



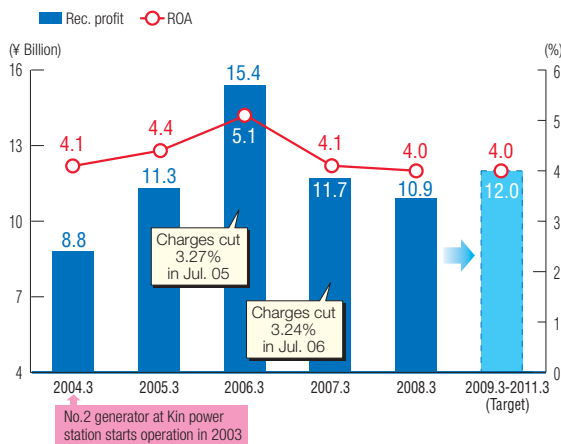
Improving operational efficiency

At OEPC, to deal with the high price of fuel, the rising cost of measures to retard global warming, and the need for working funds accompanying the full-scale start of construction of the Yoshinoura Thermal Power Station, among other factors, we have been exerting our full efforts to ensure that the Company's financial position is safe and stable.

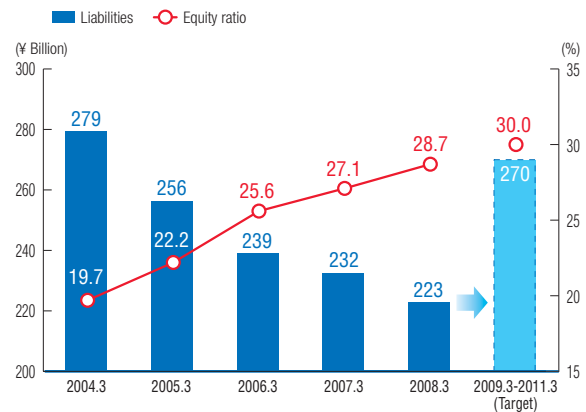
Medium-term financial targets			
		2009.3 management plan	
Recurring profit	Consolidated	Annual avg. ¥12 billion or more	2007.3-2011.3
	Non-consolidated	Annual avg. ¥11 billion or more	
ROA	Consolidated	Annual avg. 4.0% or more (operating income/total assets)	2007.3-2011.3
	Non-consolidated		
Balance of interest-bearing liabilities	Consolidated	Approx. ¥270 billion	2011.3
	Non-consolidated	Approx. ¥260 billion	
Equity ratio	Consolidated	Approx. 30%	2011.3
	Non-consolidated		

Note: The Company's targets under its 2009.3 management plan remain unchanged from the targets under the 2008.3 management plan.

Recurring profit and ROA (Consolidated basis)



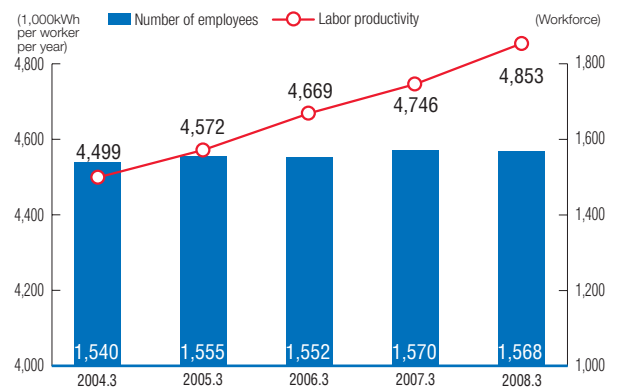
Balance of interest-bearing liabilities and equity ratio (Consolidated basis)



Raising Operational Efficiency

We are working to raise productivity by promoting rationalization for greater efficiency across the entire range of our business operations.

Labor productivity and number of employees



Note: Labor productivity = Amount of electric power sold per employee (adjusted for year-to-year temperature differences)

Curtailing capital expenditures

Investment by the Company in plant and equipment for the reporting period came to ¥17.1 billion compared with the initially planned figure of ¥33.7 billion. This is attributable to cost savings achieved thanks to a thorough review of our specifications and methods of design and installation, in addition to the postponement of planned investment in the Yoshinoura Thermal Power Plant.

However, factoring into our plans the various measures we have taken thus far to improve the efficiency of our operations, we anticipate holding down annual equipment investment over the five-year period from April 2007 to March 2012 to an average of ¥35.0 billion.

Striving for efficiency in operation and maintenance of equipment

Regarding expenses for the maintenance of equipment and facilities for the reporting period, the Company's choices were dominated by the twin aims of maintaining a stable and reliable supply of power, and further reducing costs. To these ends, considerable thought was given to employing the most rational methods of maintenance and the most efficient operational processes (exemplified by changes to the timing of spot checks). Expenses for repairs thus amounted to ¥16.0 billion. Further initiatives will be made to reduce costs while ensuring the maintenance of a stable and reliable supply.



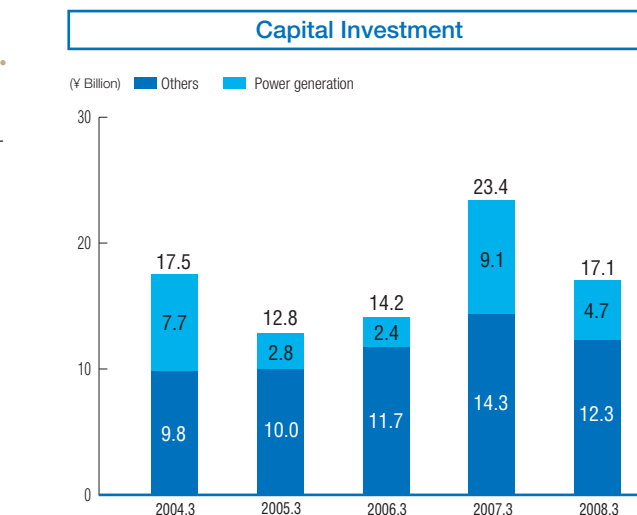
The *Shinryo-maru*, a dedicated coal carrier

Reducing Fuel Costs

In response to the recent high level of fuel costs, to ensure the stability of our fuel supply while also bringing down costs, we have been expanding our range of sources to ensure a stable supply of grade C heavy crude oil, principally by making appropriate use of purchases on the spot market. We have also been distributing our purchases of coal over a larger number of countries. Within a single supplier country, too, we have been dispersing our risks by using a plural number of ports, and we efficiently use the *Shinryo-maru* — a dedicated coal-carrier vessel — to reduce fuel transport costs.

Reducing the Cost of Supplying Power to Remote Islands

OEPC has established an autonomous in-house unit to oversee the supply of electric power to the remote islands of Okinawa Prefecture with the aim of improving the shortfall in revenues, and a number of steps have been taken to raise efficiency. Against the backdrop of unprecedentedly high fuel price levels, eliminating the shortfall in revenues from these operations has become still more difficult. We have set up a working group to examine options for fuel procurement for the remote islands operation. The Company has also come up with such ideas as laying underground pipelines from the fuel-delivery port to the generators, replacing the existing system which employs tanker trucks to transport the fuel, and switching from Class A heavy oil to the less expensive FCC-C heavy oil.



Other ideas now under investigation include the introduction of an economic load-sharing system for more profitable operations, using a system to convert waste oil into fuel, and making use of alternative energy sources. Efforts to reduce the costs of these operations will continue.