The Okinawa Electric Power Company, Incorporated (OEPC)

Annual Report 2011

THE OKINAWA ELECTRIC POWER COMPANY, INCORPORATED ANNUAL REPORT 2011

Profile

One of Japan's ten electric power utility companies, The Okinawa Electric Power Company, Inc. (OEPC) supplies power throughout Okinawa Prefecture, situated at the southwestern tip of Japan. With a population of 1.4 million, Okinawa is the only part of Japan with a subtropical climate, ensuring that it stays sunny and warm all year round. The prefecture is surrounded by emerald-green seas containing colorful coral reefs, making it one of the country's leading holiday destinations. As a comprehensive energy supplier and a key service provider for all of its customers, the OEPC Group makes every effort to effectively manage, maintain and guarantee the safety of its supply facilities, based on its core corporate mission of ensuring stable energy supplies. The Group is also dedicated to building relationships of trust with all of its stakeholders by improving customer satisfaction, contributing to the local community and ensuring environmentally friendly business activities.

Contents

Financial Highlights (Consolidated)

The Okinawa Electric Power Company, Incorporated

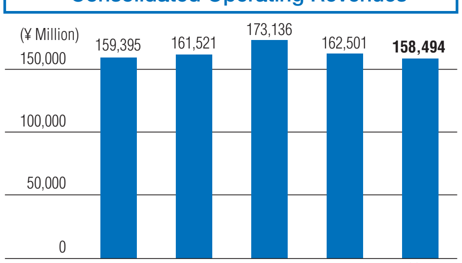
Years ended March 31, 2011 and 2010	Millions of yen 2011	Millions of yen 2010	Thousands of U.S. dollars 2011
For the year:			
Operating revenues	**¥158,494**	¥162,501	**$1,906,132**
Operating income	**14,376**	17,397	**172,893**
Net income	**8,047**	8,950	**96,780**
Per share of common stock (yen and U.S. dollars):			
Basic net income	**¥460.58**	¥512.04	**$5.54**
Cash dividends applicable to the year	**60.00**	60.00	**0.72**
At year-end:			
Total assets	**¥385,159**	¥365,299	**$4,632,104**
Total equity	**126,056**	119,651	**1,516,014**

Note: The U.S. dollar amounts represent translation of Japanese yen for convenience only at the approximate exchange rate on March 31, 2011, of ¥83.15 to $1.

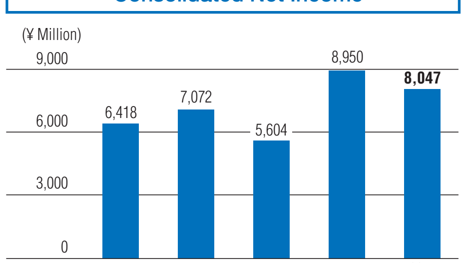
Operating Highlights (Non-Consolidated)

Years ended March 31, 2011, 2010 and 2009	2011	2010	2009
For the year:			
Electric energy sales (Millions of kWh)			
Lighting	**2,991**	2,916	2,887
Power	**4,530**	4,562	4,589
Peak load (Thousands of kW)	**1,382**	1,422	1,388
At year-end:			
Number of customers:			
Lighting	**779,240**	769,967	758,557
Power	**62,841**	63,626	64,344
Generating capacity (Thousands of kW)	**1,919**	1,924	1,925
Route length of transmission lines (km):			
Overhead	**769**	766	762
Underground	**268**	267	264

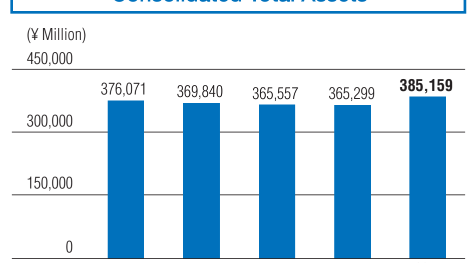
Consolidated Operating Revenues



Consolidated Net Income



Consolidated Total Assets



Message from the Management

Tsugiyoshi Toma
Chairman

Denichiro Ishimine
President

During the fiscal year under review, The Okinawa Electric Power Company, Inc. (OEPC) remained committed to achieving the goals set out in the July 2009 Group Vision, which plots a course for our business over the longer term, and the OEPC Medium- to Long-Term Business Plan.

In the core Electric Power Business, we will continue to provide services that satisfy our customers, through a rigorous commitment to investment in and installation, operation, maintenance and safety management of generating facilities that ensure a stable, high-quality power supply. This is a basic mission for us as a provider of one of the vital services for Okinawa Prefecture. Meanwhile, amid significantly increased public pressure for a low carbon society, we are getting toward the end of the final phase of construction works at the Yoshinoura Thermal Power Station, which is due to come online in fiscal 2012. We will manage this facility, the centerpiece of our global warming measures, with the utmost rigor. In further global warming measures, we use biomass fuels in combination with coal at thermal power stations, have introduced mega-solar power-generating facilities, and have deployed retractable wind turbines in remote islands. Another priority is reducing costs, not on a temporary basis but long-term, under our plan to steadily streamline operations and raise efficiency.

In business other than Electric Power, operating conditions remained challenging. We will work to improve earnings by aggressively stepping up sales activities and differentiating our services from those of other companies. We will also lay the groundwork in the gas segment for supplying gas (based on LNG) to our customers.

Our overarching goal is to evolve into an integrated energy group centered on the general energy business. We aim to create new value through business and lifestyle support services, and to help our region resurge and flourish. We are united in our determination to strengthen our operating fundamentals and establish a deeply respected brand for the group.

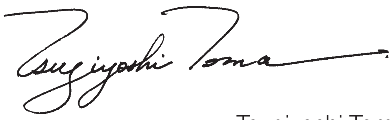
Meanwhile, the Great East Japan Earthquake that hit the north-east of the country in March 2011 caused enormous damage over a very wide area. Even here in Okinawa in the far south of Japan, we expect the social and economic impact of this disaster to make itself felt in various forms in coming years. As one of the vital services in Okinawa Prefecture, we have reaffirmed the importance of fulfilling our mission as a business of ensuring a stable supply of electric power, and are taking measures to ensure our facilities are disaster-proof. We have also begun preparing ourselves for all eventualities affecting day-to-day administration and facility management, so as to ensure a rapid resumption of operations if a disaster does occur.

Financial targets (fiscal years 2008-2012)

Our earnings targets for the period fiscal 2008 to fiscal 2012 (consolidated and non-consolidated basis) are as detailed below.

Medium-term financial targets

		Financial targets		2011.3
Ordinary income	Consolidated	2009.3-2013.3	Annual avg. ¥11 billion or more	¥11.0 billion
	Non-consolidated		Annual avg. ¥10 billion or more	¥9.2 billion
ROA	Consolidated	2009.3-2013.3	Annual avg. 3.5% or more (operating income/ total assets)	3.8%
	Non-consolidated			3.5%
Balance of interest-bearing liabilities	Consolidated	2013.3	Approx. ¥260 billion	¥208.3 billion
	Non-consolidated		Approx. ¥250 billion	¥206.7 billion
Equity ratio	Consolidated	2013.3	Approx. 30%	32.6%
	Non-consolidated			31.9%



Tsugiyoshi Toma
Chairman

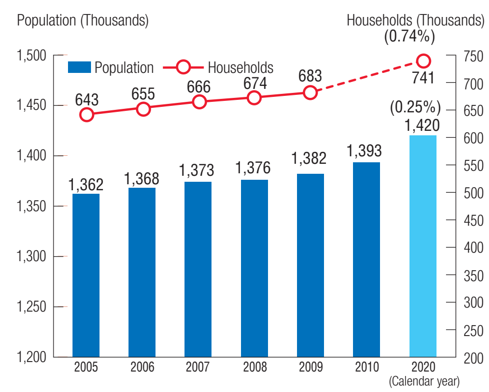
Denichiro Ishimine
President

Okinawa Today

Population Growth

The rate of population growth in Okinawa is high compared to Japan as a whole. It is estimated that the average annual growth rate over the period up until 2020 will be 0.25% in Okinawa, compared to -0.35% for the country as a whole. Whereas the national population peaked in 2004 and is now on the decline, the population of Okinawa is not expected to peak until some time between 2025 and 2030. As Okinawa's growing population will mean an increase in the number of households (accounts), residential demand for electric power is also expected to increase.

Growth in Population and Number of Households in Okinawa

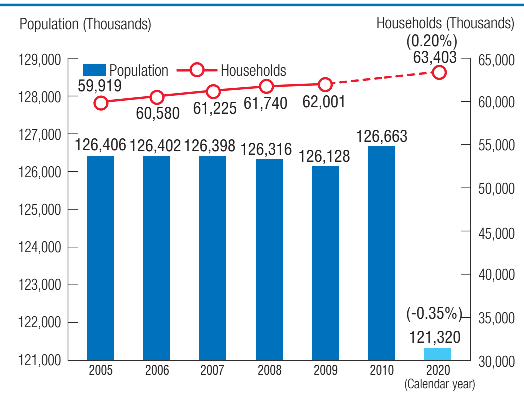


Source: Population figures between March 2005 and March 2010 are based on surveys by the Ministry of Internal Affairs and Communications

* Figures for 2005 and 2010 are from the official Population Census of Japan, while figures for fiscal 2020 are based on surveys by the Japan Electric Power Survey Committee

Note: Figures for number of households in parentheses show annual average growth between March 2008 and March 2019
Population figures in parentheses show annual average growth between March 2008 and March 2019

Growth in Population and Number of Households in Japan (Excluding Okinawa)



Source: Population figures between March 2005 and March 2010 are based on surveys by the Ministry of Internal Affairs and Communications

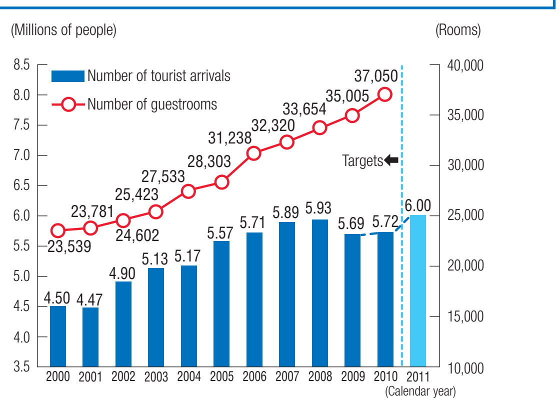
* Figures for 2005 and 2010 are from the official Population Census of Japan, while figures for fiscal 2020 are based on surveys by the Japan Electric Power Survey Committee

Note: Figures for number of households in parentheses show annual average growth between March 2008 and March 2019
Population figures in parentheses show annual average growth between March 2008 and March 2019

Number of Tourist Arrivals

The number of tourist arrivals in Okinawa in fiscal 2010 was roughly flat from the previous year, at 5.72 million. Positives were an influx of high-school teams for Okinawa sports events and other organized group visits, an increase in scheduled flights from overseas countries, charter flights and joint tourist promotion campaigns by public and private organizations, but after December 2010, airlines began cutting back on routes and cancellations soared after the Great East Japan Earthquake. The islands are targeting a total of 6 million tourist arrivals in fiscal 2011.

Tourist Arrivals and Number of Guestrooms



Source: "Okinawa Tourism Guidebook," "Outline of Measures to Revitalize the Economy of Okinawa," and the "Visit Okinawa Plan," all published by the Okinawa Prefectural Government

The OEPC Group Vision

(Drawn up in July 2009)

Despite the projected severity of the operating environment over the medium and long term, the OEPC Group aims to grow and develop hand-in-hand with the regional community through the provision of services with new added value. Each executive and employee of the Group fully understands the Group's vision, and they are committed to working together to boldly take up the challenge of achieving the Group's targets.

1. What we aim to be

The OEPC Group Vision sets out our vision for the future, pledging to "design and propose new value through services to support both corporate and individual customers" through our core business as a comprehensive energy supplier and to "become a unified business group that grows and develops hand-in-hand with the community."

2. Basic Management Stance

- Discover the customer's needs, and do our best to provide greater satisfaction
- Act as a responsible corporate citizen
- Value our staff and help them grow
- Achieve sustainable growth through efficient business operations and a far-sighted capital investment strategy

3. Our business fields

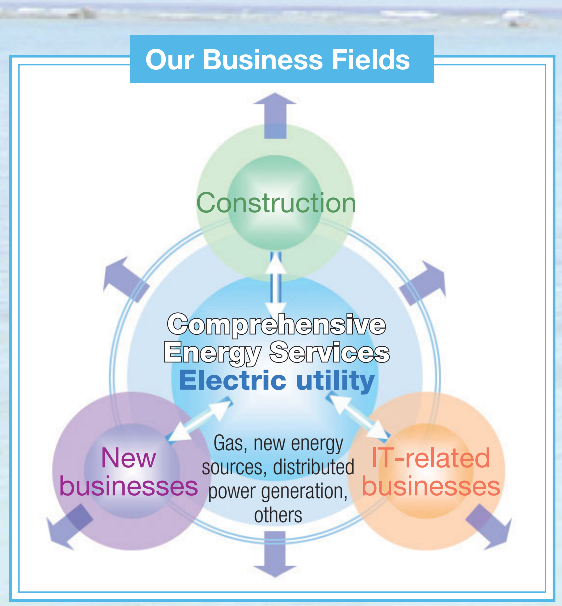
The core of the OEPC Group's business development will continue to be the provision of comprehensive energy services, centered on the supply of electric power. In addition, the Group will seek to leverage its strength as a comprehensive energy services provider and the advantages of its existing businesses — such as IT-related services, construction, and real estate operations — to steadily develop and grow new businesses, with particular focus on expanding earnings from customers outside the Group. We will seek to create an optimal business portfolio for the Group, characterized by collaboration among business units and realization of self-sustainability for each unit.

Comprehensive energy services provider

The core business field of the OEPC Group consists of the electric utilities business, the gas supply business, renewable energy services, and the distributed power generation business. The combined operation of these businesses makes OEPC a comprehensive provider of energy services. In this core business field, the OEPC Group aims to respond to the calls on it from society with respect to both economic and environmental issues through the provision of optimal energy services.

New business fields

The OEPC Group aims to efficiently leverage its strengths to develop and grow new businesses.



Construction and real estate businesses

Providing a high value-added service that precisely matches our customers' needs

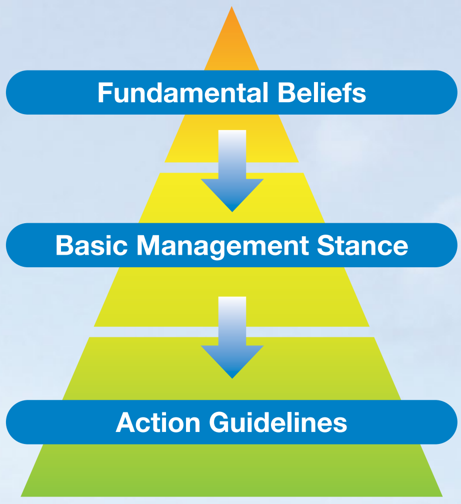
IT-related businesses

Expanding our earnings base through the provision of solutions in the information technology field

OEPC's Corporate Mission

(Drawn up in July 2009)

The corporate mission of Okinawa Electric Power Company (OEPC) is spelled out in three documents: our Fundamental Beliefs, in which we state the ways that we seek to provide value to the community as a whole; our Basic Management Stance, in which we define the fundamental goals we must aim for in order to realize our Fundamental Beliefs; and the Action Guidelines, in which we explain the ways to conduct their work that each employee of the Company is expected to follow.



1. Fundamental Beliefs

Become a major driving force behind the growth of the Okinawan economy through the supply of energy (slogan: Energise Okinawa)

At OEPC, we are motivated by a strong sense of mission and pride in the capabilities of the Company to work to support the livelihoods of our individual customers and the economy of Okinawa Prefecture as a whole. We intend to harness our passion and creativity to help build a dynamic and forward-looking community in Okinawa.

2. Basic Management Stance

- Discover the customer's needs, and do our best to provide even greater satisfaction
- Act as a responsible corporate citizen
- Value our staff and help them grow
- Achieve continued growth through efficient business operations and a far-sighted capital investment strategy

3. Action Guidelines

- Follow work procedures faithfully and swiftly
- Be proactively inventive, plan your ideas carefully, and execute them thoroughly
- Boldly take on difficult challenges
- Support one another to reach your common goals
- Always keep profitability in mind, and work daily to achieve cost reductions
- Insatiably seek and acquire knowledge and skills, and pass them on to others
- Uphold high ethical standards at all times

Ensuring a Stable Power Supply

Modern society could not exist without electricity. In addition to reliably supplying customers with electricity, OEPC strives to perform a number of public duties, chief among which are to provide the same level of service to all users, to ensure energy security and to protect the environment. In the interests of ensuring stable energy supplies in line with demand over the long term, OEPC aims to use energy sources that strike a balance between economic viability, energy security and environmental preservation. It also continues to upgrade its power generation facilities.

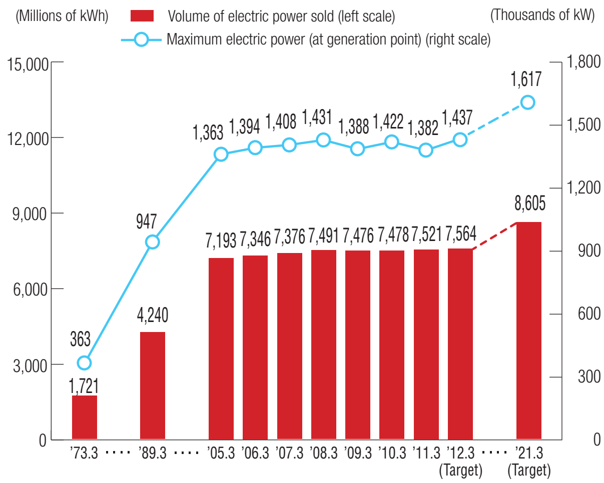
Creating electricity

Power consumption in Okinawa Prefecture

Electric power consumption in Okinawa Prefecture during fiscal 2010 totaled approximately 7.5 billion kWh, almost the same level as in the previous year. Peak load was 1,382,000 kilowatts (transmission end) or approximately 4 times the figure for 1972, our initial year of operations as OEPC. In terms of long-term electric power consumption, an increase in the number of customers — fueled by the fact that population growth in Okinawa is outpacing that of Japan as a whole — and the steady growth of the prefecture's economy are expected to push up demand by an annual average of 1.3% over the period to 2020.

Kin Thermal Power Plant control room

Maximum Electric Power and Volume of Electric Power Sold



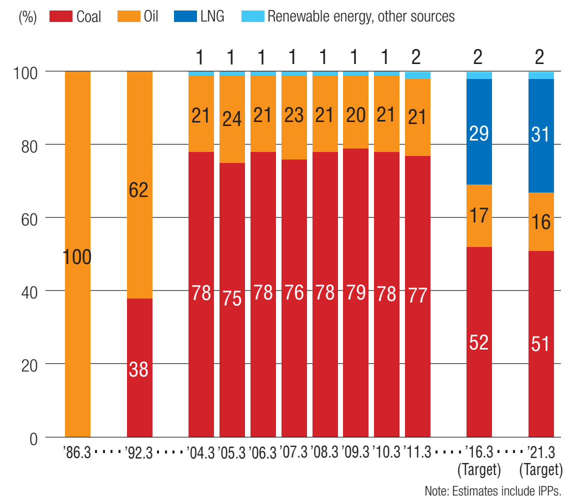
Expansion of power generation capacity

Having virtually no natural fuel resources of its own, Japan is heavily dependent on imports for the fossil fuels used to generate electric power. Ever since the oil crises of the 1970s, particularly active efforts have been made to reduce the nation's dependence on oil by diversifying fuel sources. But topographical factors and the limited scale of demand in Okinawa Prefecture mean that hydro-electric and nuclear power development is impractical at the moment, and so the Company is forced to rely principally on thermal generators, in which the fuel burned is either oil or coal. Currently, the Company has four main power generation facilities — two oil-fired and two coal-fired — which help the Company to manage the strong growth in demand for electric power in Okinawa.

Amid the growing concerns over global warming in recent years, OEPC has been committed to ensuring energy security and reducing CO_2 emissions. The Company has been focusing on the construction of the Yoshinoura thermal power plant. For fuel, the new plant will use LNG — our planned next-generation main power-generation fuel — which emits lower levels of CO_2 than other fossil fuels.

The use of this new fuel will not only help control global warming, but will also improve energy security, because the fuels used by the Company will be diversified into three types — oil, coal, and LNG.

Power Generation by Fuel Type



Note: Totals do not necessarily add up, owing to the rounding out of figures.

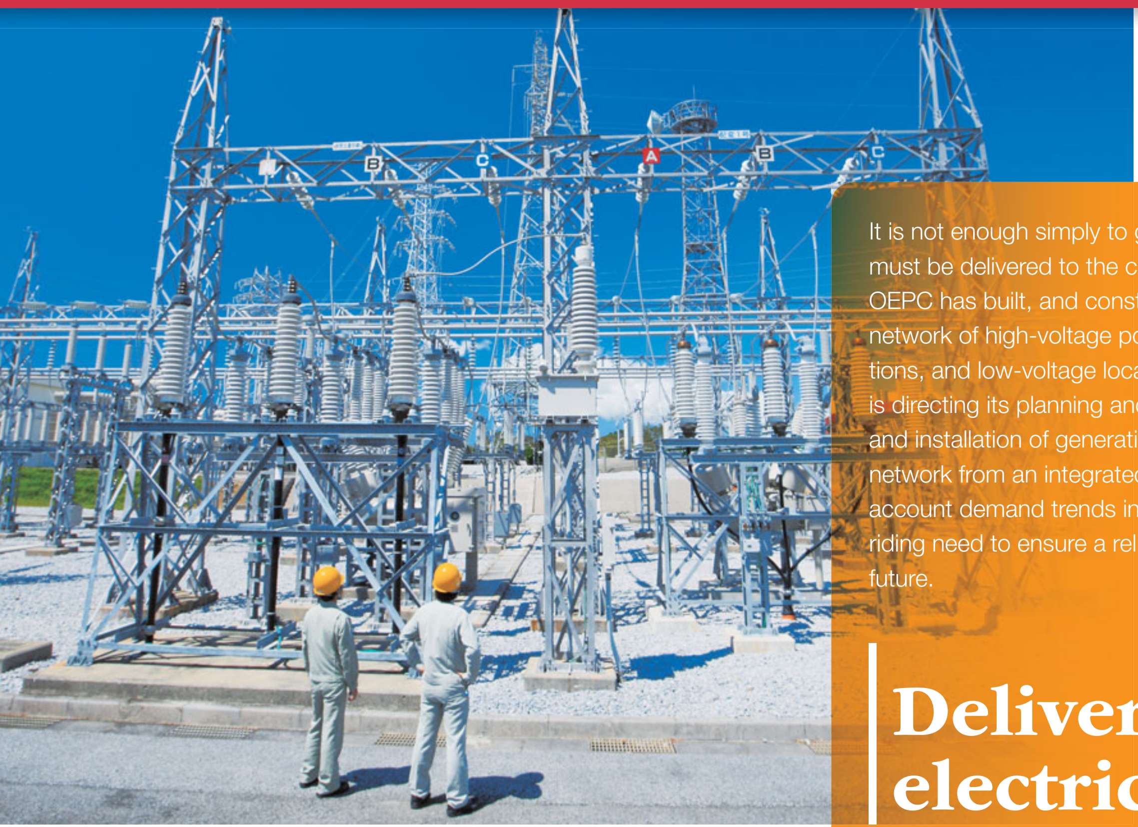
Gushikawa thermal power plant

Kin thermal power plant

Artist's representation of the Yoshinoura thermal power plant when completed (startup scheduled for in 2012)

Yoshinoura thermal power plant during construction

Ensuring a Stable Power Supply



It is not enough simply to generate electric power — it must be delivered to the consumers — and to do this OEPC has built, and constantly maintains, an extensive network of high-voltage power transmission lines, substations, and low-voltage local distribution networks. OEPC is directing its planning and investment in the construction and installation of generating facilities and its transmission network from an integrated perspective, taking fully into account demand trends in the prefecture and the overriding need to ensure a reliable supply into the indefinite future.

Delivering electricity

Our comprehensive network

At present, the Company's network of high-voltage power transmission lines connecting its power plants with its substations (on Okinawa Island and all other islands of the prefecture), including above-ground and buried cables, measures a total of 1,037 kilometers. We operate 135 substations, and the length of the low-voltage distribution line network connecting these substations with our customers (again, both overhead and underground), totals 10,863 kilometers. We are continuing to invest in the expansion and improvement of these transmission and distribution networks to cope with growing demand in Naha City and the surrounding region as well as to provide backup lines to ensure supply in all circumstances. This work is being carried out in coordination with the planning for the construction of the Yoshinoura thermal power plant.

OEPC pylons in Okinawa

Remote power control

Load dispatching center

At OEPC we draw up demand and supply operational plans based on estimates of customers' power needs, and the amount of power generated is carefully controlled around the clock to ensure an uninterrupted supply of high quality. Because the electric power cannot be stored, we have established a remote control system for power load adjustment at power stations and current adjustments at transformers and over transmission lines, to precisely match power demand.

Trunk lines for power supply

Electrical power demand in Okinawa Island is concentrated in the cities of the central and southern areas, centered on Naha, but large-scale generation facilities are located north of the central area of Okinawa Prefecture, far away from demand centers. For this reason, the Company is expanding and strengthening facilities in line with expanding electrical demand. Even if a natural disaster cuts our power supplies, we aim to ensure resumption by structuring lines so as to enable us to use a secondary route. We supply power in high volumes using underground conduits and tunnels for areas where construction of pylons is difficult.

Undersea tunnels

Maintenance of distribution lines

Construction, operation and maintenance of distribution facilities

The reliability of power distribution facilities, which cover a very large area and are very numerous, depends largely on the topography of the area the Company serves and the frequency of typhoons. In light of damage sustained in previous typhoons, we ensure the facilities we build can cope with natural disasters.

Through regular power line patrols and inspections, we ensure that any irregularities in our distribution facilities are discovered at an early stage and are swiftly repaired. We work to prevent any recurrence of incidents.

Even in cases where incidents lead to power cuts, use of an automated distribution system* enables us to minimize the area of the outage and restore the supply quickly.

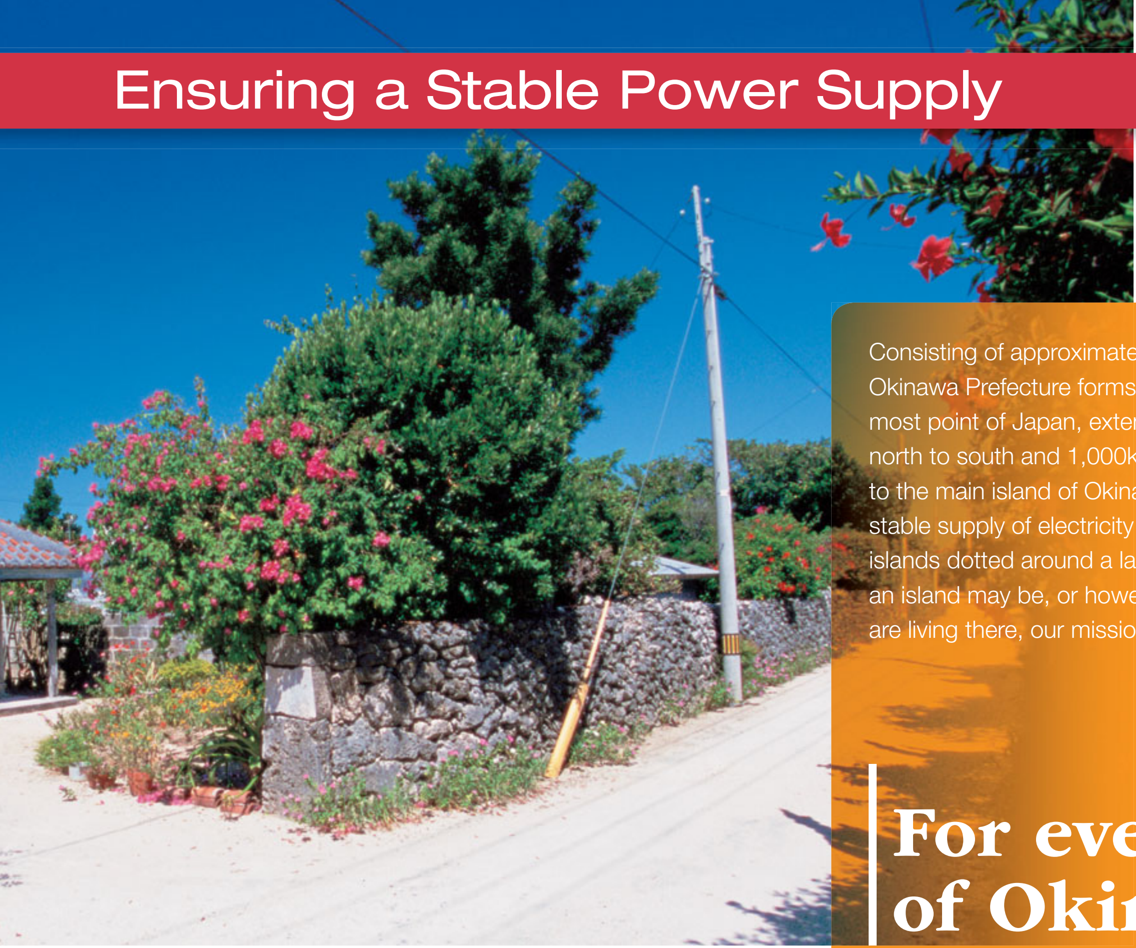
* Through communication lines linking computers in our branches with remote devices attached to power poles, the system enables remote operation of switching on power poles and collation of information about the voltage, current and other power-line variables.

Progress in laying distribution lines underground

Since 1986, urban redevelopment projects, led by the Ministry of Land, Infrastructure, Transport and Tourism, have been carried out in cities all over Japan as part of an overall concept of improving the appearance of social infrastructure. In Okinawa Prefecture too, power distribution lines have been laid underground. Approximately 64 kilometers of distribution lines had been buried as of fiscal 2010. Work is currently underway or planned to transfer approximately 70km of distribution lines underground, to eliminate power poles from the islands.

Street with underground power distribution lines

Ensuring a Stable Power Supply



Consisting of approximately 160 large and small islands, Okinawa Prefecture forms the southernmost and western-most point of Japan, extending approximately 400km from north to south and 1,000km from east to west. In addition to the main island of Okinawa, the Company delivers a stable supply of electricity to approximately 37 inhabited islands dotted around a large area of sea. However small an island may be, or however far away, as long as people are living there, our mission is to deliver electricity to them.

For every part of Okinawa

Power supply facilities for remote islands

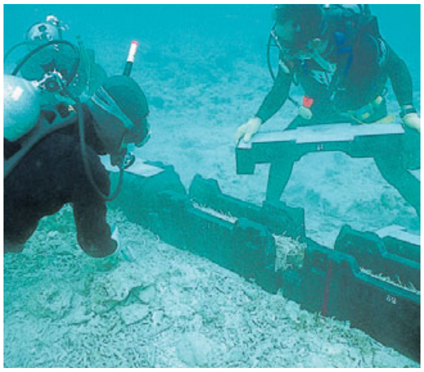
A vast distance from Japan's main islands, and composed of multiple islands, Okinawa's geographical conditions form a major handicap to the supply of electricity, the foundation of modern society. We are committed to setting up a generation and distribution network that overcomes the difficulties presented by supplies to remote islands.

In addition to the main island of Okinawa, we have established independent internal combustion power-generating facilities in 11 remote islands including Ishigaki and Miyako islands. From these facilities, electricity is supplied to neighboring smaller islands round-the-clock using submarine cables.

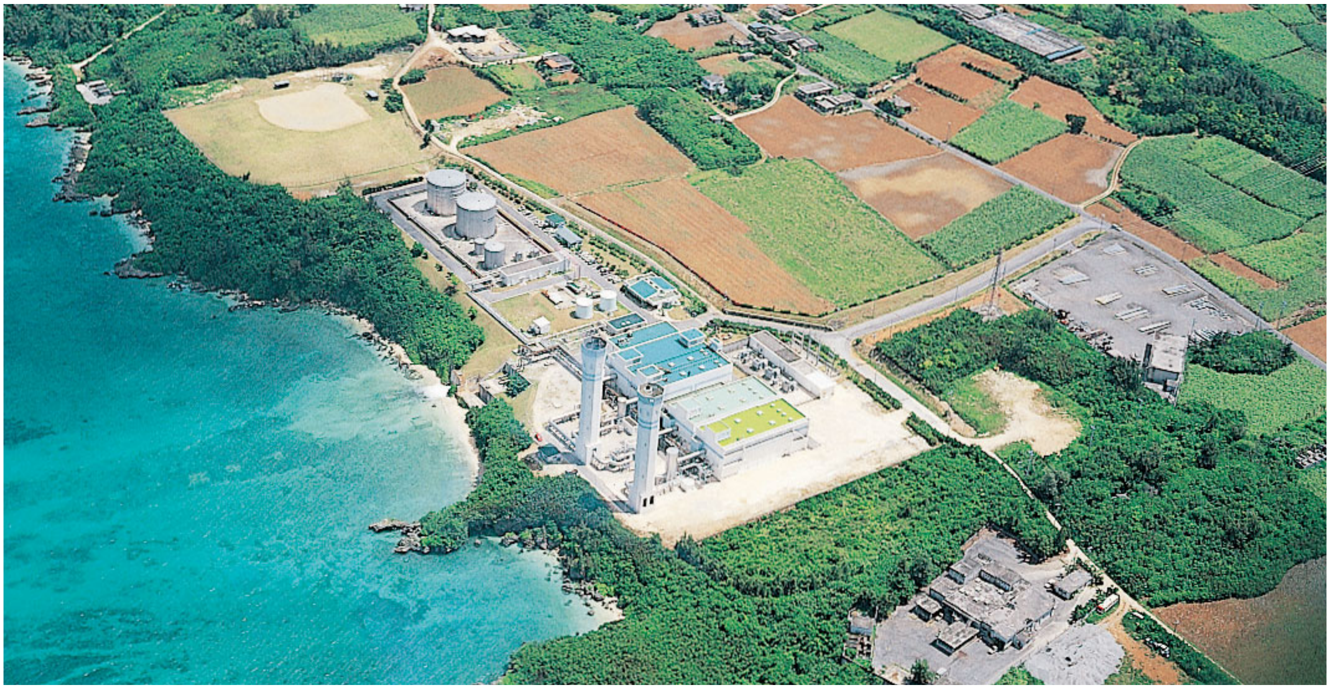
During emergencies (failure of regular supplies to remote islands), we use gas turbine generator vehicles to ensure a stable supply of electricity.

Ishigaki No. 2 Power Plant (diesel turbine)

Laying submarine power cables



Submarine power cables



Miyako No. 2 internal combustion power station

Reducing the costs of supplying remote islands

Because demand is so small in scale and the islands themselves are so far away from the main island of Okinawa, the remote islands present structural issues in terms of supply costs in every category, notably fuel and maintenance expenses. They are more expensive to supply than the main island.

To alleviate the imbalance in revenues and expenses with regard to remote island supplies, the Company set up a Remote Island Company in 2002, which successfully increased efficiency on various fronts. In December 2009, to meet our obligations under the Renewable Portfolio Standard (RPS) Law and reduce our CO_2 emissions by using renewable energy, we introduced Japan's first retractable wind turbines (2 x 245kW turbines) at Hateruma Island and put them into operation.

In February 2011, we also introduced retractable wind turbines at Minami Daito island, with the same capacity as on Hateruma.

Despite a discouraging environment of soaring fuel prices, we intend to persist with these efforts and bring down costs of supplying remote islands.

Remote monitoring of Ishigaki power plants

Retractable wind-power generator at Hateruma Island

Delivery of fuel

Ensuring a Stable Power Supply

Disaster readiness

As a provider of vital services in Okinawa Prefecture, we had already taken measures to prevent disasters from disrupting power facilities. We had rooted out causes of incidents and worked to make our operating environment "disaster-proof," so we could quickly restore operations when disasters occur. However, the Great East Japan Earthquake has raised our awareness of the importance of ensuring a stable supply of power come what may. We now need to further beef up our readiness.

We are updating emergency procedures for our facilities to cope with major natural disasters, and carrying out practical and organizational re-inspections in anticipation of every possible scenario, assuming various types of disaster.

Readiness for disasters and service restoration

In addition to routine facility inspections, we deploy mobile power generators, have established disaster prevention frameworks on a Companywide basis, regularly update guidelines and manuals for dealing with the aftermath of disasters, and carry out comprehensive training to ensure a smoother response to disaster situations. In particular, our general disaster training programs are based on a hazard maps specific to Okinawa Prefecture, and we conduct drills on a Groupwide basis including partner companies.

In cases where a disaster has occurred or is expected, we have measures for setting up emergency response centers. Simultaneously, all of our branches have established their own emergency units, and customer offices, power plants and operational bases have emergency task forces. Affiliated and partner companies join in restoration work after disasters working with branches or offices responsible for generation, transmission and distribution facilities and remote island operations. We take every measure to ensure that power supplies can be restored by ensuring that affiliates and partner companies work together with us.

Emergency unit organization chart

	Function
Emergency response center	Coordination and direction of emergency response activities at head office
Emergency units (Departments and branches)	Emergency response activities at each business unit Coordination and direction of emergency response activities at sub-units
Emergency task forces (Power plants, customer offices)	Emergency response activities at sub-units

Comprehensive disaster training
Emergency disaster response center


Power facility restoration training


Routine equipment inspection

Emergency measures in light of the Great East Japan Earthquake

Establishment of Emergency Response Inspection Committee

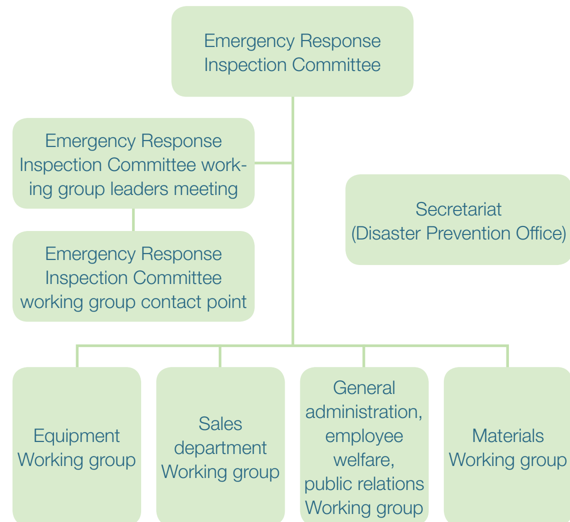
On March 29, 2011, the Company set up the Emergency Response Inspection Committee chaired by the President.

A working group was set up as a subordinate organization, comprising representatives of each business department. This group handles specific inspection tasks for disaster prevention purposes and takes action where necessary.

Principal areas needing verification

- General inspection and upgrading of power generation, transmission and substations, distribution and other facilities; measures for the general restoration of operations.
- Measures to ensure mobile power generators can be used in disaster-hit areas
- Information-sharing systems, command and control structures, partnership frameworks for affiliates and public institutions
- Measures needed for major disasters

Emergency Response Inspection Committee organizational chart



Establishment of Disaster Prevention Office

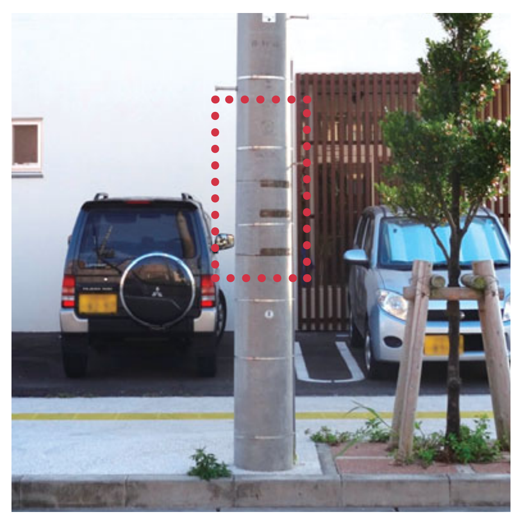
To strengthen existing general systems for "disaster-proofing" facilities based on a review of existing measures, and for restoring disaster-hit operations through Groupwide cooperation, we upgraded the "emergency office" in the General Administration Department to Disaster Prevention Office, effective July 1, 2011. This office coordinates the disaster prevention activities of each department, on a cross-organizational basis.

Its responsibilities cover emergency management at times of major disaster and typhoons, anti-disaster prevention drills and related matters, and establishment of cooperative relations with government agencies involved in disaster prevention.

Space for Displaying Elevation above Sea Level on Power Poles

Okinawa Prefecture and municipalities have requested that OEPC display the elevation above seal level on its power poles to raise the disaster prevention awareness of prefecture residents. As part of its effort to cooperate on regional disaster prevention, OEPC has provided free of charge a space for displaying the elevation above sea level on its power poles.

Details
- Coverage: All municipalities within Okinawa Prefecture (based on municipality requests)
- Application process: Submit prescribed application at the counter of an OEPC branch office, customer office, or operational base
- Sea level elevation display size: Length: 60cm (max.), width: 40cm (max.)
- Position of sea level elevation display: From 120cm to 180cm above street level



Keeping the public informed of locality elevation (notice to be affixed)

Toward Greater Customer Satisfaction

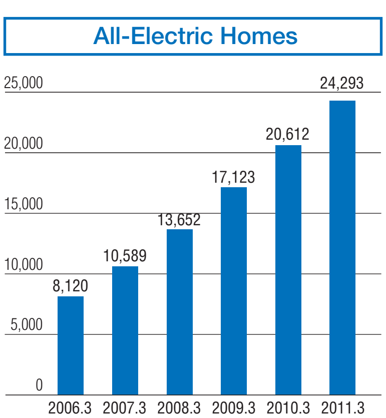
At OEPC, we respond to a variety of needs. We put a high priority on listening and responding to our customers' views and requests, and try to respond to customers' needs quickly and appropriately to provide services that will satisfy them.

Meeting diverse needs

Promoting all-electric homes

Equipped with technology such as IH (induction heating) cookers, which produce heat magnetically rather than by using an open flame, and EcoCute water heaters, which use heat from the air to heat water, the number of all-electric homes continues to increase every year.

In an effort to make customers' lives more comfortable through the power of electricity, OEPC offers a range of affordable charge plans to suit customers' lifestyles and promotes all-electric homes through various events and marketing campaigns, including displaying electric equipment at our Kaerupia all-electric showroom in Naha and enabling customers to experience IH via cooking classes and all-electric demonstration vehicles.



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


Hands-on experience of all-electric home demonstration vehicle and induction-heater cookers


All-electric home demonstration vehicle

For our corporate customers

All-electric kitchens — safe and easy to clean

OEPC is 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 "Three C's," i.e. they are cool, controllable and clean. What is more, customers who sign the "Commercial Electric Kitchen Power Service Contract" can take advantage of lower electricity rates. To encourage the increased use of commercial all- electric kitchens, we hold regular seminars such as the "Commercial Electric Kitchen Seminar" to make their features more well-known to potential users.

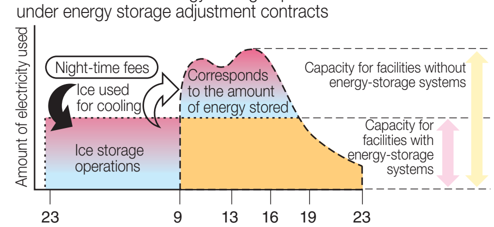
Commercial Electric kitchen Seminar

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

We encourage the use of ice-storage air conditioning systems that 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. These clean, safe systems have no ignition devices, and our customers can take advantage of our lower electricity rates by signing a "Load Shift Contract — Heat Storage Type" with OEPC. In addition, the reduced daytime use of electricity leads to load leveling, thereby permitting effective operation.


Ice-storage air conditioning systems

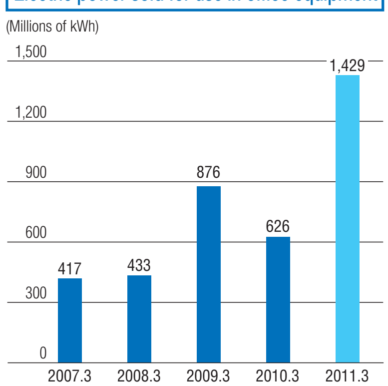
Patterns in thermal energy-storage operations under energy storage adjustment contracts



Heat pump technology — a highly effective solution for energy conservation

Heat pump equipment (air-conditioners and water heaters) efficiently pumps heat from the atmosphere for air-conditioning or heating water using less power. Heat pump technology enables users to obtain three to six times more heat energy than the electric power consumed in the process.

Electric power sold for use in office equipment



Finely tuned services

Energy solutions

To respond to our customers' need for reduced costs and greater peace of mind and comfort in their daily lives, we offer a range of contract options optimized for customers' particular lifestyles and patterns of electricity usage, as well as electric equipment and systems offering a wide range of benefits. Looking ahead, we plan to remain the power supplier of choice on Okinawa through services that satisfy, by establishing what customers really need by visiting corporate customers' factories and offices and through questionnaire surveys. We conduct our businesses from the customer's perspective.


A consulting session

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 set ourselves the fundamental target of supplying 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 hope to continue offering lower electricity rates in the future by adopting more efficient operational processes.

Lower electricity rates

Aiming for lower electricity rates

To enable our customers to share in the profits gained through greater operational efficiency, OEPC has reduced its average electricity rates charge 12 times since 1988 (including temporary reductions). The Company will continue its efforts to increase the efficiency of its operations in order to keep electricity rates at approximately the same level as they are on the Japanese mainland in the long run.

Efficiency Initiatives

- Efficient capital investment
- Reducing costs on remote islands
- Operating and maintaining facilities efficiently
- Increasing operational efficiency
- Ensuring stable fuel procurement and reducing fuel cost

Kin thermal power station

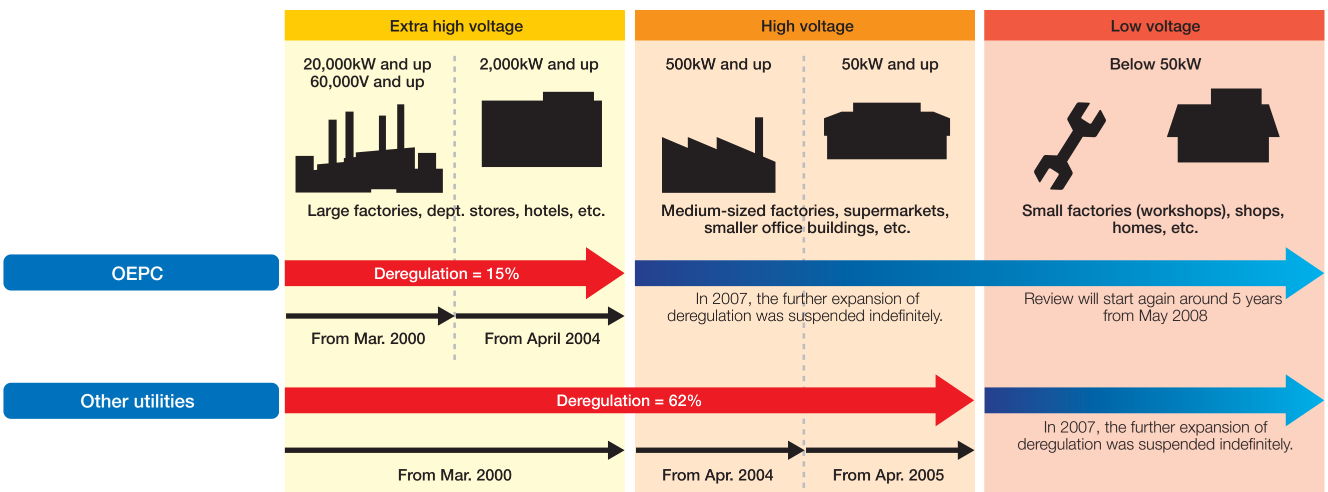
The deregulation of the electric power utility business

The deregulation of power supply within OEPC's service area is limited, in principle, to customers contracting to receive a minimum of 2,000 kilowatts which is supplied to them by OEPC's extra high-voltage transmission lines. Because of the structural disadvantage, of supplying power to the smaller islands of the prefecture that are remote from Okinawa Island, the scope available to private power suppliers to take advantage of the partial deregulation of the power supply system is rather limited by comparison with the other Japanese power utility companies.

The Scope of Electric Power Supply Deregulation

Retail market

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 2011).

OEPC has grown to its present status in parallel with the development of Okinawa Prefecture with the invaluable support and cooperation of numerous local community members. Under the corporate slogan "With the community, for the community," OEPC will continue its efforts to contribute to the development of the local community by utilizing all its management resources, with the aim of being a company that continuously grows in tandem with the people in Okinawa.

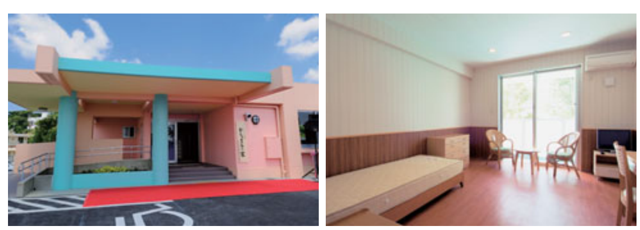
Working with our community

Regional community development

OEPC pursues a number of initiatives aimed at assisting the local economy, building the foundation for a thriving industry, and promoting technological development in Okinawa. Among these initiatives include making proposals and providing support for industrial promotion by liaising with business organizations in and outside of Okinawa, conducting collaborative research with industry, government, academia, and the private sector, providing support to strengthen the capabilities of these organizations and dispatching company staff to them.

In addition, OEPC provides financial support to various organizations such as social welfare organizations, government and non-governmental bodies, local government authorities that promote social welfare, cultural activities, and sports.

OEPC provided support for the hosting of the 2005 Annual Meeting of the Inter-American Development Bank (IDB) in 2005 by donating funds to the organizing committee and dispatching staff to assist in the preparations.



OEPC donated funds for the construction of the Family House, accommodation of parents and relatives visiting patients, at the Okinawa Prefectural Nanbu Medical Center & Children's Center.

A guided tour of the Company's facilities

OEPC employees inspecting street lights

"Get-to-Know OEPC" events

Every November, OEPC holds company-wide "Get-to-Know OEPC" events to express its appreciation to the local community and customers for their support through spirited interaction with them. These events, held at all OEPC branch offices and power stations, include volunteer activities, sports competitions, and open dialogue with community members.

Youth programs

OEPC supports a variety of academic and educational events to help local children, the central players in shaping Okinawa's future, to discover the pleasure of learning and creating. We organize the "Annual Exhibition of Science Work by Students in Okinawa" to help schoolchildren experience the fascination of science.

We also provide a variety of educational opportunities for children such as offering guided tours at our power plants where they can learn how electric power is produced and delivered to their homes, and a workshop entitled "Make it Together with Mom and Dad" where the children and their parents can create crafts together.

Annual Exhibition of Science Work by Students in Okinawa

A robot building and control competition for high school students

A "Make it Together with Mom and Dad" class

The Okiden Sugarhall Audition For Debut Concert

An entry in the "Okiden 'Landscape with Light' Digital Photo Contest"

Arts and cultural events

OEPC has been contributing to the promotion of the arts and cultural activities in Okinawa. The Company supports a variety of arts and cultural events held in the prefecture, such as those related to Ryukyu dance and traditional "Eisa" dance. In addition, the Company organizes the "Okiden Sugarhall Audition for Debut Concert" and the "Okiden 'Landscape with Light' Digital Photo Contest."

Sports

OEPC also promotes sports in Okinawa. The Company sponsors numerous events for developing the next generation, including the Okiden Pennant Baseball Tournament — a rubber-ball baseball competition for elementary school children — as well as the Okiden Pennant Naginata Tournament — a competition in the art of wielding a Japanese polearm — and the OEPC Autumn Open Team Table Tennis Competition. The Company also supports and sends voluntary workers to a variety of sporting events for people of all generations, such as the NAHA Marathon.

The OEPC baseball team

Okiden Pennant Elementary School Baseball Tournament

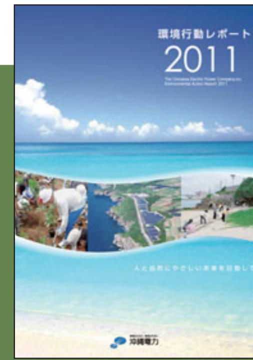
Okiden Pennant Naginata Tournament

Baseball workshop for children

An OEPC staff member gives a talk on environmental and energy topics to elementary school children

Support activities for environmental education

To provide more information about energy to the people in Okinawa and to improve awareness of our environmental initiatives, we dispatch experts to give lectures on environmental and energy-related topics at the behest of local educational institutions and government authorities. In addition, to raise awareness of the importance of energy and the way power is generated, we arrange power station study visits and have prepared a range of attractions at the Electrical Science Museum at Gushikawa Thermal Power Station.

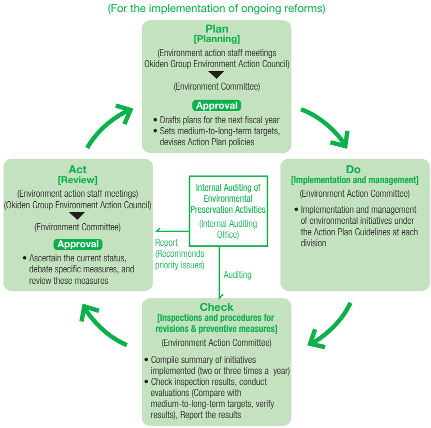


OEPC has been publishing a report on its environmental activities annually since 1996

The OEPC Group carries out a range of activities to enable us to leave the heritage of a beautiful, unspoiled natural environment to future generations. We work to create an effective system of environmental management, and always place the highest priority on minimizing the environmental burden of our business operations. To help realize the sustainable development of our society, every one of our employees is working proactively to contribute to our environmental aims in the full understanding of their overriding importance.

Environmental measures

The PDCA Cycle in Our Environmental Preservation Activities
(For the implementation of ongoing reforms)



Improving our environmental management

The Company has established the OEPC Group Environmental Policy under our Environment Committee, chaired by the President, and is engaged in environmental activities across the entire Group. Continuous improvement activities are being carried out, utilizing the PDCA ("Plan-Do-Check-Act") problem-solving process. Meanwhile, the Power Generation Department of the Electric Power Engineering Division is integrating quality management systems with environmental management systems.

In addition, we are taking a more rigorous approach to facilities management and inspection, upgrading facility functionality as well as emergency drill, in order to ensure not only a stable supply of electricity but also effective accident prevention and contingency procedures.

Promoting preservation of the regional environment

To ensure that the islands of Okinawa retain their beautiful natural environment for the enjoyment of generations yet unborn, we make a special effort to protect the countryside and shore lands in the vicinity of our power plants, giving consideration to biodiversity.

At existing power plants, we are undertaking a range of environment protection measures, targeting atmospheric pollution, water pollution, warm wastewater pollution, and noise and vibration issues, to ensure that our activities do not impact the surrounding environment. We also make reports to relevant local authorities based on environment protection agreements, after carrying out source measurements such as smoke and noise measurements and environmental monitoring studies into the air and water quality around our power plants.

We have conducted environmental assessments in accordance with laws and ordinances in preparation for the start of operations at our planned Yoshinoura Thermal Power Station in 2012, which will serve as a next generation power source. We are canvassing the views of local residents as well as the local government, and are aiming to create a new power plant that will harmonize smoothly with the natural surroundings cherished by the community.

In addition, we are taking the following measures to improve the local environment: rigorous management of chemical substances such as PCB and dioxin; greening power plant sites to achieve more harmony with the natural environment and areas of scenic beauty in the area; and trailing the "greening of the sea" (by planting coral and seaweed) around our power generation facilities.

Stacking sandbags at Makiminato Thermal Power Plant

Environmental protection facilities at a power plant
As part of an overall policy of removing harmful chemicals from smoke emitted by our power plants, they are equipped with desulphurization and denitrification equipment.

Taking action for the global environment

Carbon dioxide emissions, said to be the principal cause of global warming, are a major issue which electric power utilities have to address.

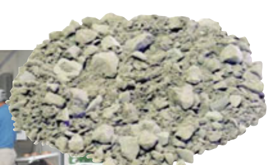
For OEPC, measures against global warming are an extremely pressing issue, because factors such as geographical and topographical restrictions and limits on the scale of electric power demand in Okinawa Prefecture make it difficult to develop hydroelectric and nuclear power, leaving the Company no choice but to rely on fossil fuels such as oil and coal as its primary source of energy.

Under such conditions, as a secure and efficient measure against global warming, we are constructing a new power station at Yoshinoura, which will burn LNG instead of coal or oil, as this fuel generates lower CO_2 emission levels. As supplementary measures, we are improving the operating efficiency of our existing thermal power stations, launching groupwide wind power generation initiatives, including the introduction of retractable wind turbines in remote islands, conducting verification tests for stable operation of solar power generation, replacing some of the coal in coal-fired power plants with biomass, and operating a small hydroelectric power generator in Miyakojima Island. We are also making contributions to the World Bank's Community Development Carbon Fund, among other such projects, which takes advantage of the mechanisms provided under the Kyoto Protocol to assist in the reduction of greenhouse gas emissions on a global scale.

In addition, various energy-saving initiatives are underway at each office and we are working to raise energy awareness of each employee.

Kariyushi shirts for our employees

Confidential document recycling



Artificial gravel

Damaged ceramic insulators are recycled into material for tiles.

Creation of sustainable resource-oriented society

OEPC is committed to building a sustainable resource-oriented system, promoting the use of a three-pronged system for handling the waste products generated by its operations. The system incorporates the concepts of "reduce, reuse, and recycle" as a way of optimally utilizing the Earth's limited natural resources.

For example, we turn the coal ash and gypsum created by the combustion process at our coal-fired power plants into raw materials for cement and an alternative to the earth and sand used mainly in the production of synthetic stone materials. Also, in our offices, we are trying to reduce the amount of rubbish we generate by encouraging staff to use less paper and to bring in their own personal cup and handkerchief to cut down on paper cup and tissue use. We are also working to recycle waste and scrap paper by separately collecting, recycling and reusing them.

Environmental communication

To deepen understanding of our various environmental activities, OEPC has been publishing a report on its environmental activities annually since 1996, and uses exhibition panels to publicize our environmental commitment. Other environmental activities to raise environmental awareness include beach and side walk cleaning, tree-planting, and coral farming.

In addition, at the behest of local educational institutions, we deliver lectures at elementary schools or arrange hands-on study tours of our power generation facilities and Electrical Science Museum, to support energy- and environment-related education.

Environmental Activities Panel Exhibition (Independent research during summer vacation)

Teaching children about power generation

Harmony with the Global Environment

The business environment of the electric power industry is becoming increasingly challenging due to a variety of laws and measures, such as the Kyoto Protocol and Special Measures Law Concerning the Use of New Energy by Electric Utilities (also referred to as the “RPS Law”) to prevent against global warming in order to reduce CO_2 emissions and increase the use of renewable energy. OEPC is conducting various studies aimed at finding effective solutions to these urgent issues.

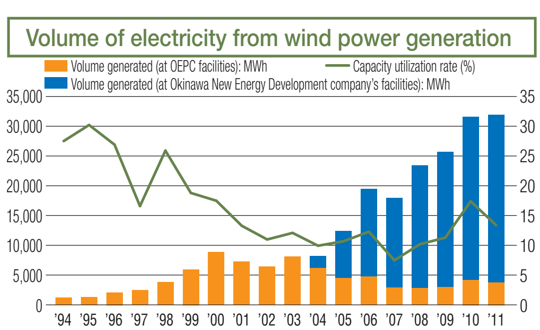
Green energy

Utilizing renewable energy sources

Although such renewable energy sources as wind and solar power have disadvantages in energy density and therefore generating cost, they are “clean” forms of energy that do not contribute to global warming through the release of CO_2; and are thus coming under growing scrutiny as answers to society’s energy needs.

In April 2003, the RPS Law came into force in Japan, imposing an obligation on electricity retailers to use a certain amount of electricity from new energy according to the amount of their retailing electricity. OEPC is committed to the development and adoption of renewable forms of energy such as solar and wind power. As of the end of March 2010, the Company has a total capacity of 22,847kW (including small hydroelectric generators) of renewable energy throughout the prefecture including remote islands.

Solar power generation system on Kita-Daito Island



Wind farm on Ie Island (Okinawa New Energy Development Co., Inc.)

Verification of introduction of off-grid renewable energy systems for remote islands

The Company is evaluating the impact on the normal power grid of the introduction of large-scale solar power systems to off-grid power systems on Miyakojima Island, Yonaguni Island, Kita-Daito Island, and Tarama Island, all of which have power systems of varying size. We are also conducting a field test (“remote island micro-grid verification tests”) to verify measures to stabilize the power supply. The capacity of the solar power systems will be 4,500kW in total, of which 4,000kW will be installed on Miyakojima Island, the largest of the four islands. The Company aims to stabilize the solar power supply in combination with storage batteries with the same capacity as the solar power facilities. With the knowledge obtained from this research, it will become more possible to use new energy sources to contribute to reduction of CO_2 emissions.

This study uses grants from the Ministry of Economy, Trade and Industry under its support program for off-grid renewable energy demonstration projects for remote islands (fiscal 2009).

Field tests in Laos on a solar-power electricity generation method

OEPC has been asked by New Energy and Industrial Technology Development Organization (NEDO) to carry out field tests in Laos on a solar-power electricity generation method.

The project entails the construction and testing of a system for controlling fluctuation in the generation output of a solar power system in the district of Mai in the province of Phongsali, to minimize adverse impact on supply quality.

The most promising power generation system would appear to be a hybrid system employing solar power in combination with small-scale hydroelectric generators, in light of the variation in sunlight and river water levels in the monsoon and dry seasons.

The main research target of the project is finding a bilayer capacitor (temporary power storage device) capable of instant charging and discharging. This would overcome the problem that plagues solar power systems — the fluctuation in power output in parallel with changing solar radiation levels. If such a system could be perfected, it would allow a steadier supply of power in tandem with a small-scale hydroelectric power supply system. Through this project, OEPC gained new knowledge of solar power control systems.

Solar power system on Miyako Island field test facility

Solar power microgrid system (Laos)

Biomass co-firing system

Measures to reduce greenhouse gas emissions

Biomass energy

OEPC conducted research on the use of woody biomass made out of construction and demolition waste, which, in Okinawa Prefecture, was mostly incinerated without being used effectively. Having confirmed that the biomass was perfectly usable based on the result of field tests conducted from June 2007 to October 2008 at the coal-fired Gushikawa thermal power station, we built a biomass distribution facility at the station, and on March 25, 2010, we started burning the biomass pellet (mixed with coal by three percent in weight). The successful utilization of the “carbon neutral” biomass fuel has enabled us to reduce CO_2 emissions, curb our coal consumption, and make effective use of an untapped energy source.

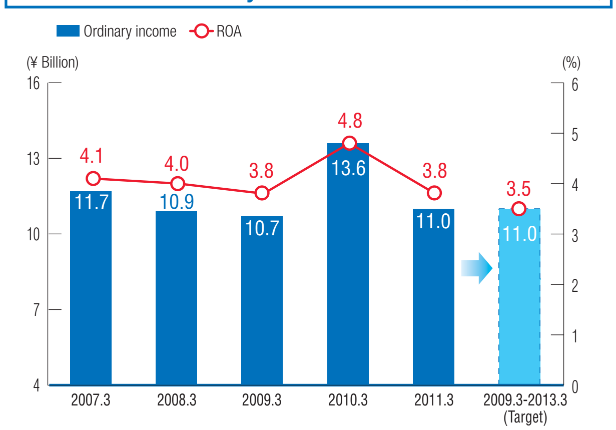
At OEPC, we see a secure, stable financial position as the key to dealing with the unpredictable fuel price trends, the rising cost of measures to contain global warming, and ensuring investment funds for the full-scale start of construction of the Yoshinoura Thermal Power Station.

Improving operational efficiency

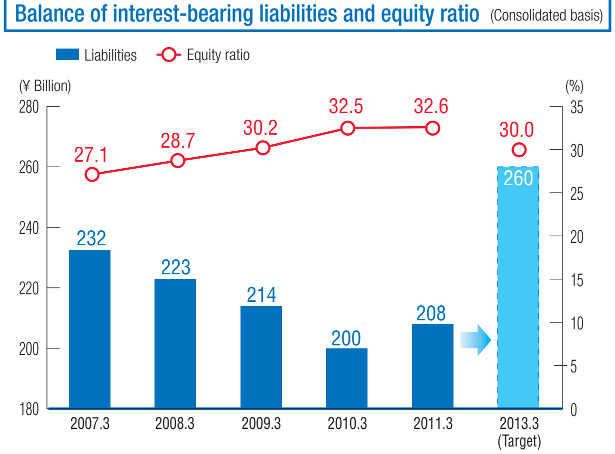
Medium-term financial targets

		Financial targets		2011.3
Ordinary income	Consolidated	2009.3-2013.3	Annual avg. ¥11 billion or more	¥11.0 billion
	Non-consolidated		Annual avg. ¥10 billion or more	¥9.2 billion
ROA	Consolidated	2009.3-2013.3	Annual avg. 3.5% or more (operating income/ total assets)	3.8%
	Non-consolidated			3.5%
Balance of interest-bearing liabilities	Consolidated	2013.3	Approx. ¥260 billion	¥208.3 billion
	Non-consolidated		Approx. ¥250 billion	¥206.7 billion
Equity ratio	Consolidated	2013.3	Approx. 30%	32.6%
	Non-consolidated			31.9%

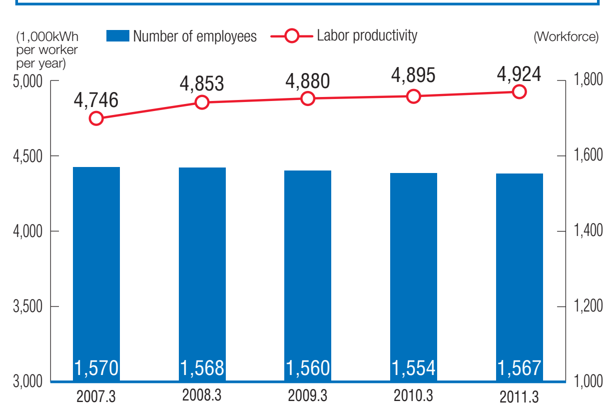
Ordinary income and ROA (Consolidated basis)



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



Labor productivity and number of employees

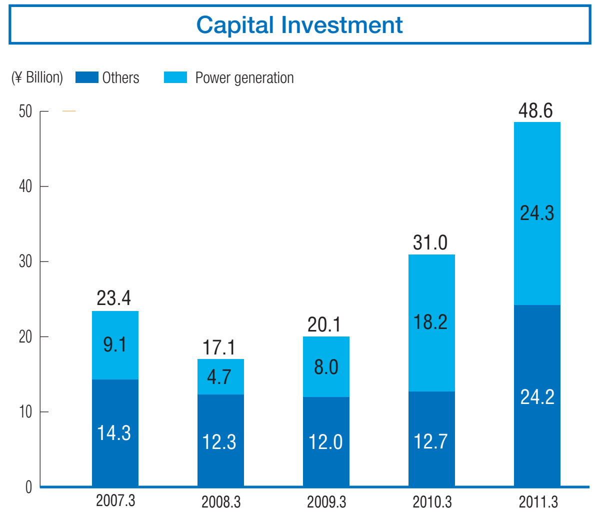


Note: Labor productivity = Amount of electric power sold per employee (adjusted for year-to-year temperature differences)

Improving operational efficiency
Efficient capital investment

Capital investment came in at ¥48.6 billion in fiscal 2010, compared with budgeted ¥56.9 billion. Increases due to the Yoshinoura Thermal Power Station construction works and introduction of new energy facilities at remote islands were more than offset by cost-cutting following careful reviews of design, specification and construction outlays.

At the Yoshinoura Thermal Power Station, which we see as having a key role in improving local energy security and combating global warming, construction works are proceeding smoothly. Capital investment costs have increased in line with the construction works, but we are working to reduce the figure by factoring a range of rationalization measures into our estimates.



More efficient plant operation and maintenance

Repairs and maintenance costs in fiscal 2010 came to ¥16.6 billion, reflecting streamlining efforts including reviews of timing of spot checks, volume, price per unit and ordering methods, all with the aim of reducing costs without compromising power supply stability.

While the cost of repairs and maintenance is expected to remain high due to factors such as the increase in and aging of facilities, we will keep it in check by holding down total costs through careful reviews of long-term maintenance and repair expenses.

The *Shinryo-maru*, a dedicated coal carrier

Stable procurement and lower costs for fuels

In light of rising oil and coal costs due to demand increases in economically booming China and India, and also to storm and flood damage in Australia and political unrest in the Middle East and North Africa, we plan a range of measures to diversify fuel procurement and expand use of subbituminous coal, to ensure more stable procurement and lower costs.

Reducing the cost of powering remote islands

To reduce the revenue shortfall in remote island operations, OEPC has been working to raise efficiency in remote island power supplies by rapidly implementing a range of cost-cutting measures including fuel volume reductions through more efficient operations using the economic load dispatching control (EDC) system.

While pressing on with these endeavors in years ahead, the Company will introduce and test off-grid renewable energy systems for remote islands, and review other cost-cutting measures, to gain a deeper understanding of their impact on the main grid system and master supply stabilization technologies.

Wind power generators

Streamlining business operations

OEPC is working to improve worker productivity through hands-on employee skill-maintenance and -transfer programs and by using IT to make administrative processes more efficient. Through continuous improvement, we aim to streamline business operations for further cost reductions across the board.

Enhancing the Group's Corporate Value

While continuing to accomplish its basic mission of providing a reliable electric power service, the OEPC Group has been engaged in a wide range of business activities by making use of its resources, including facilities, technologies and human resources, with the Okinawa Electric Power Company at the core.

The OEPC Group intends to continue utilizing its collective strengths for economic and community development of Okinawa so as to retain the support and trust of the community.

Supporting the local community

Group companies serve as invaluable partners in our provision of a reliable power service

The basic mission of the OEPC group is to ensure a stable supply of electricity to all customers in Okinawa. To pursue its mission, the group companies have been working together to operate the electric power business in a fully integrated way, by providing all the peripheral services including the construction and maintenance of power plants, transmission and distribution facilities, and the distribution of electrical equipments such as transformers, power switch boards, electric cables and meters. With the knowledge and technological capabilities gained through building the power supply infrastructure, we are expanding our role in private and public works projects, in order to help local industries and community.

Repair works at Ounoyama Park swimming pool in Naha (Okidenko Co., Inc.)

Staff from Okinawa Plant Kogyo Co., Inc. disassemble a turbine at Makiminato Thermal Power Plant for a regular inspection.

Ginowan Yui Marche: Built and maintained by Okiden Kaihatsu Co., Inc.

OEPC Group Companies (As of March 31, 2011)

Company Name	Established/Capital	Business Areas
a. Construction		
Okidenko Company, Incorporated	June 12, 1968 ¥130 million	Construction and installation of power distribution and generation facilities; civil engineering work; and building construction
Okinawa Enetech Company, Incorporated	May 10, 1994 ¥40 million	Feasibility studies and design of electric power facilities, and supervision of construction; environmental surveys, soil quality examination and land surveys
Okinawa New Energy Development Company, Incorporated	October 14, 1996 ¥49 million	Feasibility studies, design, and management of construction of new energy power generation systems; management of operation and maintenance of such systems
Okisetsubi Company, Limited	September 18, 1995 ¥20 million	Installation of air conditioning, sanitation, and electric water-heating equipment; design and installation of ice-storage air-conditioning equipment
b. Electric power supply and peripheral businesses		
Okiden Kigyo Company, Incorporated	October 15, 1975 ¥43 million	Sale and maintenance of electrical equipment; lease of vehicles and property; maintenance of vehicles; agency business for non-life insurance companies
Okinawa Plant Kogyo Company, Incorporated	June 1, 1981 ¥32 million	Operation of electrical machinery and facilities, etc. on commission; installation of electrical machinery and equipment
Okinawa Denki Kogyo Company, Incorporated	December 23, 1971 ¥23 million	Repair of electrical measuring equipment and inspection agency work; sale of components for electrical facilities
c. Information and telecommunication business		
The Okiden Global Systems Company, Incorporated	April 12, 1991 ¥20 million	Computer systems design and software development; sale, leasing, etc. of computers and peripheral equipment
First Riding Technology, Inc.	July 11, 2001 ¥450 million	Internet solutions; call center business
d. Real estate business		
Okiden Kaihatsu Company, Incorporated	April 26, 1989 ¥50 million	Management, buying & selling, and leasing of real estate
e. Other businesses		
Progressive Energy Corporation (PEC)	August 23, 2001 ¥100 million	Installation, operation, and maintenance of private power generation systems, and support services for energy saving
Quetech Co., Ltd.	March 30, 2001 ¥3 million	Management consultant services, ISO certification support training, application software development business
Ganjyu Co., Inc.	March 25, 2003 ¥10 million	Hog raising, and wholesaling and retailing of pork

Basic Approach

The Group will conduct its business in conformity with relevant laws and in an ethical manner, and will deepen relations of trust with shareholders, investors and customers through prompt and appropriate disclosure, to ensure that it remains the business group of choice for its community. To this end, we are vigorously strengthening corporate governance throughout the Group.

1. Corporate Governance Structure

Outline of corporate governance structure

The Board of Directors, which generally meets twice a month, decides on important matters as part of day-to-day operations and receives operational reports from individual directors, as well as overseeing the performance of their duties.

The Board of Executive Directors, which is made up of all of the Company's full-time directors and generally meets two or three times every month, discusses essential issues relating to the management of operations under the President's supervision and takes steps to ensure that operations run smoothly. It also discusses important business matters, including items to be submitted to the Board of Directors. Full-time Auditors are entitled to attend meetings of the Board of Executive Directors and express their opinions.

Auditors are responsible for auditing the performance of duties by individual directors, which they do by attending board meetings and other important meetings. The Board of Auditors, which generally meets once every two months, receives reports, and discusses and decides on important audit-related matters.

For the purpose of internal auditing, an Internal Audit Office has been set up as a separate entity under the direct control of the Board of Directors.

In addition to auditing OEPC and its consolidated subsidiaries, the Internal Audit Office is also responsible for making operational improvements.

Thinking behind corporate governance structure

Appointing one independent outside director ensures that the workings of the Board of Directors are fair and transparent and improves supervisory capabilities, in terms of overseeing the performance of duties by individual directors. Operating a team of five auditors that includes three independent external auditors similarly improves management supervisory capabilities. The current structure was introduced on the basis that it ensures effective corporate governance, in combination with the supervisory capabilities of the outside director and the Group's internal auditing structure.

Establishing internal control systems

Internal control systems are established in accordance with the Group's Basic Policy for a System to Ensure Appropriate Business Processes.

Risk Management

The Company has compiled a variety of manuals for each of its offices and departments dealing with hypothetical risk, and is taking measures to forestall risk and deal quickly with it when it occurs. The Company has fully prepared itself for the occurrence of risk events by compiling a procedure for rapid implementation of its crisis management measures and a handbook of measures for emergencies and disasters. It has in place a framework for responding rapidly to major disasters and accidents.

Compliance

We aim to raise and uphold compliance awareness by establishing in-house regulations for legal and regulatory compliance and corporate ethics (Basic Code of Corporate Conduct, and Ethical Code for Employees), and by holding regular lectures on legal observance and corporate ethics.

We have established a corporate ethics committee chaired by the President, and ensure rigorous standards of corporate conduct based on observation of the law and corporate ethics standards. In addition to deliberating and deciding on frameworks and internal regulations relating to legal observance and corporate ethics, the committee works to prevent wrongful behavior and, failing that, ensure early remedial measures are taken, after discussion of specific instances as reported to the corporate ethics consultation counter.

Other

To enhance operational efficiency, the Company has acquired the ISO9001:2000 international quality management standard. Through internal audits, we ensure ISO9001 methods take root and promote more efficient, enhanced operation of our business (excluding the corporate auditors' office and Yoshinoura Thermal Power Station). Based on internal audit using the ISO standard, the Company is improving its capability to assess and manage performance in observation of internal regulations and laws, and related processes.

2. Internal Audits and Auditor's Audits

For the purpose of internal audits, an Internal Audit Office has been set up as a separate entity under the direct control of the Board of Directors. In an effort to improve operations, the 16 members of staff assigned to the office conduct annual internal audits at OEPC and its consolidated subsidiaries in order to evaluate operations, check that employees are diligently working towards organizational targets in accordance with management policy, company rules and regulations and the law and make any necessary improvements. Auditors submit reports and exchange opinions regarding audit plans and results, whilst also coordinating with accounting auditors.

With regard to auditors' audits, the Board of Auditors, which consists of five auditors (including three external auditors) and generally meets once every two months, receives reports, discusses and decides on important audit-related matters. The Board of Auditors has its own members of staff, six of whom are assigned to the Corporate Auditors' Office to assist auditors with their operations and organize board meetings. Auditors conduct audits to check that groupwide internal controls and risk avoidance measures are in place, working in conjunction with accounting auditors and internal auditing departments.

All three external auditors have considerable expertise in the field of finance and accounting, one being a qualified lawyer, one an experienced corporate director and accounts manager and one a university professor specializing in economics.

3. Outside Directors and External Auditors

OEPC has one outside director and three external auditors.

Outside director Kunio Oroku has extensive expertise and experience in corporate management, is of good character and offers superior insight. He can be relied upon to provide a long-term outlook on the company's business based on common values held throughout corporate community and to offer advice and opinions from a different perspective to OEPC.

External auditor Masateru Higa has held key positions at other companies and therefore has extensive expertise and experience in corporate management. He is also of good character, offers superior insight and can be relied upon to audit OEPC's operations effectively from an objective perspective.

External auditor Shiro Nozaki is an academic expert who is once again of good character and offers superior insight. His outstanding level of expertise and experience mean that he can be relied upon to audit operations effectively from an objective perspective.

External auditor Hikaru Aharen is also of good character and offers superior insight. Thanks to his legal expertise, he can be expected to make an invaluable contribution to auditing activities in terms of ensuring the legitimacy of OEPC's operations.

The Company's outside director and external auditors are not in any way linked to major business partners or shareholders and are also independent from the standpoint of previous input during meetings of the Board of Directors or Board of Auditors. As such, there is no risk of conflicts of interest with general shareholders.

The outside director is responsible for independently overseeing the performance of duties by individual directors via attendance at board meetings. External auditors meanwhile are responsible for sharing information and coordinating with accounting auditors and the Internal Auditing Office, whilst also asking questions and exchanging opinions regarding matters such as audit plans and results.

4. Auditors

Accounts for the current year have been audited by Certified Public Accountants Masao Mukai and Ryu Nagata, under contract from accounting firm Deloitte Touche Tohmatsu. They were assisted by four other certified public accountants and six additional members of staff.

5. Compensation for Directors and Auditors

- Total compensation paid to directors and auditors by position, type of compensation by type, and number of persons

Position	Total (¥ million)	Total Compensation by Type (¥ million)		Number of Persons
		Basic Compensation	Bonuses	
Directors (excluding Outside Directors)	313	242	70	11
Company Auditors (excluding Outside Company Auditors)	58	45	12	2
Outside Directors	20	17	2	4

- Significant portion of salary paid to directors who concurrently serve as employees

Total (¥ million)	Number of Persons	Details
34	3	Salary (including bonuses) as employees

- Policy regarding the calculation of executive remuneration and method of determination

Although there is no specific policy in place regarding executive remuneration and other payments or the method by which payments are calculated, remuneration is basically determined in line with individual responsibilities, within remuneration limits approved by a general meeting of shareholders. Bonuses are determined on a case-by-case basis in line with individual responsibilities, pending approval by a general meeting of shareholders, taking into account factors such as the Company's performance.

6. Shareholdings

- The Company currently holds shares of a total of 47 companies, for purposes other than pure investment, with a balance sheet value of ¥7,744 million.
- Shares held for purposes other than pure investment (companies, number of shares, balance sheet value and purpose)

(Previous fiscal year)

Company Name	Number of Shares	Balance Sheet Amounts (¥ million)	Holding Purpose
The Bank of Okinawa, Ltd.	494,000	1,882	Stabilization of electricity business, contribution to development of Okinawa's economy
Okinawa Cellular Telephone Company	4,720	822	Contribution to development of Okinawa's economy
Bank of the Ryukyus	689,660	726	Stabilization of electricity business, contribution to development of Okinawa's economy
San-A Co., Ltd.	43,200	151	Contribution to development of Okinawa's economy
KDDI Corporation	33	15	Stabilization of electricity business
Mizuho Financial Group, Inc	1,080	0	Stabilization of electricity business

(Fiscal year under review)

Company Name	Number of Shares	Balance Sheet Amounts (¥ million)	Holding Purpose
The Bank of Okinawa, Ltd.	494,000	1,674	Stabilization of electricity business, contribution to development of Okinawa's economy
Okinawa Cellular Telephone Company	4,720	856	Contribution to development of Okinawa's economy
Bank of the Ryukyus	689,660	655	Stabilization of electricity business, contribution to development of Okinawa's economy
San-A Co., Ltd.	43,200	140	Contribution to development of Okinawa's economy
KDDI Corporation	33	16	Stabilization of electricity business
Mizuho Financial Group, Inc	1,080	0	Stabilization of electricity business

- There are no totals available for the balance sheet value of shares held for the purpose of pure investment during the previous and current fiscal years, dividends received during the current year or profit and loss on the sale or valuation of shares.

7. Number of Directors

Under the Company's articles of incorporation, the maximum number of directors is 15.

8. Conditions for Approval of the Appointment of Directors

The Company's articles of incorporation stipulate that the appointment of any director requires approval from a simple majority at a meeting of shareholders attended by at least one third of eligible shareholders with voting rights.

The articles of incorporation also state that a director may not be appointed via cumulative voting.

9. Resolutions of the Board of Directors that do not Need Approval of Shareholders' Meetings

(1) Purchase of own shares

Pursuant to Section 2 of Article 165 of the Companies Act, the Company's articles of incorporation allow for purchase of own shares through market transactions by resolution of the Board of Directors. Such purchases ensure flexibility in Company policies to maintain the number of shares outstanding at an appropriate level.

(2) Approval for exemption of directors from liability

The Company's articles of incorporation stipulate that, in accordance with the provisions of Paragraph 1 of Article 426 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt directors and auditors (including former directors and auditors) from liability for damages as stipulated under Paragraph 1 of Article 423 of the Companies Act, within relevant statutory and regulatory parameters.

These provisions are designed to ensure that directors' and auditors' liability does not exceed reasonable bounds.

(3) Interim dividend

Based on Paragraph 5 of Article 454 of the Companies Act, the articles of incorporation of the Company provide for payment of an interim dividend by resolution of the Board of Directors, with September 30 each year as base date, as a measure to ensure greater flexibility in distribution of profits to shareholders.

10. Special Resolutions by the General Meeting of Shareholders

Based on Paragraph 2, Article 309 of the Companies Act, the Company's articles of incorporation allow for special resolutions to be adopted by a two-thirds majority at a shareholders' meeting at which one-third of voting rights of eligible shareholders are represented.

This relaxation of quorum requirements for approval of special resolutions ensures smoother running of the general meeting of shareholders.

FINANCIAL SECTION

CONTENTS

Financial Review (Consolidated Basis)

Business Performance

The islands' economy had another difficult year in fiscal 2010. Although there were signs of recovery from an uptick in personal spending and tourist demand, supported by the government's economic stimulus package, the stimulus had run its course by the end of the fiscal year and tourism had come off the boil. Adding to the overall air of uncertainty was the earthquake disaster's impact on tourism and logistics networks.

Amid these conditions, OEPC recorded operating revenues (sales) of ¥158,494 million (US$1,906 million) on a consolidated basis, down ¥4,007 million (2.5%) from the previous year, due to the impacts of the transfer of a consolidated subsidiary and a decline in electricity charges in the residential sector under the fuel cost adjustment system, affecting the Electric Power Business, and reduced revenues from external sales.

At the same time, operating expenses fell by ¥985 million (0.7%) year-on-year to ¥144,118 million (US$1,733 million), due to factors in the Electric Power Business such as the impact of the transfer of a consolidated subsidiary and a decrease in the cost of sales due to the decline in sales, which outweighed increases in fuel costs and the cost of purchasing electricity from other companies and other items.

As a result, operating income decreased by ¥3,021 million (17.4%) to ¥14,376 million (US$172 million).

Income before income taxes and minority interests came to ¥11,042 million (US$132 million), down ¥2,617 million (19.2%). Net income decreased by ¥903 million (10.1%) to ¥8,047 million (US$96 million).

Details of business performance in each segment (before elimination of intersegment transactions for the purposes of consolidation) are as follows:

1. Electric Power Business

Higher demand in the private sector (non-military) due to an increase in the number of residential and business-use customers drove the total volume of electric power sold up over the course of the year under review. However, sales in the industrial sector decreased year-on-year, on a correction from the effect of high-capacity operation of desalination facilities in the previous fiscal year.

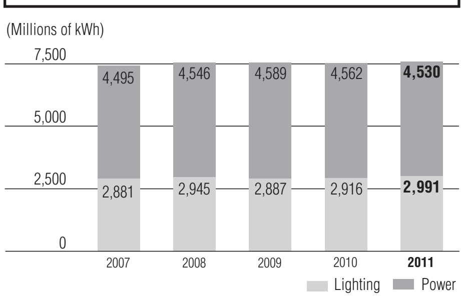
By use (residential and business), residential power sales were up 2.6% year-on-year to 2,991 million kWh, while higher-voltage industrial and commercial power sales declined 0.7% to 4,530 million kWh. The total volume of electric power sold increased 0.6% to 7,521 million kWh.

Operating revenues from the Electric Power Business decreased ¥928 million (0.6%) to ¥150,896 million (US$1,814 million) year-on-year, due to a decrease in residential electricity charges under the fuel cost adjustment system.

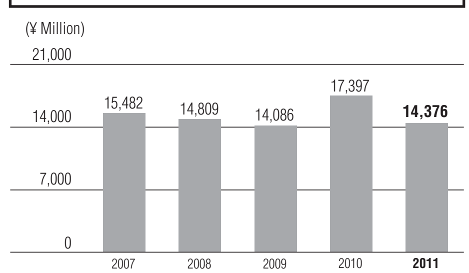
Meanwhile, operating expenses increased by ¥1,516 million (1.1%) to ¥138,406 million (US$1,664 million), due in part to increases in fuel charges and the cost of purchasing electricity from other companies.

As a result, operating income decreased by ¥2,445 million (16.4%) to ¥12,490 million (US$150 million).

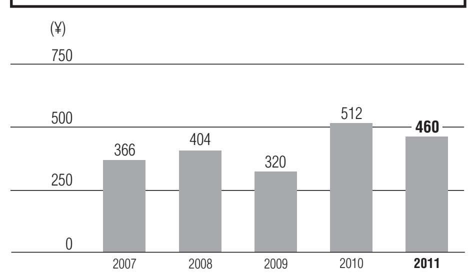
Electric Energy Sales



Consolidated Operating Income



Consolidated Net Income per Share



2. Other Operations

In other revenues and expenses, sales increased by ¥729 million (1.7%) to ¥43,383 million (US$521 million) on the back of increased orders for works for the Electric Power Business, which more than offset the impacts of the transfer of a consolidated subsidiary and a decrease in external sales. Operating expenses increased ¥888 million (2.2%) to ¥41,214 million (US$495 million).

As a result of the foregoing, operating income decreased ¥158 million (6.8%) to ¥2,168 million (US$26 million).

(Note) The above amounts do not include consumption and other taxes.

Cash Flows

Cash flows from operating activities

Net cash provided by operating activities decreased by ¥11,933 million (30.5%) to ¥27,148 million (US$326 million), key factors being the decline in net income before income taxes and minority interest, and higher expenses on increased inventory assets.

Cash flows from investing activities

Net cash used in investing activities increased by ¥4,585 million (15.1%) to ¥35,028 million (US$421 million), due in part to an increase in expenses from acquisition of fixed assets.

Free cash flow

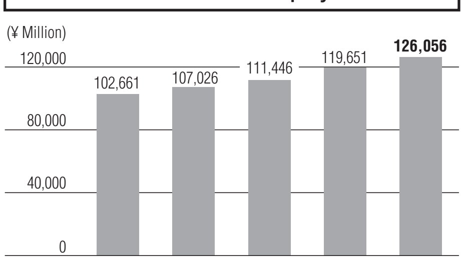
Accordingly, the company had negative free cash flow of ¥7,880 million (US$94 million), a year-on-year deterioration of ¥16,519 million.

Cash flow from financing activities

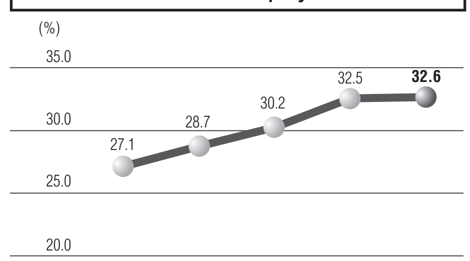
Net cash provided by financing activities totaled ¥6,207 million (US$74 million), owing partly to increased fund procurement. This was an improvement of ¥16,405 million from net cash used of ¥10,197 million in the previous fiscal year.

As a result, cash and cash equivalents as of the end of the year under review totaled ¥9,534 million (US$114 million), down by ¥1,673 million (14.9%) compared to the end of the previous year.

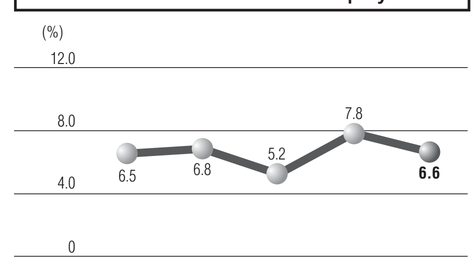
Consolidated Equity



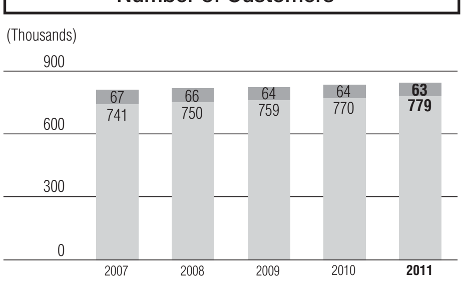
Consolidated Equity Ratio



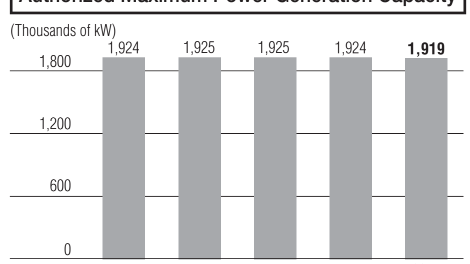
Consolidated Return on Equity



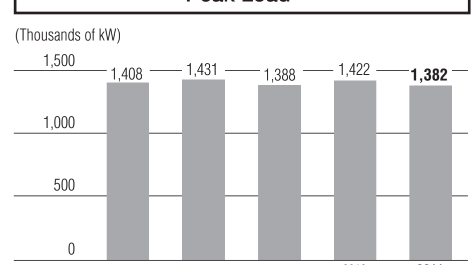
Number of Customers



Authorized Maximum Power Generation Capacity



Peak Load



Business and Other Risks

The following is a description of the various risks which could have an impact on the Group's business performance and financial position.

Statements contained in this report regarding the Group's projections for future performance are based on our evaluations as of the date of submission of the securities report (consolidated basis).

1. Deregulation in the electric power business

Starting April 1, 2004, the scope of deregulated retail power sales for extra-high-voltage electricity was expanded, and as of the end of March 2011, around 15% of our customers (by electric power sold) are in this category. Since the term ended March 2008, a government committee has been holding subcommittee-level discussions on deregulation, including expansion of this customer category, but action in this matter has been postponed for the time being.

Although there are no real signs of deregulation bringing new entrants into the power industry in Okinawa Prefecture, if this were to happen, it could have an adverse effect on the business performance of the Group.

2. Environmental countermeasures

The management of OEPC has positioned countermeasures against global warming as a priority issue, and numerous measures have already been taken. In view of the increasing strength in recent years of calls by the public for electric utility companies to undertake environmental initiatives, the imposition by the authorities of stricter environmental regulations could have an adverse impact on the business performance of the Group.

3. Businesses other than electricity business

To improve enterprise value, the Group is leveraging its management resources to expand its scope of operations and develop new businesses. It is also currently engaged in businesses such as construction, IT/telecommunications, real estate, dispersed power generation (on-site power generation), and is considering entering the gas supply business.

Unfavorable competitive developments, or a change in the operating environment surrounding these businesses, could have an adverse affect on the business performance of the Group.

4. Economic and climatic conditions

Changes in economic and climatic conditions have the potential to substantially affect volumes of electricity sold by the Group's Electric Power Business.

The Group's business and financial performance could be affected by such economic and climatic factors.

5. Fuel-price fluctuations

In our Group operations, we primarily use coal and oil as our thermal fuel sources. Fuel costs fluctuate in tandem with changes in fuel prices and foreign exchange rates.

We can minimize these impacts on our earnings through official measures to ensure that changes in fuel prices and forex rates are reflected in electricity charges, but particularly large changes in fuel prices could adversely affect our business and financial performance.

6. Interest-rate fluctuations

The balance of the Group's interest-bearing liabilities totaled ¥208.3 billion as of March 31, 2011. Future movements in interest rates have the potential to impact the Group's earnings performance.

However, as the interest rates are fixed for the major portion of our interest-bearing debt, the impact of interest rates on the Group's earnings performance is expected to be limited.

In the event that a ratings agency lowers our credit rating, the interest rates on fund procurement for the Group would rise, with the potential to affect the Group's performance.

7. Special legal measures

To ensure a stable and adequate supply of electric power to Okinawa, in accordance with the Law for Special Measures to Promote Okinawa, we benefit from special measures and provisions that enable us to secure funds and facilitate other aspects of our operations. Under the Okinawa Development Finance Corporation (ODFC) Law, we receive most preferential interest rates from the ODFC, in line with the stipulations of the ODFC's business and service manual.

The Company also benefits from various tax advantages (such as reduced fixed property taxes, and exemption from coal tariffs). However, the savings achieved through these special benefits are passed on to electricity customers.

Any abolition of these measures and provisions could have a significant impact on Group business performance.

8. Natural disasters and accidents

Mindful of its duty to ensure a stable supply of electric power, the Company is committed to efficient facility construction, operation, and maintenance to ensure it can cope with natural disasters. To further strengthen response mechanisms, a disaster prevention office was set up in our General Administration Dept.

However, Group performance may be adversely affected by typhoons, earthquakes and other major natural disasters, as well as accidents.

9. Personal information leakage

The Group's performance may be adversely affected by problems arising from leakage of customers' personal information acquired or managed for operation of Group business, despite our best efforts to prevent such an occurrence.

Consolidated Five-Year Summary

Years ended March 31

	Millions of yen				
Financial Statistics	**2011**	2010	2009	2008	2007
For the year:					
Operating revenues	**¥158,494**	¥162,501	¥173,136	¥161,521	¥159,395
Electric	**150,552**	151,430	160,782	148,831	146,735
Other	**7,942**	11,071	12,354	12,689	12,660
Operating expenses	**144,118**	145,104	159,049	146,711	143,912
Electric	**136,884**	135,022	147,637	134,650	131,852
Other	**7,233**	10,081	11,412	12,061	12,059
Interest expense	**2,943**	3,329	3,581	3,923	4,055
Income before income taxes and minority interests	**11,042**	13,659	9,677	10,971	10,643
Income taxes	**2,929**	4,408	3,836	3,734	4,357
Net income	**8,047**	8,950	5,604	7,072	6,418
Per share of common stock (Yen):					
Basic net income	**¥460.58**	¥512.04	¥320.54	¥404.36	¥366.82
Cash dividends applicable to the year	**60.00**	60.00	60.00	60.00	60.00
At year-end:					
Total assets	**¥385,159**	¥365,299	¥365,557	¥369,840	¥376,071
Net property, plant and equipment	**329,971**	312,254	310,486	317,921	325,450
Long-term debt, less current maturities	**188,191**	159,724	188,962	189,266	198,107
Total equity	**126,056**	119,651	111,446	107,026	102,661

Operating Statistics	**2011**	2010	2009	2008	2007
For the year:					
Electric energy sales (Millions of kWh)	**7,521**	7,478	7,476	7,491	7,376
Peak load (Thousands of kW)	**1,382**	1,422	1,388	1,431	1,408
At year-end:					
Generating capacity (Thousands of kW)	**1,919**	1,924	1,925	1,925	1,924
Transmission lines (km)	**1,037**	1,033	1,026	1,015	976
Distribution lines (km)	**10,863**	10,816	10,780	10,707	10,625

Consolidated Balance Sheets

March 31, 2011 and 2010	Millions of yen 2011	Millions of yen 2010	Thousands of U.S. dollars (Note 1) 2011
Assets			
Property, plant and equipment (Note 4)**:**			
Utility plants	**¥792,964**	¥779,966	**$ 9,536,550**
Other plant and equipment (Note 6)	**32,208**	33,681	**387,349**
Construction in progress	**65,175**	38,771	**783,835**
Total	**890,348**	852,418	**10,707,735**
Less:			
Contributions in aid of construction (Note 2(b))	**(29,099)**	(24,270)	**(349,966)**
Accumulated depreciation	**(531,277)**	(515,893)	**(6,389,383)**
Total	**(560,376)**	(540,164)	**(6,739,349)**
Net property, plant and equipment	**329,971**	312,254	**3,968,385**
Investments and other assets:			
Investment securities (Notes 5 and 14)	**8,985**	9,898	**108,064**
Investments in and advances to unconsolidated subsidiaries and affiliates	**767**	894	**9,233**
Deferred tax assets (Note 9)	**12,006**	10,638	**144,399**
Other assets	**1,474**	1,580	**17,728**
Allowance for doubtful accounts	**(178)**	(298)	**(2,147)**
Total investments and other assets	**23,055**	22,714	**277,279**
Current assets:			
Cash and cash equivalents (Note 14)	**9,534**	11,207	**114,668**
Receivables (Note 14)	**8,163**	7,106	**98,181**
Inventories	**10,230**	8,139	**123,033**
Deferred tax assets (Note 9)	**1,836**	1,969	**22,092**
Other current assets	**2,530**	2,065	**30,437**
Allowance for doubtful accounts	**(164)**	(157)	**(1,972)**
Total current assets	**32,132**	30,330	**386,439**
Total	**¥385,159**	¥365,299	**$ 4,632,104**
Liabilities and equity			
Long-term liabilities:			
Long-term debt, less current maturities (Notes 6 and 14)	**¥188,191**	¥159,724	**$ 2,263,276**
Liabilities for employees' retirement benefits (Note 8)	**14,399**	13,942	**173,180**
Other long-term liabilities	**1,881**	481	**22,631**
Total long-term liabilities	**204,473**	174,149	**2,459,088**
Current liabilities:			
Current maturities of long-term debt (Notes 6 and 14)	**18,076**	35,640	**217,401**
Short-term bank loans (Notes 7 and 14)	**4,000**	5,565	**48,105**
Notes and accounts payable (Note 14)	**21,560**	17,620	**259,294**
Income taxes payable (Note 14)	**1,436**	3,736	**17,278**
Accrued expenses	**7,594**	6,900	**91,338**
Other current liabilities	**1,960**	2,036	**23,581**
Total current liabilities	**54,629**	71,499	**657,001**
Equity (Note 11)**:**			
Common stock,			
Authorized — 30,000,000 shares			
Issued — 17,524,723 shares in 2011 and 2010	**7,586**	7,586	**91,238**
Capital surplus	**7,141**	7,141	**85,889**
Retained earnings	**110,356**	103,357	**1,327,193**
Treasury stock, at cost — 52,987 shares in 2011 and 51,867 shares in 2010	**(272)**	(267)	**(3,280)**
Accumulated other comprehensive income			
Unrealized gain on available-for-sale securities	**602**	796	**7,243**
Total	**125,413**	118,614	**1,508,284**
Minority interests	**642**	1,036	**7,729**
Total equity	**126,056**	119,651	**1,516,014**
Total	**¥385,159**	¥365,299	**$ 4,632,104**

See notes to consolidated financial statements.

Consolidated Statements of Income

Years ended March 31, 2011 and 2010	Millions of yen 2011	Millions of yen 2010	Thousands of U.S. dollars (Note 1) 2011
Operating revenues:			
Electric	**¥150,552**	¥151,430	**$1,810,615**
Other	**7,942**	11,071	**95,516**
Total operating revenues	**158,494**	162,501	**1,906,132**
Operating expenses (Notes 8, 10 and 12)**:**			
Electric	**136,884**	135,022	**1,646,240**
Other	**7,233**	10,081	**86,998**
Total operating expenses	**144,118**	145,104	**1,733,238**
Operating income	**14,376**	17,397	**172,893**
Other expenses:			
Interest expense (Notes 6 and 7)	**2,943**	3,329	**35,399**
Other — net	**390**	409	**4,697**
Net other expenses	**3,334**	3,738	**40,096**
Income before income taxes and minority interests	**11,042**	13,659	**132,796**
Income taxes (Note 9)**:**			
Current	**4,051**	5,552	**48,730**
Deferred	**(1,122)**	(1,144)	**(13,495)**
Total	**2,929**	4,408	**35,235**
Net income before minority interests	**8,112**		**97,561**
Minority interests in net income	**64**	300	**780**
Net income	**¥ 8,047**	¥ 8,950	**$ 96,780**

	Yen		U.S. dollars
Per share of common stock (Note 2(l))**:**			
Basic net income	**¥460.58**	¥512.04	**$5.54**
Cash dividends applicable to the year	**60.00**	60.00	**0.72**

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

Year ended March 31, 2011	Millions of yen 2011	Thousands of U.S. dollars (Note 1) 2011
Net income before minority interests	**¥8,112**	**$97,561**
Other comprehensive income (loss) (Note16)		
Unrealized loss on available-for-sale securities	**(200)**	**(2,406)**
Share of other comprehensive income in an affiliate accounted for under the equity method	**(0)**	**(4)**
Total other comprehensive income (loss)	**(200)**	**(2,410)**
Comprehensive income (Note16)	**¥7,911**	**$95,150**
Total comprehensive income attributable to (Note16)**:**		
Owners of the parent	**¥7,853**	**$94,447**
Minority interests	**58**	**702**

See notes to consolidated financial statements.

Consolidated Statements of Changes in Equity

	Shares / Millions of yen									
	Common stock				Treasury stock		Accumulated other comprehensive income			
Years ended March 31, 2011 and 2010	Shares	Amount	Capital surplus	Retained earnings	Shares	Amount	Unrealized gain on available-for-sale securities	Total	Minority interests	Total equity
Balance, April 1, 2009	17,524,723	¥7,586	¥7,141	¥ 95,455	42,066	¥(218)	¥368	¥110,334	¥1,112	¥111,446
Net income				8,950				8,950		8,950
Cash dividends				(1,048)				(1,048)		(1,048)
Purchase of treasury stock					10,545	(52)		(52)		(52)
Disposal of treasury stock					(744)	3		3		3
Net change in the year							427	427	(75)	351
Balance, March 31, 2010	17,524,723	7,586	7,141	103,357	51,867	(267)	796	118,614	1,036	119,651
Net income				**8,047**				**8,047**		**8,047**
Cash dividends				**(1,048)**				**(1,048)**		**(1,048)**
Purchase of treasury stock					**1,250**	**(5)**		**(5)**		**(5)**
Disposal of treasury stock				**(0)**	**(130)**	**0**		**0**		**0**
Net change in the year							**(194)**	**(194)**	**(394)**	**(588)**
Balance, March 31, 2011	**17,524,723**	**¥7,586**	**¥7,141**	**¥110,356**	**52,987**	**¥(272)**	**¥602**	**¥125,413**	**¥ 642**	**¥126,056**

	Thousands of U.S. dollars (Note 1)							
					Accumulated other comprehensive income			
	Common stock	Capital surplus	Retained earnings	Treasury stock	Unrealized gain on available-for-sale securities	Total	Minority interests	Total equity
Balance, March 31, 2010	$91,238	$85,889	$1,243,023	$(3,219)	$9,577	$1,426,508	$12,470	$1,438,978
Net income			**96,780**			**96,780**		**96,780**
Cash dividends			**(12,607)**			**(12,607)**		**(12,607)**
Purchase of treasury stock				**(70)**		**(70)**		**(70)**
Disposal of treasury stock			**(2)**	**9**		**6**		**6**
Net change in the year					**(2,333)**	**(2,333)**	**(4,740)**	**(7,073)**
Balance, March 31, 2011	**$91,238**	**$85,889**	**$1,327,193**	**$(3,280)**	**$7,243**	**$1,508,284**	**$ 7,729**	**$1,516,014**

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Years ended March 31, 2011 and 2010	Millions of yen 2011	Millions of yen 2010	Thousands of U.S. dollars (Note 1) 2011
Operating activities:			
Income before income taxes and minority interests	**¥11,042**	¥13,659	**$132,796**
Adjustments for:			
Income taxes paid	**(6,347)**	(4,386)	**(76,332)**
Depreciation and amortization	**21,439**	22,342	**257,837**
Provision for employees' retirement benefits	**457**	829	**5,497**
Loss on disposal of property, plant and equipment	**846**	842	**10,185**
Changes in operating assets and liabilities:			
(Increase) decrease in trade notes and accounts receivable	**(1,057)**	961	**(12,714)**
(Increase) decrease in inventories	**(2,004)**	1,092	**(24,102)**
(Decrease) increase in trade notes and accounts payables	**(1,038)**	2,316	**(12,487)**
Decrease in interest payable	**(64)**	(12)	**(769)**
Other — net	**3,873**	1,437	**46,585**
Total adjustments	**16,106**	25,422	**193,699**
Net cash provided by operating activities	**27,148**	39,081	**326,496**
Investing activities:			
Purchase of property, plant and equipment	**(39,701)**	(28,975)	**(477,466)**
Contributions in aid of construction received	**4,930**		**59,294**
Proceeds from sale of property, plant and equipment	**400**	332	**4,812**
Payments for investments and advances	**(240)**	(2,128)	**(2,887)**
Proceeds from sales of investment securities and collections of advances	**309**		**3,722**
Purchase of short-term investment		(905)	
Proceeds from maturity of short-term investment		690	
Other — net	**(727)**	543	**(8,746)**
Net cash used in investing activities	**(35,028)**	(30,442)	**(421,271)**
Financing activities:			
Proceeds from issuance of bonds	**19,939**		**239,807**
Repayments of bonds	**(17,000)**	(4,000)	**(204,449)**
Proceeds from long-term debt	**24,700**	10,420	**297,053**
Repayments of long-term debt	**(18,626)**	(21,899)	**(224,009)**
Net (decrease) increase in short-term bank loans	**(1,565)**	5,535	**(18,821)**
Proceeds from minority shareholders		864	
Cash dividends paid	**(1,047)**	(1,048)	**(12,599)**
Other — net	**(193)**	(68)	**(2,327)**
Net cash provided by (used in) financing activities	**6,207**	(10,197)	**74,653**
Net decrease in cash and cash equivalents	**(1,673)**	(1,558)	**(20,121)**
Cash and cash equivalents, beginning of year	**11,207**	14,327	**134,789**
Decrease due to exclusion from consolidation (Note 13)		(1,560)	
Cash and cash equivalents, end of year	**¥ 9,534**	¥11,207	**$114,668**

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Years ended March 31, 2011 and 2010

1. Basis of presenting consolidated financial statements

The accompanying consolidated financial statements have been prepared from the consolidated financial statements which are issued for domestic reporting purposes in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act, the Electricity Business Act and their related accounting regulations. The Okinawa Electric Power Company, Incorporated (the "Company") and its consolidated subsidiaries (together the "Companies") maintain their accounts and records in accordance with the provisions set forth in the Companies Act of Japan (the "Companies Act") and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

Under Japanese GAAP, a consolidated statement of comprehensive income is required from the fiscal year ended March 31, 2011 and has been presented herein. Accordingly, accumulated other comprehensive income is presented in the consolidated balance sheet and the consolidated statement of changes in equity. Information with respect to other comprehensive income for the year ended March 31, 2010 is disclosed in Note 16. In addition, "net income before minority interests" is disclosed in the consolidated statement of income from the year ended March 31, 2011.

In preparing the accompanying consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2010 financial statements to conform to the classifications used in 2011.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥83.15 to $1, the approximate rate of exchange on March 31, 2011. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

Amounts of less than one million yen have been rounded down except for per share data. Consequently, the totals shown on the accompanying consolidated financial statements both in yen and in U.S. dollars do not necessarily agree with the sums of the individual amounts.

2. Summary of significant accounting policies

(a) Consolidation

The consolidated financial statements for the year ended March 31, 2011 include the accounts of the Company and its twelve significant subsidiaries (twelve in 2010). Investment in one affiliated company (one in 2010) is accounted for by the equity method. Under the control or influence concept, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Companies have the ability to exercise significant influence are accounted for by the equity method.

Kanucha Community Company, Incorporated was legally dissolved on March 31, 2011 and is currently in process of liquidation.

All significant intercompany balances and transactions have been eliminated in consolidation. All unrealized profits included in assets resulting from transactions within the Companies are eliminated.

The excess of the cost of an acquisition over the fair value of the net assets of the acquired subsidiary/affiliated company on the date of acquisition is being amortized over five years using the straight-line method, or was written off if the amount was ¥100 million or less.

Consolidation of the remaining subsidiaries and the application of the equity method to the remaining affiliates would not have a material effect on the accompanying consolidated financial statements.

Investments in such unconsolidated subsidiaries and affiliates are stated at cost.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost. Contributions in aid of construction are deducted from the cost of the related assets. Such accounting treatment is required by the regulations described in Note 1.

Depreciation is principally computed using the declining-balance method based on the estimated useful lives of the assets. Depreciation of easements is computed using the straight-line method based on the estimated useful lives of the transmission lines.

(c) Long-lived assets

The Companies review their long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

(d) Investment securities

Investment securities are classified and accounted for, depending upon management's intent, as follows: i) Marketable available-for-sale securities are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of shareholders' equity, and ii) non-marketable available-for-sale securities are stated at cost determined by the moving-average method.

For other than temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

(e) Cash and cash equivalents

Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value.

Cash equivalents include time deposits and mutual funds investing in bonds that represent short-term investments, all of which mature or become due within three months of the date of acquisition.

(f) Inventories

Inventories are stated at cost, based principally on the monthly average method (book values on the balance sheet are written down on the basis of decline in profitability).

(g) Derivatives and hedging activities

The Companies use derivative financial instruments to manage their exposures to fluctuations in foreign exchange and interest rates. Foreign exchange forward contracts and interest rate swaps are utilized by the Companies to reduce foreign currency exchange and interest rate risks. The Companies do not enter into derivatives for trading or speculative purposes.

For derivatives used for hedging purposes, if derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions.

Foreign currency forward contracts are utilized to hedge foreign currency exposures in procurement from overseas suppliers. Trade payables denominated in foreign currencies are translated at the contracted rates if the forward contracts qualify for hedge accounting.

Interest rate swaps, which qualify for hedge accounting and meet specific matching criteria, are not remeasured at market value but the differential paid or received under the swap agreements are recognized and included in interest expense or income.

(h) Severance payments and pension plan

The liability for retirement benefits are accounted for based on projected benefit obligations and plan assets at the balance sheet date in order to provide employees' severance and retirement benefits.

Actuarial gains and losses are recognized in expenses commencing with the following period using a declining-balance method over five years which is within the average of estimated remaining periods of the employees.

(i) Bonuses to directors and corporate auditors

Bonuses to directors and corporate auditors are accrued at the year end to which such bonuses are attributable.

(j) Income taxes

The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

(k) Stock and bond issuance costs

Stock and bond issuance costs are charged to income when paid or incurred.

(l) Per share information

Basic net income per share is computed by dividing net income available to common shareholders, by the weighted-average number of common shares outstanding for the period. Diluted net income per share is not disclosed because no latent shares were outstanding.

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective years including dividends to be paid after the end of the year.

3. Accounting changes

Business Combinations

In December 2008, the Accounting Standards Board of Japan (the "ASBJ") issued a revised accounting standard for business combinations, ASBJ Statement No.21, "Accounting Standard for Business Combinations." Major accounting changes under the revised accounting standard are as follows: i) The revised standard requires accounting for business combinations only by the purchase method. As a result, the pooling of interests method of accounting is no longer allowed. ii) The current accounting standard accounts for the research and development costs to be charged to income as incurred. Under the revised standard, in-process research and development (IPR&D) acquired in a business combination is capitalized as an intangible asset. iii) The previous accounting standard provided for a bargain purchase gain (negative goodwill) to be systematically amortized over a period not exceeding 20 years. Under the revised standard, the acquirer recognizes the bargain purchase gain in profit or loss immediately on the acquisition date after reassessing and confirming that all of the assets acquired and all of the liabilities assumed have been identified after a review of the procedures used in the purchase allocation. This standard was applicable to business combinations undertaken on or after April 1, 2010. The Companies applied this standard effective April 1, 2010.

4. Property, plant and equipment

The major classes of property, plant and equipment as of March 31, 2011 and 2010, consisted of the following:

	Millions of yen			
At March 31, 2011	Original cost	Contributions in aid of construction	Accumulated depreciation	Carrying value
Thermal power generating facilities	**¥377,545**	**¥(16,937)**	**¥(283,573)**	**¥ 77,034**
Transmission facilities	**139,652**	**(2,852)**	**(84,538)**	**52,262**
Transformation facilities	**94,772**	**(1,149)**	**(60,814)**	**32,808**
Distribution facilities	**147,780**	**(2,293)**	**(75,122)**	**70,364**
General facilities	**32,308**	**(4,795)**	**(12,277)**	**15,235**
Other electricity-related facilities	**904**	**(82)**	**(6)**	**814**
Utility plants	**792,964**	**(28,110)**	**(516,332)**	**248,521**
Other plant and equipment	**32,208**	**(989)**	**(14,944)**	**16,273**
Construction in progress	**65,175**			**65,175**
Total	**¥890,348**	**¥(29,099)**	**¥(531,277)**	**¥329,971**

	Millions of yen			
At March 31, 2010	Original cost	Contributions in aid of construction	Accumulated depreciation	Carrying value
Thermal power generating facilities	¥379,473	¥(16,996)	¥(278,066)	¥ 84,410
Transmission facilities	139,075	(2,860)	(80,922)	55,292
Transformation facilities	92,023	(1,108)	(59,136)	31,778
Distribution facilities	144,250	(2,275)	(72,147)	69,827
General facilities	24,598	(60)	(11,453)	13,084
Other electricity-related facilities	545			545
Utility plants	779,966	(23,301)	(501,727)	254,937
Other plant and equipment	33,681	(969)	(14,165)	18,545
Construction in progress	38,771			38,771
Total	¥852,418	¥(24,270)	¥(515,893)	¥312,254

	Thousands of U.S. dollars			
At March 31, 2011	Original cost	Contributions in aid of construction	Accumulated depreciation	Carrying value
Thermal power generating facilities	**$ 4,540,529**	**$(203,697)**	**$(3,410,381)**	**$ 926,451**
Transmission facilities	**1,679,528**	**(34,299)**	**(1,016,694)**	**628,535**
Transformation facilities	**1,139,779**	**(13,819)**	**(731,388)**	**394,571**
Distribution facilities	**1,777,271**	**(27,581)**	**(903,451)**	**846,238**
General facilities	**388,560**	**(57,669)**	**(147,658)**	**183,233**
Other electricity-related facilities	**10,879**	**(997)**	**(81)**	**9,801**
Utility plants	**9,536,550**	**(338,064)**	**(6,209,654)**	**2,988,831**
Other plant and equipment	**387,349**	**(11,902)**	**(179,728)**	**195,718**
Construction in progress	**783,835**			**783,835**
Total	**$10,707,735**	**$(349,966)**	**$(6,389,383)**	**$3,968,385**

5. Investment securities

The costs and aggregate fair values of investment securities at March 31, 2011 and 2010 were as follows:

	Millions of yen			
At March 31, 2011	Cost	Unrealized gains	Unrealized losses	Fair value
Securities classified as:				
Available-for-sale:				
Equity securities	**¥2,496**	**¥1,554**	**¥486**	**¥3,564**
Other	**500**		**156**	**344**
Total	**¥2,997**	**¥1,554**	**¥642**	**¥3,908**

	Millions of yen			
At March 31, 2010	Cost	Unrealized gains	Unrealized losses	Fair value
Securities classified as:				
Available-for-sale:				
Equity securities	¥2,496	¥1,761	¥413	¥3,844
Other	686	11	135	563
Total	¥3,183	¥1,773	¥548	¥4,407

	Thousands of U.S. dollars			
At March 31, 2011	Cost	Unrealized gains	Unrealized losses	Fair value
Securities classified as:				
Available-for-sale:				
Equity securities	**$30,023**	**$18,692**	**$5,849**	**$42,866**
Other	**6,021**		**1,882**	**4,139**
Total	**$36,044**	**$18,692**	**$7,731**	**$47,005**

The impairment loss on available-for-sale securities (unlisted equity securities) for the year ended March 31, 2011 was ¥508 million ($6,117 thousand).

6. Long-term debt

Long-term debt at March 31, 2011 and 2010 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	**2011**
Domestic bonds, 0.52% to 2.02% in 2011 and 0.88% to 2.02% in 2010, due serially through 2020	**¥ 69,999**	¥ 66,999	**$ 841,848**
Loans from Okinawa Development Finance Corporation, 0.55% to 3.30% in 2011 and 0.55% to 3.65% in 2010, due serially through 2025	**123,706**	121,779	**1,487,756**
Loans from banks, insurance companies and other sources, 0.40% to 2.30% in 2011 and 0.50% to 2.55% in 2010 due serially through 2023	**10,685**	6,539	**128,507**
Obligations under finance leases	**1,876**	46	**22,565**
Total	**206,268**	195,365	**2,480,678**
Less current maturities	**(18,076)**	(35,640)	**(217,401)**
Long-term debt, less current maturities	**¥188,191**	¥159,724	**$2,263,276**

All of the Company's assets are subject to certain statutory preferential rights as collateral for bonds and loans from the Okinawa Development Finance Corporation.

Certain assets of the consolidated subsidiaries, amounting to ¥4,321 million ($51,970 thousand), are pledged as collateral for a portion of the long-term debt as of March 31, 2011.

The aggregate annual maturities of long-term debt outstanding at March 31, 2011 were as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2012	¥ 18,076	$ 217,401
2013	29,338	352,832
2014	18,500	222,492
2015	22,913	275,573
2016	22,637	272,248
2017 and thereafter	94,801	1,140,130
Total	¥206,268	$2,480,678

7. Short-term borrowings

The weighted average interest rates applicable to short-term bank loans were 0.70% and 0.86% at March 31, 2011 and 2010, respectively.

8. Employees' retirement benefits

The Company's pension plans are as follows:

- A cash balance pension plan based on the Defined-Benefit Corporate Pension Law
- A lump-sum retirement benefit plan
- A defined contribution pension plan

In certain cases, the Company pays additional retirement benefits for employees.

Consolidated subsidiaries have the defined benefits corporate pension plans, the tax-qualified pension plans and the lump-sum retirement benefit plans.

The liability for employees' retirements benefit at March 31, 2011 and 2010 consisted of the followings:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	**2011**
Projected benefit obligation	**¥24,201**	¥23,774	**$291,059**
Fair value of pension assets	**(8,997)**	(8,931)	**(108,207)**
Unrecognized actuarial loss	**(804)**	(900)	**(9,671)**
Net liability	**¥14,399**	¥13,942	**$173,180**

The components of net periodic retirement benefit costs for the years ended March 31, 2011 and 2010 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	**2011**
Service cost	**¥1,240**	¥1,155	**$14,914**
Interest cost	**368**	371	**4,429**
Expected return on plan assets			
Recognized actuarial loss	**332**	943	**3,997**
Contribution to the defined contribution pension plan	**190**	189	**2,290**
Net periodic retirement benefit costs	**¥2,131**	¥2,660	**$25,631**

Assumptions used for the years ended March 31, 2011 and 2010 were set forth as follows:

	2011	2010
Discount rate	**2.0%**	2.0%
Expected rate of return on plan assets	**0.0%**	0.0%
Recognition period of actuarial gain/loss	**primarily 5 years**	primarily 5 years

9. Income taxes

The Companies are subject to several taxes based on income and revenue. For the years ended March 31, 2011 and 2010, the aggregate normal statutory tax rates approximated 35%.

The tax effects of significant temporary differences and loss carry forwards, which resulted in deferred tax assets and liabilities at March 31, 2011 and 2010, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	**2011**
Deferred tax assets:			
Pension and severance costs	**¥ 5,231**	¥ 5,047	**$ 62,912**
Unrealized profit	**3,879**	3,789	**46,651**
Depreciation and amortization	**2,358**	2,376	**28,360**
Tax loss carry forward	**1,445**	139	**17,381**
Other	**4,651**	5,167	**55,941**
Sub-total	**17,565**	16,519	**211,247**
Less: valuation allowance	**(2,869)**	(2,959)	**(34,515)**
Total deferred tax assets	**¥14,695**	¥13,559	**$176,732**
Deferred tax liabilities:			
Unrealized gain on available-for-sale securities	**(370)**	(462)	**(4,457)**
Unrealized gain on land revaluation	**(366)**	(373)	**(4,405)**
Other	**(114)**	(114)	**(1,377)**
Total deferred tax liabilities	**(851)**	(951)	**(10,240)**
Net deferred tax assets	**¥13,843**	¥12,608	**$166,492**

Reconciliations between the normal effective statutory tax rate for the years ended March 31, 2011 and 2010 and the actual effective tax rate reflected in the accompanying consolidated statements of income were as follows:

	2011	2010
Normal effective statutory tax rate	**35.0%**	35.0%
Temporary differences relating to investments in subsidiaries	**(8.1)**	
Tax credit	**(2.3)**	(1.6)
Expenses not deductible for income tax purposes	**1.0**	0.8
Difference in subsidiaries' tax rates	**0.8**	0.8
Other-net	**0.1**	(2.7)
Actual effective tax rate	**26.5%**	32.3%

10. Leases

ASBJ Statement No.13, "Accounting Standard for Lease Transactions" requires that all finance lease transactions be capitalized to recognize lease assets and lease obligations in the balance sheet. However, the ASBJ Statement No.13 permits leases without ownership transfer of the leased property to the lessee whose lease inception was before March 31, 2008 to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the note to the financial statements. The Companies applied the ASBJ Statement No.13 effective April 1, 2008 and accounted for such leases as operating lease transactions.

As lessee

Pro forma information of leased property whose lease inception was before March 31, 2008 that do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis was as follows:

	Millions of yen		
As of March 31, 2011	General facilities	Other	Total
Acquisition cost		**¥3,264**	**¥3,264**
Accumulated depreciation		**(2,567)**	**(2,567)**
Accumulated impairment loss		**(22)**	**(22)**
Net leased property		**¥ 675**	**¥ 675**

	Millions of yen		
As of March 31, 2010	General facilities	Other	Total
Acquisition cost	¥480	¥3,381	¥3,861
Accumulated depreciation	(351)	(2,201)	(2,552)
Accumulated impairment loss		(22)	(22)
Net leased property	¥128	¥1,158	¥1,287

	Thousands of U.S. dollars		
As of March 31, 2011	General facilities	Other	Total
Acquisition cost		**$39,265**	**$39,265**
Accumulated depreciation		**(30,874)**	**(30,874)**
Accumulated impairment loss		**(264)**	**(264)**
Net leased property		**$ 8,125**	**$ 8,125**

Obligations under finance leases as of March 31, 2011 and 2010:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	**2011**
Due within one year	**¥402**	¥ 567	**$4,844**
Due after one year	**272**	719	**3,281**
Total	**¥675**	¥1,287	**$8,125**

Allowance for impairment loss on leased property of ¥10 million ($121 thousand) and ¥15 million as of March 31, 2011 and 2010 are not included in the obligations under finance leases.

Depreciation expense and other information under finance leases as of March 31, 2011 and 2010.

	Millions of yen		Thousands of U.S. dollars
	2011	2010	**2011**
Lease payments	**¥565**	¥568	**$6,805**
Depreciation expense	**560**	563	**6,742**
Reversal of allowance for impairment loss	**¥ 5**	¥ 5	**$ 63**

As lessor

Total lease income from the leases for the years ended March 31, 2011 and 2010 were ¥131 million ($1,575 thousand) and ¥174 million, respectively. Lease income is recognized in income on a straight-line basis over the lease term.

Pro forma information of finance leases which existed at the transition date and do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis for the years ended March 31, 2011 and 2010 were as follows:

At March 31, 2011 and 2010, summaries of the above leased property were as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	**2011**
Other equipment:			
Acquisition cost	**¥501**	¥686	**$6,027**
Accumulated depreciation	**(373)**	(441)	**(4,491)**
Net leased property	**¥127**	¥245	**$1,535**

At March 31, 2011 and 2010, the total lease payments to be received from the above leases were as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	**2011**
Due within one year	**¥ 72**	¥126	**$ 875**
Due after one year	**33**	99	**402**
Total	**¥106**	¥225	**$1,277**

Depreciation expense relating to the leased assets arrangements mentioned above was ¥71 million ($865 thousand) and ¥114 million for the years ended March 31, 2011 and 2010, respectively.

11. Equity

Japanese companies are subject to the Companies Act of Japan (the "Companies Act"). The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

12. Research and development costs

Research and development costs charged to income were ¥1,251 million ($15,045 thousand) and ¥975 million for the years ended March 31, 2011 and 2010, respectively.

13. Additional cash flow information

Okinawa Telecommunication Network Co., Inc. was excluded from the scope of consolidation as a result of a capital increase through third-party allotment of shares carried out on January 4, 2010.

The assets and liabilities of the company at the time of exclusion were as follows:

	Millions of yen
	2010
Assets	
Property, plant and equipment and other	¥3,673
Current assets	1,929
Total	¥5,603
Liabilities	
Long-term liabilities	¥3,082
Current liabilities	812
Total	¥3,894

14. Financial instruments and related disclosures

In March 2008, the ASBJ revised ASBJ Statement No.10 "Accounting Standard for Financial Instruments" and issued ASBJ Guidance No.19 "Guidance on Accounting Standard for Financial Instruments and Related Disclosures." This accounting standard and the guidance were applicable to financial instruments and related disclosures at the end of the fiscal years ending on or after March 31, 2010. The Companies applied the revised accounting standard and the new guidance effective March 31, 2010.

(a) The Companies' policy for financial instruments

The Companies use financial instruments, mainly long-term debt including loans and bonds, to raise funds required for capital investments, and repayments of liabilities. Short term bank loans and commercial paper are used to fund its ongoing operations.

(b) Nature and extent of risks arising from financial instruments

Investment securities, mainly equity securities issued by companies related through business, are exposed to the risk of market price fluctuations.

Receivables such as trade notes and trade accounts are exposed to customer credit risk.

A part of interest bearing liabilities, loans at variable interest rates are exposed to market risks from changes in variable interest rates. However, related interest rate fluctuations have a minimal impact because most funds are raised at fixed interest rates.

Almost payment terms of payables, such as trade notes and trade accounts, are less than one year.

The interest rates of a part of long-term loans are fluctuated by using interest rate swaps. The interest-rate swaps which meet specific matching criteria are omitted an assessment of the effectiveness of hedge accounting.

(c) Risk management for financial instruments

(1) Credit risk management

In accordance with electric power supply agreements and so on, the Companies continuously manage the credit risk from receivables by monitoring of payment term and balances of each customer and identifying the default risk of customers in early stage.

(2) Market risk management (stock price and interest rate risk)

The market risk of investment securities is managed by monitoring market values and financial position of issuers on a regular basis.

Derivative transactions have been made in accordance with internal policies which regulate the authorization. Risk management policies are set forth at the beginning of the fiscal year. Each derivative transaction is reported to the officer monthly and reported to the Board of Directors semiannually.

(3) Liquidity risk management for fund raising

The Companies make a financial planning in accordance with various plans on a timely basis and update it and manage the liquidity risk by laying down overdraft line and acquiring commitment line.

(d) Fair values of financial instruments

Fair values of financial instruments are based on quoted price in active markets. If a quoted price is not available, other rational valuation techniques are used instead. Also please see Note 15 for the detail of fair value for derivatives.

(1) Fair values of financial instruments

The carrying amounts and aggregate fair values of financial instruments at March 31, 2011 and 2010 were as follows:

	Millions of yen		
March 31, 2011	Carrying amount	Fair value	Unrecognized loss
Investment securities:			
Available-for-sale	**¥ 3,908**	**¥ 3,908**	
Cash and cash equivalents	**9,534**	**9,534**	
Receivables	**8,163**	**8,163**	
Total	**¥ 21,606**	**¥ 21,606**	
Long-term debt:			
Bonds	**¥ 69,999**	**¥ 71,650**	**¥1,650**
Loans	**134,392**	**138,815**	**4,423**
Short-term bank loans	**4,000**	**4,000**	
Notes and accounts payable	**21,560**	**21,560**	
Income taxes payable	**1,436**	**1,436**	
Total	**¥231,389**	**¥237,462**	**¥6,073**

	Millions of yen		
March 31, 2010	Carrying amount	Fair value	Unrecognized loss
Investment securities:			
Available-for-sale	¥ 4,407	¥ 4,407	
Cash and cash equivalents	11,207	11,207	
Receivables	7,106	7,106	
Total	¥ 22,722	¥ 22,722	
Long-term debt:			
Bonds	¥ 66,999	¥ 68,495	¥1,496
Loans	128,318	132,443	4,124
Short-term bank loans	5,565	5,565	
Notes and accounts payable	17,620	17,620	
Income taxes payable	3,736	3,736	
Total	¥222,240	¥227,861	¥5,620

	Thousands of U.S. dollars		
March 31, 2011	Carrying amount	Fair value	Unrecognized loss
Investment securities:			
Available-for-sale	**$ 47,005**	**$ 47,005**	
Cash and cash equivalents	**114,668**	**114,668**	
Receivables	**98,181**	**98,181**	
Total	**$ 259,854**	**$ 259,854**	
Long-term debt:			
Bonds	**$ 841,848**	**$ 861,697**	**$19,849**
Loans	**1,616,264**	**1,669,457**	**53,193**
Short-term bank loans	**48,105**	**48,105**	
Notes and accounts payable	**259,294**	**259,294**	
Income taxes payable	**17,278**	**17,278**	
Total	**$2,782,792**	**$2,855,835**	**$73,042**

The securities whose fair value cannot be reliably determined are excluded from investment securities.

Bonds and loans contain current maturities of them.

Investment securities

The fair values of investment securities are measured at the quoted market price of the stock exchange for the equity securities. The information of the fair value for the investment securities by classification is included in Note 5.

Cash and cash equivalents, and receivables

The carrying values of cash and cash equivalents, and receivables approximate fair value because of their short maturities.

Bonds

The fair values of bonds are measured at the quoted market price mainly.

Long-term loans

Because long-term loans at variable interest rates reflect short-term movements in market interest rates, the carrying amounts approximate fair value.

The fair values of loans at fixed interest rates are determined by discounting the cash flows related to the loans at the Company's assumed corporate borrowing rate.

Because a part of loans at fixed interest rates are subjected to interest rate swaps which qualify for hedge accounting and meet specific matching criteria, the carrying amounts of the loans with the interest rate swaps approximate fair value.

Short-term bank loans, Notes and accounts payable, and income taxes payable

The carrying values of short-term bank loans, notes and accounts payable, and income taxes payable approximate fair value because of their short maturities.

Derivatives

The information of the fair value for derivatives is included in Note 15.

(2) Carrying amount of financial instruments whose fair value cannot be reliably determined

	Millions of yen		Thousands of U.S. dollars
	2011	2010	**2011**
Investment securities:			
Available-for-sale:			
Unlisted equity securities	**¥4,449**	¥4,852	**$53,516**
Other	**626**	637	**7,538**
Total	**¥5,076**	¥5,490	**$61,055**

(e) Maturity analysis for financial assets with contractual maturities

	Millions of yen	Thousands of U.S. dollars
March 31, 2011	Due in one year or less	Due in one year or less
Cash and cash equivalents	**¥ 9,534**	**$114,668**
Receivables	**8,163**	**98,181**
Total	**¥17,698**	**$212,849**

15. Derivatives

The Company uses derivative financial instruments to manage their exposures to fluctuations in interest rates. Interest rate swaps are utilized by the Company to reduce interest rate risks. The Company does not hold or issue derivatives for trading or speculative purposes.

Derivatives are subject to market risk, which is the exposure created by potential fluctuations in market conditions, including interest rate. Because the counterparties to those derivatives are limited to major international financial institutions, the Company does not anticipate any losses arising from credit risk.

Derivative transactions entered into by the Company have been made in accordance with internal policies.

Since all derivatives utilized by the Company were qualified for hedge-accounting, information on the market value is not provided.

Derivative transactions to which hedge accounting is applied

	Millions of yen				Thousands of U.S. dollars			
At March 31, 2011	Hedged item	Contract amount	Contract amount due after one year	Fair value	Hedged item	Contract amount	Contract amount due after one year	Fair value
Interest rate swaps: (floating rate payment, fixed rate receipt)	**Long-term debt**	**¥4,329**	**¥3,663**		**Long-term debt**	**$52,062**	**$44,052**	

	Millions of yen			
At March 31, 2010	Hedged item	Contract amount	Contract amount due after one year	Fair value
Interest rate swaps: (floating rate payment, fixed rate receipt)	Long-term debt	¥4,995	¥4,329	

The above interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value but the differential paid or received under the swap agreements are recognized and included in interest expense. As a result, the fair values of such interest rate swaps is included in that of hedged items (i.e. long-term debt) in Note 14.

16. Comprehensive income

Total comprehensive income for the year ended March 31, 2010 was the following:

	Millions of yen
	2010
Total comprehensive income attributable to:	
Owners of the parent	¥9,378
Minority interests	306
Total comprehensive income	¥9,684

Other comprehensive income for the year ended March 31, 2010 consisted of the following:

	Millions of yen
	2010
Other comprehensive income:	
Unrealized gain on available-for-sale securities	¥434
Share of other comprehensive income in an affiliate accounted for under the equity method	(0)
Total other comprehensive income	¥433

17. Segment information

In March 2008, the ASBJ revised ASBJ Statement No.17 "Accounting Standard for Segment Information Disclosures" and issued ASBJ Guidance No.20 "Guidance on Accounting Standard for Segment Information Disclosures." Under the standard and guidance, an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. This accounting standard and the guidance are applicable to segment information disclosures for the fiscal years beginning on or after April 1, 2010.

The segment information for the year ended March 31, 2010 under the revised accounting standard is also disclosed hereunder as required.

(a) Description of reportable segments

The Companies' reportable segments are those for which separately financial information is available and regular evaluation by the Company's management is being performed in order to decide how resources are allocated among the Companies. The Company and its consolidated subsidiaries compose their own business segment respectively, and the industry "Electric" holding most of their business is treated as reportable segment. Industry "Electric" supplies electricity throughout Okinawa Prefecture.

(b) Methods of measurement for the amounts of sales, profit, assets and other items for each reportable segment

The accounting policies of each reportable segment are consistent to those disclosed in Note 2, "Summary of Significant Accounting Policies." Segment profit is based on operating income. The same or similar general business conditions are applied to "Sales to external customers" and "Intersegment sales or transfers."

(c) Information about sales, profit, assets and other items is as follows:

	Millions of yen					Thousands of U.S. dollars				
	Reportable segment					Reportable segment				
2011	Electric	Other	Total	Reconciliations	Consolidated	Electric	Other	Total	Reconciliations	Consolidated
Sales										
Sales to external customers	**¥150,745**	**¥ 7,749**	**¥158,494**		**¥158,494**	**$1,812,934**	**$ 93,198**	**$1,906,132**		**$1,906,132**
Intersegment sales or transfers	**151**	**35,634**	**35,785**	**¥(35,785)**		**1,819**	**428,551**	**430,371**	**$(430,371)**	
Total	**150,896**	**43,383**	**194,280**	**(35,785)**	**158,494**	**1,814,753**	**521,749**	**2,336,503**	**(430,371)**	**1,906,132**
Segment profit	**¥ 12,490**	**¥ 2,168**	**¥ 14,659**	**¥ (283)**	**¥ 14,376**	**$ 150,218**	**$ 26,080**	**$ 176,299**	**$ (3,406)**	**$ 172,893**
Segment assets	**¥368,596**	**¥42,869**	**¥411,465**	**¥(26,306)**	**¥385,159**	**$4,432,912**	**$515,563**	**$4,948,476**	**$(316,372)**	**$4,632,104**
Other:										
Depreciation	**¥ 21,078**	**¥ 1,321**	**¥ 22,399**	**¥ (960)**	**¥ 21,439**	**$ 253,500**	**$ 15,888**	**$ 269,388**	**$ (11,552)**	**$ 257,836**
Increase in property, plant and equipment and intangible assets	**48,607**	**731**	**49,339**	**(1,720)**	**47,618**	**584,580**	**8,800**	**593,381**	**(20,694)**	**572,687**

	Millions of yen				
	Reportable segment				
2010	Electric	Other	Total	Reconciliations	Consolidated
Sales					
Sales to external customers	¥151,545	¥10,956	¥162,501		¥162,501
Intersegment sales or transfers	279	31,697	31,977	¥(31,977)	
Total	151,825	42,653	194,479	(31,977)	162,501
Segment profit	¥ 14,935	¥ 2,327	¥ 17,263	¥ 134	¥ 17,397
Segment assets	¥349,308	¥41,856	¥391,165	¥(25,865)	¥365,299
Other:					
Depreciation	¥ 21,401	¥ 1,790	¥ 23,191	¥ (849)	¥ 22,342
Increase in property, plant and equipment and intangible assets	31,180	1,667	32,848	(875)	31,972

Notes: 1. "Other" category consisted of construction, sales and maintenance services of electric appliances and others. The Companies do not have foreign operations. No sales to foreign customers were made during the years ended March 31, 2011 and 2010.

2. Reconciliations of the segment profit and the segment assets are intersegment transaction eliminations.

3. Segment profit is adjusted to reflect operating income on the consolidated statements of income.

18. Subsequent event

The following appropriations of retained earnings at March 31, 2011 were approved at the Company's shareholders' meeting held on June 29, 2011:

	Millions of yen	Thousands of U.S. dollars
Year-end cash dividends, ¥30 (36¢) per share	**¥524**	**$6,303**

Deloitte.

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Independent Auditors' Report

To the Board of Directors of
The Okinawa Electric Power Company, Incorporated:

We have audited the accompanying consolidated balance sheets of The Okinawa Electric Power Company, Incorporated and consolidated subsidiaries (the "Company") as of March 31, 2011 and 2010, and the related consolidated statements of income for the years then ended, the consolidated statement of comprehensive income for the year ended March 31, 2011, and the related consolidated statements of changes in equity, and cash flows for the years then ended , all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Okinawa Electric Power Company, Incorporated and consolidated subsidiaries as of March 31, 2011 and 2010, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu LLC

June 29, 2011

Member of
Deloitte Touche Tohmatsu

Non-Consolidated Balance Sheets

March 31, 2011 and 2010	Millions of yen 2011	Millions of yen 2010	Thousands of U.S. dollars 2011
Assets			
Property, plant and equipment:			
Utility plants and equipment	**¥820,741**	¥806,640	**$ 9,870,618**
Construction in progress	**65,903**	39,231	**792,590**
Total	**886,645**	845,871	**10,663,208**
Less:			
Contributions in aid of construction	**(28,171)**	(23,362)	**(338,798)**
Accumulated depreciation	**(533,177)**	(517,814)	**(6,412,238)**
Total	**(561,348)**	(541,176)	**(6,751,036)**
Net property, plant and equipment	**325,297**	304,695	**3,912,171**
Investments and other assets:			
Investment securities	**8,371**	9,031	**100,678**
Investments in and advances to subsidiaries and affiliates	**9,270**	11,173	**111,485**
Deferred tax assets	**7,263**	6,209	**87,352**
Other assets	**637**	763	**7,665**
Allowance for doubtful accounts	**(1,864)**	(1,756)	**(22,423)**
Total investments and other assets	**23,677**	25,420	**284,758**
Current assets:			
Cash and cash equivalents	**2,609**	4,343	**31,381**
Receivables	**5,504**	4,723	**66,197**
Fuel and supplies	**9,571**	7,618	**115,107**
Deferred tax assets	**1,378**	1,503	**16,579**
Other current assets	**1,065**	1,508	**12,817**
Allowance for doubtful accounts	**(507)**	(505)	**(6,100)**
Total current assets	**19,621**	19,191	**235,982**
Total	**¥368,596**	¥349,308	**$ 4,432,913**
Liabilities and equity			
Long-term liabilities:			
Long-term debt, less current maturities	**¥186,117**	¥157,441	**$ 2,238,328**
Liabilities for employees' retirement benefits	**10,683**	10,292	**128,479**
Other long-term liabilities	**1,700**	290	**20,445**
Total long-term liabilities	**198,500**	168,024	**2,387,253**
Current liabilities:			
Current maturities of long-term debt	**18,130**	35,086	**218,047**
Short-term borrowings	**4,700**	6,300	**56,524**
Accounts payable	**18,573**	13,652	**223,369**
Income taxes payable	**798**	3,262	**9,603**
Accrued expenses	**8,880**	9,266	**106,801**
Other current liabilities	**1,256**	1,612	**15,116**
Total current liabilities	**52,339**	69,180	**629,462**
Equity :			
Common stock,			
Authorized — 30,000,000 shares			
Issued — 17,524,723 shares in 2011 and 2010	**7,586**	7,586	**91,238**
Capital surplus:			
Additional paid-in capital	**7,141**	7,141	**85,889**
Retained earnings:			
Legal reserve	**964**	964	**11,605**
Unappropriated	**101,676**	95,852	**1,222,807**
Unrealized gain on available-for-sale securities	**659**	825	**7,936**
Treasury stock, at cost 52,987 shares in 2011 and 51,867 shares in 2010	**(272)**	(267)	**(3,280)**
Total equity	**117,756**	112,103	**1,416,196**
Total	**¥368,596**	¥349,308	**$ 4,432,913**

The translations of Japanese yen amounts into U.S. dollar amounts have been made at the rate of ¥83.15 to $1, the approximate rate of exchange at March 31, 2011.

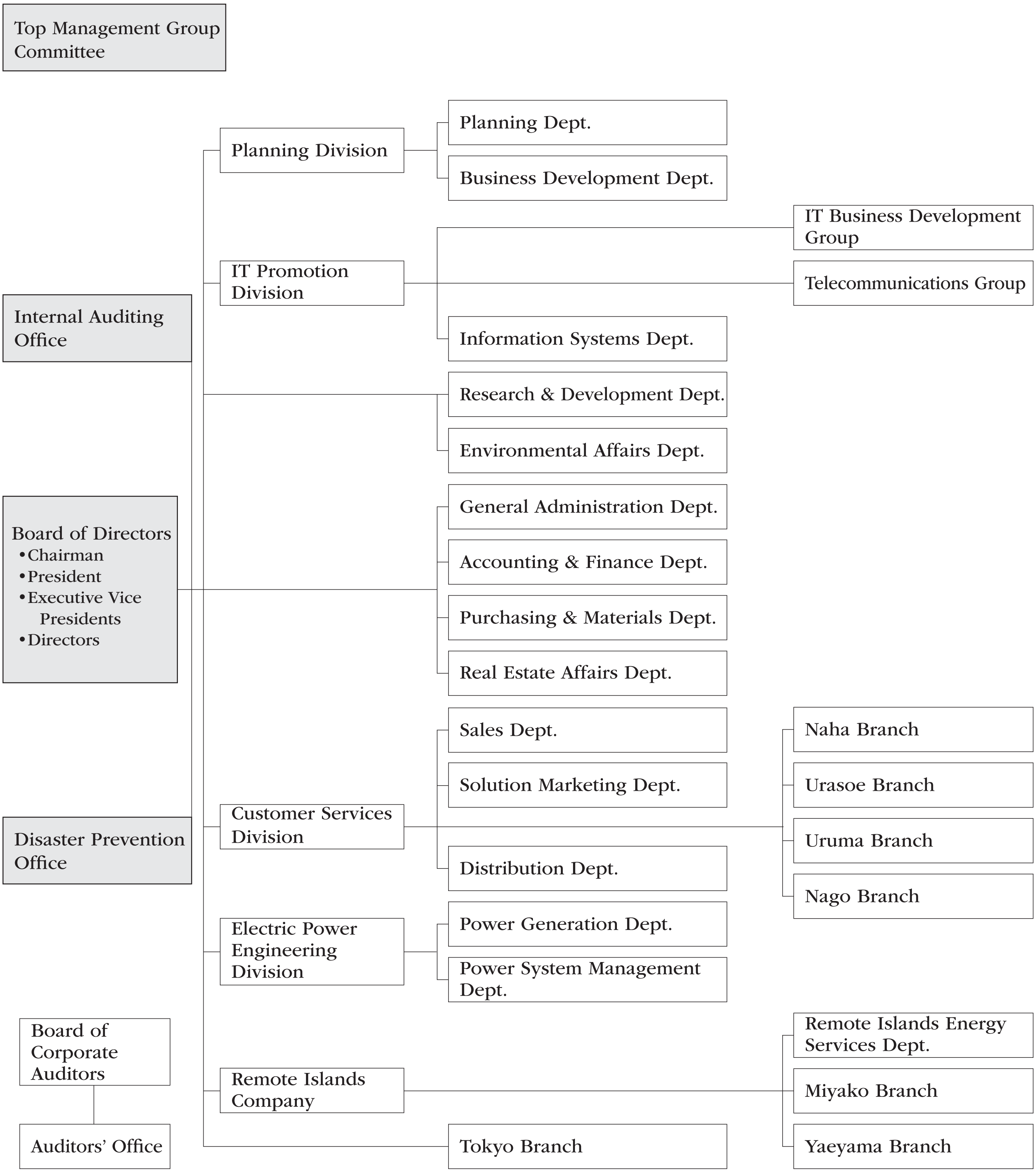
Non-Consolidated Statements of Income

Years ended March 31, 2011 and 2010	Millions of yen 2011	Millions of yen 2010	Thousands of U.S. dollars 2011
Operating revenues	**¥150,896**	¥151,825	**$1,814,753**
Operating expenses:			
Personnel	**16,322**	16,920	**196,304**
Fuel	**41,348**	39,327	**497,276**
Purchased power	**15,828**	15,105	**190,360**
Depreciation	**21,004**	21,328	**252,611**
Repairs and maintenance	**16,696**	17,009	**200,805**
Taxes other than income taxes	**6,917**	7,007	**83,189**
Other	**20,287**	20,190	**243,987**
Total operating expenses	**138,406**	136,889	**1,664,535**
Operating income	**12,490**	14,935	**150,218**
Other expenses:			
Interest expense	**2,888**	3,208	**34,741**
Other — net	**361**	412	**4,349**
Net other expenses	**3,250**	3,620	**39,090**
Income before income taxes	**9,240**	11,315	**111,127**
Income taxes:			
Current	**3,208**	4,840	**38,581**
Deferred	**(840)**	(818)	**(10,108)**
Total	**2,367**	4,021	**28,472**
Net income	**¥ 6,872**	¥ 7,293	**$ 82,654**

	Yen 2011	Yen 2010	U.S. dollars 2011
Per share of common stock			
Basic net income	**¥393.36**	¥417.26	**$4.73**
Cash dividends applicable to the year	**60.00**	60.00	**0.72**

The translations of Japanese yen amounts into U.S. dollar amounts have been made at the rate of ¥83.15 to $1, the approximate rate of exchange at March 31, 2011.

Organization Chart



(As of July 1, 2011)

Corporate Data

Head Office
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Tel: +81 (0)98-877-2341
Fax: +81 (0)98-877-6017
URL: www.okiden.co.jp/english/index.html

Tokyo Branch
No.45 Kowa Bldg. 6F, 15-9, Minami-Aoyama 1-chome,
Minato-ku, Tokyo 107-0062, Japan
Tel: +81 (0)3-3796-7768

Established
May 15, 1972

Capital
¥7,586 million

Total Assets
¥368,596 million

Number of Customers
842,081 (Includes users of both lighting and power)

Number of Employees
1,516

Power Generation Facilities

Type of Station	Number of Facilities	Generating Capacity [kW]
Steam	11	1,467,000
Gas Turbine	8	291,000
Internal Combustion	70	160,860
Renewable Energy*	2	490
Total	91	1,918,860

* Figures for Renewable Energy are included in total of facilities, but not in generating capacity total.

Independent Certified Public Accountants
Deloitte Touche Tohmatsu LLC

Consolidated Subsidiaries

Name	Capital	Main Business Lines	Equity Ownership
Okidenko Company, Incorporated	¥130 million	Construction	74.2%
Okiden Kigyo Company, Incorporated	¥43 million	Peripheral operations related to electric power business	91.8%
Okinawa Plant Kogyo Company, Incorporated	¥32 million	Peripheral operations related to electric power business	94.7%
Okinawa Denki Kogyo Company, Incorporated	¥23 million	Peripheral operations related to electric power business	99.4%
Okiden Kaihatsu Company, Incorporated	¥50 million	Real estate	100.0%
The Okiden Global Systems Company, Incorporated	¥20 million	Information and telecommunications	100.0%
Okinawa Enetech Company, Incorporated	¥40 million	Construction	98.0%
Okinawa New Energy Development Company, Incorporated	¥49 million	Construction	47.1%
Okisetsubi Company, Limited	¥20 million	Construction	74.2%
First Riding Technology, Inc.	¥450 million	Information and telecommunications	95.8%
Progressive Energy Corporation (PEC)	¥100 million	Dispersed generating plant business	79.0%
*Kanucha Community Co., Inc.	¥472 million	Support services for active senior	74.2%

* Kanucha Community Company, Incorporated was legally dissolved on March 31, 2011 and is currently in process of liquidation.

Affiliates Accounted for Under the Equity Method

Name	Capital	Main Business Lines	Equity Ownership
Okinawa Telecommunication Network Co., Inc.	¥1,184 million	Information and telecommunications	30.9%

Investor Information

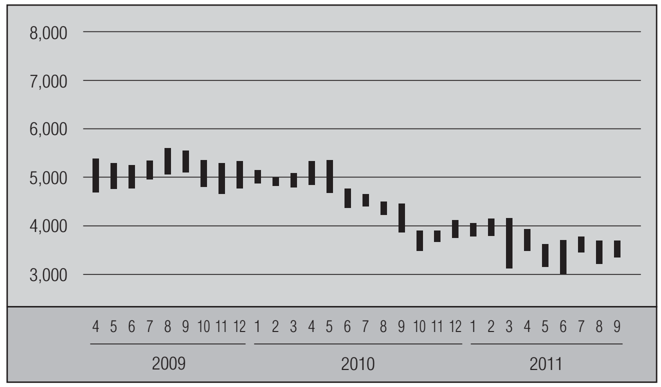
Transfer Agent and Registrar
The Mitsubishi UFJ Trust & Banking Corporation
4-5, Marunouchi 1-chome, Chiyoda-ku,
Tokyo 100-8212, Japan

Securities Traded
Tokyo Stock Exchange,
Fukuoka Stock Exchange

Common Stock Issued
17,524,723 shares

Number of Shareholders
7,779

Stock Price Range on the Tokyo Stock Exchange



Credit Ratings

	Long-Term	Short-Term
S&P	AA-	A-1+
Moody's	Aa3	—
R&I	AA+	a-1+
JCR	AAA	J-1+

(As of August 31, 2011)

A credit rating may be subject to withdrawal or revision at any time

Board of Directors and Auditors

Tsugiyoshi Toma
Chairman

Denichiro Ishimine
President

Mitsuru Omine
Executive Vice President

Katsunari Omine
Executive Vice President

Managing Directors: Tsutomu Ikemiya, Katsuaki Chinen, Masatoshi Endo

Directors: Sunao Tamaki, Tsutomu Yogi, Mikiya Furugen, Katsumi Yamashiro, Hideki Onkawa, Takeshi Nakazato

Outside Director*: Kunio Oroku

Standing Auditors: Seiyu Ishikawa, Choei Yogi

External Auditors: Masateru Higa, Shiro Nozaki, Hikaru Aharen

* Kunio Oroku Director is outside director as defined under the Companies Act of Japan.

(As of June 29, 2011)

The Okinawa Electric Power Company, Incorporated

THE OKINAWA ELECTRIC POWER COMPANY, INCORPORATED ANNUAL REPORT 2011

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