

Management Reference Materials

November 2016



The Okinawa Electric Power Company, Inc.

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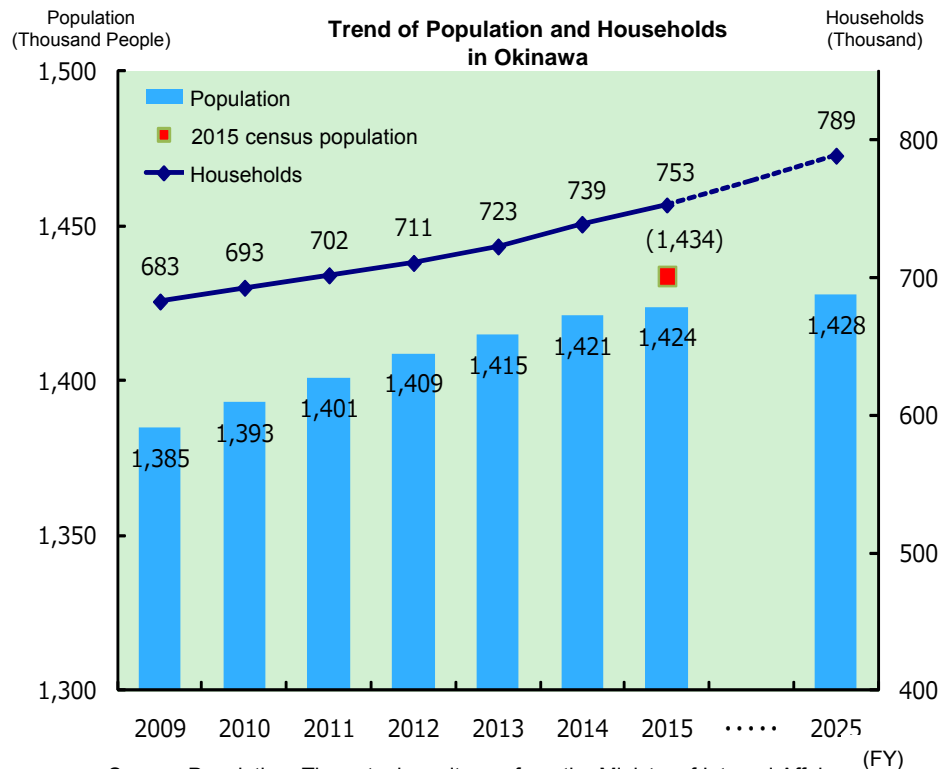
Characteristics of the Business Bases

| Item | Overview | Reference Page |
|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| Demand for Electric power | <ul style="list-style-type: none"> ◆ Increasing demand due to population growth and increasing tourists. ◆ As the proportion of energy for consumer use is high, effects of economic fluctuations are low. ◆ Potential demand due to large-scale urban development projects | 2~8 |
| Competition | <ul style="list-style-type: none"> ◆ OEPC is outside the framework of wide-area power interchange because it has an isolated system. ◆ OEPC has voluntarily released power of 10,000kW supplied by J-Power. ◆ New power companies plan to supply electricity, but excess power resources are limited. | 9 |
| Electric Power Generation Facilities | <ul style="list-style-type: none"> ◆ Reliant on fossil fuels only due to difficulties to develop nuclear or hydraulic power generation ◆ A sufficient supply capacity is secured after Yoshinoura Thermal Power Plant has started operations. ◆ A high reserve supply capacity is required due to an isolated system | 10~12 |
| Fuel | <ul style="list-style-type: none"> ◆ Having introduced LNG, OEPC now provides total energy services. | 13~14 |
| Remote Islands | <ul style="list-style-type: none"> ◆ OEPC supplies power to 11 isolated systems including those in the main island. ◆ The region has a high cost structure because it has small islands and also because the scale of the economy is small. This leads to constant loss recording. | 15~17 |
| Renewable Energy | <ul style="list-style-type: none"> ◆ Reducing fuel consumption and cost is highly effective on remote islands, where fuel unit price is high. ◆ Since the system in the main island of Okinawa is small and independent, the limit of connection volume is likely to occur when using renewable energy. | 18~19 |

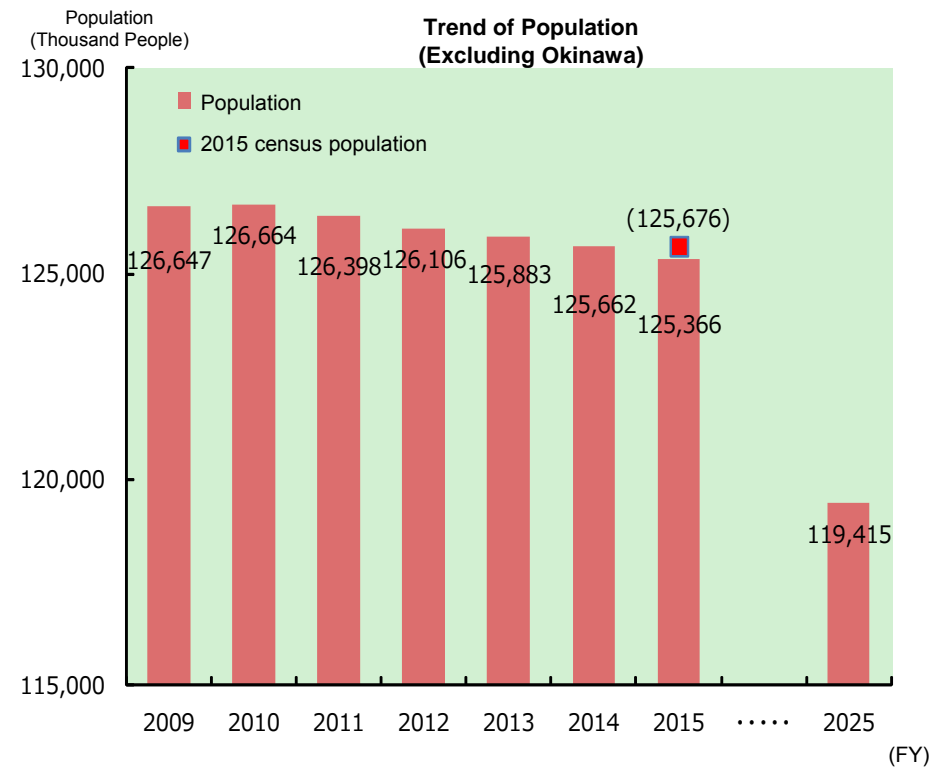


Okinawa Prefecture Demographics (1/2)

- Okinawa Prefecture is witnessing an increase in its population, while nationwide population is declining. The prefecture expects the moderate upward trend would continue.
- Due to the stability growth of household numbers in association with the increasing population, residential demand increases are expected.



Source: Population: The actual results are from the Ministry of Internal Affairs and Communications.
 The figures for FY2015 and FY2025 are OCCTO.
 * Preliminary figures results of the 2015 census
 No. of households are based on the number of household electric lighting (actual results and estimate)

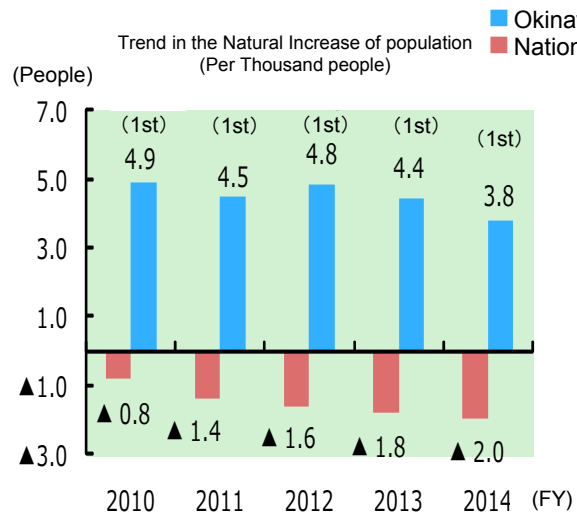
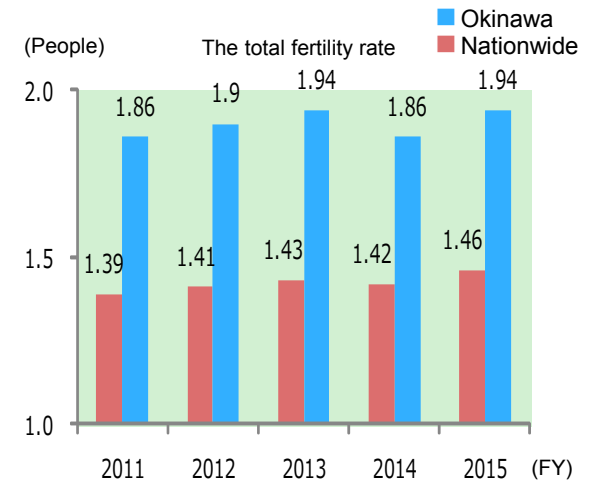


Source: Population: The actual results are from the Ministry of Internal Affairs and Communications.
 The figures for FY2015 and FY2025 are OCCTO.
 * Preliminary figures results of the 2015 census

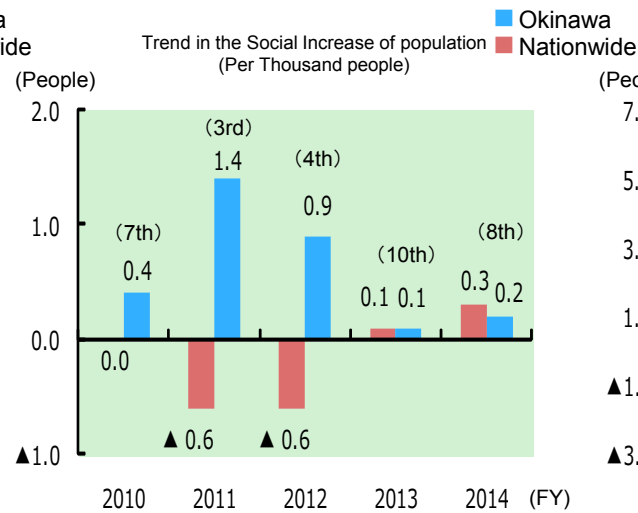


Okinawa Prefecture Demographics (2/2)

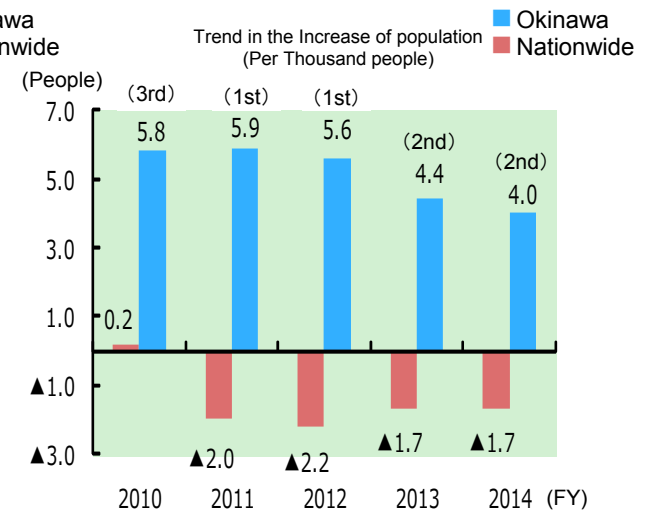
- The total fertility rate of Okinawa Prefecture in FY2015 was 1.94, the highest among all prefectures in Japan (nationwide:1.46)
- The population of Okinawa Prefecture in FY2014 is on a favorable trend, with the number of natural population growth per 1,000 people being 3.8 persons, which is the highest nationwide, and the number of social population growth per 1,000 people being 0.2 persons, which is the eighth highest nationwide.
- Growth of population in the prefecture significantly exceeds the national average of -1.7 person, with 4.0 persons per 1,000 people.



Note: Natural increase of population = Births - Deaths



Note: Social increase of population = Incoming population - Outgoing population



Note: Population increase = natural increase in population + increase/decrease of population in the society



Source: Bureau of Statistics, Ministry of Internal Affairs and Communications
The figures in brackets in the chart show Okinawa Prefecture's national ranking
The Okinawa Electric Power Company, Inc.

Number of incoming tourists (1/3)

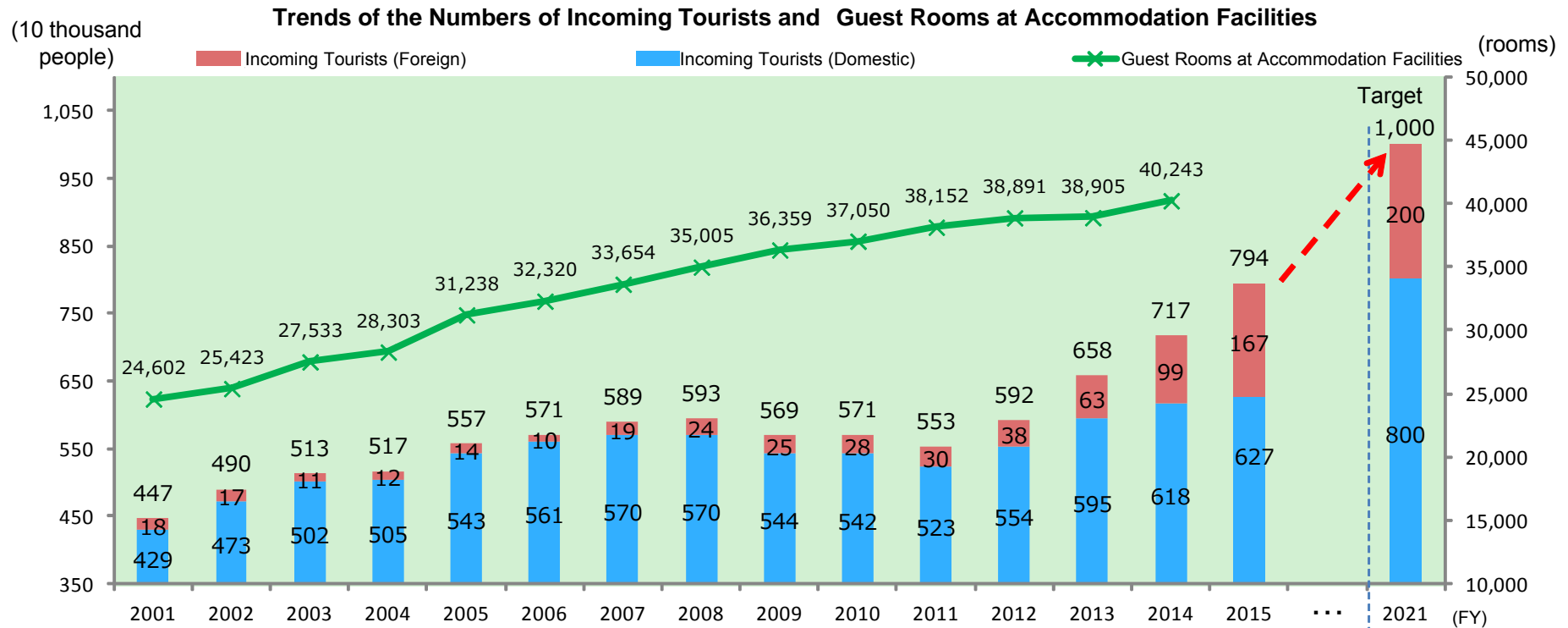
- With the number of tourism related facilities (hotels, etc.) increasing in association with increased numbers of incoming tourists, increases are forecast for demand.

[incoming tourists]

The number of incoming tourists in FY2015: 7.94 million people (Growth rate of 10.7% year-on-year)

The number of incoming tourists in FY2016(the first half results): 4.62 million people

(Growth rate of 12.8% year-on-year)



Source: "Tourism Guidebook", "Summary Statistics on Incoming Tourists to Okinawa, FY2015", "2014 Accommodations Fact - finding Survey Result" and "Okinawa Tourism Promotion Roadmap (revised edition, March 2016) published by Okinawa Prefectural Government



Number of incoming tourists (2/3)

- Tourism still remains strong due to the continuing increase in the number of tourist arrivals from Taiwan, South Korea, mainland China, and Hong Kong.

[incoming tourists]

The number of incoming tourists in FY2015: 1.67 million people (Growth rate of 69.4% year-on-year)

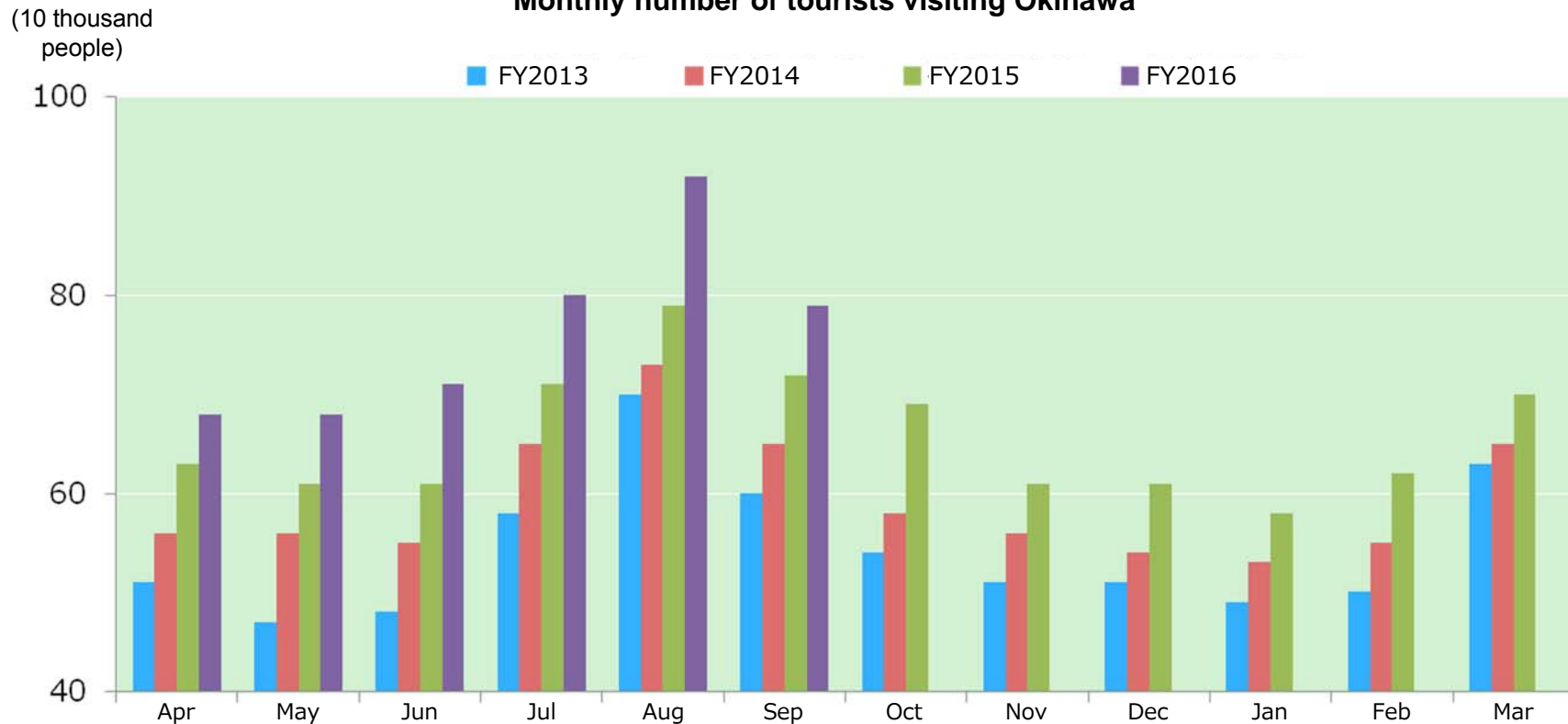
The number of incoming tourists in FY2016(the first half results): 1.24 million people
(Growth rate of 40.5% year-on-year)



Number of inbound tourists (3/3)

- First half of fiscal 2016: The number of tourists visiting Okinawa stood at 4,618,700, posting a record high (increased by 525,700, up 12.8% year on year).
- The monthly number of tourists visiting Okinawa exceeded the 800,000 mark for the first time ever for July 2016 before posting 920,000 for August the same year, a record high on a single month basis.
- The number of such tourists has been rising year-on-year for 48 consecutive months.

Monthly number of tourists visiting Okinawa



Large-Scale Urban Development Projects

- In Okinawa Prefecture, a series of large-scale development projects are planned, which take advantage of former base sites. These will generate new energy demand.

| Development Project | Area | Scheduled open year | Outline |
|-------------------------------------------------------------------------------------|---------------|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ① around Tedako-uranishi station Smart City development project (Urasoe-shi) | Approx. 20ha | FY2019 | ➤ Development around Tedako-uranishi monorail station |
| ② Large-scale MICE project (Yonabaru-cho, Nishihara-cho) | Approx. 14ha | FY2020 | ➤ Overall development including Meetings, incentives, conferences, and exhibitions (MICE) facilities and accommodations by the prefecture |
| ③ Nishi-futenma residential area Former base site utilization project (Ginowan-shi) | Approx. 46ha | Development starts in FY2018 | <ul style="list-style-type: none"> ➤ Planning of “international medical base zone”, “residential zone”, etc. ➤ Ryukyu University Hospital plans to move to the international medical base zone (FY2023). |
| ④ Urasoe west coast development project (Urasoe-shi) | Approx. 200ha | FY2018 | <ul style="list-style-type: none"> ➤ Development of large-scale commercial complex ➤ The project may have the second and third phases in future. |

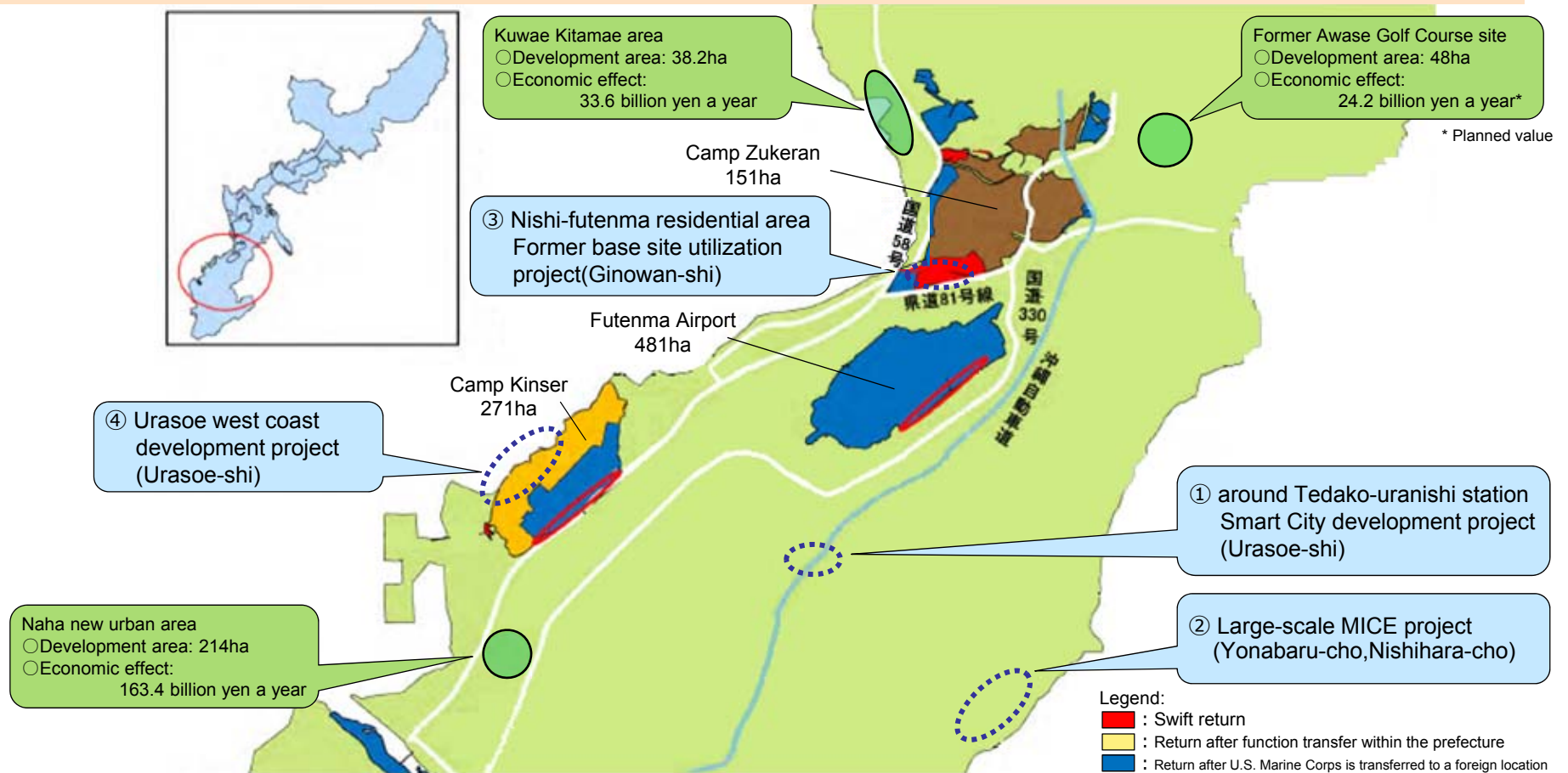
【 Reference 】

| Development results | Area | Year of return | Electricity demand results (FY2015) | Description |
|-------------------------------|---------------|----------------|-------------------------------------|---------------------------------------------------------------------------------|
| Naha new urban area | Approx. 214ha | 1987 | 153,869MWh | ➤ Development of homes, large-sized commercial facilities and public facilities |
| Former Awase Golf Course site | Approx. 48ha | 2010 | 26,886MWh | ➤ Development of large-sized commercial facilities and hospitals |



Use of returned former U.S. military base sites

- If the US military facilities are returned, demand is expected to decrease temporarily. However, demand will subsequently increase on the strength of revitalization of the local economy following redevelopment of the US military facilities sites.



* Source: The material of the Okinawa Revitalization Council Chair and Specialized Committee Meeting (third session) presented on the Cabinet Office website, and Survey of Consideration of Ripple Economic Effects from Utilization of Former U.S. Forces Sites posted on the Okinawa Prefectural Government website



Impacts of Full liberalization of the Electricity Market

- The electricity market was fully liberalized in April 2016.
- As a voluntary initiative, Okinawa Electric Power began cutting 10,000 kW out of the supply capacity of the Ishikawa thermal power station of Electric Power Development Co., Ltd. for delivery to the market to make it available to new entrants in April 2016.
- Switching: 0.0 thousand cases (as of September 30, 2016) Source: Organization for Cross-regional Coordination of Transmission Operators, Japan

[The environment surrounding electricity retail liberalization in Okinawa]

- Okinawa, not being connected to any other region's electricity power system, is outside the framework of wide-area power interchange. Okinawa is also unable to trade electricity via wholesale electric power exchange.
- Private power generation is not much adopted in Okinawa, meaning excess electricity is available only to a small extent. (Reference) Private power generation's share of Okinawa's entire electric power generation: 2% (59MW)

State of market entry by power producers & suppliers (PPSs) * On a mass media reporting basis

○ ITOCHU Corporation:

ITOCHU Corporation develops a retail electricity business to hotels and supermarkets, and other large industrial consumers.

○ Okinawa Gas New Power Co. (joint venture between Okinawa Gas and erex co., Ltd.)

Launched in October 2016 the supply of electricity to hotels and other establishments by purchasing electricity from solar power plant operators

○ Okinawa CO2 Reduction Promotion Council:

Plans to sell electricity to households using power supplied from solar power generation facilities.

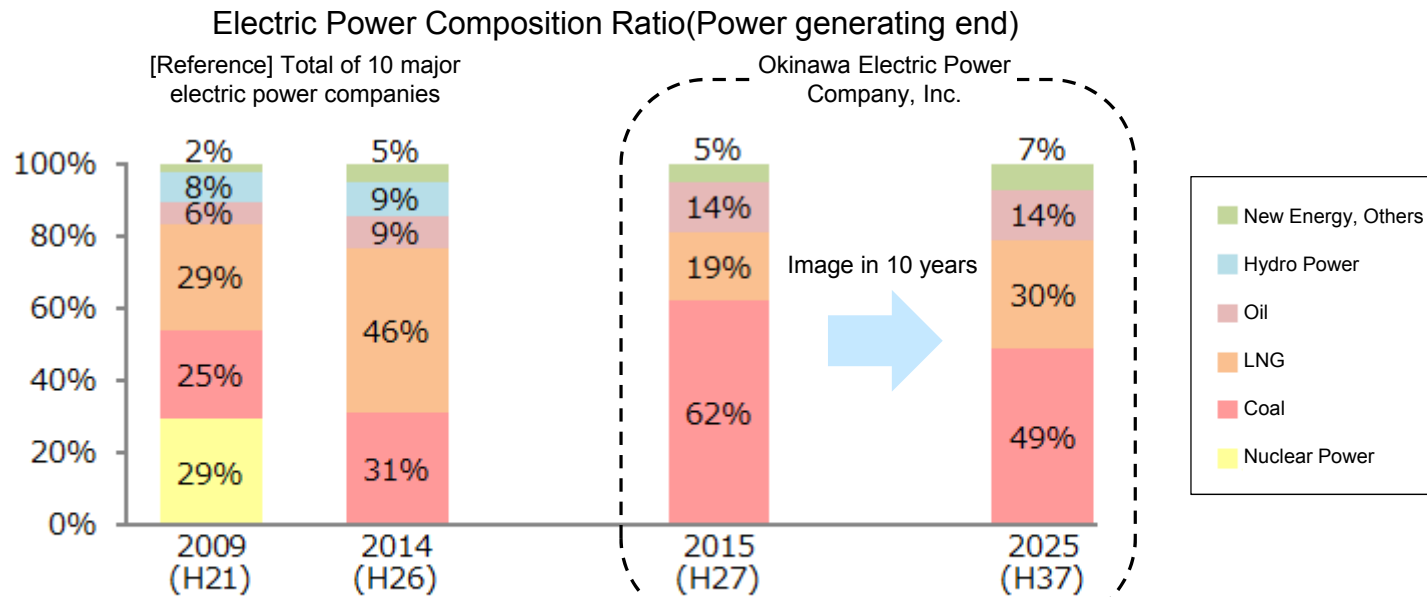


Power Generation Facilities (Power Supply Composition)

- The composition of electric power source is highly reliant on fossil fuel, as developing nuclear or hydroelectric power generation is difficult in Okinawa due to the reasons of geographic condition and the small scale of demand. Accordingly, fossil fuels; petroleum, coal and LNG, are the only source for the composition.



- We have secured long-term power supply capacity, the improvement of energy security, and effective countermeasures for global warming issues by commencing the operation of Yoshinoura Thermal Power Plant, our first plant using LNG.



(Source: The Federation of Electric Power Companies of Japan)

Note 1: The figures include other companies (but excluding demand shifted to new power suppliers)

Note 2: The figures include both the main land and remote islands.

Note 3: The figures is generator output.



Power Generation Facilities (Yoshinoura LNG Thermal Power Plant)

- Yoshinoura Thermal Power Plant was constructed as OEPC first LNG thermal power plant from the viewpoints of securing stable supply of electricity, increasing energy security, environmental measures and venturing into gas-related business.
- Yoshinoura Multi Gas Turbine Power Plant was constructed mainly for the purposes of starting power grids in case that the entire main island of Okinawa loses all electricity sources, dealing with the electricity peak of normal time.

[Outline of the Power Plant]

| | | |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| Name | Yoshinoura Thermal Power Plant | Yoshinoura Multi-Gas Turbine Power Plant |
| Location | Nakagusuku-son, Okinawa Prefecture | |
| Power generation capacity | 251,000kW×2 power generators | 35,000 kW × 1 plant |
| Fuel | Liquefied natural gas (LNG) | LNG, kerosene, bio-ethanol (The normal fuel to be used is LNG.) |
| Storage facilities | 140,000kl × 2 stations | |
| Start of commercial operation | Generator No.1:November 27, 2012 Generator No.2:May 23, 2013 | March 20, 2015 |
| Fuel procurement | Contractor: Osaka Gas Co., Ltd. Contract period: 27 years from FY2012 (main source of supply: Gorgon Project in Australia) Contracted quantity: About 400,000 t/year Terms of delivery: Delivery on ship's arrival (EX-Ship) | |



Power Generation Facilities (Reserve Capacity)

- A high generation reserve margin is necessary because of OEPC's isolated system and the responsibility to provide stable supply as a public utility.
- The equivalent reserve capacity of the largest unit is secured so that it is possible to provide stable supply even if the largest unit breaks down.



- We would ensure long-term and stable supply.

Demand-supply balance of maximum electric power (August) (Unit : Thousand kW, %)

| | 2015 (Results) | 2016 (Results) | 2020 | 2025 |
|-------------------------|-------------------|-------------------|-------|-------|
| Supply capacity | 2,075 | 2,259 | 2,043 | 2,103 |
| Peak load | 1,395 | 1,411 | 1,441 | 1,477 |
| Reserve supply capacity | 680 | 848 | 602 | 626 |
| Reserve supply rate | 48.7 | 60.1 | 41.8 | 42.4 |

Note 1: The figures include other companies (but excluding demand shifted to new power suppliers)

Note 2: The figures include both the main land and remote islands.

Note 3: Discrepancies in number calculations are due to round-off errors.

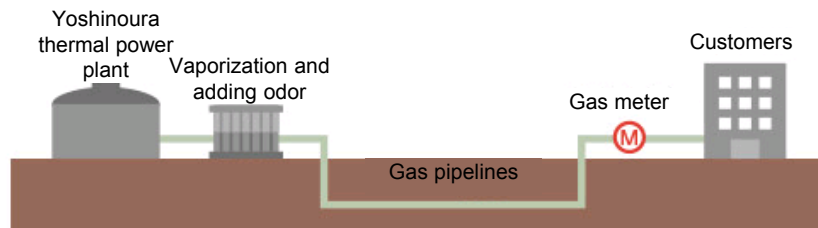


Gas supply business

- Commenced gas supply business in May 2015

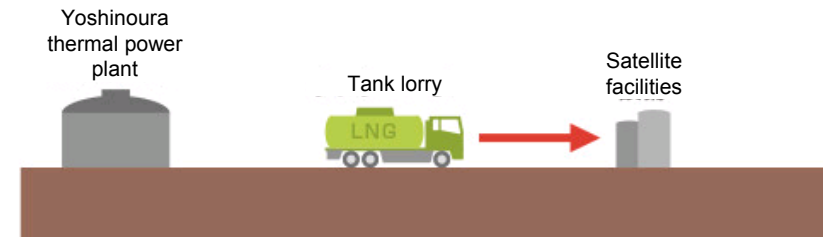
Pipeline supply

Supplies gas to customers in the vicinity of the Yoshinoura thermal power plant through gas pipelines after vaporizing and odorizing liquified natural gas (LNG)



Lorry supply

Supplies LNG by tank lorry to customers in areas where pipelines are difficult to be developed



| | FY2015 results | FY2016 estimate |
|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| New supply contracts | 6 | 4 |
| Supply volume | Approx. 12,000 tons | Approx. 22,000 tons |
| Revenues | Approx. 900 million yen | Approx. 1,300 million yen |
| Principal customers | <ul style="list-style-type: none"> •Okinawa Gas Co. •Okinawa Watakyu shingu Co. •Chubu Tokushukai Hospital •AEON MALL Okinawa Rycom | |

[Reference] Profile of Okinawa Gas Co.

Founded: July 22, 1958

Paid-in capital: Approx. 250 million yen

Operating revenues: Approx. 8,040 million yen (2015)

Supply areas: Almost entire Naha-shi

Urasoe-shi* Tomigusuku-shi*

Haebaru-cho* Nishihara-cho*

Nakagusuku-son* (*Part of local municipalities)

Sales volumes of ordinary gas: 1,120,974×10³MJ (2015)

Volume translated into LNG volume:

Approx. 20,000 tons/year

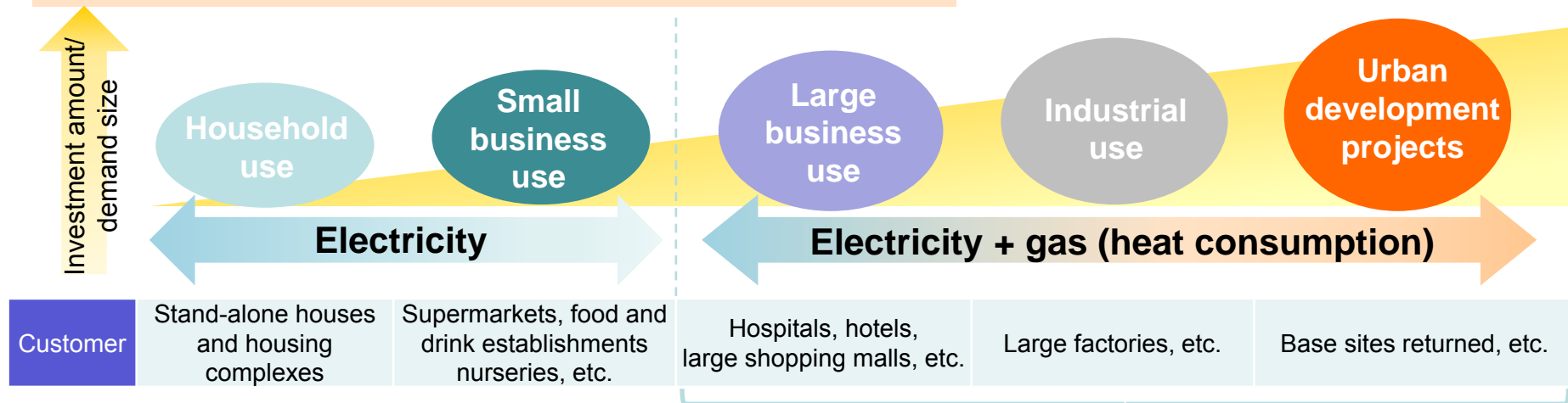
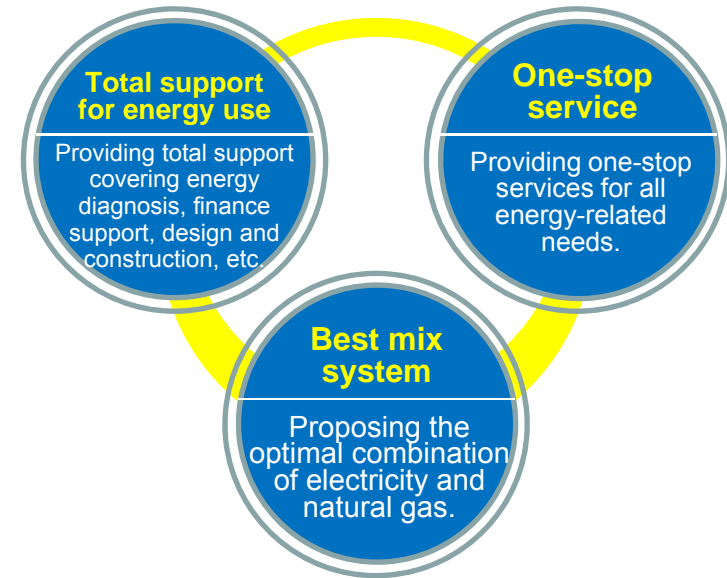
Number of customers: Approx. 56,000 (ordinary gas)

Approx. 21,000 (LP gas)

(2015)

Development of Total Energy Services

- The OEPC Group has been promoting the initiatives for the Total Energy Services, focusing on three core services:
 - 1) Total support for energy use
 - 2) Proposal of best mix system
 - 3) One-stop services
- The OEPC Group aims to expand sales of electricity and gas by accurately identifying customer needs and generating synergy effects of electricity and gas.
- Focus on the following initiatives based on the power and gas system reform
 - Promoting ESP business
 - Efforts in the energy sector to the large-scale urban development projects
 - Expand sales by the gas pipeline supply business and LNG supply business by tank lorry

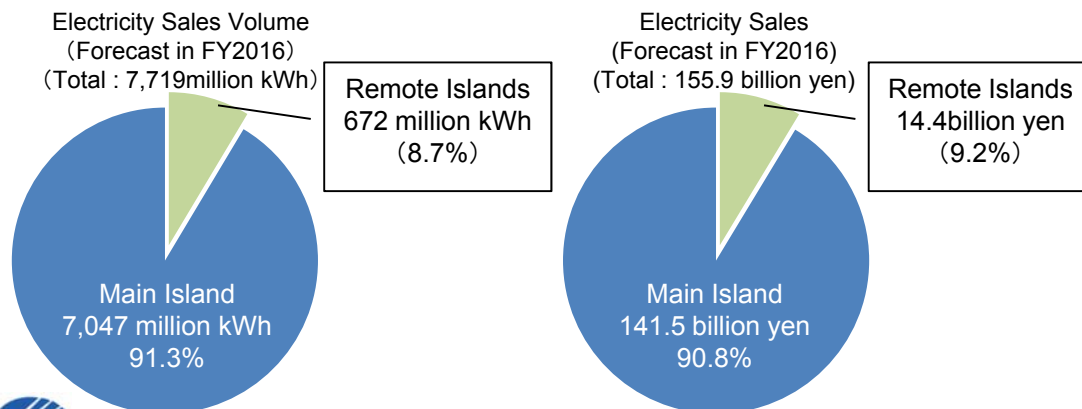


strengthen these domain through total energy services



Remote Islands (Efforts to Improve Income and Expenditure)

- The region has a high cost structure because of such reasons as having small islands scattered about a vast sea area and the narrow scale of the economy.
- Remote island business occupies about 10% of electricity sales and residential, commercial and industrial use charges.



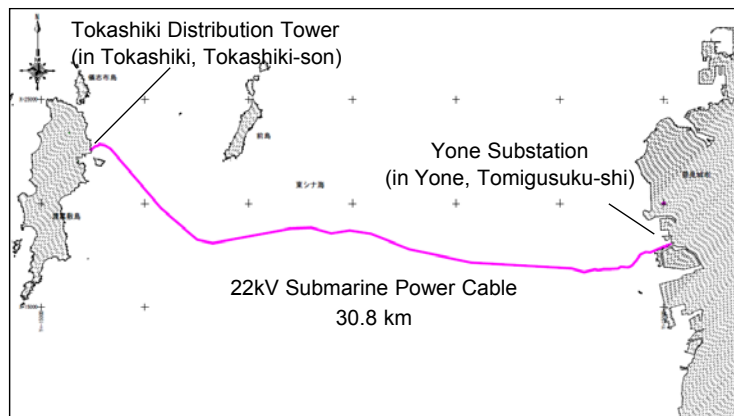
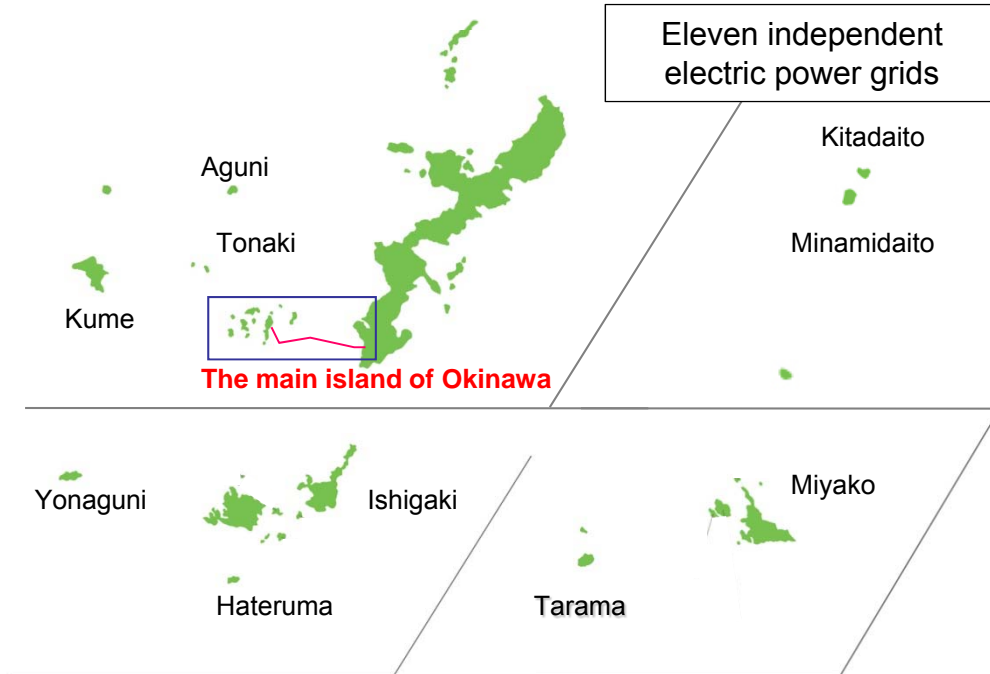
(Efforts to improve remote island income and expenditure)

- Reducing fuel consumption by introducing renewable energies (Retractable wind power generators, etc.)
- Effective utilization of waste oil
- Reducing the fuel consumption rate by introducing high-efficiency units
- Interconnecting Tokashiki Island and Main Island with submarine power cables

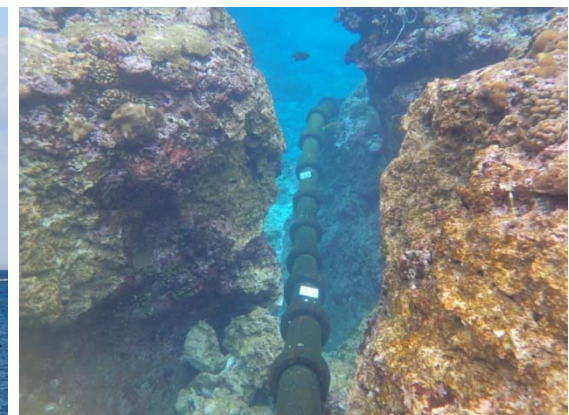


Remote Islands (Submarine Power Cable)

- In March 2016, OEPC started power transmission to remote islands from the main island system by interconnecting the main island and Kerama Islands with a submarine power cable.
- Cable points: Yone, Tomigusuku-shi and Tokashiki, Tokashiki-son
- Transmission voltage: 22kV
- Cable length: 30.8km (Japan's longest cable in 22kV-class)



[Cable laying work with a special barge]



[State of the submarine power cable]



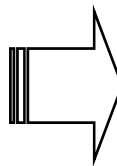
Remote Islands (Retractable Wind Power Generators)

■ Overview of retractable wind power generators

| | |
|------------------------------------------------------------|--------------------------------------------------------------------------|
| Major components: manufacturers (countries of manufacture) | Blade and nacelle: Vergnet (France) Tower: Progressive Energy (Japan) |
| Rated power output | 245kW |
| Wind speed for power rating, start-up, stoppage | 13m/s - 13.5m/s , 4m/s , 20m/s - 22m/s |
| Number of blades | Two |
| Diameter of blades | 30m - 32m |
| Height of hub | 38m |

■ Characteristics and advantages

- Wind power generators can be retracted nearly 90 degrees so that damages by strong winds from typhoons can be avoided by retracting them.
- Wind power generators do not need large-size cranes to construct and can be constructed on hilly areas.
- Wind power generators are retractable so that maintenance work can be carried out on the ground.
- Wind power generators are supported by wires.



| Location | plants |
|-------------|--------|
| Hateruma | 2 |
| Minamidaito | 2 |
| Aguni | 1 |
| Tarama | 2 |
| Total | 7 |

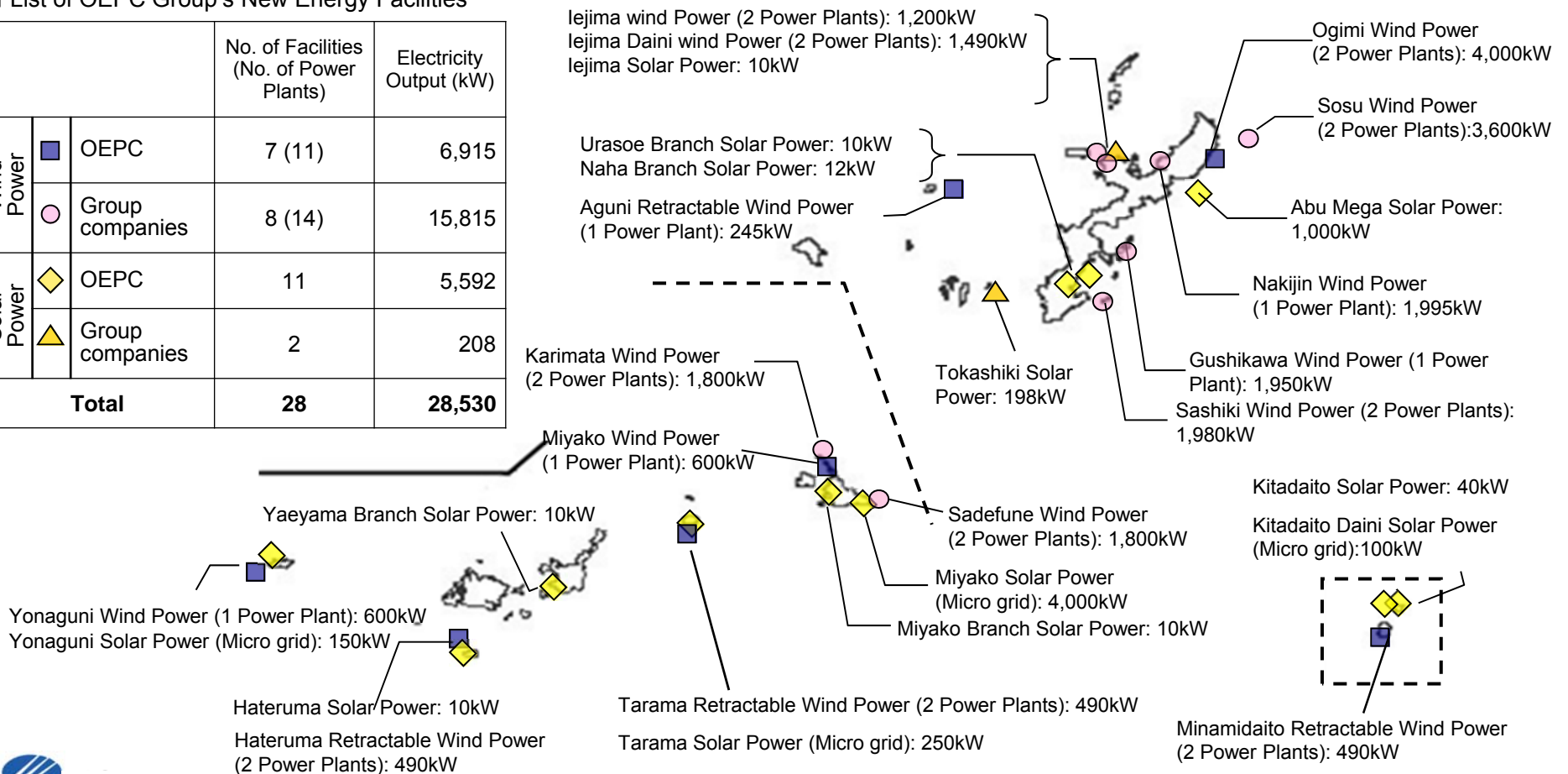


Status of Wind and Solar Power Electricity Generation Facilities

■ OEP Group has new energy facilities with total output of 28,530kW (wind power: 22,730kW, solar power: 5,800kW).
(as of Sep 30, 2016)

■ List of OEP Group's New Energy Facilities

| | | No. of Facilities (No. of Power Plants) | Electricity Output (kW) |
|--------------|-------------------|--------------------------------------------|-------------------------|
| Wind Power | ■ OEP | 7 (11) | 6,915 |
| | ● Group companies | 8 (14) | 15,815 |
| Solar Power | ◆ OEP | 11 | 5,592 |
| | ▲ Group companies | 2 | 208 |
| Total | | 28 | 28,530 |

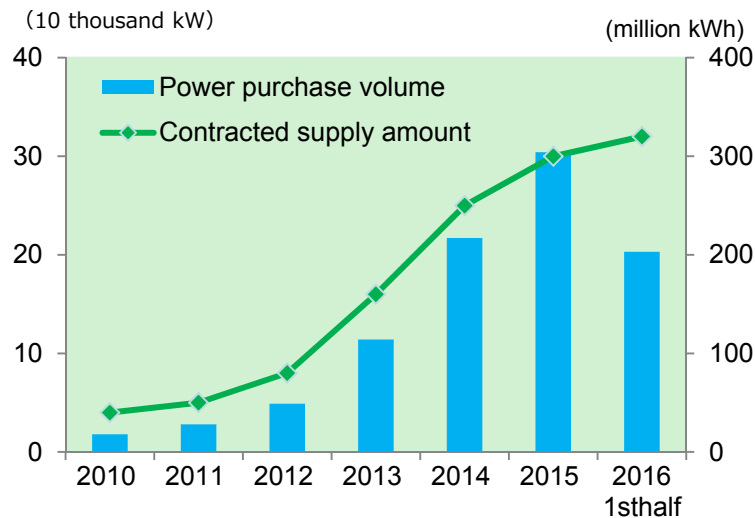


Connection Volume of Renewable Energies

- Since the system in the main island of Okinawa is small and independent, the limit of connection volume is likely to occur when using renewable energy.
- Consequently, we determined 30-day output control limit*1 as 495MW for solar power and 183MW for wind power, based on the assumption that, if telecom technology-based output control system becomes able to be run, output control will be done without compensation up to 360 hours for solar power and up to 720 hours for wind power.
- As for the possible volume of interconnection on remote islands, we have announced the connection volume as of the end of each month at our website.
- On the condition that stable supply is ensured, OEPC will keep on working for interconnection and further expansion of renewable energy.

*1: The connection volume for cases where additional acceptance becomes not possible unless, due to power generator adjustment-range constraint, an electric power company conducts output control in excess of the maximum output control levels of 360 hours (solar power) and 720 hours (wind power) for 30 days

[Purchase of solar power]



| | | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 1st half |
|-------------------------------------------|---------------|------|------|------|-------|-------|-------|---------------|
| No of purchases (Thousand cases) | Main Island | 7.5 | 10.2 | 13.4 | 18.8 | 22.1 | 23.7 | 24.5 |
| | Remote Island | 0.4 | 0.8 | 1.4 | 2.1 | 2.5 | 2.5 | 2.5 |
| | Total | 7.9 | 11.0 | 14.8 | 20.9 | 24.6 | 26.2 | 27.0 |
| Contracted supply amount (10 Thousand kW) | Main Island | 3.3 | 4.8 | 6.8 | 14.3 | 21.5 | 26.5 | 28.4 |
| | Remote Island | 0.2 | 0.5 | 0.9 | 2.0 | 3.1 | 3.4 | 3.5 |
| | Total | 3.5 | 5.3 | 7.7 | 16.2 | 24.6 | 29.9 | 31.9 |
| Power purchase volume (Million kWh) | Main Island | 16.4 | 25.6 | 43.2 | 99.4 | 188.9 | 267.6 | 179.0 |
| | Remote Island | 1.1 | 2.2 | 5.8 | 14.3 | 28.2 | 36.7 | 23.8 |
| | Total | 17.5 | 27.8 | 49.0 | 113.7 | 217.1 | 304.3 | 202.8 |

* As each unit is rounded off to the second decimal place, the total amount does not exactly agree to the sum of each amount.

* The "Feed-in Tariff System for Renewable Energy" started in July 2012.



Q & A



Q1. Topics of Okinawa's Economy

1 Current Status and Future Forecast of Okinawa's Economy

■ The current state

The prefectural economy has expanded, as a whole, with private consumption and tourism-related businesses staying firm and public investment in construction-related businesses being resilient.

Trends in Main Economic Indicators of Okinawa Prefecture (Year-on-Year Comparison)

| Indicators | FY2015 | | | | | | | | | | | | | | | FY2016 | | | | | | |
|--------------------------------------------|--------|-------|-------|-------|------|------|------|-------|-------|-------|-------|-------|----------|----------|------|--------|-------|-------|------|-------|------|----------|
| | Apr. | May | Jun. | Jul. | Aug. | Sep. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | 1st.half | 2nd.half | FY | Apr. | May | Jun. | Jul. | Aug. | Sep. | 1st half |
| Sales by large-scale retailers | 13.9 | 10.2 | 6.5 | 2.3 | 5.9 | 5.5 | 13.0 | 6.4 | 6.3 | 11.2 | 13.0 | 6.1 | 7.2 | 9.0 | 8.1 | 7.7 | 7.0 | 5.6 | 8.1 | 3.1 | 5.0 | 6.0 |
| No. of new car sold | 1.3 | -9.1 | -10.7 | 15.5 | -2.1 | -6.6 | -6.1 | -13.1 | -11.4 | -3.8 | 0.5 | -9.6 | -1.4 | -7.5 | -4.4 | 22.3 | 20.5 | 2.0 | 0.4 | 15.6 | -5.2 | 7.1 |
| Wholesale shipments of Household appliance | -2.4 | -7.6 | 13.5 | -4.1 | -6.6 | 2.4 | 13.8 | -2.0 | 7.6 | 9.8 | 2.3 | -4.1 | -0.5 | 3.9 | 1.6 | 11.1 | 7.0 | -9.9 | 1.0 | 2.9 | 0.5 | 1.2 |
| Value of public works contracts | -47.8 | -37.9 | 74.0 | -28.3 | 0.8 | -2.1 | 74.7 | -15.4 | -16.8 | -15.0 | 76.4 | -24.7 | -10.7 | 11.3 | 0.2 | 47.5 | 16.8 | -31.8 | 2.0 | 7.0 | 22.8 | 4.2 |
| No. of inbound tourists | 12.3 | 8.9 | 9.5 | 9.2 | 8.8 | 10.0 | 18.9 | 9.8 | 11.7 | 9.7 | 13.0 | 7.6 | 9.7 | 11.7 | 10.7 | 7.3 | 14.0 | 17.1 | 12.9 | 16.2 | 9.4 | 12.8 |
| New residential Construction starts | -17.3 | 12.4 | 27.7 | 16.2 | 19.0 | 17.4 | 9.8 | 7.4 | -4.5 | 15.7 | -25.3 | 8.4 | 12.4 | 0.8 | 6.9 | 20.2 | -13.5 | -16.0 | 5.1 | -38.7 | 12.2 | -7.3 |
| Total unemployment rate | -0.8 | -0.4 | -0.1 | -0.5 | -1.6 | -1.0 | 0.0 | -1.0 | 0.5 | -0.5 | -1.9 | -1.0 | -0.8 | -0.6 | -0.6 | 0.9 | 0.3 | -0.5 | -0.8 | -1.1 | -1.4 | -0.4 |

Note 1: The figures for 'Sales by large-scale retailers' are calculated from the values given in preliminary figures for September 2016 on an all-store base.

Note 2: The figures for 'Wholesale shipments of household appliance' are an estimate.

Note 3: The figures for 'Total unemployment rates' are raw data, and points of change of Year-on-Year are listed.

Source: Okinawa General Bureau, Okinawa Prefecture, Ryugin Research Institute, and others.

■ Prospect

Regarding the outlook, the prefectural economy is expected to continue to expand, with private consumption, tourism-related businesses, and construction-related businesses all staying firm, etc.



Q1. Topics of Okinawa's Economy

2 Economic Growth of Okinawa Prefecture under the Okinawa Promotion Plan

- The “Okinawa Promotion Plan” was implemented during the period from FY2002 to the end of FY2011. During the period, the prefecture’s GDP posted an average increase of roughly 1.9% per annum, outpacing the nationwide average.
- With implementation of a variety of action plans under the Okinawa Prefectural government’s “Basic Plan of Okinawa 21st Century Vision (Okinawa Promotion Plan)” which started in FY2012, the prefecture expects the steady growth of its economy and an increase in demand for electric power.

Average annual growth rate of the prefecture and gross domestic product

(billion yen)

| | FY2002 | FY2011 | Annual Average Growth Rate FY2002-2011 | FY2012 | FY2013 | FY2014 | FY2015 |
|-----------------|-----------|-----------|----------------------------------------|-------------------|-------------------|--------------------|-------------------|
| Prefectural GDP | 3,519.4 | 4,184.7 | Approx. 1.9% | -0.2% 4,176.4 | 4.5% 4,364.7 | -1.5% 4,299.5 | 1.2% 4,351.7 |
| National GDP | 479,870.8 | 514,695.1 | Approx. 0.8% | 0.9% 519,547.2 | 2.0% 529,796.2 | -0.9% 524,782.5 | 0.8% 529,192.1 |

Sources: “Prefectural Accounts for FY 2013,” “Fiscal 2015 State of the Economy” and Cabinet Office “List of Statistical Tables” (Second Preliminary Data for the April-to-June 2016 period)

Note :Prefectural and National GDP's for FY 2014 and FY 2015 are estimates. Figures in parentheses for FY 2012,FY 2013,FY 2014and FY 2015 are growth rates on a Y to Y basis

Basic Plan of Okinawa 21st Century Vision (Okinawa Promotion Plan)

In May 2012, the “Basic Plan of Okinawa 21st Century Vision (Okinawa Promotion Plan)” was formulated under the initiative by the Okinawa Prefectural government.

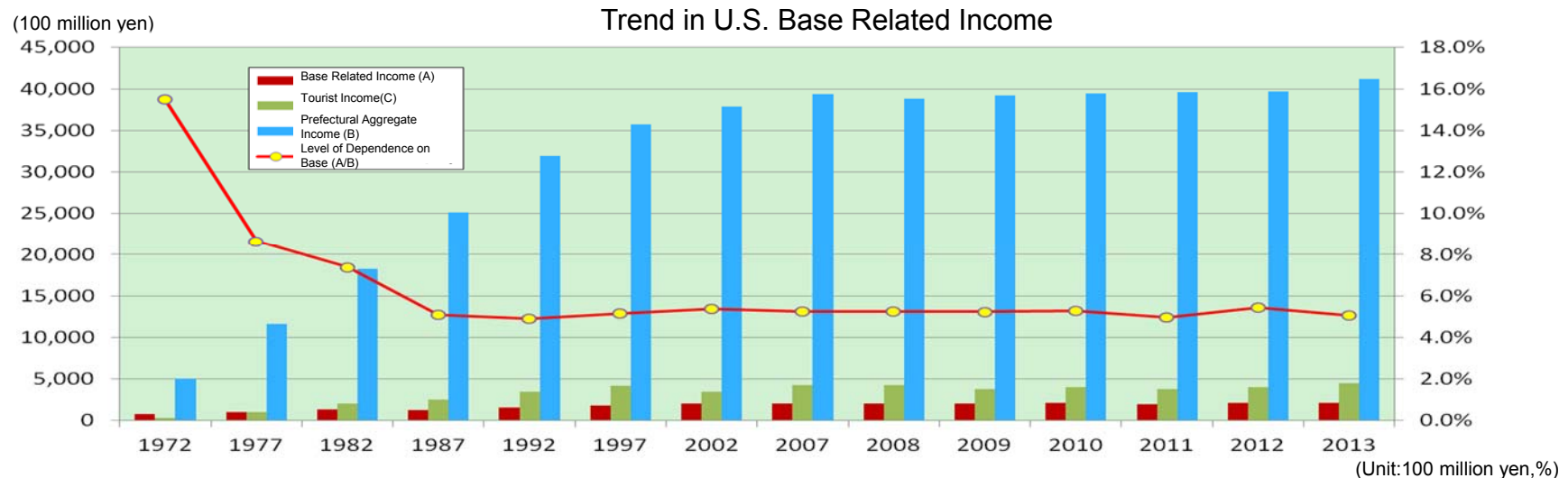
Through the implementation of various measures that are developed based on this plan to take advantage of regional characteristics of Okinawa Prefecture, gross production in Okinawa in FY2020 is estimated to increase about 1.4 times compared with that in FY2010 to 5,100 billion yen.



Q1. Topics of Okinawa's Economy

3 U.S. Base Related Income

- U.S. Base related income has become an income source that supports the Okinawa economy.
- However, the level of dependence on the bases has been falling as the prefectural economy expands, and it had fallen to 5.1% in FY2013 from the 15.5% share at the time Okinawa was returned to Japan (1972).



| | 1972 | 1977 | 1982 | 1987 | 1992 | 1997 | 2002 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|-----------------------------------------------------------------------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Base Related Income (Charges for Land Occupied by US Armed Forces)(A) | 777 | 1,006 | 1,346 | 1,282 | 1,563 | 1,840 | 2,033 | 2,067 | 2,042 | 2,056 | 2,086 | 1,970 | 2,160 | 2,088 |
| Prefectural Aggregate Income(B) | 5,013 | 11,631 | 18,226 | 25,165 | 31,929 | 35,700 | 37,851 | 39,416 | 38,818 | 39,252 | 39,481 | 39,643 | 39,665 | 41,211 |
| Level of Dependence on Bases(A/B) | 15.5% | 8.6% | 7.4% | 5.1% | 4.9% | 5.2% | 5.4% | 5.2% | 5.3% | 5.2% | 5.3% | 5.0% | 5.4% | 5.1% |
| Tourist Income(C)* | 324 | 991 | 2,010 | 2,534 | 3,442 | 4,173 | 3,466 | 4,289 | 4,298 | 3,778 | 4,025 | 3,782 | 3,996 | 4,478 |

Sources: Until 1997: "US Forces and SDF Bases in Okinawa (Statistics) March 2015", released by the Military Base Affairs Division, Executive Office of the Governor, Okinawa Prefecture

From 2002: "Prefectural Accounts March 2016" released by the Department of Planning, the Okinawa Prefecture

*Tourism Guide" by the Okinawa Prefecture Government*The number until 2002 are based on the calendar year, and those after 2007 are based on the fiscal year.



The Okinawa Electric Power Company, Inc.

Q1. Topics of Okinawa's Economy

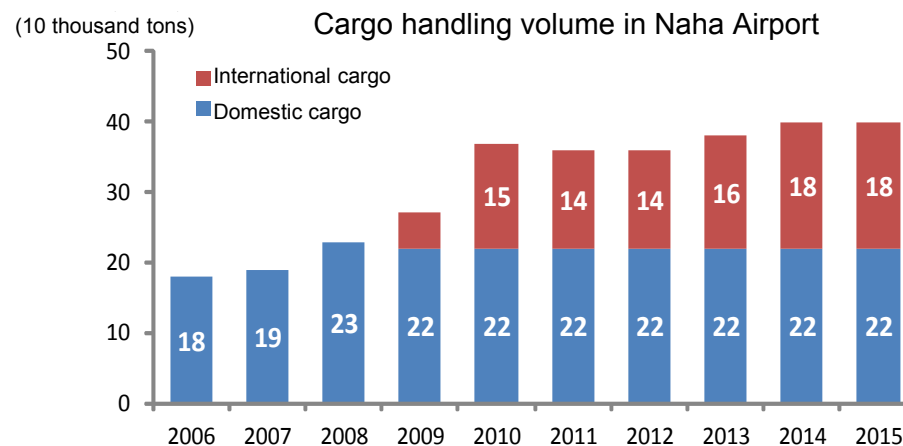
4 Okinawa International Logistics Hub

- Okinawa Prefecture is promoting the establishment of an international logistics hub through accumulating the industries at the areas peripheral to airport and harbor where new business is to be developed through utilizing Okinawa international logistics hub. In addition, Okinawa Prefecture is working hard to attract logistics companies from home and abroad.



Source: A pamphlet titled "Okinawa International Logistics Hub" (prepared by the International Logistics Promotion Division, Department of Commerce, Industry and Labor and available on the website of the Okinawa Prefecture)

- Okinawa Prefecture is located in the center of the huge market of two billion people.
- Travel time required between Okinawa Prefecture and major cities in Japan and Asia is about four hours.
- Utilizing late-night cargo flights through 24-hour operation system at Naha Airport.
- Quick transportation through 24-hour customs clearance system.



* From October 2009, the cargo hub project was launched by ANA.
Source: Land, Infrastructure and Transportation Ministry



Q1. Topics of Okinawa's Economy

5 Stages for Establishing Okinawa Prefecture's International Logistics Hub

Stage1

- (1) ANA International Cargo Hub (started in October 2009)
- (2) Special International Logistics Zone
(Zone for concentration of International Logistics Industry, founded in April 2012)
- (3) Building the Infrastructure for Inbound Businesses
(i.e. Logistics Center, etc.)
- (4) Expanding Exports of Local Okinawan Products.

Stage2

- (1) Increasing Aerial and Maritime Routes
 - (2) Expansion the Special International Logistics Zone
 - (3) Progressing as a Hub for Exporting Domestic Specialty Goods
 - (4) Logistics Hub for Forwarders (Freight forwarding business).
 - (5) Warehouse for E-commerce and Online Shopping
 - (6) Center for Emergency Replacement Parts
- [The initiatives Okinawa Prefecture is currently addressing]

Stage3

- (1) Become a Hub for Distribution, Storage, Exhibitions, and Third-party logistics.
- (2) Become a Logistics Hub for International Manufacturers
- (3) Add a second Runway to Naha Airport [the end of March 2020].
- (4) Strengthen Networks by Welcoming Aerial and Maritime Businesses



- Linkage between Naha Airport and Naha Port (Sea & Air)
Developing the transport of "Sea & Air" through creating a linkage between maritime transport and air transport whose logistics bases are closely located.
Aiming to accumulate the industries at the areas peripheral to airport and harbor through the logistics environment.
- Okinawa aims to create clusters of aircraft maintenance-related businesses making use of its geographical advantage of being close to other Asian countries.
- MRO Japan Co., Ltd. plans to launch its aircraft maintenance business in Okinawa in the second half of 2017.



Q2. What is the Current State of U.S. Military Bases?

6 Outline of the U.S. military Forces in Okinawa

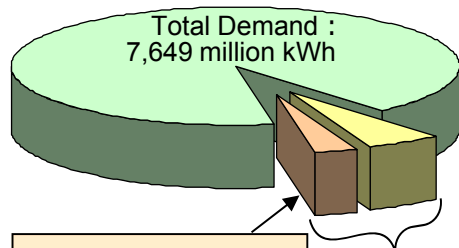
| | |
|------------------|------------------------|
| No of Facilities | 32 |
| Area | 229,921km ² |

<Reference>

No. of employees working for the U.S. Armed Forces in Okinawa: 8, 844
*As of the end of March 2015.

Sources : Japan Ministry of Defense "US Forces and SDF Bases in Okinawa March 2015", Military Base Affairs Division, Executive Office of the Governor, Okinawa Prefecture

The US Armed Forces' share of total electricity demand

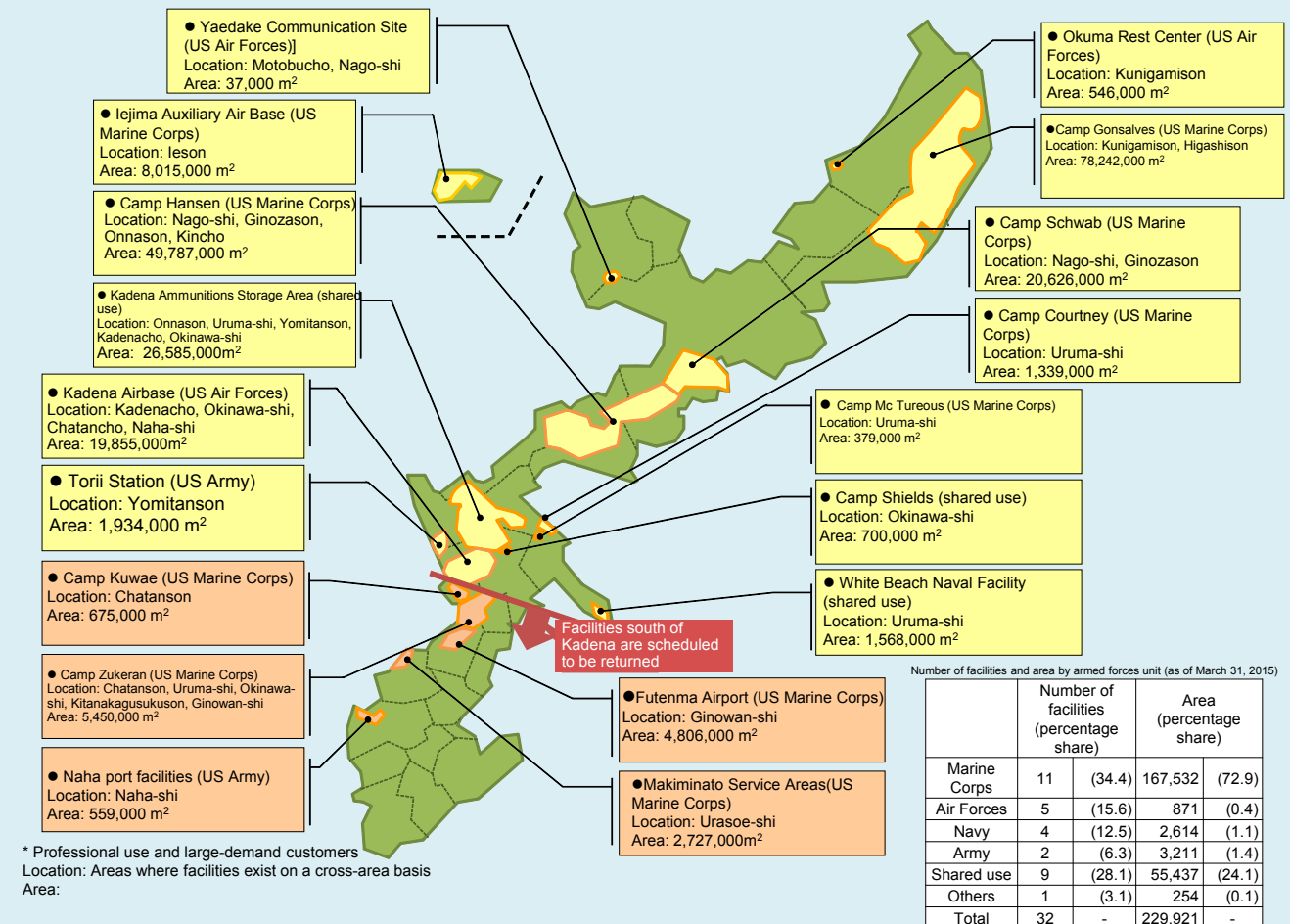


Facilities Expected to be Returned
1.3-3.4%*
of the total demand

Total Demand of US Armed Forces (approx. 9%)

* Range in figures due to planned return of facilities includes partial return.

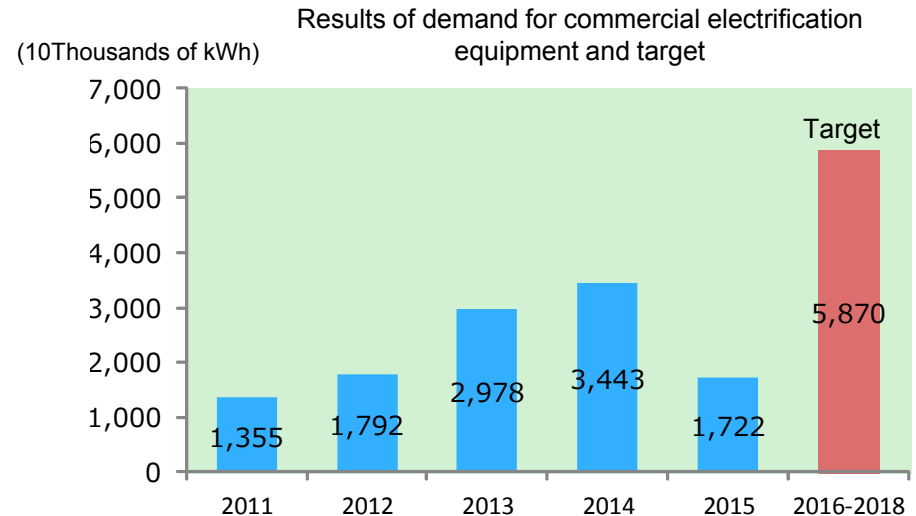
Principal electricity supply destination facilities



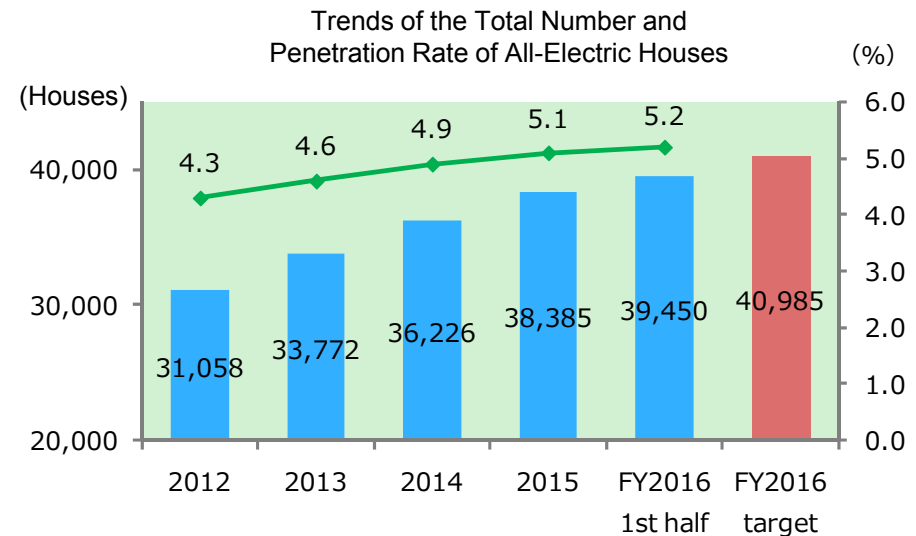
The Okinawa Electric Power Company, Inc.

Q3. What is the Current State of Promotion of Electrification?

- Approach for sales promotion in the corporate sector
 - (1) Offering customers comprehensive proposals for electrification (air-conditioning systems, kitchens, and water heaters) appropriate for their power usage.
 - (2) Promotion of highly efficient heat-pump appliances (i.e. air-conditioning systems and water heaters)
 - (3) Strengthening of cooperation with sub-users including manufacturers, contractors, design offices, etc.
 - (4) Utilization of public subsidy system, etc.



- Approach for the promotion and growth in the household sector
 - (1) Launching effective promotion activities to seek safety, comfortability, cleanness and economic efficiency of all electrification housing brand.
 - (2) Strengthening cooperation with sub-users
- The ratio of all-electric houses to newly built houses in the first half of FY2016
 - Stand-alone houses: 38.2%
 - Complex: 3.5%

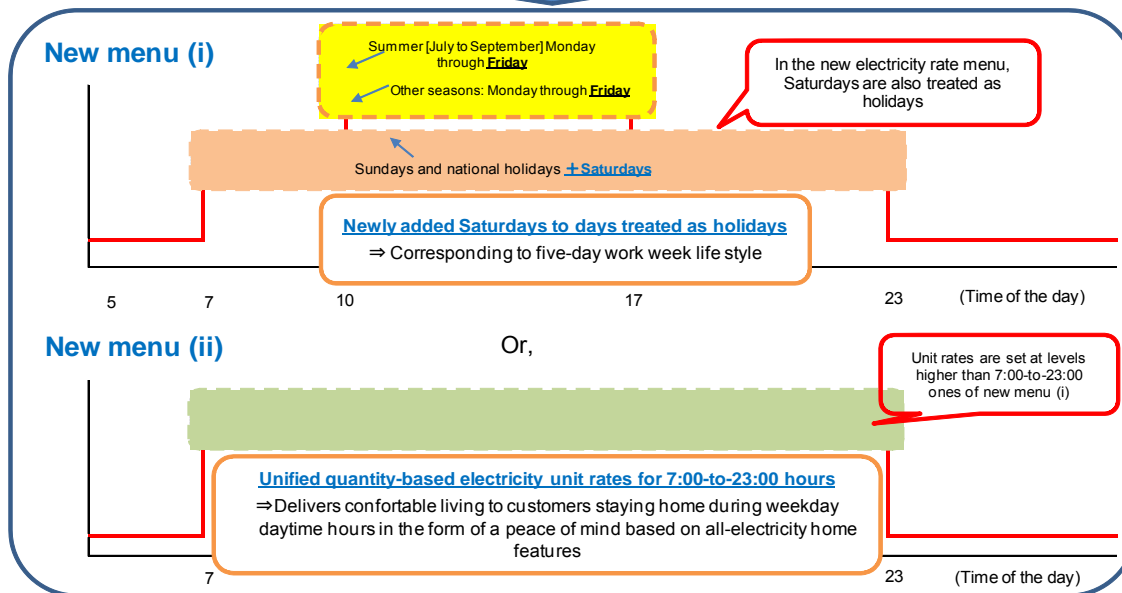
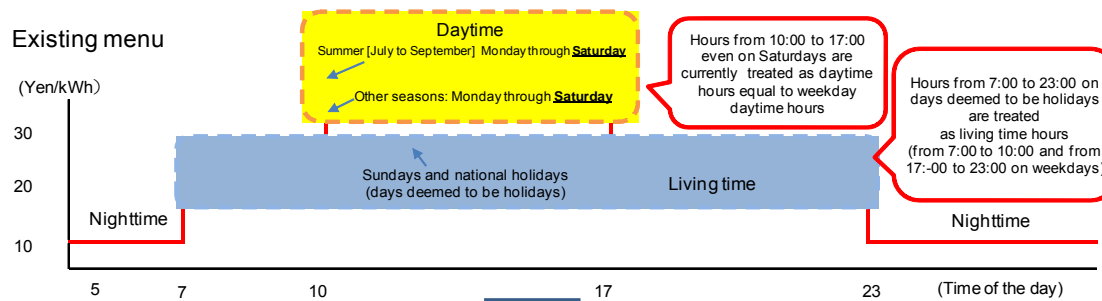


※FY2016 target 2,600houses



Q4. Introduction of new electricity rate menus

- We have decided to overhaul “Ee Life,” an electricity rate menu for all-electric homes, introducing two home electricity menus Release of details: January 2017 or so Introduction timing: April 1, 2017
- We will continue to provide attractive electricity rate menus meeting customer needs in the coming years



New menu (i)

A rate menu that newly deems Saturdays as holidays to which preferential unit rate applies for the benefit of double-income households customers, in correspondence to five-day work week penetration

New menu (ii)

A rate menu that unified quantity-based unit rates for daytime and morning/evening hours for the benefit of customers staying homes on weekday daytime hours



Q5. What are the efforts to fuel cost reduction?

[Efforts to reduce fuel costs]

Diversifying fuel supply sources through spot purchase of fuel and fuel cost reductions

Stable procurement through long-term LNG supply contracts

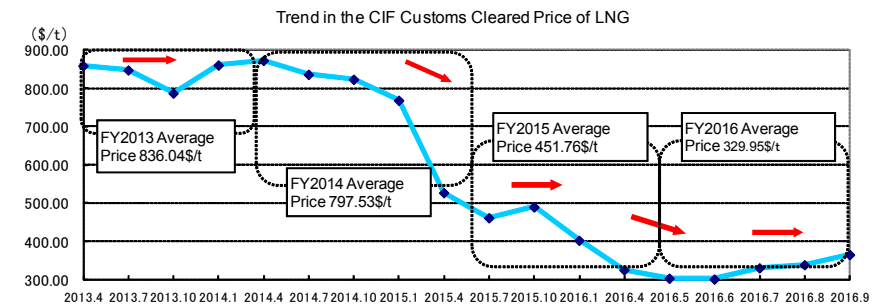
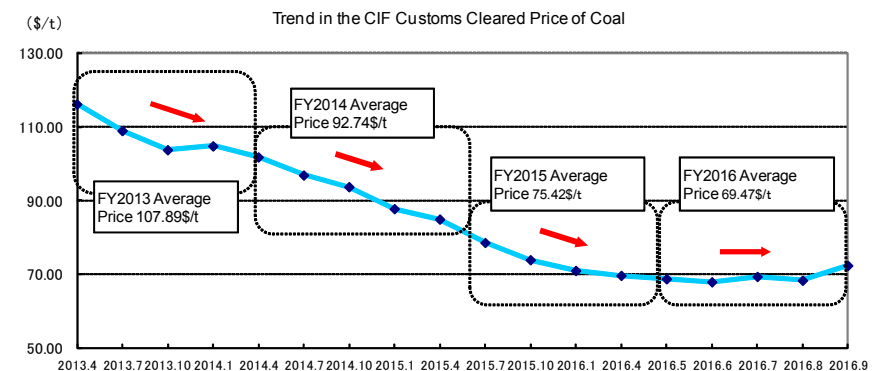
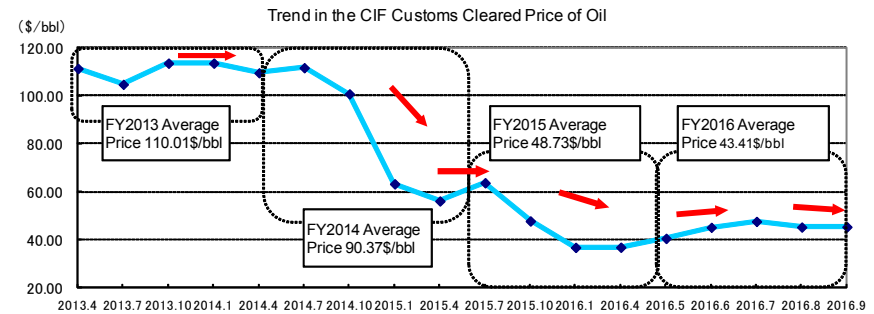
Long-term contracts on coal and transport ships

Shift to short-distance sources

Efficient use of the “Shinryo-maru” and COA (contract of affreightment)

Expansion of the introduction of sub-bituminous coal, which has a low environmental burden

Achieving stable fuel supply and pursuing cost reductions



Q6. What are the efforts to reduce CO₂ emissions?

- Introducing hydro or nuclear power is difficult in Okinawa Prefecture due to reasons including the region's geological and geographic characteristics and constraints on the scale of demand ⇒ Dependency on fossil fuels (oil, coal, etc.)
- OEPC belongs to the Electricity Business Council for a Low-Carbon Society and commits itself to CO₂ emissions reductions to meet the targets of the Action Plan of the Society.

[Company Efforts]

Stable operation of Yoshinoura Thermal Power Plants, which are fueled by LNG with low CO₂ emissions

Use of renewable energy harnessing solar power, wind power and small hydro power generation

Application of mixed combustion of woody biomass fuel to Gushikawa (coal-fired) Thermal Power Plant

Implementation of operation tests toward stable operation of solar and wind power generation

Maintenance of heat efficiency of thermal power plants

Provision of energy-saving and CO₂ saving services (introduction of eco-friendly household bookkeeping and proposal of EcoCute and other electric appliances)

Collection of information about carbon capture and storage (CCS) technologies

(References)

Actual CO₂ emission coefficient
FY2014 : 0.816kg-CO₂/kWh
FY2015 : 0.802kg-CO₂/kWh

*The Japanese Government aims to realize energy mix by taking advantage of sophisticated methods of energy supply structures (procurement of electricity sources by retail electricity suppliers) and energy-saving methods (improvement of efficiency of thermal power generation).



Q7. What are the CO₂ Emission Volumes by Fuel Type?

- LNG (Liquefied Natural Gas) produces less carbon dioxide, a major cause of global warming, than coal or oil.

Chart: Comparison of CO₂ Emission Volumes by Fuel Type

| Fuel Type | *1 CO ₂ Emission Volume Per Unit Heat Value [g-CO ₂ /MJ] | | | *2 CO ₂ Emission Volume Per kWh [kg-CO ₂ /kWh] | | |
|-------------------|-----------------------------------------------------------------------------------|---------|------|-------------------------------------------------------------------------|---------|------|
| | vs. Coal | vs. Oil | | vs. Coal | vs. Oil | |
| Coal | 90.6 | 1.00 | 1.27 | 0.84 | 1.00 | 1.20 |
| Oil ^{*3} | 71.5 | 0.79 | 1.00 | 0.70 | 0.83 | 1.00 |
| LNG | 49.5 | 0.55 | 0.69 | 0.37 | 0.44 | 0.53 |

*1 The values from the Law Concerning the Promotion of the Measures to Cope with Global Warming were used as the CO₂ emission factors to calculate g-CO₂/MJ.

*2 Thermal Efficiency at Generation End are calculated based on OEPCC's actual data for FY2014.

*3 Oil comparisons were based on type C heavy oil.



Q8.The Fuel Cost Adjustment System(1/2)

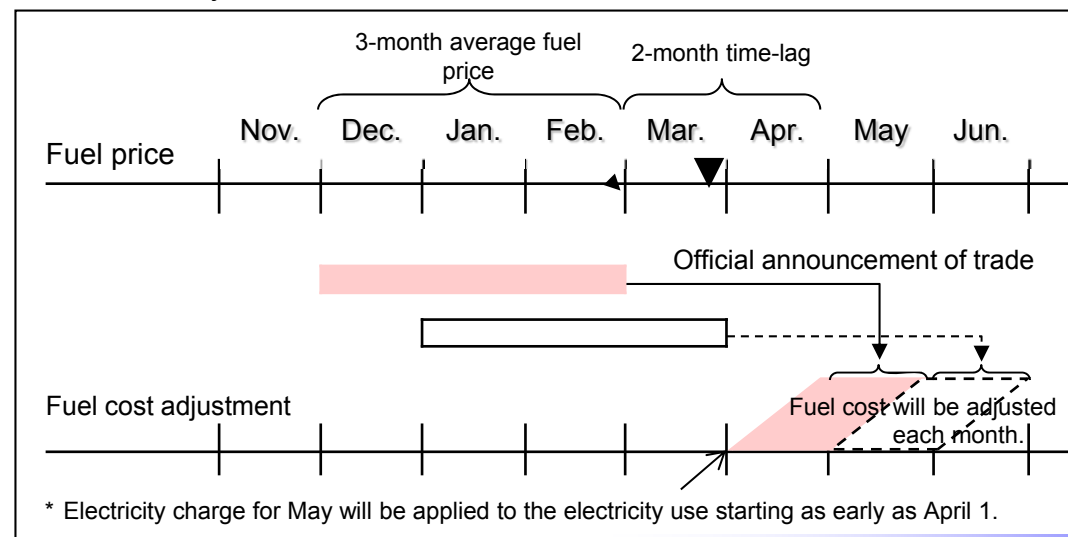
- The fuel cost adjustment system was introduced for the purpose of clarifying the “internal factors” such as the results of efforts to promote management efficiency at electric power companies and reflecting “external factors” onto electricity rates such as exchange rates and oil and coal and LNG prices that alter the economic situation.

[Range of fuel cost adjustment]

- We will calculate the average fuel price based on the prices of crude oil, coal and LNG on the trade statistics during the period between five months and three months prior to the fuel cost adjustment, and electricity charge will be automatically adjusted each month by comparing the above price with the standard fuel price at the time of electricity rate revision.
- The maximum level of fuel cost adjustment will be 50%.
- There will be no lower adjustment limit.

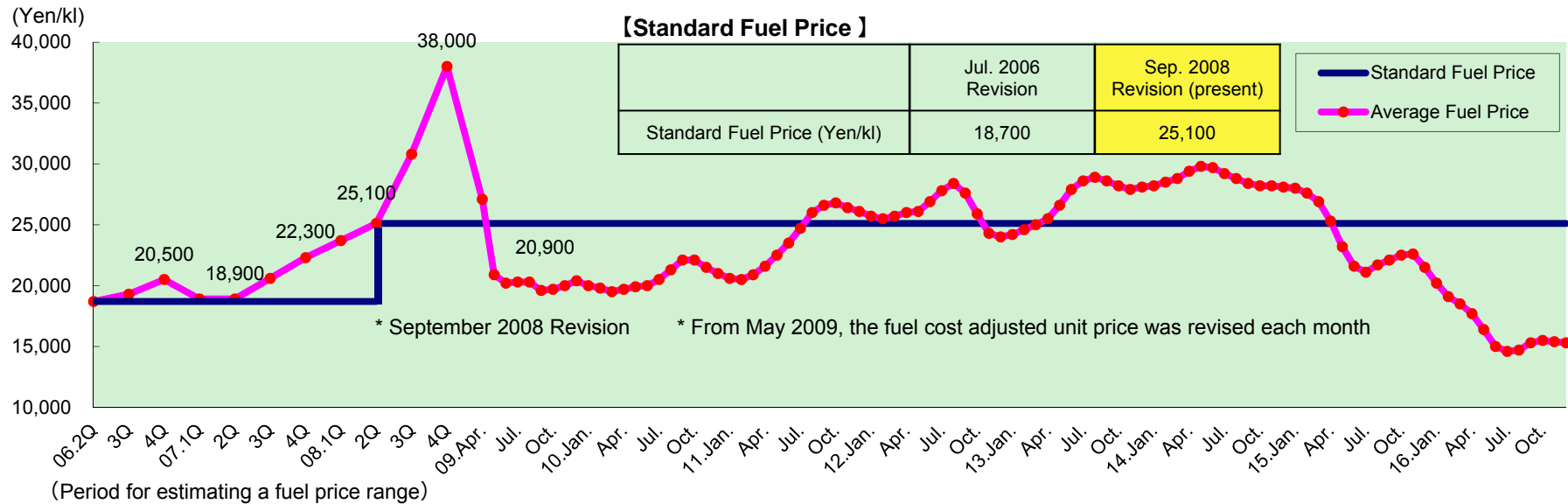
[Conceptual drawing of the fuel cost adjustment system]

E.g. The average fuel price during the period between December and February of the following year will be applied to fuel cost adjustment for the electricity charge for May in the following year.
The average fuel price during the period between January and March will be applied to fuel cost adjustment for the electricity charge for June in the same year.



Q8.The Fuel Cost Adjustment System(2/2)

[Trend of Average Fuel Price and Standard Fuel Price (Since July 2006)]



| Fuel cost adjusted unit price | Applicable period | 16. Jan. | 16. Feb. | 16. Mar. | 16. Apr. | 16. May | 16. Jun. | 16. Jul. | 16. Aug. | 16. Sep. | 16. Oct. | 16. Nov | 16. Dec. |
|----------------------------------|--------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | Calculation period | 15. Aug. | 15. Sep. | 15. Oct. | 15. Nov | 15. Dec. | 16. Jan. | 16. Feb. | 16. Mar. | 16. Apr. | 16. May | 16. Jun. | 16. Jul. |
| | | 15. Oct. | 15. Nov | 15. Dec. | 16. Jan. | 16. Feb. | 16. Mar. | 16. Apr. | 16. May | 16. Jun. | 16. Jul. | 16. Aug. | 16. Sep. |
| Average Fuel Price (yen/kl) | | 20,200 | 19,100 | 18,500 | 17,700 | 16,400 | 15,000 | 14,600 | 14,700 | 15,300 | 15,500 | 15,400 | 15,300 |
| Average Crude Oil Price (yen/kl) | | 40,546 | 37,151 | 35,244 | 32,480 | 27,994 | 24,242 | 23,549 | 25,287 | 28,267 | 29,879 | 30,425 | 29,881 |
| Average Coal Price (yen/t) | | 9,207 | 8,974 | 8,866 | 8,748 | 8,527 | 8,135 | 7,888 | 7,626 | 7,525 | 7,326 | 7,191 | 7,205 |

[Method of calculating Average Fuel Price] Average Fuel Price = A × α + B × β

A: Average crude oil price per kiloliter in each quarter B: Average coal price per ton in each quarter

* α and β are coefficients in Provisions of supply to calculate the average fuel price. (Reference α: 0.2410, β: 1.1282 Provisions of supply Sept. 2008 effective)

Q9. How do Current Electricity Rates Compare to Rates of Other Companies?

While the detailed comparison of electricity rates is not available due to limited amount of disclosed data, the information publicly available on each company's website for comparison purposes is as follows.

* It is based on information as of November 1, 2016.

Electric power companies' meter-rate lighting rates (As of December 2016)

(Including fuel cost adjustments, equivalents of consumption taxes, Renewable Energy Power Promotion Surcharges)

(Unit: kWh, yen)

| | OEPC | Co. A | Co. B | Co. C | Co. D | Co. E | Co. F | Co. G | Co. H | Co. I |
|------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Model basic unit | 260 | 230 | 260 | 260 | 260 | 260 | 260 | 260 | 260 | 250 |
| Model rate | 6,583 | 6,838 | 6,494 | 6,128 | 5,876 | 6,054 | 6,389 | 6,170 | 6,315 | 5,747 |

Model Unit Rates for All Companies (As of December 2016)

(Including fuel cost adjustments, equivalents of consumption taxes, Renewable Energy Power Promotion Surcharges)

(Unit: yen/kWh)

| | OEPC | Co. A | Co. B | Co. C | Co. D | Co. E | Co. F | Co. G | Co. H | Co. I |
|---------------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Metered Residential Model Basic Unit 260 | 25.32 ⑨ | 29.60 ⑩ | 24.98 ⑧ | 23.57 ④ | 22.60 ① | 23.28 ③ | 24.57 ⑦ | 23.73 ⑤ | 24.29 ⑥ | 22.97 ② |

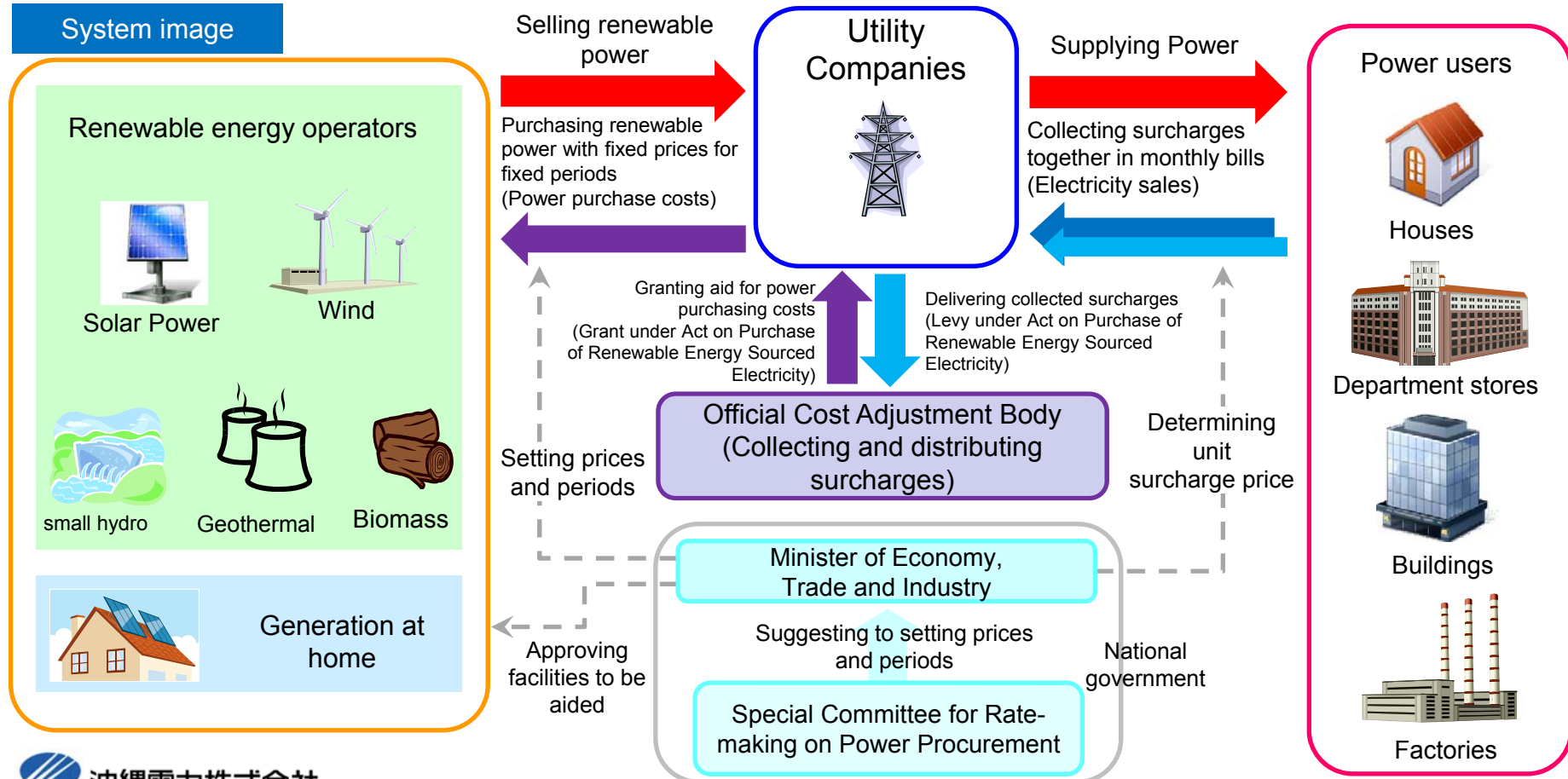
Note: Circled numbers indicate price level rankings (larger numbers indicate more expensive rates).

The simulated calculation was made by the Company after unifying basic units published by individual companies into 260kWh.

Q10. Feed-in Tariff System of renewable Energy

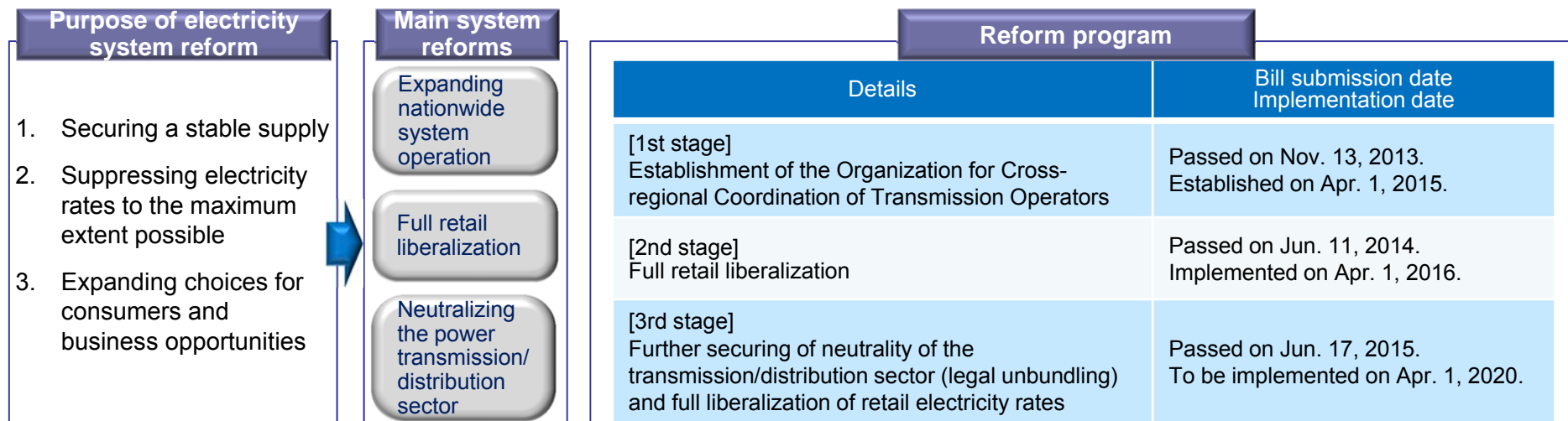
- The feed-in tariff system of renewable energies was enforced in July 2012
- In this scheme, electric utilities are obliged to purchase electricity generated from renewable energy sources at a fixed price for a specified period set by the government, and purchase cost of electricity will be paid by electricity customers as surcharge together with electricity charge.

System image



Q11. Electricity System Reform

- In April 2013, the Cabinet decided to approve the Policy on Electricity System Reform that set the direction for the full retail liberalization and the unbundling the transmission / distribution sector.
- Based on this policy, the Cabinet decided to approve the Bill for the Act for Partial Revision of the Electricity Business Act in November 2013. The Policy also mentions that the reform focusing on these three pillars will be implemented by dividing it into three phases, while thoroughly studying the challenges to be overcome at each phase and taking necessary measures based on the results of the study, so as to advance the reform effectively. This act also sets forth that “measures based on the special nature of the electric power business in the Okinawa region” will be implemented for Okinawa.
- The full retail liberalization is scheduled to be implemented in all of Japan including Okinawa Prefecture in accordance with the “Act for Partial Revision of the Electricity Business Act, etc.” (enacted in June 2014) which related to the second stage of the Electricity System Reform.
- The OEPC started to release power of 10,000kW supplied from Ishikawa Coal-Fired Thermal Power Plant of J-Power in April 2016 for the purpose of cooperating establishment of a competitive environment in Okinawa area.
- The OEPC is exempt from the treatment of the legal unbundling which aims at further securing of neutrality of the transmission/ distribution sector. Specifically, if the OEPC is approved as the “Approved general power transmission and distribution operator” which can operate power retail business and power generation business in accordance with the “Act for Partial Revision of the Electricity Business Act, etc.” which passed through the House of Councillors and was enacted as of June 17, 2015, we can continue maintaining the integrated system for power transmission and distribution.



Q12. What are the Special Tax Measures?

- Special treatment is necessary for industrial development and improving the living standards of people in Okinawa Prefecture given that there has been no changes to the conditions of remote islands such as bearing of deficit arising from structural disadvantage.
- The amount of reduction based on the special measures is reflected in electricity charge.

Currently Applied Special Tax Measures

| | Preferential Measure for Standard Taxable Values Relating to Fixed Property Tax | Exemption from the Oil and Coal Tax Relating to Specific Coal, etc. (Coal and LNG) Used for Power Generation in Okinawa |
|-----------|---------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Details | Alleviation to 2/3 of Standard Taxable Values | (1) Exemption from the Oil and Coal Tax for coal (2) Exemption from the Oil and Coal Tax for LNG |
| Period | April 1, 1982 - March 31, 2020 * Extended for 5 years from April 1, 2015 | (1) October 1, 2003 – March 31, 2020 * Extended for 5 years from April 1, 2015 (2) April 1, 2012 – March 31, 2020 * Extended for 5 years from April 1, 2015 |
| Basic Law | Supplementary Provisions of the Local Tax Law (Article 15.5) | Special Measures Law for the Promotion of Okinawa (Article 65.2) Special Taxation Measures Law (Article 90.4.3.1) |

Revision of the Act on the Special Measures for the Promotion and Development of Okinawa

- The Act on the Special Measures for the Promotion and Development of Okinawa was revised in March 2012, and the revised law came into effect on April 1, 2012.
- Under the revised law, etc., OEPC receives favorable treatment based on “Preferential Measure for Standard Taxable Values Relating to Fixed Property Tax” and “Exemption from the Oil and Coal Tax Relating to Specific Coal, etc. (Coal and LNG) Used for Power Generation in Okinawa”.

Value of Tax Alleviation Due to the Special Measures

- The value of the alleviation measures in FY2015 : about 3.6 billion yen.
- The value of the alleviation measures for FY2016 : expected to be 3.9 billion yen.

Q13. Response to the Corporate Governance Code

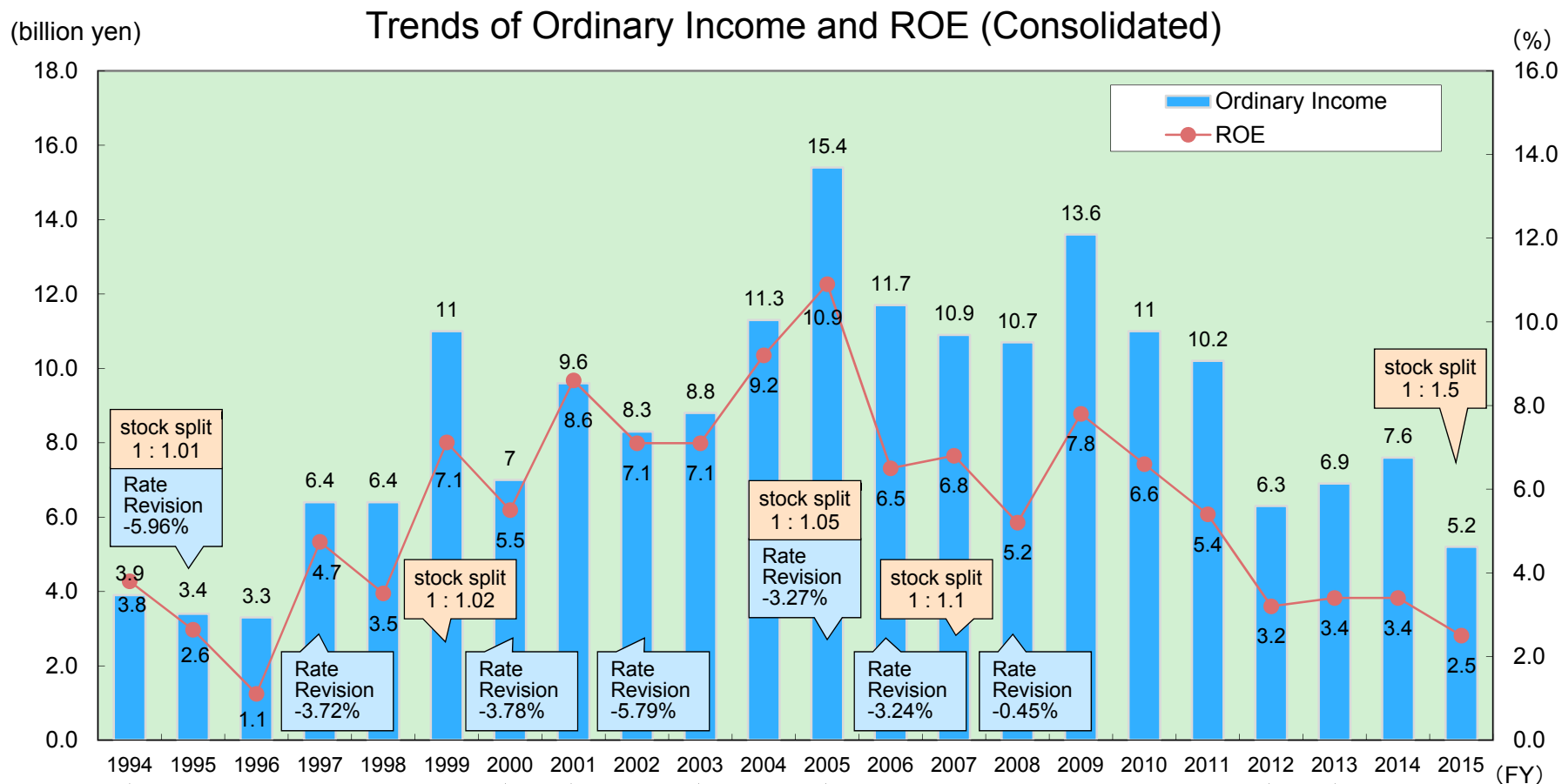
1. Action to comply with all the principles of Japan's Corporate Governance Code

- Basic Policy on Corporate Governance, consisting of the following five items, has been established.
 - (1) Securing the rights and equal treatment of shareholders
 - (2) Appropriate cooperation with stakeholders
 - (3) Ensuring appropriate information disclosure and transparency
 - (4) Responsibilities of the board
 - (5) Dialogue with shareholders, etc.
- Of 73 principles of the code for the submission of a corporate governance report on July 4, 2016 (i.e. CG report), one principle (one item) was designated as an “Explain” category principle.

2. Progress status of items designated “Explain” category principles

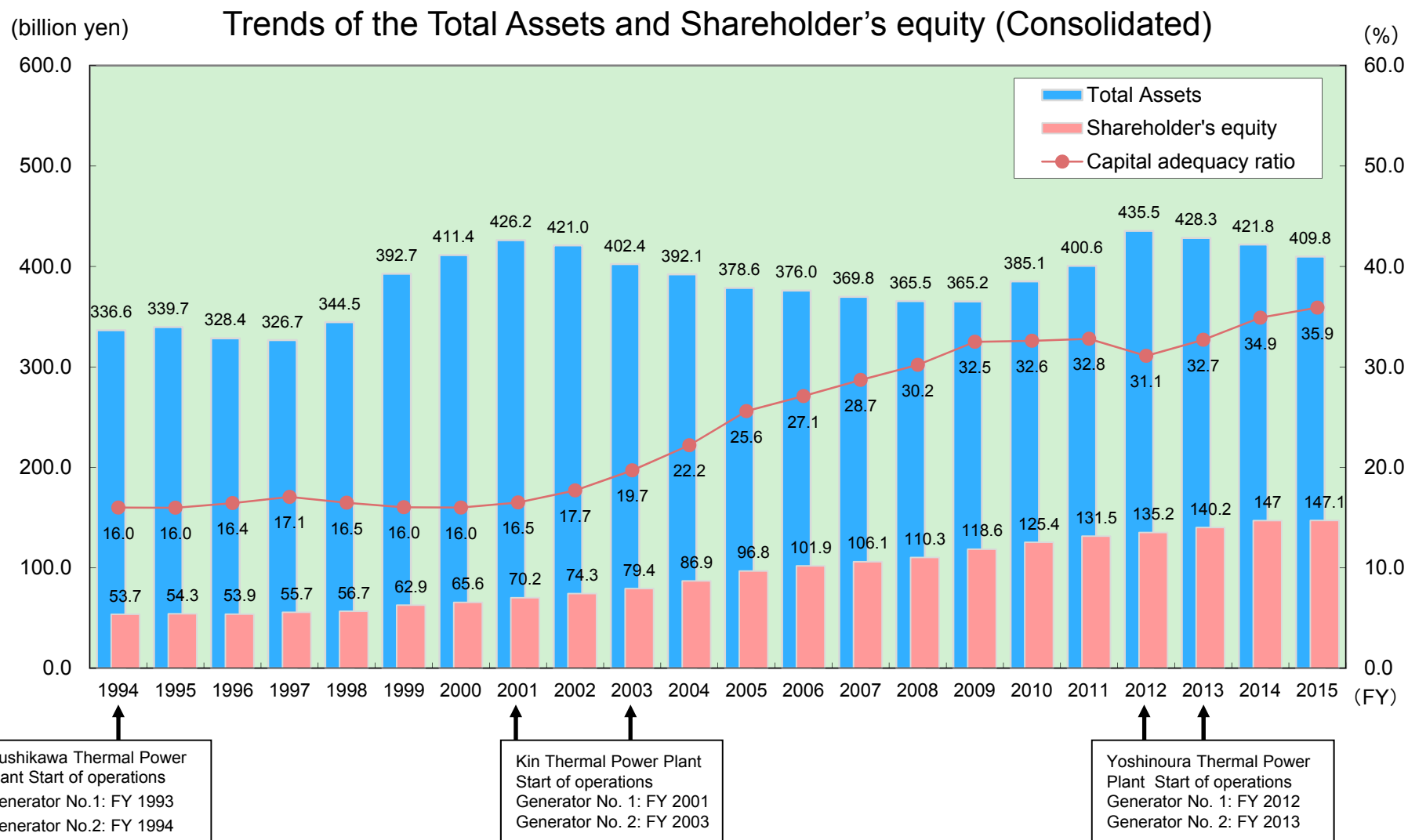
- Including incentives in the remuneration of management (Principle 4.2, Supplementary Principle 4.2.1)
 - ⇒ We decided to consider a compensation structure suitable for the Company as well as the application of incentivization, going forward, in light of the operating environment and our business characteristics.

Reference 1: Trends of Ordinary Income and ROE



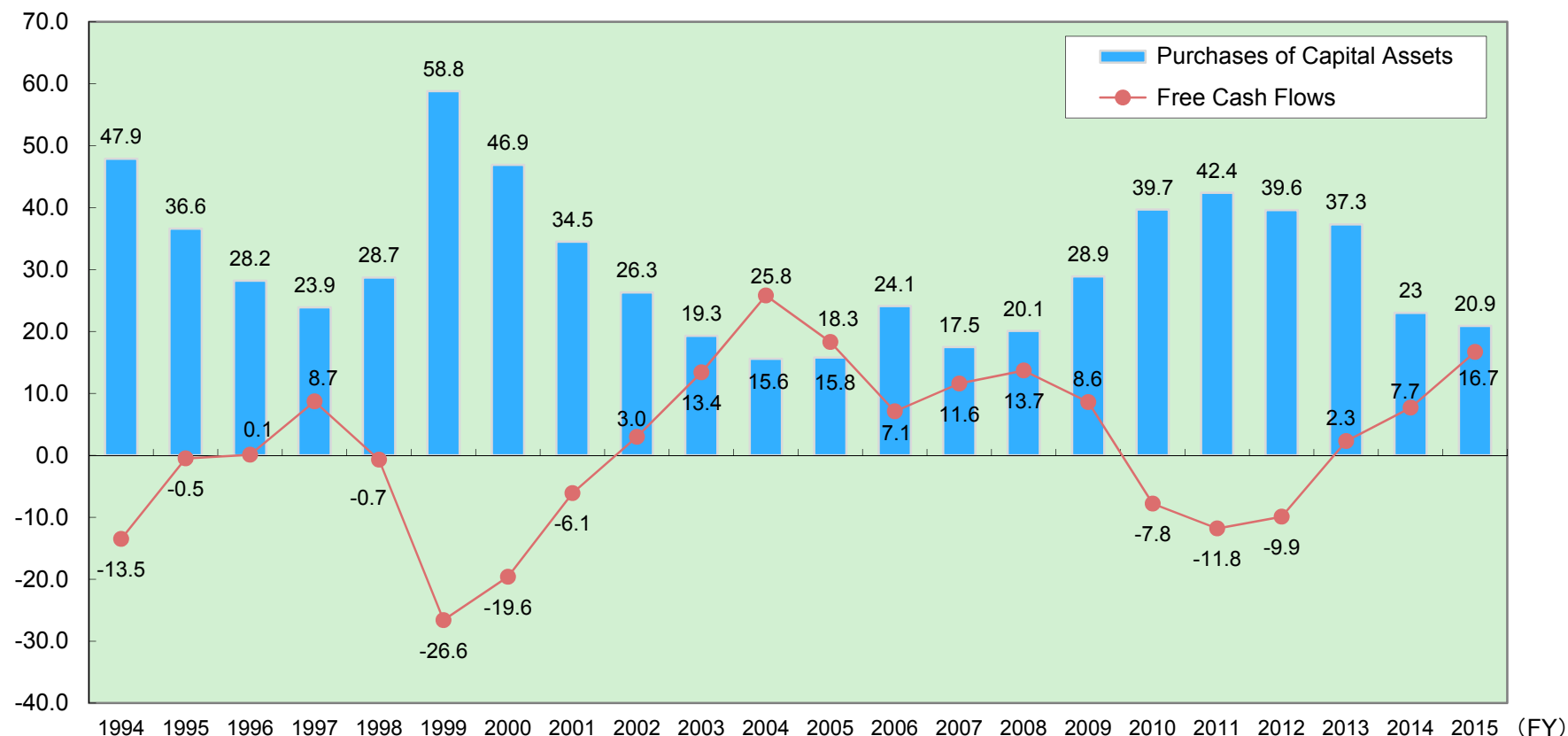
| | | | | |
|------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| <p>Gushikawa Thermal Power Plant Start of operations Generator No.1: FY 1993 Generator No.2: FY 1994</p> | <p>Effects due to cost processing at the time of accounting standard changes in association with the introduction of retirement benefit accounting. (FY 2000)</p> | <p>Kin Thermal Power Plant Start of operations Generator No. 1: FY 2001 Generator No. 2: FY 2003</p> | <p>Reduction in retirement benefit costs due to revision of the retirement benefit system. (FY 2005)</p> | <p>Yoshinoura Thermal Power Plant Start of operations Generator No. 1: FY 2012 Generator No. 2: FY 2013</p> |
|------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|

Reference 2: Trends of the Total Assets and Shareholder's equity



Reference 3: Trends of the Capital Expenditure and Free Cash Flows

(billion yen) Trends of the Capital Expenditure and Free Cash Flows (Consolidated)



↑
Gushikawa Thermal Power Plant Start of operations
Generator No.1: FY 1993
Generator No.2: FY 1994

↑ ↑
Kin Thermal Power Plant Start of operations
Generator No. 1: FY 2001
Generator No. 2: FY 2003

↑ ↑
Yoshinoura Thermal Power Plant Start of operations
Generator No. 1: FY 2012
Generator No. 2: FY 2013

* Based on "Income and Expenditure Statement (Non-consolidated)" on and before 1998, and "Statement of Cash Flow (Consolidated)" on and after 1999, respectively.

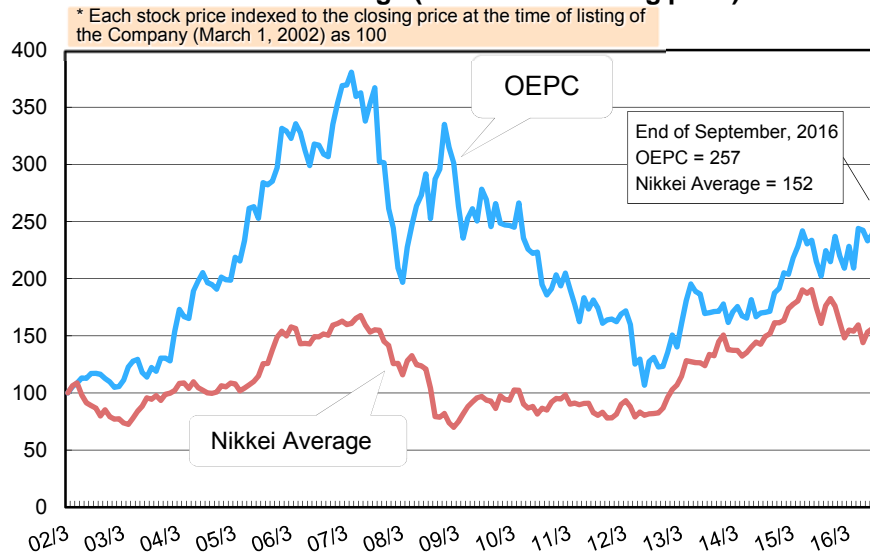
Reference 4: Change in Okinawa Electric Power's Stock Price

Recent stock price changes: from January 4, 2016 to September 30, 2016

| | Okinawa Electric Power Company, Inc. | Nikkei Average |
|------------------------------------------------------|----------------------------------------|-----------------------------------------|
| Stock price as of January 4, 2016 (closing price) | 2,033 yen | 18,451 yen |
| All-time high (closing price) | 2,351 yen (+15.6%) as of Sep. 21, 2016 | 18,451 yen (0.0%) as of Jan. 4, 2016 |
| All-time low (closing price) | 1,791 yen (-11.9%) as of Jan. 21, 2016 | 14,952 yen (-19.0%) as of Jun. 24, 2016 |
| Stock price as of September 30, 2016 (closing price) | 2,276 yen (+12.0%) | 16,450 yen (-10.8%) |

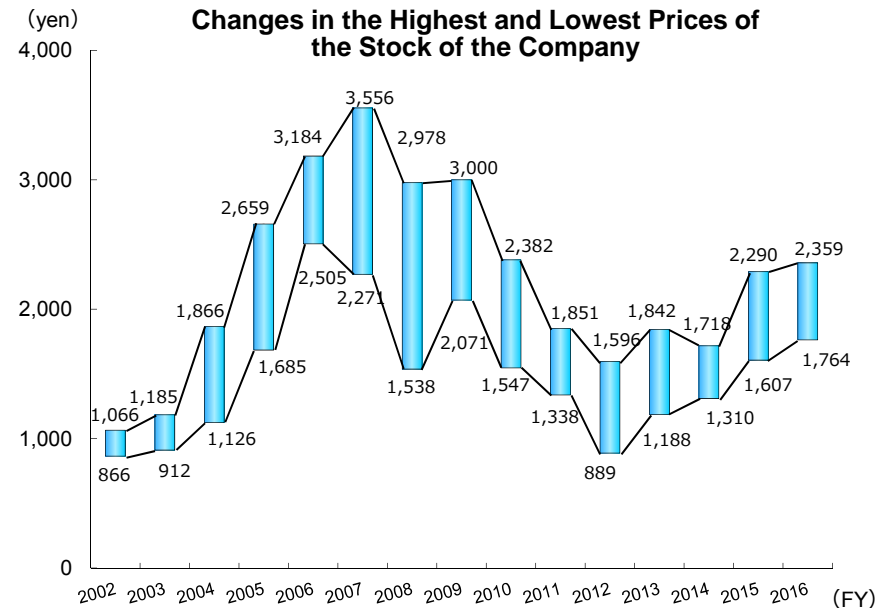
(Note) The Company implemented a stock split of 1 to 1.5 effective June 1, 2016 and its stock price prior to May 31 has been adjusted accordingly. Figures in bracket indicate percentage change in the stock price from its closing price on January 4, 2016.

Changes in the Stock Price of the Company and the Nikkei Stock Average (month-end closing price)



(Note) The stock split was implemented four times in the indicated period (Record date :End of March 2005, End of March 2007, End of May 2015 and End of May 2016), and adjustment has been made for the figures before the end of May 2016.

Changes in the Highest and Lowest Prices of the Stock of the Company



Reference 5: Earnings Per Share and Payout Ratio

Earnings per Share and Payout Ratio

| FY | | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---------------------------------------------------------------------------------------|-------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Net income ^{*1} | Million yen | 6,418 | 7,072 | 5,604 | 8,950 | 8,047 | 6,956 | 4,318 | 4,731 | 4,943 | 3,647 |
| Earnings per Share ^{*1} (Post-adjustment after stock split) ^{*2} | yen | 403.50 (163.03) | 404.36 (179.72) | 320.54 (142.46) | 512.04 (227.57) | 460.58 (204.70) | 398.15 (176.96) | 247.20 (109.87) | 270.80 (120.36) | 282.99 (125.77) | 139.22 (92.81) |
| Dividend per Share (Post-adjustment after stock split) ^{*2} | yen | 60 (24) | 60 (27) | 60 (27) | 60 (27) | 60 (27) | 60 (27) | 60 (27) | 60 (27) | 60 (27) | 60 (40) |
| Payout Ratio ^{*1} | % | 14.9 | 14.8 | 18.7 | 11.7 | 13.0 | 15.1 | 24.3 | 22.2 | 21.2 | 43.1 |
| Dividend Yield | % | 0.82 | 1.53 | 1.15 | 1.23 | 1.58 | 1.75 | 1.87 | 1.72 | 1.38 | 1.98 |
| Price Book-value Ratio ^{*1} | x | 1.15 | 0.65 | 0.83 | 0.72 | 0.53 | 0.45 | 0.41 | 0.44 | 0.52 | 0.54 |
| Price Earning Ratio ^{*1} | x | 18.2 | 9.7 | 16.3 | 9.5 | 8.3 | 8.6 | 13.0 | 12.9 | 15.4 | 21.8 |

*1 Net Income, EPS, Payout Ratio, PBR, PER are on a consolidated basis

*2 Shown in the brackets are numbers adjusted for the effects of past stock splits including the one conducted on June 1, 2016.

| Date | Issued number of shares of common stock | |
|---------------|-----------------------------------------|--------------|
| Feb. 10, 1992 | 14,728,132 | Listed |
| Nov. 20, 1995 | 14,875,413 | Split 1:1.01 |
| May. 25, 1999 | 15,172,921 | Split 1:1.02 |
| May. 20, 2005 | 15,931,567 | Split 1:1.05 |
| Apr. 1, 2007 | 17,524,723 | Split 1:1.1 |
| Jun.1, 2015 | 26,287,084 | Split 1:1.5 |
| Jun.1, 2016 | 39,430,626 | Split 1:1.5 |

Reference 6: Stock Split

1. Purpose of stock split

Returning the profits to our shareholders and improving the liquidity of shares in OEPC

2. Method of stock split

A 1.50-for-1 stock split

3. Number of shares increasing as a result of the stock split

| | |
|--------------------------------------------------------------|-------------------|
| Total number of issued shares prior to the stock split : | 26,287,084 shares |
| Number of shares increasing as a result of the stock split : | 13,143,542 shares |
| Total number of issued shares after the stock split : | 39,430,626 shares |
| Total number of authorized shares after the stock split : | 67,500,000 shares |

4. Stock Split Calendar

| | |
|-----------------|--------------|
| Record date: | May 31, 2016 |
| Effective date: | June 1, 2016 |

5. Others

(1) Amendment of Articles of Incorporation

Total number of authorized shares: 45,000,000 to 67,500,000 shares

(2) Expected dividend for March 2017

| | |
|--------------------|------------------|
| End of 2nd quarter | 30 yen per share |
| End of term | 30 yen per share |

As the annual dividend of 60 yen is maintained, the total dividend will be practically increased.

<Reference: Trend in Stock Splits>

| Date | Issued number of shares of common stock | Ratio |
|---------------|-----------------------------------------|--------|
| Feb. 10, 1992 | 14,728,132 | Listed |
| Nov. 20, 1995 | 14,875,413 | 1:1.01 |
| May. 25, 1999 | 15,172,921 | 1:1.02 |
| May. 20, 2005 | 15,931,567 | 1:1.05 |
| Apr. 1, 2007 | 17,524,723 | 1:1.10 |
| Jun.1, 2015 | 26,287,084 | 1:1.50 |
| Jun.1, 2016 | 39,430,626 | 1:1.50 |

Reference

- <http://www.okiden.co.jp/> (The Okinawa Electric Power Company Incorporated)
- <http://www.pref.okinawa.jp/> (Okinawa Prefecture)
- <http://www.fepc.or.jp/> (The Federation of Electric Power Companies of Japan)
- <http://criepi.denken.or.jp/index.html> (Central Research Institute of Electric Power Industry)

This document includes statements concerning future results. Such statements are based on calculations and predictions and are neither definite nor guaranteed. Please be aware that future results may change in accordance with changes in assumptions related to the management environment and the like.

【Enquiries regarding this document】

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