

review to allow the start-up of a system for nurturing venture businesses with the aim of incorporating them into the group at a later date. By these means, we aim to strengthen earnings at the group level.

We are focusing our business diversification efforts especially on the rapidly expanding field of telecommunications, including multimedia communications, and are working to build up new businesses in these areas in the conviction that they will serve as tools both to strengthen our relationships with our customers in the coming age of deregulated electric power, and to open up and exploit whole new business avenues.

At the moment, three companies within the group are involved in the telecommunications business — Okiden Joho Service, Astel Okinawa, and Okinawa Telecommunication Network. From here onward, we plan to further strengthen the cooperative relationship between OEPC and these three companies with the goal of expanding the scale of their business.

We see the reinforcing of cooperation among group member companies as an issue of urgency also from the viewpoint of strengthening management at the consolidated group level, and we will be actively working to improve the earning power of the whole Okiden group.

Contribution to Regional Society

As OEPC operates solely within Okinawa Prefecture, the smooth conduct of business would be impossible without the understanding and cooperation of the prefectural population. It is for this reason that one of the most important concepts underpinning our management policies is the necessity to work together with the local community for the

good of the region. In line with this, to support the development of the prefectural economy, we extend cooperation to economic bodies such as the Center for the Revitalization of Industry in Southwestern Okinawa Prefecture (a foundation), and also take an active part in occupational training programs for local people as well as in social and cultural activities. By these means, we are working to ensure that OEPC projects a favorable, trustworthy image among the people of Okinawa Prefecture.

As part of our continuing contribution to community life, we set aside a 10-day period for activities designed to bring the public into closer contact with OEPC and foster greater understanding of our business.

During this event, which we held for the 21st time in November 1999, social gatherings were sponsored throughout the prefecture, OEPC staff engaged in public services such as free equipment inspections, sports meets were held, and many members of the public were given guided tours of our power stations and other facilities.

As part of our efforts to promote cultural activities in Okinawa, we sponsor the Okiden Sugar Hall Newcomers' Concert with the aim of discovering and helping foster promising new talents in the field of classical music. To broaden interest in science among Japanese elementary school and junior and senior high school students, as well as students at American schools, we sponsor the Exhibition of Science Works by Schoolchildren. In addition, OEPC cements its ties with the regional community by participating in festivals and other events, and through volunteer work at sports meets, notably the triathlon, which is held throughout the year.

Our Operational Base

OEPC Aims to Achieve Strong Growth in the 21st Century

Okinawa Prefecture's economy is entering a new phase as a result of the effects of the G8 Summit held in the prefecture in July 2000, on top of the various economic stimulus measures taken by both the prefectural and central governments. Okinawa is Japan's most popular resort area, but the prefecture also has good hopes of becoming a major base for the telecommunications industry under the central government's plan to make Okinawa into a "special international telecommunications zone," as well as the prefectural government's "Multimedia Island" concept.

The central government's plan to make Okinawa into a special international telecommunications zone involves placing the promotion of information technology industry at the center of economic development policy for the prefecture. Steps would be taken to lure IT companies and data centers to Okinawa with the aim of making the prefecture into an international telecommunications "hub." The fact that 40% of the undersea communications cables connecting Japan with the rest of the world first make landfall in Okinawa indicates that the prefecture already possesses the sort of infrastructure that

would give it an advantage as a telecommunications hub. The Multimedia Island concept proposed by the Okinawan prefectural government links up with the national government's plan, and is focused mainly on increasing employment in IT industry companies.

In fact, Okinawa is already enjoying success in attracting call centers, which employ large numbers of staff who need only a comparatively short period of training. Companies are especially eager to set up call centers in Okinawa as the prefecture provides subsidies covering 80% of telecommunications costs.

More and more companies are setting up facilities in the Free Trade Zone on Okinawa's Main Island, including not only call centers, but also computer game equipment manufacturers and companies in IT-related businesses. For OEPC, whose development is tied to that of the region it serves, it is essential to support the growth of IT-related industries in Okinawa. At the same time, OEPC intends to strengthen its own business ventures in the telecommunications and multimedia fields, thus making a valuable contribution to the prefecture's economic development.