

# **Management Reference Materials**

**May 2024**



The Okinawa Electric Power Company, Inc.

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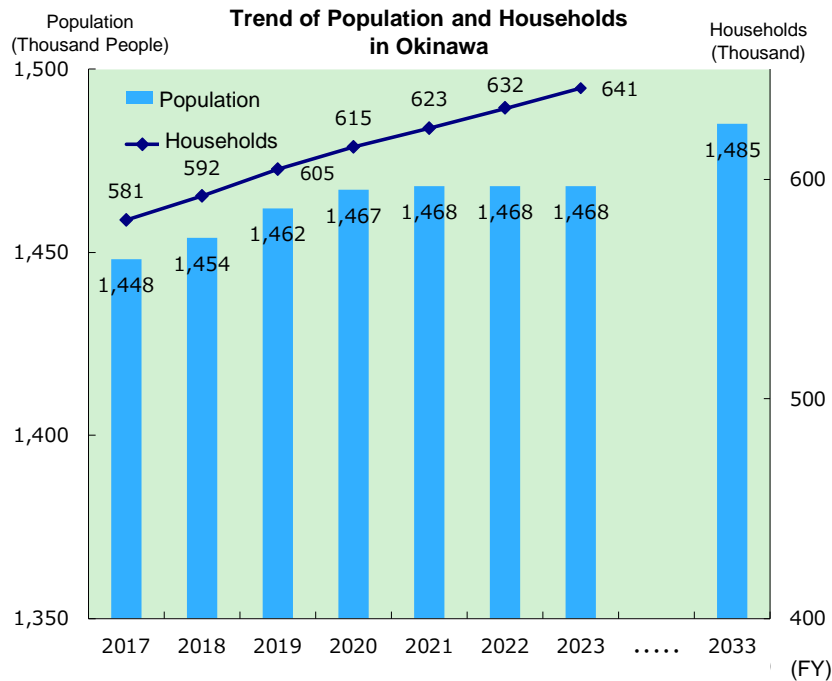
# Characteristics of the Business Bases

Item	Overview	Reference Page
Demand for Energy	<ul style="list-style-type: none"> <li>◆ Increasing demand for energy, supported by Okinawa's advantages and potential.</li> <li>◆ As the proportion of energy for consumer use is high, effects of economic fluctuations are low for demand for Electric power.</li> <li>◆ Potential demand due to large-scale urban development projects</li> </ul>	2~8
Competition	<ul style="list-style-type: none"> <li>◆ OEPC is outside the framework of wide-area power interchange because that is not connected with the transmission lines of other power companies.</li> <li>◆ OEPC has voluntarily released power of 10,000kW supplied by J-Power.</li> <li>◆ Competition is advancing due to the entry of energy suppliers.</li> <li>◆ Biomass power plant by power producer and supplier has started operation.</li> </ul>	9
Power Generation Facilities	<ul style="list-style-type: none"> <li>◆ A high reserve supply capacity is required since the systems of Okinawa area are small and independent.</li> <li>◆ Reliant on fossil fuels only due to difficulties to develop nuclear or hydraulic power generation.</li> <li>◆ Coal-fired thermal power generation is indispensable not only for stable supply but also for maintaining electricity rates.</li> </ul>	10~12
Remote Islands	<ul style="list-style-type: none"> <li>◆ OEPC supplies power to 11 isolated systems including those in the main island.</li> <li>◆ 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.</li> </ul>	13
Global Warming Countermeasures	<ul style="list-style-type: none"> <li>◆ Currently, possible measures are limited due to reasons including the region's geographic characteristics and constraints on the scale of demand.</li> <li>◆ The introduction of renewable energies contributes to reducing fuel consumption and cost on remote islands, where fuel unit price is high.</li> <li>◆ Since the systems of Okinawa area are small and independent, the limit of connection volume is likely to occur when using renewable energies.</li> </ul>	14~19

# Okinawa Prefecture Demographics (1/2)

- The population of Okinawa Prefecture fell by 355 people or 0.02% in FY2023 from the previous year, when the population had declined for the first time since the prefecture's return to Japan, marking the second consecutive year of decline.
- The number of households has been on the rise, and was higher than in the previous year in FY2023.

\* According to the National Institute of Population and Social Security Research, "Regional Population Projections for Japan: 2015–2045 (2018)"

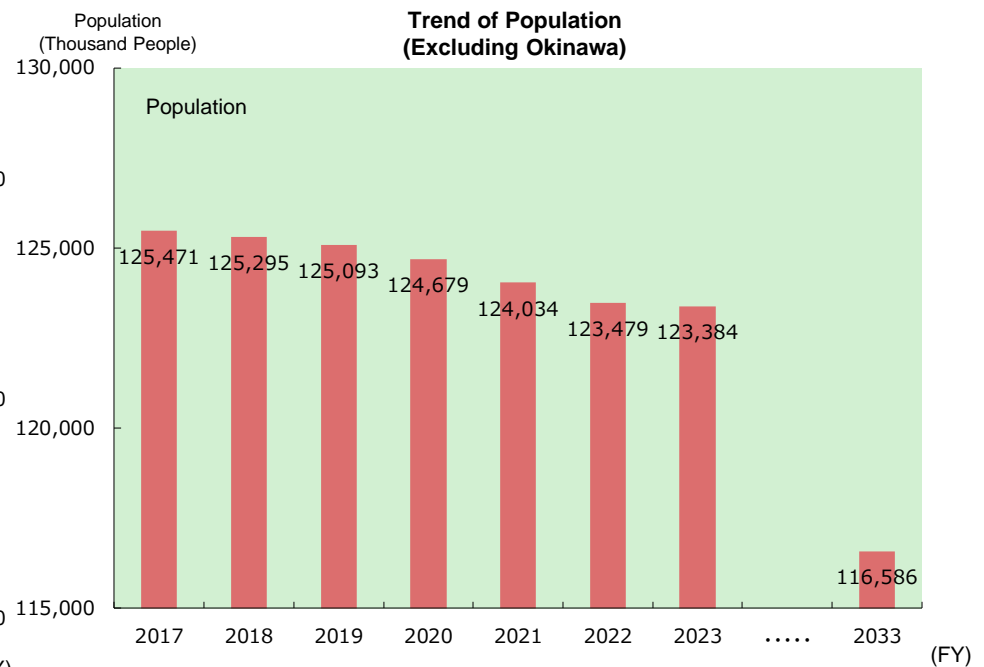


Source:

Population: The actual figures are based on the data provided by the Ministry of Internal Affairs and Communications (MIC).

The figures for FY2033 are based on estimated data provided by the Organization for Cross-regional Coordination of Transmission Operators, JAPAN (OCCTO).

No. of households: The figures are based on the data provided by the Okinawa Prefecture Government.



Source: The actual figures are based on the data provided by MIC.

The figures for FY2033 are based on estimated data provided by OCCTO.

# Okinawa Prefecture Demographics (2/2)

- The total fertility rate of Okinawa Prefecture in FY2022 was 1.70, the highest among all prefectures in Japan (nationwide:1.26)
- The number of the population of Okinawa in FY2023 decreased by 0.2 persons per 1,000 people, the two times in a row decline. (nationwide: -4.8)

## Okinawa Prefecture Demographics

(People)

		2019	2020	2021	2022	2023
The total fertility rate (Per Thousand people)	Nationwide	1.36	1.34	1.30	1.26	—
	Okinawa	1.82	1.86	1.80	1.70	—
	Ranking	(1)	(1)	(1)	(1)	—
The Increase of population (Per Thousand people)	Nationwide	-2.2	-3.2	-5.1	-4.4	-4.8
	Okinawa	3.9	4.1	0.7	-0.1	-0.2
	Ranking	(2)	(1)	(1)	(2)	(2)
The Natural Increase of population (Per Thousand people)	Nationwide	-3.8	-4.0	-4.8	-5.8	-6.7
	Okinawa	2.0	1.9	0.9	-0.5	-1.4
	Ranking	(1)	(1)	(1)	(1)	(1)
The Social Increase of population (Per Thousand people)	Nationwide	1.7	0.3	-0.3	1.4	1.9
	Okinawa	1.9	1.2	-0.2	0.4	1.2
	Ranking	(8)	(7)	(11)	(17)	(13)

Source: "Vital Statistics" by Ministry of Health, Labour and Welfare

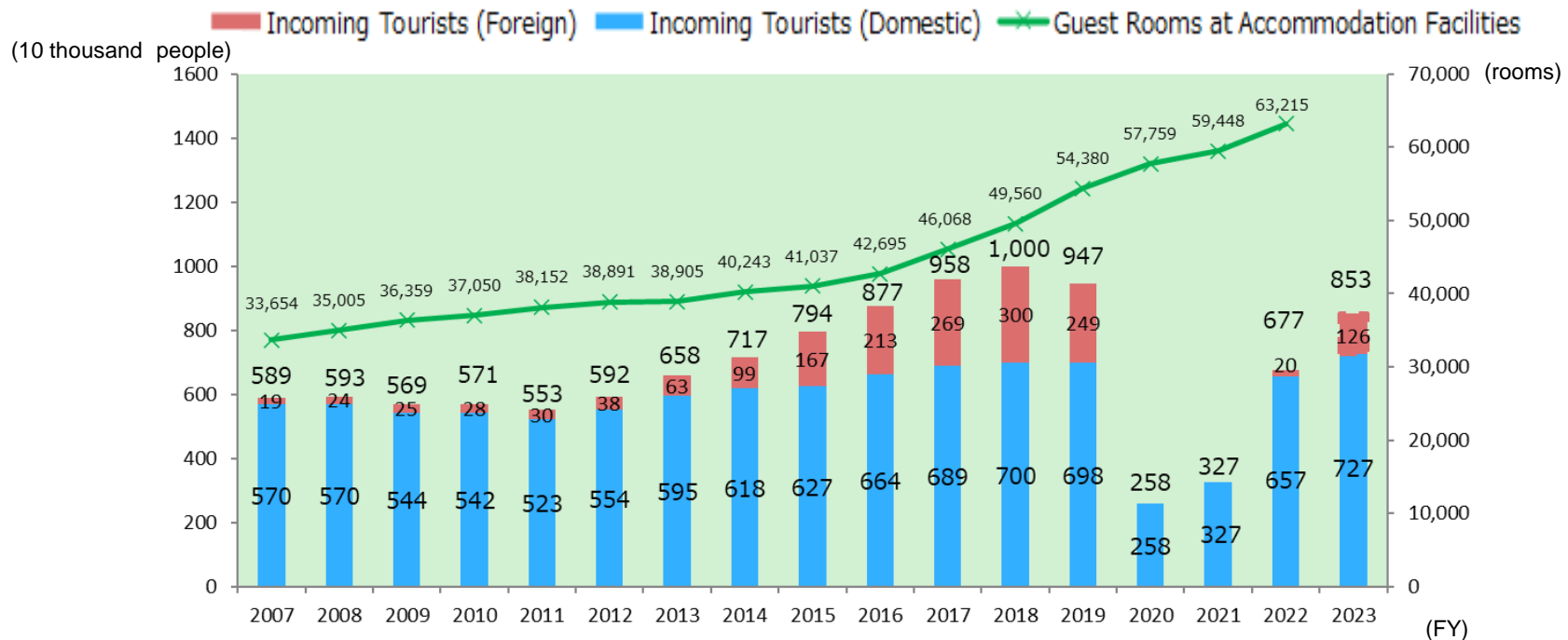
"Population Estimates" by Statistics Bureau, Ministry of Internal Affairs and Communications

The figures in brackets in the chart show Okinawa Prefecture's national ranking

# Number of incoming tourists (1/4)

- In FY2023, the number of Incoming tourists was 8.53 million, higher than the previous year.
- [Incoming tourists]
  - FY2022 : 6,770 thousand people (Growth rate of +106.9% year-on-year)
  - FY2023 : 8,530 thousand people (Growth rate of + 25.9% year-on-year)
- Domestic tourists exceeded the recorded high of 2018, thanks to nationwide travel support by the State. The number of foreign tourists is also projected to increase due to the resumption of the operations of overseas flights and cruise ships, Increased Flights, number of port calls, and a further recovery in travel demand is hoped for.  
(FY2018 comparison: Domestic tourists 103.8%、 Foreign tourists 42.1%)

**Trends of the Numbers of Incoming Tourists and Guest Rooms at Accommodation Facilities**



Note: The breakdown and total values do not match sometimes due to rounding decimals.

Source: "Tourism Guidebook", "Summary Statistics on Incoming Tourists to Okinawa", "2022 Accommodations Fact-finding Survey Result", published by Okinawa Prefectural Government

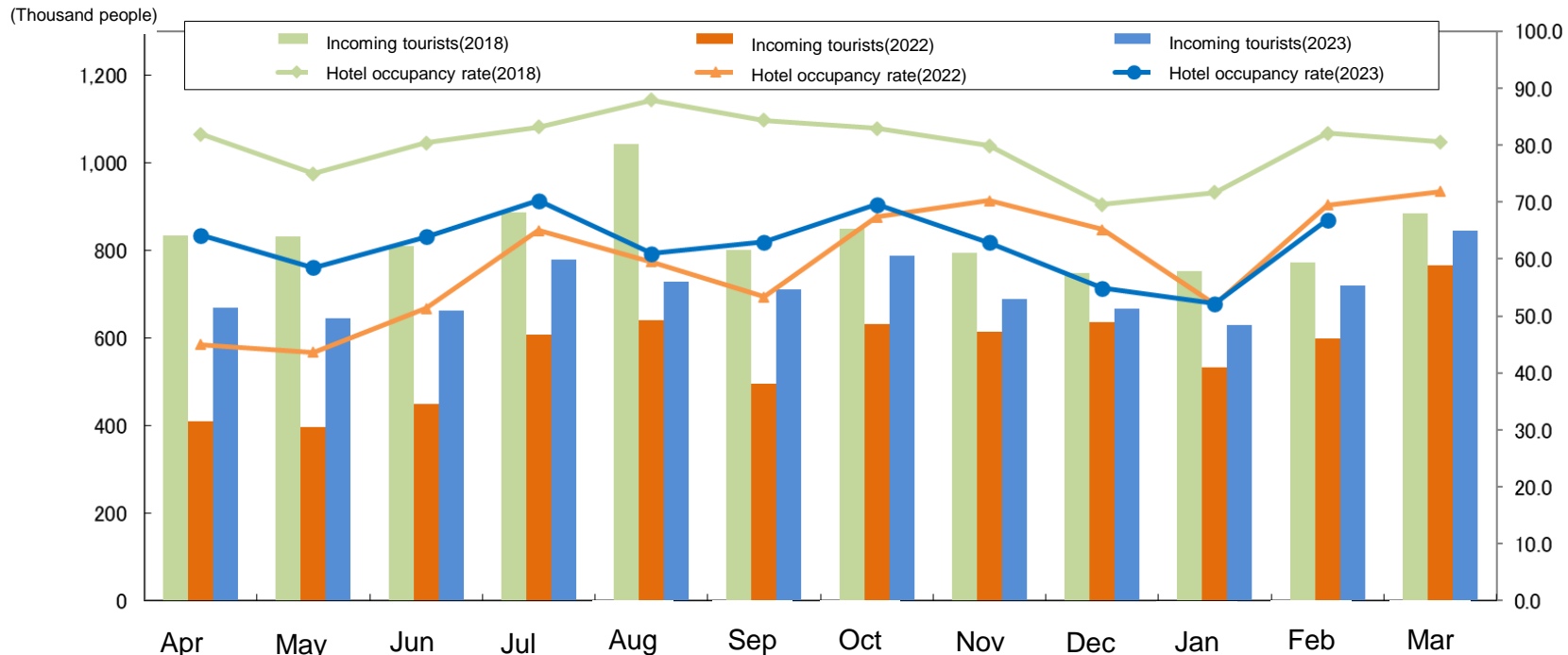
# Number of incoming tourists (2/4)

- The number of incoming tourists to the region in the FY2023, exceeded that of the previous year due in many parts to the reclassification of COVID-19 as a Class 5 infectious disease and demand boosted by nationwide travel support as well as the resumption of the operations of flight routes and of international cruise ship port calls. Overall occupancy hotel rates (April 2023-February 2024) were higher than the previous year, although there were some months when occupancy rates were lower than the previous year.

[Incoming tourists] FY2023 : 8,530 thousand people (Growth rate of +25.9% year-on-year)

[Hotel occupancy rate] FY2023 : 62.5%(Compared to year-on-year +4.1% )

## Trend of the number of incoming tourist and Hotel occupancy rate



Source: "Summary Statistics on Incoming Tourists to Okinawa" published by Okinawa Prefectural Government,  
 "Overview of economic and financial developments in Okinawa" published by Bank of Japan

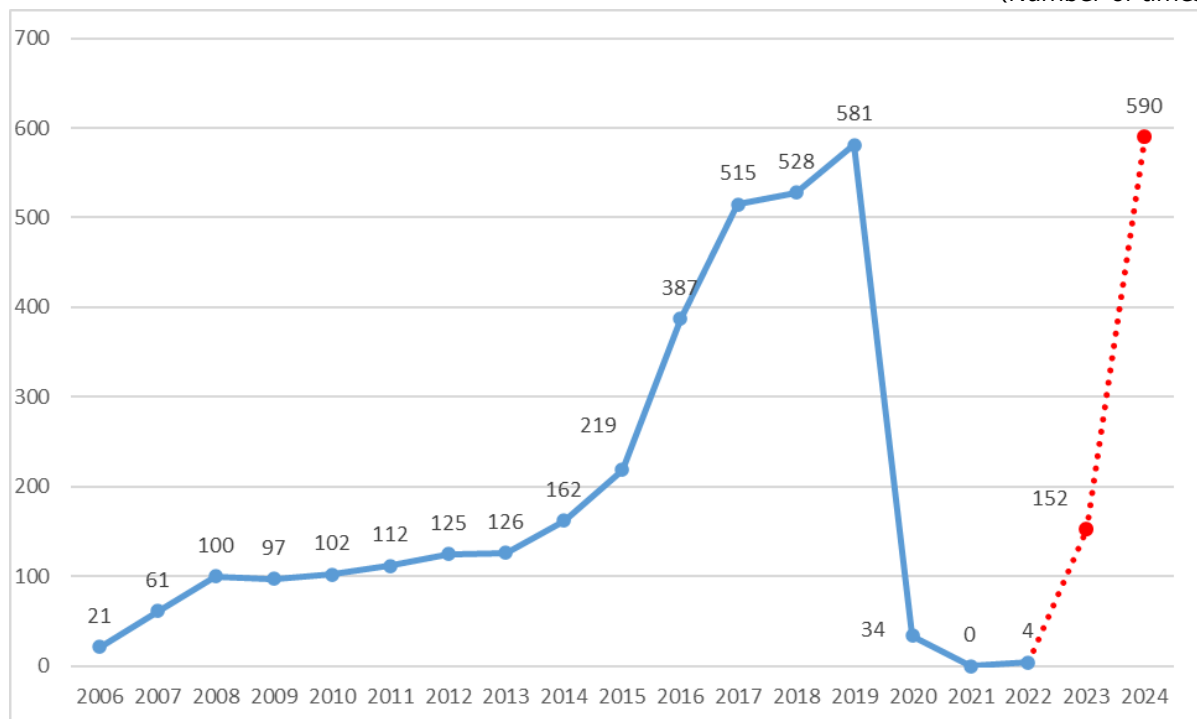
※Room occupancy rates for FY2023 up to February results.

# Number of incoming tourists (3/4)

- The number of cruise ship port calls in Okinawa Prefecture had increased year after year, reaching a record 581 calls in 2019. However, the number has dropped to zero since February 2020 due to the spread of COVID-19 infections.
- Domestic cruise vessels started to be allowed to resume port calls in June 2022, and the port was also reopened to international cruise ships in March 2023.
- The number of cruise ship calls is recovering steadily, and 2024 is expected to see the most calls on its record.

## Trend of the number of cruise ship port calls in Okinawa

(year) (Number of times)



source of photo: The Okinawa Times、Nikkei Inc.

※ Source: "2023 OKINAWA Cruise Report" published by Okinawa General Bureau, Cabinet Office(2006-2022),  
"The number of cruise ship port calls in Okinawa" published by Naha Port Authority(2023), Based on the information of MLIT (2024)  
※ Compiled by OEPC a graph based on the schedule of cruise ship port calls.

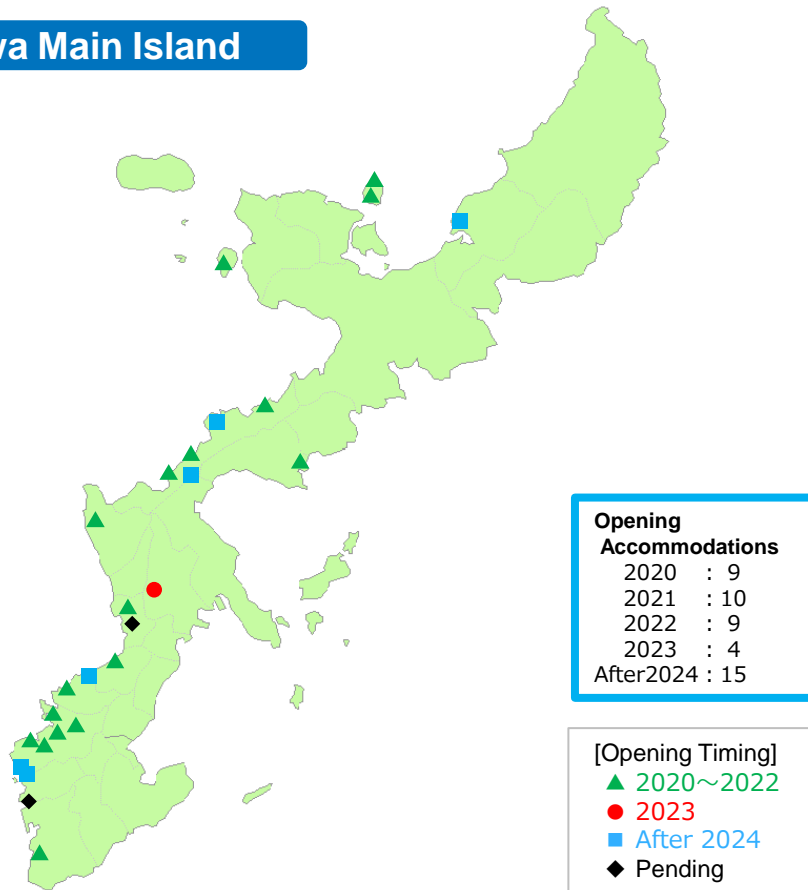


# Number of incoming tourists (4/4)

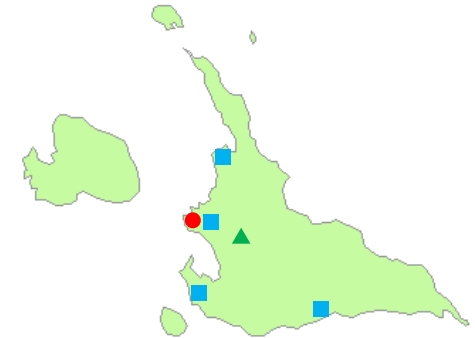
- Going forward, multiple accommodation facilities are planned to open.

## Major Plans for Opening Accommodations

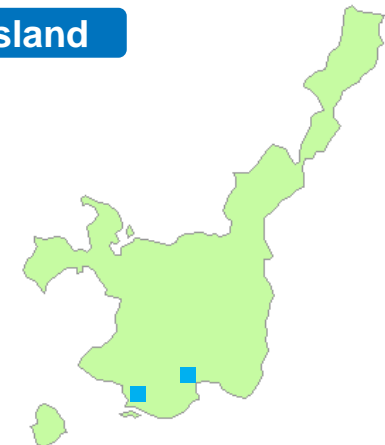
### Okinawa Main Island



### Miyako Island

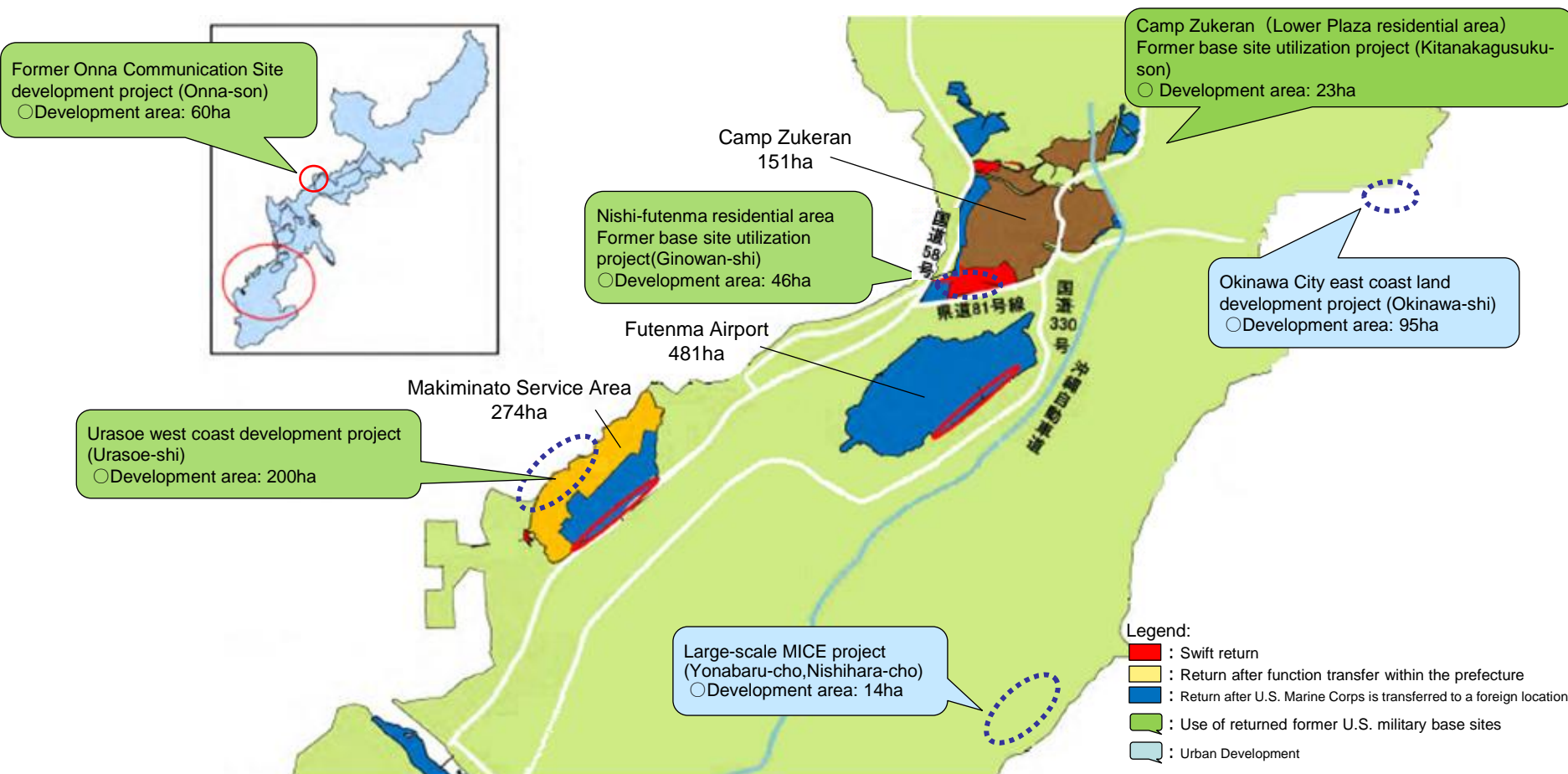


### Ishigaki Island



# Urban Development of the Returned former U.S. military base sites and Others

- By actively engaging in urban development projects including the returned U.S. military bases and supplying energy in the entire area, the Company will achieve the continued expansion of energy sales.



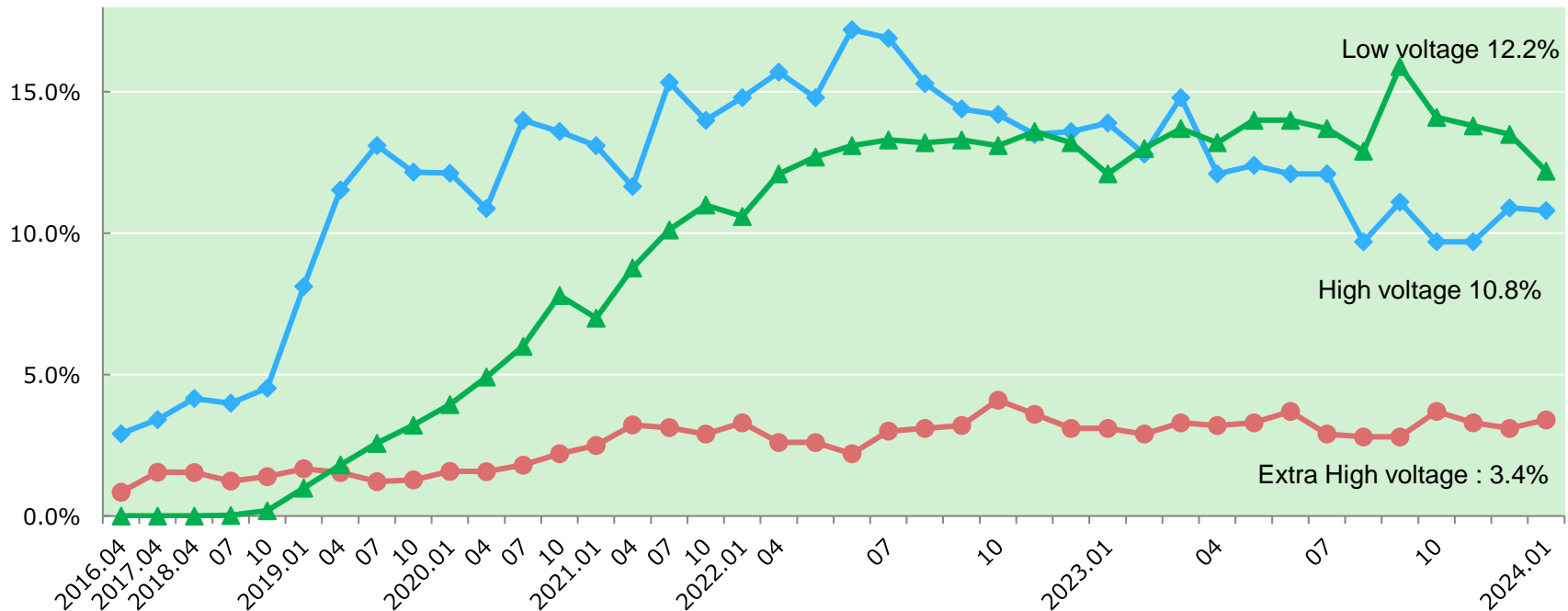
\* Source: The material of the Okinawa Revitalization Council Chair and Specialized Committee Meeting (third session) presented on the Cabinet Office website, and Survey of Consideration of Ripple Economic Effects from Utilization of Former U.S. Forces Sites posted on the Okinawa Prefectural Government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

# Full liberalization of the Electricity Market

- As a voluntary initiative to develop the competitive environment in the Okinawa area, which has an independent system, the Company is cutting out part of J-POWER's Ishikawa Coal Thermal Power Station, and offering routinely backing up and the wholesale electricity menu for supply-demand adjustment.
- Liberalization is in progress also in the Okinawa area, PPS's\* share in the electricity sales volume reached 10.2% in the total of all voltages (as of January 2024).
- In July 2021, a biomass power plant by PPS will start of operation , and further competition will develop.

\* new suppliers, officially called power producer and suppliers

## Trend of PPS's Share in Electricity Sales Volume (By voltage)



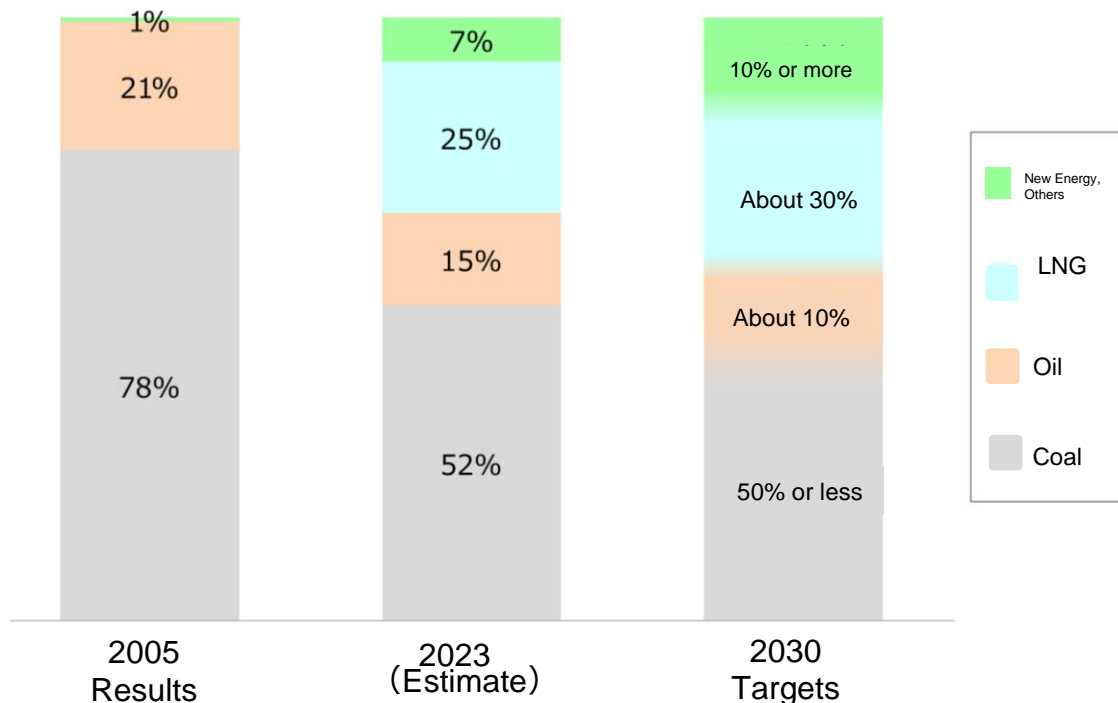
Source : "Electricity Trading Report".

# Power Generation Facilities (Power Supply Composition)

- The composition of electric power source centered on fossil fuel such as oil, coal and LNG. The developing nuclear or hydroelectric power generation is difficult in Okinawa due to the reasons of geographic condition and the small scale of demand.
- Through the operation start (from 2012) of the Yoshinoura Thermal Power Plant whose energy source is LNG, the first of its kind in the Company, the Company has secured long-term supply capacity and effective tools for enhancing energy security and global warming preventive measures.
- To realize the Company's FY2030 ambitious target of "a 30% reduction of CO2 emissions (compared to FY2005)," the Company will steadily push forward with "Making renewable energy the mainstream" and "Reduction of CO2 emissions from thermal power sources."

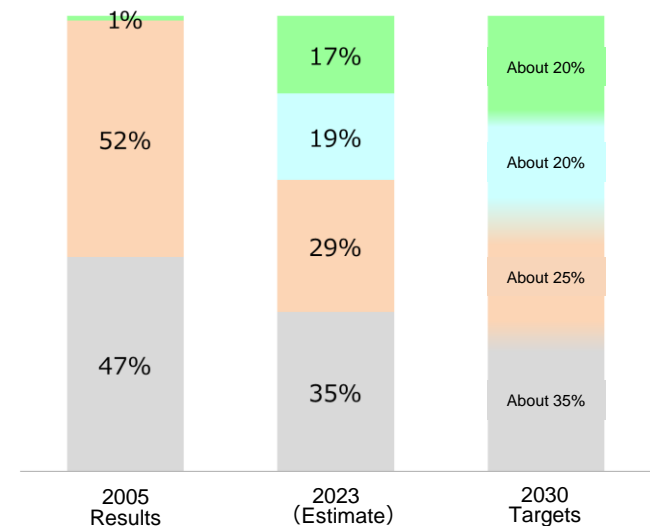
## Power Supply Composition Ratio(kWh)

(Electricity sold by the company the figures include other companies. Excludes wholesale sales.)



## Reference : Amount of facilities in Okinawa area(kW)

Composition of the installed capacity (kW) for the entire Okinawa area by power source type (assumed values based on the FY2024 supply plan), which is the premise for calculating the power source composition (electric energy) shown on the left.



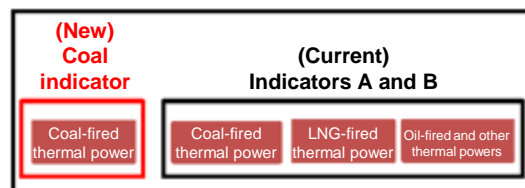
# Response to the Fade-out of Inefficient Coal-fired Thermal Power Generation

- For Okinawa, where thermal power generation has to be the mainstay, coal-fired thermal power generation is indispensable for stable supply, etc. On the other hand, it is necessary to respond appropriately in light of the direction of the national government, such as the 2050 Carbon Neutral Declaration.

## < The policy package for the Fade-out of Inefficient Coal-Fired Thermal Power Generation >

### ① Regulatory measures (Energy Saving Act)

#### New thermal power indicator (Conceptual diagram)



#### Target level: Power generation efficiency of 43%

- \* Corrective measures for calculation of power generation efficiency
  - ✓ Correction of biomass co-firing, etc.
  - ✓ Correction of ammonia/hydrogen co-firing
  - ✓ Correction of reduction in power generation efficiency due to adjusting operation

### ② Guidance by the capacity market

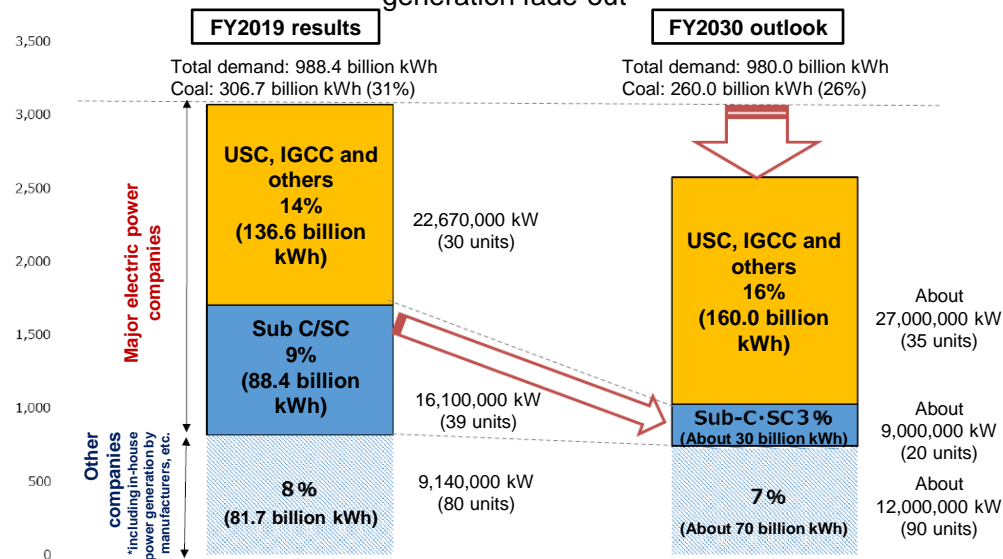
⇒ Not applicable to Okinawa

- \* "As coal-fired thermal power generation plays a role in supporting local employment, the local economy, and the stable supply of electric power, it is important to continue making efforts while listening to the opinions of relevant parties, in light of concerns expressed about the impact of its suspension and abolition."

Source: Interim Report of Coal-fired Power Study WG (April 23, 2021)

### ③ Fade-out plan (Annual submission)

(Diagram) Outlook of the inefficient coal-fired thermal power generation fade-out



\*Estimation are based on transmission end power generation.

\*The remaining SCs and Sub-Cs in FY2030 will be important facilities for stable supply and local employment, for which it is also necessary to take measures such as reduction of the operating rate and co-firing.

<Reference: Coal-fired thermal power stations owned by the Company>

Power station/unit		Maximum output	Power generation system	Start of operation
Gushikawa Thermal Power Plant	No. 1 Unit	156,000 kW	Sub-C	1994.3
	No. 2 Unit	156,000 kW		1995.3
Kin Thermal Power Plant	No. 1 Unit	220,000 kW		2002.2
	No. 2 Unit	220,000 kW		2003.5

# Demand - Supply balance

- As a systems of Okinawa area are small and independent, the reserve capacity exceeding 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, %)

		2023 [Reference]	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Demand-supply balance	Supply capacity	1,960	2,200	2,219	2,117	2,269	2,122	2,273	2,275	2,276	2,279	2,303
	Peak load	1,569	1,571	1,580	1,589	1,599	1,608	1,618	1,627	1,637	1,647	1,657
	Reserve supply capacity	391	629	639	528	670	514	655	648	639	632	646
	Reserve supply rate	24.9%	40.1%	40.4%	33.2%	41.9%	32.0%	40.5%	39.8%	39.1%	38.4%	39.0%

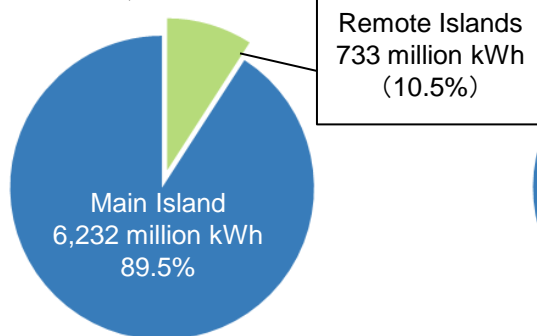
Note: Based on FY2024 Supply Plan Notification. (general transmission / distribution business)

# Remote Islands (Efforts to Improve Income and Expenditure)

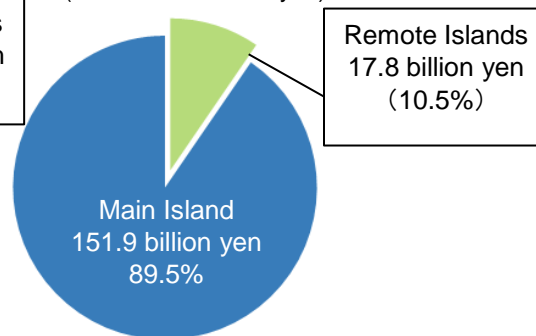
- The region has a high cost structure because of such reasons as having small islands scattered about a vast sea area and the narrow scale of the economy.
- Remote island business occupies about 10% of electricity sales and residential, commercial and industrial use charges.



Electricity Sales Volume  
(FY2023 Results)  
(Total : 6,965 million kWh)



Electricity Sales  
(FY2023 Results)  
(Total : 169.7 billion yen)



(Efforts to improve remote island income and expenditure)

- Reducing fuel consumption by introducing renewable energies (Tilttable wind power generators, etc.)
- Effective utilization of waste oil
- Reducing the fuel consumption rate by introducing high-efficiency units
- Reduction of fuel cost and regular inspection cost by enhancing the power generation facility utilization rate



# Introduction status of renewable energy Facilities

- The OEPC Group has introduced various forms of renewable energy such as wind power, solar power, biomass, and small hydroelectric power, maintaining and operating facilities for 30,522 kW in total.

## 【 OEPC 】

(As of March 31, 2024)

	Name	No. of Units	Output	Remark
Wind Power	Ogimi Wind Power	2	4,000 kW	
	Yonaguni Wind Power	1	600 kW	
	Aguni Tilttable Wind Power	1	245 kW	
	Minamidaito Tilttable Wind Power	2	490 kW	
	Tarama Tilttable Wind Power	2	490 kW	
	Hateruma Tilttable Wind Power	2	490 kW	
	<b>subtotal (6)</b>	<b>10</b>	<b>6,315 kW</b>	
Solar Power	Abu Mega Solar Power	—	1,000 kW	
	Kitadaito Daini Solar Power	—	100 kW	
	Tarama Solar Power	—	250 kW	
	Hateruma Solar Power	—	10 kW	
	Yonaguni Solar Power	—	150 kW	
	<b>subtotal (5)</b>	<b>—</b>	<b>1,510 kW</b>	
Others	Mix combustion of coal and wood biomass (at Gushikawa Thermal Power Plant)	2	—	*1
	Mix combustion of coal and wood biomass (at Kin Thermal Power Plant)	2	—	*1
	Miyako Small Hydroelectric Power	1	65 kW	
	<b>subtotal (3)</b>	<b>5</b>	<b>65 kW</b>	

## 【 Group company 】

(As of March 31, 2024)

	Name	No. of Units	Output	Remark
Wind Power	Sosu Wind Power	2	3,600 kW	
	Nakijin Wind Power	1	1,995 kW	
	Sashiki Wind Power	2	1,980 kW	
	Iejima wind Power	2	1,200 kW	
	Iejima Daini wind Power	2	1,490 kW	
	Karimata Wind Power	2	1,800 kW	
	Sadefune Wind Power	2	1,800 kW	
	<b>subtotal (7)</b>	<b>13</b>	<b>13,865 kW</b>	
Solar Power	Iejima Solar Power	—	10 kW	
	Tokashiki Solar Power	—	198 kW	
	Nago Mega Solar Power No.1	—	1,990 kW	
	Nago Mega Solar Power No.2	—	1,200 kW	
	Itoman Mega Solar Power	—	1,500 kW	
	KarE-roof(PV-TPO) business	—	3,869 kW	*2
	<b>subtotal (5) *2</b>	<b>—</b>	<b>8,767 kW</b>	

**Total : 30,522 kW**

\*1 Mix combustion of coal and wood biomass (The total output of the Gushikawa Thermal Power Plant is 312 thousand kW, Kin Thermal Power Plant is 440 thousand kW).

\*2 Not included in total, subtotal.



## 1

### Wind power generation

- Wind power generation has tended to move toward larger scale for the purpose of reduce costs through economies of scale, the capacity of the mainstream in recent years is 3,000 to 4,000 kW.
- Examination criteria tightened for construction of wind power generation facilities more than 500kW in Japan (2016).
- “Extreme wind speed”\*, which is the construction standards in Okinawa, is or more “90 m/s “equivalent.
- At present, we have not been able to identify any wind turbine manufacturers around the world is producing wind power generation facilities more than 500kW that meet these standards. As a result, it is challenges to introduce new ones.
- The Company is considering measures to expand the introduction of wind power generation.

\* Extreme wind speed

Extreme mean wind speed that may be experienced in the next 50 years

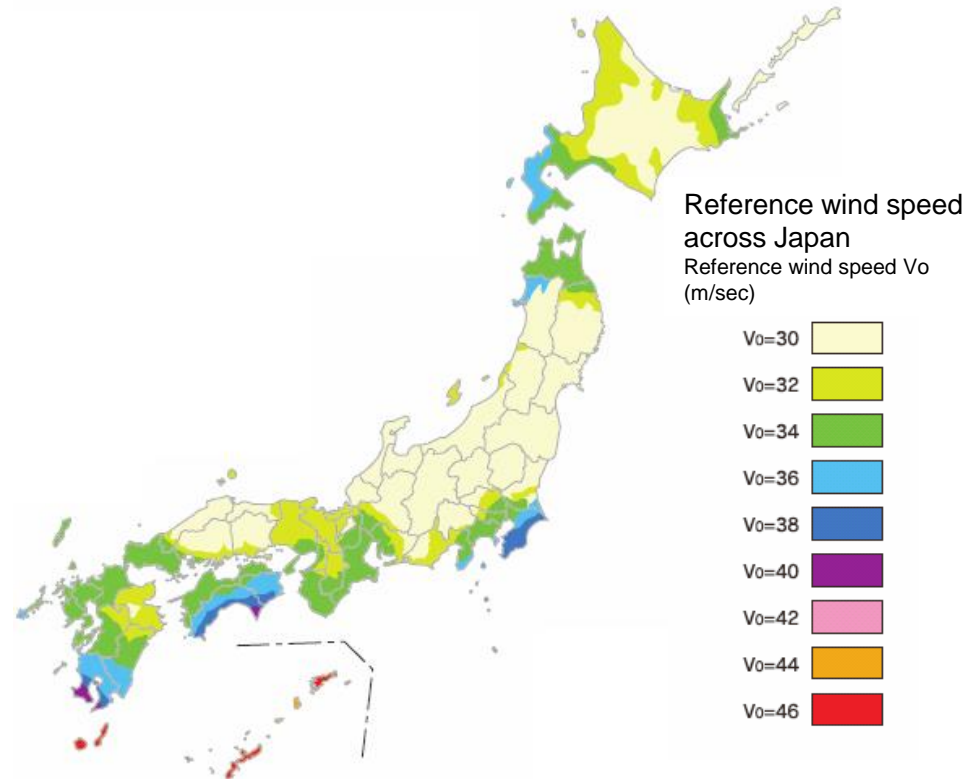
Extreme wind speed (90 m/s)

= Reference wind speed (46 m/s)  $\times$  a  $\times$  b  $\times$  c

a: Coefficient corresponding to the terrain

b: Coefficient corresponding to the hub height, etc.

c: Coefficient corresponding to the maximum instantaneous wind speed



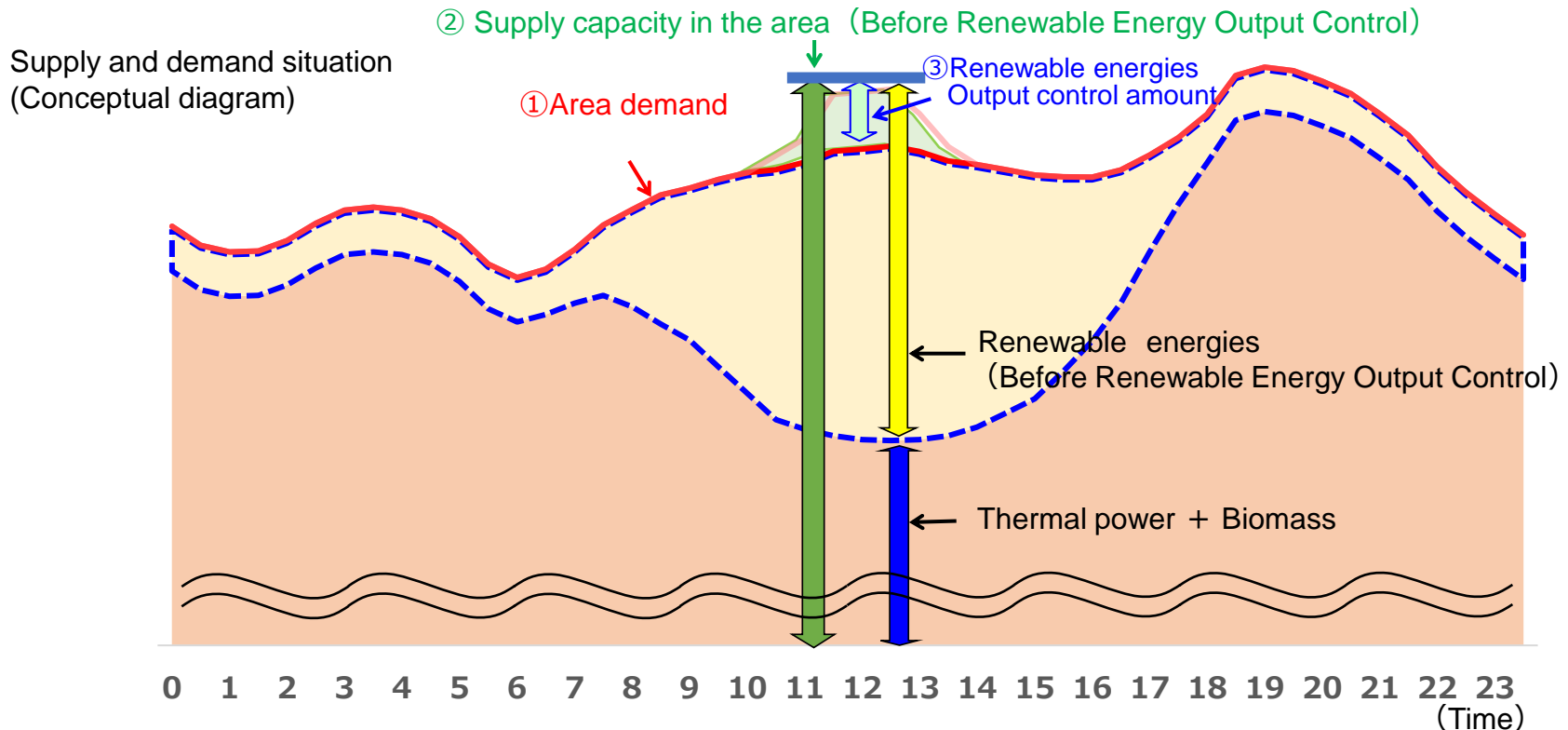
[Design reference wind speed distribution]

\*Image of "Building Standards Act Notice No.1454" categories

Source: Japan Exterior Industry Association website

## 2 Supply and demand situation

- Following the revision of “Ordinance for Enforcement of the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities” (Renamed and currently “Ordinance for Enforcement of the Act on Special Measures Concerning Promotion of Utilization of Renewable Energy Electricity”), all solar and wind power generation facilities online after April 1, 2021 are subject to unlimited and uncompensated output control.
- The Company conducted output control of renewable energies (solar and wind) 19 times during FY2023.
- Output control for FY2024 is expected to account for 0.16% of all facilities (solar and wind). When converted to the number of times, an annual 30 controls are likely to take place.



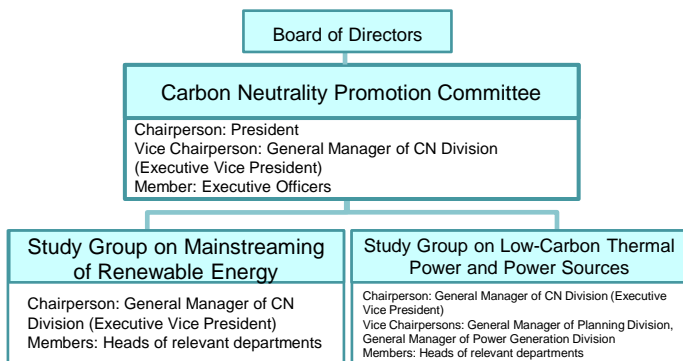
# Efforts to base on TCFD Recommendations (1/3)

- In September 2019, Expressing to support the Recommendations adopted by the Task Force on Climate-related Financial Disclosures(TCFD).
- Besides establishing governance, we referred to multiple climate scenarios to identify potential impacts of climate change on our business.
- In order to make steady progress toward carbon neutrality as well, the Company will utilize the framework of the TCFD recommendations and make efforts to expand and reinforce information disclosure.

## [Governance]

- Recognizing that responding to climate change is an important management issue, regularly hold the Carbon Neutrality Promotion Committee, chaired by the president, to discuss various measures and issues, and to improve and enhance initiatives.
- The results of deliberations by the "Carbon Neutrality Promotion Committee" and important issues related to climate change, if any, will be reported to the Board of Directors as appropriate.

### <Carbon neutrality promotion system>



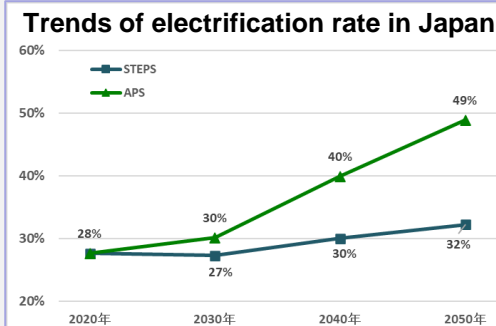
### ■ Main matters to be reported to the Board of Directors (FY2022)

- Reporting on progress in 2050 Net-Zero CO<sub>2</sub> Emissions Roadmap
- Formulation of Just Transition in the Okinawa Area
- Revision of FY2030 CO<sub>2</sub> reduction target
- Reporting on information disclosure based on TCFD (implementation of relative qualitative assessment)

## [Climate Change Risks and Opportunities]

The Company sorted out risks and opportunities in the transition to a decarbonized society by mainly referring to the World Energy Outlook 2022 by the International Energy Agency (IEA).

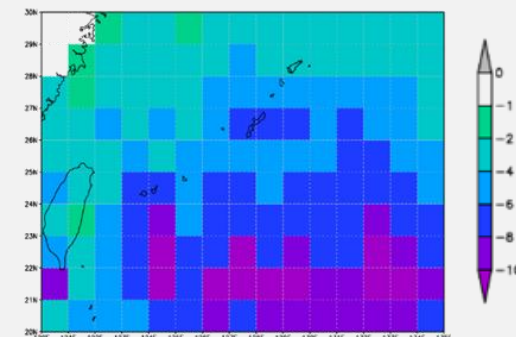
In the 2°C (APS) scenario, whereas growth in demand for electricity can be expected to rise to a certain degree due to society further moving to decarbonization, it is possible for costs to rise as a result of stricter governmental policy and laws and regulations. Furthermore, in the 1.5°C scenario (NZE), there is a possibility that such a trend will become more noticeable.



Source: Prepared by our company, referring to IEA World Energy Outlook 2021

Refer to RCP8.5 of the IPCC (Intergovernmental Panel on Climate Change) and summarize physical risks and opportunities such as extreme weather events.

As a result of sorting out future changes around Okinawa Prefecture just before and after 2050 in the RCP 8.5 scenario from existing documents and data, it can be conceived that the number of typhoons passing the waters around Okinawa, especially its southern part, will decrease in the future. On the other hand, the frequency of the passing of "strong" typhoons with high maximum wind velocity can be thought to increase.



Changes in the number of typhoons passing through the sea around Okinawa around 2050  
 (Difference calculated by deducting current climate from future one) [typhoons/10 years]

# Efforts to base on TCFD Recommendations (2/3)

- The Company will respond appropriately to the risks and opportunities that future climate change will bring to its business activities and strive to enhance its corporate value.
- By referring to the 1.5°C scenario along with the 2°C scenario, the Company has grasped the impacts on its business activities and assessed quantitative(Introduction of carbon pricing and amount of impacts of typhoon damages) financial impacts in part in its Integrated Report 2023.

## [Strategy] Sorting out risks and opportunities related to climate change

Risks				Timing of emergence		Degree of impact	Overview of risks (Financial impacts)
				Short to medium term	Long term		
Transition risks	Policy/Laws and regulations  Transition to decarbonization policies Growing demands for CO <sub>2</sub> emission reduction	1	Decline in the competitiveness of coal power plants (changes to the role of thermal power plants)			High	Costs for handling the policy-based abolition of inefficient coal power plants. There are concerns about increases in investment costs and depreciation costs related to replacing power plants; the incurring of costs for retiring existing facilities and a rise in fuel costs coupled with the phase-out of coal power plants.
		2	Introduction of carbon pricing			High	If carbon pricing is introduced, costs are assumed to increase greatly. (On the other hand, by reducing CO <sub>2</sub> emissions through various initiatives against climate change, <b>a financial impact of 16 billion yen* or so can be lessened.</b> ) <small>* Provisionally calculated, based on carbon price assumptions for 2030 in the IEA's "WEO2022" (NZE: US\$140/t-CO<sub>2</sub> and APS: US\$135/t - CO)</small>
		3	Impact of fuel supply decrease on fossil fuel costs			High	It is feared that a mounting need for carbon neutrality will make investments in developing the upstream stages of fossil fuels stagnate and the price will surge due to supply shortages and others.
		4	Impact of the shift from coal to LNG on fuel costs (further utilization of LNG)			Medium	In shifting from coal to LNG, financial impacts by fluctuations in fuel costs are assumed.
	Technology  Progress in low carbon and decarbonization technologies	5	Increase in the cost of stabilizing systems (expansion of renewable energy adoption by technological advance)			Medium	It is assumed that the cost of capital investment, such as storage batteries for measures for stabilizing systems, coincided by the adoption of renewable energy, will increase.
	Market/Service  Change in customer preferences	6	Competition with other companies due to changes in customer preferences (mounting environmental awareness)			Low to Medium	Concern over the inability to expand sales due to competition with other companies related to environment-friendly products
	Reputation  Change in corporate image	7	Decline in society's evaluation in connection with response to climate change (CO <sub>2</sub> emissions)			Low to Medium	The situation that necessitates reliance on fossil fuel due to the structural disadvantages of the Okinawa area will give a negative impression, which leads to a decline in stakeholders' evaluation.
Physical risk	Urgency  Intensification of extreme weather	8	Damage due to ever-intensifying typhoons (Increase in restoration costs)			Low to Medium	In the waters around Okinawa, the number of passing typhoons will decrease. However, the probability of the occurrence of large-scale equipment damage or accidents is likely to go up as the ratio of strong typhoons rises. <b>Potential impact of 1 billion yen*</b> <small>Most recent maximum damage (FY2018)</small>
	Chronic  Change of climate patterns	9	Impact of changes of weather patterns on business operations, etc. (Revenue and expenditure will be destabilized.)			Low to Medium	The possibility that increases in hot days and extreme rainfall, and a rise in extreme water levels will impact business

\* The timing of emergence is set as "Short-to medium term: Up to 2030" and "Long term: up to 2050."

\* Degree of impact is set as "High: The impact that is strong enough to suspend or significantly contract or expand business," (Medium: The impact that affects part of business" and "Low: Minor impact"

\* Descriptions on this table consist of what was sorted out from events and the degree of impact that are conceivable to the Company out of a great number of uncertain factors, and are not intended to indicate the future outlook.

# Efforts to base on TCFD Recommendations (3/3)

## Opportunities

			Timing of emergence		Degree of impact	Overview of opportunities (Financial impacts)
			Short to medium term	Long term		
Opportunities	Products and Service/Market	1	Utilization of decarbonized power sources (the rollout of services that contribute to an expansion in the introduction of renewable energy sources such as distributed power sources)		Low to Medium	Efforts such as for zero emissions as countermeasures against climate change will accelerate, the adoption of renewable energy in small-scale systems that the Company Group has cultivated will expand, and such efforts will be applied to businesses that utilize the knowledge of system stabilization technology. Consequently, revenue is expected to grow.
		2	Expansion of the utilization of LNG outside the electricity business		Low to Medium	With the transition to a low-carbon and decarbonized society, market needs for natural gas, which emits less CO <sub>2</sub> than other fossil fuels, are expected to grow, and the gas business is projected to grow in revenue.
		3	Progress in electrification including EVs (changes to the electricity demand structure by climate change)		Low to Medium	Increase in electricity demand due to progress in electrification including EVs
		4	Rise in customer needs for environmentally friendly menus		Low to Medium	The need for energy-saving oriented ZEH housing will rise, and the popularization of residences that use electricity only as the energy source (All electrification) and KarE-roof (a service for free installation of equipment for solar power generation) is expected.
	Resilience	5	Energy security accumulated by many years of dealing with typhoons		Low to Medium	The strengthening of resilience against natural disasters through preventive measures, such as "wear-resistant electric wires" and "low-wind-pressure electric wires," and quick response to restoration will lead to the enhancement of corporate value.

\* The timing of emergence is set as "Short-to medium term: Up to 2030" and "Long term: up to 2050."  
 \* Degree of impact is set as "High: The impact that is strong enough to suspend or significantly contract or expand business," (Medium: The impact that affects part of business" and "Low: Minor impact"  
 \* Descriptions on this table consist of what was sorted out from events and the degree of impact that are conceivable to the Company out of a great number of uncertain factors, and are not intended to indicate the future outlook.

## [Indicators and Targets]

The Company announced "The Okinawa Electric Power Company's Initiative for Zero Emissions ~ 2050 Net Zero CO<sub>2</sub> Emissions~" in December 2020. Following the roadmap with an eye on the next thirty years, the Company will advance the implementation of measures based on the two pillars of "Making renewable energy the mainstream" and "Reduction of CO<sub>2</sub> emissions from thermal power sources."

The Company has set as the ambitious target "Reduction of 30% in FY2030 (compared to FY2005)," advanced from the previous target (reduction of 26%), and will speed up "Just Transition in the Okinawa Area" through making the maximum effort including a set of measures for carbon neutrality, cited in its roadmap.

### Make renewable energy the mainstream.

- Introduce renewable energy in FY 2030.  
plus 100,000 kW

### Reduce CO<sub>2</sub> emissions from thermal power sources.

- Reduce CO<sub>2</sub> emissions by 30% in FY 2030 compared to FY2005.

## The descriptions are the Company's efforts for "Indicators and Targets" and "Risks" and "Opportunities"

### ■ Company efforts ■

- Introduce KarE-roof.
  - Adopt large wind power.
  - Utilize and upgrade the system stabilization technology.
  - Build up a "renewable energy microgrid."
  - Reduce CO<sub>2</sub> emissions through increasing LNG consumption.
  - Consider the adoption of CO<sub>2</sub>-free fuels and offset technology.
  - Utilize regional biomass.
  - Study the introduction of the latest technology.
- to name a few. to name a few.

# Q & A



# Q1. Topics of Okinawa's Economy

## 1 Current Status and Future Forecast of Okinawa's Economy

### ■ The current state

The economy in the prefecture showed a moderate expansionary trend, with a marked recovery in personal consumption and tourism-related sectors due to an increase in demand associated with the recovery of human flows.

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

(Unit: %, X)

Indicators	FY2023												
	Apr.	May	Jun	Jul	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	FY
Sales by large-scale retailers	11.0	11.5	6.7	10.4	11.4	11.3	8.9	7.0	4.2	5.3	10.6	7.6	8.7
No. of new car sold	23.7	69.8	36.3	1.9	3.2	19.5	15.1	6.1	-8.1	-19.7	-29.5	-26.8	3.2
No. of incoming tourists	63.8	62.6	47.9	28.1	13.7	43.5	25.0	11.9	5.0	18.2	20.3	10.3	25.9
Value of public works contracts	6.4	2.8	-55.0	68.0	-32.3	150.2	-23.0	78.9	58.8	279.4	-9.1	-11.1	13.5
New residential Construction starts	-25.2	-8.0	62.6	26.4	4.6	21.1	15.3	0.6	7.3	-14.2	-2.6	-4.8	5.6
Total unemployment rate	3.8	3.5	3.1	2.8	4.2	3.4	3.0	2.9	2.9	2.8	3.0	3.7	3.3
Job Opening Ratio	1.17	1.19	1.18	1.19	1.18	1.19	1.16	1.14	1.15	1.14	1.16	1.16	1.17

Note 1: The figures for 'Sales by large-scale retailers' are calculated on an all-store base. The values in April 2024 are preliminary figures.

Note 2: The figures for 'Total unemployment rates' are raw data, whereas The figures for 'Job Opening Ratio' are a seasonally adjusted value for the current month.

( The values for the fiscal year are both raw data which use the number of job openings by prefecture received nationwide. )

Source: METI, Okinawa Prefecture, Ryugin Research Institute, and others.

### ■ Prospect

The outlook for the prefecture's economy is expected to continue on a gradual expansionary path.

# Q1. Topics of Okinawa's Economy

## 2 Economic Growth of Okinawa Prefecture under the Okinawa Promotion Plan

- As a result of the implementation of various measures based on the Basic Plan of Okinawa 21st Century Vision (FY2012-FY2021), the gross prefectural product of Okinawa Prefecture has been growing at a rate higher than the national level, except for FY2020, when it was affected by COVID-19.
- In the future, the Okinawa economy is expected to grow further through recovery from the impact of COVID-19 and the implementation of various measures based on the New Basic Plan for Okinawa 21st Century Vision that started in FY2022.

### Prefectural GDP and National GDP

	(billion yen)					
	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Prefectural GDP	1.9% 4,305.8	0.8% 4,383.8	-0.2% 4,373.5	-6.1% 4,106.6	3.2% 4,237.5	7.0% 4,532.4
National GDP	1.8% 553,173.5	0.2% 554,533.8	-0.8% 550,160.8	-3.9% 528,797.6	2.8% 543,632.8	1.5% 551,920.5

Sources: "Prefectural Accounts for FY2021", "Prefectural economic outlook for FY2023" and Cabinet Office "List of Statistical Tables" (Second Preliminary Data for the October-to-December 2023 period)

Note : Prefectural GDP's for FY2022 is estimates. Figures in the upper row are growth rates on a Y to Y basis.

### New Basic Plan for Okinawa New 21st Century Vision

The New Basic Plan for Okinawa 21st Century Vision includes 36 basic measures, including the "creation of sustainable tourist destinations and the transformation of tourism in Okinawa," "upgrading and increasing the value of the information and communications related industries," and the "creation of international logistics bases and the accumulation of airport and seaside industries."

The gross prefectural product (nominal) is projected to be 5,721 billion yen in FY2031 from 4,110.4 billion yen in FY2020.



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

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

No. of Facilities	33
Area	186,662km <sup>2</sup>

<Reference>

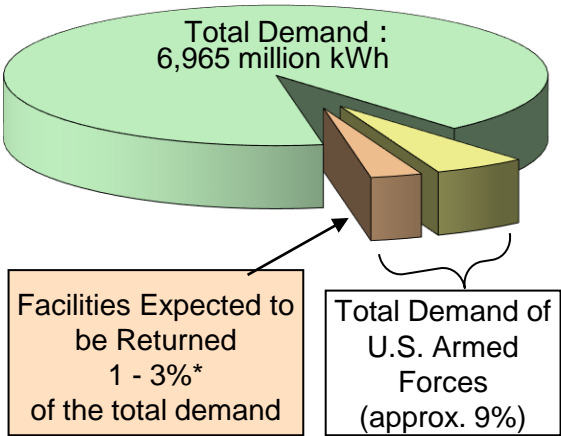
No. of employees working for the U.S.

Armed Forces in Okinawa: 8,919

\*As of the end of March 2022.

Sources : Japan Ministry of Defense "US Forces and SDF Bases in Okinawa October 2023", Military Base Affairs Division, Executive Office of the Governor, Okinawa Prefecture

## The U.S. Armed Forces' share of total electricity demand (FY2023)



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

## Principal electricity supply destination facilities \*1

Name		Location *2	Area
Camp Gonsalves	[ US Marine Corps ]	Kunigamison, Higashison	36,590km <sup>2</sup>
Okuma Rest Center	[ US Air Forces ]	Kunigamison	546km <sup>2</sup>
Iejima Auxiliary Air Base	[ US Marine Corps ]	Ieson	8,015km <sup>2</sup>
Yaedake Communication Site	[ US Air Forces ]	Motobucho, Nago-shi	37km <sup>2</sup>
Camp Schwab	[ US Marine Corps ]	Nago-shi, Ginozason	20,626km <sup>2</sup>
Camp Hansen	[ US Marine Corps ]	Nago-shi, Ginozason, Onnason, Kincho	48,728km <sup>2</sup>
Kadena Ammunitions Storage Area	[ shared use ]	Onnason, Uruma-shi, Okinawa-shi, Kadenacho, Yomitanson	26,276km <sup>2</sup>
Camp Courtney	[ US Marine Corps ]	Uruma-shi	1,339km <sup>2</sup>
Camp Mc Tureous	[ shared use ]	Uruma-shi	379km <sup>2</sup>
Camp Shields	[ shared use ]	Okinawa-shi	700km <sup>2</sup>
Torii Station	[ US Army ]	Yomitanson	1,895km <sup>2</sup>
Kadena Airbase	[ US Air Forces ]	Okinawa-shi, Kadenacho, Chatancho, Naha-shi	19,856km <sup>2</sup>
White Beach Naval Facility	[ shared use ]	Uruma-shi	1,568km <sup>2</sup>
Camp Kuwae	[ US Marine Corps ]	Chatancho	675km <sup>2</sup>
Camp Zukeran	[ US Marine Corps ]	Uruma-shi, Okinawa-shi, Kitanakagusukuson, Chatancho, Ginowan-shi	5,342km <sup>2</sup>
Futenma Airport	[ US Marine Corps ]	Ginowan-shi	4,758km <sup>2</sup>
Makiminato Service Areas	[ US Marine Corps ]	Urasoe-shi	2,675km <sup>2</sup>
Naha port facilities	[ US Army ]	Naha-shi	559km <sup>2</sup>

\*1 Professional use and large-demand customers

\*2 Areas where facilities exist on a cross-area basis

\*3 Facilities south of Kadenacho are scheduled to be returned (Partial return applies to Camp Zukeran )

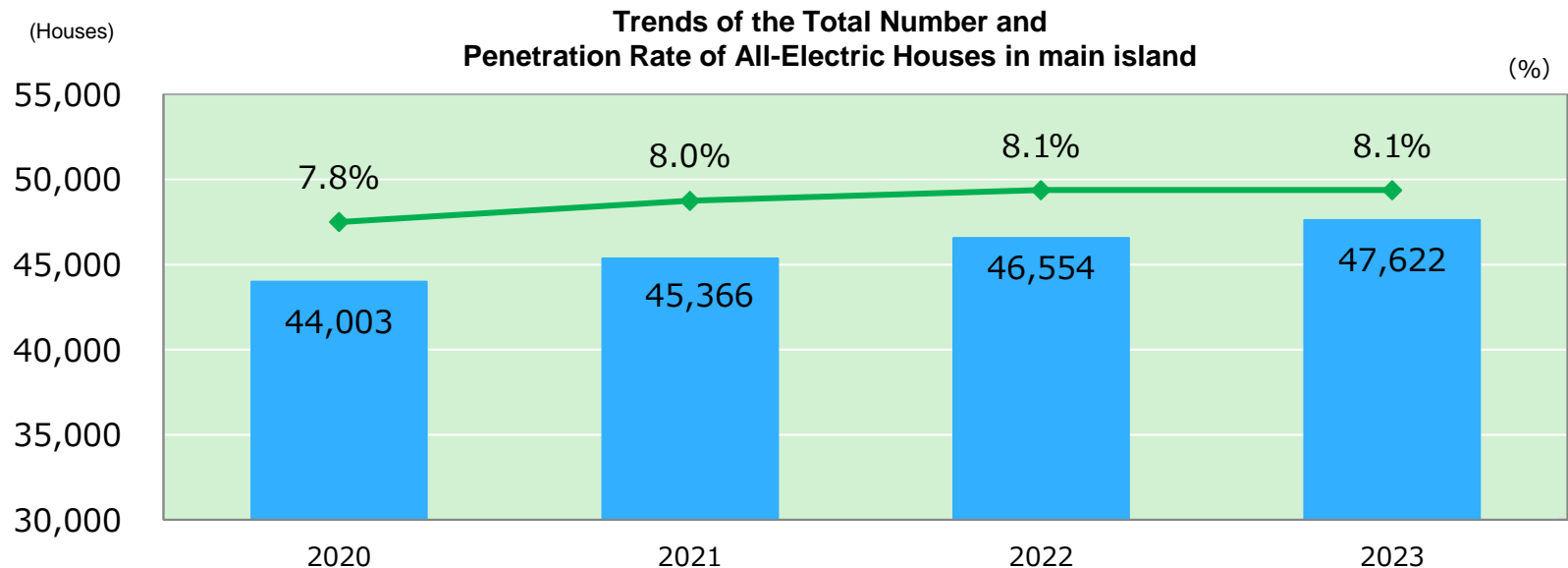
### Q3. What is the Current State of Promotion of Electrification?

#### ■ Approach for sales promotion in the corporate sector

1. Acquire from other heat sources through electrification proposals.
2. Collaborate with sub-users such as manufacturers and design offices.
3. Utilization of public subsidy system, etc.

#### ■ Approach for the promotion and growth in the household sector

1. Consider and implement more effective promotional activities for advancing electrification (e.g. All electrification and Half electrification, etc.)
2. Strengthening of electrification proposal activities in cooperation with external partners.
3. Promotion of electrification utilizing "Rikka Denka Lease", "KarE-roof" Service (PV-TPO), etc.
4. Maintenance and expansion of market share through prevention of defection and recovery marketing.
5. Acquisition of members by expanding the services of the member site "OEPC more - E."



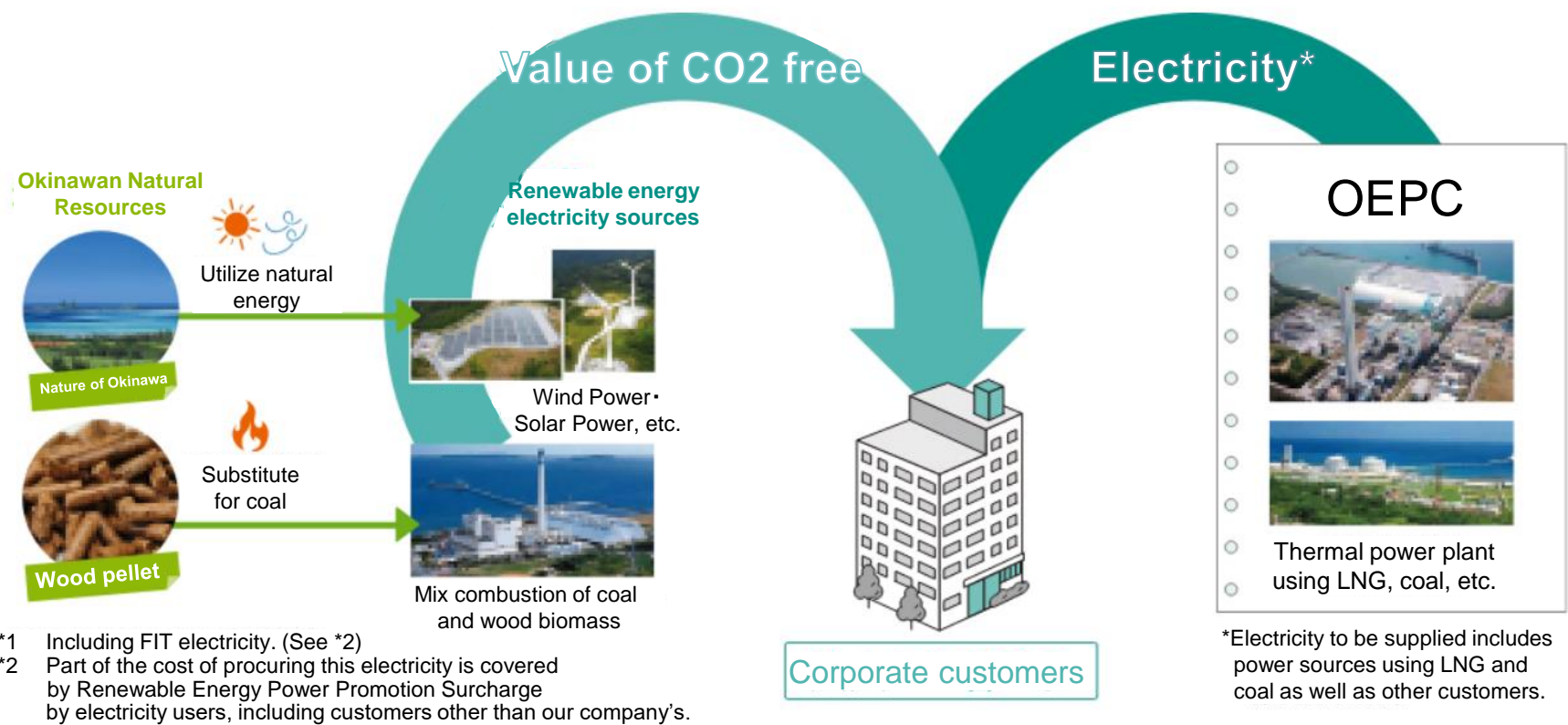
# Q4. What is the enrichment of electricity rate menus?

## Uchina CO<sub>2</sub> free menu

- Deploying an electricity rate menu with the value of CO<sub>2</sub> free derived from renewable energy electricity sources.
- We will work with our customers to realize a decarbonized society in Okinawa Prefecture as a whole by using only resources in the prefecture.

Utilization of resources produced in Okinawa Prefecture by non-fossil certificate

## 「Local production for local consumption CO2 free menu」



# Q5. What are the efforts to fuel cost reduction?

## ■ Efforts toward stable procurement of fuels and reduction of fuel costs.

Making Ishikawa Thermal Power Plant the base of distributing fuel oil to remote islands

Reduction of fuel costs through measures including purchasing coal on the spot market

Stable procurement through long-term coal purchase contracts And diversification of procurement sources

Continued use of sub-bituminous coals that are low in not only prices but also transport costs

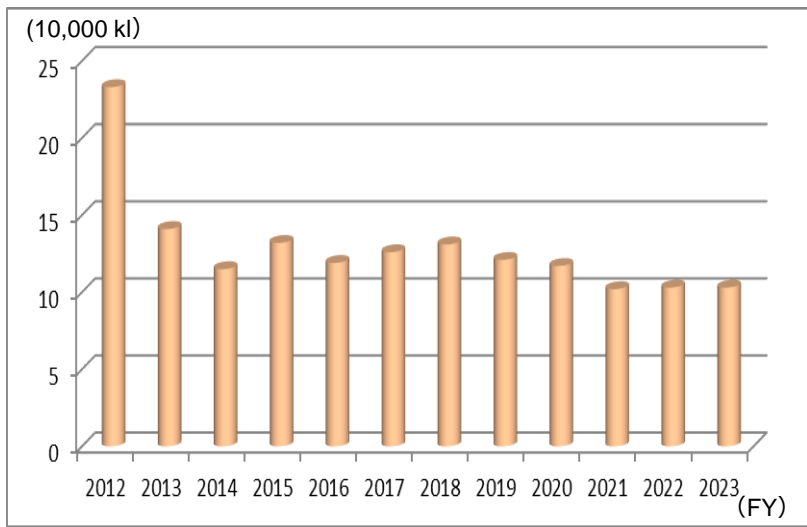
Stable procurement through long-term LNG purchase contracts

Efficient operation of coal-fired plants and LNG-fired plants by reducing consumption of fuel oil.

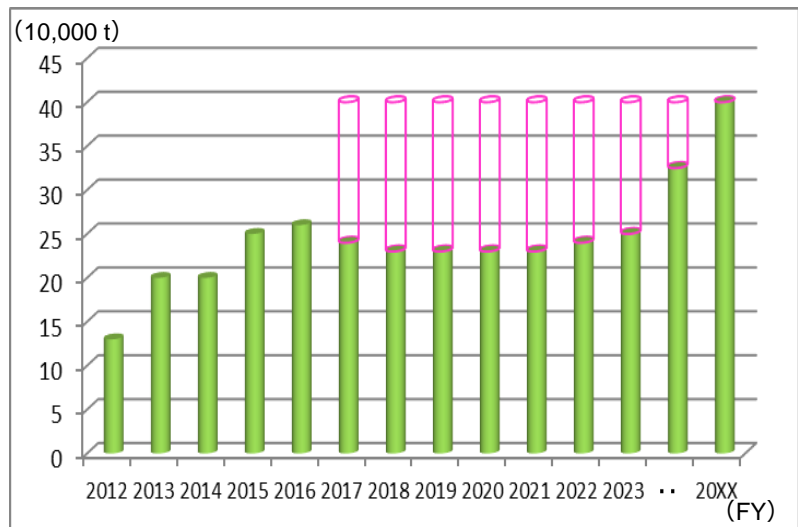
**Achieving stable fuel supply and pursuing cost reductions**

## ■ Efficient operation of coal-fired plants and LNG-fired plants by reducing consumption of fuel oil.

**Trend in Fuel Oil Consumption by Main Island**



**Trend in LNG Purchase Volumes**



# Q6. The Fuel Cost Adjustment System

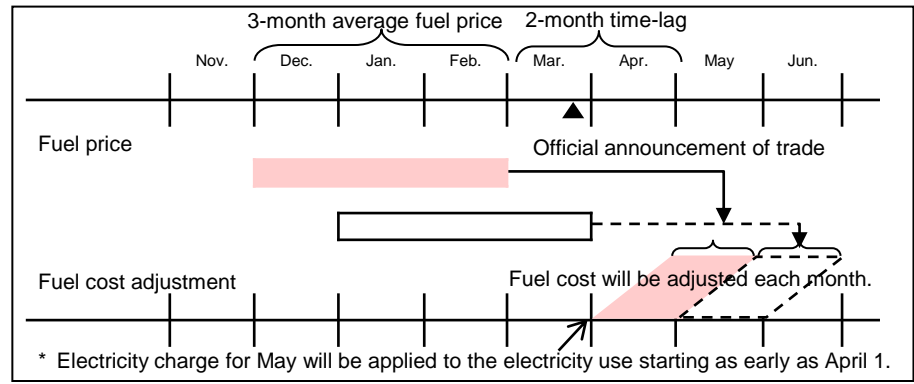
■ The fuel cost adjustment system was introduced for the purpose of clarifying the “internal factors” such as the results of efforts to promote management efficiency at electric power companies and reflecting “external factors” onto electricity rates such as exchange rates and oil and coal and LNG prices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

### [ Range of fuel cost adjustment ]

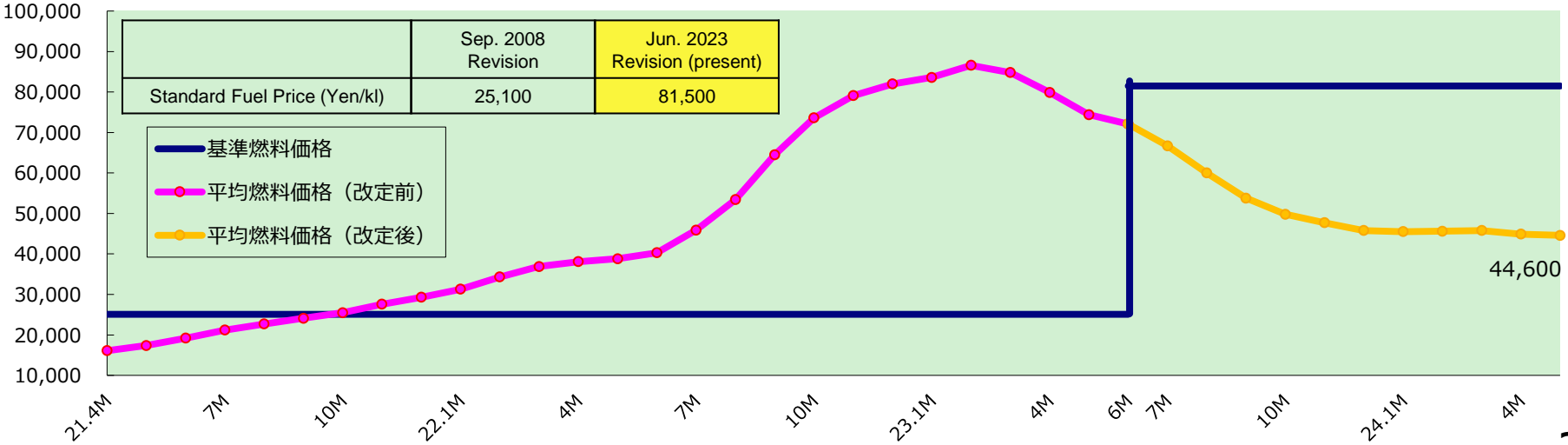
- We will calculate the average fuel price based on the prices of crude oil, coal and LNG on the trade statistics during the period between five months and three months prior to the fuel cost adjustment, and electricity charge will be automatically adjusted each month by comparing the above price with 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.
- The average fuel cost adjustment price for May 2024 was 44,600 yen (the upper limit on plus adjustment was 122,300 yen).
- There is no upper limit on plus adjustments for the all free rate menus after April 2023.

### [ 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.



[ Trend of Average Fuel Price and Standard Fuel Price  
(Yen/kl) (Since April 2021) ]



## Q7. The measure to mitigate sharp fluctuations in electricity rates

- The Company offers rate discounts based on the amount of electricity consumed through the State's nationwide measure to mitigate sharp fluctuations in electricity rates and Okinawa Prefecture's emergency countermeasure against surging electricity rates in Okinawa.

### ■ Rate discounts based on the measure to mitigate sharp fluctuations in electricity rates [applicable to the use from January 2023]

- The Company has discounted the rates from the portion used in January 2023 (to be charged in February), based on the amount of electricity consumed through the State's nationwide measure to mitigate sharp fluctuations in electricity rates and Okinawa Prefecture's emergency countermeasure against surging electricity rates in Okinawa. The discount support was initially announced to apply up to the portion used in September 2023 (to be charged in October), but has been extended in May 2024 (to be charged in June), due to two postponement. In addition, regarding the national electricity rate surge mitigation project, the Minister of Economy, Trade and Industry announced on March 29, 2024 that the project would be terminated with the amount to be used in May 2024 (to be charged to users in June). (The future development of Okinawa Prefecture's electricity rate surge emergency project is yet to be determined.)

[Details of rate discounts]

#### 1. Eligible customers

Customers who receive and use electricity through low or high voltage supply.

#### 2. Overview of discounts

Discount of the following unit price per kWh (including tax) from the fuel cost adjustment unit price calculated based on specified retail supply contracts, etc.

		Portion in February～June	Portion in July	Portion in August	Portion in September	Portion in October	Portion in November	Portion in December	Portion in January	Portion in February	Portion in March	Portion in April	Portion in May	Portion in June	
Low voltage	The State	-7.0								-3.5				-1.8	
	Okinawa	-3.0								-1.5				-0.7	
	Total	-7.0※	-10.0※								-5.0※				-2.5※
High voltage	The State	-3.5								-1.8				-0.9	
	Okinawa	-2.3								-1.2				-0.6	
	Total	-3.5	-5.8								-3.0				-1.5

\* As a result of this measure, in the low-voltage supply model case of the Company (260 kWh/month of electric power consumption), the monthly discount amount, which includes discounts from the nationwide measure to mitigate sharp fluctuations in electricity rates and the emergency countermeasure against surging electricity rates in Okinawa, is as follows for each discount unit price.

- 7.0 yen [The portion used in January 2023(to be charged in February) to the portion used in May 2023 (to be charged in June)]: -1,820 yen
- 10.0 yen [The portion used in June 2023 (to be charged in July) to the portion used in August 2023 (to be charged in September)]: -2,600 yen
- 5.0 yen [The portion used in September 2023(to be charged in October) to the portion used in April 2024(to be charged in May 2024)]: -1,300 yen
- 2.5 yen [The portion used in May 2024(to be charged in June)]: -650 yen

## Q8. Status of Transitional Measures for Retail Charges

- With the elimination of regional monopolies due to the complete liberalization of entry into the electricity retail sector, rate regulations will become unnecessary in principle.
- On the other hand, it has been decided with the liberalization that rate regulations will be abolished after a transitional period so as not to interfere with the stable supply of electricity or cause confusion among consumers.
- Currently, only the Okinawa area still has transitional charges even in the high-voltage area, whose treatment is under consideration by the country. The Company too will cooperate in the country's consideration as necessary.

	OEPC		< Reference > Nine electric power companies in the mainland	
	Retail department	Transmission and distribution department	Retail company	Transmission and distribution company
<b>Extra-high voltage</b> ⇒ Large factories, large shopping centers, etc.	Free rate 【20%】 (18%) ⇒ Upper limit abolished from April 2023.	Last resort supply rate	Free rate	Last resort supply rate
<b>High voltage</b> ⇒ Supermarkets, office buildings, etc.	Transitional treatment fee *Regulated rate 【15%】 (18%) Upper limit on fuel cost adjustment exists (Upper limit on fuel cost adjustment is set by a national scheme)	Free rate 【21%】 (19%) ⇒ Upper limit abolished from April 2023.	Free rate	Last resort supply rate
<b>Low voltage</b> ⇒ For household use, small stores, etc.	Transitional treatment fee *Regulated rate 【28%】 (31%) Upper limit on fuel cost adjustment exists (Upper limit on fuel cost adjustment is set by a national scheme)	Free rate 【15%】 (14%) ⇒ Upper limit abolished from April 2023.	Transitional treatment fee (Regulated rate)	Free rate

- The percentage of retail electricity sales to total electricity sales in FY2023 is shown in 【 】, and the percentage when remote islands are included is shown in ( ).
- Areas for which transitional measures have been lifted may receive last resort supply from the general electricity transmission and distribution utility.



# Q9. What are the Special Tax Measures?

- OEPC has received "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" based on the Special Measures Law for the Promotion of Okinawa.
- We consider that special taxation measures are necessary for promoting business in Okinawa Prefecture and improving the lives of Okinawa residents on the grounds that disadvantages inherent in Okinawa's electricity business have remained unchanged. For example, there are many small and isolated systems and Okinawa is dependent on thermal power.
- The amount of tax exemption based on the special taxation measures is deducted from the cost of 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, 2027 * Extended for 3 years from April 1, 2024	(1) October 1, 2003 – March 31, 2027 * Extended for 3 years from April 1, 2024 (2) April 1, 2012 – March 31, 2027 * Extended for 3 years from April 1, 2024
Basic Law	Supplementary Provisions of the Local Tax Law (Article 15.4)	Special Measures Law for the Promotion of Okinawa (Article 64) Special Taxation Measures Law (Article 90.4.3.1)

## Value of Tax Alleviation Due to the Special Measures

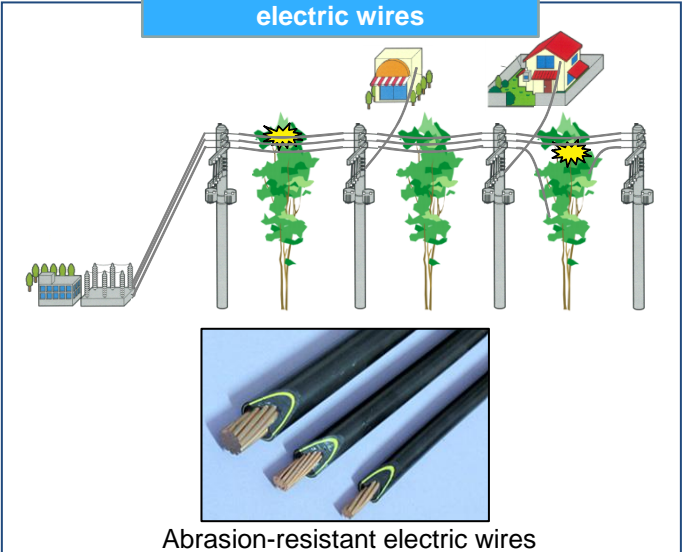
■ FY2021 : about 3.4 billion yen.      ■ FY2022 : about 3.5 billion yen.      ■ FY2023 : 3.1 billion yen.



# Q10. What are the efforts to typhoon measures?

- Since many typhoons approach Okinawa every year, the we are taking basic measures by thoroughly inspection patrol electricity transmission/distribution facilities and regularly cutting trees, and is also taking various other precautionary measures.
- After the Electric Power Resilience WG compiled the verification results concerning the power failure restoration and others, we have implemented new measures, such as maximizing the number of patrol personnel in the distribution division to quickly grasp the damage situation.

## Replace to abrasion-resistant electric wires

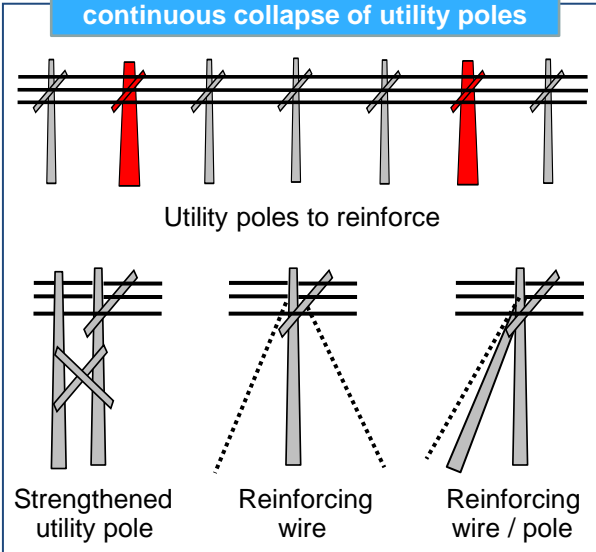


Abrasion-resistant electric wires resist to damage from trees contacting them and prevent disconnection caused by abrasion.

## Design standard for transmission towers

Regarding the transmission tower, the Ministerial Ordinance on Technical Standards for Electric Facilities (Ministry of Economy, Trade and Industry) stipulates that the larger load should be taken into account by comparing the wind pressure load at the reference wind speed of 40 m/sec with that at the base wind speed for each region. Our company has designed the transmission tower taking into account the maximum wind speed at the time of past typhoons, and the larger load by comparing the wind pressure load at the wind speed of 60 m/sec with that at the base wind speed for each region.

## The measures to prevent the continuous collapse of utility poles

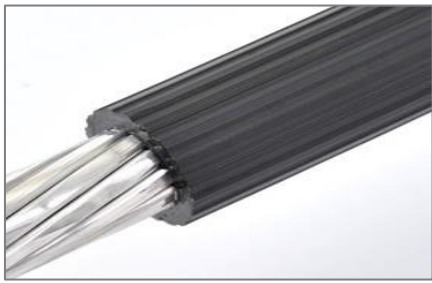


It's possible to prevent the continuous collapse of utility poles by reinforcing utility poles.

## Maximizing the number of patrol personnel in power distribution department

We get the most out of the personnel in power distribution department and construction companies as patrol personnel in order to quickly grasp damages after pass typhoons. In addition, we utilize the personnel other than power distribution department as drivers.

## Use of electric wires to reduce wind pressure



Electric wire that reduces wind pressure  
Reduce the wind pressure load by providing grooves on the surface of the electric wire.

## Public relations activities

We are making an effort to prevent the spread of damage by disseminating typhoon measures at home on TVCM, Radio, SNS before the typhoon approaches. Moreover, we also disseminate information using the website and SNS among others on power outages, the state of restoration works, and restoration prospects.

## Q11: The removal of utility poles

- The Company is proceeding with the removal of utilities poles according to a plan in cooperation with relevant parties such as road administrators concerning the roads subject to the removal of utilities poles, which was discussed and agreed on at “Council for Promotion of the Removal of Utility Poles in Okinawa Block” with the aim of improving the disaster prevention function, securing safe and comfortable walking spaces and create a favorable urban landscape.
- As of the end of March 2024, utilities poles have been removed along roads of 128km. In the future, the removal is planned along roads of about 205km. Accordingly, the Company will actively drive the removal with the support of “Subsidy for Emergency Measure Project for the Removal of Utility Poles” in Okinawa Remote Islands, which will be applied anew this year.

Work case example: In front of Katsuren Castle Ruins along Prefectural Route 16

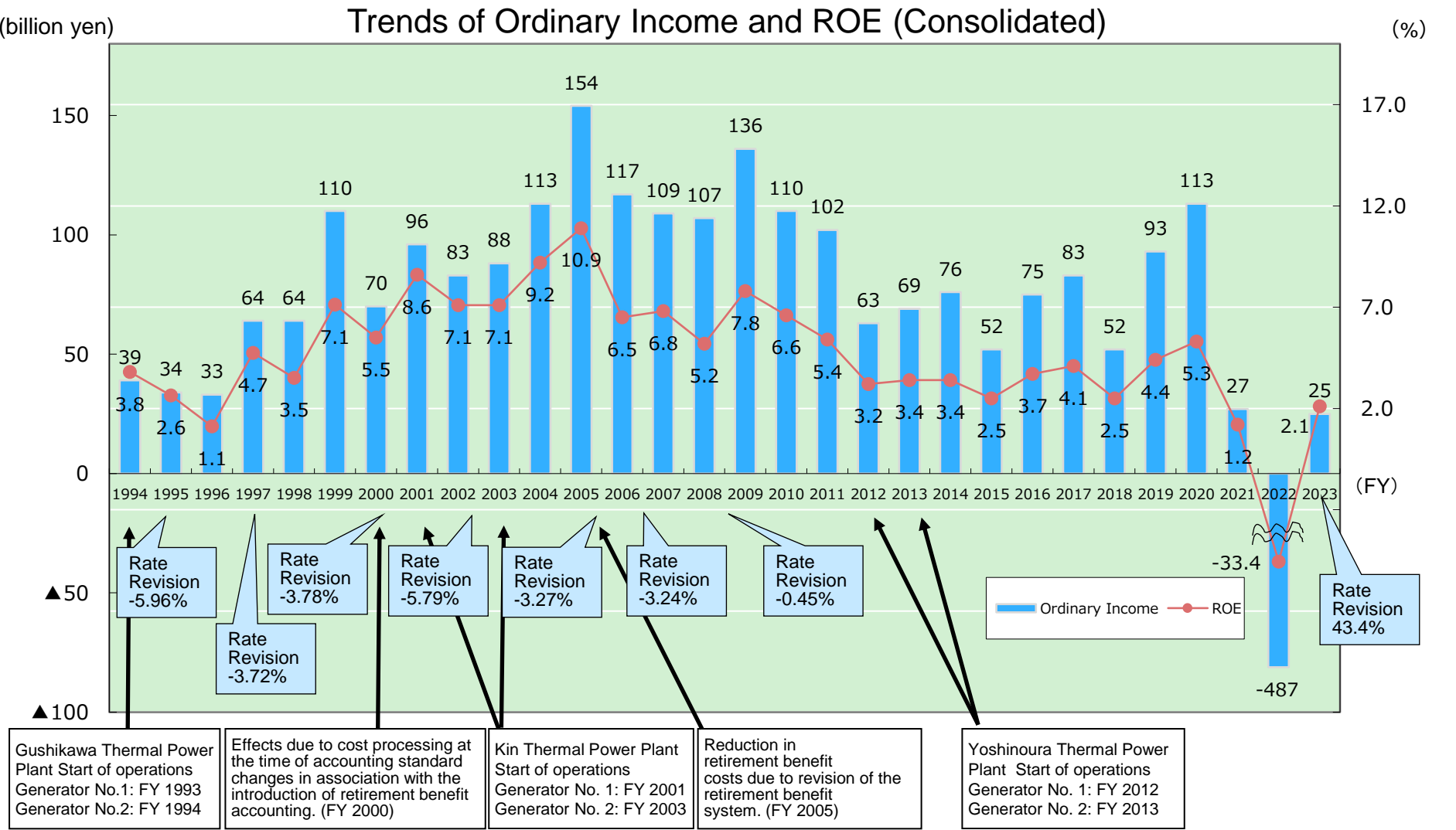


[Before work]

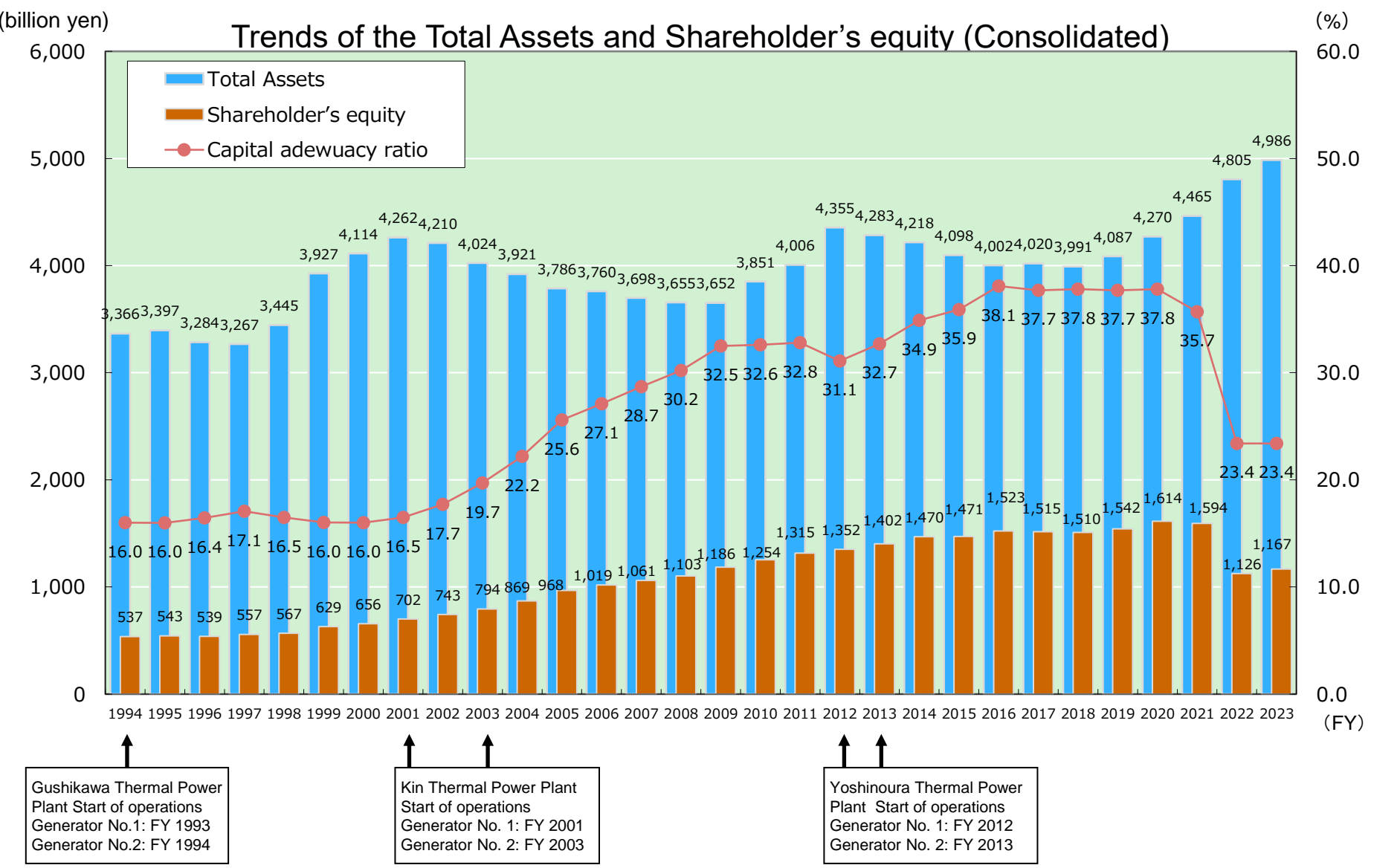


[After work]

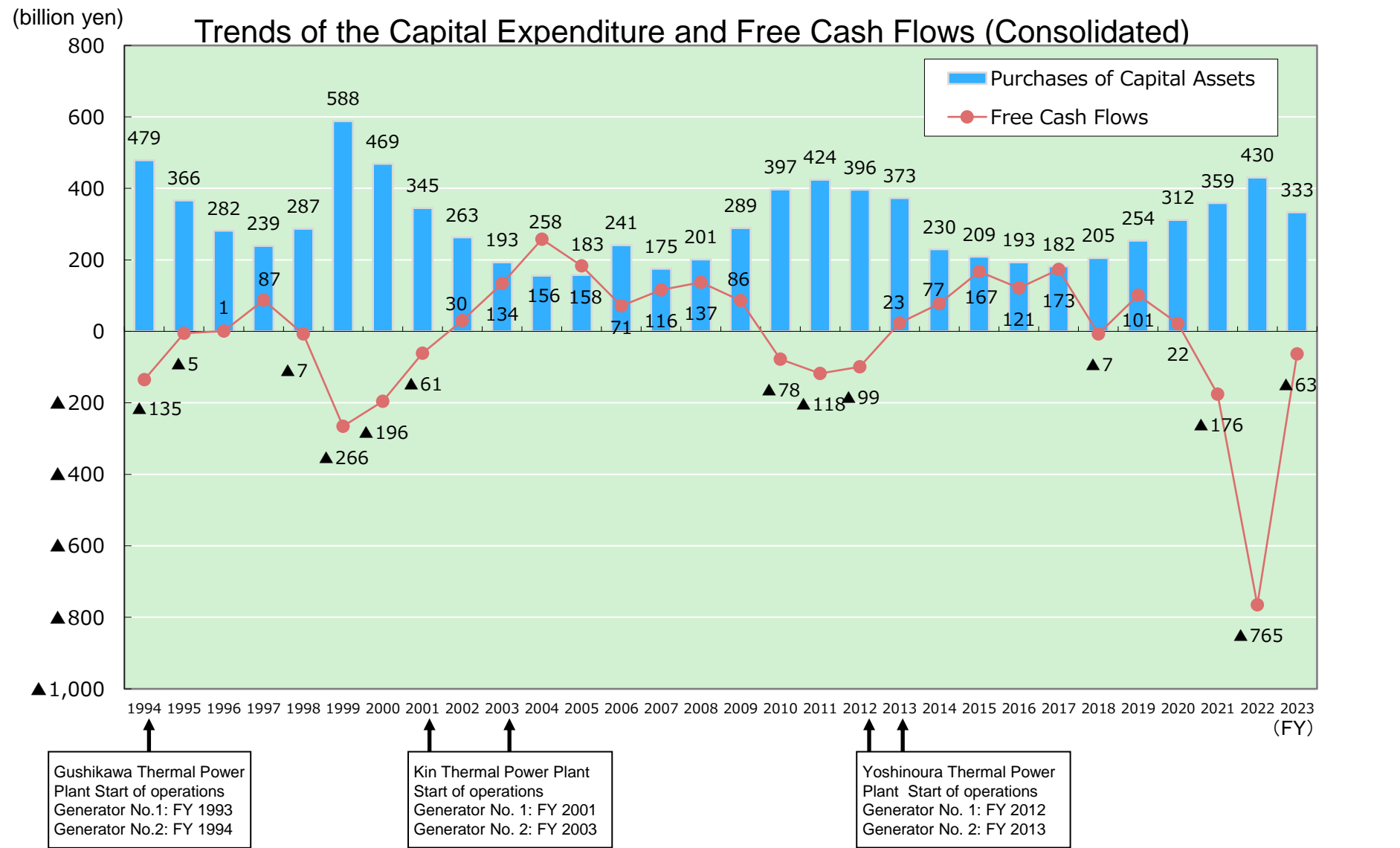
# Reference 1: Trends of Ordinary Income and ROE



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



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



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

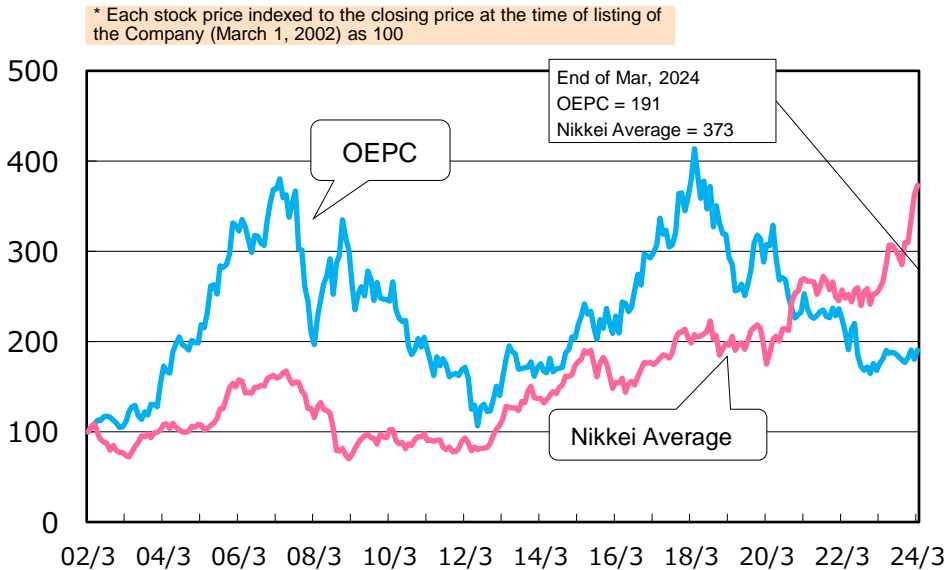
# Reference 4: Change in Okinawa Electric Power's Stock Price

Recent stock price changes: from January 4, 2023 to March 29, 2024

	Okinawa Electric Power Company, Inc.	Nikkei Average
Stock price as of January 4, 2023 (closing price)	1,021 yen	25,717 yen
All-time high (closing price)	1,258 yen ( +23.2% ) as of Sep.15, 2023	40,888 yen (+59.0%) as of Mar. 22, 2024
All-time low (closing price)	1,006 yen (-1.5%) as of Mar. 2, 2023	25,717 yen ( - ) as of Jan. 4, 2023
Stock price as of March 29, 2024 (closing price)	1,169円 ( +14.5%)	40,369円 ( +57.0%)

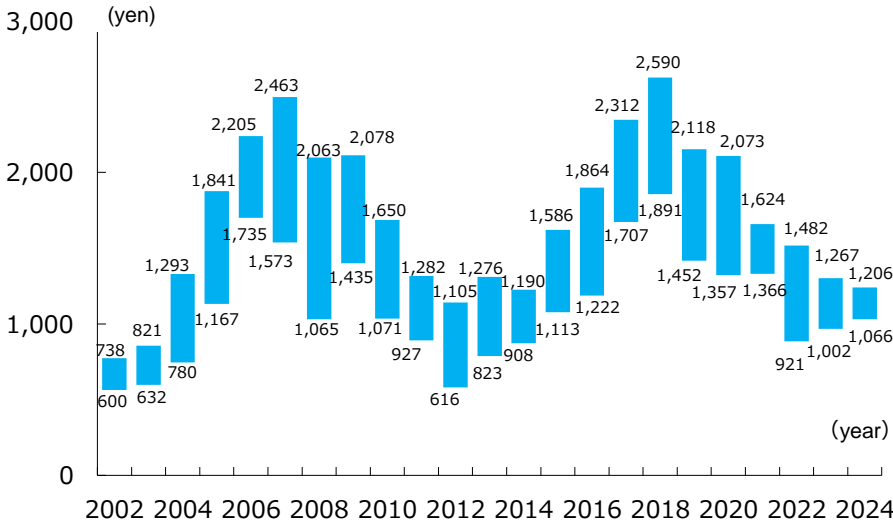
(Note) Figures in bracket indicate percentage change in the stock price from its closing price on January 4, 2023.

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



(Note) The stock split was implemented seven times in the indicated period (Record date :End of March 2005, End of March 2007, End of May 2015 ,End of May 2016, End of May 2017, End of May 2018 and End of May 2020), and adjustment has been made for the figures before the end of May 2020.

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net income <sup>*1</sup>	Million yen	4,943	3,647	5,517	6,273	3,751	6,705	8,341	1,959	-45,457	2,391
Earnings per Share <sup>*1</sup>	yen	282.99	139.22	140.41	147.00	72.38	129.39	153.29	36.05	-836.98	44.02
(Post-adjustment after stock split) <sup>*2</sup>		(87.12)	(64.29)	(97.25)	(112.00)	(68.94)	(123.22)				
Dividend per Share	yen	60	60	60	60	60	60	60	60	0	10
(Post-adjustment after stock split) <sup>*2</sup>		(18)	(28)	(42)	(46)	(57)	(57)				
Payout Ratio <sup>*1</sup>	%	21.2	43.1	42.7	40.8	82.9	46.4	39.1	166.4	—	22.7
Dividend Yield	%	1.38	1.98	2.27	1.96	3.18	3.03	3.87	4.35	0	0.86
Price Book-value Ratio <sup>*1</sup>	x	0.52	0.54	0.68	0.84	0.65	0.67	0.52	0.47	0.52	0.54
Price Earning Ratio <sup>*1</sup>	x	15.4	21.8	18.8	20.8	26.0	15.3	10.1	38.2	-1.3	26.6

\*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.

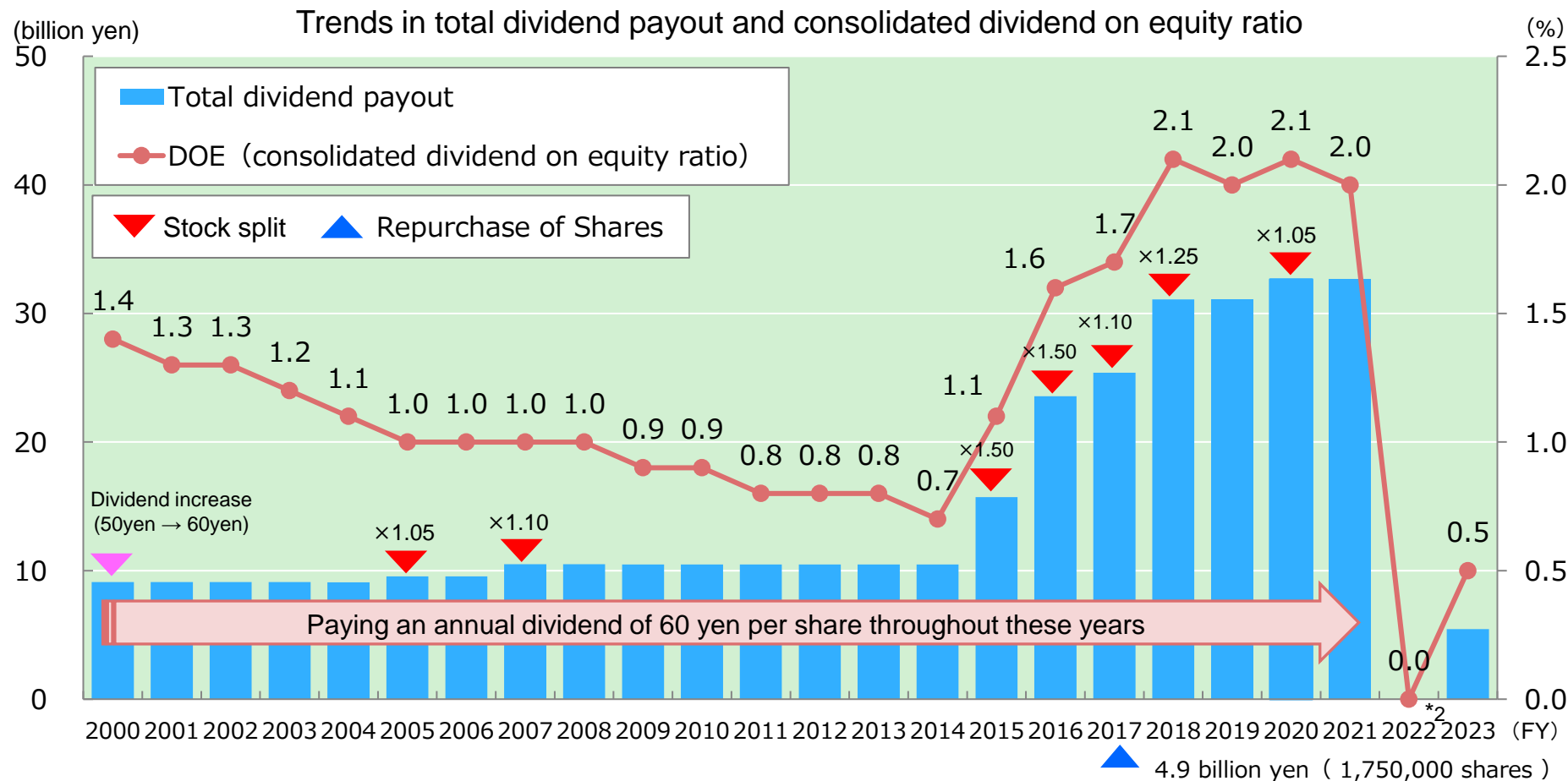
### Dividends for the year ended March 2025 (FY2024)

- For the fiscal year ending March 2025, we plans to pay an interim dividend of 10 yen per share and a term-end dividend of 10 yen per share (an annual 20 yen per share).
- (For details, please refer to "Effective Utilization of Management Results: Shareholder Return Policy" on p.14 of the "Management Overview.")



# Reference 6: Policy for Returning Profits to Shareholders

■ Our basic policy for profit distribution is to “distribute stable and continuous dividends,” and we will make efforts to maintain “a consolidated dividend on equity ratio (DOE) of over 2.0%”.\*1



\*1 For the distribution of profits, our company will maintain a “consolidated dividend on Equity ratio (DOE) of at least 2.0%” based on a “stable and continuous dividend” policy.

However, since the financial base has seriously deteriorated in the wake of the large deficit for FY2022, we have set the three years through FY2025 as a recovery period in which we will focus on restoring our financial base.

During the period, we will raise the dividend level in stages, aiming to return to the previous level after the end of the recovery period. The amount of dividends for each fiscal year will be determined in consideration of the balance between recovery of the damaged financial base and return to shareholders.

\*2 Due to the extremely difficult income/expense situation, we decided to suspend the interim and year-end dividend payments for FY2022.



Statements regarding future performance included in this document is based on calculations and predictions, and contain potential risks and uncertainties.

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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