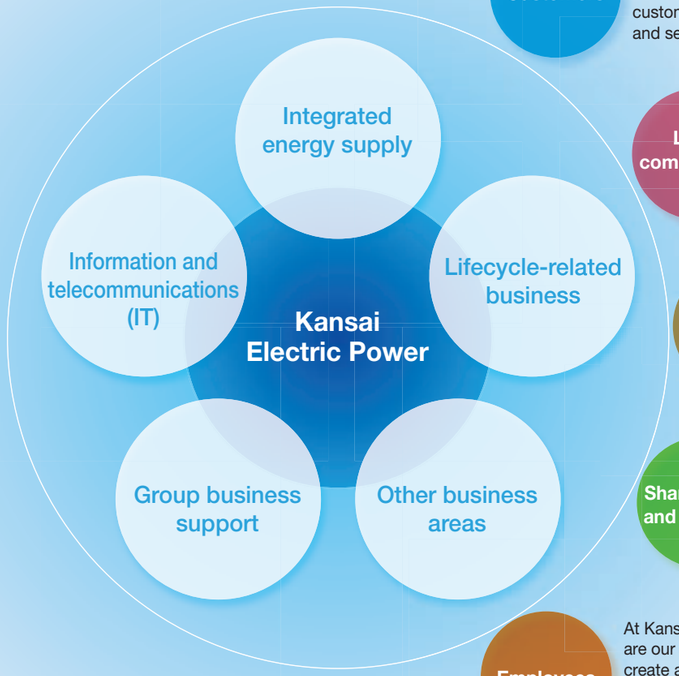
Kansai Electric Power Group

CSR Report 2009

THE KANSAI ELECTRIC POWER CO., INC.

Kansai Electric Power Group and its pledge to stakeholders

The Kansai Electric Power Group aims to become the No. 1 company in customer satisfaction in its business areas, built around energy, which are foundational to people' s lifestyles and society as a whole. Through its various business activities, the Group will respond to stakeholders' requirements and expectations while obtaining their trust and understanding, and will contribute to the development of a sustainable society.



Customers

Kansai Electric Power works hard to gain an accurate understanding of customer needs, in order to build a stable relationship with our customers by providing excellent products and services.

Local communities

As an enterprise with strong connections to communities and individual lifestyles, Kansai Electric Power joins hands with local communities to make an active contribution to solving the issues that confront them, building a trusting relationship with local communities.

Business partners

Kansai Electric Power builds stable relationships with suppliers by purchasing safe, high-quality and reasonably priced materials and services that are environmentally friendly and delivered in a timely manner.

Shareholders and investors

By disclosing necessary information in a fair and timely manner, and working constantly to build enterprise value, Kansai Electric Power is building a stable relationship with our shareholders and investors.

Employees

At Kansai Electric Power, our employees are our driving force. We work hard to create an organizational climate and system that motivate and inspire our employees, giving them opportunities to develop their abilities to the utmost.

Group companies (Consolidated subsidiaries and companies to which the equity method is applied) (as of March 31, 2009)

Integrated energy supply
- Kanden Energy Solution Co., Inc.
- SAKAI LNG Corp.
- Kanden Energy Development Co., Inc.
- Osaka Bioenergy Co., Ltd.
- ECHIZEN ENELINE CO., INC.
- Two other companies

Information and telecommunications (IT)
- K-Opticom Corp.
- K Cable Television Corporation
- Kanden System Solutions Co., Inc.
- Four other companies

Lifecycle-related business
- KANDEN FUDOSAN CO., LTD.
- Clearpass Co., Ltd.
- KANDEN Security of Society, Inc.
- Kanden E House Corp.
- KANSAI Medical Net Co., Inc.
- Kanden Joy Life Co., Ltd.
- KANDEN AMENIX Corp.
- Three other companies

Group business support
- Kanden Engineering Corp.
- NIHON NETWORK SUPPORT CO., LTD.
- Kanden Plant Corp.
- The Kurobe Gorge Railway Co., Ltd.
- NEWJEC INC.
- Institute of Nuclear Safety System, Inc.
- Nuclear Engineering, Ltd.
- THE GENERAL ENVIRONMENTAL TECHNOS CO., LTD.
- The Kanden Services Co., Inc.
- Kanden CS Forum Inc.
- Kanden Office Work Corp.
- Kanden Power-Tech Corp.
- The Kanden L & A Co., Ltd.
- Kanden Business Support Corporation
- ENEGATE Co., Ltd.
- KINDEN CORPORATION
- Eight other companies

Other business areas
- KANDEN GEO-RE Inc.
- Kansai Power International Corp.
- Kansai Power Venture Management Corp.
- Kanden L-Heart Co., Inc.
- Kansai Electric Power Australia Pty Ltd.
- LNG Ebisu Shipping Corporation
- Kansai Electron Beam Co., Ltd.
- Four other companies

Editorial policies

- This report on the Kansai Electric Power Group's work related to the economy, society, and the environment is for our customers and stakeholders that support our businesses.
- We have undergone inspections by a third-party organization to provide assurance of the objective reliability of the environmental information provided in the Japanese version of this report.

Scope of report

Period covered: April 1, 2008, to March 31, 2009.
(Important items from outside this period have also been included in the report.)
Companies covered: The Kansai Electric Power Co., Inc., and Kansai Electric Power Group companies.
Areas covered: economic, social, environmental

Report publication date

Published October 2009

2008 edition published October 2008.
2010 edition to be published in the autumn of 2010.

- The following symbol and the relevant URL appear in this report when related information is available on our Web site.

Web Kansai Electric Power Group CSR Action Charter
http://www.kepco.co.jp/corporate/csr/charter.html

Web site for detailed information on the Kansai Electric Power Group's CSR and environmental initiatives:
http://www.kepco.co.jp/english/action/index.html

Web site for detailed financial information:
http://www.kepco.co.jp/english/ir/index.html

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We will continue to serve customers and society through each employee's activities in pursuit of becoming the No. 1 company in customer satisfaction.

Our mission:
Continue to serve customers and communities

Since our establishment, we at the Kansai Electric Power Group have provided solid support for our customers' lifestyles and economic activities through the safe, reliable provision of electricity and other products and services, and have developed our business with the primary mission of contributing to the sustainable development of society.

Recent years have seen dramatic volatility in the price of crude oil, the global financial crisis, and accelerating moves toward the attainment of a low-carbon society, meaning that the business environment in which we operate is undergoing changes of unprecedented magnitude and speed.

In this context, we believe our role as a business responsible for maintaining such important social lifelines as electric power and communication is becoming more and more vital. We will make even better use of the Group's overall strengths, responding appropriately to change while reliably fulfilling our responsibilities as we continue to serve customers and society.

Our corporate social responsibility:
Striving to gain trust

It is the utmost importance to us that the business activities of the Kansai Electric Power Group are founded on the trust placed in us by our customers, the local communities where we operate, our shareholders and investors, our business partners, and our numerous other stakeholders, and we will continue to fulfill our corporate social responsibility (CSR) steadfastly.

Safety is our top priority, and we have reflected deeply on the accident in 2004 at Mihama Nuclear Power Station Unit 3, with the entire Company now engaged in rebuilding a culture of safety. Notwithstanding these efforts, the loss of two precious lives in the September 2008 accident on the Mihama Line No. 21 tower is deeply regrettable.

We have sincerely taken this on board, and the entire Group is committed to bringing to light the risks hidden under our noses through a range of initiatives. Our aim is to create a firm culture of safety, built up through a series of step-by-step initiatives.

In addition to undertaking rigorous compliance, we are proactively responding to public-interest issues such as curbing global warming and ensuring energy security, and we will continue striving to gain the trust of society at large.

Toward the promotion of CSR:
Becoming the No. 1 company in customer satisfaction

We are actively engaged in developing both staff perceptions and our corporate culture to ensure the promotion of CSR by individual employees, who form its motive force.

I am personally visiting workplaces on the front line to directly emphasize the concept and importance of CSR, as well as the fact that its implementation by means of each employee's actions is most important of all. I am also taking a range of opportunities to engage in communication both inside and outside the Company.

CSR key persons are central to individual workplaces, and they are developing their activities while devising a variety of innovative measures to enable all employees in those workplaces to act autonomously.

We will continue to create environments in which every Group employee can work with motivation and enthusiasm, deciding for themselves how they should act and putting this into practice in a forward-looking fashion, as well as focusing our efforts on human resource development. In this way, we will respond appropriately to the expectations of society, our customers, and all our other stakeholders, with the objective of making powerful progress toward our goal of becoming the No. 1 company in customer satisfaction.

Our communication goal for this CSR Report:
We want to keep moving forward together with you

Our aim is to deepen communication with you by means of this report. The main part of the report follows our six action principles developed for the implementation of CSR, and describes the initiatives undertaken by the Kansai Electric Power Group in as practical a way as possible.

I hope that after reading this report you will offer your frank feedback regarding future issues and your expectations.

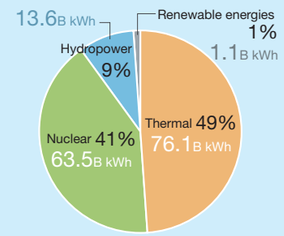
Shosuke Mori
President and Director

Overview of Kansai Electric Power

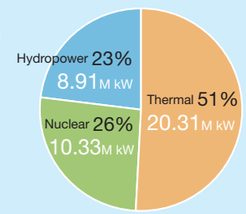
FY 2008, as of March 31, 2009

Company name:	The Kansai Electric Power Company, Incorporated
Headquarters:	3-6-16 Nakanoshima, Kita-ku, Osaka 530-8270
Date of establishment:	May 1, 1951
Paid-in capital:	¥489,300 million
Shares of stock outstanding:	954,700,000
Main business:	Electric power industry
Number of group companies:	57 consolidated subsidiaries, 2 affiliates accounted for by the equity method
Number of employees:	30,490 (consolidated), 22,106 (non-consolidated)
Electricity sales:	145,900 million kWh
Operating revenues:	¥2,789,500 million (consolidated), ¥2,565,300 million (non-consolidated)
Total assets:	¥6,970,100 million (consolidated), ¥6,243,400 million (non-consolidated)

Power source composition: (Total 154.3B kWh)



Fiscal year-end power source composition: (Total 39.55M kW)



Notes: 1. Power source composition and fiscal year-end power source composition include power received from other companies (interchange power and pumped-storage hydropower are not included).
2. Due to rounding, the totals may not equal 100%.

System map (as of March 31, 2009)

Supply area:
Osaka, Kyoto, Hyogo (greater part), Nara, Shiga, and Wakayama prefectures; portions of Mie, Gifu, and Fukui prefectures

CSR policies

The Kansai Electric Power Group sets out its management vision on the basis of its original mission of serving customers. The CSR Action Charter consists of six action principles based on this management vision, and helps enable all Group employees to engage in CSR activities.

The Kansai Electric Power Group CSR Action Charter

The business activities of the Kansai Electric Power Group are supported by our customers, shareholders, business partners, investors, and employees, as well as the residents of the region and many other people throughout society. The trust that the Kansai Electric Power Group has received from our stakeholders is the foundation for fulfilling our business mission and achieving continuous growth.

At Kansai Electric Power, we see our Group-wide 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 Group-wide business activities.

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

CSR Action Principles

1. Safe, Stable Delivery of Products and Services
2. Progressive Approach to Environmental Problems
3. Proactive Contributions to Development of Local Communities
4. Respect for Human Rights, Development of Favorable Work Environments.
5. Highly Transparent and Open Business Activities
6. Strict Enforcement of Compliance

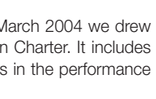
Web Kansai Electric Power Group CSR Action Charter
http://www.kepco.co.jp/corporate/csr/charter.html

The Kansai Electric Power Group CSR Action Standards

We set specific standards at the individual level in the Kansai Electric Power Group CSR Action Standards in May 2005 to help individual employees, as members of society, fulfill their own responsibilities reliably and be able to respond to the expectations of society. Individual employees are carrying out their work duties in accordance with our CSR Action Standards.

Carrying the Conduct Card: keeping the Action Standards close to employees' hearts

Every employee has been issued with a Conduct Card to carry, which is printed with the Kansai Electric Power Group management vision and CSR Action Standards. Employees fill in their own action targets on the reverse side and use the card to check their actions and targets in their everyday business activities.



Conduct Card, printed with the CSR Action Standards.

Web Kansai Electric Power Group CSR Action Standards
http://www.kepco.co.jp/corporate/csr/standards.html

CSR Procurement Policy

Basic Philosophy of Procurement Activities

Aiming at the best suited formulation, maintenance and operation of our equipment, Purchasing Department of Kansai EP timely and ecologically procures equipment, materials and services that excel in safety, quality and price. Through these procurement activities, we would like to drive forward Corporate Social Responsibility (CSR).

As our procurement activities are supported by all of you, our valued business partners, we believe that working to build mutual trust and forging the stronger-than-ever partnership will directly lead to the promotion of CSR activities. Purchasing Department of Kansai EP will set and practice "Behavioral Standards for the Procurement Activities." We would like you to understand the "Behavioral Standards for the Procurement Activities" and practice "Requests for the Suppliers" in a proactive manner.

Behavioral Standards for the Procurement Activities

1.Highest priority to the safety, maintenance and improvement of quality and technical strength

Giving the highest priority to the safety, we work on a rock-solid footing on the approaches and measures required for ensuring public safety and sanitation and for preventing industrial accidents.
Also aiming at the best suited formulation, maintenance and operation of our equipment, we take approaches and measures that contribute to the maintenance and improvement of quality and technical strength.

2.Being environmental-friendly

We push forward the procurement of environmental-friendly equipment, materials and office supplies (green purchasing) in order to contribute to building up a recycle-oriented society in cooperation with our suppliers.

3.Establishment of fiduciary partnership

Through joint efforts on the improvement of the whole procurement supply chain, from our suppliers to our company, we establish a fiduciary partnership for the benefit of mutual growth and development.

4.Transparent, open business activities

For the purpose of purchasing equipment, materials and services that excel in safety, quality and price in a timely manner, we keep the door widely open both nationally and internationally. Thus we are continuously exploring ourselves the possibility of introducing new products and new technologies, and businesses with new corporations as well.
In choosing the supplier, we stick to being fair and impartial while pursuing both economic and social rationalities, based on safety, quality, technical strength, environmental-friendliness, fiduciary relationship with our company, price, certainty of delivery deadline & construction schedule, implementation of maintenance and management, after-sales service, response to accidents or malfunctions and other factors.

5.Full compliance

We observe all the applicable laws and regulations and follow the spirit of the laws. In particular, we give due consideration to the observance of the safety-related laws, respect for human rights (including child labor and forced labor prohibition) and strict management of personal data and confidential information.

Web Kansai Electric Power Procurement Activities
http://www.kepco.co.jp/english/procurement/index.html

Corporate governance

Kansai Electric Power and its Group companies view improvement of corporate governance as a vital element of operational management, and are working toward that goal. This will improve corporate value in a sustainable manner, as well as maintain the transparency and soundness of its business operations.

Assurance of appropriate execution of business matters

Kansai Electric Power takes proactive steps to enhance its corporate governance capability on an ongoing basis. Board of Directors meetings are convened regularly once each month, complemented by extraordinary meetings held when deemed necessary, and it is here that matters of essential importance to Group management are deliberated and decided. In addition, all Directors are continuously supervised through regularly issued reports on the execution status of the duties incumbent upon them.

In executing important business matters, the Company implements swift and proper decision-making by convening meetings of the executive directors regularly—in principle once every week—in order to implement efficient and effective corporate management.

The system of executive officers was introduced in order to separate the executive and supervising functions of management and to boost the speed and efficiency of business execution.

Assurance of transparency and soundness

Kansai Electric Power uses a system of Corporate Auditors. The Corporate Auditors attend important meetings, including Board of Directors meetings and executive meetings, where they state their opinions, listen to explanations by the Directors pertaining to matters of importance to Company management, and look into the business and assets status of the Company's main bases of operation and Group companies. By auditing the Directors' execution of their duties from the perspectives of legal conformity and propriety, the Corporate Auditors ensure the transparency and soundness of the Company's business operations. In addition, meetings are regularly convened between the Corporate Auditors and Representative Directors, et al., as a way of promoting exchanges of opinion.

To support the duties of the Corporate Auditors and Board of Auditors, an Auditing Office (13 members) has been established. This is a specially appointed organization in charge of actual auditing duties, operation of Board of Auditors meetings, etc. To ensure the Office's independence, it functions directly under the Corporate Auditors and does not perform any other duties relating to the executive functions of the Group. Outside officers have also been appointed: three Directors and four Corporate Auditors, the latter representing a majority among the seven Corporate Auditors in total. Outside Directors and outside Corporate Auditors have no special rights or interests in the Company.

Management of risk accompanying business activities

In line with the "Kansai Electric Power Group Risk Management Rules," risk accompanying business activities is basically managed autonomously by the executive section of each respective business division. As to risk deemed of importance across multiple organizational levels, risk management is strengthened by determining, when necessary, risk management items by field of specialty, and experts of each field provide advice and guidance to the various business execution divisions.

In addition, a Risk Management Committee has been formed to manage risk comprehensively. The Committee strives to manage risk accompanying Group business activities down to a level deemed appropriate. Based on this risk management system, the Company carries out appropriate financial reporting, as stipulated in the Financial Instruments and Exchange Law, to ensure its trustworthiness.

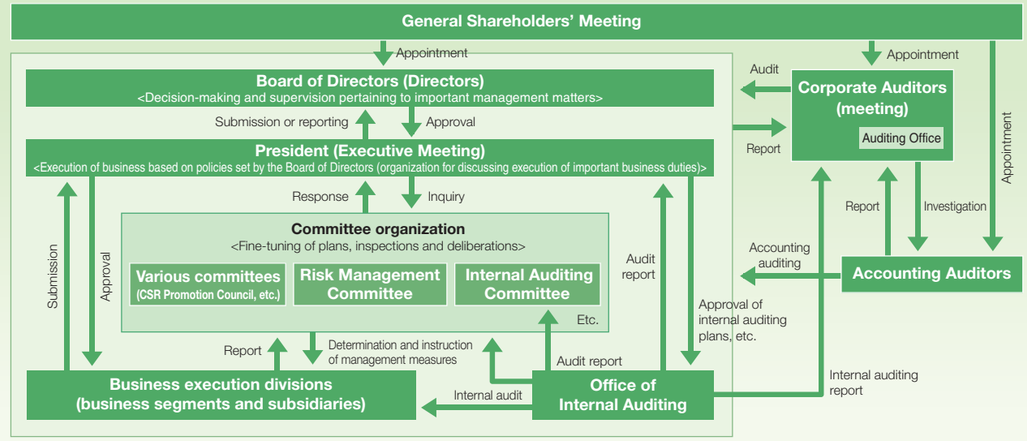
Enhancement of internal auditing functions

Kansai Electric Power has established an Internal Auditing Committee whose functions are to share and deliberate a broad range of management issues relating to quality and safety, secure views and information from outside the Company and, from an impartial and specialized standpoint, maintain proper internal auditing of the Kansai Electric Power Group as a whole.

An Office of Internal Auditing, consisting of 42 members, has also been established as an organization specially assigned to perform internal auditing. The office conducts regular auditing of risk management systems, risk management status, etc., and submits proposals or reports to the executive meetings concerning internal auditing plans and their results. At the various work areas, activities needed for making improvements in light of the auditing results are carried out in an ongoing quest to ensure proper business management.

As the vital overseers of corporate governance, the Office of Internal Auditing, Corporate Auditors, and Accounting Auditors coordinate, at their discretion, in the performance of auditing duties. They also maintain close ties for exchanging views regarding auditing results, etc.

Overview of corporate governance



Our mission and responsibility as a lifeline service provider

Providing electric power safely and reliably to our customers—that in itself is our most important mission as a lifeline service provider. To fulfill this mission, we take responsibility for the entire process from fuel procurement and power generation to sales, while working to prevent accidents and damage from natural disasters.

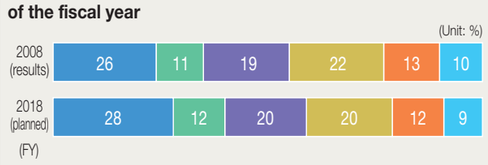
The "best mix" of power sources and its stable, long-term supply

Because Japan is poor in natural resources, it has a fragile energy structure that is dependent on imported or specific energy sources. Kansai Electric Power has already made efforts to build up a combination of multiple energy sources to avoid being dependent on any specific one.

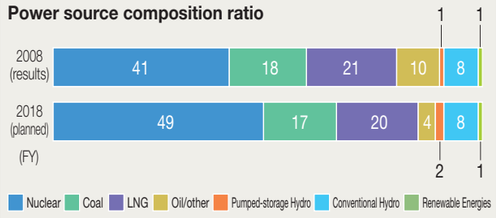
Specifically, Kansai Electric Power puts safety assurance first while engaging in the comprehensive consideration of energy security, environmental impact, and economics. The Group seeks a well-balanced, optimal combination of power sources based on nuclear energy, including the nuclear fuel cycle, and also including other energy sources such as thermal and hydroelectric power.

Power source composition comparison

Composition ratio of power generation facilities at the end of the fiscal year



Power source composition ratio



Notes:
1. Fiscal year-end facility numbers and electric power generation amounts include electric power received from other companies (interchange power and pumped-storage hydro-power are not included).
2. Due to rounding, the totals may not equal 100%.

Stable fuel procurement

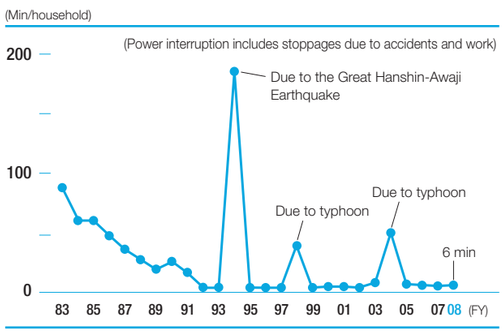
In the procurement of fuel for thermal power, we are aiming to optimize our purchasing balance of crude oil, LNG, and coal while accommodating changes in electric power demand. For LNG, we are diversifying suppliers and contract terms, acquiring upstream equity and our own LNG transport vessel, the *LNG EBISU*. We are making efforts to build up an integrated system that extends from gas development and production to importing and receiving. With respect to coal, we have signed a charter contract to introduce a fleet of three coal transport vessels from July 2009. By implementing these measures, we have ensured long-term, stable transportation and reduced transportation costs.

In terms of nuclear fuel procurement, we continue to rely mainly on long-term contracts while also aiming to diversify our suppliers, and we are engaged in adjusting how and when we place orders for fuel. As one concrete example, we are participating in uranium exploration projects and the investigation of their commercialization via the Japan Australia Uranium Resources Development Co., Ltd., in which Kansai Electric Power is an investor, and are also taking part in a new enrichment project undertaken by AREVA NC (France).

To provide higher-quality electric power

To provide electric power safely and stably, Kansai Electric Power works to operate power grids that link power stations with consumers reliably as well as for the optimal configuration of facilities. We are also engaged in rigorous efforts to prevent accident reoccurrence, as a result of which Kansai Electric Power's electricity achieved one of the world's highest levels of power supply reliability in 2008.

Annual power interruption time per household (including stoppages due to work)



The Company is continuing to develop and install new technologies and construction methods to ensure that accidents are prevented and to enable swift recovery in the event an accident does occur. In addition, Kansai Electric Power is carrying out quantitative evaluations of the state of deterioration of its facilities, which were constructed during the period of high economic growth in the 1950s and 1960s, in order to deal reliably with the aging of these facilities. The Company is implementing the efficient, planned preservation and repair of facilities by such means as inspections and determination of repair periods in accordance with their conditions.

The Company is also striving to ensure a fully operational supply system in terms of both speed and quantity in response to the demand from society, responding reliably to customer needs and contributing to the further development of the economically expanding Kansai region.

Training the personnel required for the safe, reliable provision of products and services

To enable us to provide products and services in a safe, reliable manner, Kansai Electric Power recruits staff yearly on a continuous basis and implements continued, systematic, repeated education and training with the aim of nurturing specialist personnel.

We are promoting a range of initiatives to ensure that skills and expertise are maintained and passed on, including an expert technician system,* so that the skills and expertise built up over the years will be steadily passed on and improved throughout the entire Group.

* Frontline staff who possess high-level technical expertise and skills particular to the electrical business, as well as the enthusiasm and leadership required to pass these down to the next generation, are designated as "expert technicians." They instruct their juniors in the workplace about techniques and skills, so that they are properly maintained and transferred. As of May 2009, a total of 148 people have been certified.

Group company initiatives toward the safe, certain delivery of services

We are also making every effort to ensure that group companies in the Kansai Electric Power Group maintain the safe, certain delivery of products and services on a daily basis. For example, K-Opticom Corp. prioritizes the prevention of faults by engaging in 24-hour centralized systems monitoring, so that reliable IT services are available to customers at all times. KANDEN Security of Society, Inc., which is developing home security services, uses multiple communications lines to link the company and its customers' homes in case of disconnection, with the aim of ensuring reliability and a secure response.

Initiatives in the gas business

In the gas business, Kansai Electric Power takes all possible measures to ensure the safety of customers, including ensuring the safety of customer appliances, in compliance with the Gas Business Act and relevant regulations. As in the electrical business, we give the highest priority to ensuring safety. Our security system consists of 14 bases of operation including power plants and electric power system centers. In addition to statutory inspections, we carry out security tasks based on our own management standards. Also, we are improving regular education and training, which cover emergency responses and other topics, in order to enhance our technical expertise.

Gas leak repair training

Improvement of disaster control measures

Based on our mission of the stable provision of electric power, Kansai Electric Power is engaged in initiatives for "strengthening facilities to withstand disaster" and "establishing a disaster control system to enable rapid recovery" as basic measures for dealing with natural disasters such as earthquakes, typhoons, snow damage, heavy rain, and lightning damage. In preparation for a predicted large-scale earthquake, we are also investigating disaster-prevention measures from many different perspectives.

Strengthening facilities to withstand disaster: preparing for a wide range of disasters

Based on previous experience of major disasters, power supply facilities are designed to avoid taking major damage during earthquakes, typhoons, floods, or other severe conditions.

The electric power network encompasses the Kansai area by means of transmission lines from power plants and the transmission loop lines with which they connect. In the unlikely event of damage occurring to some of the routes on this network, power can be supplied quickly from alternative connecting routes.

Disaster control system to enable rapid recovery: comprehensive preparations for every eventuality

In the event that power supply facilities are damaged as the result of a disaster, or upon actually detecting such damage, a disaster control system, as described below, will immediately be established to deal with the situation.

Disaster control system

Organization	Criteria for establishment
Disaster Alert Headquarters	A disaster such as a typhoon is predicted
Emergency Disaster Measures Headquarters	Occurrence of earthquake with an intensity of 6-lower or greater on the Japanese scale within power supply area Other necessitating circumstances

The Emergency Disaster Measures Headquarters will engage in recovery operations such as gathering information to rapidly recover from the damage, deciding on a recovery policy, and collaborating with national and local government institutions.

Disaster Measures Headquarters during training

Preparations for a predicted large-scale earthquake

The Tonankai and Nankai earthquakes predicted to occur during the first half of the 21st century are a matter of concern, as is the potential occurrence of an earthquake with an epicenter in the Kansai region. Kansai Electric Power is working to improve its disaster prevention systems in light of lessons learned from the experience of the Great Hanshin-Awaji Earthquake, but as the Tonankai and Nankai earthquakes are predicted to occur offshore, they will cause damage over a much wider area, and the resulting tsunami is also expected to cause massive destruction.

In preparation for these major earthquakes, the departments concerned are collaborating to investigate matters such as measures for disaster mitigation and rapid recovery as well as logistical support. The Company is also engaged in repeated drills to simulate major earthquake damage, with the aim of establishing a robust disaster prevention system.

Initiatives prioritizing safety at nuclear power plants

To ensure the reliable delivery of electricity in Japan, Kansai Electric Power is enhancing safety at nuclear power plants and pressing ahead with the nuclear fuel cycle by means such as the plu-thermal program for the effective use of resources.

Necessity and features of nuclear power

Guaranteeing energy security

Japan is an energy-poor country: if nuclear power is excluded its self-sufficiency rate is only 4%, with the remaining 96% imported from overseas (figures from Ministry of Economy, Trade and Industry's *Energy White Paper 2009*). It is noteworthy that in FY 2008 the cost of energy resources soared, due to an influx of speculative money. This suggests that it is necessary to secure resources in order to ensure the reliable provision of electricity.

Unlike crude oil or natural gas, the uranium used in nuclear power plants is available in many parts of the world, and most nations that possess it are politically stable, contributing to stability of supply. The fact that uranium contains a high concentration of energy also contributes to ease of transportation and storage as an energy stockpile.

In addition, reprocessing spent fuel from nuclear power plants recovers the useful resources of uranium and plutonium, which also facilitates in securing resource stability.

Nuclear power generation does not produce CO_2 emissions

As nuclear power generation utilizes the heat produced when uranium undergoes nuclear fission to generate electricity, like solar and wind power generation, it produces no CO_2 emissions when producing electricity. This makes it an extremely useful in curbing global warming.

Plu-thermal initiative

Spent uranium fuel from nuclear power plants is sent to reprocessing plants and its reusable substances (uranium and plutonium) recovered for use as MOX (mixed oxide) fuel. The process in which existing nuclear power plants use this fuel is known as the "plu-thermal" process. Kansai Electric Power started production of MOX fuel at a French nuclear fuel fabrication plant in January 2009. The Company dispatches employees throughout the production period of this fuel to ensure stringent quality assurance and other tasks required for rigorous production management.

Safe operation of nuclear power plants

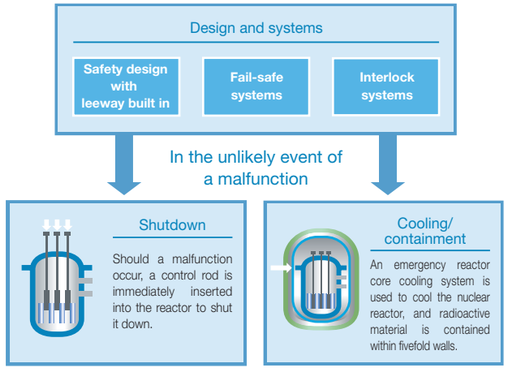
Attitude to safety at nuclear power plants

Kansai Electric Power is implementing a variety of measures to minimize risk and ensure sufficient safety at its nuclear power plants.

Design and function to maintain safety

The facilities at nuclear power plants utilize the concept of multiple protection to confine radioactive materials. To start with, the facilities are constructed to even stricter standards than those laid down by law, and their designs include fail-safe systems[1] and interlock systems[2], premised on the fact that machines break down and human beings make mistakes, in order to prevent a malfunction or human error from resulting in an accident. In the unlikely event of a malfunction occurring, safety measures are implemented at multiple levels, and multiple safety functions come into action: the abnormality is detected at an early stage and the nuclear reactor shuts down automatically, and large amounts of water are injected to cool the fuel and radioactive materials being contained within fivefold walls.[3]

Safety measures in nuclear power plants (multiple protection)

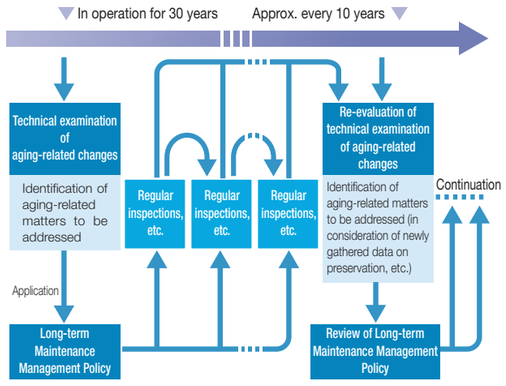


Notes:
1. Fail-safe systems are designed to shift in the direction of safety in order to avoid dangerous situations should a mechanical malfunction occur.
2. Interlock systems utilize a system whereby a mistaken operation is not transmitted to related equipment even in the event that a human being makes a mistake when operating it.
3. Fivefold walls consist of five layers of walls to contain radioactive substances, and are used in pellets, cladding pipes, nuclear reactor pressure vessels, reactor storage vessels, and reactor buildings.

Stringent implementation of measures for long-life usage

In order to ensure long-life usage of its facilities, Kansai Electric Power conducts technical inspections of nuclear power plants that have been in operation for more than 30 years, and has established the Long-term Maintenance Management Policy to be reflected in preservation activities. These technical inspections for aging-related changes are re-evaluated every ten years.

Flowchart of initiatives in long-life usage



Measures to prevent a recurrence of the accident at Mihama Nuclear Power Station Unit 3

In February 2007, Mihama Nuclear Power Station Unit 3 restarted commercial operation after two and half years (since August 2004).

With a firm determination to avoid repeating such an accident, we have been working hard at implementing the recurrence-prevention measures that we promised the public, based on the President's Declaration, "Ensuring safety is my mission, and the mission of the Company."

President Shosuke Mori declares our pledge in front of the monument for "Our Pledge of Safety"

President's Declaration

Ensuring safety is my mission, and the mission of the Company.

Five Basic Action Policies

1. We will make safety our top priority.
2. We will proactively introduce resources to ensure safety.
3. We will continuously improve maintenance management to ensure safety and establish closer cooperation with partner companies.
4. We will strive to regain the trust of local communities.
5. We will objectively assess our efforts toward safety and publicize the results.

Establishing a firm culture of safety

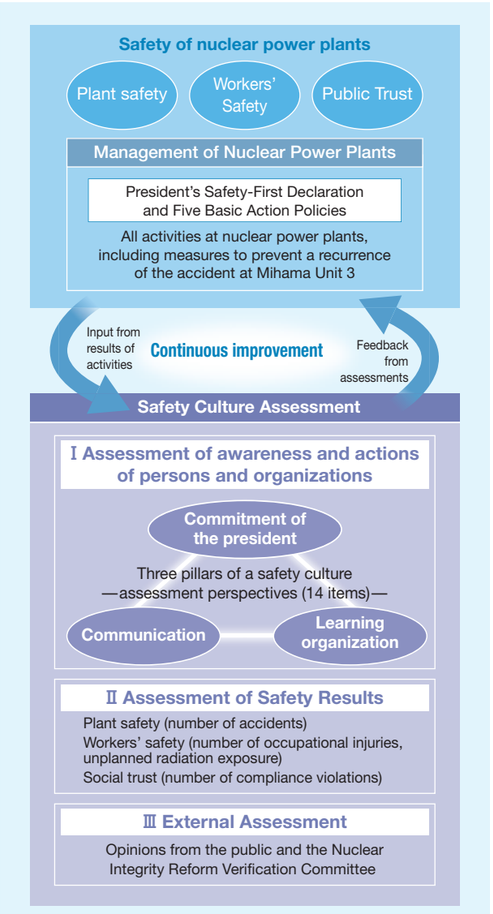
We are continuing efforts to build up a culture of safety so that we will not forget the lessons learned from the accident, and we intend to continue putting safety first in operations.

"Activities for fostering a safety culture" consists of "safety culture assessments" and "Priority Measures." The safety culture assessment is an activity to assess the status of the safety culture of our nuclear business from a variety of viewpoints. Priority Measures are activities for addressing the issues found during safety culture assessments. We established these activities in FY 2008.

At first, we practice safety culture assessments at each nuclear power plant (Mihama, Takahama and Ohi) individually. Then, the Nuclear Power Division makes an overall assessment after careful consideration and analysis, while respecting the results of each plant's assessments.

In FY 2009, we are progressing steadily with Priority Measures created based on the results of the safety culture assessments in FY 2008. We are striving to foster a culture of safety while respecting the autonomy of each site.

Overview of activities for fostering a culture of safety



Evaluation of power plant operational status by IAEA OSART

The Mihama Power Station underwent an investigation by OSART in January and February 2009, resulting in the positive conclusion that both the top management and plant staff at Mihama Power Station were completely committed to safety and to reliability.

In light of this objective finding by an international agency, Kansai Electric Power will continue to engage in further improving safety and reliability with the aim of building up a firm culture of safety.

Meeting between OSART and Kansai Electric Power

Web For information on the accident at Mihama Nuclear Power Station Unit 3
http://www.kepco.co.jp/notice/mihama/jiko.html

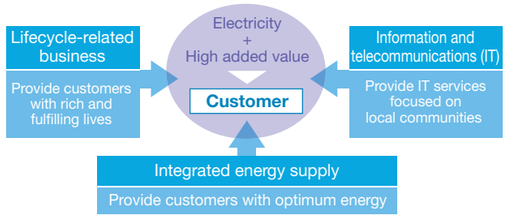
Providing services as a unified group

Our aim is to provide services that satisfy our customers. Starting from this concept, the Kansai Electric Power Group is responding to customer demands and developing a range of initiatives that will enable the Group as a whole to provide attractive services and products.

Comprehensive, advanced utility services supporting customers' living and business

The business of the Kansai Electric Power Group is based on the stable supply of electricity and providing customers with satisfactory services. It also combines electricity with the Group's other services in three main areas—integrated energy supply, information and telecommunications, and lifecycle-related business—to provide unique, total solutions in response to customer needs.

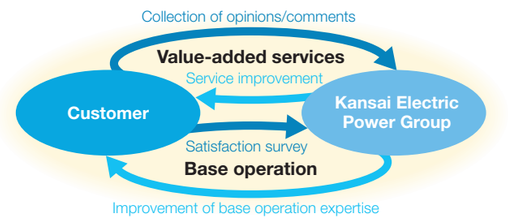
All-round life-support provider



Toward improvement of customer service

To respond swiftly and appropriately to customers' needs, the Kansai Electric Power Group ensures thoroughgoing, customer-oriented business management and is engaged in effective customer service operations from receipt of applications from customers to meter reading and payment collection. Our efforts to improve customer services include providing new services over the Internet and via other forms of communication, and helping customers save energy and curb CO_2 emissions by suggesting optimum service agreements and ways of using energy.

Customer service improvement philosophy



Improving services by listening to customer opinions

Kansai Electric Power collates and analyzes customer opinions gathered through the call centers and Electric Life Consultation Desks established to provide points of contact with customers. The customer needs identified in this way are reflected in improvements to the value of products and services.

Implementing customer satisfaction surveys

Kansai Electric Power has implemented customer satisfaction surveys continuously since 1993. These are performed via a research company, and customers who have applied for the Company's services are asked to give their impressions of our staff and evaluate the handling of their tasks. The results are reported appropriately to the sales offices concerned. In this way we are able to objectively assess the service levels of our sales offices, verify the results of efforts to improve our work, and discover areas for further improvement. These also provide useful information for setting targets and improvement actions for subsequent business periods as we strive to further improve customer satisfaction levels.

In addition, Kansai Electric Power Group companies also carry out regular customer satisfaction surveys, the results of which lead to improvements in existing service content and the development of new services, as we endeavor to further improve the level of customer satisfaction as a unified group.

Providing lifestyle solutions

Promotion of totally electric homes

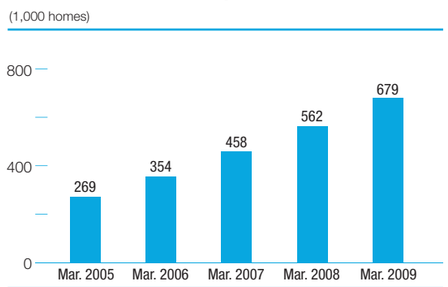
Kansai Electric Power is expanding its initiatives to offer totally electric homes, which are safe, comfortable, economical, and environmentally friendly, to even more customers.

We are disseminating a range of information on totally electric homes via our "Electric Life" Web site, as well as improving the "Happy-E Life Square" facility where people can try using an IH cooktop.

We also deal with inquiries about totally electric homes via telephone calls from the Electric Life Consultation Desks and visits by staff, responding swiftly to customers' needs in line with their equipment. In addition, we are working with external partners such as house builders, developers, and local dealers to gain their understanding of the advantages of totally electric homes and encourage them to recommend such residences to customers. Thanks to these steady initiatives, as of March 31, 2009 the number of totally electric homes reached 679,000 in the Kansai Electric Power supply area, and as of May 31, 2005 more than a million households were using the EcoCute and other electric water heaters.*

* The number of contracts for nighttime power supply used for electric water heaters, etc., in our supply area.

Increase in number of totally electric homes



* Results for the Kansai Electric Power supply area, including small properties such as studio apartments.
* Survey by Kansai Electric Power. Figures are cumulative.

● Promoting widespread adoption of the EcoCute

The EcoCute is a highly efficient water heater system that employs a heat pump mechanism to raise the temperature of water by using heat contained in the air. It provides outstanding energy-saving and environmental performance, using only one third of the power required by existing electric water heaters. It is included in government-proposed initiatives, and its further market penetration was mentioned in the Plan to Achieve the Targets of the Kyoto Protocol as a trump card for measures to curb global warming. Kansai Electric Power is disseminating information to customers on how the EcoCute can work to their advantage, including its outstanding features and the availability of subsidies for its installation, and we are striving for its widespread adoption to offer even greater value to customers.

The highly efficient EcoCute helps combat global warming.

Initiatives in the information and telecommunications field

The Kansai Electric Power Group is expanding group services that use its own optical fiber network extending throughout the Kansai region, with K-Opticom Corp. playing the central role. Under the integrated brand name of eo-HIKARI, our main FTTH service provides a bundle of three services: optical fiber Internet connection, optical fiber telephone, and optical fiber TV.

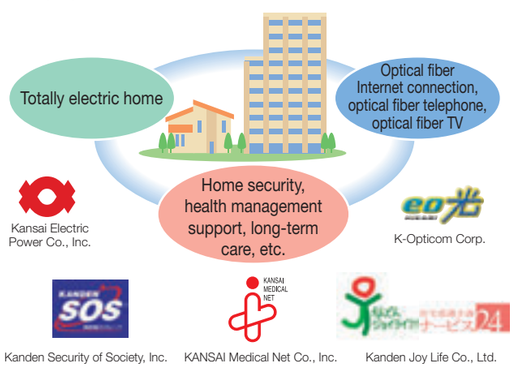
Initiatives in the lifecycle-related business field

Kansai Electric Power is aiming to enhance customer satisfaction by providing a wide range of lifecycle-related services—including real estate development focused on totally electric homes, home security, health management support, and long-term care—in order to offer customers rich and fulfilling lives.

Development of total solutions

Kansai Electric Power is combining totally electric homes with IT and lifecycle-related services to provide the total solution known as "totally electric home + α." This has been adopted in numerous detached residences and condominiums, and helps create a safe, comfortable lifestyle with peace of mind for customers.

Example of Total Solutions based on the totally electric home



Providing solutions in the corporate field

The expansion of items subject to regulation under the revised Energy Conservation Law is one aspect of the recent invigoration of moves toward a low-carbon society. Additionally, given the current uncertain economic outlook, customers increasingly need to save energy, reduce CO_2 emissions, and lower costs, and Kansai Electric Power is proposing optimal energy systems for customers to meet these needs. In practical terms, we help customers solve their problems by suggesting highly efficient energy systems that combine electric power generation with a low CO_2 emissions factor, together with highly energy-efficient appliances such as heat-pump systems using renewable energy technology. We also provide energy solutions that accord with the life cycles (planning, design, construction, operation, maintenance, renewal, etc.) of customer facilities such as factories or office buildings.

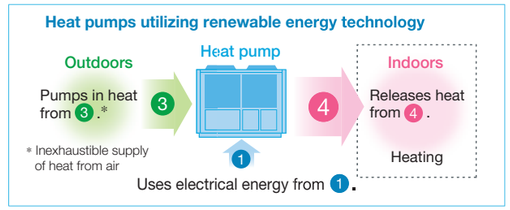
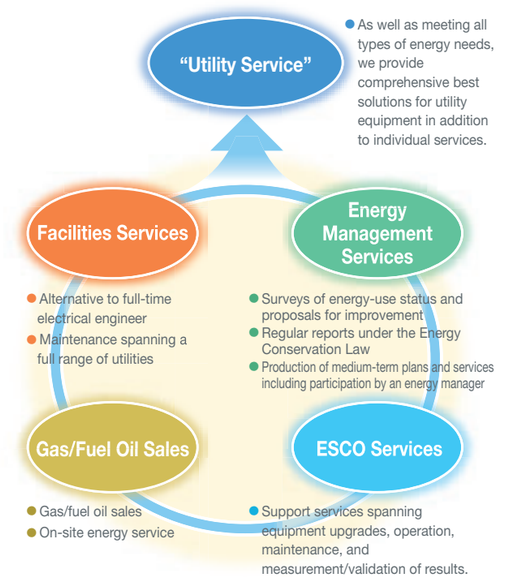


Diagram of heat pump principle (heating)

Further development of energy solutions

To provide customers with optimum energy solutions, Kansai Electric Power is working in collaboration with Kanden Energy Solution Co., Inc., to develop solution services that offer a wide range response to our customers' diverse energy needs, spanning their entire use of energy. Among these, we are actively promoting the "Utility Service," under which the design, installation, operation, and maintenance of customer's utility equipment is provided as a comprehensive package.

Development of energy solutions



TOPICS

Contributions to the achievement of a low-carbon society through grid electricity

—Making both supply- and demand-side efforts to increase the use of non-CO_2-emitting energy—

"Grid electricity"—power supplied to consumers that comes from a variety of sources, including nuclear power, thermal power, hydropower, and solar and wind power—has an advantage in that the volume of CO_2 emitted, in relation to the volume of energy consumed, can be reduced through increased use of non-CO_2-emitting energy sources such as nuclear power. The Kansai Electric Power Group aims to reduce CO_2 emissions through a combination of supply- and demand-side efforts, namely "establishing a low-carbon power grid" employing the abovementioned grid electricity, and "promoting an electric society" embodying a society-wide shift from direct use of fossil energy to use of electric power. We believe these efforts will make the Group a key player in the movement toward the achievement of a low-carbon society.

Our approach to the achievement of a low-carbon society

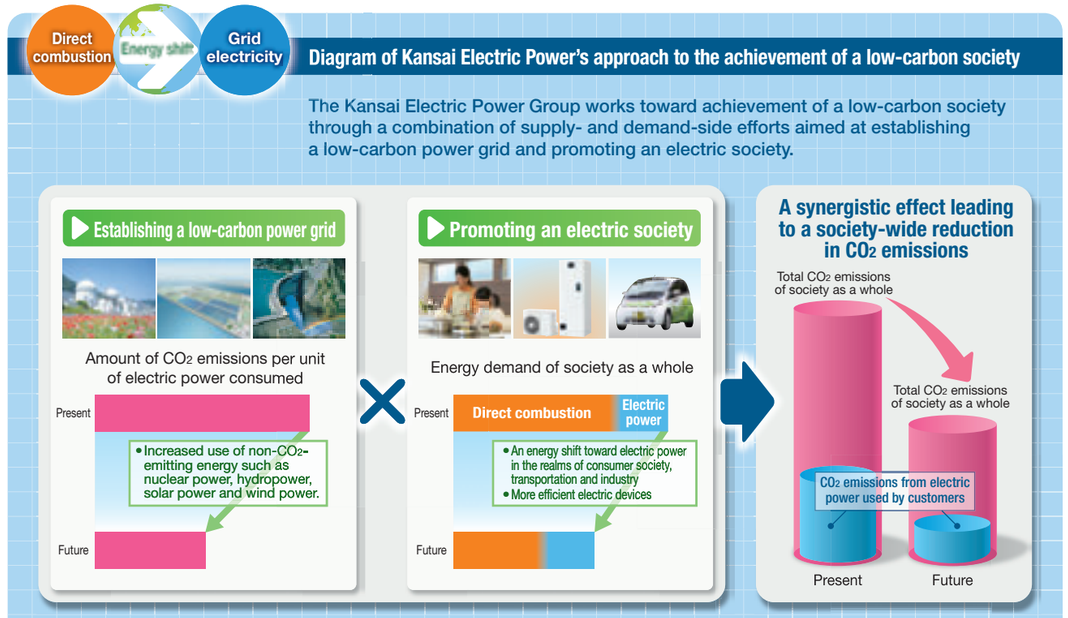
Background

During the first commitment period of the Kyoto Protocol (FY 2008–2012), Japan is required to reduce its emissions of greenhouse gases by 6% in comparison with 1990 levels. The Japanese government has also set a long-term target of reducing emissions by 60% to 80% by 2050. This means that Japan must make drastic cuts in its emissions of greenhouse gases.

Kansai Electric Power Group initiatives

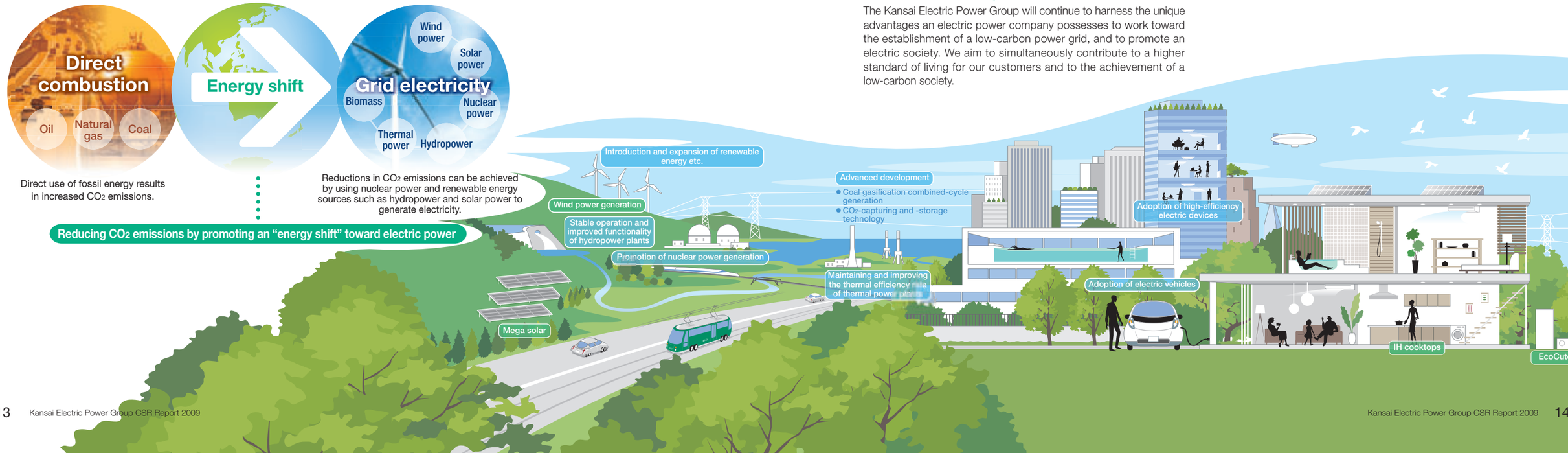
With safety as the absolute first priority, and taking energy security, environmental impact and economic considerations into account, the Kansai Electric Power Group aims to achieve an ideal and well-balanced mix of energy sources including thermal power, hydropower and others, while using nuclear power incorporating reactor fuel cycles as the primary method of power generation. This optimal mix of power sources also contributes to the achievement of a low-carbon society.

We believe that if ambitious targets such as those described above are to be met, it is necessary for society as a whole to move away from CO_2-emitting energy generation methods and toward non-emitting methods. For this reason, the entire Kansai Electric Power Group is working together for the establishment of a low-carbon power grid through increased use of non-CO_2-emitting energy such as nuclear power, hydropower, solar power, and wind power, as well as improved efficiency in thermal power through the introduction of combined-cycle power generation method. In addition, we believe we can contribute to the achievement of a low-carbon society by promoting an electric society.



Kansai Electric Power Group's vision of the low-carbon society of the future

The Kansai Electric Power Group will continue to harness the unique advantages an electric power company possesses to work toward the establishment of a low-carbon power grid, and to promote an electric society. We aim to simultaneously contribute to a higher standard of living for our customers and to the achievement of a low-carbon society.



Kansai Electric Power Group Environmental Action Plan

In February 2009, the Kansai Electric Power Group revised its environmental policy, formulating the new Kansai Electric Power Group Environmental Action Plan. With this three-pronged strategy as our basic course of action, we will continue working together as a group for the cause of environmental protection, to build a sustainable society.

1. Contributions to the achievement of a low-carbon society

Kansai Electric Power is continuing to advance our New ERA Strategy, a comprehensive package of measures to prevent global warming, with the goal of contributing to the achievement of a low-carbon society.

New ERA Strategy

Efficiency

We are promoting an electric society through the adoption of high-efficiency electric devices and electric vehicles, along with more efficient energy use throughout society as a whole.

Reduction

By promoting nuclear power generation, maintaining and improving the thermal efficiency of thermal power generation, ensuring stable operation and functional improvements at hydropower plants, and introducing and expanding the use of renewable energy, we are working to establish a low-carbon power grid and reduce CO_2 emissions.

Activities Abroad

We are carrying out activities abroad to prevent global warming, including an afforestation project aimed at augmenting CO_2 absorption and projects aimed at utilizing the Kyoto Mechanism.

Advanced Development

We are taking up advanced engineering challenges such as the development of CO_2 capturing and storage technology and high-efficiency electric devices.

2. Initiatives toward the achievement of a sound material-cycle society

The entire Kansai Electric Power Group is working to promote initiatives aimed at the realization of a sound material-cycle society, including efforts to achieve the goal of zero emissions.

1. Active efforts to achieve zero emissions, including activities related to promotion of the three Rs (reduce, reuse and recycle)
2. Promotion of green purchasing
3. Promoting energy- and material-saving activities incorporated into business activities

3. Initiatives toward trusted, environmentally advanced corporation

Kansai Electric Power seeks to be recognized as a safe, trusted, and environmentally advanced corporation, making efforts in areas such as promotion of community environmental protection measures and environmental management, and advancement of environmental communications.

1. Promotion of community environmental protection measures
   - ⓐ Continuing to work on air and water pollution prevention measures
   - ⓑ Maintaining strict controls on hazardous chemical substances and moving forward with efforts to reduce these substances
   - ⓒ Promoting measures to ensure the preservation of biodiversity
2. Advancement of environmental communications
   - ⓐ Launching environmental-awareness-raising initiatives involving customers and community members
   - ⓑ Publicly and actively disclosing environmental data
3. Promotion of environmental management
   - ⓐ Collective environmental management initiatives involving the entire Kansai Electric Power Group
   - ⓑ Utilization and ongoing improvement of the ISO 14001-compliant environmental management system

Status overview of our business activities and environmental load (fiscal 2008)

INPUT

Fuels for power generation

Fuels for thermal power generation	Coal	2,157 thousand t (dry coal weight)
	Heavy oil	265 thousand kL
	Crude oil	2,699 thousand kL
	LNG (Liquified natural gas)	4,989 thousand t
	Wood pellets	19 thousand kL (converted to heavy oil)
	Other	1 thousand kL (converted to heavy oil)
Fuels for nuclear power generation		241 tU (weight of pre-irradiation uranium)

Water for power generation

Industrial water	4.87 million m³
Clean water	1.35 million m³
River water, groundwater, etc	0.91 million m³
Seawater (desalinated)	2.79 million m³

Resources

Limestone	48 thousand t
Ammonia	8 thousand t

Office

Office electricity	100 GWh
Office water	0.65 million m³
Copy paper	1,061 t

Vehicle fuels

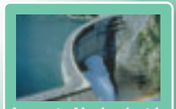
Gasoline	3 thousand kL
Diesel oil	1 thousand kL

Business activities

Amount of nuclear electric power generation
62.0 TWh

Power generation

Amount of thermal electric power generation
50.1 TWh
(0.1 TWh from biomass power generation)



Amount of hydroelectric power generation
12.1 TWh

Purchased from other companies
36.5 TWh
(of which, solar, wind and biomass power generation 1.0 TWh)

Electric power consumed within power plants (5.0) TWh

Pumped-storage hydropower (1.6) TWh

Power transmission and power distribution

SF_6 gas recovery rate (at time of inspection) 98.0%

Office

Green purchasing rate for office supplies 97.9%

Rate of adoption of low-pollution vehicles 74.8%

Electric power consumed within transformer substations (0.2) TWh

Transmission and distribution losses (8.0) TWh

OUTPUT

Released into atmosphere

CO_2 (carbon dioxide)*1	51.73 million t-CO_2 (43.60 million t-CO_2) *2
SOx (sulfur oxides)	3,601 t
NOx (nitrogen oxides)	5,674 t

*1 Includes electricity purchased from other electric companies.
*2 Amount of emissions taking CO_2 credits into account.

Released into water areas

COD emissions	38 t
Total effluents	7.71 million m³

Radioactive waste

Amount of low-level radioactive waste generated*	7,367 drums (200 L drums)

* Net generation (generated amount – reduced amount)

Industrial waste, etc.

Total amount of emissions		548 thousand t
Processing classification	Recycling	543 thousand t
	Reduction in intermediate treatment	1 thousand t
	Landfill disposal	4 thousand t
Recycling rate		99.3%

Emissions from vehicle use

CO_2 emissions	10 thousand t-CO_2

Customers

Amount of electric power sold
145.9 TWh

Note: Totals may not tally due to rounding

Environmental efficiency (with FY 1990 level as 100)

Amount of electric power sold / Composite index* ····· 149

Amount of electric power sold / Amount of CO_2 emissions ····· 118

* Composite index = Environmental load caused by CO_2, SOx, NOx, and landfill disposal of industrial waste + Resources consumed Oil, coal, LNG

Note: The amount of CO_2 emissions shown here takes CO_2 credits into account.

Eco Action (targets and results)

We set annual targets for our environmental efforts and undertake various activities to realize them in accordance with the Kansai Electric Power Group Environmental Action Plan. Our 2008 fiscal-year targets and results, and our targets for 2009 and later, are as shown below.

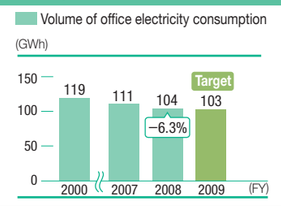
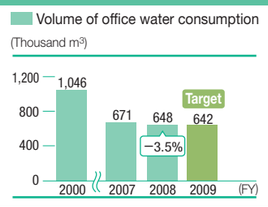
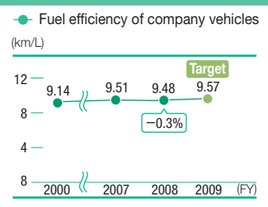
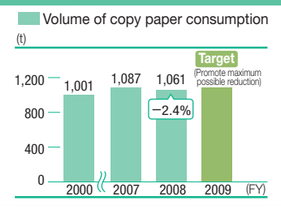
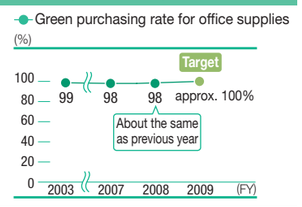
Environmental efforts in business operations

(Self-evaluation) ○: Target achieved △: Target mostly achieved ×: Target not yet achieved —: Unable to evaluate (e.g. because target is for a date several years in the future)

An asterisk (*) indicates the CO_2 emissions factor, taking CO_2 credits into account as provided for under the Kyoto Mechanism. The figure in < > indicates CO_2 emissions factor before taking CO_2 credits into account.

Item	FY 2007 results	FY 2008 targets and results			Targets			Evaluation of FY 2008 results and future actions	Page
		Targets	Results	Self-evaluation	FY 2009	FY 2010	FY 2011		
Contributions to the achievement of a low-carbon society through grid electricity									
CO_2 emissions reduction per unit of electric power used (sold)	0.366 kg-CO_2/kWh	Approx. 0.282 kg-CO_2/kWh (5-year average for FY 2008–FY 2012)	0.299 kg-CO_2/kWh* 〈0.355 kg-CO_2/kWh〉	—	Approx. 0.282 kg-CO_2/kWh (5-year average for FY 2008–FY 2012)			The Company succeeded in lowering the CO_2 emissions factor thanks to safe and stable nuclear power generation, along with maintenance and improvement of the thermal efficiency of thermal power generation. We will continue to focus on these efforts in order to achieve our target for the 5-year average over the 2008 to 2012 period.	P. 19
Promoting “safety first” operations at nuclear power plants	75.0% facility utilization rate	Operate nuclear power plants with safety assurance measures to prevent a recurrence of an incident like the Mihama Nuclear Power Station Unit 3 accident	72.4% facility utilization rate	—	Operate nuclear power plants with safety assurance measures to prevent a recurrence of an incident like the Mihama Nuclear Power Station Unit 3 accident			Based on the principle of “safety first,” we are planning to carry out safety- and preventive-measure-related construction, and plans are on track for timely completion.	P. 22
Maintaining and improving the thermal efficiency of thermal power plants (lower heating value base)	41.8%	42.0% or more	41.7%	△	44% or more			Due to a decline in the rate of use of nuclear power and the resulting increase in the use of thermal power generators, a greater portion of the electricity sold was produced at plants without high-efficiency thermal generating units (plants other than Himeji No. 1 and Maizuru), meaning that we fell slightly short of our target. For fiscal 2009 onward, we have adopted the stricter target of “44% or more” in the expectation that updated equipment at the Sakaiko Power Station will lead to an improvement in overall thermal efficiency.	P.22
Limiting SF_6 emissions (calendar year basis) (gas recovery rate at inspection/removal of equipment)	98.3% (at time of inspection) 99.6% (at time of removal)	97% (at time of inspection) 99% (at time of removal)	98.0% (at time of inspection) 99.2% (at time of removal)	○	97% (at time of inspection) 99% (at time of removal)			We were able to meet our target thanks to appropriate operation of collection equipment for SF_6 gas and other strategies. We are making continued efforts to meet targets in this area.	—
Development and diffusion of renewable energies	Target achieved	Achieve amount required by the RPS Law (1,220 million kWh)	Target achieved	○	Achieve amount required by the RPS Law			In fiscal 2008, we were able to achieve the amount required by the RPS Law. We intend to continue autonomous development and purchases of renewable energy, in addition to other efforts in this area.	P. 22
	Power output from subsidized facilities: 37 MW	Promote the Kansai Green Electricity Fund	Power output from subsidized facilities: 0.2 MW	—	Promote the Kansai Green Electricity Fund			Applications for aid in fiscal 2008 included 18 related to solar power generation, 10 related to diffusion and development-related energy, and none related to commercial-use wind power generation. Cumulative aid now totals 115 MW. We plan to further support the expansion and advancement of this program.	—
Reducing customer CO_2 emissions through the diffusion and expansion of EcoCute	148 thousand t-CO_2	141 thousand t-CO_2	137 thousand t-CO_2	△	224 thousand t-CO_2	281 thousand t-CO_2	342 thousand t-CO_2	While the number of EcoCute water heaters in operation continued to increase satisfactorily, the volume of CO_2 emissions reduced per unit declined, meaning that we fell slightly short of our target. We will continue to strive for CO_2 emissions reductions through the even more widespread adoption of the EcoCute water heater.	P. 20
Adoption of low-pollution vehicles (ratio of low-pollution vehicles to all vehicles)	68.2%	69%	74.8%	○	76%	77%	79%	In fiscal 2008, we were able to achieve our target thanks to progress in the adoption of low-pollution vehicles. We intend to continue promoting the widespread adoption of low-pollution vehicles.	P. 20
Number of next-generation electric vehicles and plug-in hybrid vehicles introduced	————	————	————	—	[Number of vehicles to be introduced from FY 2009 onward] Approx. 200 vehicles by FY 2011 Approx. 1500 vehicles by FY 2020			As of the end of fiscal 2008, we are in possession of 60 conventional electric vehicles. We intend to introduce 85 next-generation electric vehicles, some of which will replace the conventional ones, as well as plug-in hybrid vehicles, over the course of fiscal 2009.	P. 20
Promotion of environmental household account books	————	Encourage use of Kansai Electric Power environmental household account books both inside and outside the company	Number of participants 5,674	—	Encourage use of Kansai Electric Power environmental household account books both inside and outside the company			As we attempt to meet the targets set by the Kyoto Protocol, reduction of CO_2 emissions in the residential sector is of increasing importance. One of the Company’s contributions is to encourage use of Kansai Electric Power environmental household account books (“Eco e-Life Check”) by both employees and customers and we will continue to promote these account books.	P. 29
Initiatives toward the achievement of a sound material-cycle society									
Improving the recycling rate of industrial wastes	98.3%	More than 99% (up to FY 2009)	99.3%	—	99% or more (by FY 2009)	99.5% or more (by FY 2012)		Working toward the goal of a recycling rate of 99% or higher by fiscal 2009, we strengthened our in-house system through formulation of recycling rate improvement programs for each separate category of industrial waste and ongoing progress management, and made efforts to collect data from recycling contractors and improve information-sharing channels within the Company. We will continue working toward the goal of zero emissions.	P. 25
Initiatives toward a trusted, environmentally advanced corporation									
Proper processing of PCB wastes	Processed volume: Low-concentration PCB: 37 thousand kL (cumulative total) High-concentration PCB: 635 units (cumulative total)	Process all PCBs by the legal deadline (by 2016)	Low-concentration PCB: 47 thousand kL (cumulative total) High-concentration PCB: 938 units (cumulative total)	—	Process all PCBs by the legal deadline (by 2016)			A cumulative total of 47,000 kL was processed out of the 100,000 kL targeted for treatment at the Recycling Center for Utility Pole Transformers. Since October 2006, highly concentrated PCB waste is treated at the Japan Environmental Safety Corporation (JESCO). We aim to treat and appropriately manage all highly-concentrated PCB waste as required by the legally stipulated deadline.	P. 27
Further introduction of systems in compliance with ISO or other certifications (compliant locations at fiscal year-end)	14 locations	Support of and expansion to appropriate numbers of locations	13 locations	×	Support of and expansion to appropriate numbers of locations			The number of locations with ISO-compliant systems installed decreased by one due to operational changes. In the future, we plan to overhaul our company-wide environmental management system, continuously improve the system, and maintain and expand the number of locations meeting requirements.	—
Maintaining sulfur oxide (SOx) and nitrogen oxide (NOx) emission levels proportional to the volume of electric power generated — SOx	Emissions per basic unit Overall 0.027 g/kWh Thermal 0.067 g/kWh	Maintain current status [(Reference) 5-year averages for FY 2003–FY 2007 0.02 g/kWh (overall) 0.06 g/kWh (thermal)]	Emissions per basic unit Overall 0.029 g/kWh Thermal 0.072 g/kWh	△	Maintain current status [(Reference) 5-year averages for FY 2004–FY 2008 0.02 g/kWh (overall) 0.06 g/kWh (thermal)]			Emission levels for chemicals such as SOx and NOx, proportional to the volume of electric power generated, for fiscal 2008, exceeded those of the previous year as well as the average value for the past 5 years in almost all cases, due to a decreased use of nuclear power and increased use of oil-fired thermal power. In the future, we will continue to use fuels with superior environmental characteristics and sustain the performance of sulfur scrubbers and nitrogen scrubbers to maintain the world’s highest levels of cleanliness.	P. 26
Maintaining sulfur oxide (SOx) and nitrogen oxide (NOx) emission levels proportional to the volume of electric power generated — NOx	Emissions per basic unit Overall 0.043 g/kWh Thermal 0.109 g/kWh	Maintain current status [(Reference) 5-year averages for FY 2003–FY 2007 0.04 g/kWh (overall) 0.12 g/kWh (thermal)]	Emissions per basic unit Overall 0.046 g/kWh Thermal 0.113 g/kWh	△	Maintain current status [(Reference) 5-year averages for FY 2004–FY 2008 0.042 g/kWh (overall) 0.117 g/kWh (thermal)]				
Measured dosages of radioactive gaseous waste in public areas around nuclear power plants	Less than 0.001 millisieverts/year	Less than 0.001 millisieverts/year	Less than 0.001 millisieverts/year	○	Less than 0.001 millisieverts/year			We are properly managing the volume of radioactive gaseous waste, maintaining a level of less than 0.001 millisieverts per year.	—

Office energy and resource conservation activities

Item	Reducing office electricity consumption	Reducing utility water consumption	Improving fuel efficiency of company vehicles	Reducing copy paper consumption	Improving the green purchasing rate for office supplies
Progress since fiscal 2000 (Excerpted)					
Targets for fiscal 2008 to 2011	1% or more reduction compared to the prior fiscal year	1% or more reduction compared to the prior fiscal year	1% or more improvement compared to the prior fiscal year	Promote maximum possible reduction	Maintain current status (approx. 100%)
Evaluation of results for fiscal 2008 and plans for future efforts	In fiscal 2008, we were able to achieve our target thanks a cool summer and warm winter compared with the preceding year. We will continue steady efforts to curb electricity consumption at each base of operations through energy conservation and CO_2 reduction activities (appropriate control of heating and cooling, etc.), including efficient energy management at each location. Self-evaluation: ○	In fiscal 2008, we achieved our target thanks to more conscious use of water for everyday activities at each base of operations. We will continue efforts to reduce water consumption through thorough oversight and reuse of on-site wastewater and rainwater. Self-evaluation: ○	Fiscal 2008 saw a 0.3% decline in the fuel efficiency of company vehicles due to snowfall and other factors. We plan to continue steady efforts to improve fuel efficiency, including encouraging Company employees to drive in an eco-conscious fashion (Eco-Drive). Self-evaluation: △	In fiscal 2008, a modal shift toward decreased paper use in Company offices allowed us to achieve our target. We will continue patient efforts at each location, minimizing paper use during daily office activities through digitization of internal company documents and other measures. Self-evaluation: ○	Active green purchasing efforts at each location allowed us to achieve as nearly the same results for fiscal 2008 as the previous year. We will continue to improve the green purchasing rate by reinforcing employee awareness, etc. Self-evaluation: ○

Changes from the previous report

New additions

- We added targets for the “number of next-generation electric vehicles and plug-in hybrid vehicles introduced,” one of our innovative efforts to promote an electric society with more efficient use of energy.

Changes in targets

- For the item “Maintaining and improving the thermal efficiency rate of thermal power plants,” we raised our target from “42% or more” to “44% or more” in anticipation of improvements in the thermal efficiency rate resulting from installation of combined-cycle equipment at the Sakaiko Power Station.
- We set a more ambitious target for “reducing customer CO_2 emissions through diffusion and expansion of EcoCute,” adopting the same target we have set for Kansai Electric Power’s CO_2 emissions factor (a five-year average of approx. 0.282 kg-CO_2/kWh for fiscal years 2008 to 2012). In addition, when calculating the volume of CO_2 emissions reductions, we adjusted the value for volume of electricity consumed by an EcoCute unit over one year to make it closer to real results, using a new model for the calculation (was 2,160 kWh per unit per year, reduced to 1,507 kWh per unit per year). This resulted in more appropriate values for the CO_2 emissions reduction volume and other values. The formula used for calculation is: [Volume of CO_2 emissions reduction] = [cumulative number of EcoCute units registered to customers] x [volume of CO_2 emissions from conventional water heater models] – [volume of CO_2 emissions from EcoCute water heaters].

Changes in calculation methods

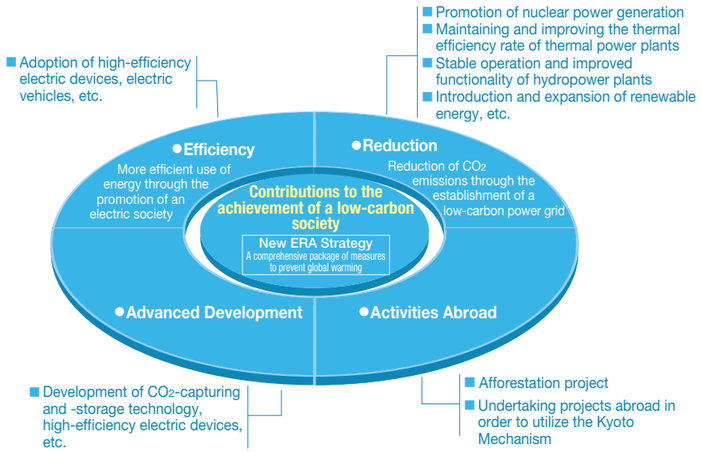
- In the category “proper processing of PCB wastes”: starting in fiscal 2008 the results for treatment of “high-concentration PCB waste” are based on “volume of waste delivered to Japan Environmental Safety Corporation treatment facilities” rather than “intermediate treatment results at Japan Environmental Safety Corporation treatment facilities,” in accordance with the current state of management at Kansai Electric Power.

Contributions to the achievement of a low-carbon society

The Kansai Electric Power Group is promoting the New ERA Strategy, a comprehensive package of measures to prevent global warming. These measures, enacted on a global scale, include progressive approaches to reduce greenhouse gases and use energy more efficiently.

A comprehensive package of measures developed by Kansai Electric Power: the New ERA Strategy

The New ERA Strategy is a comprehensive package of measures developed by Kansai Electric Power that aims to contribute to the prevention of global warming over the long term. In 1995, we systematized existing environmental measures, placing each of them in one of three categories: E (efficiency), R (reduction), and A (activities abroad). In February 2009 we added another "A" category, Advanced Development, and positioned the expanded New ERA Strategy as an important element of our contributions to the achievement of a low-carbon society, a pillar of the Kansai Electric Power Group Environmental Action Plan.



Setting targets aimed at reducing the CO_2 emissions factor

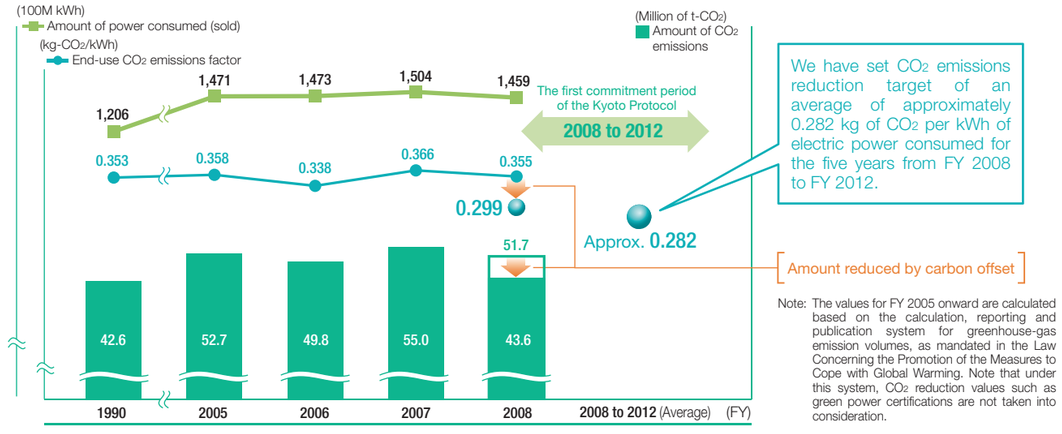
Kansai Electric Power has been promoting our New ERA Strategy with the goal of reducing the amount of CO_2 emissions proportional to the volume of electric power consumed (sold), known as the CO_2 emissions factor. As a result, CO_2 emissions factor reduction has reached the highest standards for the industry, but with the goal of establishing a low-carbon power grid, we have set the challenging goal of reducing emissions by an average of 0.282 kg-CO_2/kWh per year over the first five-year commitment period of the Kyoto Protocol (FY 2008–FY 2012), and are pushing for further results.

CO_2 emissions factor reduction results

Through use of CO_2 credits under the Kyoto Mechanism and other factors, the CO_2 emissions factor for fiscal 2008 was 0.299 kg-CO_2/kWh, considerably lower than that of fiscal 2007.

* This is a provisional value. The government will officially announce actual values, based on the Law concerning the Promotion of the Measures to Cope with Global Warming, etc.

Change in CO_2 emissions factor, etc.



Note: The values for FY 2005 onward are calculated based on the calculation, reporting and publication system for greenhouse-gas emission volumes, as mandated in the Law Concerning the Promotion of the Measures to Cope with Global Warming. Note that under this system, CO_2 reduction values such as green power certifications are not taken into consideration.

How to calculate CO_2 emission volumes in electricity use

* The government of Japan publishes CO_2 emissions factor values for each individual electrical power supplier annually.

$$\text{CO}_2\text{ emission volume (kg-CO}_2\text{)} = \text{CO}_2\text{ emissions factor for end use of electricity (kg-CO}_2\text{/kWh)} \times \text{Volume of electricity the customer consumes (kWh)}$$

$$\text{CO}_2\text{ emissions factor for electricity}^* \text{ (volume of CO}_2\text{ emissions proportional to the volume of electric power consumed (sold))} = \frac{\text{Volume of CO}_2\text{ emissions resulting from electric power generation (kg-CO}_2\text{)} - \text{CO}_2\text{ credits (kg-CO}_2\text{)}}{\text{Volume of end-use electricity supplied from all power stations, including thermal, nuclear and hydroelectric (kWh)}}$$

* CO_2 emissions factor taking CO_2 credits into account

Efficiency —Working to make energy use more efficient by promoting an electric society—

The Kansai Electric Power Group is making efforts such as offering energy-saving proposals, promoting EcoCute water heaters and widespread adoption of electric vehicles, and cutting energy use and CO_2 emissions at our bases of operation, with the goal of increasing energy efficiency throughout society as a whole.

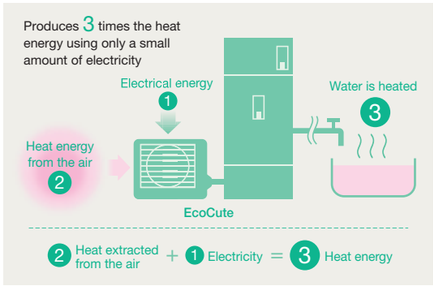
Promotion of more efficient energy use

Kansai Electric Power is undertaking a wide variety of activities with the goal of helping customers reduce their energy consumption and CO_2 emissions and contributing to the achievement of a low-carbon society. These include development and deployment of high efficiency equipment and systems, and advising customers on ways to improve the operating efficiency of their equipment and facilities.

For our corporate customers, we offer technologies that optimize energy use, such as highly efficient air conditioning and heat pumps for hot water supply, while for our individual customers we are working to popularize the use of EcoCute, a high-efficiency water heater that offers optimum energy-saving and environmental performance.

How the EcoCute system works

EcoCute employs a heat pump, heating water using heat extracted from the air and a minimal amount of energy.



Active adoption of electric and hybrid vehicles

Electric vehicles emit no NOx (nitrogen oxides), SOx (sulfur oxides) or CO_2 while on the road. Even when the electricity consumed during recharging is taken into account, these vehicles produce only around 20% of the CO_2 emitted by gasoline-powered vehicles, minimizing the burden on the environment. Plug-in hybrid vehicles also emit considerably less CO_2, NOx and SOx while on the road, and have low environmental impact.

Kansai Electric Power plans to introduce approximately 200 such vehicles during the three years starting in fiscal 2009, including replacements for older-type electric vehicles currently in use, and approximately 1,500 vehicles by fiscal 2020. Employing next-generation electric vehicles and plug-in hybrid vehicles as company cars will help to boost their market penetration and cut the overall volume of CO_2 emitted by company vehicles.

i-MiEV next-generation electric vehicle, Kansai Electric Power model

Promotion of energy conservation and CO_2 emissions reduction at bases of operation

Energy conservation and CO_2 emissions reduction at Company bases of operation

Up until now, Kansai Electric Power has been promoting energy and resource conservation through measures to reduce electricity consumption in our offices, measures to improve the fuel efficiency of company vehicles, and others, outlined below. We will continue to promote reductions in energy consumption and CO_2 emissions at all bases of operation, building on the results of our energy management program, in order to act as a leader on the path toward achievement of a low-carbon society.

Measures to reduce office electricity consumption

(Operations) Ongoing operational improvements through energy management at all bases of operation
(Equipment) Investigations and reviews aimed at finding energy-saving solutions based on the status of installed equipment

Measures to improve the fuel efficiency of company vehicles

(Operations) Adoption and development of eco-conscious driving habits (Eco-Drive)
(Equipment) Participation in the Program for the Establishment of a Regional System for the Practical Use of Eco-Fuel in Osaka Prefecture, registration of vehicles running on gasoline mixed with 3% bioethanol

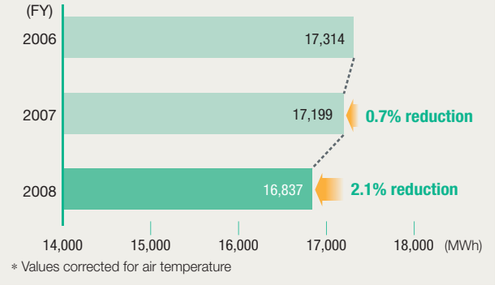
Energy management at bases of operation

In order to further reduce energy consumption at Kansai Electric Power bases of operation, in fiscal 2007 we introduced the "energy management" program at nine of our 43 sales offices, then expanded the number to 17 in fiscal 2008. At these locations, the daily energy consumption is measured continuously, data is confirmed and analyzed, and effective strategies based on that data are put into place.

In fiscal 2008, we continued with the same measures at the nine original locations, while universally implementing measures that were found to be particularly effective (such as air conditioning control systems) at the new locations. These measures led to a 2% or greater reduction in electric power consumption, in comparison with the previous year, at all target locations.

With energy management being implemented at a greater number of locations, we have gained an increased knowledge of the electricity consumption tendencies of different types of buildings, and have made other observations based on the outcomes of the measures. In fiscal 2009, we intend to apply this knowledge effectively at locations where energy management has not yet been implemented.

Progress of electric power consumption at "energy management" locations (results for 17 locations)



* Values corrected for air temperature

Voice

Promoting energy conservation and CO_2 emissions reductions at all bases of operations

Fiscal 2009 marks the third year of Kansai Electric Power's energy management efforts, which up until now have included elements such as focused analysis of electricity consumption patterns at our bases of operations, consideration of more efficient operating methods based on the outcome of this analysis, and improvements based on closer communication between users and managers of buildings. Henceforth, we intend to make maximum use of the know-how gained through these endeavors to further boost the effectiveness of energy management. We believe the most important thing is that each individual employee be aware of his or her responsibilities as an electric company employee, take an active interest in energy conservation and CO_2 emissions reductions in the workplace, and take action toward more efficient use of energy.

Machiko Okusa
Building Equipment Energy Group
Civil Engineering and Architecture Division

Providing a variety of information about energy conservation

Kansai Electric Power offers a wide variety of services aimed at helping customers use energy more efficiently, such as energy-saving diagnostic services and energy management support for corporate customers, and the "environmental household account book" tool and helpful tips on energy conservation for individual customers.

Providing information about saving energy through Web sites and pamphlets

Kansai Electric Power distributes pamphlets that explain how customers can use energy wisely, and the Company's Web site also includes a section that introduces tips and fun ways to save energy.

Web Enjoy Sho-ene Life: The Ekoda family's energy-saving lifestyle
http://www.kepco.co.jp/sho-ene/index.html

Service to inform customers of how much energy they use

The energy use notice we deliver every time a customer's electricity meter is read contains a comparison with the amount of electricity used in the same month of the previous year. On our Web site, customers can view their accounts to see how much electricity they have used in the past 15 months. Information services such as these are useful resources for reducing lighting and heating expenses and saving energy.

Web Referring to the electric bills of the past 15 months
http://www.kepco.co.jp/service/syoukai/index.html

Domestic Credit System initiative

Kansai Electric Power has implemented a CO_2 emissions reduction project based on the "Domestic Credit System,"* in conjunction with the Imazu Sun Bridge Hotel (operated by Sugihashi Kosan K.K., Takashima, Shiga). This project involves updating the Imazu Sun Bridge Hotel with more energy-efficient electrical equipment, such as a high-efficiency heat pump for heating and cooling and institutional-grade EcoCute water heaters, in order to reduce emissions of CO_2. The project is expected to reduce CO_2 emissions by about 1,207 tons over the four years from fiscal 2009 to 2012. (This project became the Company's first to be certified by the Domestic Credit Certification Committee, on May 29, 2009.)

Imazu Sun Bridge Hotel

* Domestic credit system: A system by which large corporations can provide funding or engineering support to help small and mid-size corporations reduce their CO_2 emissions, and then subtract the volume of CO_2 emissions reduced from its own total, in order to meet targets set under the Nippon Keidanren (Japan Business Federation) Voluntary Action Plan on the Environment.

Establishment of the Nakanoshima eco^2 (eco square) Liaison Council

In May 2009, the Kansai Electric Power Group established the Nakanoshima eco^2 (eco square) Liaison Council by calling together local corporations, government agencies, universities, and others around Osaka's Nakanoshima district. This council aims to strengthen ties between various organizations while enacting and publicizing innovative measures to promote the development of a vibrant and environmentally friendly community, to set an example for neighboring districts. Future plans revolve around sharing information and environmental awareness, maximizing the potential of the waterfront areas that characterize the Nakanoshima district, and a variety of environmental measures, as outlined below.

Nakanoshima eco^2 (eco square) Liaison Council

Examples of environmental measures

1. Efficient, environmentally friendly use of energy
2. Shipping and transportation-related efforts
3. Expansion of green spaces and water-covered areas, utilization of latent heat
4. Others (development of the sensory environment in the community, waste reduction)

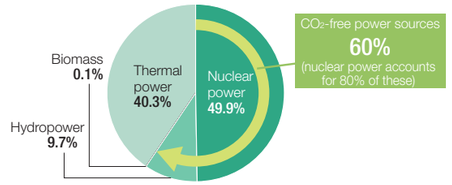
Reduction —Reducing CO_2 emissions through establishment of a low-carbon power grid—

The Kansai Electric Power Group is focused on increasing the utilization of nuclear power generation facilities, where our top priorities are safety and stable supply, as well as maintaining and improving the thermal efficiency of our thermal power plants, among other efforts, with the goal of reducing emissions of greenhouse gases in the course of supplying electric power.

Promoting nuclear power generation

Because it does not produce CO_2 emissions, nuclear power generation is a valuable means of preventing global warming. Moreover, the uranium used in nuclear power plants as fuel is available in a number of politically stable countries, assuring stability of supply and economic viability. For these reasons, Kansai Electric Power considers the safe and stable operation of nuclear power plants to be a high priority, and is actively promoting it.

Percentage of CO_2-free power sources (amount of electric power generated at Kansai Electric Power facilities in fiscal 2008)



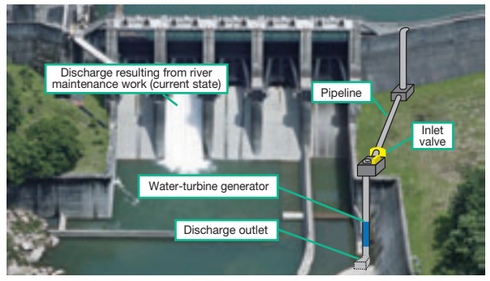
Stable operation and improved capability of hydropower generation

Deriving power from water, hydropower generation is a purely domestic Japanese energy source, excellent in terms of both stability of supply and economic efficiency. In addition, like nuclear power, it has earned accolades because it emits no CO_2 during generation. Kansai Electric Power will continue to carry out appropriate maintenance to ensure the continued stable operation of hydropower generation facilities, promote the switch over to variable-speed operation at pumped-storage hydropower plants and development of small-scale hydropower generation, and boost output at our existing facilities, with the goals of flexible response to changes and minimal environmental burden.

A planned hydropower plant will utilize the discharge resulting from river maintenance work at the Yomikaki Dam (Okuwa-Nojiri Power Station Construction Plan)

At Kansai Electric Power's Yomikaki Dam (Okuwa, Kiso-gun, Nagano Prefecture), river maintenance work aimed at preserving the environment downstream from the dam produces a discharge, a continuous outflow from the reservoir created by the dam. Kansai Electric Power is currently planning a hydropower plant that will utilize this discharge to produce up to 480 kW of electric power. Scheduled to commence operation in 2011, this plant will be capable of reducing CO_2 emissions resulting from power generation by 1,300 tons a year.

Design of the planned Okuwa-Nojiri Power Station



Maintaining and improving the thermal efficiency of thermal power plants

Improving the thermal efficiency of thermal power plants contributes directly to the conservation of fossil fuels, and as a result, CO_2 emissions can be reduced. For this reason, Kansai Electric Power is pursuing improvements in both facilities and operations in order to maintain and raise thermal efficiency. At the Sakaiko Power Station, we are presently pursuing a facility renewal plan that will incorporate a state-of-the-art, 1,500°C combined-cycle power generation method, improving thermal efficiency from its current 41% to 58%. Unit 1 went on-line in April 1, 2009, and unit 2 in July, with phased launch of operations of the other units (3–5) to follow. Another facility renewal plan at Himeji No. 2 Power Station has also been scheduled (see p. 26 for details).

Development of wind power and solar power generation

The Kansai Electric Power Group has been actively promoting renewable energy generation such as wind and solar power.

The Kansai Electric Power Group embarks on its first wind farm

Kanden Energy Development Co., Inc., has embarked on a wind farm with a rated power output of 24 MW, scheduled to start operation in February in 2011, in the northern part of Awaji City, Hyogo Prefecture. This is the Group's first wind power generation project, and it will reduce CO_2 emissions by an estimated 14,000 tons a year upon operation.

Mega solar power generation plan in progress on the Sakai City Waterfront

The Japanese government has set the ambitious target of boosting solar power generation approximately twentyfold by 2020. However, solar power generation is characterized by major fluctuations in output, and the actual effects of a massive inflow of solar power generation into the power grid have yet to be verified. With this in mind, the Federation of Electric Power Companies of Japan aims to examine this issue and give further momentum to the installation of solar power generation by bringing together 10 electric power companies and building solar power plants in about 30 locations nationwide with a total power output of approximately 140 MW. The Kansai Electric Power Group is engaged in mega solar power generation plans at two locations on the Sakai City Waterfront, and one of these, tentatively named Sakai No. 7-3 District Mega Solar Power Generation Plant (rated output: 10 MW; scheduled start of operation: fiscal 2011; estimated CO_2 emissions reductions per year: approx. 4,000 tons), will be Kansai's first commercial mega solar power plant. The Company hopes to contribute to the widespread installation of solar power generation by widely publicizing the knowledge gained through this endeavor. The Company is also cooperating with Sharp Corporation in installation of solar power generation facilities on the rooftop of Sharp's Sakai Manufacturing Complex buildings.

Sakai No. 7-3 District Mega Solar Power Generation Plant (tentative name)
—computer rendering of completed project

Mixing in biomass fuel before combustion at Maizuru Power Station

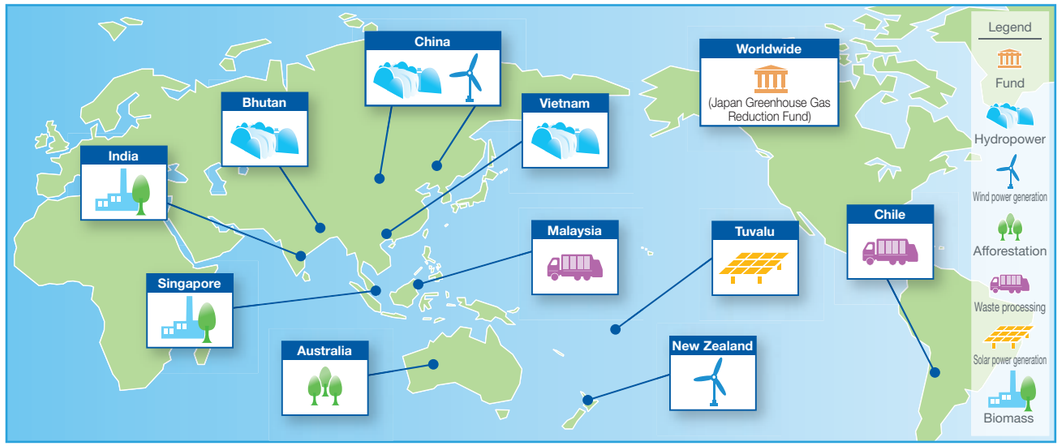
Since August 2008, Kansai Electric Power began using wood pellets, a biomass fuel, with the coal burned at the Maizuru Power Station thermal plant. This allows for decreased coal consumption, and results in an annual CO_2 emissions reduction of some 92,000 tons.

Biomass silo
(Maizuru Power Station)

Activities Abroad

Making use of the technological capabilities, knowledge and expertise that we have gained through years of operation as an electricity supplier, the Kansai Electric Power Group is undertaking activities while making use of the Kyoto Mechanism to contribute to the mitigation of global warming.

Main overseas projects by Kansai Electric Power



Environmental afforestation project in Australia

Project name	Western Australia Environmental Afforestation Project
Location	Perth, Australia
Participating corporations	Kansai Electric Power, The General Environmental Technos Co., Ltd., Oilmali Company
Project summary	The Kansai Electric Power Group has been carrying out a co-benefit environmental afforestation project aimed at countering both soil salinization in Australia and global warming. In a leased agricultural area outside of Perth (in western Australia), we have planted malee eucalyptus trees in ten-meter-wide belts extending a total of approximately 900 km (about 2.5 million trees covering about 1,000 hectares).
Volume of CO_2 reduced	Approx. 860,000 t-CO_2 (over 20 years)
Period of participation in project	2003 to 2022

Part of the malee eucalyptus forest, planted in belts

Wind power generation project in New Zealand

Project name	Phase 3 Tararua Wind Power Generation Project
Location	Palmerston North, New Zealand
Participating corporations	Kansai Electric Power, TrustPower Limited
Project summary	The Company has agreed to install 31 wind turbine generators (producing 3,000 kW each), and to sell the power they generate, at Tararua Wind Power Station in Palmerston North on the northern island of New Zealand. For this project, Kansai Electric Power received Joint Implementation (JI) certification from the New Zealand government as the first Japanese corporation to participate in a JI project in New Zealand.
Volume of CO_2 reduced	Approx. 230,000 t-CO_2 (per year)
Period of participation in project	2008 to 2012

Tararua Wind Power Station

Voice

Participation in an environmental afforestation project in Australia

Since fiscal 2003, we have been carrying out an environmental afforestation project in western Australia. At present, the malee eucalyptus trees we've planted are showing satisfactory growth, and the tallest of them have reached five or six meters in height. In order to own the rights for the CO_2 absorbed by this forest (carbon rights), we register these carbon rights according to provincial laws on an ongoing basis. Because carbon rights registration requires the binding of contracts with multiple parties involved, we are hard at work with various documents including lease agreements drawn up with the various owners of the land where the project is taking place, receiving cooperation from local legal professionals and the Company's legal department. Incidentally, Kansai Electric Power was the first entity to register carbon rights in the province of Western Australia.

Shintaro Onishi
Global Environmental Group
Office of Environmental Considerations

Advanced Development

The Kansai Electric Power Group makes maximum use of the technological expertise we have acquired as an electric power supplier, contributing to the achievement of a low-carbon society through the development of cutting-edge technology such as CO_2 capturing and storage technology and high-efficiency electric devices.

Development of CO_2 recovery and fixation technology

Separation and recovery of CO_2 in exhaust gases

Since 1990, Kansai Electric Power has been collaborating with Mitsubishi Heavy Industries, Ltd., on the development of CO_2 separation and recovery technology that employs a process of chemical absorption to separate and recover the CO_2 from exhaust gases resulting from thermal power generation. The Company has succeeded in developing a new CO_2 absorption solvent, KS-1, the world's most efficient absorption solvent with a CO_2 recovery rate at least 20% higher than the conventional solvent, monoethanolamine. From an application standpoint, we have also succeeded in boosting the system's effectiveness and developing a low-cost chemical absorption process. The technology is currently used at 9 locations worldwide, primarily in fertilizer plants, and its use is growing outside Japan in particular due to its effectiveness in cutting costs in various fields, such as enhanced oil recovery. We will continue our efforts toward more efficient CO_2 recovery and push forward with the development of absorption solvents and other technologies.

Experimental flue gas decarbonization plant at Nanko Power Station

KS-1

Trademark registered July 2007
Trademark registration applied for in other countries
(USA, Canada, countries in the EU, Norway, etc.)

Participation in geological CO_2 storage and fixation technology development project

The General Environmental Technos Co., Ltd., a Kansai Electric Power Group company, took part in a METI (Ministry of Economy, Trade and Industry) project to develop technology for geological CO_2 storage and fixation. In this process, CO_2 is injected into coal seams and immobilized, and the methane gas generated is recovered. The General Environmental Technos Co. took part in the project in Yubari, Hokkaido until fiscal 2007, and since the project's completion, has continued to monitor the progress of the technology's development as commissioned by Kansai Electric Power. In May 2008, the Company joined other electric power suppliers in establishing Japan CCS Co., Ltd., and has taken part in further government-sponsored CCS (Carbon Capture and Storage) research efforts. We intend to continue playing an active role in large-scale verification tests under the auspices of the central government, and pursuing the development of CCS-related technologies.

Development of high-efficiency electric devices

Heating and cooling systems and heating of water account for 50% or more of Japan's civil energy consumption (commercial and household consumption). If the heating, drying, and air conditioning systems used in the civil and industrial sectors were to be switched over from fossil fuel combustion types over to high-efficiency heat pump systems employing heat extracted from the air, annual CO_2 emissions could be reduced by 130 million tons* (equivalent to about 10% of Japan' annual emissions). With this in mind, the Company is engaged in developing heat pump devices and other high-efficiency electric devices in the interests of energy conservation.

* Estimate by the Heat Pump and Thermal Storage Technology Center of Japan

Recent efforts

The Company teamed up with Chubu Electric Power Co., Inc., and Mitsubishi Electric Corporation to develop the Compact Cube, an air-cooled heat pump chiller producing hot and cold water for heating and cooling in factories and buildings, that went on the market in April 2008. This product earned accolades for its technological innovativeness and energy-saving, environmentally friendly characteristics, and at the fiscal 2008 Energy Conservation Grand Prize awards, it received the Chairman's Prize from the Energy Conservation Center of Japan. In addition, we collaborated with Chubu Electric Power Co., Inc., Tokyo Electric Power Company, and Kobe Steel Ltd. on development of the High-Efficiency Mini II water-cooled screw chiller, a heat pump suitable for applications such as air conditioning and refrigeration in buildings and factories, and which went on the market in December 2008. April 2009 saw the launch of a simultaneous hot- and cold-water ejection device, which we had been developing concurrently with the High-Efficiency Mini II.

Compact Cube: By annual performance factor (IPLV), it is 29% more energy-efficient than conventional models. It also takes up 19% less space when installed.

High-Efficiency Mini II: Achieves the highest level of energy efficiency in the industry for a chiller of its class at COP 6.0. With a list price competitive with that of the previous model (developed in 2003), it also offers a 7% lower running cost and 8% reduction in annual CO_2 emissions proportional to the amount of energy consumed (in the Company's service area).

Initiatives toward the achievement of a sound material-cycle society

The Kansai Electric Power Group is working hard to promote a sound material-cycle society through efforts such as green purchasing and activities related to the three Rs (reduce, reuse and recycle).

Efforts to achieve zero emissions

At Kansai Electric Power, we are promoting the recycling of industrial waste generated by business activities, and since fiscal 2007 we have been working toward the industrial waste recycling rate target of 99.5% or more, in the belief that it is necessary in order to achieve zero emissions in the medium and long term. To achieve this target in fiscal 2012, we are strengthening our in-house recycling system, moving forward with efforts to collect information on recycling contractors and establish mechanisms for information-sharing within the company.

Strengthening of the in-house system

We have established the Cyclical Business Activities Promotion Working Group, made up of representatives from all Company divisions that generate industrial waste. The group works to gauge and exchange opinions on the progress of plans for raising the recycling rate, which are formulated by each division.

The working group reports on progress with recycling, and considers further steps to take

Collection and sharing of information on recycling contractors

Information on recycling contractors (permitted items, treatment capacity, location, etc.) is stored in a database accessible to all employees at all times. When a new contractor is registered, we refer to data drawn from the industrial waste treatment industry quality assessment system, visit and observe the contractor's facilities, and verify the manner in which incoming waste is treated as well as the facilities' levels of cleanliness and orderliness. The effective use of the information in this database has allowed us to make progress with recycling of waste that was previously subject to landfill disposal.

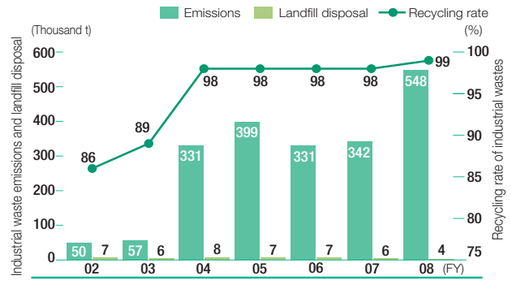
Search screen from the recycling contractor database

On-site observation of a recycling facility

Boosting the industrial waste recycling rate and cutting the volume of landfill disposal

Kansai Electric Power promotes efforts related to the three Rs throughout all its operations. For example, waste-concrete utility poles are recycled as roadbed materials, and 100% of the coal ash produced by the Maizuru Power Station is recycled as raw material for cement.

Changes in emissions and recycling rates for industrial wastes

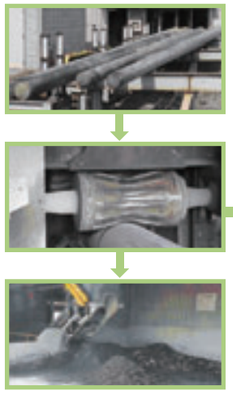


* Industrial waste recycling rate (%) = (industrial waste emissions – landfill disposal amount) / industrial waste emissions × 100

Some of the main applications of recycling of industrial waste, etc.

Type of industrial waste	Recycling rate	Main recycling applications
Sludge (Desulfogypsum, wastewater processing sludge, etc.)	98%	Construction materials
Soot (Coal ash, heavy oil ash, etc.)	100%	Cement raw materials
Cinders (Coal ash, heavy oil ash, etc.)	100%	Rare metal recovery
Waste oil	98%	Fuel
Metal scraps	100%	Metal recovery
Demolition debris (Waste concrete utility poles, etc.)	100%	Roadbed materials

Recycling of concrete utility poles



❶ Selection: Utility poles that have been removed from service are separated into reusable and non-reusable, and the non-reusable ones are carted to a treatment facility.

❷ Sorting: At the treatment facility, the poles are crushed and the remains separated into concrete rubble and reinforcing rods.

❸ Recycling: The concrete rubble (shown at left) is used as roadbed material spread beneath the asphalt surface, while the reinforcing rods (right) are reborn as raw materials for iron manufacturing.

Initiatives toward a trusted, environmentally advanced corporation

Kansai Electric Power is making efforts in areas such as promotion of community environmental protection measures and environmental management, and the advancement of environmental awareness, with the goal of being recognized as a safe and trusted, environmentally advanced corporation.

Promotion of community environmental protection measures

At Kansai Electric Power, we conduct comprehensive efforts to protect the community environment, including preventing atmospheric pollution and water quality contamination. We also take appropriate measures to prevent chemical substances from harming people and the environment.

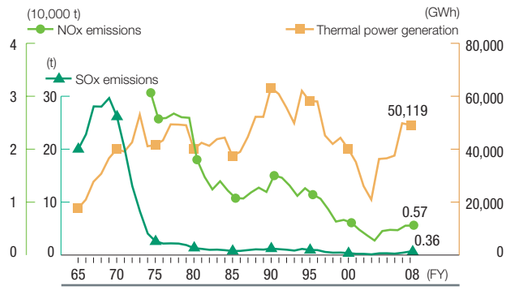
Environmental protection measures at power plants

At our power plants, we undertake measures based on laws, regulations, environmental protection agreements and other rules to reduce atmospheric pollution, water quality contamination, noise, vibrations and other problems. In addition, we monitor and measure the air and seas around our power plants and carefully evaluate the environmental effects of our operations on the regional environment to ensure that no problems occur.

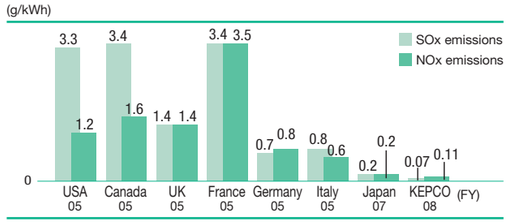
Air pollution prevention measures (NOx, SOx, soot)

Kansai Electric Power has implemented measures aimed at reducing the volume of SOx (sulfur oxides) emitted by our thermal power plants, such as using fuels with lower sulfur content and installing sulfur scrubbers. To address the issue of NOx (nitrogen oxides), we are taking steps to lower emission levels, including installation of nitrogen scrubbers and improvement of combustion methods. As a result, our SOx and NOx emissions proportional to the volume of electric power generated are ranked among the lowest in the world. In addition, we have installed high-performance electric filters, drastically cutting soot emissions.

Volume of thermal power and volume of SOx and NOx emissions



SOx and NOx emissions per unit of thermal power generated



Sources:
Emission amounts: OECD Environmental Data Compendium 2006/2007
Amounts of electric power generation: Energy Balances of OECD Countries 2005–2006
Japan figure: Federation of Electrical Power Companies of Japan

Measures to prevent soil and groundwater contamination

Kansai Electric Power has produced our own Handbook on Measures Against Soil Pollution, and complies with all laws and regulations relevant to soil contamination. Moreover, our power plants have water- and oil-retaining walls installed, preventing soil contamination from chemicals and fuels such as heavy/crude oil in the unlikely event of leakage. In addition, when there is an area of land not covered by any laws or regulations, we take the history of the area and the state of the surrounding territory into consideration, and when necessary, carry out a soil contamination assessment of the land in question.

Implementing environmental assessments

An environmental assessment is a consultative process with respect to the environmental impact of a company's business activities. The company's operations are measured and evaluated to determine the degree of their environmental impact. The results are disclosed to the regional community and opinions are canvassed. These findings inform the company's environmental efforts and are reflected in its operating plans.

At the Himeji No. 2 Power Station, we are making progress on an environmental assessment in anticipation of a facility renewal that will incorporate a state-of-the-art, combined-cycle power generation method employing a 1,600°C gas turbine. The planned new equipment will bring thermal efficiency from its current 42% to approximately 60%, among the world's highest, and allow for major reductions in the CO_2 emission factor. In March 2009, we presented to METI a preparatory environmental impact assessment, summarizing the results of a survey of existing conditions, forecast of future conditions, and an evaluation, and also submitted it to the governor of Hyogo Prefecture and mayor of Himeji City. We will continue the process of environmental assessment and work to start operations at Unit 1 in October 2013, undergoing reviews from the relevant authorities and ensuring that we have the public's understanding at all times.

Computer rendering of Himeji No. 2 Power Station after facility renewal

Inspired by nearby Himeji Castle, a World Heritage site, the new design of Himeji No. 2 Power Station employs colors that blend harmoniously with the surrounding natural and urban environments.

Himeji No. 2 Power Station in its current state and post-renewal

	Current state	Post-renewal
Power generation method	Steam power generation	Combined-cycle power generation
Power plant output	2,550 MW (6 units, 250–600 MW each)	2,919 MW (atmospheric temperature 4°C) (6 units, 486.5 MW each)
Fuel used	Natural gas	Natural gas
Power generation terminal thermal efficiency (lower calorific value base)	Approx. 42%	Approx. 60%
CO_2 emission factor	0.470 kg-CO_2/kWh	0.327 kg-CO_2/kWh
Start of operation	Oct. 1963 (Unit 1) to Nov. 1973 (Unit 6)	Scheduled: Oct. 2013 (Unit 1) to Oct. 2015 (Unit 6)

PCB waste processing

Since April 2004, Kansai Electric Power has been processing pole transformers at our Recycling Center for Utility Pole Transformers to appropriately handle low-concentration PCB wastes in insulation oil and transformer cases. In addition, for high-concentration PCB wastes, such as high-voltage transformers and condensers, we have contracted the Japan Environmental Safety Corporation to process these items starting in October 2006.

We are also managing heavy electrical machinery and other equipment appropriately in response to the identification of PCB traces in some items. However, at present, a central government committee is reconsidering treatment measures for these items, and we intend to align our processing methods with the results of these deliberations. One possibility we are pursuing is the development of technology to remove all harmful materials from large and immovable equipment on-site.

Processing of low-concentration PCB wastes (pole transformers) (as of March 31, 2009)

	Insulation oil (10,000 kL)	Transformer cases (10,000 units)
Volume to be processed	Approx. 10	Approx. 24
Volume processed so far (cumulative)	Approx. 4.7	Approx. 10.7

Processing of high-concentration PCB wastes (high-voltage transformers and condensers) (as of March 31, 2009)

Volume to be processed	5,534 units
Volume processed so far (cumulative)	938 units

Efforts to handle asbestos problems

Kansai Electric Power has been periodically monitoring and appropriately managing the condition of facilities identified as containing asbestos and taking appropriate action. We continue to undertake appropriate management and execute carefully planned measures to handle asbestos.

Locations (buildings and equipment) where asbestos is used (as of March 31, 2009)

Application		Location
Sprayed materials containing asbestos		Thermal insulations, acoustic materials, fire-resistant materials and soundproof materials of transformers
Products containing asbestos	Building materials	Flame-retardant boards, roofing and flooring in buildings, etc.
	Asbestos cement tubes	Tubing for buried cables (power transmission and distribution, communication equipment)
	Thermal insulation	Power generation equipment (thermal, nuclear)
	Sealants and joint seating	Power generation equipment (thermal, nuclear)
	Shock-absorbent materials	Suspension insulators for power transmission equipment, etc.
	Adhesives	Aerial power transmission cables, hydroelectric dams

Proper handling of chemical substances

In addition to complying with the PRTR Law (Pollutant Release and Transfer Register Law), the Company has prepared a Handbook on PRTR Chemical Management, and we follow its guidelines to ensure the strict management of hazardous chemical substances, as well as making efforts to reduce the volume of such substances. In accordance with the PRTR Law, we disclose to the national government our volumes of chemical emissions and the amounts transported, and regularly make the same information public.

Discharge and transferred chemical substances subject to PRTR Law

Substances	Discharge (t/year)		Transferred (t/year)	
	FY 2007	FY 2008	FY 2007	FY 2008
2-aminoethanol	0	0	11	13
Asbestos	0	0	25	26
Bisphenol A epoxy	0.11	<0.1	0	0
Ethylbenzene	17	15	0	0
Xylene	46	30	<0.1	0
HCFC-225	3.2	4.2	0	0
Styrene	1.2	—	0	—
Toluene	14	13	<0.1	0
Hydrazine	<0.1	<0.1	1.1	4.8
Bis (2-ethylhexyl) phthalate	0	—	0	—
Tris (dimethylphenyl) phosphate	0	0	3.7	7.1
Dioxins	0.45 (mg-TEQ/year)	0.12 (mg-TEQ/year)	1.5 (mg-TEQ/year)	3.5 (mg-TEQ/year)

* Quantities indicated are for facilities that handle quantities greater than those designated under the PRTR law.
* A "0" indicates no discharge, etc.
* "<0.1" indicates discharge, etc. was less than 0.1 t/year.
* A "—" indicates that the item is not applicable to any Company facility.
* Displayed to two significant digits

Voice

Technical certification obtained for cyclical cleansing and processing technology applied to equipment containing low concentrations of PCBs

I have been engaged in research and development of cleansing and processing technologies to safely render equipment contaminated with low concentrations of PCBs harmless, ever since it was discovered in 2002 that transformers and other heavy electrical equipment contained trace amounts of PCBs. In fiscal 2007, we performed a verification test of the cleansing process on an actual piece of equipment, a necessary step toward obtaining technical certification, and underwent a review by the Ministry of the Environment's Committee for the Study and Assessment of Processing Technology for PCBs; in fiscal 2008, we obtained the technical certification. We will use the data acquired through use of this technology to continue pushing for new advances in precision processing technology.

Masahide Sugaya
Electrical System Engineering Center
Transformer Group

Preservation of biodiversity

Kansai Electric Power is taking steps to preserve biodiversity, including the creation of biotopes (natural woodlands and ponds) that provide habitats for small animals on the grounds of our power plants.

A variety of small animals can be seen on the grounds of our power plants (left: white-eye; right: fox)

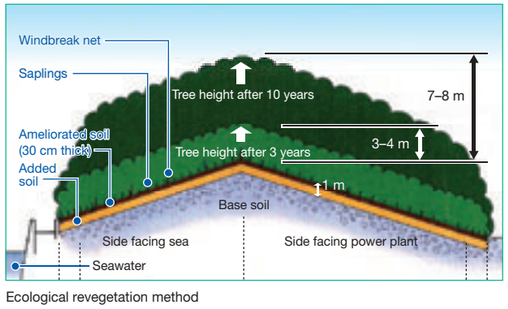
Creation of natural woodlands (ecological revegetation)

The Company is working to create natural environments around our bases of operations, an endeavor rooted in the three fundamental principles of "preserving and protecting nature," "restoring nature," and "creating nature."

In particular, we are engaged in efforts to quickly create natural woodlands using our ecological revegetation method in the large-scale open spaces surrounding our power plants. The method involves dense planting of mixed varieties of saplings, particularly of tall tree varieties native to the woodlands of the region, in soil modified and arranged for optimum growth. Trees grow three to four meters in the three years following planting, and seven to eight meters in the first ten years, creating a mature forest more quickly than it would occur naturally. We first introduced the method at Tanagawa No. 2 Power Station in 1977, and we have successfully created a large number of natural woodlands at our power plants, including Gobo Power Station and Nanko Power Station.

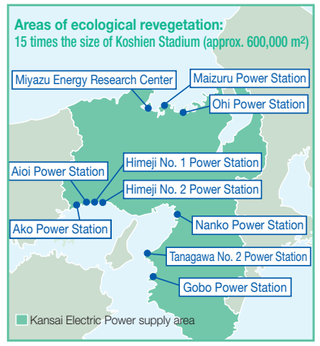
Gobo Power Station

The forest has grown to a height of over 10 meters and takes up 1/4 of the power plant premises



Ecological revegetation method

A natural woodland created by Kansai Electric Power using our ecological revegetation method



Ecological revegetation at Ako Power Station

Photo taken Sept. 1987

Photo taken Oct. 2007

Biotopes

We have been working to create environments (biotopes) around our power plants, with the goal of making good use of the natural resources at our disposal, and creating benefits for surrounding communities in the form of environmental education, connectedness, and social exchange. At the "dragonfly pond" on the grounds of the Sakaiko Power Station, autumn brings a wide variety of dragonflies such as the common skimmer and lesser emperor, while the Okutataragi Power Station biotope in Hyogo Prefecture provides a valuable breeding ground for the endangered forest green tree frog.

"Dragonfly pond" at Sakaiko Power Station

The biotope at Himeji No. 1 Power Station is a habitat for fireflies, and at a "nature-watching party" held here each autumn, local elementary school children release Japanese firefly larvae into the wild.

"Nature-watching party" held at Himeji No. 1 Power Station

Protection of rare plants on power plant premises

The barrentwort, a rare plant, was discovered growing in an area scheduled for construction work on the grounds of Maizuru Power Station. The colony of plants was transplanted to the natural woodland on the power plant premises, and observed thereafter to ensure its healthy development. Also, in an area of Sakaiko Power Station where construction work for facility renewal is progressing, specimens of the rare small potamogeton panormitanus were discovered and relocated to the "dragonfly pond" biotope.

Barrentwort

Potamogeton panormitanus

Future efforts aimed at preserving biodiversity

The Company intends to continue making contributions to the preservation of biodiversity, coexistence and partnership with local communities, and the cultivation of environmental awareness among younger generations through activities such as the maintenance and opening to the public of natural woodlands and biotopes on the grounds of our power plants.

Raising environmental awareness

Committed to the creation of a better environment and the achievement of a sustainable society, Kansai Electric Power is not only weighing various ecological issues, but also working actively with our customers and the regional community to raise environmental awareness. We have divided our efforts into categories depending on the type of customer they target, in the hopes of raising awareness as effectively as possible.

Family-oriented activities

Eco eLife Check: an environmental household account book

In order to contribute to reduction of CO_2 emissions from households, Kansai Electric Power has created Eco eLife Check, an environmental household account book available on the Company Web site. Users simply input the volume of electricity, gas, water, and so forth that they use in order to calculate their CO_2 emissions.

After registering with Eco eLife Check online, users can view their own CO_2 emissions volumes on a personalized Web page, and can also use tools for self-evaluation, comparing their results with the average of all members and checking their ranking compared with other users on the site. Families can have fun together as they work to continuously reduce their CO_2 emissions, and can also enjoy twice-monthly Web site updates like useful environmental information in the Eco-Mame section, and messages from members in the "Minna no Hiroba" section. In addition, for every 10 people who register as members, Kansai Electric Power plants one tree, in the hopes of encouraging as many people as possible to join.

Just enter the information required and receive a quick calculation of your CO_2 output.

Activities oriented toward the next generation

Kanden e-Kids Club

Each year since 2006, children in the fifth and sixth grades in our service area are invited to participate in a series of ecological programs, known as Kanden e-Kids Club. In fiscal 2008, a total of 200 children took part in this program, which encourages them to recognize, think about and take action on global warming and a wide variety of environmental problems.

Kanden e-Kids Club canvasses for new members every June, and activities continue from the opening ceremony in July to the program's end in March of the following year. The children take part in activities including tree climbing, forest thinning, power plant visits, and the Kids' ISO Program, which encourages children to play a leading role in reducing their families' energy consumption.

Tree climbing

Green Curtain campaign

Since fiscal 2008, Kansai Electric Power has been conducting a campaign to raise environmental awareness using "Green Curtains," led by staff from Company branches and district offices, at regional primary schools. A "Green Curtain" is a net, cast across an entire window, on which climbing plants are grown, eventually covering the entire window. The curtain is an effective device for reducing energy consumption: it shades the interior from the sunlight, regulating indoor temperatures, while the plants' evaporating effect cools the surrounding area. Company staff members visit primary schools, explain the purpose and effects of the Green Curtain and how it is created, and assist the children in planting seedlings of their own.

Planting seedlings

Activities oriented toward women

Kanden Natural Life Style

Kansai Electric Power has launched a page called "Kanden Natural Life Style" in the Environment section of our Web site, and it emphasizes the importance of helping the environment through everyday activities, and offers suggestions for living in harmony with those around us and with the ecosystem. The page features a variety of content updated monthly, including "Natural Café," a section introducing ways successful women in various fields enjoy their daily lives; profiles of people with unique ways of living eco-friendly lifestyles at their own pace; and a section full of seasonal tips on healthy and sustainable living, titled "Slowly & Timely."

"Kanden Natural Life Style" helps readers to lead a lifestyle of health and sustainability

Young-adult-oriented activities

Environmental event "cococala + e"

Starting in fiscal 2008, Kansai Electric Power teamed up with environment and lifestyle magazine *ecocolo* to hold events known as "cococala + e," with the goal of raising environmental awareness in young adults in their 20s and 30s. The events mainly consist of talks on environmental issues, including updates on the Company's environmental efforts given by our younger employees, and live music performances. The first event, held on June 27, 2009 at Nara Prefectural New Public Hall, featured a talk on an environmental theme by Akko of the group My Little Lover, and a performance by Japanese taiko drum duo AUN.

Young-adult-oriented event "cococala + e"

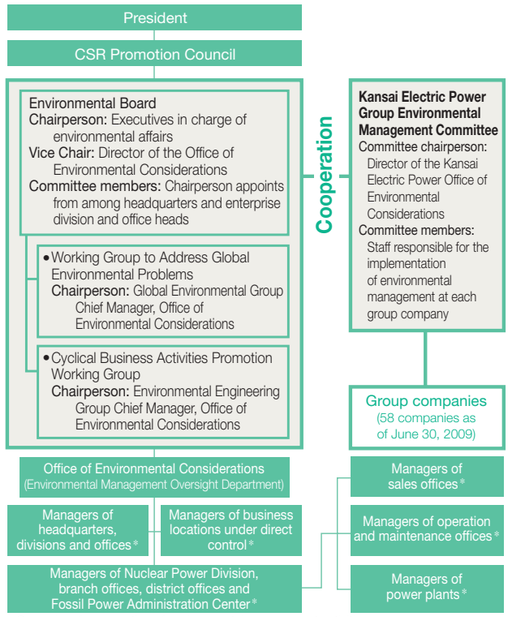
Promoting environmental management

The Kansai Electric Power Group environmental management system is based on the total quality management (TQM) system. In accordance with our Environmental Action Plan, we are working to reduce the environmental load of our business activities through continuous improvements based on the PDCA (plan-do-check-act) cycle.

Maintenance of the Group-wide promotion system

In order to further promote our environmental activities across Group companies, in August 2005 we established the Kansai Electric Power Group Environmental Management Committee, which formulates, checks and reviews Group Eco Actions in conjunction with the Company's CSR Promotion Council's Environmental Board. In fiscal 2007, we completed maintenance of our risk management system, and since fiscal 2008, we have been encouraging Group companies to take active part in the Group Eco Actions.

Environmental management promotion system of Kansai Electric Power and its Group companies



* Supervisor for promotion of environmental management activities

Observance of laws and regulations

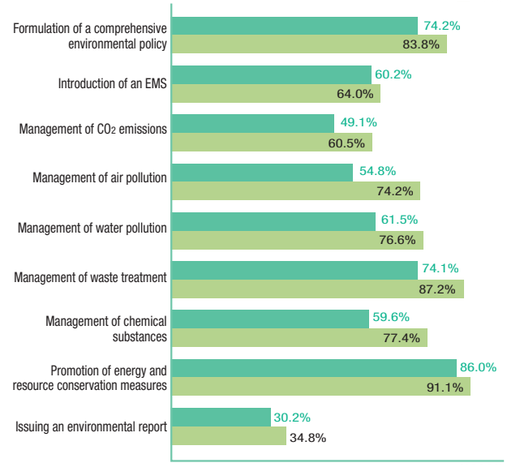
Kansai Electric Power abides by all laws and regulations related to the environment. We also ensure strict compliance with environmental protection agreements concluded with local governments in the areas of our power plants. We did not receive any guidance, notices or orders from any national or local government entity in fiscal 2008 regarding these environmental laws, regulations and agreements, nor were there any violations of said agreements.

Efforts to raise environmental awareness among our business partners

Since fiscal 2007, the Company has been implementing an environmental activities survey targeted at our business partners, in order to gauge the extent of their environmental commitment. In fiscal 2008, we mailed the environmental activities survey form to 162* of our main materials suppliers, and received responses from 101 of them, or 62% of the total. The results showed that the percentage of companies implementing various measures had risen in comparison to the previous year in every category. We will continue raising environmental awareness among our business partners, using the results of surveys such as this one as a valuable reference.

* These companies account for 90% of the materials purchased, on a cost basis, in fiscal 2007 (Kansai Electric Power Group companies not included)

Percentage of business partners implementing environmental measures



Eco Action: Group company concrete action plans

Item	FY 2007 results	Targets and results in FY 2008		Targets			Evaluation (Reasons for increase/reduction)
		Targets	Results	FY 2009	FY 2010	FY 2011	
Reducing office electricity consumption	55.0 GWh	1% or more reduction compared to the previous fiscal year	2.9% decrease compared to the previous fiscal year 53.4 GWh	1% or more reduction compared to the previous fiscal year			Thanks to aggressive promotion of energy-saving measures in our offices, we were able to achieve our target. We will continue to carry out energy-saving activities.
Reducing utility water consumption	269,000 m^3	1% or more reduction compared to the previous fiscal year	0.7% increase compared to the previous fiscal year 271,000 m^3	1% or more reduction compared to the previous fiscal year			Due to a rise in the volume of water consumed at some of the target offices, we were unable to reach our target. We will continue to carry out water-saving activities.
Improving fuel efficiency of company vehicles	8.9 km/L	1% or more improvement compared to the previous fiscal year	3.4% improvement compared to the previous fiscal year 9.2 km/L	1% or more improvement compared to the previous fiscal year			Thanks to the promotion of "Eco-Drive" principles, such as enforcement of the no-idling policy, the fuel efficiency of vehicles improved and we were able to reach our target. We will continue to promote "Eco-Drive" principles.
Reducing copy paper consumption	868.4 t	Reduce as much as possible	1.6% increase compared to the previous fiscal year 882.6 t	Reduce as much as possible			Owing to an increased workload and a strengthened information management system, we were unable to reach our targets in policies to use both sides of copy paper and other policies. We will continue making efforts to use less paper.

* This report evaluates the results for 40 Group companies.

Challenges undertaken by Group companies

The Kansai Electric Power Group as a whole makes maximum use of the technological capabilities of each of the Group companies in the pursuit of various environmental preservation efforts. These technological capabilities are evolving day by day, and are applied to a wide variety of activities ranging from development of technologies to combat global warming, to provide a variety of services aimed at building a sound material-cycle society.

Helping prevent global warming through development of precision marine survey technology

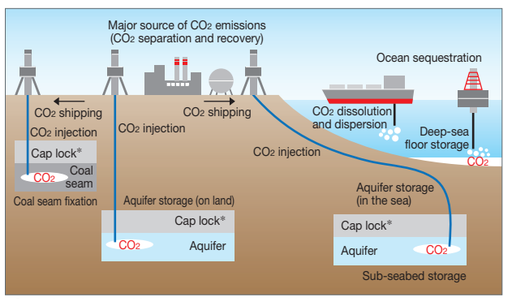
The General Environmental Technos Co., Ltd.

The General Environmental Technos Co., Ltd., has been involved for many years in environmental impact assessments accompanying the construction of Kansai Electric Power's power plants, and in the process, has continuously advanced its monitoring capabilities on air, sea and land. Notably, the company has developed proprietary precision marine survey technology that employs a multi-purpose measurement and water-sampling system with an ocean floor detection sensor capable of accurate collecting of samples at determined sea depths around 1,000 meters. These samples are subjected to precision analysis, capable of tracking minimal changes in the CO_2 content, pH balance and other aspects of seawater. Because the adoption of this technology allows for more accurate monitoring of leaks when recovered CO_2 is stored in the ocean floor, the company has been commissioned by the Ministry of the Environment under a program launched in fiscal 2008 to pursue technological development aimed at further boosting the accuracy of monitoring techniques for sub-seabed storage of CO_2.

By utilizing the proprietary technology and know-how it has accumulated, the General Environmental Technos Co., Ltd., aims to contribute toward the achievement of a better global environment.

Accurate sampling of water from the ocean floor using a multi-purpose measurement and water-sampling system with ocean floor detection sensor

Overview of main CCS technologies being considered in Japan



* Cap lock: an impermeable stratum or other impenetrable base rock layer

Contaminated-soil purification facility obtains certification

The first certified, dedicated soil purification plant in Western Japan

KANDEN GEO-RE Inc.

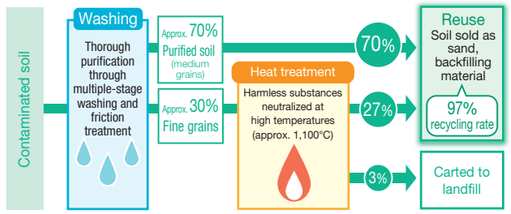
On June 5, 2009, the KANDEN GEO-RE Inc. soil purification plant obtained certification from the city of Amagasaki as a contaminated-soil purification facility, as provided for under the Soil Contamination Countermeasures Law. With this certification, the company became eligible to purify contaminated soil in a "designated area" under the terms of the law (a "designated area" is an area of land subjected to a survey based on the provisions of the Soil Contamination Countermeasures Law and found to contain heavy metals or other hazardous substances, and designated as such by the prefectural government), and the company was able to offer comprehensive contaminated soil solutions. The facility is the first dedicated soil purification plant in Western Japan to obtain such certification.

KANDEN GEO-RE's soil purification plant employs a patented "continuous processing" system combining a washing system and a heat treatment system, both of which had previously been used independent of one another. The continuous processing system is capable of dealing with a variety of hazardous substances at low cost, and achieves a contaminated soil recycling rate of 97% (see illustration below). KANDEN GEO-RE is currently planning a nationwide expansion based on these strengths, and the abovementioned certification is expected not only to serve as a major asset in this expansion, but also to allow KANDEN GEO-RE to make greater contributions to the building of a sound material-cycle society.

Washing facility

Heat treatment facility

The KANDEN GEO-RE purification system



Voice

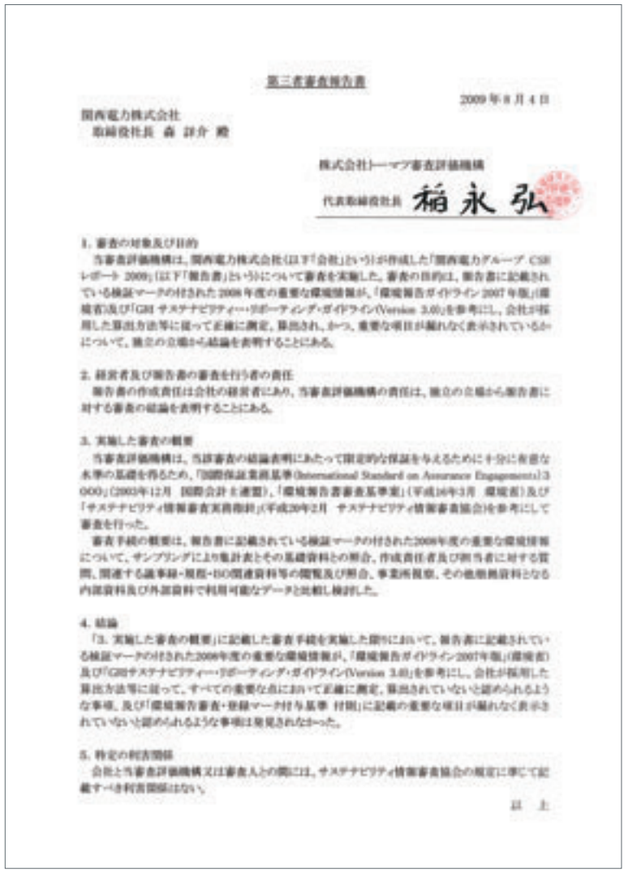
Applying construction-related technologies in the field of contaminated soil countermeasures

In recent years, attention has been increasingly paid to the issue of soil contamination. I feel that being able to apply the construction-related technological know-how I have accumulated over the years to soil contamination countermeasures has made my job rewarding. In April 2010 a revised version of the Soil Contamination Countermeasures Law will go into effect, creating stricter regulations requiring mandatory soil surveys before modification can be carried out on a land area of a designated size or larger. The Company sees this as a major business opportunity, and is making a vigorous push to boost our technological capabilities and ensure thorough quality control in order to meet customer needs. We will continue striving for solutions to the soil contamination issue, in order to make every possible contribution to the development of safe and secure communities and the building of a sound material-cycle society.

Hiroshi Kawamura
Engineering Subsection Chief
KANDEN GEO-RE Inc.

Independent review

Kansai Electric Power has received independent review of the environmental performance information in the Japanese version of our Japanese version of CSR Report 2009 from Deloitte Tohmatsu Evaluation and Certification Organization Co., Ltd., to ensure its accuracy. We intend to build on the results of this review to further strengthen our environmental management and information disclosure systems.



第三者審査報告書

2009年8月4日

関西電力株式会社
取締役社長 森 詳介 殿

株式会社トーマツ審査評価機構
代表取締役社長 [redacted]

1. 審査の対象及び目的
当審査評価機構は、関西電力株式会社(以下「会社」という)が作成した「関西電力グループ CSR レポート 2009」(以下「報告書」という)について審査を実施した。審査の目的は、報告書に記載されている検証マークの付された2008年度の重要な環境情報が、「環境報告ガイドライン2007年版」(環境省)及び「GRI サステナビリティ・リポーティング・ガイドライン(Version 3.0)」を参考に、会社が採用した算出方法等に従って正確に測定、算出され、かつ、重要な項目が漏れなく表示されているかについて、独立の立場から結論を表明することにある。

2. 経営者及び報告書の審査を行う者の責任
報告書の作成責任は会社の経営者にあり、当審査評価機構の責任は、独立の立場から報告書に対する審査の結論を表明することにある。

3. 実施した審査の概要
当審査評価機構は、当該審査の結論表明にあたって限定的な保証を与えるために十分に有意な水準の基礎を得るため、「国際保証業務基準(International Standard on Assurance Engagements)3000」(2003年12月 国際会計士連盟)、「環境報告書審査基準事案」(平成16年3月 環境省)及び「サステナビリティ情報審査実務指針」(平成20年2月 サステナビリティ情報審査協会)を参考にして審査を行った。
審査手続の概要は、報告書に記載されている検証マークの付された2008年度の重要な環境情報について、サンプリングにより集計表とその基礎資料との照合、作成責任者及び担当者に対する質問、関連する議事録・規程・ISO関連資料等の閲覧及び照合、事業所視察、その他必要資料となる内部資料及び外部資料で利用可能なデータと比較し検討した。

4. 結論
「3. 実施した審査の概要」に記載した審査手続を実施した限りにおいて、報告書に記載されている検証マークの付された2008年度の重要な環境情報が、「環境報告ガイドライン2007年版」(環境省)及び「GRI サステナビリティ・リポーティング・ガイドライン(Version 3.0)」を参考に、会社が採用した算出方法等に従って、すべての重要な点において正確に測定、算出されていないと認められるような事項、及び「環境報告書審査・登録マーク付与基準 付則」に記載の重要な項目が漏れなく表示されていないと認められるような事項は発見されなかった。

5. 特定の利害関係
会社と当審査評価機構又は審査人との間には、サステナビリティ情報審査協会の規定に準じて記載すべき利害関係はない。

以 上

An independent review consists of not only verification of environmental performance data, but also of interviews with persons in charge, sampling inspections of some bases of operation (on-site inspections), and other strict inspections.

An on-site inspection (Nara Sales Office)

Strengthening environmental management at bases of operation

This year, the Nara Sales Office underwent its first on-site inspection as part of an independent review, an experience that reminded all of us here of the importance of environmental management, and also served to raise our environmental awareness.

In addition, the positive feedback we received on our list of energy- and resource-saving ideas compiled by staff gave us encouragement to continue our efforts. We will continue to share the guidance we receive from independent reviewers among all the employees here, and make maximum use of it to strengthen our environmental management system.

Yoshinobu Kita
Subsection Chief, Director's Office
Nara Sales Office

Acquisition of EcoLeaf environmental label certification

Kansai Electric Power's main product, electric power (grid electricity), has received EcoLeaf environmental label certification.

The EcoLeaf environmental label is an environmental labeling system that is operated by the Japan Environmental Management Association for Industry (JEMAI). This system uses third-party verification of quantitative environmental data for the product lifecycle from the gathering of raw resources to disposal and recycling. In July 2003, Kansai Electric Power became the first business in the energy services field to receive this registered and publicly certified label.

We update our certification every year, using the latest results, and will continue to use this label to build customer confidence through the display of valuable environmental information.

Registered and published data for FY 2007 results

Product name: Grid electricity
Specification: 60 Hz
Fiscal year: 2007
Global-warming load during life cycle (CO_2 equivalent):
0.416 kg-CO_2/kWh (FY 2007)
CO_2 emissions in power generation (all-day average):
0.366 kg-CO_2/kWh (FY 2007)
0.337 kg-CO_2/kWh
(5-year average for FY 2003–FY 2007)

Product Environmental Aspects Declaration
ECO LEAF
製品環境情報
http://www.jemai.or.jp
No.AT-03-001

* Updates to the FY 2008 results are based on the Law to Promote Measures Against Global Warming, in consideration of the Company's CO_2 emission factor as published by the government of Japan.
** For details on the certification data, please visit our website at (http://www.kepco.co.jp/kankyou/ecoleaf.html) or the website for the Japan Environmental Management Association for Industry (http://www.jemai.or.jp/english/ecoleaf).

Contributing as a member of society

Kansai Electric Power is deeply involved with local communities through our electricity business, and our desire is to serve these communities, to gain their trust, and to develop hand in hand. To make this desire a reality, we are proceeding with a diverse range of activities, such as holding events and participating in community activities.

Activities that meet local needs at each business location

Interacting with local people through various events

We proactively participate in local community events and hold our own events at each base of operation with the aim of working together with local communities. Some of our activities in FY 2008 are described below.

The Himeji Sales Office has been holding the Kanden Cup Seiban Ladies' Volleyball Tournament since 1992, to promote community-based interaction and sports.

Volunteers from the Hanshin Sales Office participate in the running of a Christmas party held by a local welfare facility.

The Wakayama Operation and Maintenance Office opens to the public every year for a summer festival. Stalls and entertainment are offered for local people to enjoy.

The Nara Branch Office set up a booth at the Ten-no-kawa Maple Leaf Festival held in the village of Tenkawa, selling special local produce from the Wakasa region.

The Mihama Power Station backs up the Mihama Itsuki Hiroshi Marathon. Employees not only participated in the event as volunteer organizing staff, but also as runners.

Cleanup activities in cooperation with local communities

Each business location holds cleanup activities together with local residents to help beautify the local environment. As well as cleaning up around the site, staff work together with local governments, neighborhood associations, and other groups in wide-ranging cleanup activities covering beaches, rivers, tourist spots, and welfare facilities.

The Shiga Branch Office participates in Michi Mécénat activities to clean up and weed alongside roads, in collaboration with government bodies.

The Kurobegawa Maintenance Center washes bronze statues in Unazuki Onsen and cleans up the surrounding area.

Electrical equipment checkups at local cultural properties

In collaboration with local fire departments and other organizations, Kansai Electric Power checks electrical equipment at cultural properties such as shrines and temples. Staff check for electrical leaks and wiring faults, and advise customers on the safe use of electricity in accordance with their equipment. Equipment inspections are also offered to elderly people living alone and social welfare facilities.

Electrical equipment inspection conducted with the fire department at a local religious property (Moriguchi Sales Office)

Kanden Collabo Art 21

Kansai Electric Power holds the Kanden Collabo Art 21 exhibitions with the aim of enabling people to experience the joy of expressing themselves by creating works of art. In collaboration with the Tanpopo-no-ye Foundation, works of art are submitted every year by people with disabilities from the entire Kansai region. In 2008, we received about 1,000 powerful works. The best of these are selected for use in a traveling exhibition visiting eight locations throughout Kansai and Fukui Prefecture, after first being displayed at a public exhibition in Osaka held as part of the Disabled Person's Week.

Support for employees engaged in activities contributing to society

Systems to support employees who engage in social contribution activities

We support employees who engage of their own accord in activities such as volunteer programs that contribute to society. In addition to offering volunteer time off, a matching gift program, and other support policies, we provide information on volunteer activities through in-house publications.

Support systems and their results

Volunteer time-off program

Results (FY 2008): 105 instances totaling 256 days

This system allows employees that participate in activities that contribute to society and meet fixed conditions to take 50% to 100% of the time devoted to such activities as specially recognized time off, up to an annual limit.

Volunteer sabbatical program

Utilized by 15 employees from FY 1992 to FY 2008

This program enables employees who have worked for the company for five years or more to take up to a year off in order to participate in long-term volunteer work for a public social welfare organization. In the case of the Japan Overseas Cooperation Volunteers, however, the maximum sabbatical period is two years and six months.

Matching gift program

Results (FY 2008): 5 instances totaling ¥410,000

Under this system, the company makes contributions up to a set limit to match support provided, either by individual employees or collected through workplace fund-raising activities, to public organizations that meet fixed requirements.

Musical instruments donated to local daycare centers via the matching gift program (Ako Power Station)

Every spring, the Ako Power Station opens to the public for a day for the Sakura Matsuri (Cherry Blossom Festival), at which some 4,000 visitors can enjoy a stage show, pleasure boats, and other attractions. The station also holds a garage sale and uses the matching gift system to augment proceeds, which are used to purchase musical instruments and play equipment which are then donated to local daycare centers.

Musical instruments are donated to local daycare centers every year

Voice

Garage sale of items donated by employees

With the aim of making people in the local community happy, we donate a wide variety of items from home and hold garage sales in cooperation with the Ako Sakura no Kai volunteer group. When I visit local daycare centers every year and see the children's smiling faces, it always makes me feel glad that we did it. We intend to continue this activity in cooperation with employees and local residents.

Norihiro Kadoishi
Planning Section, Ako Power Station

Efforts for regional vitalization

Attracting businesses to Kansai

As a company rooted in the region, Kansai Electric Power seeks the vibrant growth and sustainable development of local communities. To achieve this goal, we are collaborating with local governments and business organizations in efforts to encourage new businesses to locate in the Kansai region. One concrete measure is to provide information on industrial parks and incentive systems offered by local governments to companies that are considering capital investment. We also publish the bimonthly magazine *Community Information* and the "KANSAI Guide to Investment" Web site, containing information on industrial promotion policies by local governments, available industrial sites, and industry-university collaboration projects, as well as the latest information on the attractions of Kansai.

Currently, construction of large plants for manufacturing plasma display panels and LCDs is booming in the Osaka Bay area. Capital investment in solar cells and lithium-ion batteries is also brisk, and in January 2009 a ceremony was held by Panasonic to mark the start of construction of a new lithium-ion battery plant on the site of the former Kansai Electric Power Osaka Power Station in Suminoe-ku, Osaka. We expect an even greater concentration of companies in the future.

New Panasonic Plasma Display Co., Ltd. plant (Amagasaki)

Supporting the development of Osaka through flowers and greenery, light and water

A number of projects are underway to enable the city of Osaka, located at the center of the Kansai region, to make the most of its heritage as the "city of water," filled with seasonal flowers and greenery and painted in beautiful light. To this end, a "Flower, Green, Light and Water Council" has been formed by the local government and representatives of the business sector. One project, "Osaka City of Light," is being jointly promoted by governmental and private representatives, under the direction of the "City of Light Planning & Promotion Committee." Kansai Electric Power is acting as the secretariat for this committee and related executive committees, and is responsible for planning and promoting the creation of "Osaka City of Light."

In concrete terms, the committee is encouraging the regular floodlighting of bridges—which symbolize Osaka's status as the "city of water"—and historic buildings, as well as holding light-related events to enable people to rediscover Osaka's attractions and revitalize the city and its residents. The committee is also developing initiatives to draw more visitors to the city. Currently, the local government and the business sector are working together on the production of a "Lighting Master Plan" providing guidelines on the development of lighting environments, in order to create new lighting sceneries befitting Osaka and make Osaka a world-ranking "city of light."

Osaka Hikari-Renaissance, held every December in the city's Nakanoshima area, marked its sixth anniversary and attracted 1.38 million visitors in 2008.

Promotion of diversity and creation of comfortable workplaces

The entire Kansai Electric Power Group is pursuing efforts for the realization of fair and impartial employment, and for the creation of comfortable workplaces that suit individual abilities and aptitudes, while complying with applicable laws and regulations.

Initiatives to encourage the further success of female employees

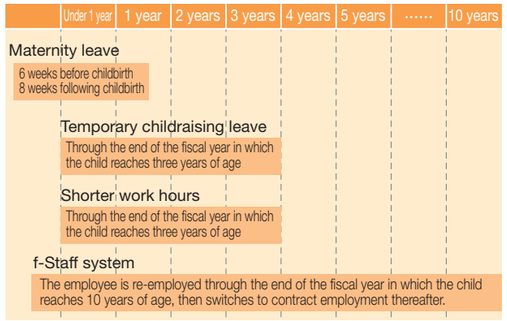
In accordance with the letter and spirit of the 1986 enactment of the Equal Employment Opportunity Law and the revisions of the same law in later years, we actively recruit women and enable personnel deployment with no distinction of gender. We are placing more women in engineering positions as part of a broader effort to widen the range of positions in which women are employed. In positions of responsibility, the Company evaluates personnel fairly and impartially, basing decisions on individual ability and appropriateness for each position, while avoiding gender-based discrimination. As a result, the number of women employed at Kansai Electric Power is steadily rising.

	Number of female employees	Number of female employees in positions of responsibility
Fiscal 2003	69	61
Fiscal 2008	116	74

Supporting the upbringing of the next generation

Kansai Electric Power provides a range of options that enable employees to balance work and home duties, such as leave and flexible work systems.

Main child-raising support systems



Leave systems and shortened work hours to support childcare and nursing

To support employees involved in childcare and nursing, we offer a leave system and system of shorter work hours.

For example, we introduced a temporary leave system for child-raising in 1991, before such provisions were mandated by law. At present, employees can utilize this system until the end of the fiscal year in which their child turns three. Though it is primarily utilized by women, the system is easy to use and well-established, with several male employees presently making use of it.

Status of use of childcare support system

Childcare leave
Women: 100% of female employees who gave birth in fiscal 2008 used this system.
Men: Since its introduction in 1991, nine men have used this system.

Shortened work hours for childcare
Women: 143 women used this system in fiscal 2008.
Men: Since fiscal 2002, 1 man has used this system.

f-Staff system

Through our f-Staff system, introduced in 2005, we have reemployed approximately 20 women who resigned their jobs with Kansai Electric Power to give birth or to raise their children. Based on their work performance, such f-Staff members may eventually be hired as full-time employees, if they so desire; three f-Staff members have been rehired as full-time employees so far. The system was further expanded in FY 2008 to include the reemployment of employees who resigned to provide nursing care to family members.

Leave systems

Kansai Electric Power offers leave systems to support employees who are raising the next generation. In addition to providing maternity leave and childcare leave as mandated by law, the Company offers its own support measures: spouse maternity leave and family support cumulative leave.

Spouse maternity leave offers five days' leave to employees whose spouses are giving birth, while family support cumulative leave permits employees to save time from their annual paid leave and divert it to spouse or family nursing care, or for visits to the hospital for infertility treatment.

General Business Proprietor Action Plan

Kansai Electric Power is working to create an environment in which employees can combine work and childcare. The Company has established a General Business Proprietor Action Plan based on the Law to Promote Measures to Support the Development of the Next Generation, and is working to achieve its targets. Currently, the company is promoting the Second Action Plan.

Second Action Plan (April 1, 2009 to March 31, 2013)

1. Deepen employees' understanding of the various systems relating to pregnancy, childbirth, and childcare.
2. Cultivate an atmosphere that makes it easy to use childcare leave and other systems.
3. Develop an environment that makes it easy for employees to communicate with the company during childcare leave.
4. Develop an environment that makes it easy for employees to return to work after taking childcare leave, and support them in doing so.
5. Contribute to the vibrant development of local communities, and support children's education and the healthy development of young people.

Promotion of employment of older people

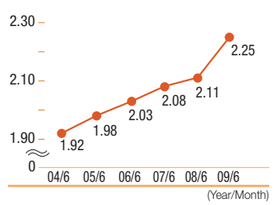
Efforts to employ the elderly at Kansai Electric Power predate the implementation of the Law for the Stabilization of Employment of Older Persons in 2006, which mandates such measures. Our reemployment system for employees retiring at the age of 60 was introduced in 1996. In 2001 we established the e-Staff system, which greatly expanded the types of work covered. In 2006, we revised our system to raise the mandatory retirement age to 65 in stages and expand further the range of positions in which older employees are placed. Today, more than half of our retirees choose to return to work after the age of 60 under the e-Staff system. It enables older employees to continue to use their knowledge and experience in their familiar workplaces.

Promotion of the employment of people with disabilities

Our efforts to employ disabled people are ongoing. For example, in 1993 we established Kanden L-Heart, a special affiliate company where we have actively employed disabled people for many years.

As of June 2009, our employment rate for disabled people was 2.25%, continuing to exceed the legally required rate. We will continue to promote the employment of people with disabilities, with the goal of increasing their independence and participation in society.

Change in the rate of employment of disabled people



Diverse working time systems

In order to support fulfilling lifestyles, we are promoting the flexible use of existing working hours and leave systems such as the Refresh Time-off and Flexible Time-off long leave systems, and have introduced the Selective Working Hours and Flextime Work Hours systems to promote efficient working practices.

Initiatives to promote the employment of mentally disabled people

At present, 102 people with disabilities are working at Kanden L-Heart. In May 2009, the Ministry of Health, Labour, and Welfare designated Kanden L-Heart as a "model business promoting the employment of mentally disabled people" with the aim of encouraging the recruitment of the mentally disabled, who are especially in need of more employment opportunities. We are currently building up expertise relating to the employment of mentally disabled people, in terms of opening up new areas of work and supporting these employees so that they can settle in the workplace and work on a long-term basis, which is information that may be of use to other companies as well.

Voice

In an understanding workplace, I can have fun even after work

After graduating from university, I was working on a farm in Australia when I developed general ataxia. I underwent psychiatric treatment after returning to Japan, but lived confined to my home for three years. After that, thanks to the support of many people, I was gradually able to start going outside, and two years ago—six years after I first became ill—I started working at Kanden L-Heart. Today, I work under the supervision of an in-house job coach. I become very tense when I have to talk to people at work, but my supervisor is supportive, asking me questions that I can answer with just a "yes" or "no." Not just my supervisor, but my coworkers in general are also very understanding, and they often invite me to go out to eat after work, so I am enjoying my life in the workplace.

Takuya Hirase
Kanden L-Heart Co., Ltd.

Appropriate management of working hours

We are endeavoring to monitor employees' working hours accurately and to comply with applicable laws by, for example, ensuring that employees working long hours receive guidance from industrial physicians. We also require employees who work overtime to receive instructions from management beforehand and to self-report their hours worked. In addition to having management check these reports, we aim to instill an awareness in all employees of the need for appropriate management of working hours.

Maintenance of stable labor and management relations

Kansai Electric Power has concluded union shop agreements with the Kansai Electric Power Labor Union, and we have built over 50 years of history of working toward the shared goal of improving company productivity accompanied by improving labor conditions. We have built good labor and management relations based on a strong relationship of trust. In order to maintain this good relationship, we will hold operation confabulations about company management plans and other topics among other efforts to promote mutual understanding and agreement between labor and management.

Main opportunities for communication between labor and management

Operation confabulations	The Company fosters an exchange of views between labor and management regarding the Company's management plans and other issues (annual basis).
Operation discussions	The Company conducts discussions between labor and management regarding reorganization and other important matters (occasional basis).

Initiatives to support employee development

Aware that our employees are the driving force behind all the business activities of the Kansai Electric Power Group and that it is their development that underlies the Group's overall growth, we are actively developing a range of initiatives to offer sustained support for the growth of each employee.

For example, from FY 2009 we have been implementing a system to increase employees' motivation to grow while increasing their morale and job satisfaction, by means of a detailed assessment of their abilities and level of contribution to corporate performance, which is reflected in their salary. We have also introduced a new in-house proficiency testing system to raise the levels of work-related knowledge and skills. We are now reviewing personnel and salary systems so that employees will have a more appropriate understanding of their level of development.

In terms of education and training, we are enhancing our training for employees who have subordinates and for other supervisory staff members, who are responsible for human resource development in the workplace. In addition, by implementing training in accordance with fields of specialization and ability levels, we are striving to create more opportunities for employees to learn and benefit with a view to their individual development.

We are also providing support for workplace events and special club activities, with the goal of enlivening the entire workplace.

A workplace event

Communicating with stakeholders

The Kansai Electric Power Group actively works to create opportunities for exchanging the views of customers and our own. We make extensive use of a variety of publicity media, including print publications and the Internet.

A multifaceted dialogue with customers

Promoting better understanding of nuclear power

Approximately half of the electricity Kansai Electric Power delivers to its customers comes from nuclear power plants in Fukui Prefecture. Nuclear power is an environmentally friendly form of energy that does not produce CO_2 emissions during power generation. Thus, nuclear power is not only indispensable for generating the electricity on which our lives depend, but is also a key element of measures to curb global warming. Kansai Electric Power is conducting extensive activities to deepen people's understanding of nuclear power.

• Observation tours of nuclear power facilities

Kansai Electric Power invites customers to visit Fukui Prefecture and participate in the observation tours of nuclear power plants and related facilities. In FY 2008, some 34,000 people took part in these tours.

Observation tour at the Nuclear Energy Training Center

* For details of observation tours, please contact your nearest sales office.

• Dialogue between energy-producing and energy-consuming regions

Kansai Electric Power is creating opportunities for people living in energy-producing and energy-consuming regions to meet and consider energy issues together. In FY 2008, an Osaka studio acted as the base for a broadband link between elementary schools in Takahama-cho and Kobe, which were used to hold an exchange class. Through the teachers' explanations, quizzes, and introductions of the schools, the participants learned about each other as well as about energy and global environmental issues.

Exchange class between elementary schools in Takahama-cho and Kobe

Teaching the younger generation

• Mobile classrooms

Our future is in the hands of the children who form the next generation. One of our most vital missions at Kansai Electric Power is to impart to the younger generation a sense of what energy is and why it is so important. Members of our staff visit local elementary and junior high schools to hold "mobile classrooms" teaching students about energy.

These mobile classrooms explain the basics of how electricity is produced and transmitted over distances, as well as how it is used and what we can do to conserve energy and protect the environment. Students learn about energy in fun ways: for example, they operate a hand-turned generator to light a light bulb, or use experimental equipment to investigate the effect of CO_2 on global warming.

"Mobile classroom" illustrating the mechanisms of global warming

Voice

Making a favorable impression and creating fans of Kansai Electric Power

As the public relations officer at a frontline workplace, my main job is to help people understand Kansai Electric Power's business activities through various opportunities, including observation tours of facilities, "mobile classrooms," and displays at local events. Whenever I come into contact with customers, I always act thinking how, in a limited timeframe, I can gain their attention and turn them into fans of Kansai Electric Power. In practice, I make it a point to try making a good first impression. I try to convey a fun image for children and impart a cordial and sincere attitude for adults. As well as emphasizing direct communication with customers, I also try to listen to them intently at all times. I am convinced that such steadfast actions in themselves can help turn people into fans of Kansai Electric Power and deepen their understanding of the Company.

Yoji Akasako
General Manager's Office,
Hokusetsu Sales Office

Communication via the Internet

Each Kansai Electric Power business location arranges visits to customers in their homes and holds round-table discussions for local experts and opinion leaders, to enable our customers and other stakeholders to understand our business activities as well as to ensure that customers' opinions and requests are reflected in our operations.

Communication with people in each community

Providing information via the Internet

In the interest of rapid and accurate disclosure, our Web site is regularly updated with details of press conferences, messages from Kansai Electric Power, and various other information. In addition, Kanden e-Patio, an Internet club with approximately 35,000 members, provides information through an e-mail magazine and its own Web site.

We have an e-mail inquiry desk at each location and are actively advancing two-way communication with all our stakeholders.

Kansai Electric Power Web site (updated regularly)

Kanden e-Patio (updated regularly)

Providing information through print publications

We are making use of media, including print publications, to broadly provide information to deepen understanding of the business activities of the Kansai Electric Power Group.

Our regular publications are *Yaku*, a report aimed at opinion leaders, which delves into timely social issues, and the public relations magazine Watt, which features reports on our business activities in addition to lifestyle information and regional topics.

Yaku
(issued quarterly)

Sharing insights from customers throughout the Group

We receive a variety of views and requests regarding our business activities in the course of our day-to-day work and when we encounter members of the local community. We are developing a wide range of feedback systems to ensure that each and every one of these valuable opinions can be reflected in our business activities. Our "Dambo-no-Koe" system, launched in 1994, conveys customer views collected by Kansai Electric Power employees to the departments concerned, where they are used to help improve business operations.

Providing information to media agencies

Information about Kansai Electric Power on television and in newspapers greatly influences customers' understanding of our business and our corporate image. We actively provide information to media agencies, which includes holding regular press conferences with the president. In addition, we respond swiftly and appropriately to requests for information and interviews, disclosing and communicating accurate information.

Press conference

Promoting communication within the Company

We promote active communication between employees and between workplaces to encourage sharing and understanding of business information, and to cultivate a sense of teamwork within the Company.

We provide time-sensitive information via our in-house portal site, ensuring that business information is conveyed effectively to all employees. Our monthly in-house newspaper *Kansai Electric Power News* includes in-depth analysis of management information, with particularly important information published as special issues or feature articles and explained in easy-to-understand terms, to ensure that employees are provided with timely, reliable information. We also administer questionnaires after issues appear and use this feedback to review the newspaper as needed to make it a useful information source for employees. In cases when the management needs to convey information such as business plans directly to employees, this is broadcast over the in-house television system.

Kansai Electric Power News (issued monthly) provides timely, reliable information.

Providing information to shareholders and investors

Kansai Electric Power endeavors to disseminate information to its investors impartially and swiftly. We use a variety of methods to provide information to our institutional investors, individual investors, public organizations, and a wide range of other investors in Japan and overseas.

Company explanatory meetings and visits to investors

We periodically hold company explanatory meetings headed by the President, and visits to investors in Japan and abroad by corporate officers. Through these meetings and feedback from the capital market, corporate managers promote active two-way communication with investors.

Disclosure through investor relations tools

We create pamphlets that we also make available as downloads from our web site to provide our shareholders and investors with an overview of Kansai Electric Power business activities, our management targets, financial data and other information.

Annual Report
Contains comprehensive information on our business management for shareholders, investors, and business partners (issued yearly)

Fact Book
Contains management targets, electricity sales, capital investment figures, and year-to-year financial data (issued yearly)

Consciousness raising and autonomous efforts in individual workplaces

Kansai Electric Power has promoted autonomous efforts to improve compliance awareness, led mainly by compliance promotion staff appointed in each workplace. In FY 2008, we also actively engaged in dialogue, training, and providing information on legal risks as well as extending training to Group companies.

Activities to establish solid compliance awareness

Visits to frontline workplaces

Kansai Electric Power's Compliance Committee Secretariat, which belongs to the Company's Legal Department, visits business locations, especially frontline engineering workplaces such as operation and maintenance offices and power plants, and engages in dialogue and training. In FY 2008, its members made visits to the consultative bodies and frontline workplaces in each business area with the aim of developing activities suited to each type of operation, making a total of 37 visits to six divisions (including the nuclear power, thermal power, and power distribution divisions).

A common positive opinion recorded in questionnaires distributed after the talks was that the content was in line with attendees' actual work, and would be useful for future operations. There were also many calls for these talks to be continued in the future. In FY 2009 the secretariat will continue to engage in dialogue and training that fit attendees' actual work, and endeavor to further improve compliance awareness in each workplace.

Discussion and training activities

In FY 2009, these discussion activities will be continued in order to further raise awareness, while increasing the autonomy of each workplace.

Voice

Developing a genuinely open workplace

As part of my workplace's efforts to foster a shared recognition of compliance risks, employees are divided into four age groups—experts, head clerks and specialists, middle-ranking staff and team leaders, and young staff—to engage in "group-based communication." This was started because sensitivity to compliance risks and the opportunity to identify them is different for each age group and type of work, enabling each group to look at the issue in terms of familiar examples. All the employees, myself included, were able to understand each other's ideas more widely and on a deeper level as a result, and we now hold the belief that we should not compromise on what must be done, we should not set up barriers between groups, and we should maintain appropriate communication regardless of differences in rank.

Recently, we have faced rapid changes in our business environment, and I believe that compliance activities do not involve legal compliance alone, but also include carrying out business in accordance with basic social assumptions, environmental considerations, and the changing times. We will continue to work to develop a genuinely open workplace, in which people learn from each other and honestly share their thoughts.

Shigeharu Masutani
Head, Kyoto Network Engineering Center
Kyoto Sales Office

Initiatives to establish autonomous activities in each workplace

Fostering a shared recognition of workplace compliance risks

Since FY 2007, Kansai Electric Power has been engaged in "discussion activities" to foster a shared recognition of workplace compliance risks. These discussions are intended to identify compliance risks latent in everyday operations and enable employees in each workplace to share their perceptions.

These activities continued in FY 2008, with discussions covering a wider field of operations in light of the outcome of the previous year's activities at each workplace. Effective initiatives were developed, enabling risk awareness to be shared.

Improving different types of promotion tools and disseminating legal information

Revision of the *Compliance Manual*

In FY 2008, Kansai Electric Power revised its *Compliance Manual* and produced the supplementary *Casebook*.

The *Compliance Manual* explains in straightforward language the minimum standard of conduct expected of all employees in the execution of their duties, from the perspectives of the law, business ethics, and internal rules. It was first produced in February 2003, and is distributed to all employees. Six years after its first appearance, it has now been revised to take account of the enactment of new laws, the revision or abolition of existing laws, and recent changes in the social situation. It has also been made easier to use and read.

The newly produced *Casebook* covers familiar work-related compliance issues in a question-and-answer format.

The *Compliance Manual* and *Casebook* have been produced to function as references for employees when they have questions during the execution of their duties, and Kansai Electric Power will use them proactively to engage in awareness-raising activities in FY 2009.

Preparation of awareness-raising tools and dissemination of information on legal risks

In FY 2008, Volume 3 of the *New Compliance Case Studies* was issued (this booklet was first published in FY 2007).

The "Column on Current Affairs in Compliance," which has continued since FY 2006, uses the Company intranet to introduce specific compliance-related incidents that are in the news, in order to raise awareness of compliance. In FY 2008 five messages were sent out, covering topics such as "dealing with antisocial forces."

In December 2008, as one aspect of sharing information on legal issues of increasing social concern, employees were again warned to watch out for "falsified subcontracting," with each division carrying out self-administered checks.

Kansai Electric Power will continue to engage in such support activities in line with social trends in FY 2009, taking every opportunity to impart awareness of legal issues, while carrying out its business operations in a proper manner.

In FY 2008, the *Compliance Manual* (left) was revised, and a supplementary *Casebook* (center) and *New Compliance Case Studies Vol. 3* (right) were produced.

Compliance with the Anti-Monopoly Law

Kansai Electric Power has engaged in a range of activities to raise awareness of the Anti-Monopoly Law, including the production of an *Anti-Monopoly Law Observance Manual* (first published 1996, revised June 2006). In addition to the preparation of such manuals, we hold yearly Anti-Monopoly Law training sessions at our head office and branches in order to deepen understanding of this topic among our employees.

We will continue to hold these training sessions and engage in rigorous business management, with the aim of instilling in our employees a correct understanding of the spirit and letter of the Anti-Monopoly Law that will be reflected in their work.

Support activities for Group companies

Visiting compliance training for Group companies

In FY 2008, Kansai Electric Power started actively providing "visiting compliance training" to Group member companies, holding a total of 29 training sessions at 15 companies.

The talks were mainly given to employees at the section manager level, who play a supervisory role in compliance promotion activities at each company. Training sessions incorporated matters of concern to each company, with case study discussions and other content that fits each company's particular circumstances.

Visiting compliance training will be continued in FY 2009, helping raise compliance awareness in Group companies through content tailored to their needs.

Compliance (case study) training at a Group company

Keeping everyone concerned informed about handling of compliance consultations

The Kansai Electric Power Group has established Compliance Consultation Desks in all Group companies, and Kansai Electric Power has made its own Compliance Consultation Desks inside and outside the Company available to the Group as a whole. This means that employees of the Kansai Electric Power Group can ask for advice not only from the consultation desk in their own company, but also from Kansai Electric Power's. Compliance consultations about Group companies addressed to the Kansai Electric Power consultation desk are investigated and dealt with in collaboration with the Compliance Consultation Secretariat at the company concerned.

To ensure the effective functioning of these Compliance Consultation Desks and support activities related to investigating and responding to consultations at Group companies, in July 2008 a lawyer working at the external Compliance Consultation Desk was invited to give a talk to the managers of Group companies on points of concern regarding the handling of consultations.

Kansai Electric Power will continue its active support for compliance activities by Group companies in FY 2009 by disseminating useful information and other means.

Information Security and Protection of Personal Information

Kansai Electric Power regards the strict enforcement of appropriate information management as a priority issue, and has already put into place a range of appropriate measures. The Act on the Protection of Personal Information came into force in April 2005, and we have continued to respond to customers' higher requirements.

Information security management

In October 2002, in line with the increasing use of IT both inside and outside the Company, Kansai Electric Power established an Information Security Committee chaired by the General Manager of the Management Innovation and IT Headquarters, and has worked to ensure the strict enforcement of appropriate information security management.

To advance effective, efficient security control measures, the committee deliberates on the formulation of annual plans and on midterm progress made, from the following four perspectives.

Deliberation perspectives of the Information Security Committee

1. Organizational measures
2. Personnel measures such as education and training
3. Physical measures such as document management and access control for offices
4. Technical measures such as improving computer systems

Practical measures implemented

1 Organizational measures

- Appointment of the General Manager of the Management Innovation and IT Headquarters as Chief Privacy Officer (CPO).
- Formulation of Information Management Regulations, and production of the *Information Security Rulebook* explaining these regulations in straightforward terms for all employees
- Self-checking by Information Security Managers regarding the daily handling of information, including the safe-locking of confidential documents and their appropriate disposal.
- Establishment of the Information Security Help Desk for all Group companies.

2 Personnel measures

- Enforcement of rules by means of intensive training for new employees, managerial staff, and other groups.
- Education program on information security for all employees at least once a year.
- Workplace discussions using case studies, etc.

3 Physical measures

- IC cards (employee identity cards, etc.) to control access to offices, zoning of offices by partitions, strict management of confidential documents by means such as additional allocation of shredders and locked furnishings.

4 Technical measures

- IC cards (employee identification cards, etc.) for authorization of computer users.
- Checking by immediate managers to prevent fraudulent use of customer information systems.
- Data-file security system that automatically encrypts data files taken out of the company.
- Use of system logs to prevent fraudulent manipulation by IT staff.

Enhancement of information security by IC cards (employee identification cards, etc.)

Individual authorization for logging in to the in-house network

Unlocking with keycards and monitoring of entrance and exit history

Provision of locked furnishings

Rigorous management of important documents and external memory media

Protection of personal information

In March 2005, Kansai Electric Power anticipated the full-scale enforcement of the Act on the Protection of Personal Information (on April 1 of that year) by formulating its own Personal Information Protection Regulations and other in-house rules. These regulations set out matters such as stipulations on the purpose of use of personal information and handling procedure regarding customer requests for the disclosure of such information. After the act came into effect, Kansai Electric Power made sure that awareness spread throughout the Company by such means as in-house training for all employees and manuals on handling personal information.

These in-house rules are being reinforced to monitor our contractors, in order to take account of the revised guidelines issued in March 2008 by the Ministry of Economy, Trade and Industry.

Strengthening Group governance

In December 2004, the Information Security Guidelines for the Kansai Electric Power Group were formulated to ensure information security compliance and appropriate handling of personal information across the entire Group.

These guidelines were revised in January 2007 to further improve the level of security, and all Group companies are engaged in security management on an autonomous basis.

Kansai Electric Power has also set up an Information Security Help Desk to continually support Group companies' own initiatives by advising on individual inquiries and providing a range of information.

Preventing leaks of business information

Kansai Electric Power is taking strict measures with respect to employees and contractors to prevent a recurrence of the incident in FY 2005, when business information was leaked via the Winny peer-to-peer file-sharing service. The Company will continue to make all employees aware that information leaks cause a great deal of unease in society, and to strictly enforce compliance measures to prevent information from being leaked.

We are also ensuring rigorous information management on the part of our contractors at the time of signing contracts and in other situations.

Main measures to prevent recurrence of business information leaks

1. Re-emphasize to all employees of Kansai Electric Power and the Group companies that the use of business information on private computers is forbidden.
2. Ensure that Winny and other file-sharing software is not used.
3. Perform regular checks to ensure that no business information is held on private computers.
4. Upgrade the data-file security system to assign passwords as a rule to all files taken outside the Company.
5. Ensure strict management of information by contractors, and check the status of management of Kansai Electric Power business information.

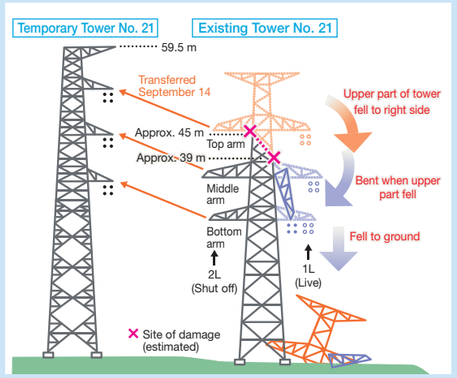
Report on the Cause of the Accident on the Mihama Line Tower No. 21 and Measures to Prevent Reoccurrence

Description of the accident

On September 15, 2008, when Mihama Line Tower No. 21 was undergoing reconstruction (conductors on a single side), the existing tower broke at around 45 m above ground and four workmen from a partner company who were on the tower at the time fell to the ground. Two of the men were killed, and the other two injured.

* Transferring the conductors to a temporary tower in order to reconstruct the existing tower.

Diagram of the accident



Cause of the accident

As an investigation after the accident, we checked patrol and inspection records and conducted an investigation of the cause of the accident from the perspective of component repair, materials performance, tower design, and implementation of construction work. As a result, we conjectured that the design of the tower was the cause. Construction design work was carried out in accordance with in-house regulations, but it was assumed that the existing tower was sufficiently strong, and strength calculations were not performed.

During the review of construction work design, debate focused on the design of the new tower, and there was no discussion of the strength of the existing tower. Therefore, the contractor was unaware that some of the components of the tower with conductors on a single side were of insufficient strength, and the measures required to deal with this were not taken. The investigation conjectured that this led to the damage to the tower.

Background factors that contributed to the accident

● Why were strength calculations not performed?

There had been no cases of tower damage during the same type of construction work in the past, and few in which components needed to be strengthened, so no one realized the extent of the risk. For this reason, in-house regulations on design did not indicate the need for strength calculations during construction work in a single-sided overhead line state, a background factor that contributed to the accident.

● Why was this not reviewed during the construction work design review?

In-house regulations on construction work design review do not include detailed stipulations of matters for review. This was a background factor that contributed to the accident.

● Why weren't these matters dealt with?

Large-scale construction work has been declining in recent years, with fewer experienced engineers in the workplace and less opportunities for designers to obtain advice on a daily basis. This was a background factor that contributed to the accident.

Measures to prevent a reoccurrence

Kansai Electric Power has formulated a concrete action plan consisting of five main measures to prevent reoccurrence, and is putting this into practice while working to spread it across different divisions. The entire Company will work as one to implement these measures steadily and continuously, accumulating a solid safety record and building up a firm culture of safety.

1. In-house regulations have been revised to require that tower strength during construction work must always be calculated.

In-house regulations on construction work design now stipulate that strength calculations must be performed if there is any effect on the strength of supporting structures. Additionally, the regulations now clearly state that the circumstances under which the strength of supporting members is affected when single-sided overhead lines are used and during conductor replacement.

2. Operational methods for construction work design review have been reviewed, and in-house regulations have been revised.

In-house regulations on construction work design now clearly state that one purpose of construction work design review is to "evaluate and confirm the safety of its design and implementation." The checklist now includes increasingly detailed items to ensure that new, existing, and temporary towers are thoroughly examined, and the implementation period for the review and authorization of tower design has been changed so it takes place before tower designs are ordered.

A special staff member responsible for construction work design (design management officer) has been appointed within the Power System Engineering Center Overhead Transmission Line Group, to provide guidance and advice for the construction work design review by using his high-level specialist knowledge.

3. Risks latent in construction work will be re-identified and evaluated, and continuous improvement activities implemented.

Kansai Electric Power and its partner companies are re-identifying latent risks throughout all construction work, and are collaborating to investigate measures to deal with them.

The design management officer will also analyze and evaluate the risks associated with the designs for Kansai Electric Power's overhead transmission line construction work, and measures will be put in place if required. The officer will also summarize problems occurring during the implementation of construction work, measures taken, and their outcomes, and evaluate the status of improvements.

4. Communications between Kansai Electric Power and partner companies concerning latent risks will be improved.

Meetings between Kansai Electric Power and partner companies to discuss or review construction work will be utilized to improve two-way communications, with latent risks identified from a variety of perspectives, including the working environment and implementation methods, and activities carried out to reduce such risks.

Yearly conferences will be held to enable communication, reach a shared understanding of the risks involved in all aspects of construction work, and discuss measures to deal with them.

5. Technical skills for transmission line construction work designers will be further improved.

Kansai Electric Power will concentrate and share case studies of near misses and the specialized knowledge of experienced technicians. The Company will also review and improve its curriculum for in-house education.

In addition, the design management officer will instruct, advise, and train construction work designers during the everyday tasks of construction work design.

Web For information on our submission of an Electric Accident Report concerning the Mihama Line Tower No. 21 accident
http://www.kepco.co.jp/pressre/2008/1217-1j.html

This report is also available on the Internet (http://www.kepco.co.jp/english).
Please direct your opinions and questions about this report to the CSR Promotion Group.

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