

Appendix 2:

Outline of the Management Plan for Fiscal 2005

Basic Direction of Management

- Creating additional customer values
- Strengthening the group's competitive position by reforming cost structures while assuring quality
- Fulfilling the company's corporate social responsibility (CSR) throughout all of our business operations
- Laying the groundwork for attaining sustainable supremacy in competition

Action Plan

1. Creating Additional Customer Values

1.1 The Overall Energy Area

(1) Electricity Business

- Totally electrified homes: 280,000 (fiscal 2004-2006)
- Integrated commercial electrification systems: 6,500 (fiscal 2004-2006)
- Electric power sales: 0.8% (yearly average growth rate, temperature adjusted, for fiscal 2003-2014)

(2) Gas Business

- Amount sold: 400,000 tons a year (converted for natural gas, fiscal 2005)

1.2 Lifecycle Amenities

- Number of households supplied: 800 (fiscal 2005)
- Housing quality assurance (number of households receiving performance evaluation services): 6,500 (fiscal 2005)
- Home security (number of houses contracted): 6,300 (end of fiscal 2005)
- Health care support service (number of persons receiving this service per year): 5,000 (fiscal 2005)

1.3 Information Communications Fields

- Internet connection service for residential customers: 380,000 households (fiscal 2005)
- Information communication service for commercial customers: 13,000 lines (fiscal 2005)

1.4 Overseas Business Fields

2. Strengthening the Group's Competitive Position by Reforming Cost Structures while Assuring Quality

2.1 The Creation of Facilities

2.2 Radical Cost Reductions (Management Efficiency Plan)

- Capital expenditure: Less than ¥240 billion (average for fiscal 2004-2006)
- Nuclear power usage: More than 85%
- Load factor: 57.6% (fiscal 2014)

2.3 Securing Technological Capabilities for Achieving New Levels of Quality and Cost Reductions

3. Fulfilling the Company's CSR Throughout All of our Business Operations

3.1 The Performance of Basic Operations which Contribute to the Delivery of Products and Services Safely and Steadily

- Carrying out quality assurance activities at our nuclear power businesses

3.2 A Progressive Approach toward Environmental Issues

- Green purchasing of office supplies: 100%
- Number of Items bought by green purchases for our electric service facilities: More than 92 (fiscal 2005)

3.3 The Establishment of a System for Promoting CSR

- The establishment of CSR promotion system and the publication of CSR reports.

4. Laying the groundwork for attaining sustainable supremacy in competition

4.1 Creating Professional Staff and Systems

4.2 The Promotion of R&D activities