

OEPC Maintains AA+ Rating for Long-Term Bonds and Commercial Paper

In its once-a-year revision of credit ratings for electric power utility companies, Rating and Investment Information, Inc. (R&I) once again awarded a rating of AA+ to debentures and commercial paper issued by OEPC. This rating reflects the agency's evaluation of the full feasibility of OEPC's plans for management efficiency improvement, which would bring the Company's management efficiency up to the same level as at Japan's other power utilities. The credit rating agency has also given OEPC high marks for improvements in the efficiency of its power supply to remote islands through the use of wind-powered generators and other small-scale power sources.

Two Companies Set Up Under "Move 2000" Venture System

Under the "Move 2000" venture promotion system, applied to all members of the OEPC Group, two new companies have been established - a consulting service for companies aiming to obtain ISO 9001 or ISO 14001 certification, and a computer network security consulting service.

Test Operation of Solar Power Systems Started at Kita-Daitojima and Yaeyama Offices

In February 2001, OEPC's offices on Kita-Daitojima and Ishigaki islands were selected for field tests of a solar power electricity generation system under the commercial-use solar power program of NEDO (the Japanese government's New Energy and Industrial Technology Development Organization). Following this, construction of the facilities was completed and tests began. NEDO subsidized approximately half the cost of construction. Tests will be carried out over four years, and the results are expected to help promote the more widespread adoption of solar power technology.



Investment in New Tourism Information Company

OEPC has taken a capital stake of 66.2% in the newly established company Pam, Co. Ltd., which provides tourist-oriented information, including a car positioning service, via rental mobile terminals. As a member of the OEPC Group, this new company is expected to realize a valuable synergy with the Group's existing telecommunications operations.

Our Operational Base

Okinawa Prefecture is renowned as the leading marine resort area in Japan, and efforts are being made to further boost the tourism and leisure industries. At the same time, however, OEPC is cooperating with the prefectural authorities in efforts to attract more telecommunications industry and inject greater levels of information technology into the region with the ultimate goal of achieving a self-sustained economy.

The government has positioned the promotion of IT as the main engine of Okinawa Prefecture's future economic development, and has put forward a proposal to turn the prefecture into a major telecommunications hub for the Asia-Pacific region, to which end it has designated Okinawa as a "special international telecommunications zone." In line with this, the prefectural



government has proposed its "Multimedia Island" concept, under which it will make efforts to attract companies in the IT field.

In order to support such IT companies in Okinawa, the prefectural government is providing assistance, on a temporary basis. This includes subsidies to pay the costs of communications and staff training, and incentives for hiring young people. It is hoped that these measures will play a valuable role in driving the development of Okinawa's economy and the expansion of its workforce.

Thanks to a system of preferential treatment and the islands' large potential workforce of young people, the prefecture is enjoying especially notable success in persuading companies to set up call centers on the main island, and many companies — both Japanese and foreign — have set up subsidiaries in Okinawa. In addition to call centers, there has also been a marked increase in the number of IT-related companies, such as website contents creators and software developers.

As described above, the OEPC Group regards the IT and tourism sectors as promising candidates for future earnings generators, and efforts in this direction will be intensified so as to help strengthen ties with customers in this age of power supply deregulation with the additional aim of growing new businesses.