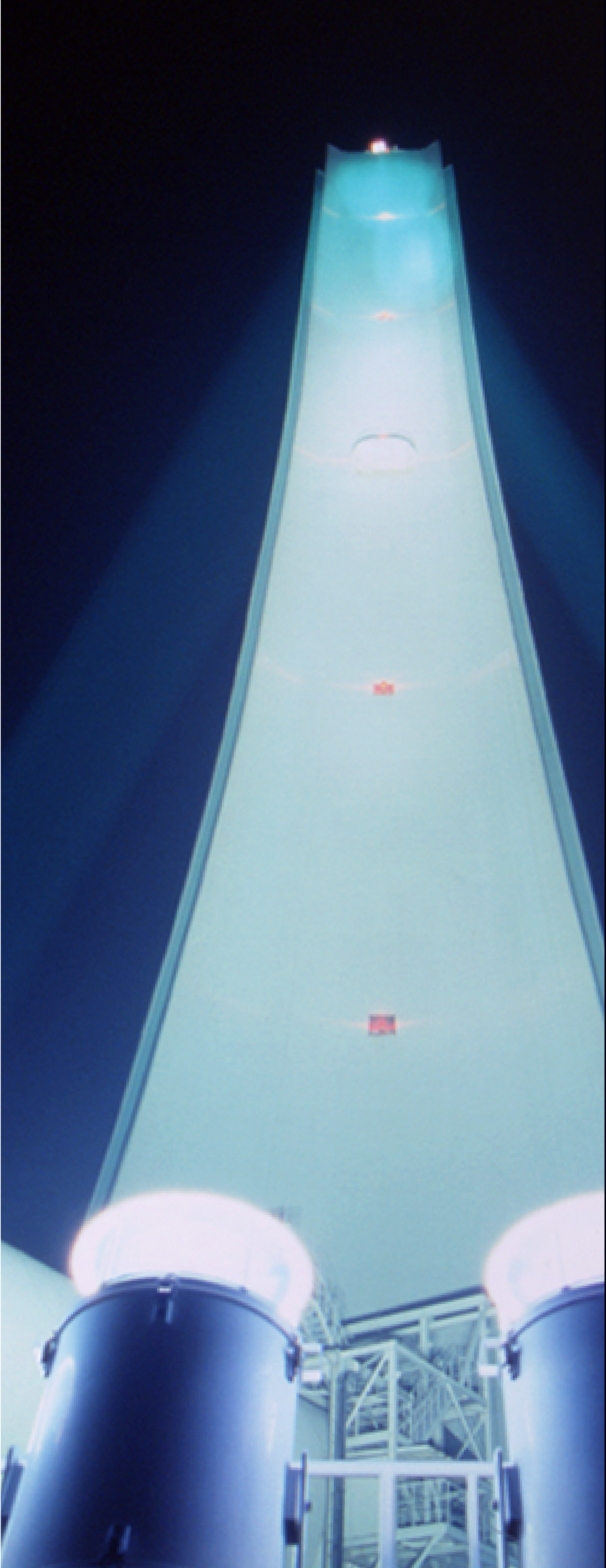


ANNUAL REPORT 2002

Year ended March 31, 2002

THE KANSAI ELECTRIC POWER CO., INC.

THE KANSAI ELECTRIC POWER CO., INC.

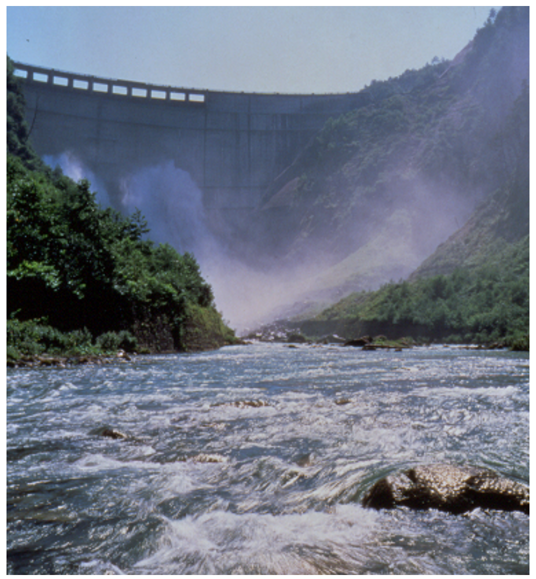
The Kansai Electric Power Co., Inc. (Kansai EP) has been serving the power needs of the Kansai area since its establishment in 1951. In 2001 the Company celebrated its 50th Anniversary in operation, and during that half-century it has been a total supplier in the truest sense, developing and operating its own power plants, securing diversified resources to run them, and delivering 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 km². The Company's output is equally impressive: in the fiscal year ended March 31, 2002, sales reached 139.8 billion kWh — almost equal to the national power needs of Sweden.

One secret behind Kansai EP's ability to keep pace with Kansai's expanding power demand has been its steadfast commitment to technological development. Today, in an era of burgeoning deregulation of the utility industry, the Company is reinforcing its position in core electricity operations while simultaneously probing innovations in new growth-driving operations for tomorrow.

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.

Osaka Bay Area



Kurobegawa No.4 Hydro Power Plant (335 MW)

Ohi Nuclear Power Plant (4,710 MW)

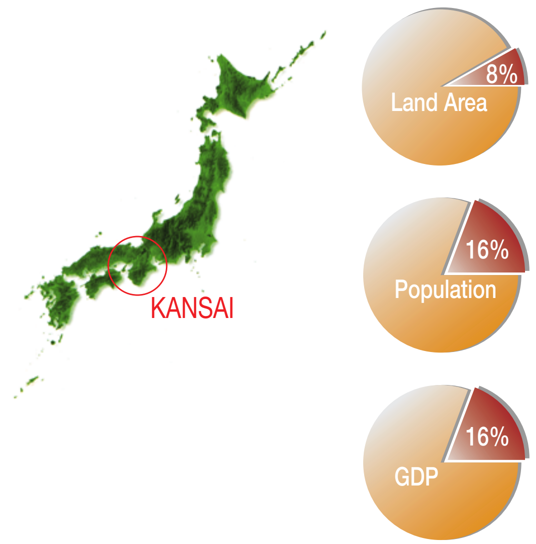
Himeji No.1 Thermal Power Plant (1,442 MW)

KANSAI — THE HEARTLAND OF JAPAN

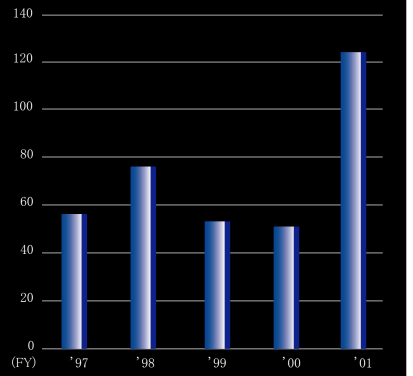
Kansai, the area served by The Kansai Electric Power Co., Inc., forms the cultural, historical, industrial and commercial core of the Japanese archipelago. From the treasured ancient capitals of Nara and Kyoto to the bustling business centers of Osaka and Kobe, Kansai is where the nation's heart began to beat — and where it continues to ring loud with dynamic growth for 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 are augmented by a host of vibrant companies marking steady growth driven by innovative technologies representing the state of their respective arts.

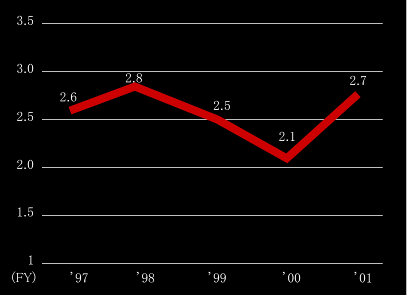
While currently the nation is in a severe and persistent economic recession, the Kansai region is concentrating its full roster of resources — its vigor, vitality and wisdom — to ensure the area's sustained and dynamic growth in the first century of this new millennium.



Net Income
(billions of yen)



Return on Assets
(%)



Financial Highlights
(Consolidated Basis)

	2000 (Billions of yen)	2001 (Billions of yen)	2001 (Millions of U.S. dollars)
Financial Data			
Operating Revenues	¥ 2,588.3	¥ 2,647.9	$ 21,371
Operating Income	310.5	340.6	2,749
Net Income	52.3	122.7	991
Total Assets	7,500.9	7,550.8	60,942
Per Share Data (Yen and U.S. dollars)			
Net Income	53.4	125.5	1.01
Cash Dividends	50.0	60.0	0.48
Key Ratios (%)			
Shareholders' Equity Ratio	18.7%	20.8%	
Return on Equity (ROE)	3.9%	8.3%	
Return on Assets (ROA)	2.1%	2.7%	

Notes; 1. U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥123.90=U.S.$1, the approximate rate of exchange at March 31, 2001.
2. ROA= (Income Before Income Taxes+ Financial Expense) x (1 - Income Tax Rate) / Total Assets

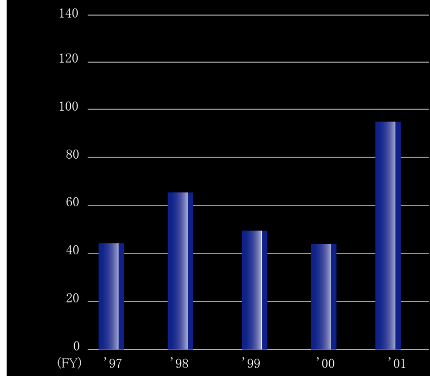
Financial Highlights
(Non-Consolidated Basis)

	2000 (Billions of yen)	2001 (Billions of yen)	2001 (Millions of U.S. dollars)
Financial Data			
Operating Revenues	¥ 2,517.2	¥ 2,581.4	$ 20,834
Operating Income	315.2	336.0	2,712
Net Income	43.6	95.4	770
Total Assets	7,166.8	7,212.5	58,212
Per Share Data (Yen and U.S. dollars)			
Net Income	44.6	97.6	0.79
Cash Dividends	50.0	60.0	0.48
Key Ratios (%)			
Shareholders' Equity Ratio	16.7%	18.6%	
Return on Equity (ROE)	3.9%	7.5%	
Return on Assets (ROA)	2.0%	2.6%	

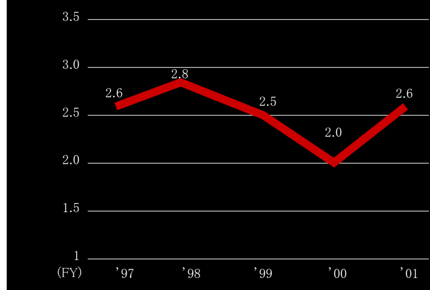
Notes; 1. U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥123.90=U.S.$1, the approximate rate of exchange at March 31, 2001.
2. ROA= (Income Before Income Taxes+ Financial Expense) x (1 - Income Tax Rate) / Total Assets

The Kansai Electric Power Co., Inc. | Annual Report 2001

Net Income
(billions of yen)



Return on Assets
(%)



Contents

The Kansai Electric Power Co., Inc. | Annual Report 2002

Forging the solid foundations for strong and sustainable growth in a changing world

Kansai EP is implementing bold initiatives toward achieving a dynamic corporate transformation, to cope with today's new and shifting parameters.

The Year in Review

Fiscal 2002, the period from April 1, 2001 through March 31, 2002, was a year marked by the steady deterioration of the Japanese economy. Personal consumption grew progressively weaker, corporate production levels sagged, and capital investments were scaled back substantially.

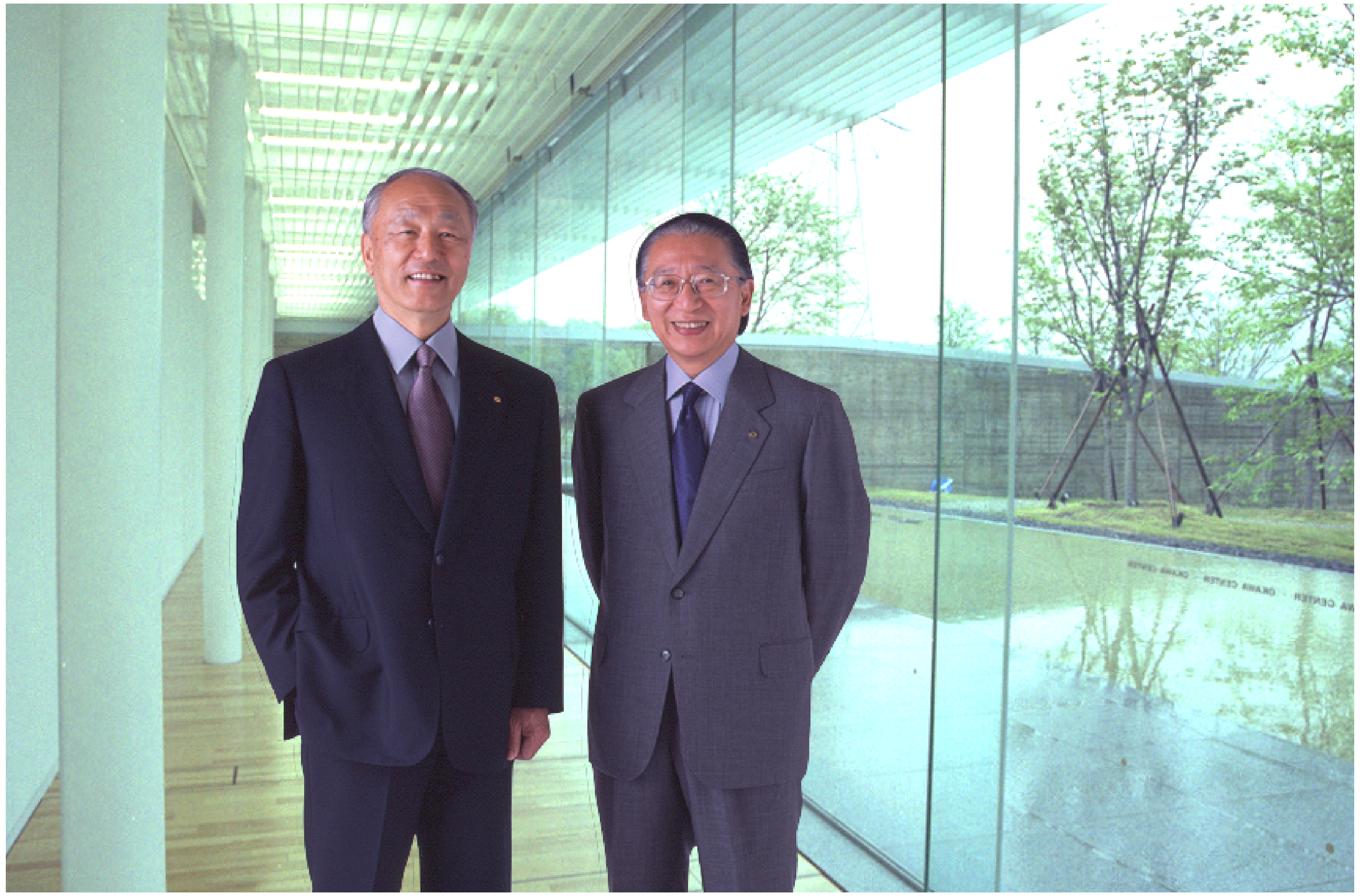
Against this severe backdrop The Kansai Electric Power Co., Inc. (Kansai EP) recorded a year-on-year decrease in total electricity sales for the first time in nine terms; sales volume reached 139.8 billion kWh, down 2.2%. Operating revenues, however, expanded by ¥3.6 billion to ¥2,651.5 billion. A 2.5% fall in operating income from electricity operations, the combined result of the decreased sales volume and full-term impact of the rate reductions implemented in October 2000, was outweighed by expanded revenues from other operational segments, which were largely attributable to an increase in the Company's consolidated subsidiaries this term. Operating expenses totaled ¥2,332.2 billion, up a modest ¥25.0 billion from the level of fiscal 2001. On the one hand expenses linked to electricity operations registered a 2.0% year-on-year decline, as increased outlays for purchasing power from independent producers were offset by lower fossil-fuel costs, ascribable to higher dependency on nuclear power plants, reductions in maintenance and capital costs, and management efficiency enhancement initiatives executed throughout all segments. In the end the Company recorded ¥319.3 billion in operating income, down ¥21.3 billion from the year-earlier level.

Consolidated net income reached ¥128.4 billion, up ¥5.6 billion from fiscal 2001. The year-on-year increase in net profit despite the decline in operating income derived primarily from extraordinary profit booked in tandem with the sale of part of the Company's securities holdings.

At term's end our shareholders' equity ratio had been enhanced by 0.3 percentage point over the level one year earlier. Interest-bearing liabilities had been reduced by ¥168.1 billion.

Dynamic Response to a Golden Opportunity

The environment surrounding the electricity business is currently undergoing transformations that have imposing ramifications for the future. We are now in the third year since regulations governing the nation's electric utility industry were revised whereby high-demand industrial and commercial customers now have the freedom to purchase electricity from the supplier of their choice. Already a host of new power providers have become increasingly active in the Japanese energy market. Also, competition among energy modes is projected to reach unprecedented proportions in the coming years, as suggested by today's increasing



Yoshihisa Akiyama
Chairman of the Board of Directors

Yohsaku Fuji
President and Director

adoption of independent generating facilities, cogeneration and other on-site power supplies. Furthermore, an advisory panel to the government is presently debating additional modifications to systems regulating the nation's electricity industry, including measures for expanding the scope of deregulation further. Together these developments are expected to accelerate the speed of changes in the industry's operating environment all the more.

At Kansai EP, while we are keenly cognizant of the risk of becoming embroiled in severe competition amid this rapidly changing business environment, more importantly we look on these shifting parameters as a dynamic opportunity for us to raise our corporate and shareholder value through earnings expansion. To capitalize fully on this opportunity — an opportunity not afforded to us when the industry was totally regulated — we have set three overriding targets on which to focus our managerial resources: 1) reinforcement of our competitive strength, 2) enhancement of our Groupwide earning power, and 3) strengthening of our financial structure. Here is how we aim to achieve this triad of objectives.

First, to boost our competitive strength, we are taking determined initiatives to fortify our price competitiveness while closely monitoring developments in market liberalization, and to enhance customer satisfaction through provision of new forms of value. Toward these ends we will pursue optimal efficiency in all areas of management and devote our resources to the development of ever better electrical equipment, service menus and rate options. We will also pool our comprehensive Group resources in a quest for enhanced capabilities as a provider of a full slate of energy solutions. Finally, we will strive to achieve ever more effective programs to cultivate and train the professional staff we will require to furnish this kaleidoscopically changing palette of solutions to our customers.

Second, with the aim of strengthening our Groupwide earning capacity, we will pursue enhanced management efficiency, including radical reorganization of our Group companies, and strive for ever more effective use of our Groupwide managerial resources. We also will explore new business avenues through selective concentration into operations that will offer us the ability to effectively apply our Groupwide resources along three vectors in particular: comprehensive energy solutions, amenities in support of lifecycle requirements, and information technology services. During fiscal 2002, steady progress continued to be achieved in each of these directions through the launch of new business operations. For example, during the year under review we instituted retail gas sales by applying our expertise in the operation of facilities handling LNG; we inaugurated services in home security, capitalizing on the trust placed in us by the regional community; and we launched Internet services making use of our 40,000-kilometer fiber-optic

network. In the coming years we will continue to aggressively pursue investments into new business areas that will lead to ongoing expansion of our earnings base into the future.

Third, in conjunction with the fortification of our financial structure, tangible achievements are now coming to the fore in this quest vigorously pursued in recent years. In March 2002 we took the unusual step of revising upward the financial targets that we had set one year earlier, despite the deepening severity of our operating environment projected ahead. We now aim for an average per annum free cash flow between fiscal 2003 and fiscal 2005 exceeding ¥310 billion, rather than the earlier target of ¥200 billion; we seek to raise our shareholders' equity ratio above 24% by the end of fiscal 2005, in place of 20% by the end of fiscal 2004; and we intend to reduce our interest-bearing debt to ¥3.5 trillion by the end of fiscal 2005, instead of ¥4 trillion. We also newly laid down financial targets on a consolidated basis, in order to clarify Groupwide objectives. In this regard we are targeting an average annual free cash flow above ¥250 billion between fiscal 2003 and fiscal 2005, a shareholders' equity ratio above 24% by the end of fiscal 2005, and a reduction in interest-bearing liabilities to ¥3.8 trillion by the close of fiscal 2005.

Crossing the Threshold to a New Era of Growth

Going forward Kansai EP will continue to fulfill its social responsibilities as a corporate global citizen, including our indelible commitment to resolution of environmental issues. Synchronously we will also seek profit growth and expanded shareholder value in a sustained manner, in three ways: by instilling loyal trust among our customers on a Groupwide basis; by driving the continuing development of the Kansai region as a growth enterprise; and by achieving and sustaining the resiliency and strength to respond to any and all changes in our operating environment.

The year 2001 marked a milestone in Kansai EP's history as we celebrated our 50th Anniversary since our founding. Now, as we embark into our second half-century we renew our pledge to pursue innovations on broad fronts, to enable us to weather the challenges of these changing times and achieve dramatic new heights tomorrow. We sincerely ask for your continuing support as we proceed toward these demanding goals.

Yoshihisa Akiyama
Chairman of the Board of Directors

Yohsaku Fuji
President and Director

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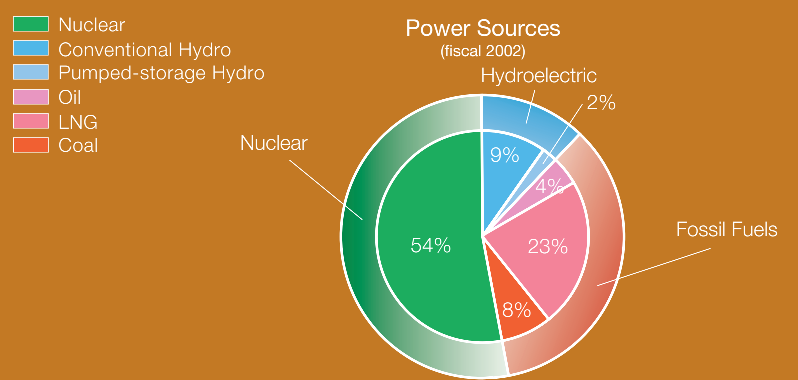
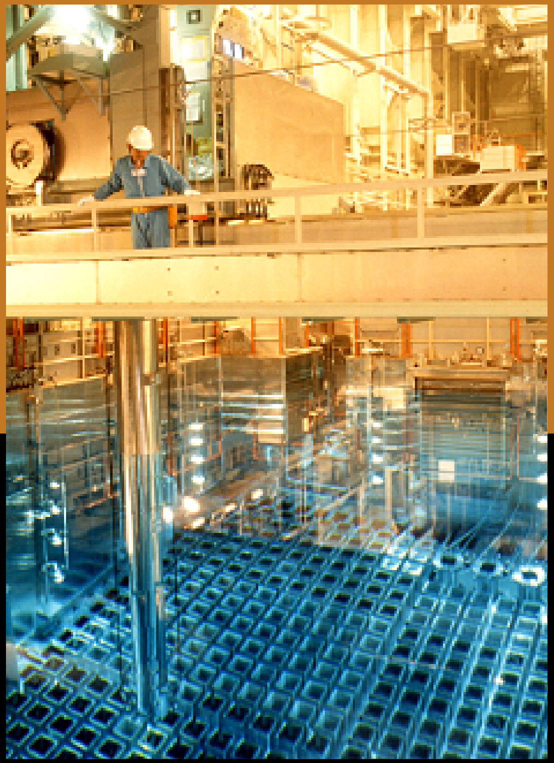
Because electricity demand traces a steadily rising curve, Kansai EP explores all options to achieve optimally effective use of available resources and infrastructure.




Spent fuel rod inspection (Takahama Nuclear Plant)


Central Load Dispatching Center

Using resources, infrastructure and innovations effectively to meet demand well into the future

Sales Expansion to Accompany Economic Recovery

Fiscal 2002 was a year in which the Japanese economy deteriorated with unrelenting continuity. Against that severe backdrop, Kansai EP registered the first year-on-year decline in sales volume in nine years, with total electricity sales slipping 2.2% to 139.8 billion kWh. Beyond the near term, however, demand is expected to resume steady expansion, especially for use in residential and business use.

Pursuing Maximum Use of Existing Infrastructure

Electricity sales expansion puts increasing strain on the overall power infrastructure. To utilize existing infrastructure to optimum effect — and thereby enhance the Company's competitive position — we implement an array of initiatives focused on minimizing increases in peak demand on the system: in other words, improving our load factor.

First, we encourage the adoption of systems engineered for higher energy efficiency. Second, we aggressively promote the adoption of "Eco Ice," our innovative thermal-storage system that stores power generated during nighttime hours, when demand is modest, and thereby makes a significant contribution to easing daytime peak system demand. Third, we provide attractive rate schedules tailored to induce customers to adopt these energy-saving systems. The burgeoning success of these vigorous initiatives is reflected in the gradual improvement achieved in our load factor in recent years.

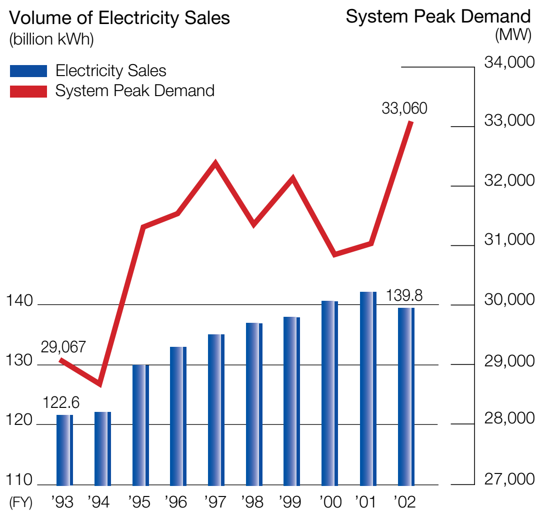
Aiming for the Optimum Generation Mix

Japan, a nation of limited natural resources, is in a perennially precarious energy position. To cope with this vulnerability, Kansai EP continuously probes the optimum combination of nuclear, thermal and hydro power, capitalizing on the respective advantages of each generation method to maximum effect.

Nuclear power forms the core of our energy platforms, meeting a majority 51% of the Company's total output demand. Nuclear power offers salient economic advantages because we pioneered its development, and this long record today yields benefits in terms of relatively modest depreciation costs and a sustained high capacity factor. Nuclear energy is also friendly to the environment as it produces low levels of CO_2 emissions.

Thermal power, which offers superior load-following characteristics, is our second-most important source of energy. In this area, we are pursuing diversification beyond oil dependency and striving for efficient operation of facilities by retiring or suspending, at length, operation of power plants plagued by poor efficiency or low load factor.

We are also developing hydroelectric power aggressively, in view of this energy source's modest burden on the environment and the need to optimize effective use of Japan's available resources. Pumped-storage hydropower plants play a significant role in satisfying peak demand.



As Japan's power industry undergoes unprecedented deregulation, Kansai EP is taking aggressive steps to strengthen its competitive position.

Implementing vital new strategies to ensure dynamic growth into the future

Japan's Power Industry in Transformation

Under revisions to Japanese regulations governing the electric power industry that took effect from March 2000, retail users who contract for more than 2,000 kW of power received at voltages above 20,000V are now permitted to choose their preferred power supplier. Users matching those criteria account for roughly 30% of Kansai EP's sales volume and 20% of the Company's revenue.

In tandem with this deregulatory measure, the nation's electric power providers now offer open access to their power transmission networks. This liberal disposition permits total fairness in the usage of transmission systems by all competitors in the newly deregulated segment of the industry.

Today a special government committee on the electric power industry serving in an advisory capacity to the Minister of Economy, Trade and Industry is undertaking a further review of the scope of industry deregulation plans in a quest for continuing improvements for the nation's benefit.

Competition Entering a New Phase

Since the inception of the deregulatory change initiated in 2000, new participants have become increasingly active in the domestic electricity market. As of March 31, 2002, nine new energy providers had entered the market and successfully acquired customers in areas throughout the nation. Kansai is but one region where their activities targeted at attracting demand are beginning to gather momentum.

Deregulation has also had an impact on competition among the traditional power providers. Since deregulation got underway, rate reductions have been executed by all power firms, leading to rate leveling that to date has prevented scrambles for customers.

Proactive Response to a Changing Environment

Kansai EP views the transformations in its operating environment as an ideal opportunity for corporate reform, and we are taking aggressive steps now in that direction. Specifically we are taking positive steps to maximize efficiency in all areas of our operations, with the cash flow generated from these initiatives to be applied strategically in the following three ways.

First, we are resolved to enhance our price competitiveness. Historically the Company has long maintained a pricing advantage, but going forward we will face intensifying competition against new power providers and on-site power sources, compelling us to fortify our price competitiveness even further. Also, in preparation for future expansion of market liberalization and ongoing developments in competition, we will focus our business policies more sharply on the needs of our customers. By providing them with added value and optimal solutions, we aim to secure the loyal patronage not only of customers in the newly deregulated segment but also of home users and other customers in the regulated markets.

Second, we intend to use our enhanced cash flow to make our financial structure ever more muscular. Reinforcement of our financial structure is indispensable in two respects: to ensure the Company's survival as competition becomes increasingly more severe in coming years, and to win the confidence of the capital markets.

Third, we will turn our newly generated cash flow to advantage by undertaking investments particularly into new business areas that have promise of expanding our earnings base. Notably, we intend to pursue Group operations more strategically by concentrating our comprehensive managerial resources into three core areas: energy solutions, IT services, and amenities in support of lifecycle needs. The broad-ranging products and services that we offer within our total Group framework will be applied to provide clients with a full spectrum of solution-oriented services.

Our newly evolving Group strategy will come to form an integral element of the Company's comprehensive business strategy, together with our marketing and financial strategies. In combination, these three powerful pillars will provide the solid support we require to maintain our leading position in the coming era of severe competition.

Kansai EP is applying its comprehensive Group resources to reengineer itself into a provider of sophisticated energy solutions to satisfy all customer needs.

Probing new marketing strategies to meet the evolving needs of the market

Transformation to Energy Solution Provider

In a quest to raise customer satisfaction through the provision of value-added services, Kansai EP is currently transforming itself from a common utility company to an all-round provider of a broad palette of energy solutions.

Toward that end, the Company is presently reengineering its business operations at all levels and taking a host of decisive steps, including changes to its organizational structure and enhancement of operations Groupwide. To fully apply our technical skills, accumulated through long years of experience in the electricity business, to address the needs of our customers, we are reassigning our engineering staff with superlative technical backgrounds and rich experience to assume the leading role in our new solutions-oriented transformation.

Solutions are carefully devised to match the specific needs of each customer segment. For large-volume customers, for example, we capitalize on the comprehensive capabilities of our Group companies to provide optimum solutions across a wide spectrum. Solutions center on energy-related services, including gas sales, but also touch upon the environment, information technology and business support.

For our household customers, we offer solutions focused on the "value" of totally electric homes in terms of safety, convenience and comfort. This initiative has spurred a rapid increase in the number of fully electric dwellings, and also made Kansai EP renowned as a provider of solutions in support of electric homes. In 2002 we also launched operations in FTTH (fiber-to-the-home), eliciting a phenomenal response among household users seeking the new technology.

Going forward, we will combine these and other value-added services made possible through our Groupwide operations to provide an ever broader spectrum of solutions attuned to the market's evolving needs.

Dynamic Pricing Strategy

The Company is also carrying out a dynamically aggressive pricing strategy in a quest to secure a competitive edge within the liberalizing power industry. At the core of the strategy is our development, based on exhaustive market research, of a full menu of rate options targeting specific customer segments. Kansai EP is leading the industry in introducing special rate plans not only to customers in the newly liberalized market but also, in anticipation of further deregulation and competition, to commercial and home users in markets still regulated.

For customers in the liberalized market, we provide a selection of rate schedules tailor-made to their specific needs and energy usage patterns. To attract new customers, we also offer special discount options applicable to new or expanded demand requirements.

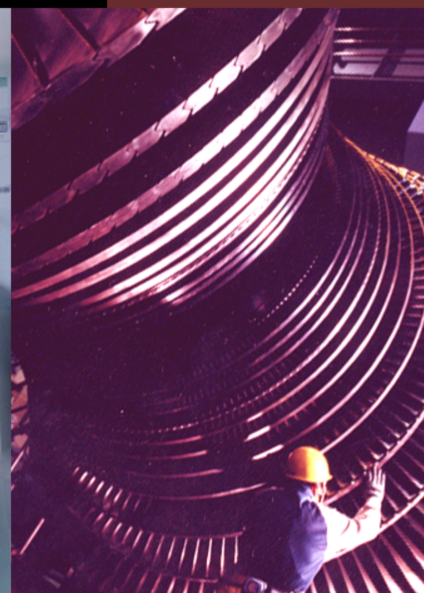
For customers still affected by industry regulation, the Company has aggressively developed new rate options specifically targeted at applications marked by competition among energy sources, and in 2000 we took the lead among power providers nationwide in launching a succession of such options. One example is our "Hap-E (Happy) Plan" offering discounted rates to household customers who rely entirely on electric power to meet all their energy needs; the program has resulted in a dramatic increase in totally electric homes and adoption of electric kitchens.

Customer Service Enhancement through Advanced IT

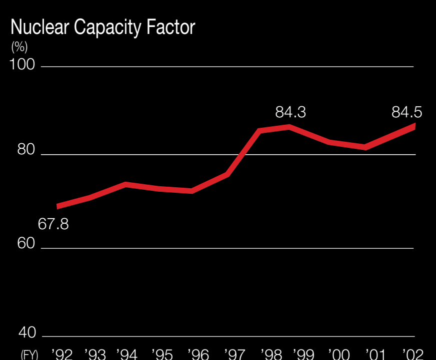
In July 2000 we completed the launch of "one-stop" customer services at all of our sales offices. The one-stop system utilizes state-of-the-art information technology interfacing to improve our management efficiency and boost customer satisfaction, by enabling us to respond more precisely and far more swiftly to customer inquiries and service requests. Already the system is making a major contribution to raising the level of satisfaction among our customers.

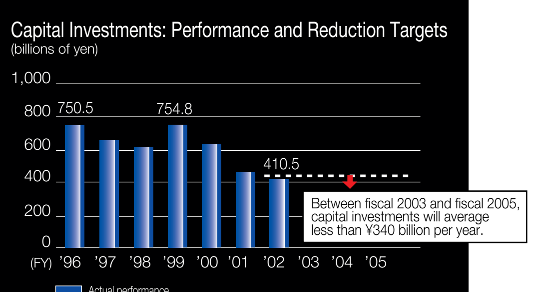
Kansai EP's financial strategies are focused squarely on cost structure enhancement, efficient infrastructure development, and reduction of interest-bearing liabilities.

Periodic inspection of nuclear power plant turbines



Concentrating on optimized cost reductions and optimal operating efficiency





Three Strategic Focuses

Kansai EP's financial strategy agenda encompasses three fundamental points of focus. The first is the enhancement of our cost structure, to permit us to attain greater competitive strength and generate an abundant cash flow. Second, we focus on the development of an optimally efficient infrastructure, to enable us to reduce our capital investment expenditures. Finally, we accord foremost priority to allocating free cash flow to the reduction of our interest-bearing liabilities.

Improved Cost Structure

Cost structure enhancement forms the underlying base of the Company's financial strategies. One of the most effective means toward that end is to reduce our average power-generation costs by elevating the capacity factor of our nuclear power stations, our core energy source. We have hoisted a target capacity factor above 85%, which we aim to achieve by shortening shutdowns for periodic inspections through measures including replacement of steam generators. In fiscal 2002 we approached that goal with a capacity factor raised to 84.5%, up from 81.8% the previous term.

We are also trimming costs by downsizing our corporate assets. By the end of fiscal 2002 we closed down 15 less efficient thermal power generators with a total output of 1,976 MW, and we have implemented long-term suspension of operations of another 13 generators with a total output of 5,193 MW. This restructuring of major assets should significantly lower our operation and maintenance costs.

To curb our fixed costs, we are scaling back our payrolls. Our current goal is to cut our core workforce by roughly 3,000 employees between September 2001 and March 2005.

Efficient Infrastructure Development

Efficient development of our corporate infrastructure is an important strategy for boosting our assets' earning capacity and increasing free cash flow. At Kansai EP we are currently reducing our investments into power plants and other facilities while maintaining quality of electricity and stable supply.

In fiscal 2002 we undertook a total of ¥410.5 billion in capital investments, 9% less than had been initially planned at the start of the term. Between fiscal 2003 and 2005 we intend to keep capex below ¥340 billion per year on average; the figure represents a reduction of ¥110 billion beyond the target announced in March 2001. To achieve that goal, which will focus on curbing capex into distribution and other facilities, we aim to cut our procurement costs through diversification of purchasing methods and the adoption of new technologies and construction methods. We are also substantially deferring construction of new power generation, distribution and transmission facilities while monitoring power demand trends.

On a consolidated basis, in fiscal 2002 we undertook capital investments totaling ¥467.8 billion. Between fiscal 2003 and 2005 we are targeting a decrease to less than ¥430 billion per term on average.

Reduction of Interest-bearing Liabilities

Kansai EP's mid-and-long range financial strategy calls for expansion and strategic use of free cash flow through steady reductions in costs and capital investments. "Strategic use" equates to according highest priority to reducing interest-bearing liabilities as a way of reinforcing our financial structure. In fiscal 2002 we not only decreased those liabilities by ¥238.2 billion at the parent level, we also generated free cash flow above target by booking profit from the sale of investment securities. This enhanced financial position enabled us to repurchase and retire our shares and return profits to our shareholders.

Currently, we have set two targets for trimming our liabilities further. At the parent level we aim to reduce our interest-bearing debt from ¥4.3 trillion at the end of fiscal 2002 to less than ¥3.5 trillion by the end of fiscal 2005; on a consolidated basis we target a concurrent reduction from ¥4.4 trillion to less than ¥3.8 trillion. Within the same time frame we seek to raise our shareholders' equity ratio above 23% at the parent level and above 24% on a consolidated basis.

Financial Strategies for Corporate Strength

Through the various measures described here, we not only target sustained expansion of both our corporate and shareholder value, but also seek to achieve the financial stability and flexibility that will enable us to manifest our corporate strength even within the increasingly deregulated market of the coming years.

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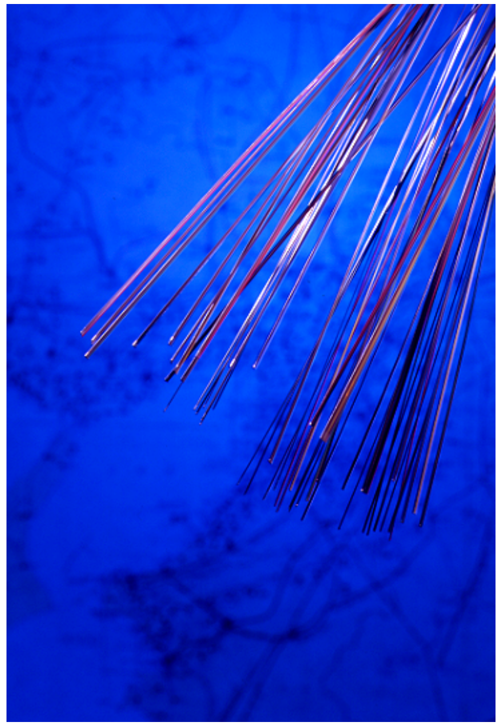
Kansai EP is applying its Groupwide resources and strengths into new areas of business designed to expand the Company's earnings base in coming years.

San Roque, Philippines

LNG ship and loading arms

Pursuing a paradigm shift from energy supplier to provider of value-added solutions



Paradigm Shift

Historically Kansai EP has focused its Group activities on the attainment of a stable supply of high-quality electricity. Today, in response to deregulation and other changes in our business environment, we recognize a need to transform our Group endeavors into a new full-fledged earnings driver of its own, so as to enhance both our corporate and shareholder value. To that end, we are now applying the full array of our Groupwide resources and strengths as well as undertaking aggressive investments into new business operations that will lead to the expansion of our earnings base.

Three Strategic Vectors

To utilize its Groupwide resources and strengths to maximum effect, the Company has elected to concentrate on three strategic areas: energy solutions, life-support amenities, and information technology. Fiscal 2002 yielded tangible results in each segment.

As a comprehensive energy provider, during the past year we used our LNG storage facilities to full advantage and launched operations as a retail supplier of gas to high-volume users. We are also in the process of building a new LNG storage center to serve as a new base of our expanding gas operations. In fiscal 2002 Kansai EP also became the first domestic power provider to participate in the power-generation business outside Japan.

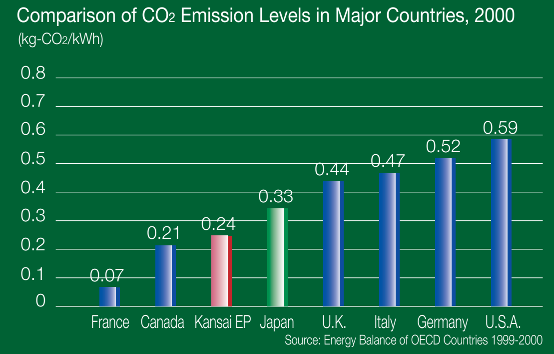
This past year we also launched a number of new business operations as a provider of amenities to support lifecycle-related needs, including home security, payment settlement services, and meal services. In the coming years, we will continue to respond to the trust of our customers, nurtured through many years of service as a dependable electricity provider, by applying these and other new business endeavors to the creation of safe, convenient and comfortable living environments centering on the adoption of totally electric facilities.

In the IT field, in fiscal 2002 we inaugurated Internet access services (100Mbps) capitalizing on the Company's expansive fiber-optic network, which encompasses 40,000 kilometers in all. Going forward, we will pursue new applications including VoIP (voice over IP: telephone services using the Internet Protocol), multichannel broadcasting, and contents distribution.

Medium-Term Target

Through the three strategy vectors just described, Kansai EP aims to apply its full Group resources to provide its customers with new forms of value ahead. As the tangible outcome of that initiative, we have hoisted a target of securing more than ¥29 billion in profit from non-core operations in electricity by fiscal 2007.

Kansai EP implements a broad slate of results-oriented initiatives, at home and abroad, to ensure a healthy environment for future generations.



Nanko Plant

Mangrove research (Technical Research Center)

Safeguarding our earthly environment as a responsive and responsible global citizen

Wind-power generation equipment supported by Kansai Green Power Fund (Taiko-yama, Kyoto)

Commitment to Environmental Management

At Kansai EP environmental management has long been accorded the full-time, full-fledged commitment which this crucially influential aspect of our operations — touching on the very health and lives of our customers, our nation and our planet — deserves. Reduction of CO_2 and other greenhouse gas emissions that are causing irreparable damage to our global environment is at the top of our list of priorities. However, achieving that aim requires aggressive and unwavering commitments on both the supply and demand sides.

Here on the supply side, we are assertively implementing a slate of organized initiatives targeted at curbing CO_2 emissions. These include active adoption of nuclear power generation, a technology that produces no CO_2; enhancement of the thermal efficiency of our fossil-fuel generating facilities; and the promotion and installation of new power-generating systems relying on wind and solar energy. Meanwhile on the demand side, we push for increasing adoption of "Eco Ice," our innovative thermal-storage system that utilizes power generated during nighttime hours, when nuclear power dependency is high and CO_2 emissions are low.

These diverse initiatives are already yielding tangible, positive results. In fiscal 2002 Kansai EP's CO_2 emissions were down by roughly 4 million tons from the level of fiscal 1992, despite a dramatic increase in power generation volume during that interim. Also, our emission level per unit of generated electricity is lower than in most major Western countries.

Beyond National Borders

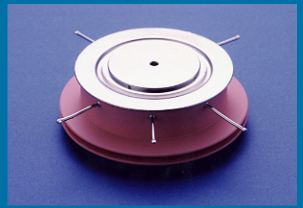
In recognition of the global scale of the CO_2 emissions issue, Kansai EP takes its aggressive stance on environmental protection beyond domestic limits. We proactively participate in a host of projects focused on curbing CO_2 worldwide, including a program seeking to revitalize tropical rain forests in Indonesia and research on mangrove afforestation technologies for application in Thailand. We are also participating in an investment fund created to promote energy conservation and emission reduction in the nations of eastern Europe.

International Certification

In conjunction with our environmental management initiatives, we are continuously striving to enhance the quality and safety levels of our facilities and bring them in line with international standards. To date (March 2002) our efforts have enabled us to acquire ISO14001 certification for the Himeji No.1 Power Plant and 10 other operating bases.

Kansai EP carries out a keenly focused program of R&D targeting innovative breakthroughs to drive its future growth and contribute to a better world.

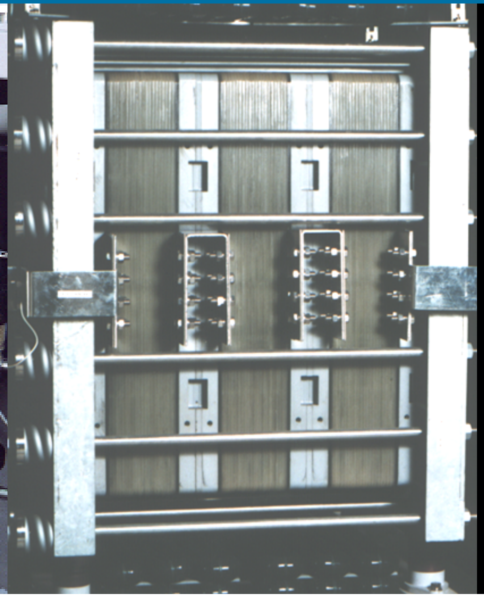
The Kansai Electric Power Co., Inc. | Annual Report 2002



SiC diode module testing (Technical Research Center)

Hydrogen production and storage testing (Technical Research Center)

Basic research into SOFC materials (Technical Research Center)



Redox-flow battery

Engaging in a continuous pursuit of new technologies for tomorrow's products and services

Research into CO_2 separation and fixation (Technical Research Center)

Goals Set on Mutual Benefits

Kansai EP's aggressive stance on research and development has two overriding objectives: to provide added convenience to our customers while contributing to environmental protection, and to forge a solid base for the Company's future operations. Here we introduce a sampling of some of our recent initiatives and achievements in R&D.

Technologies to Protect our Earthly Habitat

In conjunction with an array of initiatives all geared toward protection of the global environment, we are carrying forward research into high-performance chemical absorbents of CO_2. Our research program has already yielded tangible results that have obtained patents not only in Japan but also in the United States, Europe and Asia, and our technology has been adopted in a urea production plant in Malaysia. We are also engaged in research into technologies to regenerate tropical rain forests, in order to revitalize the natural environment and expand CO_2 absorption zones.

New Energy Storage Technology

Kansai EP is making rapid progress in the development of a new technology for storing energy, targeted at making a significant contribution to load leveling. The redox-flow battery is capable of storing electrical energy for subsequent retrieval as needed. It features a simple structure, light weight, small size and easy maintenance, and it is expected to be extremely effective as a power source for use in emergencies or for compensation against instantaneous voltage dips.

Next-Generation Semiconductor Elements

The Company is conducting basic research into silicon carbide (SiC) diodes, next-generation power semiconductor elements that are expected to enable substantial reductions in power loss. Our research is aimed at applying SiC diodes to the power industry. Unlike conventional silicon elements that cause more power losses and are easily broken under high voltages, SiC diodes are revolutionary in their ability to curb power losses. They also offer outstanding advantages by enabling cooling devices of smaller size.

High-Efficiency Fuel Cells

Solid oxide fuel cells (SOFC) are garnering wide attention today as new power supplies offering excellent generation efficiency, stability and environmental friendliness. They are expected to be adopted as alternative power supplies in applications ranging from small-scale home generators to large-scale power systems. At Kansai EP, we are engaged in research into low-temperature SOFCs in a quest to realize cells of low cost, light weight and compact size.

Kansai EP forms the key link in the chain of dynamic developments transforming Kansai into an ever more vibrant, socially responsive community.

FM CO·CO·LO

Kobe Office

Playing a keynote role in the physical and social development of the Kansai region

Ambitious Projects of Major Scale

For centuries the Kansai region has served as the pillar supporting the prosperous flourishing of the Japanese economy, in sectors spanning from manufacturing to services. Today the nation's aspirations remain focused on this bustling zone to serve as the driving force of Japan's growth and development in the 21st century, and to respond to that call Kansai is currently setting down new foundations for its dynamic expansion in the coming years. Those foundations include a number of new initiatives of major scale, illustrated by a trio of projects offering exciting prospects for the future.

The first project is the development of "Kansai Science City," currently under construction on 15,000 hectares of rolling hills spanning Kyoto, Osaka and Nara prefectures. The City is a national project that aims to apply Kansai's rich cultural, academic and scientific strengths to forge a new creative launching ground on international scale appropriate for the 21st century. Facilities are to include not only universities and corporate research centers, but also residential and community amenities to support the lives of those who will work and reside here.

The second mammoth project under way in Kansai is Kansai International Airport. Opened in 1994, the airport is the world's first facility of its scale built on a man-made islet and Japan's first airport operating round-the-clock. The underlying aim behind the project is to develop the airport into an international hub serving the entire Asia-Pacific region, as a means of bringing unprecedented vitality to Kansai. Currently the airport is in Phase II of construction, toward the inauguration of a second runway in 2007.

The third large-scale work in progress in Kansai is the Bay Area Development Project, the objective of which is to make effective use of land along Osaka Bay, turning idle or undeveloped properties into sophisticated and attractive urban and residential facilities suited to a world-class metropolis. In tandem with this project, Universal Studios Japan opened here in March 2001. The new theme park has generated a phenomenal response exceeding all projections, attracting more than 10 million visitors during its first year in operation.

Kansai EP is also playing a proactive role in initiatives designed to draw new businesses, both domestic and foreign, to the Kansai region as a way of contributing to its sustained development and prosperity.

Close Community Rapport

Kansai is home to large numbers of non-Japanese, and to meet their needs as well as prepare for even greater internationalization of the region during the 21st century, a host of amenities are being developed. One example is FM CO • CO • LO, Japan's first multilingual FM radio station. Operated by dedicated volunteers with financial support from Kansai EP and other corporate sponsors, the station provides a broad array of programming — from news and entertainment to language lessons and emergency information — in a kaleidoscope of languages.

Kansai EP is also active in operations that cater to the special needs of or provide employment opportunities to the physically and mentally handicapped.

In these various ways, through national projects, nurturing of new industries and a colorful palette of undertakings in support of the evolving needs of local citizens, Kansai EP today is contributing on broad fronts to the ongoing development of its home region.

Directors and Auditors
(As of June 28, 2002)

Yoshihisa Akiyama
Chairman of the Board of Directors

Yohsaku Fuji
President and Director

Yoji Goto
Executive Vice President and Director

Kazuo Sato
Executive Vice President and Director

Hideki Osada
Executive Vice President and Director

Shosuke Mori
Executive Vice President and Director

Managing Directors
Tetsuji Kishida
Hisao Takamoto
Takashi Inoue
Keishi Yoshimoto
Tetsuo Akiyama
Hiroshi Fujiwara
Hiroo Ariga
Hiroshi Morimoto
Isao Aoki

Directors
Hiroshi Matsumura
Koji Kaibe
Ikuro Tsukuda
Hiroyuki Kitamoto
Masanobu Tezuka
Yoku Matsumoto
Jozo Ogawa
Takeshi Imai
Sadanori Ozasa
Yasuo Shinomaru

Directors
Michiyuki Hashimoto
Norihiko Saito
Toshiaki Mukai
Hiroshi Yatsuzuka

Senior Advisor and Director
Hiroshi Ishikawa

Directors
Yasuo Shingu
Naotaka Saeki

Senior Corporate Auditors
Takashi Iwasaki
Toshihisa Hatanaka
Mitsunobu Kemuyama
Yoshimitsu Kajii

Corporate Auditors
Tetsuhei Kiji
Wa Tashiro

Financial Results and Analysis (Non-Consolidated)

Overview

In fiscal 2002 – the period from April 1, 2001 through March 31, 2002 – the Japanese economy worsened steadily through the term, accompanied by progressive weakening of personal consumption, declining production by the corporate sector, and reductions in capital expenditures. In reflection of these severe circumstances, electricity sales to residential customers slipped below the level of the preceding term as demand flagged amid an unseasonably warm winter and lower-than-normal temperatures late into the summer. Sales to commercial and industrial customers, the segments affected by the new deregulation, marked a year-on-year decrease because industrial demand declined due to the deterioration of the economy. Taken together, total electricity sales in fiscal 2002 reached 139.78 billion kWh, constituting a 2.2% decrease from the preceding term.

Operating revenues declined ¥63,634 million year-on-year, to ¥2,517,817 million. The setback was ascribable chiefly to a ¥54,601 million decrease in lighting and power revenues, the combined result of the contraction in total power sales and the full-term effects of the rate reductions implemented in October 2000.

Operating costs decreased by ¥39,269 million year-on-year, to ¥2,206,105 million. Two factors were largely responsible. First, a ¥30,500 million reduction in expenditures for fuel, enabled mainly by a high operating level at nuclear power plants, offset a ¥29,962 million increase in power purchasing costs in tandem with expanded purchasing volume. Second, maintenance, depreciation and other operating costs were trimmed through vigorous efficiency enhancement initiatives in all areas of management*. At the operating level, the Company thereby finished fiscal 2002 with ¥311,712 million in profit, down ¥24,365 million year-on-year.

* Related initiatives implemented during fiscal 2002 yielded a total operating cost savings of ¥47.0 billion. The cost contraction was attributable primarily to reduced maintenance and related costs, lower fuel costs arising from a rise in the nuclear power utilization rate, and reductions in depreciation and interest payments owing to reduced capital expenditures.

Other (income) expenses incurred during the term totaled ¥104,155 million, down ¥85,318 million from fiscal 2001. Interest payments were trimmed by ¥21,673 million thanks primarily to reduction of the Company's interest-bearing liabilities and efforts to reduce interest on acquired funds. Also, ¥43,917 million in profit was booked from the sale of part of the Company's securities holdings, a measure taken to boost asset efficiency. Fiscal 2002 also benefited from the elimination of the ¥34,126 million booked in fiscal 2001 as a loss on investment in and advances to subsidiaries.

In the end, the Company finished fiscal 2002 with income before income taxes of ¥214,165 million, up ¥65,062 million from the previous term. Net income, after ¥77,145 million rendered in income taxes, totaled ¥137,020 million, an increase of ¥41,528 million year-on-year.

Assets, Liabilities and Shareholders' Equity

At the end of fiscal 2002, the Company's total assets stood at ¥7,043,444 million, constituting a decrease of ¥169,070 million from the year-earlier level. Fixed assets were reduced by ¥132,368 million, after deductions including ¥403,671 million against depreciation costs and ¥52,165 million against amortization of nuclear fuel. Two factors contributed. Capital expenditures were held to ¥410,502 million, down ¥68,515 million from fiscal 2001, ascribable mostly to passage beyond the peak in constructions of large-scale distribution facilities and vigorous promotion of efficiency enhancement measures. Also, elimination of inefficient small-capacity thermal power plants contributed.

Assets in the form of investment securities decreased by ¥91,215 million during the term, largely from a decline in their valuations. Deferred tax assets included in investments and other assets increased ¥31,841 million year-on-year. The increase was primarily ascribable to a reduction in deferred tax liabilities previously booked in amounts equivalent to corporate taxes paid on valuation gains, which, under the new accounting system, decreased mainly due to declines in the market value of the Company's shareholdings.

The Company's total liabilities at term's end reached ¥5,705,751 million, down ¥163,859 million from the year-earlier level. Interest-bearing liabilities were trimmed by ¥238,203 million during the year; this was achieved mostly by holding capital expenditures within the scope of funds in hand and applying the generated funds to reducing interest-bearing debt in order to make the Company financially sounder.

Total shareholders' equity decreased ¥5,211 million, to ¥1,337,693 million. Retained earnings expanded by ¥47,966 million year-on-year. Net income boosted earnings by ¥137,020 million, but that gain was eroded primarily by ¥58,718 million in dividend disbursements and ¥30,191 million to retire treasury stock. As a result largely of the decline in the market value of the Company's securities holdings, net unrealized gain on available-for-sale securities declined during the term by ¥53,155 million.

The shareholders' equity ratio rose by 0.4 percentage point, to 19.0%. Decreases in shareholders' equity mostly from the decline in the value of other securities holdings and the retirement of treasury stock were outweighed by the sale of securities holdings in line with asset efficiency enhancement initiatives and efforts to reduce assets through the elimination of plant facilities.

Dividends

The Company consistently aims to enhance its shareholder value from a long-range perspective. To do so it pursues ever higher efficiency in the performance of electricity operations in today's newly competitive environment, and also strives for an ever stronger financial structure while keeping rates at attractive levels enabling it to maintain its competitive edge. Accordingly, the Company's fundamental policy on profit distribution calls for sustained and stable dividend disbursements while consistently seeking enhanced shareholder value. Internal reserves are allocated to capital expenditures and reinforcement of the Company's financial structure.

In line with this underlying policy, in fiscal 2002 the Company carried out ordinary dividend allotments totaling ¥50 per share, the same level as the preceding term.

The Kansai Electric Power Co., Inc. | Annual Report 2002

Non-Consolidated Balance Sheets

The Kansai Electric Power Co., Inc. and Consolidated Subsidiaries • March 31, 2002 and 2001

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
ASSETS (Note 5)	**2002**	2001	**2002**
PROPERTY:			
Plant and equipment	**¥13,324,009**	¥13,162,396	**$99,992,563**
Construction in progress	**768,744**	861,056	**5,769,186**
Contributions in aid of construction	**(372,570)**	(363,618)	**(2,796,023)**
Accumulated depreciation	**(7,867,297)**	(7,669,808)	**(59,041,629)**
Plant and equipment - net (Note 3)	**5,852,886**	5,990,026	**43,924,097**
Nuclear fuel, net of amortization	**500,168**	495,396	**3,753,606**
Property - net	**6,353,054**	6,485,422	**47,677,703**
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Note 4)	**153,966**	245,181	**1,155,467**
Investments in and advances to subsidiaries and associated companies (Note 4)	**119,776**	97,467	**898,882**
Long-term loans receivable	**12,624**	17,171	**94,739**
Deferred tax assets (Note 8)	**136,798**	104,957	**1,026,627**
Other assets	**18,718**	16,225	**140,473**
Total investments and other assets	**441,882**	481,001	**3,316,188**
CURRENT ASSETS:			
Cash and cash equivalents	**39,919**	40,528	**299,580**
Accounts receivable	**129,672**	131,448	**973,148**
Allowance for doubtful accounts	**(2,410)**	(1,901)	**(18,086)**
Fuel, materials and supplies	**44,133**	52,501	**331,205**
Deferred tax assets (Note 8)	**19,036**	12,259	**142,859**
Other current assets	**18,158**	11,256	**136,270**
Total current assets	**248,508**	246,091	**1,864,976**
TOTAL	**¥7,043,444**	¥7,212,514	**$52,858,867**

See notes to non-consolidated financial statements.

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
LIABILITIES AND SHAREHOLDERS' EQUITY	**2002**	2001	**2002**
LONG-TERM DEBT, LESS CURRENT MATURITIES (Note 5)	**¥3,702,062**	¥3,795,464	**$27,782,829**
LIABILITY FOR RETIREMENT BENEFITS	**253,072**	266,936	**1,899,227**
RESERVE FOR REPROCESSING OF IRRADIATED NUCLEAR FUEL	**483,413**	412,200	**3,627,865**
RESERVE FOR DECOMMISSIONING OF NUCLEAR POWER UNITS	**213,043**	203,831	**1,598,822**
CURRENT LIABILITIES:			
Current maturities of long-term debt (Note 5)	**319,474**	404,789	**2,397,553**
Short-term borrowings (Note 6)	**330,013**	397,341	**2,476,646**
Accounts payable	**106,951**	120,214	**802,634**
Payable to subsidiaries and associated companies	**63,871**	74,165	**479,332**
Accrued income taxes	**61,679**	9,748	**462,882**
Reserve for restoration costs of natural disasters		17	
Accrued expenses and other current liabilities	**172,173**	178,297	**1,292,105**
Total current liabilities	**1,054,161**	1,184,571	**7,911,152**
RESERVE FOR FLUCTUATIONS IN WATER LEVEL		6,608	
COMMITMENTS AND CONTINGENCIES (Notes 9 and 10)			
SHAREHOLDERS' EQUITY (Notes 5, 7 and 11):			
Common stock, authorized, 1,784,059,697 shares in 2002 and 1,800,000,000 shares in 2001	**489,320**	489,320	**3,672,195**
Additional paid-in capital	**65,463**	65,463	**491,280**
Legal reserve	**122,330**	122,330	**918,048**
Retained earnings	**612,315**	564,349	**4,595,235**
Net unrealized gain on available-for-sale securities	**48,287**	101,442	**362,379**
Treasury stock - at cost 11,399 shares in 2002	**(22)**		**(165)**
Total shareholders' equity	**1,337,693**	1,342,904	**10,038,972**
TOTAL	**¥7,043,444**	¥7,212,514	**$52,858,867**

See notes to non-consolidated financial statements.

Non-Consolidated Statements of Income

The Kansai Electric Power Co., Inc. and Consolidated Subsidiaries • Years Ended March 31, 2002 and 2001

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2002	2001	**2002**
OPERATING REVENUES:			
Residential	**¥993,753**	¥1,010,946	**$7,457,809**
Commercial and industrial	**1,477,859**	1,515,267	**11,090,874**
Other	**46,205**	55,238	**346,754**
Total	**2,517,817**	2,581,451	**18,895,437**
OPERATING EXPENSES:			
Personnel expenses	**277,634**	294,123	**2,083,557**
Fuel	**239,059**	269,559	**1,794,064**
Purchased power	**399,621**	369,659	**2,999,032**
Maintenance	**245,068**	277,896	**1,839,159**
Depreciation	**396,054**	406,292	**2,972,263**
Taxes other than income taxes	**166,884**	170,703	**1,252,413**
Other	**481,785**	457,142	**3,615,647**
Total	**2,206,105**	2,245,374	**16,556,135**
OPERATING INCOME	**311,712**	336,077	**2,339,302**
OTHER (INCOME) EXPENSES:			
Interest expense	**125,979**	147,652	**945,433**
Gain on sales of investment securities	**(43,917)**		**(329,583)**
Loss on investment in and advance to subsidiaries		34,126	
Other - net	**22,093**	7,695	**165,801**
Total	**104,155**	189,473	**781,651**
INCOME BEFORE REVERSAL OF RESERVE FOR FLUCTUATIONS IN WATER LEVEL AND INCOME TAXES	**207,557**	146,604	**1,557,651**
REVERSAL OF RESERVE FOR FLUCTUATIONS IN WATER LEVEL	**6,608**	2,499	**49,591**
INCOME BEFORE INCOME TAXES	**214,165**	149,103	**1,607,242**
INCOME TAXES (Note 8):			
Current	**85,666**	46,569	**642,897**
Deferred	**(8,521)**	7,042	**(63,948)**
Total	**77,145**	53,611	**578,949**
NET INCOME	**¥137,020**	¥95,492	**$1,028,293**

	Yen		U.S. Dollars
	2002	2001	**2002**
PER SHARE OF COMMON STOCK:			
Net income	**¥140.39**	¥97.58	**$1.05**
Fully diluted net income	**135.19**	94.72	**1.01**
Cash dividends applicable to the year	**50.00**	60.00	**0.38**

See notes to non-consolidated financial statements.

Non-Consolidated Statements of Shareholders' Equity

The Kansai Electric Power Co., Inc. and Consolidated Subsidiaries • Years Ended March 31, 2002 and 2001

		Millions of Yen					
	Number of Common Shares Issued	Common Stock	Additional Paid-in Capital	Legal Reserve	Retained Earnings	Net Unrealized Gain on Available-for-Sale Securities	Treasury Stock
BALANCE, APRIL 1, 2000	978,639,031	¥489,320	¥65,463	¥121,392	¥518,871		
Net income					95,492		
Cash dividends, ¥50 per share					(48,931)		
Transfer to legal reserve				938	(938)		
Bonuses to directors and corporate auditors					(145)		
Net unrealized gain on available-for-sale securities (including the effect of initially adopting the new accounting standard at April 1, 2000)						¥101,442	
BALANCE, MARCH 31, 2001	978,639,031	489,320	65,463	122,330	564,349	101,442	
Net income					137,020		
Cash dividends, ¥60 per share					(58,718)		
Bonuses to directors and corporate auditors					(145)		
Retirement of treasury stock	(15,940,303)				(30,191)		¥30,191
Net increase in treasury stock (excluding retirement of treasury stock)							(30,213)
Net decrease in unrealized gain on available-for-sale securities						(53,155)	
BALANCE, MARCH 31, 2002	962,698,728	¥489,320	¥65,463	¥122,330	¥612,315	¥48,287	¥(22)

	Thousands of U.S. Dollars (Note 1)					
	Common Stock	Additional Paid-in Capital	Legal Reserve	Retained Earnings	Net Unrealized Gain on Available-for-Sale Securities	Treasury Stock
BALANCE, MARCH 31, 2001	$3,672,195	$491,280	$918,048	$4,235,264	$761,291	
Net income				1,028,293		
Cash dividends, $0.45 per share				(440,660)		
Bonuses to directors and corporate auditors				(1,088)		
Retirement of treasury stock				(226,574)		$226,574
Net increase in treasury stock (excluding retirement of treasury stock)						(226,739)
Net decrease in unrealized gain on available-for-sale securities					(398,912)	
BALANCE, MARCH 31, 2002	$3,672,195	$491,280	$918,048	$4,595,235	$362,379	$(165)

See notes to consolidated financial statements.

Notes to Non-Consolidated Financial Statements

The Kansai Electric Power Co., Inc. and Consolidated Subsidiaries • Years Ended March 31, 2002 and 2001

1. BASIS OF PRESENTING FINANCIAL STATEMENTS

The accompanying non-consolidated financial statements have been prepared from the accounts maintained by The Kansai Electric Power Company, Incorporated (the "Company") in accordance with the provisions set forth in the Japanese Commercial Code (the "Code"), the Japanese Electric Utility Law and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Accounting Standards. The non-consolidated financial statements are not intended to present the financial position and results of operations in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

As consolidated statements of cash flows for the year ended March 31, 2002 and 2001 are presented in the consolidated financial statements of the Company and subsidiaries, the non-consolidated statements of cash flows for the year then ended are also not presented herein.

In preparing these non-consolidated financial statements, certain reclassifications and rearrangements have been made to the Company's non-consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan.

The non-consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥133.25 to $1, the approximate rate of exchange at March 31, 2002. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

Certain reclassifications have been made in 2001 financial statements to conform to the classifications used in 2002.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Property, Depreciation and Amortization - Property is stated at cost. Contributions in aid of construction, which include certain amounts assessed to and collected from customers, are deducted from the costs of the related assets in accordance with the regulations.

Depreciation is computed by the declining-balance method based on the estimated useful lives of the assets.

Amortization of nuclear fuel is computed based on the quantity of heat produced for the generation of electricity. Accumulated amortization of nuclear fuel at March 31, 2002 and 2001 was ¥119,224 million ($894,739 thousand) and ¥128,261 million, respectively.

b. Leases - All leases are accounted for as operating leases. Under Japanese accounting standards for leases, finance leases that deem to transfer ownership of the leased property to the lessee are to be capitalized, while other finance leases are permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the notes to the lessee's financial statements.

c. Investment Securities - Effective April 1, 2000, the Company adopted a new accounting standard for financial instruments. The Company's securities are classified and accounted for as follows: i) investments in subsidiaries and associated companies are reported at cost, ii) available-for-sale securities whose fair value is not readily determinable are reported at cost, and iii) available-for-sale securities whose fair value is readily determinable are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported as a separate component of shareholders' equity.

The cost of securities sold is determined by the moving-average method.

The adoption of the new accounting standard for financial instruments did not have a material effect on the Company's non-consolidated financial statements.

d. Fuel, Materials and Supplies - Fuel, materials and supplies are stated at cost determined by the average method.

e. Foreign Currency Transactions - All receivables and payables denominated in foreign currencies are translated into Japanese yen at the current exchange rates as of the balance sheet date. The foreign exchange gains and losses from translation are recognized in the income statement to the extent that they are not hedged by forward exchange contracts.

f. Retirement and Pension Plan - Effective April 1, 2000, the Company adopted a new accounting standard for employees' retirement benefits and accounted for the liability for retirement benefits based on projected benefit obligations and plan assets at the balance sheet date.

Prior service cost is being amortized by the straight-line method over a period of 3 years. Actuarial gains or losses are being recognized by the straight-line method over a period of 3 years.

The full amount of the transitional obligation of ¥12,406 million, determined as of April 1, 2000, is charged to income and presented as operating expense in the statement of income for the year ended March 31, 2001.

Retirement benefits to directors and corporate auditors are charged to income when authorized by a resolution of the shareholders.

g. Reserve for Reprocessing of Irradiated Nuclear Fuel - The Company has accrued costs for the reprocessing of irradiated nuclear fuel since April 1, 1981, in accordance with accounting methods accepted by the regulatory authority. The Company provides for the reprocessing of irradiated nuclear fuel at 60% of the amount, which would be required to reprocess all the irradiated nuclear fuel as of the balance sheet date.

h. Reserve for Decommissioning of Nuclear Power Units - The Company has accrued costs for decommissioning of nuclear power units since April 1, 1988, in accordance with accounting methods accepted by the regulatory authority.

i. Income Taxes - The provision for income taxes is computed based on the pretax income included in the non-consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

j. Derivatives and Hedging Activities - The Company uses principally foreign exchange forward contracts, currency swaps and interest rate swaps in the normal course of business, to manage its exposures to fluctuations in foreign exchange, interest rates and so on. The Company does not enter into derivatives for trading or speculative purposes.

Effective April 1, 2000, the Company adopted a new accounting standard for derivative financial instruments and a revised accounting standard for foreign currency transactions. These standards require that: a) all derivatives be recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions be recognized in the income statement and b) for derivatives used for hedging purposes, if such derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on those derivatives are deferred until maturity of the hedged transactions.

Assets and liabilities denominated in foreign currencies for which foreign exchange forward contracts and currency swaps are used to hedge the foreign currency fluctuations are translated at the contracted rate if the forward contracts and currency swaps qualify for hedge accounting.

The interest rate swaps that qualify for hedge accounting and meet specific matching criteria are not remeasured at fair value but the differential paid or received under the swap agreements are recognized and included in interest expenses or income.

The adoption of the new accounting standards for derivative instruments had no material effect on the Company's non-consolidated financial statements.

k. Reserve for Restoration Costs of Natural Disasters - In July 1995, a flood in the Kurobe River area resulted in serious damage to the Company's hydroelectric power plants.

The Company has made provision for estimated costs of repair and abandonment related to the above, excluding amounts for capital expenditures.

l. Reserve for Fluctuations in Water Level - A reserve for fluctuations in water level is provided for costs expected to incur from insufficient water levels in accordance with the Japanese Electric Utility Law and related accounting regulations.

m. Treasury Stock - Prior to April 1, 2001, treasury stock was included in "Other current assets" as an asset. Effective April 1, 2001, such stock is presented as a separate component of shareholders' equity in accordance with the new disclosure requirement for treasury stock.

n. Per Share Information - The computation of net income per share is based on the weighted average number of shares of common stock outstanding during each year. The average number of common shares used in the computation was 976,016,583 shares for 2002 and 978,639,031 shares for 2001.

The computation of net income per share assuming full dilution is based on the further assumption that all convertible bonds were converted at the beginning of the year (or at the time of issuance) with applicable adjustments of interest expense, net of tax effect.

Cash dividends per share presented in the accompanying non-consolidated statements of income are dividends applicable to the respective years including dividends to be paid after the end of the year, without giving retroactive adjustment for the stock split.

o. Stock and Bond Issue Costs - Costs incurred in connection with the issuance of stock and bonds are charged to income as incurred.

3. PLANT AND EQUIPMENT

Plant and equipment at March 31, 2002 and 2001 consisted of the following:

	Millions of Yen			
	Original Cost	Contributions in Aid of Construction	Accumulated Depreciation	Carrying Value
As of March 31, 2002				
Hydroelectric power production facilities	¥1,220,483	¥25,422	¥680,174	¥514,887
Thermal power production facilities	2,305,116	14,062	1,798,399	492,655
Nuclear power production facilities	2,296,226	4,536	1,768,417	523,273
Internal combustion engine power production facilities	15,510		11,607	3,903
Transmission facilities	3,111,749	208,890	1,312,879	1,589,980
Transformation facilities	1,552,563	39,777	891,138	621,648
Distribution facilities	2,238,774	31,876	1,079,680	1,127,218
Incidental business facilities	536,198	40,482	311,534	184,182
General facilities	23,851	1,897	11,793	10,161
Other facilities	23,539	5,628	1,676	16,235
Sub-total	13,324,009	372,570	7,867,297	5,084,142
Construction in progress	768,744			768,744
Total	¥14,092,753	¥372,570	¥7,867,297	¥5,852,886

	Thousands of U.S. Dollars			
	Original Cost	Contributions in Aid of Construction	Accumulated Depreciation	Carrying Value
As of March 31, 2002				
Hydroelectric power production facilities	$9,159,347	$190,784	$5,104,495	$3,864,068
Thermal power production facilities	17,299,182	105,531	13,496,428	3,697,223
Nuclear power production facilities	17,232,465	34,041	13,271,422	3,927,002
Internal combustion engine power production facilities	116,398		87,107	29,291
Transmission facilities	23,352,713	1,567,655	9,852,750	11,932,308
Transformation facilities	11,650,505	298,514	6,687,715	4,664,276
Distribution facilities	16,801,306	239,220	8,102,664	8,459,422
Incidental business facilities	4,024,000	303,805	2,337,966	1,382,229
General facilities	178,994	14,236	88,503	76,255
Other facilities	177,653	42,237	12,579	122,837
Sub-total	99,992,563	2,796,023	59,041,629	38,154,911
Construction in progress	5,769,186			5,769,186
Total	$105,761,749	$2,796,023	$59,041,629	$43,924,097

	Millions of Yen			
	Original Cost	Contributions in Aid of Construction	Accumulated Depreciation	Carrying Value
As of March 31, 2001				
Hydroelectric power production facilities	¥1,214,605	¥25,483	¥649,522	¥539,600
Thermal power production facilities	2,494,456	14,072	1,907,118	573,266
Nuclear power production facilities	2,266,041	4,536	1,707,347	554,158
Internal combustion engine power production facilities	15,530		11,001	4,529
Transmission facilities	2,939,108	201,728	1,223,601	1,513,779
Transformation facilities	1,520,865	39,203	845,983	635,679
Distribution facilities	2,156,752	30,573	1,020,753	1,105,426
Incidental business facilities	21,488	1,741	10,690	9,057
General facilities	524,451	41,147	293,373	189,931
Other facilities	9,100	5,135	420	3,545
Sub-total	13,162,396	363,618	7,669,808	5,128,970
Construction in progress	861,056			861,056
Total	¥14,023,452	¥363,618	¥7,669,808	¥5,990,026

4. INVESTMENT SECURITIES

As certain consolidated information related to investment securities at March 31, 2002 and 2001 is presented in the notes to consolidated financial statements of the Company and its subsidiaries, such non-consolidated information at March 31, 2002 and 2001 is not presented herein.

The carrying amounts and aggregate fair values of investments in subsidiaries and associated companies whose market values are available at March 31, 2002 and 2001 are as follows:

As of March 31, 2002	Millions of Yen			Thousands of U.S. Dollars		
	Carrying Amount	Market Value	Unrealized Gain	Carrying Amount	Market Value	Unrealized Gain
Subsidiaries	¥588	¥962	¥374	$4,413	$7,220	$2,807
Associated companies	11,955	46,409	34,454	89,719	348,285	258,566
Total	¥12,543	¥47,371	¥34,828	$94,132	$355,505	$261,373

As of March 31, 2002	Millions of Yen		
	Carrying Amount	Market Value	Unrealized Gain
Subsidiaries	¥537	¥1,297	¥760
Associated companies	11,955	55,210	43,255
Total	¥12,492	¥56,507	¥44,015

5. LONG-TERM DEBT

Long-term debt at March 31, 2002 and 2001 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	**2002**
General mortgage bonds:			
0.43% to 6.9%, due serially through 2018	**¥1,606,278**	¥1,640,088	**$12,054,619**
7.25%, due 2006 (payable in U.S. dollars)	**54,450**	54,450	**408,630**
6.625% and 7.0%, due through 2006 (payable in French francs)	**110,266**	110,266	**827,512**
5.75%, due 2007 (payable in Netherlands guilder)	**62,294**	62,294	**467,497**
General mortgage convertible bonds:			
2.0%, due 2002		92,229	
1.4%, due 2005	**178,637**	178,637	**1,340,615**
1.2% to 6.9% secured loans from the Development Bank of Japan maturing serially through 2023	**509,312**	557,589	**3,822,229**
0.4157% to 7.7% unsecured loans from banks and insurance companies maturing serially through 2036	**1,475,868**	1,472,426	**11,075,932**
Other	**24,431**	32,274	**183,348**
Total	**4,021,536**	4,200,253	**30,180,382**
Current maturities	**319,474**	404,789	**2,397,553**
Long-term debt, less current maturities	**¥3,702,062**	¥3,795,464	**$27,782,829**

Annual maturities of long-term debt at March 31, 2002 were as follows:

	Millions of Yen	Thousands of U.S. Dollars
Year ending March 31:		
2003	¥319,474	$2,397,553
2004	354,891	2,663,347
2005	600,110	4,503,640
2006	287,054	2,154,251
2007 and thereafter	2,460,007	18,461,591
Total	¥4,021,536	$30,180,382

All of the Company's assets are pledged as collateral for the general mortgage bonds, general mortgage convertible bonds and secured loans presented above.

Certain long-term loan agreements include provisions which allow lenders the right of prior approval, if so requested, of any appropriation from retained earnings, including dividends. To date no lender has exercised this right.

The convertible bonds may be redeemed in whole or in part at prices declining by 1% per year from 107% to 100% of the principal amounts. The 1.4% bonds are currently redeemable. The convertible bonds outstanding at March 31, 2002 were convertible into 37,162 thousand shares of common stock, at the conversion prices shown below subject to certain anti-dilutive provisions:

	Conversion Price per Share	
	Yen	U.S. Dollars
1.4% bonds	¥4,807	$36.08

6. SHORT-TERM BORROWINGS

Short-term borrowings at March 31, 2002 and 2001 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	2002
Short-term loans principally from banks (principally bank overdrafts), weighted average interest rate of 0.307% and 0.683% at March 31, 2002 and 2001	**¥280,013**	¥397,341	**$2,101,411**
Commercial paper, weighted average interest rate of 0.007% at March 31, 2002	**50,000**		**375,235**
Total	**¥330,013**	¥397,341	**$2,476,646**

7. SHAREHOLDERS' EQUITY

The Company is subject to the Japanese Commercial Code (the "Code") to which certain amendments became effective from October 1, 2001.

Prior to October 1, 2001, the Code required at least 50% of the issue price of new shares, with a minimum of the par value thereof, to be designated as stated capital as determined by resolution of the Board of Directors. Proceeds in excess of amounts designated as stated capital were credited to additional paid-in capital. Effective October 1, 2001, the Code was revised and common stock par values were eliminated resulting in all shares being recorded with no par value.

Prior to October 1, 2001, the Code also provided that an amount at least equal to 10% of the aggregate amount of cash dividends and certain other cash payments which are made as an appropriation of retained earnings applicable to each fiscal period shall be appropriated and set aside as a legal reserve until such reserve equals 25% of stated capital. Effective October 1, 2001, the revised Code allows for such appropriations to be set aside as a legal reserve until the total additional paid-in capital and legal reserve equals 25% of stated capital. The amount of total additional paid-in capital and legal reserve which exceeds 25% of stated capital can be transferred to retained earnings by resolution of the shareholders, which may be available for dividends. Under the Code, the Company may issue new common shares to existing shareholders without consideration as a stock split pursuant to a resolution of the Board of Directors. Prior to October 1, 2001, the amount calculated by dividing the total amount of shareholders' equity by the number of outstanding shares after the stock split could not be less than ¥500. The revised Code eliminated this restriction.

Prior to October 1, 2001, the Code imposed certain restrictions on the repurchase and use of treasury stock. Effective October 1, 2001, the Code eliminated these restrictions allowing the Company to repurchase treasury stock by a resolution of the shareholders at the general shareholders' meeting and dispose of such treasury stock by resolution of the Board of Directors after March 31, 2002. The repurchased amount of treasury stock cannot exceed the amount available for future dividends plus the amount of stated capital, additional paid-in capital or legal reserve to be reduced, in the case where such reduction was resolved at the general shareholders' meeting.

The Code permits the Company to transfer a portion of additional paid-in capital and legal reserve to stated capital by resolution of the Board of Directors. The Code also permits the Company to transfer a portion of unappropriated retained earnings available for dividends to stated capital by resolution of the shareholders.

Dividends are approved by the shareholders at a meeting held subsequent to the fiscal year to which the dividends are applicable. Semiannual interim dividends may also be paid upon resolution of the Board of Directors, subject to certain limitations imposed by the Code.

8. INCOME TAXES

The Company is subject to a number of taxes based on income such as corporate income tax and inhabitant taxes which, in the aggregate, resulted in normal statutory tax rates of approximately 36.2% for the years ended March 31, 2002 and 2001.

The tax effect of significant temporary differences which resulted in deferred tax assets and liabilities at March 31, 2002 and 2001 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	2002
Deferred Tax Assets:			
Liability for retirement benefits	**¥65,156**	¥66,381	**$488,976**
Reserve for reprocessing of irradiated nuclear fuel	**41,878**	41,878	**314,281**
Reserve for decommissioning of nuclear power units	**29,303**	29,303	**219,910**
Deferred charges	**19,161**	19,515	**143,797**
Other	**27,693**	17,597	**207,828**
Deferred tax assets	**183,191**	174,674	**1,374,792**
Deferred Tax Liabilities:			
Net unrealized gain on available-for-sale securities	**27,339**	57,434	**205,171**
Contingent reserve for overseas investment	**18**	24	**135**
Deferred tax liabilities	**27,357**	57,458	**205,306**
Net deferred tax assets	**¥155,834**	¥117,216	**$1,169,486**

9. LEASES

Lessor

Finance Leases

Revenues under finance leases were ¥26 million ($195 thousand) for the year ended March 31, 2002.

Certain pro forma information of leased property as acquisition cost, accumulated depreciation and future lease revenue under finance leases for the year ended March 31, 2002 was as follows:

	Other Facilities	
	Millions of Yen	Thousands of U.S. Dollars
Acquisition cost	¥585	$4,390
Accumulated depreciation	52	390
Net leased property	¥533	$4,000

	Other Facilities	
	Millions of Yen	Thousands of U.S. Dollars
Due within one year	¥150	$1,126
Due after one year	1,003	7,527
Total	¥1,153	$8,653

Future lease revenue under finance leases includes the imputed interest revenue.

Depreciation expense relating to the leased assets arrangements mentioned above was ¥287 million ($2,154 thousand) for the year ended March 31, 2002.

Lessee

Finance Leases

The Company leases certain machinery, computer equipment and other assets.

Total lease payments under finance leases were ¥7,947 million ($59,640 thousand) and ¥8,909 million for the years ended March 31, 2002 and 2001, respectively.

Certain pro forma information of leased property such as acquisition cost, accumulated depreciation, obligations under finance leases, and depreciation expense of finance leases that do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis for the years ended March 31, 2002 and 2001 consisted of the following:

	Millions of Yen				
	Nuclear Power Generating Facilities	Distribution Facilities	General Facilities	Other Facilities	Total
As of March 31, 2002					
Acquisition cost	¥8,393	¥7,191	¥24,834	¥6,051	¥46,469
Accumulated depreciation	2,808	4,738	12,992	3,899	24,437
Net leased property	¥5,585	¥2,453	¥11,842	¥2,152	¥22,032

	Thousands of U.S. Dollars				
	Nuclear Power Generating Facilities	Distribution Facilities	General Facilities	Other Facilities	Total
As of March 31, 2002					
Acquisition cost	$62,987	$53,966	$186,371	$45,411	$348,735
Accumulated depreciation	21,073	35,557	97,501	29,261	183,392
Net leased property	$41,914	$18,409	$88,870	$16,150	$165,343

	Millions of Yen				
	Nuclear Power Generating Facilities	Distribution Facilities	General Facilities	Other Facilities	Total
As of March 31, 2001					
Acquisition cost	¥5,368	¥7,278	¥27,723	¥6,557	¥46,926
Accumulated depreciation	2,373	4,344	13,628	4,004	24,349
Net leased property	¥2,995	¥2,934	¥14,095	¥2,553	¥22,577

Obligations under finance leases:

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	**2002**
Due within one year	**¥5,853**	¥7,333	**$43,925**
Due after one year	**16,179**	15,244	**121,418**
Total	**¥22,032**	¥22,577	**$165,343**

Depreciation expense under finance leases:

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	**2002**
Depreciation expense	**¥7,947**	¥8,909	**$59,640**

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Depreciation expense, which is not reflected in the accompanying non-consolidated statements of income, was computed by the straight-line method over the respective lease periods.

The amount of leased assets and obligations under finance leases includes the imputed interest expense portion.

Operating Leases

Obligations under non-cancelable operating leases at March 31, 2002 and 2001 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	**2002**
Due within one year	**¥78**	¥67	**$585**
Due after one year	**71**	126	**533**
Total	**¥149**	¥193	**$1,118**

10. COMMITMENTS AND CONTINGENCIES

At March 31, 2002, the Company had firm purchase commitments, principally related to utility plant expansion, of approximately ¥220,337 million ($1,653,561 thousand). Additionally, the Company has entered into several fuel supply contracts which involve substantial commitments.

At March 31, 2002, the Company had the following contingent liabilities:

	Millions of Yen	Thousands of U.S. Dollars
Co-guarantees of loans and bonds of other companies:		
Japan Nuclear Fuel Limited	¥218,031	$1,636,255
Other	40,565	304,428
Total	¥258,596	$1,940,683
A guarantee of equity contribution to KPIC Singapore Pte Ltd	¥319	$2,394
A guarantee about power supply for KPIC Singapore Pte Ltd	¥594	$4,458
Contingency relating to debt assumption agreement	¥235,492	$1,767,295

11. SUBSEQUENT EVENT

On June 27, 2002, the shareholders of the Company (1) approved payment of a cash dividend of ¥25 ($0.19) per share to holders of record as of March 31, 2002 or a total of ¥24,067 million ($180,615 thousand), and bonuses to directors and corporate auditors of ¥145 million ($1,088 thousand) and (2) authorized the Company to repurchase up to 16,000,000 shares of the Company's common stock (aggregate amount of ¥30,000 million).

Deloitte
Touche
Tohmatsu

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of
The Kansai Electric Power Company, Incorporated:

We have examined the non-consolidated balance sheets of The Kansai Electric Power Company, Incorporated as of March 31, 2002 and 2001, and the related non-consolidated statements of income and shareholders' equity for the years then ended, all expressed in Japanese yen. Our examinations were made in accordance with auditing standards, procedures and practices generally accepted and applied in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the non-consolidated financial statements referred to above present fairly the financial position of The Kansai Electric Power Company, Incorporated as of March 31, 2002 and 2001, and the results of its operations for the years then ended, in conformity with accounting principles and practices generally accepted in Japan applied on a consistent basis.

As discussed in Note 2, effective April 1, 2000, the non-consolidated financial statements have been prepared in accordance with new accounting standards for employees' retirement benefits and financial instruments.

Our examinations also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

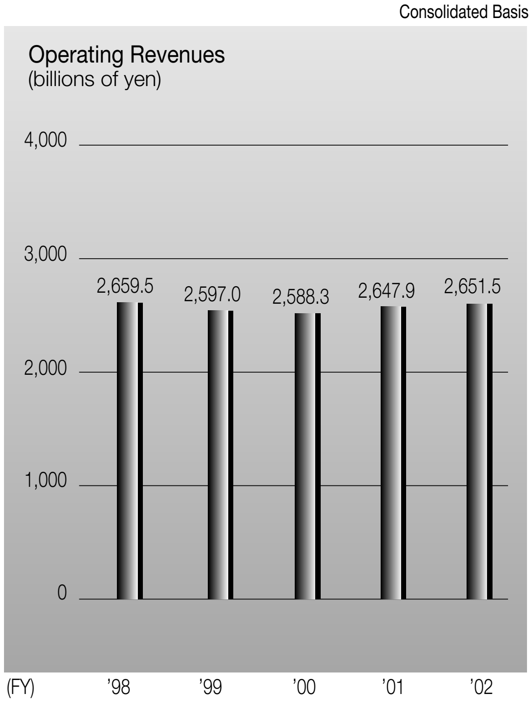
Deloitte Touche Tohmatsu

Osaka, Japan
June 27, 2002

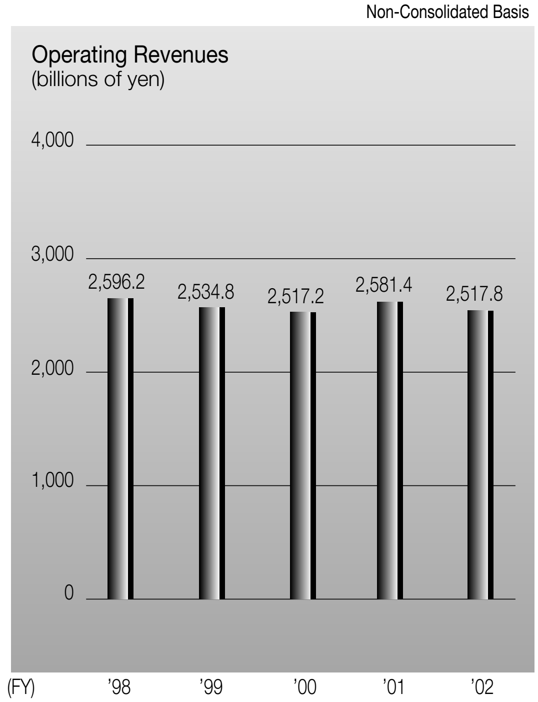
Five-Year Summary of Selected Operational Data

	Consolidated Basis					Non-Consolidated Basis				
(FY)	1998	1999	2000	2001	**2002**	1998	1999	2000	2001	**2002**
Operating Revenues (Millions of Yen)	2,659,520	2,597,077	2,588,390	2,647,944	**2,651,597**	2,596,288	2,534,803	2,517,203	2,581,451	**2,517,817**
Operating Income	353,540	310,592	310,573	340,682	**319,312**	338,117	298,218	315,219	336,077	**311,712**
Net Income	77,318	52,497	52,300	122,791	**128,444**	65,755	50,973	43,650	95,492	**137,020**
Operating Revenues										
Residential						961,836	974,791	988,026	1,010,946	**993,753**
Commercial & Industrial						1,567,666	1,503,089	1,477,595	1,515,267	**1,477,859**
Total						2,529,502	2,477,880	2,465,621	2,526,213	**2,471,612**
Breakdown of Operating Expenses										
Personnel Expenses						318,016	344,559	336,067	294,123	**277,634**
Fuel Costs						270,937	218,831	238,155	269,559	**239,059**
Costs of Purchased Power						280,733	327,964	324,734	369,659	**399,621**
Maintenance Costs						374,767	347,212	311,306	277,896	**245,068**
Depreciation						438,584	427,558	415,692	406,292	**396,054**
Taxes Other than Income Taxes						175,657	173,749	170,505	170,703	**166,884**
Other						399,477	396,712	405,525	457,142	**481,785**
Total						2,258,171	2,236,585	2,201,984	2,245,374	**2,206,105**
Financial Revenues	3,600	3,202	2,584	2,820	**2,491**	4,332	3,955	3,621	3,575	**3,086**
Interest Expenses						207,128	171,009	146,790	147,652	**125,979**

Consolidated Basis



Non-Consolidated Basis



	Consolidated Basis					Non-Consolidated Basis				
(FY)	1998	1999	2000	2001	2002	1998	1999	2000	2001	2002
Return on Equity (ROE) (%)	6.26	4.18	3.93	8.27	**8.15**	6.21	4.77	3.86	7.53	**10.22**
Return on Assets (ROA)* (%)	2.80	2.52	2.06	2.73	**2.77**	2.79	2.53	1.95	2.64	**3.05**
Net Income per Share (Yen)	79.01	53.64	53.44	125.47	**131.61**	67.19	52.09	44.60	97.58	**140.39**
Cash Dividends per Share (Yen)	50.00	50.00	50.00	60.00	**50.00**	50.00	50.00	50.00	60.00	**50.00**
Stock Price (Yen)										
Highest Stock Price						2,300	2,610	2,530	2,000	**2,180**
Lowest Stock Price						2,000	2,130	1,458	1,520	**1,757**
Capital Investments (Millions of Yen)			628,928	489,527	**467,813**	644,516	754,817	612,291	479,017	**410,502**
Total Assets (Millions of Yen)	6,937,292	7,176,783	7,500,934	7,550,821	**7,507,556**	6,693,800	6,914,587	7,166,847	7,212,514	**7,043,444**
Shareholders' Equity (Millions of Yen)	1,250,000	1,263,695	1,399,531	1,569,590	**1,580,737**	1,066,603	1,068,500	1,195,046	1,342,904	**1,337,693**
Shareholders' Equity Ratio (%)	18.02	17.61	18.66	20.79	**21.06**	15.93	15.45	16.67	18.62	**18.99**
Volume of Electricity Sales (Million kWh)										
Residential						40,665	42,492	43,555	44,408	**44,347**
Commercial & Industrial						96,782	96,326	96,848	98,444	**95,432**
Total						137,447	138,818	140,403	142,852	**139,779**
Number of Customers (Thousands)										
Residential						10,905	11,057	11,194	11,352	**11,491**
Commercial & Industrial						1,443	1,437	1,431	**1,416	****1,398**
Total						12,348	12,494	12,625	**12,768	****12,889**

**Excluding the liberalized segment

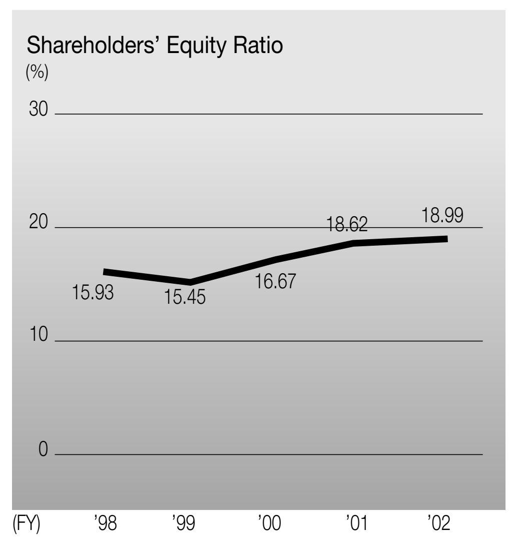
*ROA= (Income Before Income Taxes+ Financial Expenses) x (1 - Income Tax Rate) / Total Assets

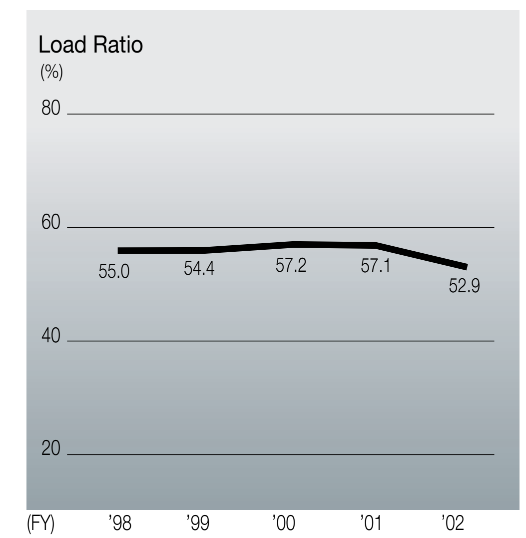
(FY)	1998	1999	2000	2001	2002
Electricity Generation Capacity by Sources (MW)					
Nuclear	9,768	9,768	9,768	9,768	**9,768**
Fossil Fuel	19,921	19,921	19,921	19,561	**17,687**
Hydroelectric	7,360	8,087	8,107	8,129	**8,130**
Total	37,049	37,776	37,796	37,458	**35,585**
System Peak Demand (MW)	31,410	32,160	30,710	31,060	**33,060**
Load Ratio (%)	55.0	54.4	57.2	57.1	**52.9**
Power Sources (%)					
Nuclear	52	53	51	51	**54**
Fossil Fuel	36	34	37	37	**35**
Hydroelectric	12	13	12	12	**11**
Total	100	100	100	100	**100**
Duration of Power Interruptions per Household (Minute)	4	35	4	4	**4**
SO_x Emissions from Fossil Fuel Power Generation (g/kWh)	0.11	0.08	0.08	0.07	**0.04**
NO_x Emissions from Fossil Fuel Power Generation (g/kWh)	0.19	0.15	0.15	0.15	**0.13**
Nuclear Capacity Factor (%)	84.2	84.3	82.0	81.8	**84.5**
Heat Efficiency Ratio (power generation end) (%)	38.83	39.07	39.40	39.44	**39.48**
Number of Employees *	26,343	26,333	24,903	24,539	**23,971**
Ratings					
In Yen	Aaa	Aa1	Aa2	Aa2	**Aa2**
In Foreign Currencies	Aaa	Aaa	Aa2	Aa2	**Aa2**
Date of Shareholders General Meeting	June 26	June 29	June 29	June 28	**June 27**

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

Consolidated Basis

Non-Consolidated Basis





Corporate Data
(As of March, 2002)

Date of Establishment: May 1, 1951
Paid-in Capital: ¥489.3 Billion
Number of Common Shares Issued: 978,640 Thousand
Number of Shareholders: 496 Thousand
Operating Revenues: ¥2,651.5 Billion (Consolidated Basis)
Total Assets: ¥7,507.5 Billion (Consolidated Basis)
Number of Employees: 37,911 (Consolidated Basis)

Corporate Information

THE KANSAI ELECTRIC POWER CO., INC.
Head Office:
3-22, Nakanoshima 3-chome, Kita-ku, Osaka 530-8270, Japan
Phone: 06-6441-8821
Fax: 06-6441-7174
URL: http://www.kepco.co.jp
E-mail: finance@kepco.co.jp

Stock Exchange Listings:
Common Stock;
Osaka Securities Exchange
Tokyo Stock Exchange
Nagoya Stock Exchange

Transfer Agent:
UFJ Trust Bank Limited
6-3, Fushimi-cho 3-chome, Chuou-ku, Osaka 541-8502, Japan
Phone: 06-6229-3011

Notes:
1. THE KANSAI ELECTRIC POWER CO., INC. is the source of all exhibits herein unless otherwise indicated.
2. All fisical years (F.Y.) run from April 1 to March 31 unless otherwise indicated.
3. All dollar amounts are U.S. dollars unless otherwise stated.
4. U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥133.25=U.S.$1, the approximate rate of exchange at March 31, 2002.

Major Power Plants In Service (Over 50 MW)

(As of July 31, 2002)

Hydroelectric

1	Okutataragi (Pumped-Storage)	1,932 MW
2	Okawachi (Pumped-Storage)	1,280 MW
3	Okuyoshino (Pumped-Storage)	1,206 MW
4	Kisenyama (Pumped-Storage)	466 MW
5	Kurobegawa No.4	335 MW
6	Shimokotori	142 MW
7	Maruyama	125 MW
8	Otozawa	124 MW
9	Kiso	116 MW
10	Yomikaki	114 MW
11	Shin-Kurobegawa No.3	105 MW
12	Amagase	92 MW
13	Kurobegawa No.3	81 MW
14	Komaki	75 MW
15	Shin-Kurobegawa No.2	74 MW
16	Kurobegawa No.2	72 MW
17	Shin-Soyama	68 MW
18	Ontake	66 MW
19	Shin-Tsubakihara	63 MW
20	Shin-Maruyama	63 MW
21	Shin-Narude	58 MW
22	Soyama	54 MW
23	Ohi	52 MW
24	Kanidera	51 MW

Fossil Fuel

25	Himeji No.2 (LNG/Oil)	2,550 MW
26	Kainan (Oil)	2,100 MW
27	Sakaiko (LNG/Oil)	2,000 MW
28	Gobo (Oil)	1,800 MW
29	Nanko (LNG)	1,800 MW
30	Himeji No.1 (LNG)	1,442 MW
31	Tanagawa No.2 (Oil)	1,200 MW
32	Ako (Oil)	1,200 MW
33	Aioi (Oil)	1,125 MW
34	Takasago (Oil)	900 MW
35	Miyazu (Oil)	750 MW
36	Osaka (LNG/Oil/Bitumen)	624 MW
37	Sanpo (Blast Gas/Oil)	156 MW

Nuclear

38	Mihama	1,666 MW
39	Takahama	3,392 MW
40	Ohi	4,710 MW

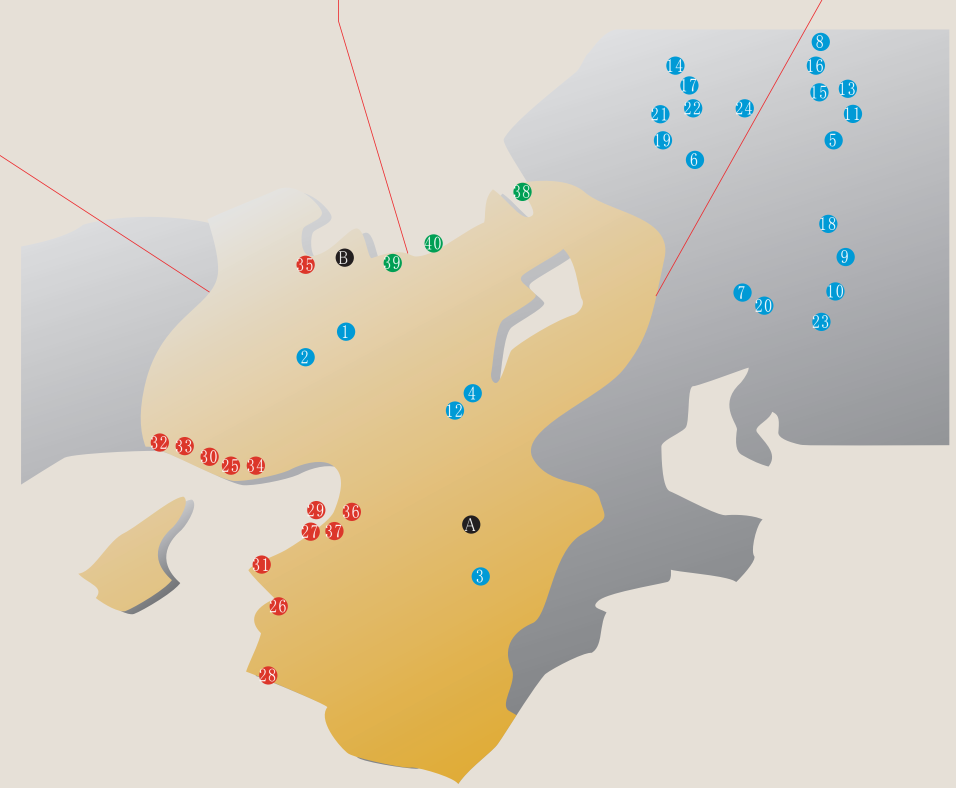
Power Plants Under Construction

Hydroelectric

A	Ootaki	11 MW

Fossil Fuel

B	Maizuru (Coal)	1,800 MW



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