

More convenience in daily life

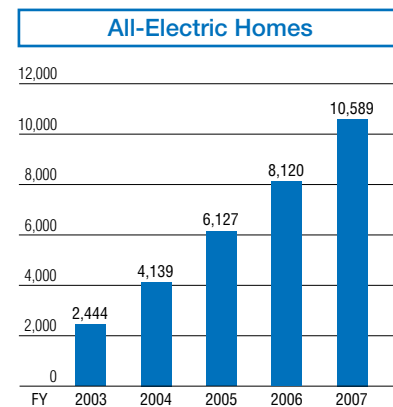
Recognizing the diverse needs of our customers, we at OEPC have developed a range of finely tailored services, including a “menu” of electric power payment methods (which has proved very popular), consulting services that offer imaginative and effective solutions to all conceivable issues, and a full and reliable product after-sales service. These are some of the ways in which OEPC is working to achieve still higher levels of customer satisfaction.



All-electric homes on the increase

Because they do not employ open flames, all-electric homes are safer, and with hour special-discount Ee Plan electricity charge payment plan, they are also very economical. A large number of customers have been extremely satisfied with our all-electric homes, thanks to their unique combination of safety and comfort, and the number of homes switching over to the all-electric plan is rising year-by-year.

OEPC uses its Kaerupia all-electric showroom as well as all-electric home demonstration vehicles to display vividly to the public the advantages of all-electric homes. We also hold various sales promotion events and marketing campaigns.



“Mother & child cooking lessons”



All-electric home demonstration vehicle



The design used from October 2006 in OEPC's all-electric home promotional campaign

Clean and safe commercial kitchens that are a real pleasure to work in

At OEPC, we are working to spread the word about the advantages of all-electric kitchens for restaurants, bakeries, and other commercial facilities. The absence of open flames makes stoves safer than those using gas or other fuels; they are cost-effective thanks to excellent heat efficiency at high power levels; and they are easier to keep clean and hygienic. These commercial kitchens conform to the principles used in the Hazard Analysis and Critical Control Points

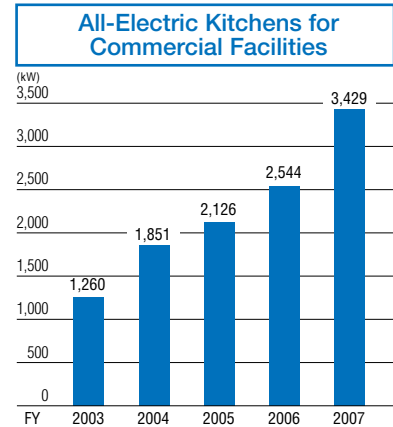
(HACCP) method, and make possible kitchens that boast what we call the “Four C’s,” i.e. they are cool, controllable, clean, and convenient. The majority of kitchens in restaurants and other commercial facilities still employ gas-fired cooking ranges. To encourage the expanded use of all-electric kitchens, we hold regular seminars on such kitchens to make their features more well-known among the potential users.



Seminar on all-electric kitchens for commercial facilities



Welfare facility with an all-electric kitchen

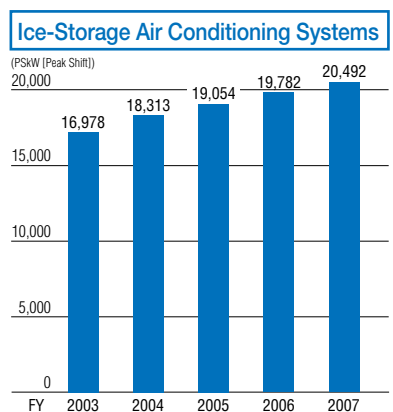
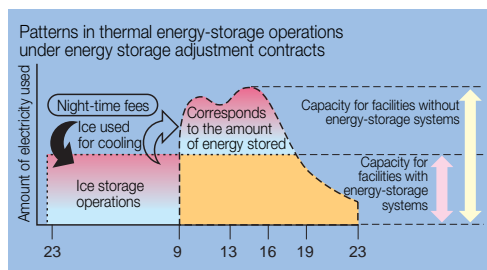


Ice-storage air conditioning systems ideal for Okinawa’s long, hot summer

Energy storage-type air conditioning systems make use of low-cost nighttime electricity to produce and store ice or cold water, which is then used as a cooling source for air conditioning during the day. The use of this system also enables the running of the heat pump (the core of an air conditioning [room cooling] system) at higher levels of efficiency, which allows conservation of energy. As there is no combustion engine, the system is safer and more easily kept clean. By signing an “energy storage adjustment contract” with OEPC, our customers are able to take advantage of reduced electricity rates.



Ice-storage air conditioning systems



Opening of Call Center

To provide a single inquiry and request point where customers can interface with the Company, as well as to reduce telephone answer waiting times, we opened a call center in May 2007. The call center now handles all telephone interactions with our customers.



Providing services that truly satisfy our customers

Responding to our customers’ desires, for instance for a safer and more comfortable daily living environment, or for reduced electricity costs, we have designed a menu of electric power service payment plans, from which each customer can choose the one that best fits his or her particular lifestyle. We also propose electric equipment and systems that have different merits and will appeal to different customers. Our lifestyle consulting staff are able to propose electricity-usage solutions that perfectly match each customer’s lifestyle. Our marketing relies for its effectiveness on our salespeople’s ability to instantly access the vast amount of expertise and experience that OEPC has built up, and we are constantly refining both our product-and-service lineup and our marketing system to maintain our undisputed position within Okinawa Prefecture as the premier supplier of electric power as well as related equipment and services.



A consulting session

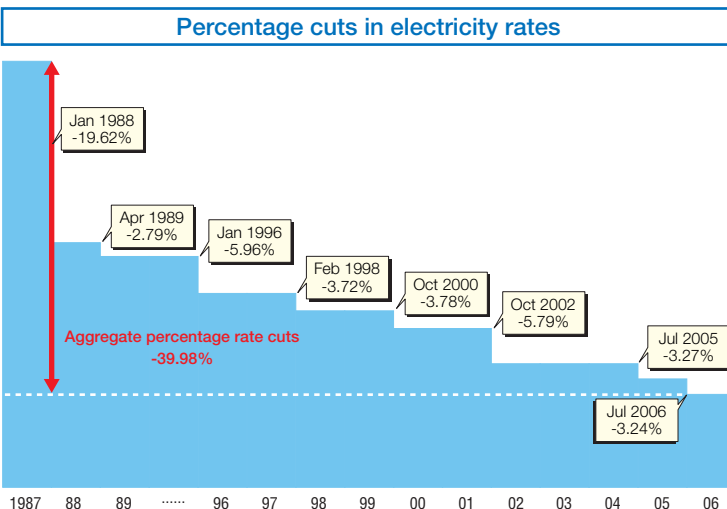
Lower electricity rates

Okinawa Electric Power Company serves customers living on a large number of small islands scattered across a wide area. Moreover, because of the distance between the islands of the prefecture and the mainland of Japan, OEPC is unable to take part in the electric power-sharing system operated among Japan's other nine electric power utilities. Finally, with a total prefectural population of only around 1.4 million, OEPC's operational scale is the smallest of the ten Japanese power utilities, and it is thus unable to enjoy much in the way of economy of scale. Clearly, the Company labors under a number of handicaps, but ever since the establishment of OEPC, we have made it one of our prime targets to supply electricity to our customers at rates comparable with those on the Japanese mainland. To this end, we have done our best to lower our power supply costs, and we hope to achieve further electricity rate reductions in the future by adopting more efficient operational processes.



Efforts to reduce electricity rates

To enable our customers to share in the profits gained through greater operational efficiency, the Company has successively implemented average rate reductions for power supply within the regulated category, the last of which was a 3.24% reduction effective July 2006. Since its privatization in 1988, OEPC has reduced its average electricity rates charge by approximately 40%. The Company will continue its efforts to raise the efficiency of its operations with the double aim of maintaining reliable electric power supply services and keeping its rates approximately at the same level as on the Japanese mainland.



The Liberalization of the Electric Power Utility Business

The deregulation of power supply within OEPC's operational region is limited, in principle, to customers contracting to receive a minimum of 2,000 kilowatts, which is supplied to them by OEPC's high-voltage (20,000 volts or higher) transmission lines. Because of the difficulties, infrastructure-wise, of supplying power to the smaller islands of the prefecture that are remote from Okinawa Island, the scope available to private power producers to take advantage of the partial deregulation of the power supply system is rather limited by comparison with the other Japanese power utility companies.

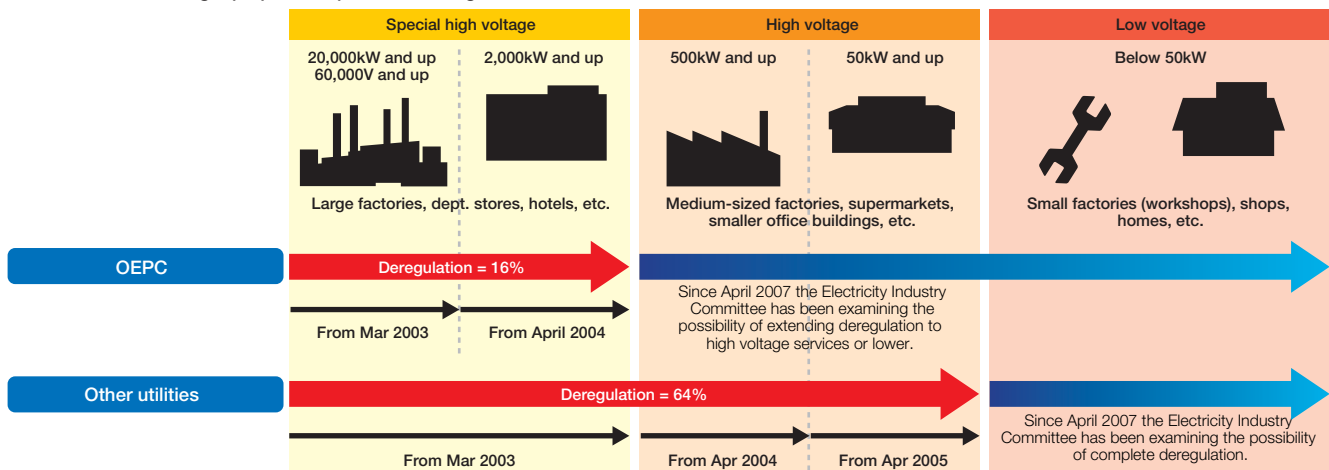
Since April of this year METI's Electricity Industry Committee has been holding discussions on expanding the scope of liberalization of power supply. In the case of the other nine utilities, the Committee will discuss full-fledged liberalization, including the supply of power to residences. In the case of OEPC, they will examine the feasibility of expanding the scope of deregulation to the supply of high-voltage power, or possibly lower-voltage power*.

* The decision on the expansion of the scope of deregulation is believed to have been postponed for the time being.



The Scope of Electric Power Supply Deregulation

OEPC is allowed a longer preparation period for deregulation than the other utilities.



* Percentage figures represent electricity sales within the scope of deregulation as a percentage of total electricity sales (year ended March 2006).