



Improving operational efficiency

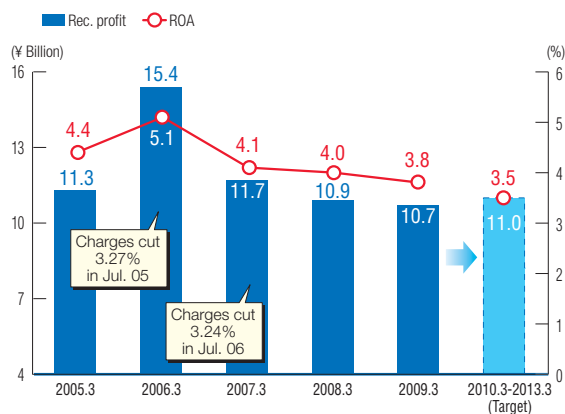
At OEPC, to deal with the high price of fuel, the rising cost of measures to retard global warming, and the need for working funds accompanying the full-scale start of construction of the Yoshinoura Thermal Power Station, among other factors, we have been exerting our full efforts to ensure that the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

Medium-term financial targets

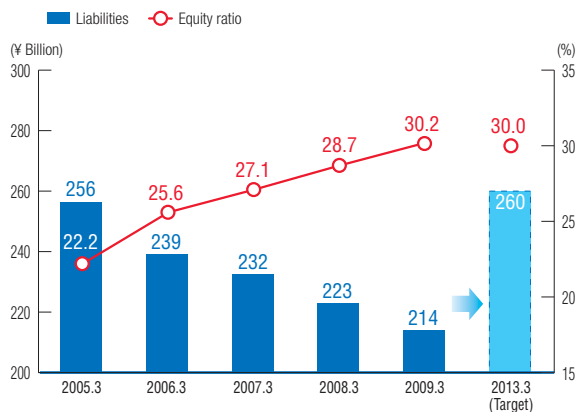
		2010.3 management plan		2009.3
Recurring profit	Consolidated	Annual avg. ¥11 billion or more	2009.3-2013.3	¥10.7 billion
	Non-consolidated	Annual avg. ¥10 billion or more		¥8.8 billion
ROA	Consolidated	Annual avg. 3.5% or more	2009.3-2013.3	3.8%
	Non-consolidated	(operating income/total assets)		3.5%
Balance of interest-bearing liabilities	Consolidated	Approx. ¥260 billion	2013.3	¥214.4 billion
	Non-consolidated	Approx. ¥250 billion		¥206.0 billion
Equity ratio	Consolidated	Approx. 30%	2013.3	30.2%
	Non-consolidated			30.7%

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)



Labor productivity and number of employees



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

Efficient capital expenditures

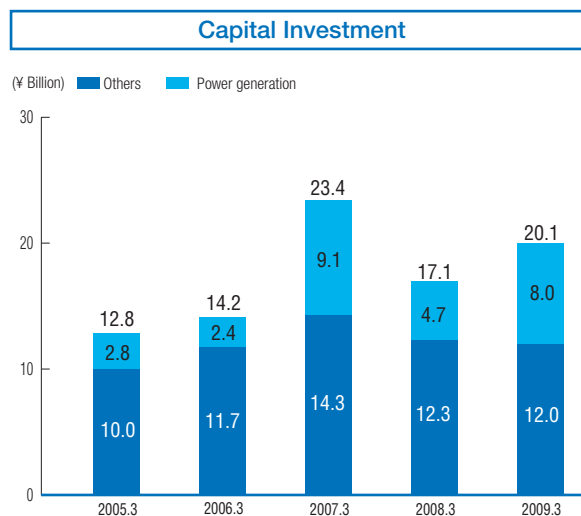
Investment by the Company in plant and equipment for FY2008 came to ¥20.1 billion compared with the initially planned figure of ¥29.3 billion. This is attributable to cost savings achieved thanks to a thorough review of our specifications and methods of design and installation, the postponement of planned investment in the Yoshinoura Thermal Power Plant, and other factors.

However, factoring into our plans the various measures we have taken thus far to improve the efficiency of our operations, we aim to keep the annual equipment investment over the five-year period from April 2008 to March 2013 down to an average of ¥37.5 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 and ordering methods). Expenses for repairs thus amounted to ¥15.0 billion. Further initiatives will be made to reduce costs while ensuring the maintenance of a stable and reliable supply.

While the cost of repairs is expected to increase due to factors such as the increase and aging of facilities, we will attempt to keep the cost of repairs down by studying the expenses for the maintenance of equipment and facilities from a long-term perspective to minimize the total cost.



The *Shinryo-maru*, a dedicated coal carrier

Stable fuel procurement and reduction of fuel costs

There has been uncertainty over the supply and demand of fuels and their price trends in the future. In response to this, we will take measures to ensure stable fuel procurement and lower fuel costs. Our specific measures include procurement from multiple sources, the increased use of subbituminous coal, and reducing transportation costs by securing long-term contracts for coal-carrier vessels.

Reducing the cost of supplying power to remote islands

With the aim of improving the revenue shortfall, OEPC has been striving to improve the efficiency of supplying power to remote islands. Specifically, the Company has reduced the personnel required by introducing remote supervisory controls, and has cut the amount of fuel combustion by introducing wind power generation, for example.

While continuing these efforts, OEPC will implement and plan new initiatives for further cost reductions, such as the introduction of Japan's first retractable wind turbine.

Streamlining business management

OEPC succeeded in improving labor productivity as a result of measures including the introduction of working style reform (measures for changing the way of working) with the efficient use of IT.

The Company will continue to make such improvements to streamline its business management and reduce various costs.