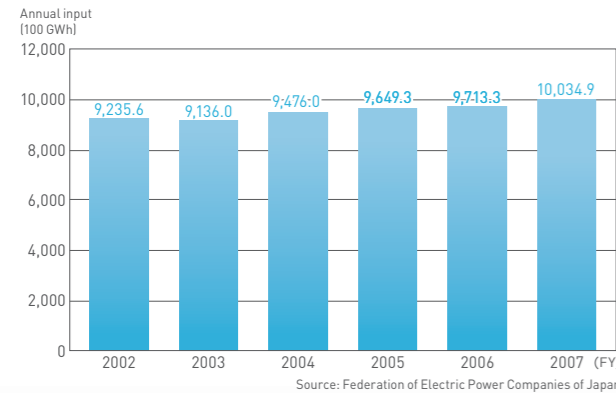


Drawing on different sources to meet the growing demand for electricity.

As energy demand grows, energy security becomes even more vital.

In FY 2007, for the fourth year in a row, Japan set record highs in gross system input. This trend is expected to continue. Since Japan produces only 4% of the energy it needs and relies on imports for the rest, securing stable energy resources is an issue of vital national importance.

● Gross system input in Japan

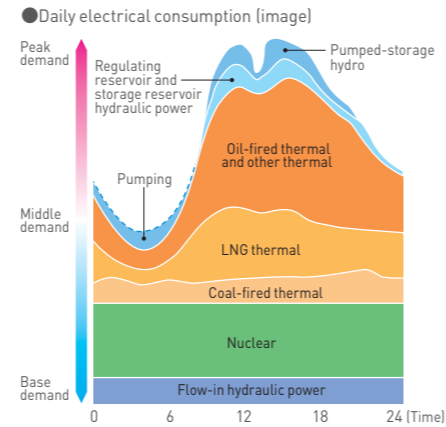


We have devised an "optimal generation mix" that draws on a variety of sources.

Kansai EP aims to secure energy resources that will remain stable regardless of political and economic conditions, whether domestic or international. We have worked to draw on a variety of resources, so we don't depend excessively on any particular one. Our goal is to find a combination that's optimal not only in regard to energy security,

but from a comprehensive viewpoint that includes environmental impact and economic efficiency.

We call this balance of resources the "optimal generation mix." For Kansai EP, the optimal mix is to use nuclear power as the core energy source and supply it with other sources, such as thermal power, to meet demand during peak periods.



A Kansai EP LNG project aims to secure stable, long-term fuel supply.

Demand for energy in developing countries such as China and India is growing fast – and with it, demand for energy resources is booming worldwide. One key resource is LNG, or liquefied natural gas. LNG is used as the main fuel for generating thermal power due to its advantages in supply stability and low environmental impact. To secure a stable, long-term supply of LNG, Kansai EP is taking part in the Pluto LNG Project, located offshore Karratha in Western Australia. The company has also purchased a tanker, the LNG EBISU, for transport. This project, plus a vertically integrated system that extends from gas development to receiving facilities, is helping Kansai EP stay ahead of Japan's rising energy demands.

Providing reliable power begins with procuring stable resources.

Uranium mines are developed to procure fuel for nuclear power generation.

Fuel condensed from natural uranium is used in nuclear power plants to generate electricity. Because Japan does not have its own uranium, it is vital to secure a stable source from overseas. This has led Kansai EP to take part in uranium mine development projects in the Republic of Kazakhstan, which holds the world's second largest uranium reserves.



● Pluto construction site (Pluto LNG Project)



● West Mynkuduk uranium mines (Kazakhstan)



● Press conference about uranium mine development projects



■ The LNG EBISU, Kansai EP's first tanker