

In the area of new energy sources, we take account both of the need to preserve the environment and of the geographical characteristics of Okinawa Prefecture (an island chain with a subtropical climate), and have been developing technologies for the utilization of solar power and wind power, and for the creation of power storage systems using batteries, as well as conducting research into “multi-hybrid” power generation systems. During the term under review, we succeeded in developing a control system to stabilize power output from wind-powered generation facilities, which are subject to extreme fluctuations in wind strength, and the practical realization of this system is now within sight. In addition, OEPC’s hybrid wind-powered generation system for remote islands, which efficiently combines wind power with a diesel-powered generator, received an award in recognition of its embodiment of the ideals of new energy development for the 21st century.

Building on the successes described above, we are promoting the systematic introduction of power generation systems adapted to the varying scales of power demand on the Main Island and on the remote islands throughout the prefecture, and we will continue our efforts to reduce the construction costs of these systems.

### Promoting Internationalization

In addition to its vigorous exchange activities with overseas power companies in Taiwan, South Korea, Hawaii and elsewhere, OEPC also takes a multifaceted approach to the promotion of internationalization, including increasing procurement of parts and equipment abroad to pull down costs, sending representatives to international conferences on energy matters and conducting overseas observation tours.

During the term under review, we put particular effort into helping ensure the success of the Okinawa G8 Summit. In preparation for this event, we dispatched a team to Cologne, Germany in June 1999 to study the G8 Summit held there. The team investigated various aspects of the summit, including the preparations made to receive the visiting delegations. With more specific reference to our business line of power supply, the president of OEPC attended the 5th “summit” of heads of power companies from Japan, the United States, and Europe, held in April 1999, where he engaged in a lively and fruitful exchange of views regarding such global trends as the liberalization of the electric



power market and measures that could be taken by power companies to adapt themselves to the new circumstances.

We sent study groups to US power companies to examine at first hand the ways in which they are making use of technological innovations, as well as the development of state-of-the-art, inexpensive, environmentally-friendly small-scale power generation equipment using micro gas turbines.

OEPC is also active in the promotion of friendly relations with other countries. In April 1999, we received a group of visitors from a Taiwanese power company, who were given a guided tour of our facilities and later exchanged technical information with our staff. In August of the same year, OEPC’s baseball team played its second friendly match against the Taiwanese team, which helped to strengthen the friendly relations between the two companies. To further cement friendly relations between Okinawa Prefecture and South Korea, three prefectural groups that had previously promoted international exchange separately with that country were amalgamated into one “Okinawa Prefecture Japan-Korea Friendship Society,” and Chairman Masaharu Minei of OEPC was elected as the new organization’s first chairman.

### Reinforcing Overall Group Strength

Amid the current business environment of ongoing deregulation, electric power companies are being forced to take an active stance toward the creation and fostering of new businesses. To enable the Okiden group (“Okiden” is an abbreviation of the Japanese name for Okinawa Electric Power) to utilize the management resources it has accumulated — including experienced personnel, technology, facilities, and know-how — to expand business operations in a wide range of fields, the Company amended its articles of incorporation in the term under

#### Topic



#### Powerful Typhoon Inflicts Major Damage on Okinawa

In September 1999, a huge typhoon struck Miyako Island, Okinawa Main Island and other smaller islands in the vicinity with massive force, causing heavy rainfall. After 30 hours of high winds and torrential rain, approximately 110,000 households were without electricity as a result of the severing of power lines strung from poles. However, due to OEPC’s prompt action, power was quickly restored to all affected households.

#### Topic



#### Ceremony Held to Mark Start of Construction of Kin Thermal Power Station

Preparation of the site for construction of the Kin Thermal Power Station commenced in December 1997, and in May 1999 a ceremony was held to mark the start of construction of the main building. At present, the smokestacks of the main building have been completed and the drum boilers installed, and work is proceeding on course, with the start of operation of the No.1 generator scheduled for February 2002.