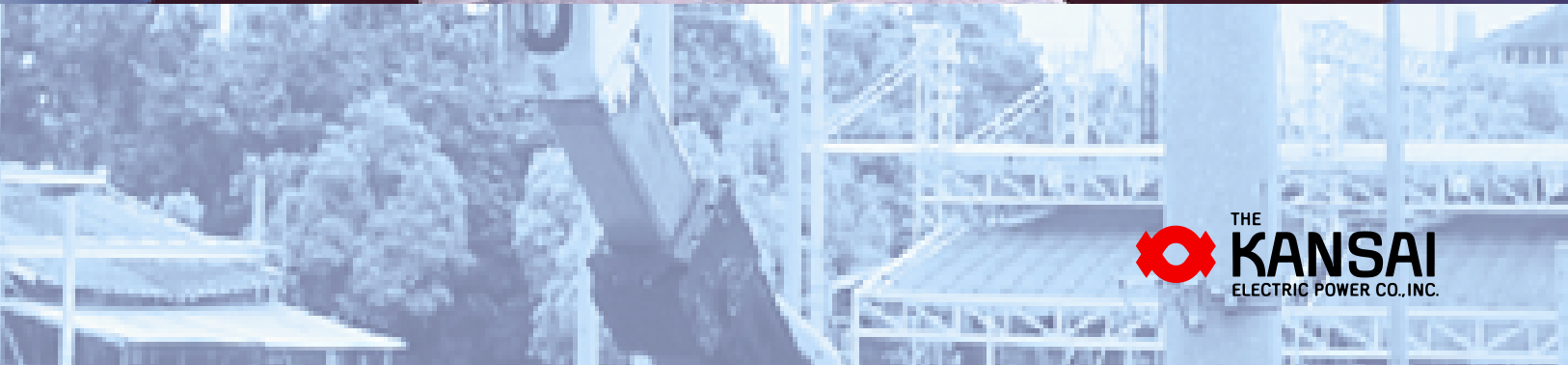


# COMPANY PROFILE 2 0 0 7



THE  
**KANSAI**  
ELECTRIC POWER CO., INC.

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Message from the Management

For many years the overriding objective of The Kansai Electric Power Company, Inc. (Kansai EP) has been to enable our customers to rely dependably on electricity with peace of mind at all times. Today, we are expanding the scope of our activities in order to extend a helping hand to enhance our customers' home and business environments.

To make their home environments more convenient and more comfortable, we now provide our customers with exciting options including all-electric home installations, fiber-optic communication networks and dependable home security services.

To improve their business environments, as true professionals in the realm of energy we offer optimal solutions matching their business operations and energy usage patterns. In particular, we assist our business customers in addressing issues such as reducing costs, saving energy and trimming CO<sub>2</sub> emissions.

Going forward, applying the full complement of our Groupwide capabilities, we will continue to provide a broad array of services ideally meshing with the needs of both residential customers and the business community, in our determined quest to elicit their complete satisfaction.

As a power provider whose operations are closely linked to the environment, we will continue to strive proactively to reduce the environmental burden from our business activities. Meanwhile, through provision of information concerning energy conservation, education in environmental and energy issues to the children who will take charge in the future, and other initiatives of these kinds, together with our local communities we will probe solutions to global environmental issues.

We continue to take deeply to heart the lessons learned from the accident at our Mihama nuclear power station in 2004, and all Company members are doubly resolved to maintain uncompromised safety at all times. By adhering to stringent compliance standards, securing optimal transparency and all other conceivable means, we pledge to do everything within our capabilities to keep Kansai EP and its Group companies fully worthy of our customers' trust long into the future.



Shosuke Mori  
President and Director

# Our happiness is in making our customers happy.

At Kansai EP our foremost mission is to deliver electricity, indispensable to our customers' lives, stably and safely. Every day, in every way, we do everything we can to respond to the trust our customers place in us. Making our customers happy makes us happy.



**We strive continuously  
and unstintingly so our customers  
can rely on electricity  
with full peace of mind.**



At Kansai EP, our driving goal is to enable our customers to use electricity with complete peace of mind at all times. To achieve that objective, every employee takes this Company commitment firmly to heart and works continuously — and unstintingly — to deliver electricity to all customers with total safety and stability.



Totally integrated operations ensure a stable supply of high-quality electricity.

## Stable Supply



Central Load Dispatching Center



Cable inspection at Akashi-Kaikyo Bridge

In order to deliver high-quality electricity with assured stability, Kansai EP operates under a totally integrated system that encompasses everything from power generation to sales. We also pursue the optimal mix of power generation options.

### Full Integration from Power Generation to Sales

Kansai EP promotes the optimal generation mix of energy sources and dedicates its resources to forge a distribution system of maximum quality and efficiency. We also shoulder responsibility for all operational aspects, from actual generation through sales, in order to ensure a stable supply of high-quality electricity to all customers.

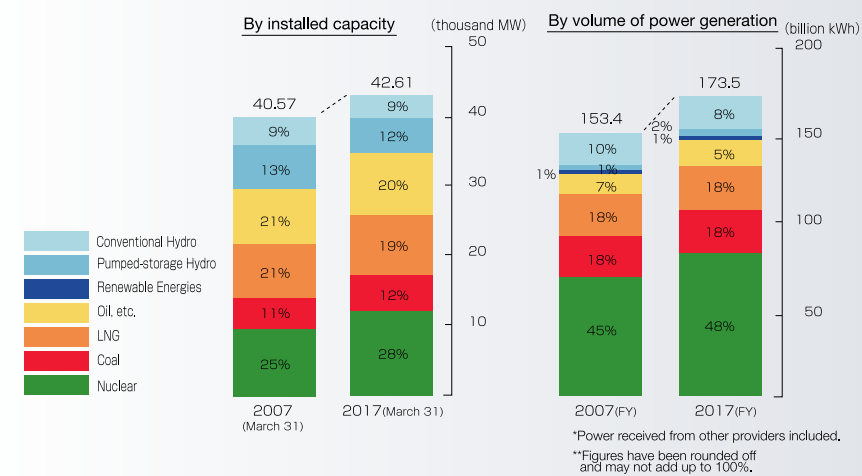
### Ongoing Pursuit of the Optimal Generation Mix

The optimal generation mix translates to a stable, long-term supply of power combining the respective advantages of the three major generation modes: nuclear, thermal and hydro. Advantages are gauged in terms that encompass fuel procurement stability, environmental impact, economic viability, and adaptability to fluctuations in demand. At Kansai EP, we pursue the optimal generation mix with a strong focus on nuclear power, complemented by thermal and hydro operations.

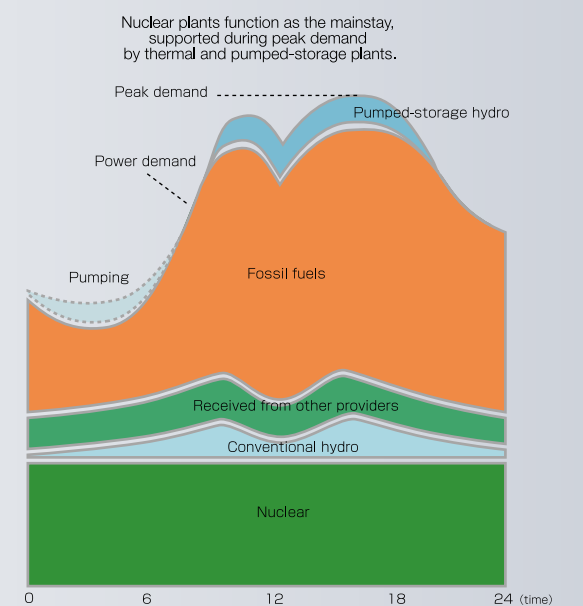
### Committed Response to Steadily Growing Demand

The Japan of tomorrow is expected to face steadily rising demand for electric power. As society becomes progressively grayer and increasingly information-intensive, electrically operated products and IT devices of tremendous variety are projected to become increasingly common fixtures of both the home and business environments. Kansai EP is firmly committed to maintaining the stable power supply necessary to meet these expanding requirements well into the future.

### ► Breakdown of power sources\* ◀



### ► 24-hour fluctuations in power demand and power sources (summer) - Image - ◀



# Nuclear power serves as the core energy within our optimal generation mix.

## Nuclear Power



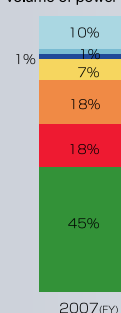
Central Control Room

Spent fuel rod inspection

Inspection work

Nuclear power underpins the stable provision of electricity and imposes minimal burden on the environment. Kansai EP pursues optimal efficiency in the use of precious energy resources and optimal safety in plant operation.

By volume of power generation



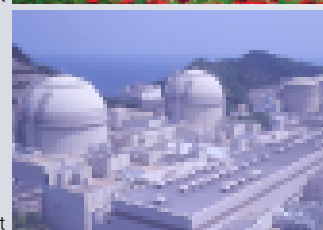
Mihama Nuclear Plant



Takahama Nuclear Plant



Ohi Nuclear Plant



### Redoubled Resolve to Ensure Safe Plant Operation

Today, at Kansai EP we continue to reflect deeply on, and humbly take to heart, the lessons learned from the accident at Unit 3 of the Mihama nuclear power station in 2004, and we are firmly resolved to continue taking all conceivable measures – measures to be continually improved in any way possible – in order to prevent a reoccurrence. We also redouble our determination to carry out all appropriate measures to ensure the uncompromised safety of our nuclear power stations, including measures to deal with superannuated plants in operation more than 30 years and steps to thwart potential damage from earthquakes.

### Stable Source of Energy, Gentle on the Environment

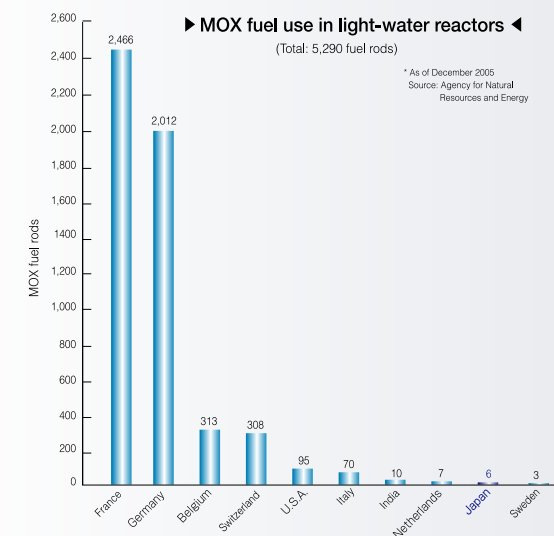
Nuclear power is the core energy within Kansai EP's optimal generation mix – the most suitable combination of power sources to ensure stable provision of electricity well into the future. Today, nuclear power accounts for roughly 45% of our total electricity output. Among nuclear energy's advantages is the fact that uranium, from which it derives, is available in stable supply; moreover, through recycling of spent fuel, uranium resources are used with maximum efficiency. Nuclear power is superior as an energy source also in that it emits no CO<sub>2</sub> during the generation process, and it thus plays a vital role in curbing global warming.

### Efficient Use of Precious Resources

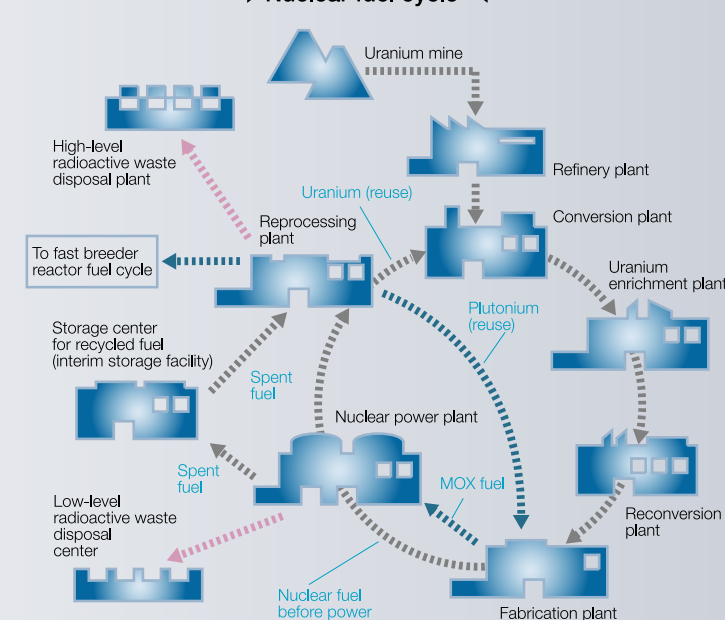
The Earth's energy resources are inherently limited, and in order to make efficient use of the precious resources available, at Kansai EP we engage in what is known as the "pluthermal project." Under this program, the plutonium recovered from reprocessing of spent nuclear fuel is mixed with depleted uranium to become MOX (mixed oxide) fuel.

#### MOX fuel use in light-water reactors

(Total: 5,290 fuel rods)  
\* As of December 2005  
Source: Agency for Natural Resources and Energy



### Nuclear fuel cycle





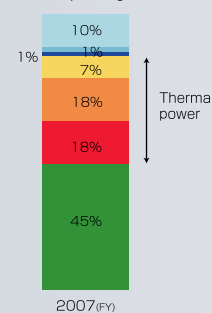
Thermal power enables elastic response to fluctuating demand.

Hydro power makes effective use of an abundant natural resource.

## Thermal Power

## Hydroelectric Power

By volume of power generation



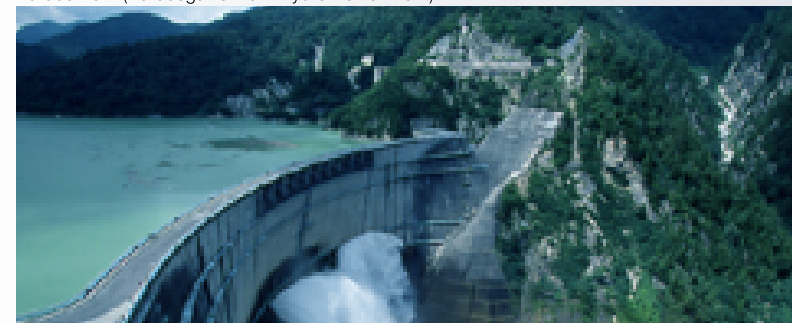
Nanko Thermal Power Plant



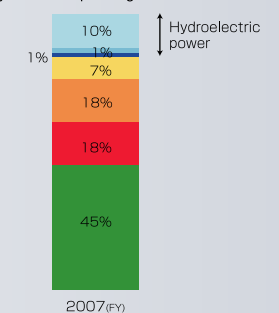
Maizuru Thermal Power Plant



Kurobe Dam (Kurobegawa No.4 Hydro Power Plant)



By volume of power generation



### Diversified Fuel Options, State-of-the-Art Generation Systems

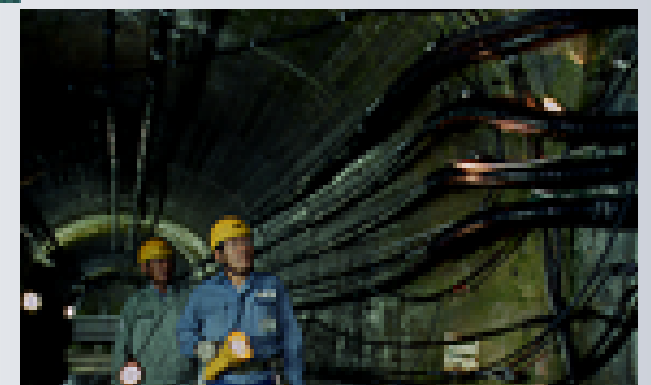
Thermal power plays a key role as a middle-load energy source that offers supreme elasticity to cope with continuously fluctuating demand. Presently 43% of Kansai EP's total electricity output is generated from fossil fuels. We are also vigorously working to achieve environmental harmony and economic merits through greater reliance on diverse fuels such as liquefied natural gas (LNG), which is environmentally compatible, and coal, available at relatively stable prices. Meanwhile we are also steadily upgrading our physical plants to today's leading edge in power generation systems, in order to further ease environmental burdens through enhanced generation efficiency and to supply electric power at lower cost to our customers.

### Using Available Resources to Optimal Advantage

Today a modest 11% of the electricity generated by Kansai EP derives from hydro power, but since water is abundantly available in Japan, its use as a source of energy is of monumental importance. Playing a key role during times of peak demand is pumped-storage hydro power, a system in which electricity is generated in the daytime using water pumped at night, when demand is low. Because hydro power results in no CO<sub>2</sub> emissions, we are taking steps to boost output, for example by replacing older turbines with units that offer higher efficiency.



Himeji No.1 Thermal Power Plant





**We work 24 hours of every day to deliver power with stable assurance.**

## Transmission



## Distribution



Harima West transmission lines



### Power Delivery System of World-Class Reliability

The function of Kansai EP's transmission and distribution facilities is to deliver electricity from our power stations to customers throughout our operating area. To ensure a stable supply of power, we make use of advanced technologies in information management to monitor and control our vast physical plant around the clock, 365 days a year. We also carry



out a comprehensive program of training and drills to prepare for typhoons and other natural calamities of every kind. These efforts have been rewarded by significant decreases in the incidence and length of power outages per customer, enabling Kansai EP to achieve one of the world's highest levels in power supply reliability.





**We constantly strive to provide meticulous services inviting complete customer satisfaction.**



At Kansai EP, we constantly aspire – and dedicate our every effort – to make our customers totally satisfied. Toward that goal, we muster the full complement of our Group resources in order to respond, from the heart, to our customers' diverse needs and requests with the meticulous services they expect and deserve.



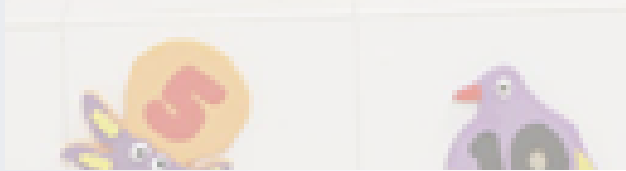


# Today we are providing customers new levels of comfort, convenience and security.

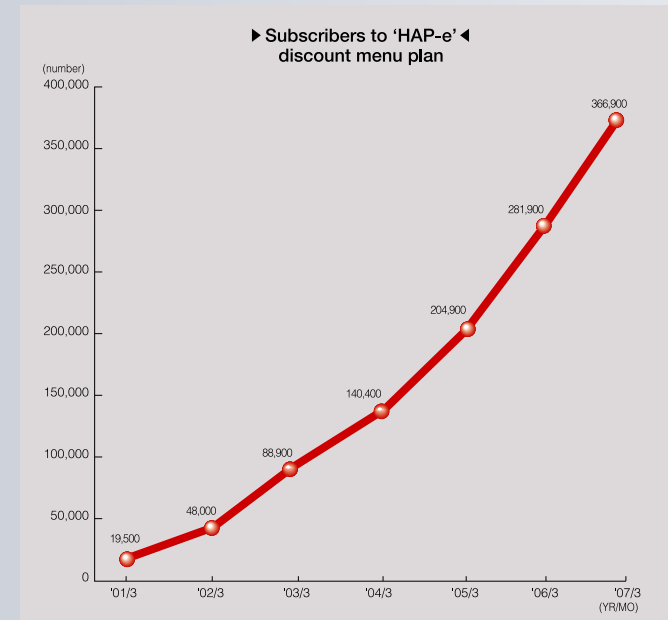
## Happier Lives through All-Electric Installations

At Kansai EP we are vigorously promoting the adoption of fully electric home installations under an initiative we aptly call “HAP-e Life” – or just “HAP-e” for short. A happy home life means different things to different people. To some, it means the joy of cooking in a kitchen equipped with no gas-burning appliances, a kitchen that is easy to clean and always sanitary. To others, a joyous home life means the pleasure of relaxing in a living room where the air is always fresh and clean; or the convenience of a bathroom in which hot water is always immediately available; or the luxury of sleeping through muggy summer nights in air-conditioned comfort, without worrying about the expense.

These modest contributors to happiness are now a reality thanks to the development of safe-to-use IH (induction heater) stove-tops, cozy floor-heating systems, and environmentally friendly “Eco-Cute” electric hot-water supply systems – and these are merely a few examples. These and other exciting innovations are complemented by our “HAP-e Plan,” an attractive discount menu that offers salient economic advantages to customers whose homes are totally electric. We also operate the “HAP-e Point Club,” launched in July 2005, for owners of all-electric homes. Club members accrue points according to their monthly volume of electricity usage, and they can exchange these points for a variety of gifts, etc.



Electric hot-water supply system



IH (induction heater) stove-top



Floor-heating system

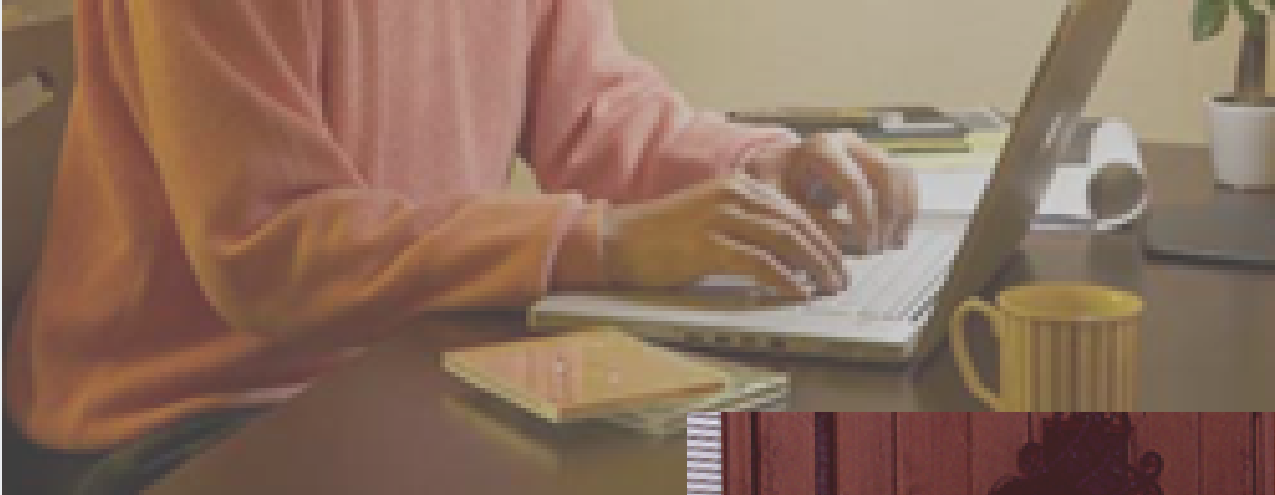


**Making Lifestyles Happier with “HAP-e”**

Under the “HAP-e” program, Kansai EP works in tandem with its diverse Group companies to help customers enjoy more rewarding home lives that make for richer individual lifestyles.

As an example, we take advantage of the high-volume capacity unique to optical fiber technology in order to enhance the enjoyment and options of family communication. With a single fiber-optic connection, multiple users in the same home can access the Internet simultaneously. We also provide services that avail of fiber-optic installations for placing phone calls or watching TV.

Another significant application of our fiber-optic installations is home security. To support the safety and assurance of family life, we offer home security services that are high in quality but readily affordable. To protect entire residential districts, we also provide our “town security” services utilizing our independent fiber-optic network.



“eo HIKARI” telephone service



Home security services  
(KANDEN Security of Society, Incorporated)



“eo HIKARI” Internet service (K-Opticom Corporation)



“eo HIKARI” television service



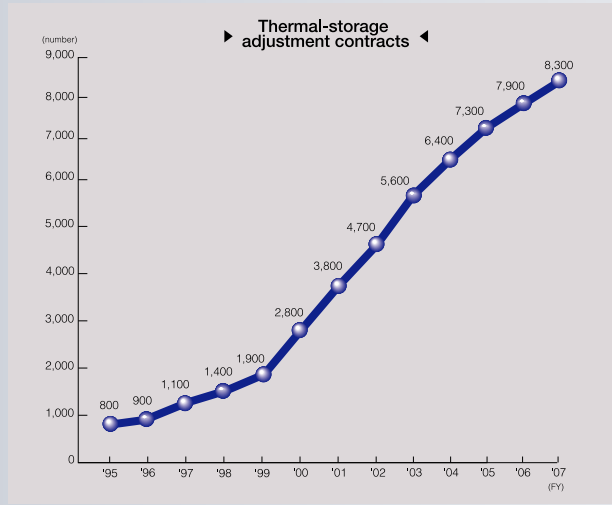


# We provide optimal solutions to satisfy the diversified needs of the business community.

## Energy Experts and Dependable Partner

The energy usage patterns of business customers vary according to the category and scale of each enterprise, and consequently the number of energy solutions demanded of Kansai EP is as vast as the number of its corporate customers. Among our customers' most pressing needs are the desire to trim costs and improve their work environment through efficient use of electricity, or the quest for reductions in both costs and CO<sub>2</sub> emissions through judicious selection of energy modes.

Kansai EP, as professionals in the energy world, responds to the kaleidoscopic needs of business customers through application of its technological capabilities and knowhow accumulated over many years. Today, based on this record, we pledge to take all steps necessary to remain a dependable partner in solving the energy issues of the corporate sector into the future.



"Eco Ice" thermal storage system



Energy equipment diagnosis



## Strongly Committed to Kansai's Industrial Development

Kansai EP's fervent wish, as a company that achieves progress together with the inhabitants of its home region, is to make Kansai ever more vibrant through contributions to ongoing local development.

The Kansai region is home to three remarkably attractive urban centers – Osaka, Kyoto and Kobe – each sustained by a rich and unique culture with a long historical record. Kansai is blessed with nearly unrivaled conditions conducive to industrial development, both in terms of outstanding transportation infrastructure and abundance of industrial properties.

Working in partnership with local government agencies and other relevant organizations, Kansai EP is firmly committed to undertaking aggressive initiatives to attract industry to Kansai, in order to further invigorate the region in the years ahead.

Solution Services of High Added Value

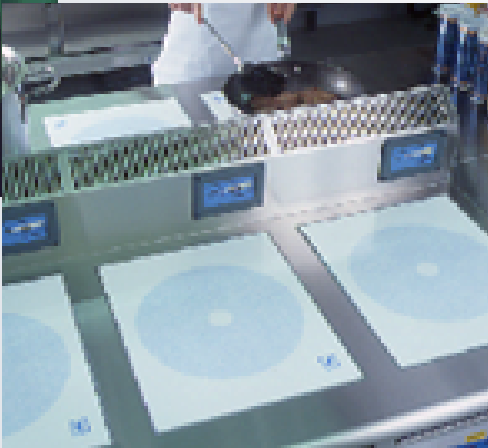
Kansai EP provides a wealth of energy solutions tailored to the multifarious needs of its corporate customers, as a way of achieving optimal efficiency in electricity usage. Among our numerous product offerings created to solve corporate concerns are “Eco Ice” thermal-storage systems, which make effective use of power generated inexpensively at night, and easily managed kitchen systems that enhance the work environments of commercial establishments. We also offer leasing options that enable elimination of initial investment outlays.

Today the corporate sector's requirements are also becoming increasingly sophisticated. At Kansai EP, as a Group we respond to their requirements transcending electricity by providing solutions for obtaining the optimal energy mix, including gas and cogeneration options. We also support the business sector by providing stable, ultra-high-speed, large-capacity Internet access and leased-line services making effective use of our information infrastructure, including our fiber-optic network developed in conjunction with our electricity operations.

Going forward, we will continue to work in collaboration with the full complement of our Group affiliates to develop and provide an ever richer menu of high value-added solutions to meet the evolving needs of the business community.



Electrical cooking equipment



Meal preparation (EL SUEHIRO FOOD SERVICE CO.)



Gas operations (Himeji LNG base)



Gas operations (Sakai LNG base)



Health management support services (KANSAI Medical Net Co., Inc.)



Nakanoshima Clinic (medical service provider in partnership with KANSAI Medical Net Co., Inc.)



# Working with the local and global communities toward a brilliant tomorrow



Children's safety campaign

Our driving goal at Kansai EP is to work, in partnership with both the local and global communities, toward the creation of a more brilliant tomorrow. In keeping with that aim, today we are taking proactive steps to address global environmental issues: for example, reducing the environmental load imposed through the performance of our business activities. We also continue to take initiatives to usher in a new era by pursuing R&D into next-generation energy supply technologies, engaging in technical cooperation overseas, etc. In addition, as a member of our local community, we conduct activities ranging from support of cultural events and sports to education about the environment and energy to the children of today who will take charge of tomorrow.



Tango Uocchikan aquarium and energy museum



Trolley bus (Kurobe Dam)



As an energy provider whose operations affect the environment, we are proactively addressing environmental issues.

## Environmental Protection



CEF Minami-Awaji Wind Farm (financially assisted by Kansai Green Power Fund)



Nanko Thermal Power Plant (ISO14001 certified)

Through diverse initiatives targeting prevention of global warming and zero emissions, Kansai EP is working to safeguard the Earth's environment.



Kansai EP is Japan's first power provider to have its electricity acquire the "EcoLeaf™" label. Under this labeling program, quantitative data on a product's environmental impact is certified and disclosed by a third party.



Solar power generation project, Tuvalu (top: Funafuti, capital of Tuvalu; bottom: artist's conception)



### Initiatives to Prevent Global Warming

2008 marks the start of the first commitment period under the Kyoto Protocol. At Kansai EP we view the prevention of global warming as an important aspect of Company operations, and we are taking a broad array of initiatives both at home and overseas, aggressively and comprehensively, to reduce CO<sub>2</sub> and achieve effective use of energy resources.

In the domestic market, the measures we are implementing include the promotion of nuclear power plants, which emit no CO<sub>2</sub> in the process of generating electricity, and enhancement of the thermal efficiency of power generation systems dependent on fossil fuels. To foster efficient use of energy by society as a whole, we are developing and pushing for widespread adoption of high-efficiency systems such as "Eco Cute," heat-pump water heaters that employ a natural refrigerant. In addition, Kansai EP is a cooperating participant in the Kansai Green Power Fund, an organization that solicits monetary contributions from regional customers and provides financial subsidies for the construction of facilities that generate power using new energy sources.

Overseas, we are cooperating in a host of projects targeting CO<sub>2</sub> reductions. These include an environmental tree planting project in Western Australia, a photovoltaic power generation project in Tuvalu, a micro hydropower project for non-electrified villages in Bhutan, and hydropower projects in China. The last two are projects under the Kyoto Protocol Clean Development Mechanism (CDM\*).

In order to prevent global warming on an ongoing basis into the future, Kansai EP will promote initiatives of these kinds proactively both in Japan and abroad. We have also set a target for CO<sub>2</sub> emissions relative to the amount of power we sell: an average close to 0.282kg-CO<sub>2</sub>/kWh for the five years from 2008 through 2012. The figure represents a near 20% reduction from the reference year, 1990, and its achievement would enable Kansai EP to remain among the top ranks in the industry in terms of clean power generation.

*\* A framework under which the developed and developing nations collaborate in initiatives targeted at curbing greenhouse gas emissions. The mechanism enables credit for the reduced emissions to be shared by the assisting country.*

### Initiatives Targeting Zero Emissions

In a quest to realize business activities that are fully compatible with the demands of a sound material-cycle society, Kansai EP pursues the "3Rs" for dealing with industrial and other wastes – reduce, reuse and recycle – throughout the entire spectrum of its operations. To illustrate, the concrete poles from our power grids are completely recycled and used as road construction material, and the residual ash from the burning of coal to fuel our thermal power plants is used in entirety as material for making cement.

In fiscal 2008, we are bolstering these initiatives further and launching a "zero emissions" drive that targets the total elimination of industrial wastes that require final disposal as landfill.

### Promotion of Environmental Management and Communication

All environmental measures are implemented under an effective PDCA (plan-do-check-act) cycle, and all steps are taken to comply with environmental laws and regulations. Reliability enhancement is pursued through acquisition of external certifications, including ISO 14001 and "Eco Leaf" environmental labeling.

We proactively disclose environmental information through publication of a CSR Report, on our website, etc., and we are actively enhancing public awareness of environmental issues. As an example, the Kanden e-Kids Club gives children in Kansai opportunities to think about environmental and energy issues and to take actions for conservation.

### Joint Action on the Environment

The 21st century is destined to be a century of coping with environmental issues, and at Kansai EP we are determined to support the local community in addressing environmental concerns. To illustrate, our program of "eco-friendly" activities works hand-in-hand with local citizens to improve the environment through initiatives such as tree planting and local beautification drives.



As a company firmly rooted in our local community, we are integrally involved in Kansai's development.

## Regional Activities

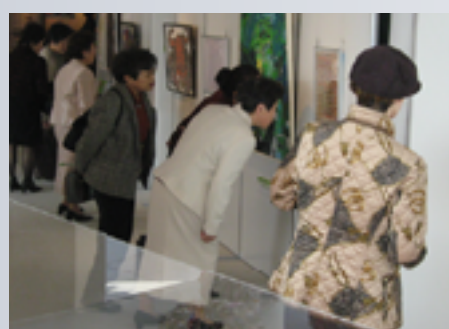


Classroom teaching by a Kansai EP employee

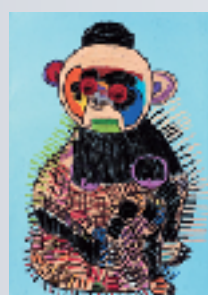


Tree planting

A driving desire at Kansai EP is to contribute to the social development of our home region through a solid rapport with local citizens, achieved through community activities ranging from support of cultural and sporting events to workshops on energy and the environment for the children of today who will be in charge of tomorrow.



"Kanden Collabo Art 21" exhibition of art by the handicapped; best work



### Working with the Local Community in Diverse Activities

As a business operator closely connected to its local community and the lives of its citizens, Kansai EP engages in a broad array of activities – from cooperating in local festivals and events to organizing social welfare services for the disabled, to supporting local cultural activities. Here we cite a few representative examples of how, working together with the local community, we are contributing to local social development.

One way we contribute to the development of the local community is by supporting classical music concerts and other cultural events, as well as sports activities such as football. We also support the artistic activities of the handicapped by organizing "Kanden Collabo Art 21," an open venue for exhibiting artworks by the disabled. In addition, we cooperate with local law enforcement authorities in crime prevention activities.

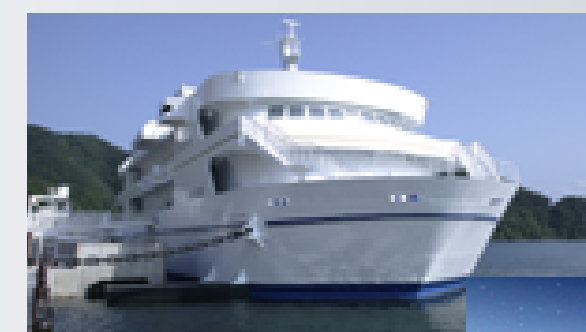
### Venues for Enjoyable Learning about Energy

With the dual desires to foster communication with the local community and to make users more familiar with the workings of energy, we have established "PR Halls" at 20 locations around our operating area. Here, visitors can observe how electricity is generated and learn about energy issues first-hand in an atmosphere designed for fun and enjoyment. To stimulate curiosity toward science and electricity in the children who will be tomorrow's adults, we also go directly into local classrooms and conduct workshops about the environment and energy, using easy-to-understand materials and practical experiments.

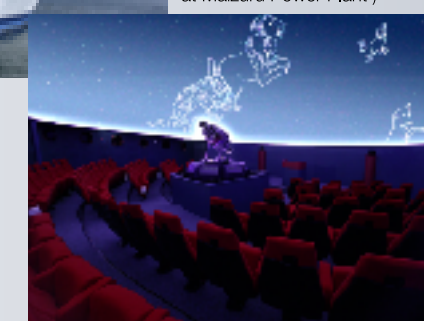
Kansai Collegiate American Football Championship (supported by Kansai EP)



Kanden Classic Special: "Invitation to the Opera"



EL MAR MAIZURU (PR Hall and Planetarium at Maizuru Power Plant)



**We continuously explore new technologies  
– and new possibilities – for tomorrow.**

## Research & Development

Availing of its advanced technological capabilities and rich expertise accumulated through its electricity operations, Kansai EP engages in R&D of remarkable diversity.



Testing of large-capacity SiC modules and inverters

Basic research in SOFCs

Liquid-hydrogen mobile station



### Globally Acclaimed Environmental Technologies

In conjunction with an array of initiatives geared toward protection of the global environment, Kansai EP is carrying forward research into chemical absorbents of CO<sub>2</sub>. The tangible results of our R&D program have secured patents not only in Japan but also in the United States, Europe and Asia, and our technologies have been adopted in a urea production plant in Malaysia.

Another R&D focus related to environmental protection is the development of soil decontamination technologies employing biotechnologies. We are currently conducting research into soil remediation technologies and into biosensors for measuring heavy metals, dioxins and other environmentally detrimental substances.

### Development of Revolutionary Nanotechnologies

Today the Company is actively pursuing research into silicon carbide (SiC) diodes to supersede conventional silicon (Si) diodes, enabling major reductions in power loss. We have already succeeded in developing 100kVA inverters using SiC diodes, and once they shift into commercial production and replace today's Si inverters, power loss is expected to decrease more than 50%. In that way, SiC diodes are projected to make a significant contribution to energy savings throughout the entire industrial sector.

### Next-Generation Energy Research

In preparation for the coming era of hydrogen-based energy reliance, Kansai EP is currently working toward commercial production of compact, low-cost power generation systems incorporating fuel cells. In particular, solid oxide fuel cells (SOFC) are garnering attention today as an epochmaking new technology offering excellent characteristics in generation efficiency, stability and environmental friendliness. We are also in the process of developing a mobile station for liquid hydrogen. As a compact unit capable of transporting and supplying hydrogen in large volumes, the new station is expected to enable the realization of a low-cost and highly mobile hydrogen supply system.

### Eco-Friendly, Efficient Hot Water Heaters

In a quest to induce numerous customers to make electricity their energy mode of choice, at Kansai EP today we are working to develop heat-pump type electrical equipment as the centerpiece of our initiatives to curb global warming.

As a representative example, for home users we are currently developing "Eco Cute," environmentally friendly and economical electric heat-pump water heaters that use a natural refrigerant (CO<sub>2</sub>). For business users, we are pressing forward with development of heat-pump air-conditioning and water-heating systems for business applications. The new systems are being engineered for compact size, convenience and high efficiency, to spur their selection as utilities to support business operations.

**We are actively involved in projects spanning the entire globe.**



San Roque, Philippines

## Overseas Operations

Applying the rich management resources it has cultivated through the years, Kansai EP is actively developing electricity business overseas. Initiatives include participation in power generation projects and provision of consulting services.



Thailand's Rojana Power Co., Ltd.

### Involvement in Diverse Projects Across the Globe

Applying the diversified management resources it has cultivated through its domestic electricity operations, Kansai EP today is moving proactively to develop electricity business overseas. In doing so, the Company looks to contribute to the growth of its electricity business and to pursue business expansion as a new source of earnings, as a way of fostering the sustained growth of its entire Group.

In 1998 Kansai EP became the first domestic power provider to take part in a power-generation project overseas, the San Roque Multipurpose Project in the Philippines. In March 2000 we participated in a fund targeted at conserving energy and curbing emissions in Eastern Europe, and in March 2003 we acquired equity in Rojana Power Co., Ltd. of Thailand. In March 2005 and December 2006 we acquired stock in and began active participation in the management of two power plants in Taiwan: the Ming Jian hydropower plant and Kuokuang thermal power plant, respectively. Today, we are actively advancing a hydropower development project in Laos.

Going forward, the Company will continue to develop operations overseas proactively on diverse fronts.

### Steady Progress in Overseas Consulting Services

In recent years Kansai EP has been capitalizing on its accumulated expertise in power solutions to promote its consulting services throughout Asia.

In the power field, illustrating our success is a project carried out in China applying our unique solutions in risk-based maintenance (RBM). Advice was provided toward achieving optimal maintenance and inspection of the client's coal-fired power generation facilities, featuring an output of 1,600 megawatts (MW). We are also performing consultation pertaining to fuel conversion at thermal power plants in China and Singapore. For the aforementioned San Roque Multipurpose Project in the Philippines, we provided consulting services in plant operation and maintenance (O&M), and through a combination of investment and technology transfer we are achieving earnings while simultaneously contributing to the client's benefit.

In the field of distribution, in Taiwan we are providing consultation capitalizing on our proprietary technology in underground transmission. In Cambodia, we are furnishing consulting services for a tie-line project with Vietnam, thereby contributing to improvement of local power supplies.

In coming years we will aggressively pursue further business opportunities through operations of these kinds.



## CSR

### Stance toward Corporate Social Responsibility

At Kansai EP, we see our Groupwide corporate social responsibility – CSR – in two ways. First, our CSR is to fulfill, with absolute assurance, our responsibilities as a member of society through rigorous compliance, transparency, etc. Second, our CSR is to contribute to ongoing social development by responding, in good faith, to the expectations that society embraces toward our Groupwide business activities.

Based on the foregoing understanding, in March 2004 we drew up a “Kansai EP Group CSR Action Charter.” It includes the following six principles to serve as guidelines in the performance of business activities.

#### Kansai EP Group CSR Action Charter

##### 1. Safe, Stable Delivery of Products and Services

As a business operator responsible for lifelines that are indispensable to society, the Kansai EP Group fully recognizes that its operations support the foundation underpinning the daily lives of its customers. Accordingly, we will take every conceivable measure, day by day, to deliver our products and services safely and stably.

##### 2. Progressive Approach to Environmental Problems

As a provider of energy services that are closely connected with the environment, the Kansai EP Group fully recognizes the scale of the impact its business activities have on the global environment. Accordingly, we will strive to alleviate the environmental burden accompanying our business activities, and seek to be a world-class corporation in terms of safeguarding the environment. Furthermore, we will proactively contribute to the development of a sustainable society through progressive initiatives that target the creation of an ever better environment.

##### 3. Proactive Contributions to Development of Local Communities

As a business operator closely linked with its local communities and the lives of their inhabitants, the Kansai EP Group fully recognizes that its own development is inconceivable without the development of its local communities. Accordingly, we will proactively contribute to the development of our local communities through initiatives that target the vitalization of those communities and the local economy.

##### 4. Respect for Human Rights, Development of Favorable Work Environments

The Kansai EP Group fully recognizes that respect for human rights is a vital corporate obligation based on international agreements. Accordingly, we will strive to secure safe and comfortable work environments free of all discrimination for all persons who are in any way involved in our business activities.

##### 5. Highly Transparent and Open Business Activities

In order to properly reflect social opinions in its business activities, to ensure fairness in the management of its business operations, and to faithfully carry out its accountability to society, the Kansai EP Group will promote increased communication with all members of society and conduct business activities that are highly transparent and open.

##### 6. Strict Enforcement of Compliance

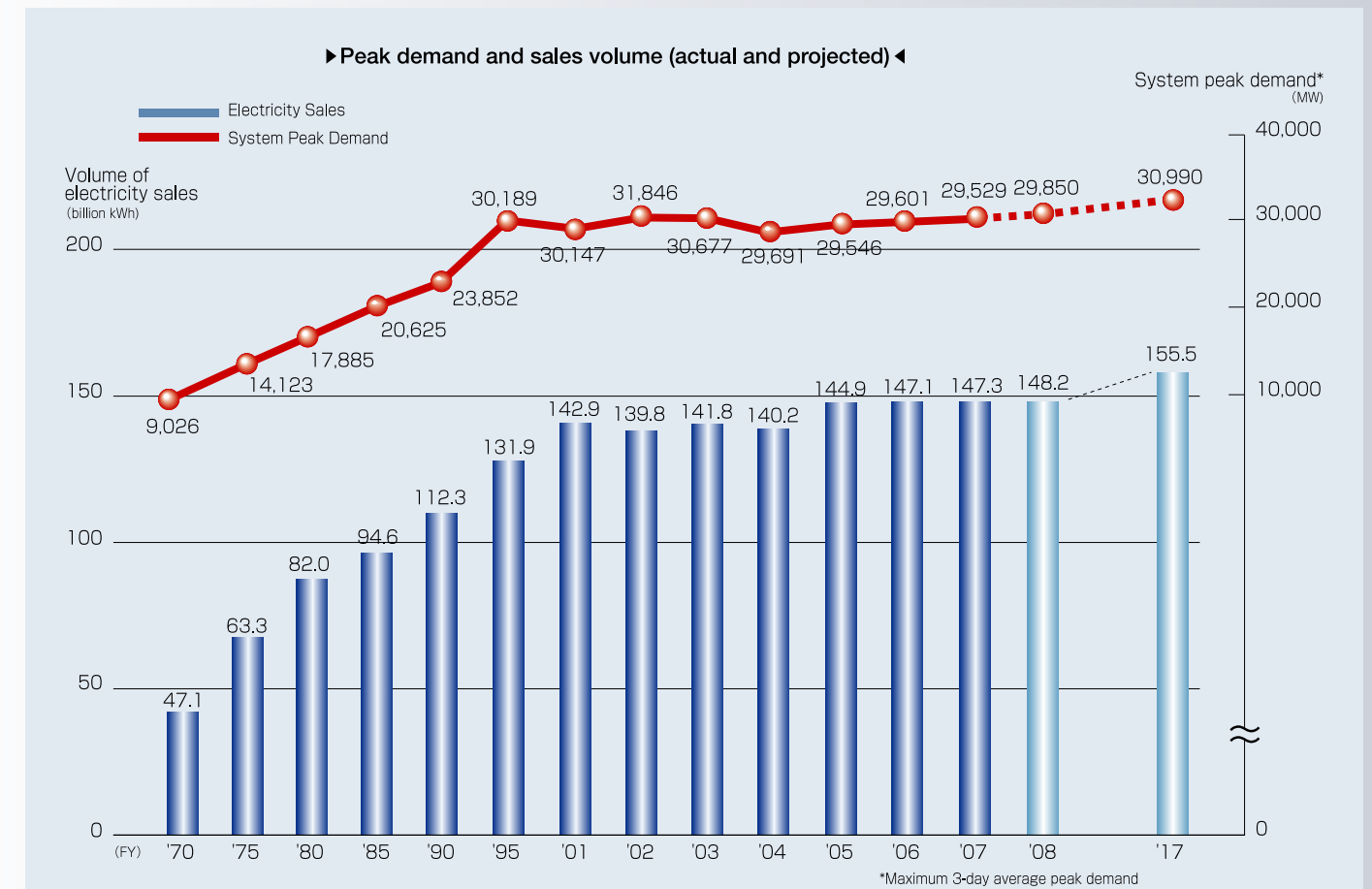
The Kansai EP Group fully recognizes that as members of society business corporations are obligated to establish a strong corporate ethic and to comply with all laws, regulations and other rules both within and outside the company. Accordingly, we will carry out those obligations as the underlying basis of all our activities. We will also develop the mechanisms to ensure that these obligations are carried out, and pursue their continuity and further improvement.

## Corporate Data

### Overview

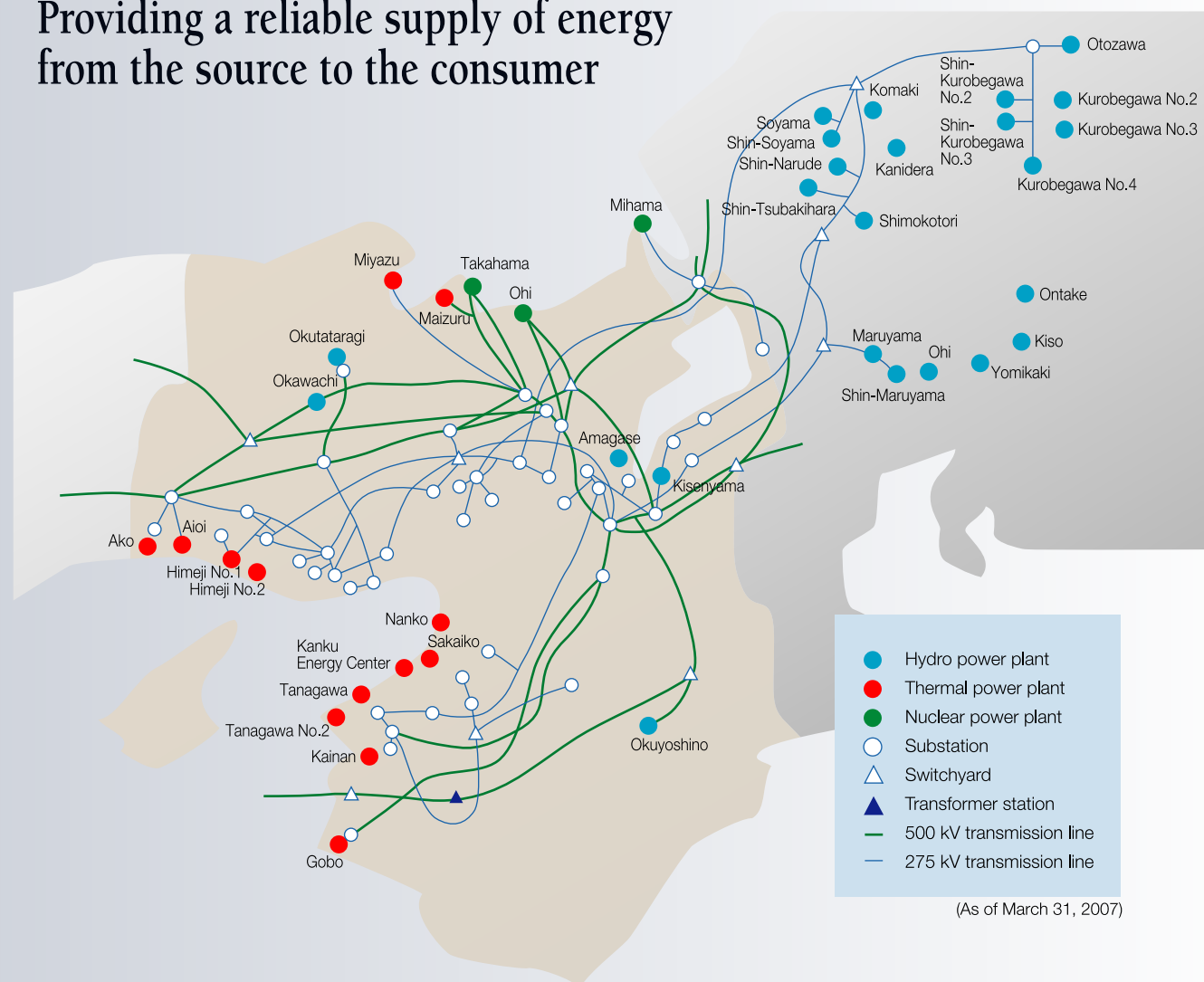
(As of March 31, 2007)

Date of establishment:	May 1, 1951
Paid-in capital:	¥489,321 million
Outstanding shares:	962.7 million
Operating revenues:	¥2,396,869 million (consolidated: ¥2,596,371 million)
Total assets:	¥6,188,913 million (consolidated: ¥6,827,230 million)
Employees:	22,166
Energy sales volume:	Lighting: 48,360 million kWh Power: 98,897 million kWh Total: 147,257 million kWh
Contracted customers:	Lighting: 12,108 thousand Power: 1,175 thousand Total: 13,282 thousand
Gross system input:	159,982 million kWh
System peak demand:	33,060 MW (August 2, 2001)
Supply area:	Entire Osaka, Kyoto, Nara, Shiga and Wakayama prefectures; greater part of Hyogo prefecture; portions of Mie, Gifu and Fukui prefectures (total coverage area: 28,700 km <sup>2</sup> )



## Transmission Network

Providing a reliable supply of energy from the source to the consumer

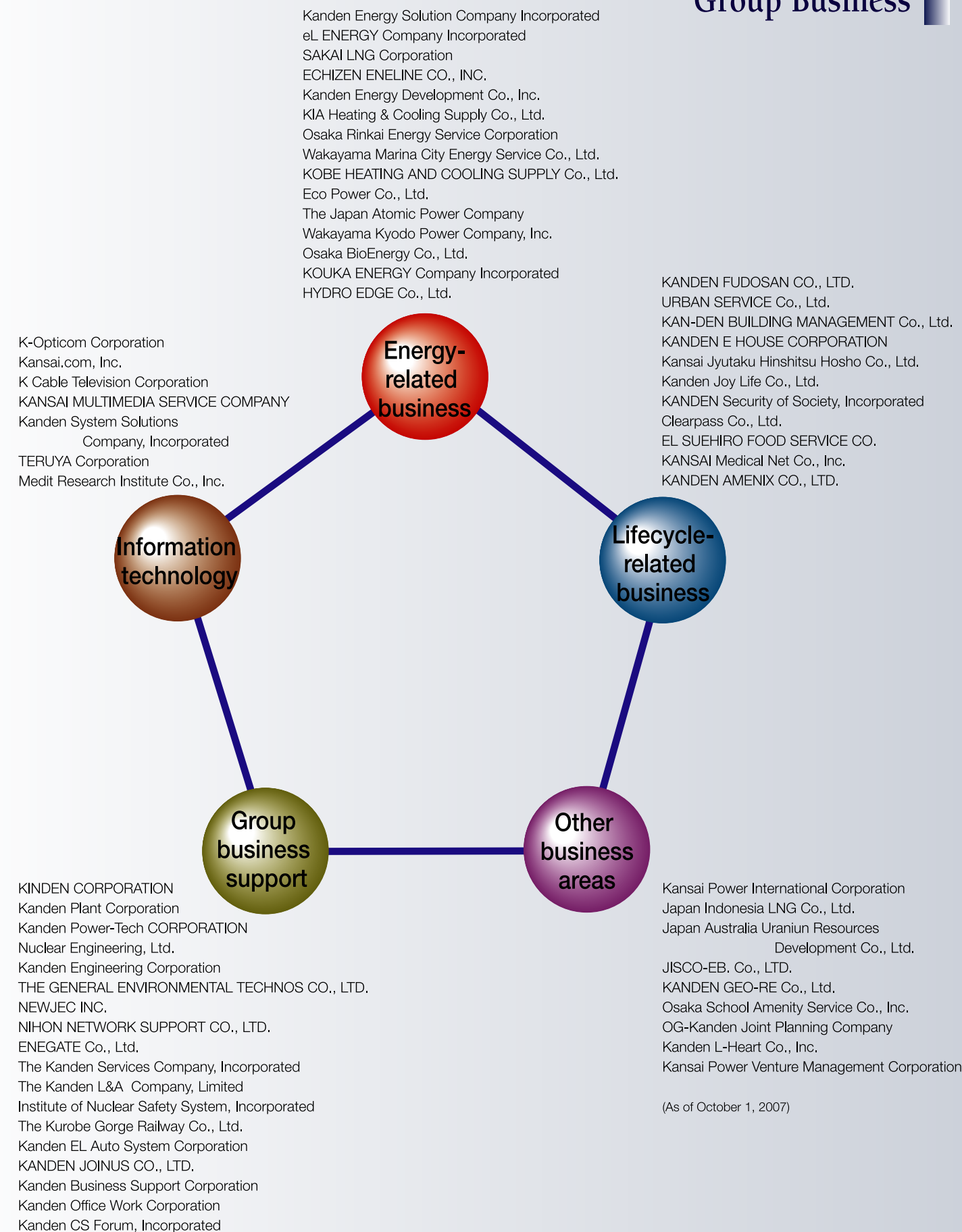


### Supply facilities

(As of March 31, 2007)

Power plants:	Hydro:	148	8,189 MW
	Thermal:	12	16,907 MW
	Nuclear:	3	9,768 MW
	Total:	163	34,864 MW
Transmission lines (length):	Overhead:	13,956 km	
	Underground:	4,204 km	
Distribution lines (length):	Overhead:	121,644 km	
	Underground:	5,810 km	
Substations:	1,544	150 million kVA	

## Group Business





## Brief History

Company events	Year	National, world events
Kansai Electric Power Company Inc. established in tandem with reorganization of Japan's power industry	1951	Signing of San Francisco Peace Treaty
Nuclear Power Department founded to conduct research and development of nuclear power	1957	
Successful installation of transmission line across Naruto Strait using balloon method (first in the world)	1961	
Completion of Kurobegawa No.4 plant after 7 years of difficult construction	1963	
Summer peak power output exceeds winter peak for first time	1966	
Inauguration of company's first nuclear power plant (Mihama No.1)	1970	Japan World Exposition in Osaka
	1973	First oil crisis
Completion of 500 kV trunk network	1976	
Completion of LNG storage facilities at Himeji No.2 plant	1979	Second oil crisis; Three Mile Island nuclear power plant accident
Inauguration of domestic power industry's first total quality control (TQC) program	1981	
Recipient of Deming Award (first outside the manufacturing and construction industries)	1984	
	1986	Chernobyl nuclear power plant disaster in the Soviet Union
Annual energy sales exceed 100 billion kWh for first time	1987	
	1990	International Garden and Greenery Exposition held in Osaka
Accident involving broken steam generator tube at Mihama No.2 plant	1991	Persian Gulf crisis
Institute of Nuclear Safety System, Inc. (INSS) established in response to 1991 accident	1992	United Nations Conference on Environment and Development ("Earth Summit") convened in Brazil
Electric Utility Industry Law revised for first time in 31 years, enabling deregulation of wholesale power operations, etc.	1995	Great Hanshin-Awaji Earthquake
Electricity rate reductions implemented; Organized first bidding for wholesale power supply	1996	
	1997	Third session of Conference of the Parties to the United Nations Framework Convention on Climate Change (COP3) held in Kyoto
Electricity rate reductions implemented	1998	
Revisions to Electric Utility Industry Law amended, ushering in liberalization of retail power operations; Implemented first electricity rate reductions using new rate-reporting system	2000	
System peak demand sets new record (33,060 MW) for first time in 5 years	2001	
Electricity rate reductions implemented	2002	U.S. war against Afghanistan
Acquisition of "EcoLeaf" certification	2003	U.S. war against Iraq
Accident at Mihama No.3 plant	2004	
Electricity rate reductions implemented	2005	World Exposition in Aichi
Electricity rate reductions implemented	2006	
Resumption of operation of Mihama No.3 plant	2007	