

The Kansai Electric Group's Management Vision

- Aiming to Become No. 1 in Customer Satisfaction -

March 2004

I. Preface

At the Kansai Electric Group, we have been carrying out our corporate activities in order to fulfill our corporate mission of providing the best possible service to our customers by providing them with a steady supply of electricity. We have been involved in this business for more than half a century since our establishment in 1951. The path that we have followed during this period has not always been easy. We have walked on this difficult road in close cooperation with our customers, local citizens, shareholders, investors and employees, surmounting the difficulties that we encountered along the way, including the seriously tight supply-demand situation we initially faced with, the two oil crises and the Great Hanshin-Awaji Earthquake.

At the start of the new century, we are facing a drastically changing business climate. A competition-based power market is emerging in the Japanese electric power industry as the liberalization of the electricity market advances. However, the Kansai Electric Group is expanding its activities as we view the process of deregulation and technological innovation as a time of great opportunities

No matter how the business environment and the electric power industry have changed, our group's mission never changes. By adhering to our customer-first principle, we will always provide the best possible service to our customers. In order to achieve this mission, we will continue to carry out reforms designed to enhance our corporate performance. In other words, *the Kansai Electric Group will continue to change in order to accomplish its unchanging mission.*

This management vision has been developed in order to ensure that as we enter the new era of competition, or the second period since our inauguration, we reaffirm our commitment to performing our unchanging mission, defining new directions for the group in the 21st century, and carrying out effective strategies to realize this vision. In this process, we intend to take the customer-first principle to new heights and to revolutionize ourselves throughout all our activities.

II. The Business Climate -- Five Trends

To define the direction for our group, we have identified the following five trends in anticipation of the 2020 business climate.

1. The Emergence of a Mature Society and Expanding Consumer Needs
 - A mature society in which people pursue qualitative affluence will take shape.
 - Against the background of diversifying value systems and an aging society, consumer needs will become increasingly sophisticated and greatly expanded, while the value of “security” in terms of individual’s livelihoods will increase.
 - As a lifestyle- and culturally-advanced region, the Kansai area will take the lead in these movements.
2. A Changing Energy Market
 - Slowing economic growth and a declining birthrate will lead to modest increases in energy demand.
 - Competition will become the norm, and entrance into cooperative markets that challenge the traditional market frameworks will accelerate.
3. The Emergence of a Recycling-Oriented Society
 - Increased importance will be attached to a concern for the environment in terms of consumer behavior and corporate activities, and the shift to a sustainable recycling-oriented society will accelerate.
 - Nuclear power will acquire greater importance as a clean energy source, and the potential of hydrogen and other next-generation energy sources will grow.
4. The Advent of a Ubiquitous Network Society
 - A ubiquitous network society will emerge that will offer everyone access to high-speed information and communication networks anywhere and anytime.
 - High value-added services that combine energy with information technology will be extensively used and expanded.
5. Growing Expectations for Business Enterprises’ Roles in Society
 - There will be growing expectations for the social roles that business enterprises must assume. These roles go beyond the traditional economic roles.
 - The importance of business enterprises to fulfill their responsibilities to comply with rules and regulations and ensure the transparency of their activities as members of society will be increasingly highlighted.

III. The Corporate Goal to which We Aspire

In order to perform our unchanging mission amid an ever-evolving business climate, we have defined the corporate image to which we aspire.

Corporate Goal

With the energy supply as our core business, we will aspire to become No. 1 in customer satisfaction in this area that forms the basis of our customers' daily lives.

Each employee will act so as to embody this corporate image in accordance with the following action guidance.

Action Guidance

I will do my best to keep our customers satisfied.

IV. Working to Embody Our Ideal Corporate Goal

We deliver the best possible services that provide customers great satisfaction.

The Kansai Electric Group, as a solution service provider closely connected with our customers' livelihoods, delivers the best possible services in order to achieve unsurpassed levels of customer satisfaction. We not only supply energy and IT services, but also deliver livelihood-related services, including informing customers about how to properly use and maintain electrical appliances. By strengthening ties with our customers, we also provide group-wide solution services that are appropriate for individual customers' homes. Our aim is to be selected by as many customers as possible by providing high-quality group-wide solution services at affordable prices.

For residential customers:

- We provide a wide variety of services that support our customers' livelihoods and thereby provide the sense of confidence and security that each customer seeks.
- We offer living-related services that help our customers improve the quality of their lifestyles. These services include advising customers on the creation of comfortable and bountiful lifestyles that are appropriate for the changes they experience as they pass through various stages of life.
- We provide services that combine energy with information technology and help customers in terms of both their hardware and software needs.

For commercial customers:

- In mainly supplying energy, we provide commercial customers with advice on optimum energy-efficient equipment, maintenance and IT services. Thus we provide utilities in order to support customers' entire business activities.
- In anticipation of changes in the business climate and technological progress, we provide customers with optimum solution services.

We fulfill our corporate social responsibility.

The trust that members of society place in us forms the basis for our existence as a corporate group. In order to consolidate this trust, we at the Kansai Electric Group fulfill our corporate social responsibilities by carrying out our corporate activities based on the following principles:

- The Safe and steady delivery of products and services
- A progressive approach toward environmental issues
- A vital contribution to the development of local communities
- A Respect for human rights and the creation of an excellent working environment
- Transparent and open activities
- The Enforcement of strict compliance with rules and regulations

We call upon each employee's expertise to deliver customer satisfaction.

Each Kansai Electric Group employee plays an important role in ensuring customer satisfaction by regarding customers' needs as their own and by providing professional services in a flexible and prompt manner in order to meet the continually changing customer needs. Our employees make constant efforts to exceed their targets and to improve their performances.

The Kansai Electric Group regards each employee as an irreplaceable asset. Based on the concepts of "energetic employees," "interesting work," "powerful front-line workers," and "a harmonious integrated working environment," we respond to employees' concerns and strive to create an organization and a working climate that allows employees to bring their expertise into full play.

We work toward the growth of our group by securing anticipated profits.

As a result of the above activities and in order to carry out these activities on a sustainable basis, we work to secure anticipated profits, improve our corporate value and achieve the growth of our group.