Management Reference Materials

November 2024

The Okinawa Electric Power Company, Inc.

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Characteristics of the Business Bases

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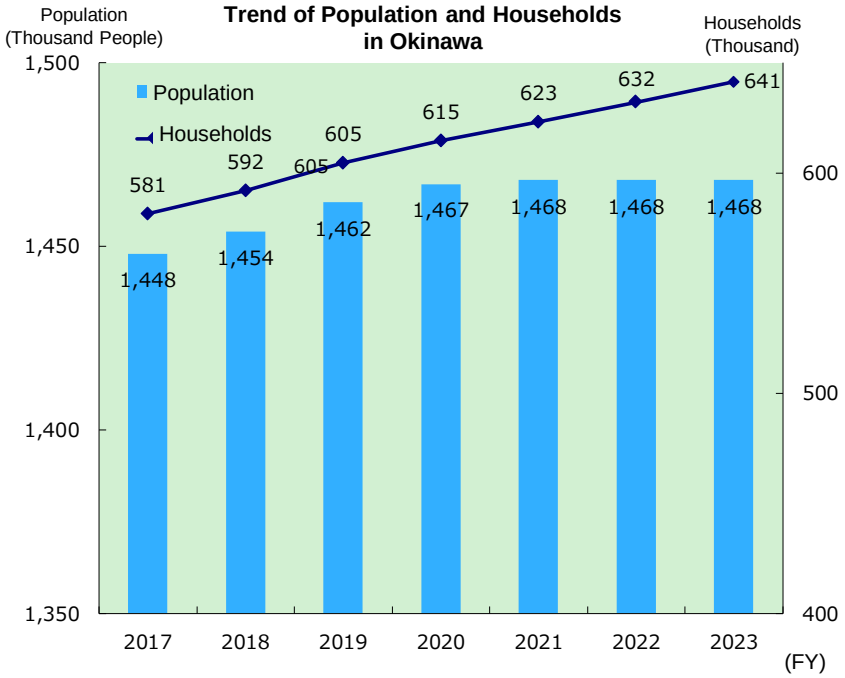
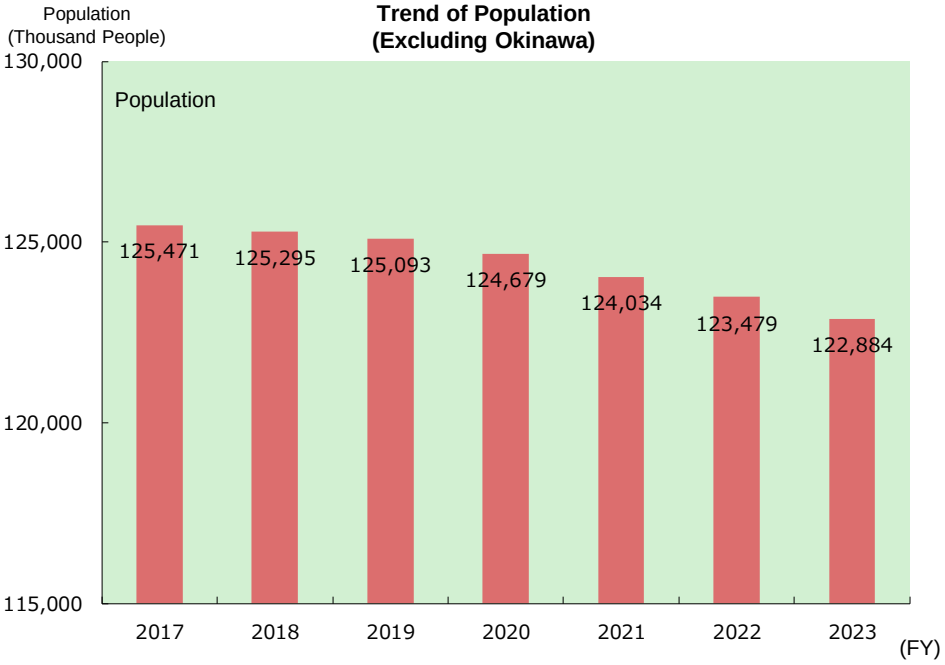
Competition	◆ OEPC is outside the framework of wide-area power interchange because that is not connected with the transmission lines of other power companies. ◆ OEPC has voluntarily released power of 10,000kW supplied by J-Power. ◆ Competition is advancing due to the entry of energy suppliers. ◆ Biomass power plant by power producer and supplier has started operation.	9
Power Generation Facilities	◆ A high reserve supply capacity is required since the systems of Okinawa area are small and independent. ◆ Reliant on fossil fuels only due to difficulties to develop nuclear or hydraulic power generation. ◆ Coal-fired thermal power generation is indispensable not only for stable supply but also for maintaining electricity rates.	10～12
Global Warming Countermeasures	◆ Currently, possible measures are limited due to reasons including the region’s geographic characteristics and constraints on the scale of demand. ◆ The introduction of renewable energies contributes to reducing fuel consumption and cost on remote islands, where fuel unit price is high. ◆ Since the systems of Okinawa area are small and independent, the limit of connection volume is likely to occur when using renewable energies.	13～18
Remote Islands	◆ 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. ◆ Need to go carbon neutral in independent remote island grids. ◆ Through public-private collaboration, we will aim to realize sustainable regional development and local economic revitalization.	19～21

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.



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



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

Okinawa Prefecture Demographics （2/2）

- The total fertility rate of Okinawa Prefecture in FY2023 was 1.60, the highest among all prefectures in Japan (nationwide:1.20)
- 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	1.20
	Okinawa	1.82	1.86	1.80	1.70	1.60
	Ranking	(1)	(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)

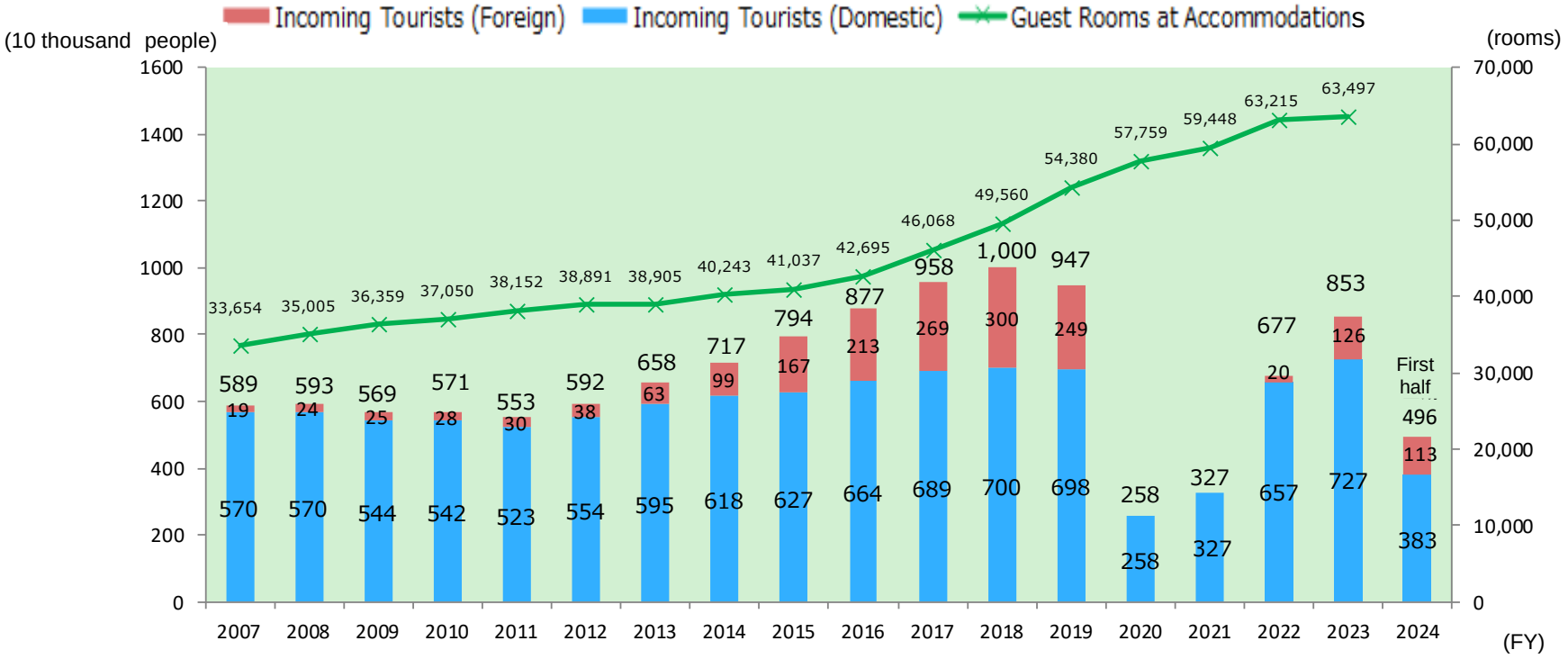
Source: ”Vital Statistics” by Ministry of Health, Labour and Welfare
”Population Estimates” by Statistics Bureau, Ministry of Internal Affairs and Communications
The figures in brackets in the chart show Okinawa Prefecture's national ranking

Number of incoming tourists （1/4）

- In FY2023, the number of Incoming tourists was 8.53 million, higher than the previous year.
  [Incoming tourists] FY2023 : 8,530 thousand people (Growth rate of +25.9% year-on-year)
  FY2024[First half results] : 4,960 thousand people (Growth rate of +18.1% year-on-year)
- Domestic tourists exceeded pre-COVID-19 levels and were the highest ever. The number of guest rooms at accommodations was also on an increasing trend. In addition, due to the return of international flights and the strong performance of international cruise ships, the number of foreign tourists has increased for 24 consecutive months, and further recovery of demand is expected.
  *92.7% compared to the first half of FY2019 (domestic tourists: 102.7%, foreign tourists: 69.6%)

Reference: The electricity demand of hotels and inns accounts for about 6% of the total in the first half of FY2024, which is about 40% more than in the first half of FY2019 before COVID-19.

Trends of the Numbers of Incoming Tourists and Guest Rooms at Accommodations



Note: The breakdown and total values do not match sometimes due to rounding decimals.
Source: “Tourism Guidebook”, “Summary Statistics on Incoming Tourists to Okinawa”, “2023 Accommodations Fact-finding Survey Result”, published by Okinawa Prefectural Government

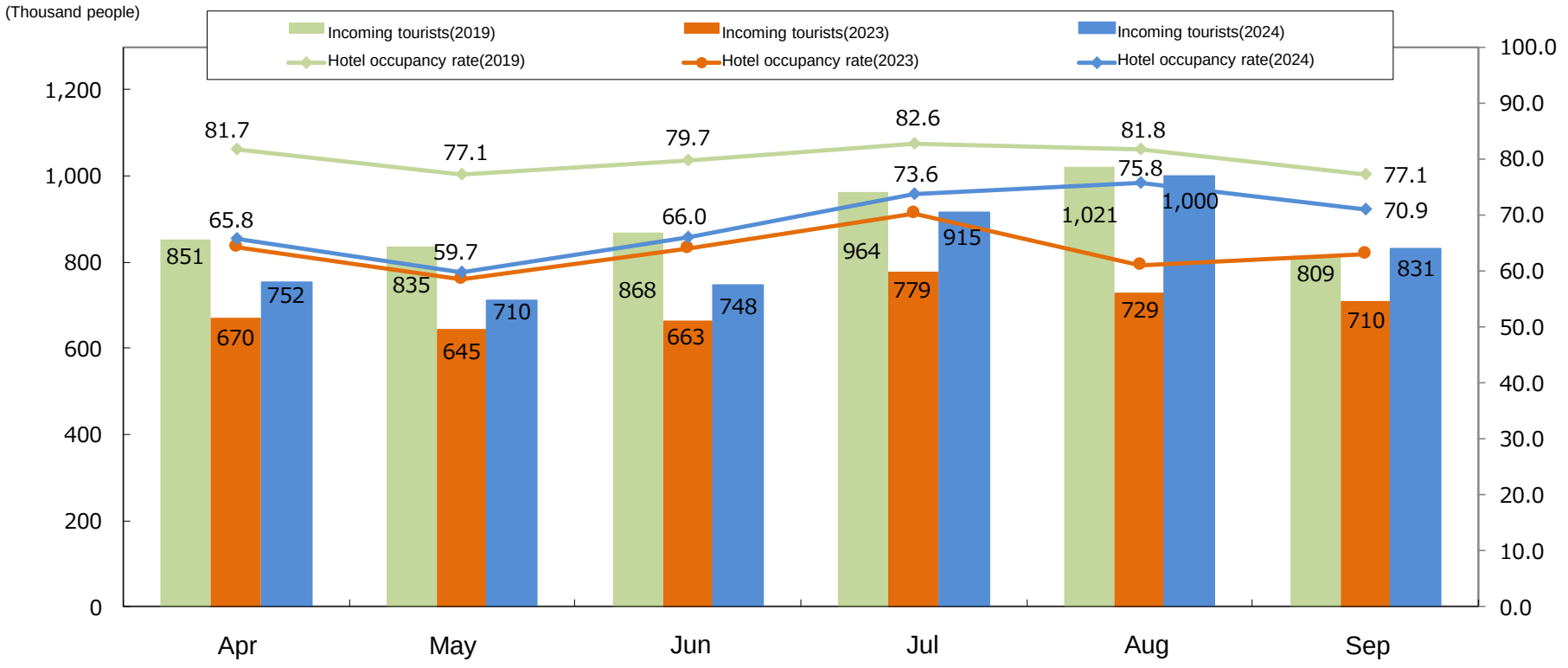
Number of incoming tourists (2/4)

■ The number of incoming tourists and hotel occupancy rates in the first half of 2024 exceeded those of the previous year, mainly due to extra flights, increased flights, and seasonal flights operated by airlines to meet travel demand during Golden Week and summer vacation, and a steady recovery in international cruise ship calls at ports.

(Number of incoming tourists) FY2024 First half: 4.96 million (YoY growth: 18.1%)
*92.7% compared to FY2019 First half
(domestic tourists: 102.7%, foreign tourists: 69.6%)

(Hotel occupancy rate) FY2024 First half: 68.6% (+5.1% YoY)

Trend of the number of incoming tourist and Hotel occupancy rate

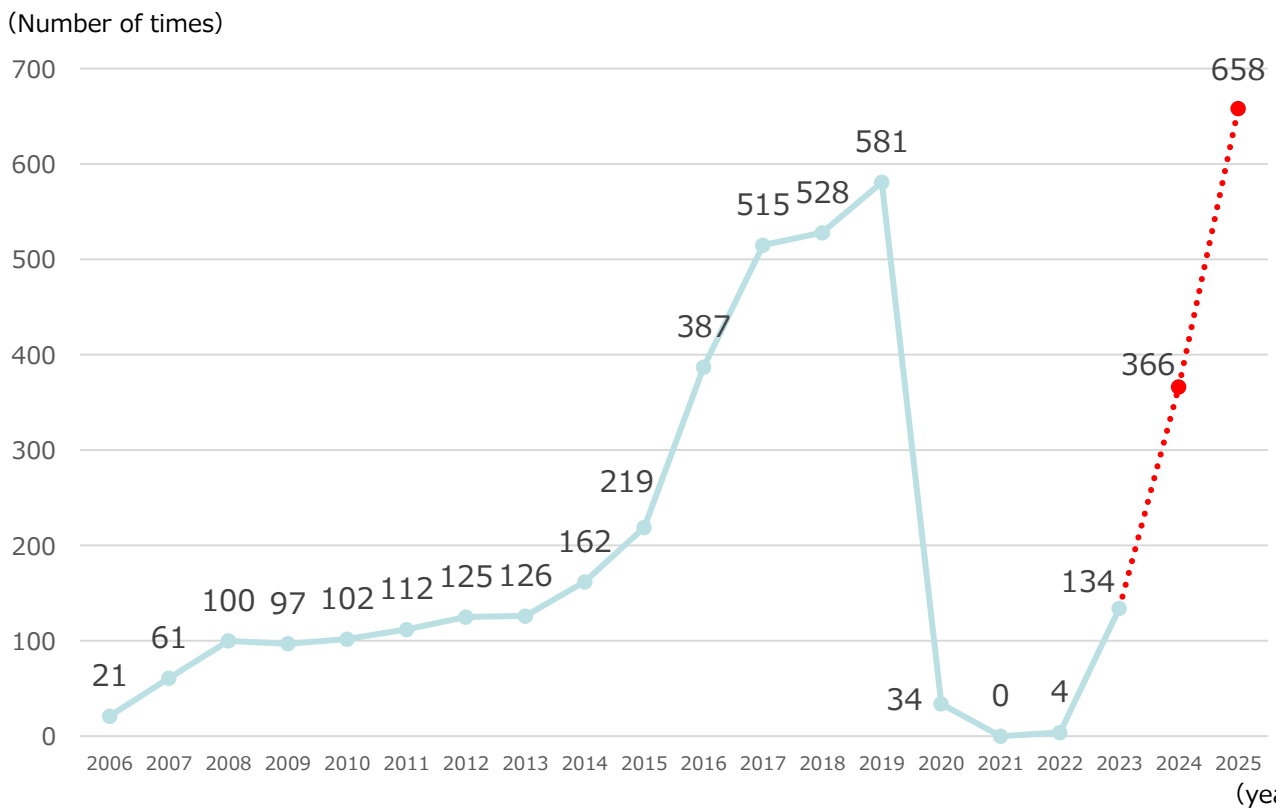


Source: Okinawa Prefectural Government, "Summary of Incoming Tourists Statistics"; Bank of Japan NAHA Branch, "Prefectural Financial and Economic Overview"

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 2025 is expected to see the most calls on its record.

Trend of the number of cruise ship port calls in Okinawa



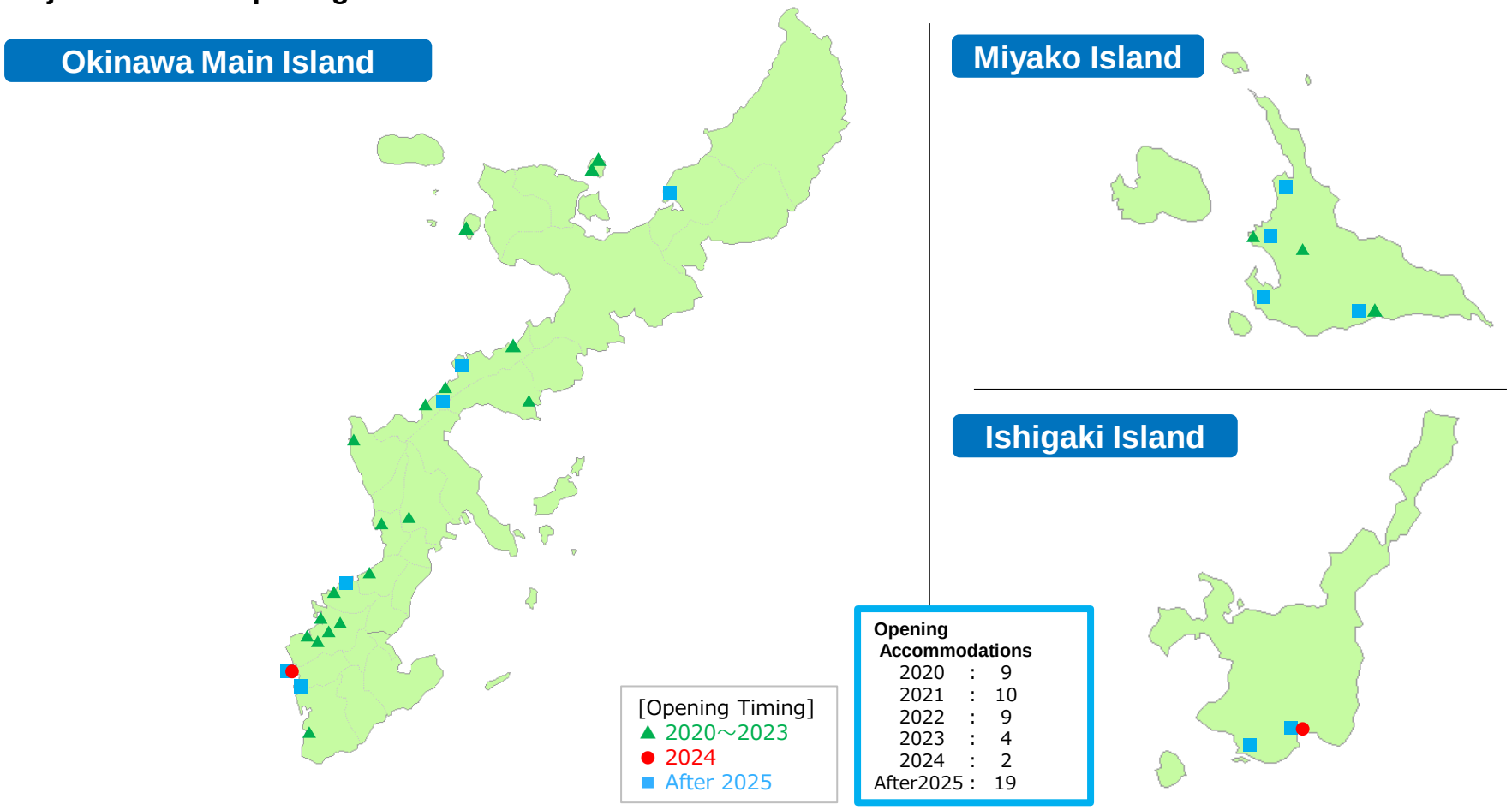
source of photo：The Okinawa Times、Nikkei Inc.

* Source:“2023 OKINAWA Cruise Report ”published by Okinawa General Bureau, Cabinet Office(2006-2022),
For 2023 results and 2024 and 2025 plans, graphs are prepared based on port of call information from the Naha Port Authority, and Okinawa Prefecture, Miyakojima City, and Ishigaki City governments.

Number of incoming tourists （4/4）

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

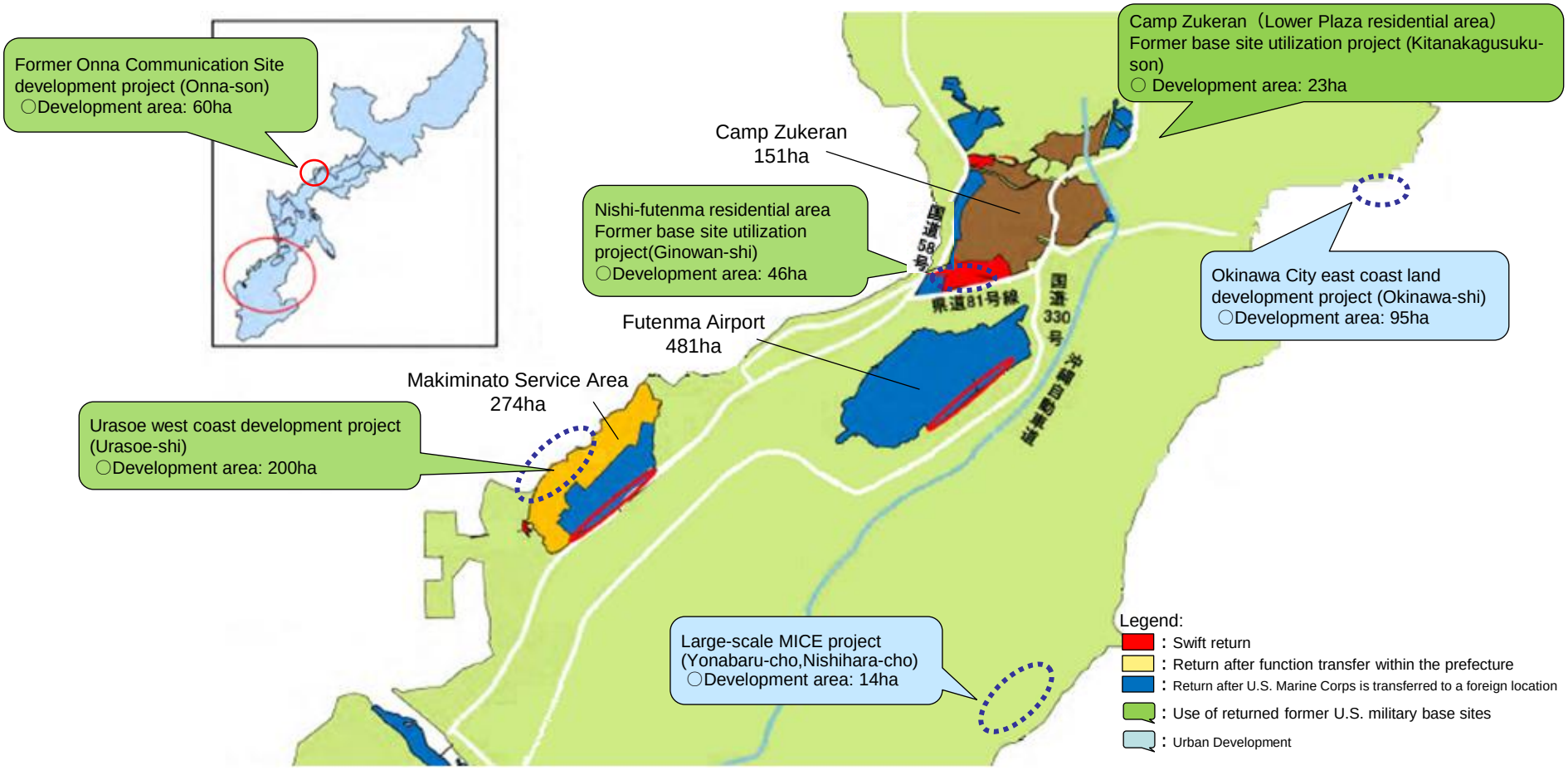
Major Plans for Opening Accommodations



Source: Compiled by OEPC based on newspaper reports, etc. * Only hotels with more than 200 rooms in Naha are listed on the map.

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.

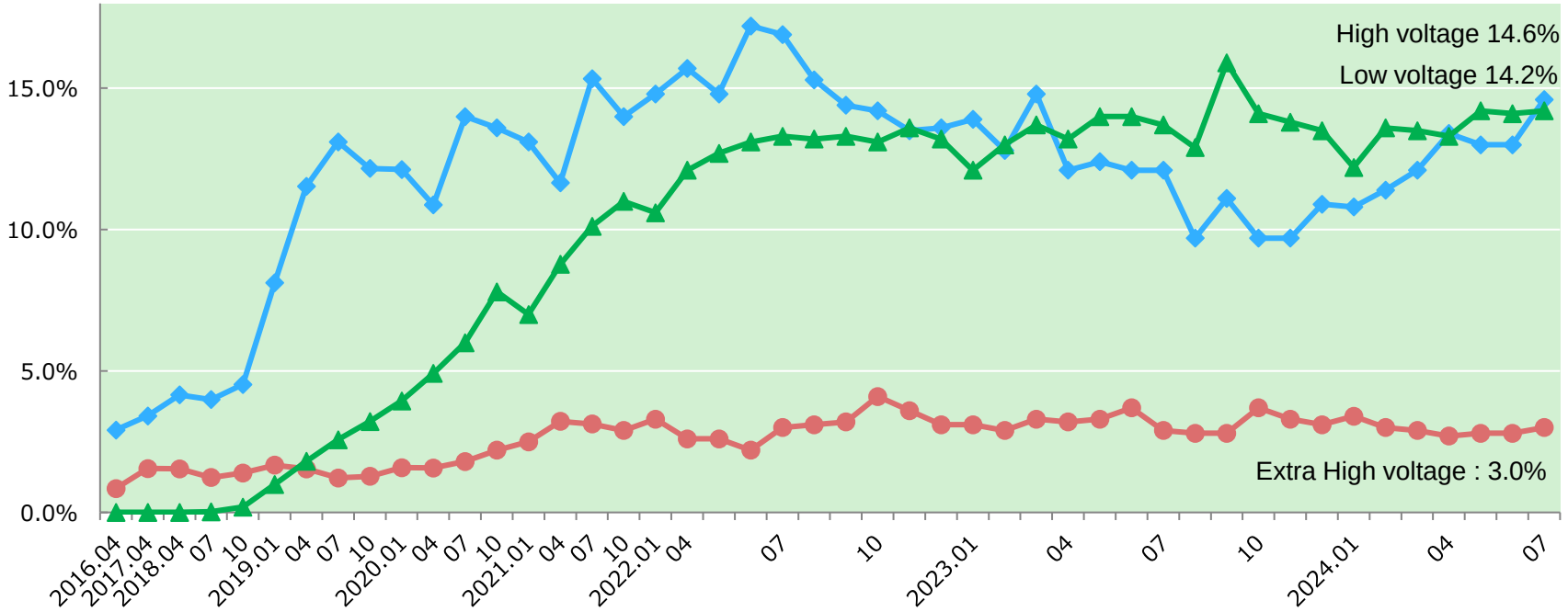


* Source: The material of the Okinawa Revitalization Council Chair and Specialized Committee Meeting (third session) presented on the Cabinet Office website, and Survey of Consideration of Ripple Economic Effects from Utilization of Former U.S. Forces Sites posted on the Okinawa Prefectural Government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

Full liberalization of the Electricity Market

- As a voluntary effort to improve the competitive environment in the Okinawa area, which had an independent system, a portion of the Ishikawa coal-fired power plant of Electric Power Development Co., Ltd. was cut out in April 2016, and a wholesale power menu was offered from October of the same year.
- In July 2021, a biomass power plant by a power producer and supplier (PPS) started operation, and further competition has been in progress.
- While currently, the share of electricity sold by PPS is 12.3% of the total for all voltages (as of July 2024), and competition is also steadily increasing in the Okinawa area, we will continue to strive to be the company of choice by developing comprehensive energy services through the concerted efforts of the entire group.

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



Source : "Electricity Trading Report".

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%

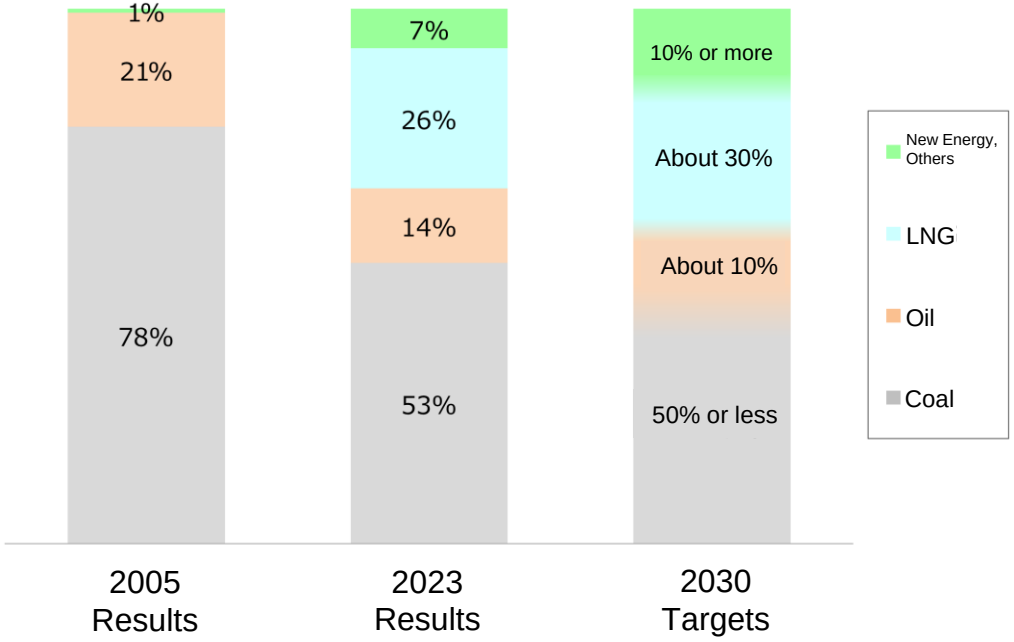
Note: Based on FY2024 Supply Plan Notification. (general transmission / distribution business)

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."

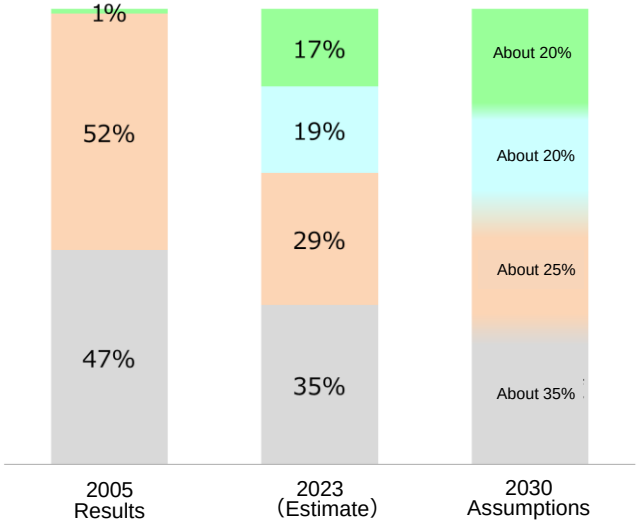
Power Supply Composition Ratio(kWh)

(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.



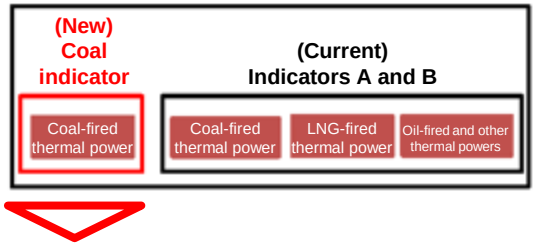
Response to the Fade-out of Inefficient Coal-fired Thermal Power Generation

■ 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 efficien
- ✓ 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

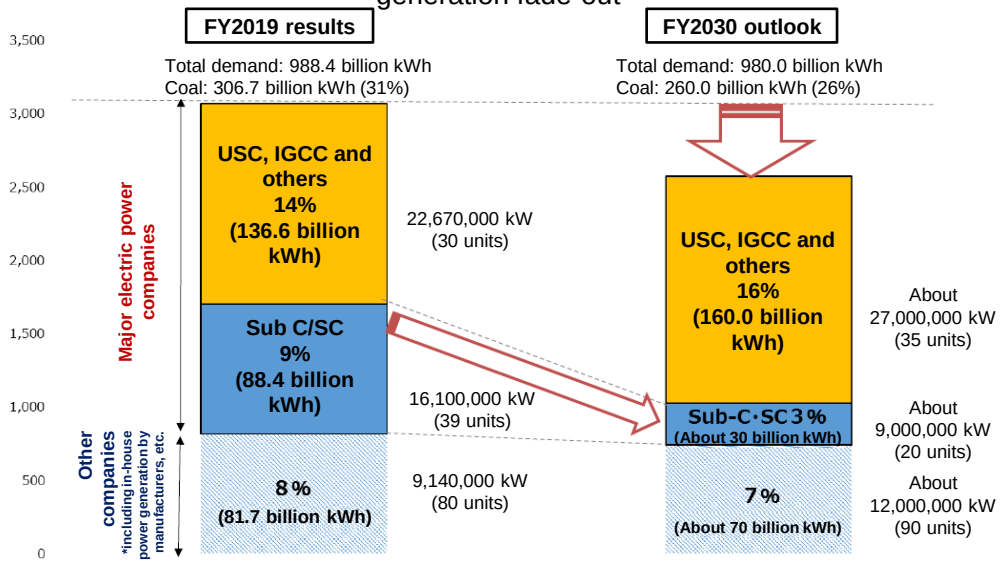
(Reference) For the subject coal-fired units, the annual facility utilization ratio shall be reduced to 50% or less as a requirement, in violation of which shall result in the collection of 20% of the contract amount as a penalty for power sources.

* "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

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 31,154 kW in total.

【 OEPC 】 (As of September 30, 2024)

	Name	No. of Units	Output	Remark
Wind Power	Ogimi Wind Power	2	4,000 kW	
	Yonaguni Wind Power	1	600 kW	
	Aguni Tiltable Wind Power	1	245 kW	
	Minamidaito Tiltable Wind Power	2	490 kW	
	Tarama Tiltable Wind Power	2	490 kW	
	Hateruma Tiltable Wind Power	2	490 kW	
	subtotal（6）	**10**	**6,315 kW**	
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	
	subtotal（5）	—	**1,510 kW**	
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	
	subtotal（3）	**5**	**65 kW**	

【 Group company 】 (As of September 30, 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	
	subtotal（7）	**13**	**13,865 kW**	
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	—	4,501 kW	*2
	subtotal（5） *2	—	**9,399 kW**	

Total：31,154 kW

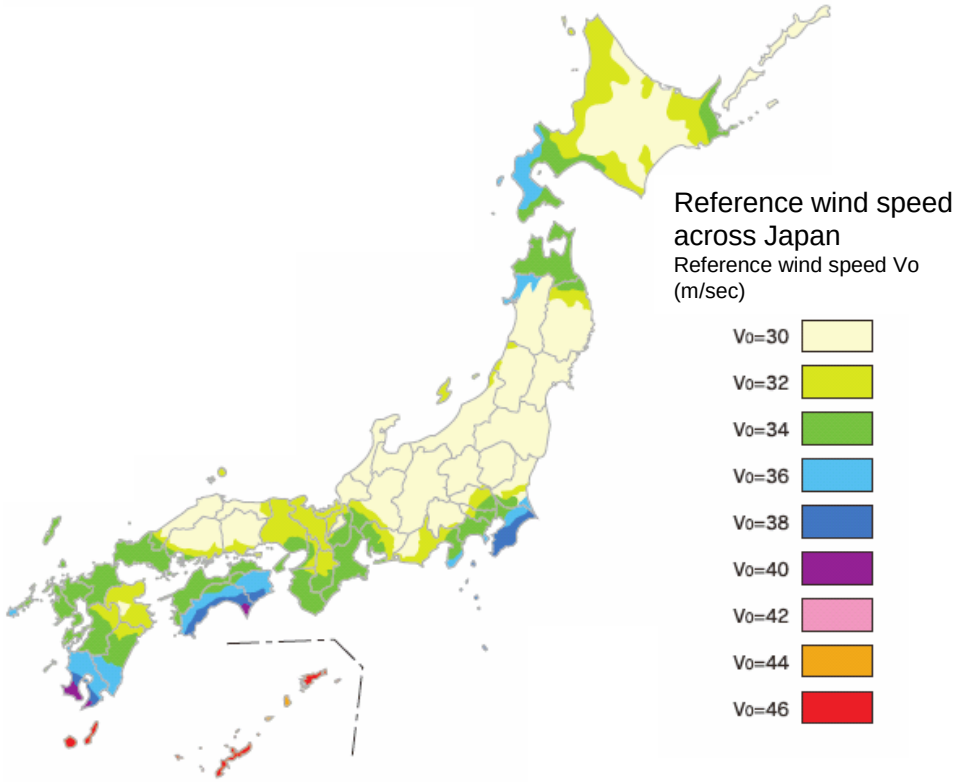
*1 Mix combustion of coal and wood biomass (The total output of the Gushikawa Thermal Power Plant is 312 thousand kW, Kin Thermal Power Plant is 440 thousand kW).

*2 Not included in total, subtotal.

Challenges for the introduction of renewable energies (1/2)

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.
- To solve the issue, we are conducting wind condition surveys to select possible installation sites, and examining the feasibility of introducing wind power generation.



[Design reference wind speed distribution]
*Image of "Building Standards Act Notice No.1454" categories

Source: Japan Exterior Industry Association website

* 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) × a × b × c

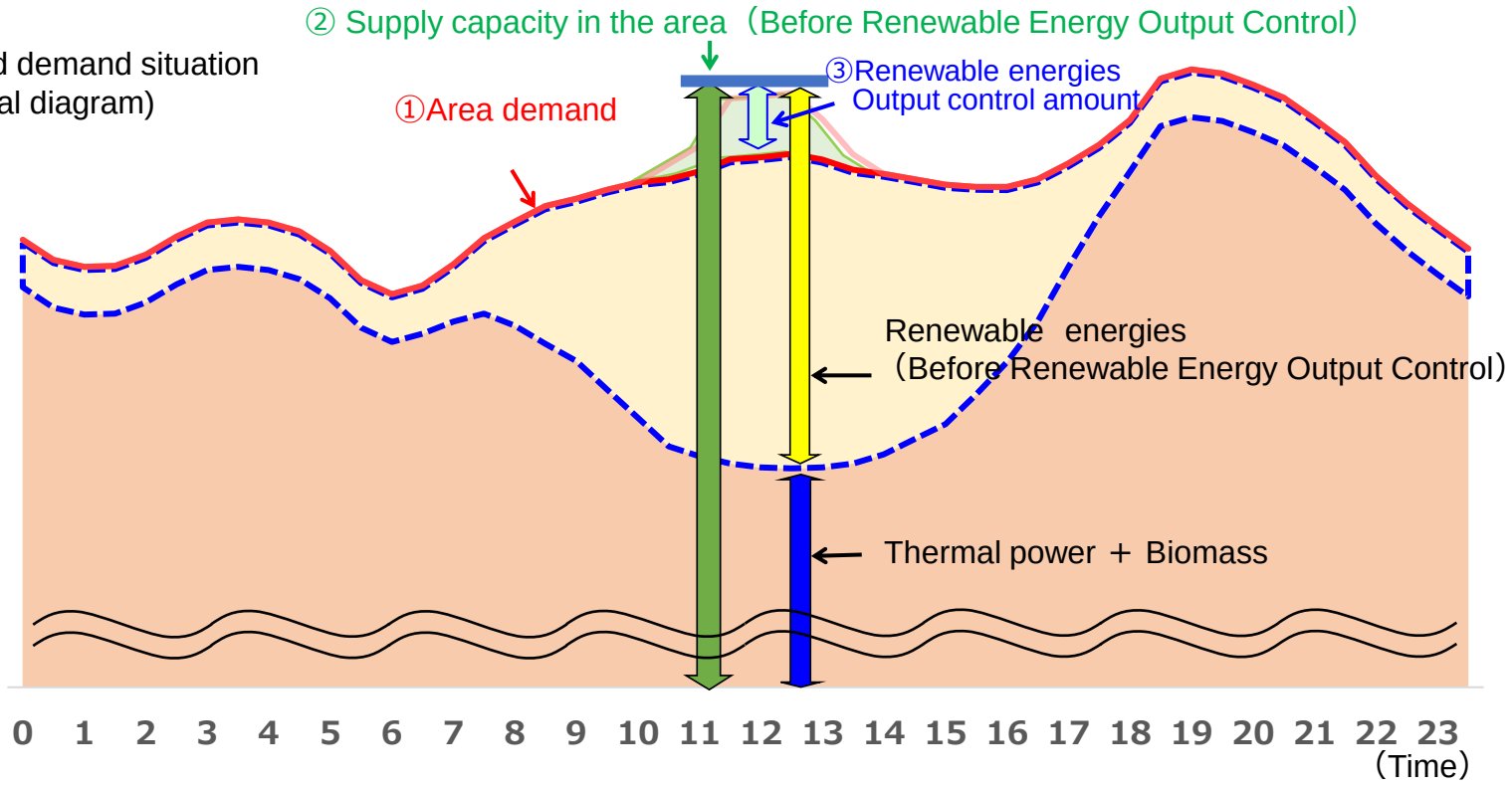
a: Coefficient corresponding to the terrain
b: Coefficient corresponding to the hub height, etc.
c: Coefficient corresponding to the maximum instantaneous wind speed

Challenges for the introduction of renewable energies (2/2)

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 in FY2024 has not been implemented as of the end of September. The expected output control in October and after is 0.06% of the total capacity (solar and wind), which means that 12 controls are expected to occur.

Supply and demand situation
(Conceptual diagram)



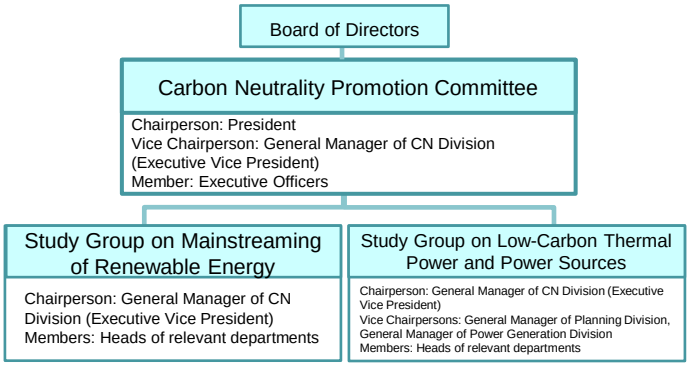
Efforts to base on TCFD Recommendations (1/3)

- 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>



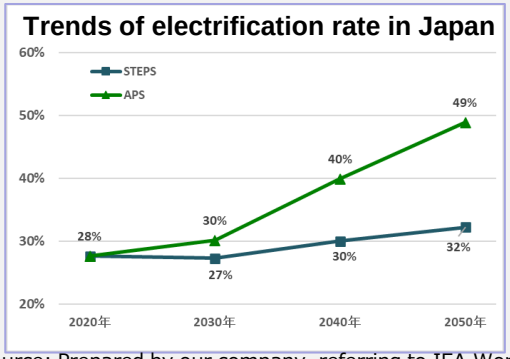
■ **Major items reported to the Board of Directors (FY2023)**
- Progress report on the 2050 Zero Emissions Roadmap
- Report on information disclosure based on TCFD reduction

[Climate Change Risks and Opportunities]

2°C/1.5°C scenario

The Company sorted out risks and opportunities in the transition to a decarbonized society by mainly referring to the World Energy Outlook 2023 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.

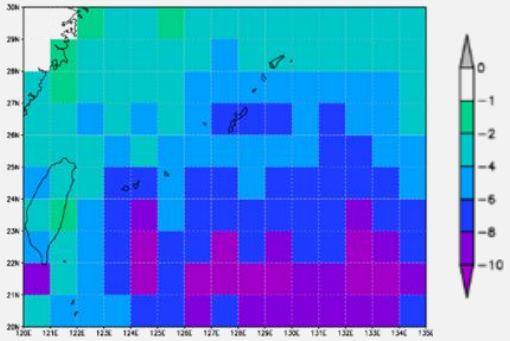


Source: Prepared by our company, referring to IEA World Energy Outlook 2021

4℃ scenario

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)

- We will strive to enhance our corporate value by appropriately responding to the risks and opportunities posed by future climate change to our business activities.
- In the FY2024 Integrated Report, we have grasped their impact on our business activities, evaluated their financial impact, and described our initiatives to address "risks" and "opportunities" as the "Initiatives of the OEPC Group, etc."

[Strategy] -Organizing Risks and Opportunities Related to Climate Change-

Risk				Developing timing		Impact	Risk summary (Financial impact)	Initiatives of the OEPC Group, etc.
				Short- to medium-term	Long term			
Transition risk	Policy/laws and regulations Transition to a decarbonization policy Higher CO2 emission reduction requirements	1	Decline in competitiveness of coal-fired thermal power generation (Change in role of thermal power generators)	■	■	Large	Response costs for policies to eliminate inefficient coal-fired power. Concerns include increased investment costs and depreciation related to power plant replacement, incurred costs for retirement of existing facilities, and increased fuel costs associated with coal machine fade-out.	• Consider to expand introduction of clean fuels (biomass) • Promote consideration of ammonia co-firing and next-generation power sources
		2	Introduction of carbon pricing, etc.	■	■	Large	If carbon pricing is introduced, a significant increase in costs is expected. (On the other hand, reducing CO_2 emissions through various climate change initiatives would reduce financial impact by 9 billion yen) *Carbon price assumptions for 2030 in IEA's "WEO2023" Estimated based on (NZE: US$140/t-CO2, APS: US$135/t-CO2)	For the reduction of GHG emissions, promote initiatives that contribute to "Mainstreaming of renewable energy" and "Reducing CO2 emissions from thermal power plants" as shown in the "2050 Net-Zero CO2 Emissions Roadmap."
		3	Fossil fuel cost impact due to lower fuel supply	■	■	Large	There is concern that prices will skyrocket due to supply shortages and other factors, as the growing need for carbon neutrality may stall investment in upstream development of fossil fuels. Impact of 1% increase in fuel costs: 940 million yen	• Diversify procurement sources • Monitor price trends, etc.
		4	Fuel cost impact of conversion from coal to LNG (Further utilization of LNG)	■	■	Medium	The shift from coal to LNG is expected to have a financial impact due to fluctuations in fuel costs.	Monitor price trends, etc.
	Technology Progress in low-carbon and decarbonization technologies	5	Increase in grid stabilization costs (Expansion of renewable energy introduction due to technological progress)	■	■	Medium	Increased costs are expected for capital investment in storage batteries and other equipment for grid stability measures due to the introduction of renewable energy.	• Utilize and upgrade grid stabilization technology • Construct and utilize DX-enabled VPP and DR
	Markets/services Changing customer preferences	6	Competition from other companies due to changing customer preferences (Increased environmental awareness)	■	■	Small-medium	Concerns about not being able to expand sales due to competition with other companies in the same industry regarding environmentally friendly products	• Strengthen expansion of decarbonization solutions and integrated energy services
	Reputation Change in corporate image	7	Lower evaluation by the society due to climate change response (CO2 emissions)	■	■	Small-medium	The structural disadvantage of the Okinawa area, which has no way but to rely on fossil fuels, will create a negative impression and lower the evaluation by stakeholders.	• Expand climate change initiatives • Enhance disclosure of climate-related information • Enhance dialogue with shareholders, institutional investors, etc.
Physical risk	Acute Worsening weather disasters	8	Damage due to intensified typhoon severity (Increased restoration costs)	-	■	Small-medium	In the waters surrounding Okinawa, the number of typhoons is expected to decrease, but the ratio of powerful typhoons is expected to increase, which may increase the probability of large-scale facility damage and facility accidents. Potential impact: 1 billion yen *Recent maximum damage (FY2023)	• Introduce wind-resistant equipment • Maintain and manage appropriate equipment • Respond promptly for early restoration • Conduct disaster recovery response drills in preparation for extraordinary disasters • Strengthen cooperation with local governments and relevant organizations
		9	Damage caused by torrential rain	-	■	Small-medium	There are concerns about damage to facilities due to flooding and landslides caused by torrential rains and other events associated with climate change.	• Raise building floors, outdoor equipment, etc. in areas that may be flooded or submerged • Take landslide countermeasures (walls, masonry, etc.) that take into account the topography, geology, etc.
		10	Impacts of climate change on fuel suppliers		■	Small-medium	Damage at fuel suppliers due to cyclones, heavy rains, and other extreme weather could hinder stable procurement and increase procurement costs. Impact of 1% increase in fuel costs: 940 million yen	• Diversify procurement sources • Monitor price trends, etc.
	Chronic Changes in climate patterns	11	Impact of changes in weather patterns on operations, etc. (Destabilization of income and expense)	-	■	Small-medium	High temperature days and rising extreme water levels may have impacts on business.	• Improve equipment • Secure revenue sources that are not affected by higher or lower temperature

Efforts to base on TCFD Recommendations (3/3)

Opportunity				Developing timing			Opportunity summary (Financial impact)	Initiatives of the OEPC Group, etc.
				Short- to medium-term	Long term	Impact		
Opportunity	**Energy source**	1	Expansion of LNG utilization outside the electric utility industry (Further utilization of LNG)			Small-medium	With the transition to a low-carbon/decarbonized society, market needs for natural gas, which emits less CO2 than other fossil fuels, will increase, and earnings from the gas business are expected to grow.	Cooperate among the OEPC Group to expand LNG sales channels.
	Products and services/markets	2	Utilization of decarbonized power sources (Development of services that contribute to the expansion of renewable energy introduction, such as distributed power sources)			Small-medium	Earnings are expected to increase as a result of accelerated efforts to address climate change, including zero emissions, expansion of the introduction of renewable energy in small-scale grids, which the Group has cultivated, and development of overseas business utilizing its expertise in grid stabilization technologies. FY2023 ordinary revenues of SeED Okinawa LLC, which develops overseas business utilizing the Group's knowledge: approx. 330 million yen	Cooperate among the OEPC Group to expand overseas business.
		3	Progress of electrification (Changes in electricity demand structure due to climate change)			Small-medium	Increased demand for electricity due to the progress of electrification. 440 million increase in profit if demand increases by 1%	• Strengthen expansion of decarbonization solutions and integrated energy services
		4	Increased customer needs for environmentally friendly menus			Small-medium	"karE-roof (PV-TPO)," which contributes to conforming to energy-saving housing and ZEH, all-electrification, and the environmentally friendly "Uchina~CO2 Free Menu" are expected to become popular.	Strengthen expansion • Implement effective promotions based on customer needs, etc.
	Resilience	5	Energy security accumulated over the years through typhoon response			Small-medium	The Company's corporate value will be enhanced by strengthening its resilience to natural disasters through preventative measures such as "abrasion-resistant electric wires" and "low wind pressure electric wires," as well as through prompt restoration.	• Reinforce power distribution facilities • Respond promptly for early restoration • Study and develop new technologies

* For the developing timing, "Short-to-medium term: by 2030" and "Long term: by 2050" are defined.
* The impact is categorized as follows: "Large: Impact to the extent that business is suspended or significantly reduced or expanded," "Medium: Impact to part of business," and "Small: Minor impact."
* The table below is a summary of possible events and their impact on the Company in light of the many uncertainties, and is not intended to be a future forecast.

[Indicators and Targets]

We announced our long-term guidelines "OEPC's Approach to Zero Emissions ~Towards 2050 Net-Zero CO2 Emissions~" in December 2020 and based on our roadmap for the next 30 years, we are implementing measures based on two pillars: "Mainstreaming of renewable energy" and "Reducing CO2 emissions from thermal power plants."

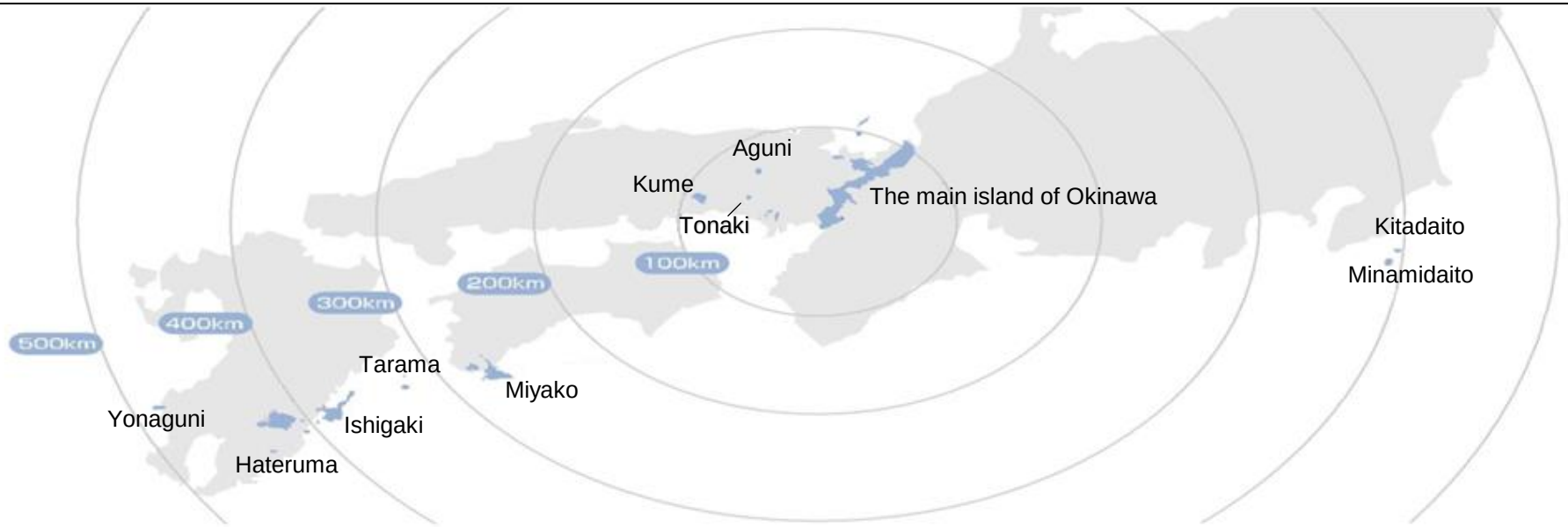
Aiming to achieve a reduction of 30% in FY2030 (*compared to FY2005) announced as an ambitious goal, we will speed up the "Just Transition in the Okinawa Area" with our utmost efforts, including the initiatives for the various carbon neutral measures indicated in our roadmap.

Introduce renewable energy in FY2030
+100,000 kW

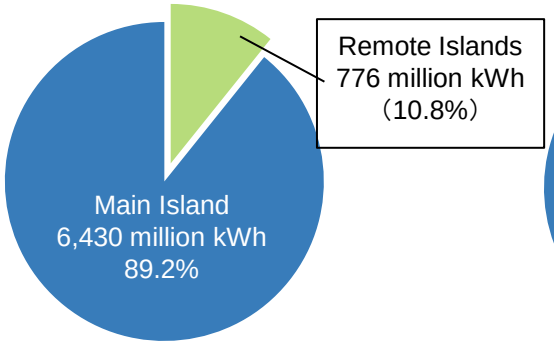
Reduce CO2 emissions
by 30% in FY2030
compared to FY2005

Remote Islands (Efforts to Improve Income and Expenditure)

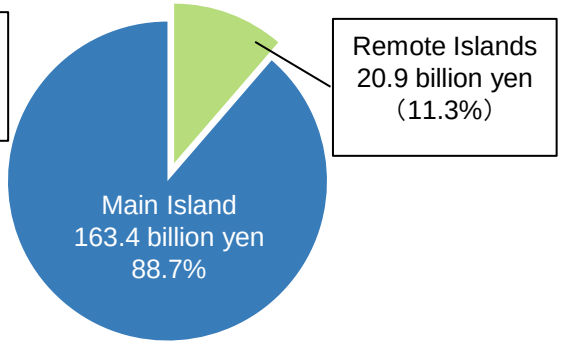
- The region has a high cost structure because of such reasons as having small islands scattered about a vast sea area and the narrow scale of the economy.
- Remote island business occupies about 10% of electricity sales and residential, commercial and industrial use charges.



Electricity Sales Volume
(FY2024 Estimate)
（Total : 7,206 million kWh）



Electricity Sales
(FY2024 Estimate)
(Total : 184.3 billion yen)



(Efforts to improve remote island income and expenditure)

- Reducing fuel consumption by introducing renewable energies (Tiltable wind power generators, etc.)
- Effective utilization of waste oil
- Reduce fuel and replacement parts costs through the introduction of highly economical units
- Reduction of fuel cost and regular inspection cost by enhancing the power generation facility utilization rate
- Reduce repair costs by extending the periodic inspection cycle of power generation facilities

Initiatives to Achieve Carbon Neutrality (Remote Islands in the Prefecture)

Initiatives to expand the introduction of renewable energy in remote islands in the prefecture

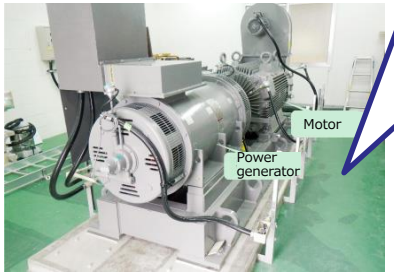
- We supply power to 38 inhabited islands, including the main island of Okinawa, and operate 10 independent power systems outside the main island.
- Remote islands have a high cost structure due to their small size and geographic remoteness. As an initiative to reduce costs, we are promoting the reduction of burning fuels through the utilization of renewable energy.
- When introducing a high percentage of renewable energy to a small power system such as a remote island, the stable supply of electricity is an issue due to the variability and instability of the renewable energy output.
- Along with the introduction of renewable energy, we have been working on the development of grid stabilization technology using storage batteries, etc.
- Based on the idea to avoid strong winds, such as typhoons, we have introduced a tiltable wind power generation equipment, whose tower can be tilted nearly 90 degrees to the ground, to four remote islands (Haterumajima, Minamidaitojima, Taramajima, and Agunijima).

[Examples of initiatives on remote islands in the prefecture]

● Tiltable wind power generation equipment

● Solar demonstration facility

● MG set demonstration

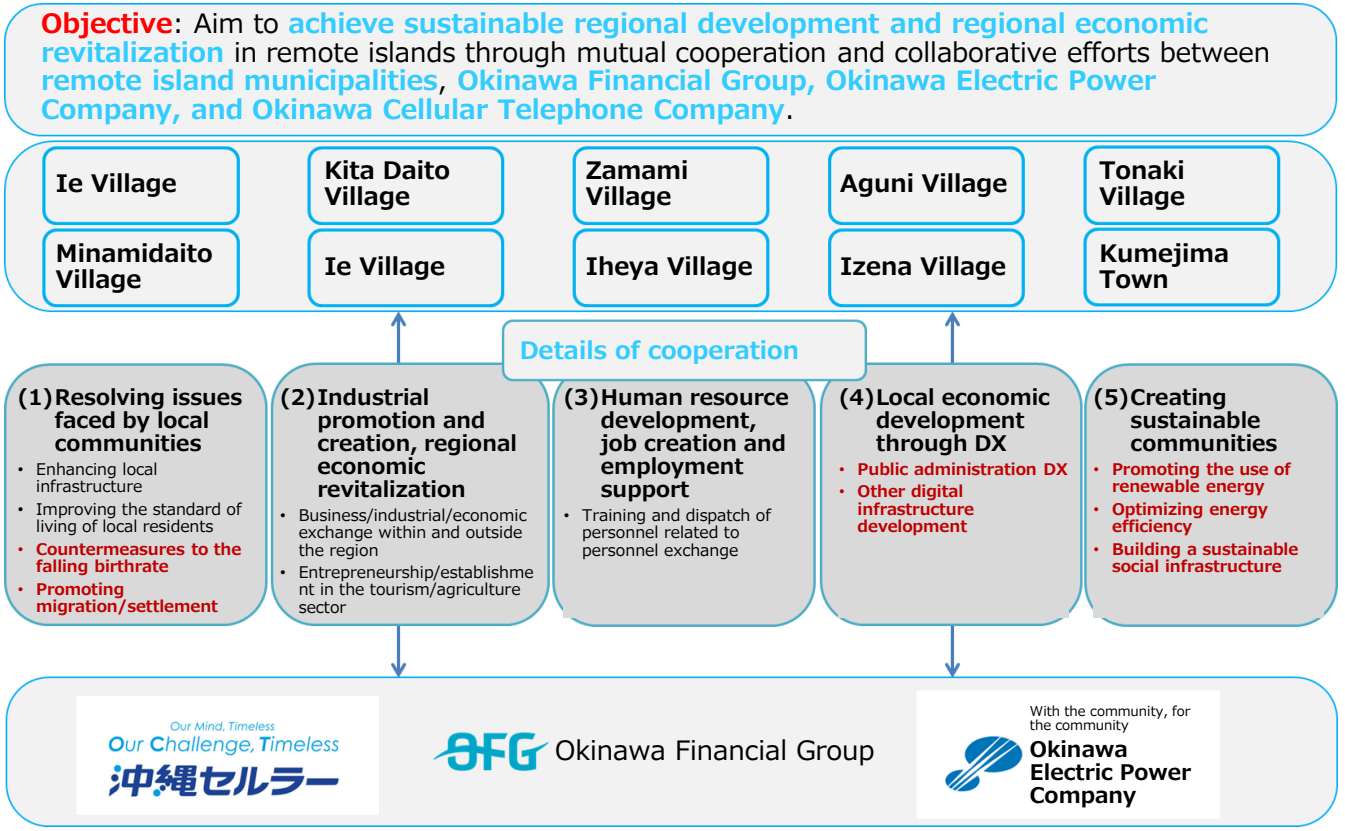


Achieved 100% renewable energy operation for about consecutive 10 days by using MG sets driven by surplus electricity generated by wind power on Haterumajima.

Partnership Agreement on the Promotion of Sustainability in Remote Islands

- Okinawa Electric Power Company, Okinawa Financial Group, Okinawa Cellular Telephone Company and 10 remote island towns and villages have signed a "Partnership Agreement on the Promotion of Sustainability in Remote Islands" in order to work closely together to promote regional development and community development in each remote island. (Date of agreement: June 28, 2024)
- By signing this partnership agreement jointly among 10 remote island towns and villages and the three leading companies in Okinawa Prefecture, we will aim to promote sustainable regional development and regional economic revitalization in cooperation with local governments through the increase in population in the islands with countermeasures to the falling birthrate and the promotion of permanent residence, promotion of the use of renewable energy, public administration DX and development of other digital infrastructure by developing and strengthening electric power and telecommunication infrastructure, effectively utilizing the information and functions of the three companies.

Partnership Agreement on the Promotion of Sustainability in Remote Islands



Q & A

1 Current Status and Future Forecast of Okinawa's Economy

■ The current state

The economy in the prefecture is on an expansionary trend, particularly in personal consumption and tourism-related sectors.

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

(Unit: %, X)

Indicators	FY2023													FY2024						
	Apr.	May	Jun	Jul	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	FY	Apr.	May	Jun	Jul	Aug.	Sep.	1st Harf
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	4.4	3.3	10.9	5.5	7.9	6.2	6.4
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	-25.4	-7.5	-7.4	-2.5	17.9	-2.2	-5.7
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	12.3	10.0	12.2	17.1	37.2	17.0	18.1
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	-19.5	58.7	51.0	2.2	-12.5	-55.1	-13.3
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	16.2	4.7	-20.7	3.4	-12.2	-4.1	-3.8
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	3.2	3.9	3.2	2.8	3.4	3.1	3.5	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	1.14	1.10	1.07	1.10	1.12	1.12	1.07

Note 1: The figures for 'Sales by large-scale retailers' are calculated on an all-store base. The values in September 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 and the first half of the year are both raw data which use the number of job openings by prefecture received nationwide.)
Source: Okinawa General Bureau, METI, Okinawa Prefecture, Ryugin Research Institute, and others.

■ Prospect

The outlook for the prefecture's economy is expected to continue to expand.

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 for Okinawa 21st Century Vision (FY2012-FY2021)," Okinawa Prefecture's gross domestic product has been growing at a faster rate than the previous year since FY2021.
- 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)

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Prefectural GDP	0.8%	-0.2%	-6.1%	3.2%	1.2%	0.8%
	4,383.8	4,373.5	4,106.6	4,237.5	4,289.9	4,323.0
National GDP	0.2%	-0.8%	-3.9%	3.1%	1.6%	0.8%
	554,532.0	550,124.9	528,689.9	544,874.1	553,679.9	558,153.9

Sources: "Prefectural Accounts for FY2021", "Prefectural economic outlook for FY2024" and Cabinet Office "List of Statistical Tables" (Second Preliminary Data for the April-to-June 2024 period)

Note : Prefectural GDP's for FY2022 and FY2023 is estimates. Figures in the upper row are growth rates on a Y to Y basis.

New Basic Plan for Okinawa 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?

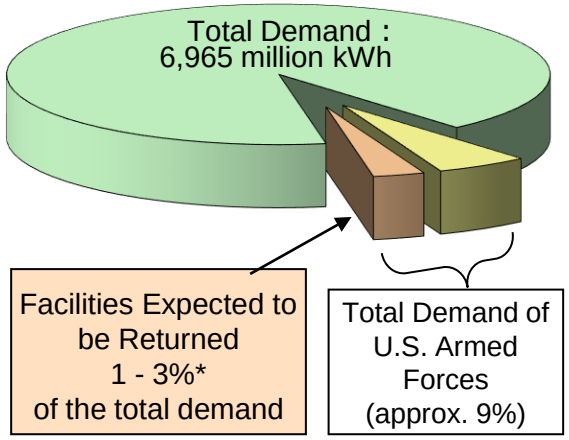
Outline of the U.S. military Forces in Okinawa

No. of Facilities	33
Area	186,683km^2

<Reference>
No. of employees working for the U.S. Armed Forces in Okinawa: 8,974
*As of the end of March 2023.

Sources ： Japan Ministry of Defense “US Forces and SDF Bases in Okinawa May 2024”, 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^2
Okuma Rest Center	[US Air Forces]	Kunigamison	546km^2
Iejima Auxiliary Air Base	[US Marine Corps]	Ieson	8,015km^2
Yaedake Communication Site	[US Air Forces]	Motobucho, Nago-shi	37km^2
Camp Schwab	[US Marine Corps]	Nago-shi, Ginozason	20,626km^2
Camp Hansen	[US Marine Corps]	Nago-shi, Ginozason, Onnason, Kincho	48,748km^2
Kadena Ammunitions Storage Area	[shared use]	Onnason, Uruma-shi, Okinawa-shi, Kadenacho, Yomitanson	26,276km^2
Camp Courtney	[US Marine Corps]	Uruma-shi	1,339km^2
Camp Mc Tureous	[shared use]	Uruma-shi	379km^2
Camp Shields	[shared use]	Okinawa-shi	700km^2
Torii Station	[US Army]	Yomitanson	1,895km^2
Kadena Airbase	[US Air Forces]	Okinawa-shi, Kadenacho, Chatancho, Naha-shi	19,856km^2
White Beach Naval Facility	[shared use]	Uruma-shi	1,568km^2
Camp Kuwae	[US Marine Corps]	Chatancho	676km^2
Camp Zukeran	[US Marine Corps]	Uruma-shi, Okinawa-shi, Kitanakagusukuson, Chatancho, Ginowan-shi	5,343km^2
Futenma Airport	[US Marine Corps]	Ginowan-shi	4,758km^2
Makiminato Service Areas	[US Marine Corps]	Urasoe-shi	2,675km^2
Naha port facilities	[US Army]	Naha-shi	559km^2

*3

*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)

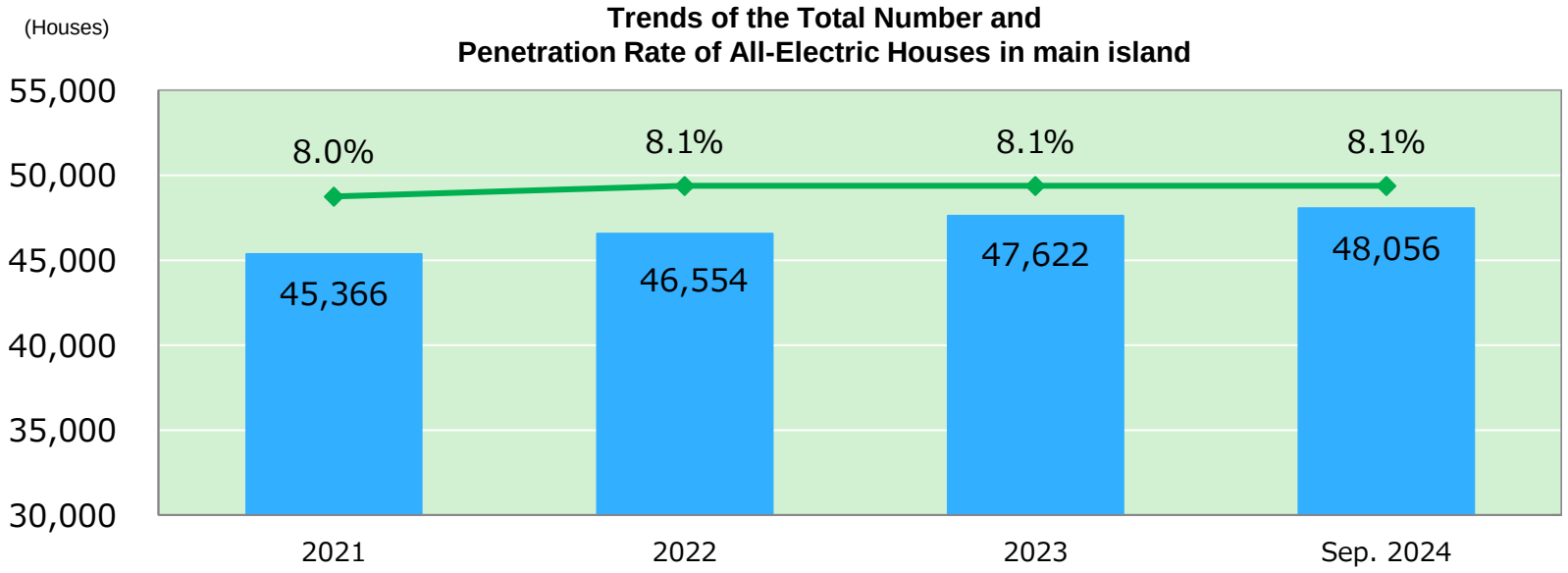
Q3. What is the Current State of Promotion of Electrification?

■ **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. Promoting transition to free rate menus
2. Acquiring members by expanding services and improving the convenience of the "Okiden more-E" membership site
3. Implementing effective promotions based on customer needs, recognition, etc.
4. Strengthening sales of all electrification and karE-roof in line with the government's promotion of energy-saving and ZEH housing
5. Maintenance and expansion of market share through prevention of defection and recovery marketing.



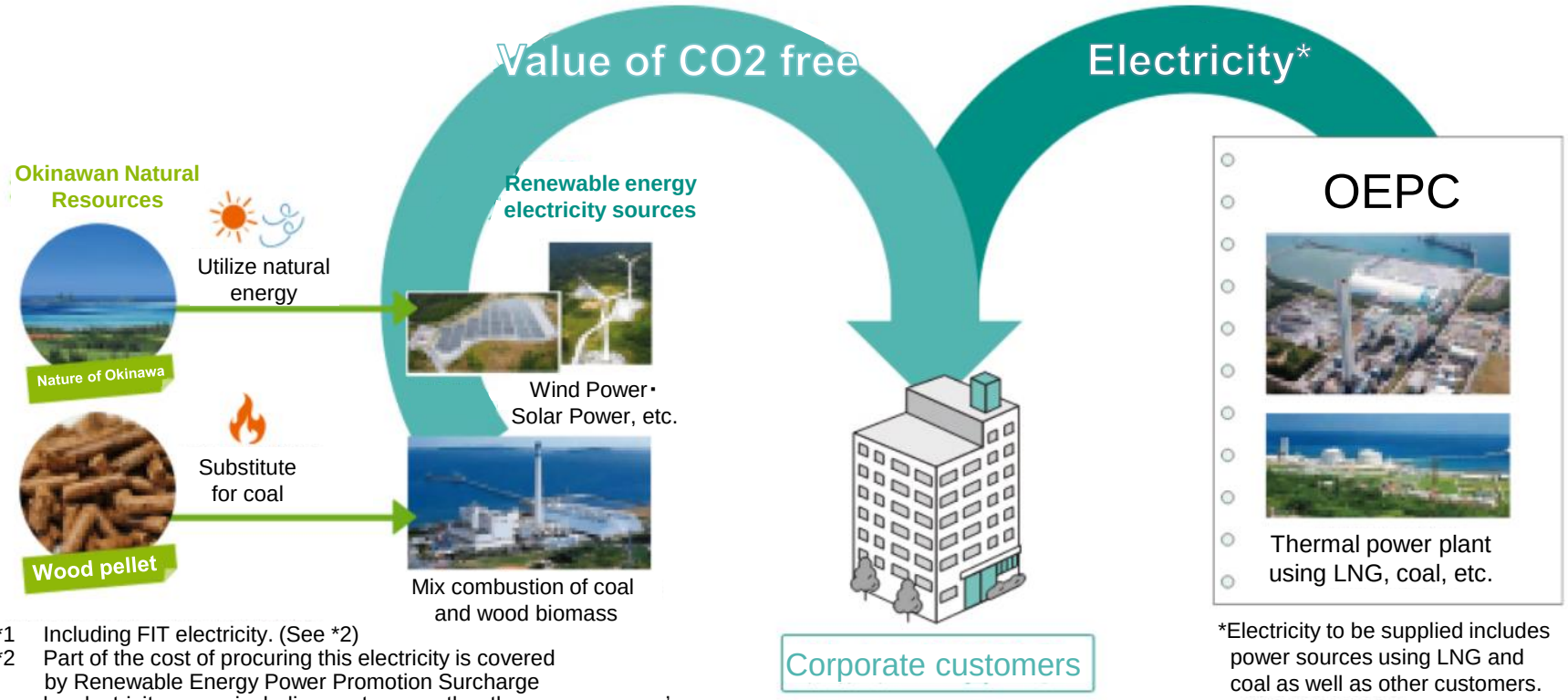
Q4. What is the enrichment of electricity rate menus?

Uchina CO_2 free menu

- Deploying an electricity rate menu with the value of CO_2 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」



*1 Including FIT electricity. (See *2)
*2 Part of the cost of procuring this electricity is covered by Renewable Energy Power Promotion Surcharge by electricity users, including customers other than our company's.

*Electricity to be supplied includes power sources using LNG and coal as well as other customers.

Q5. What are the efforts to fuel cost reduction? (1/2)

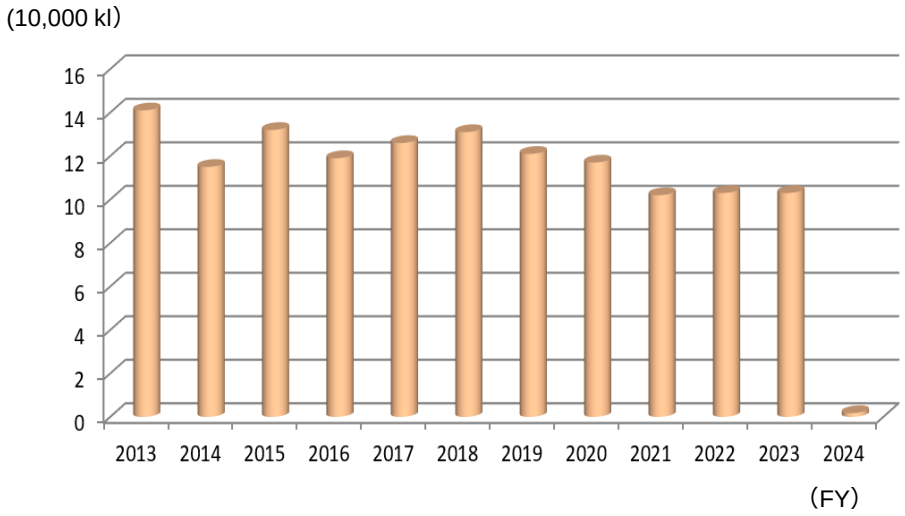
Efforts toward stable procurement of fuels and reduction of fuel costs.

- 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.

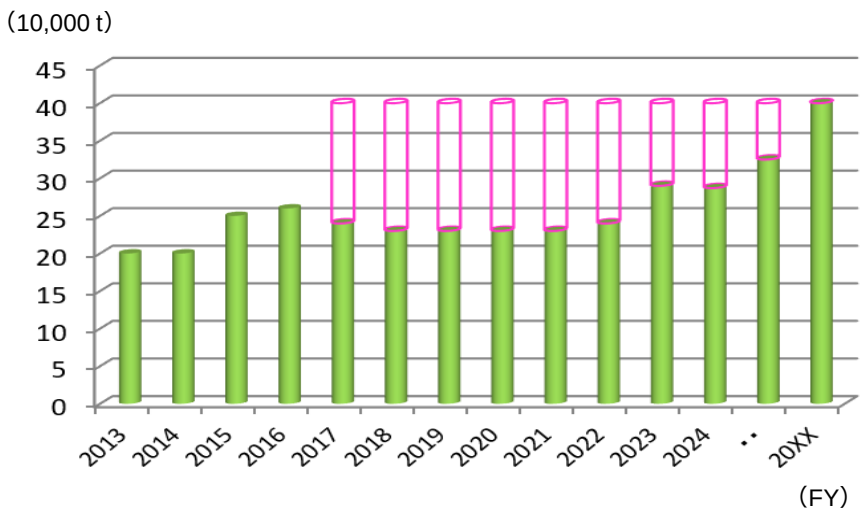
Achieving stable fuel supply and pursuing cost reductions

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

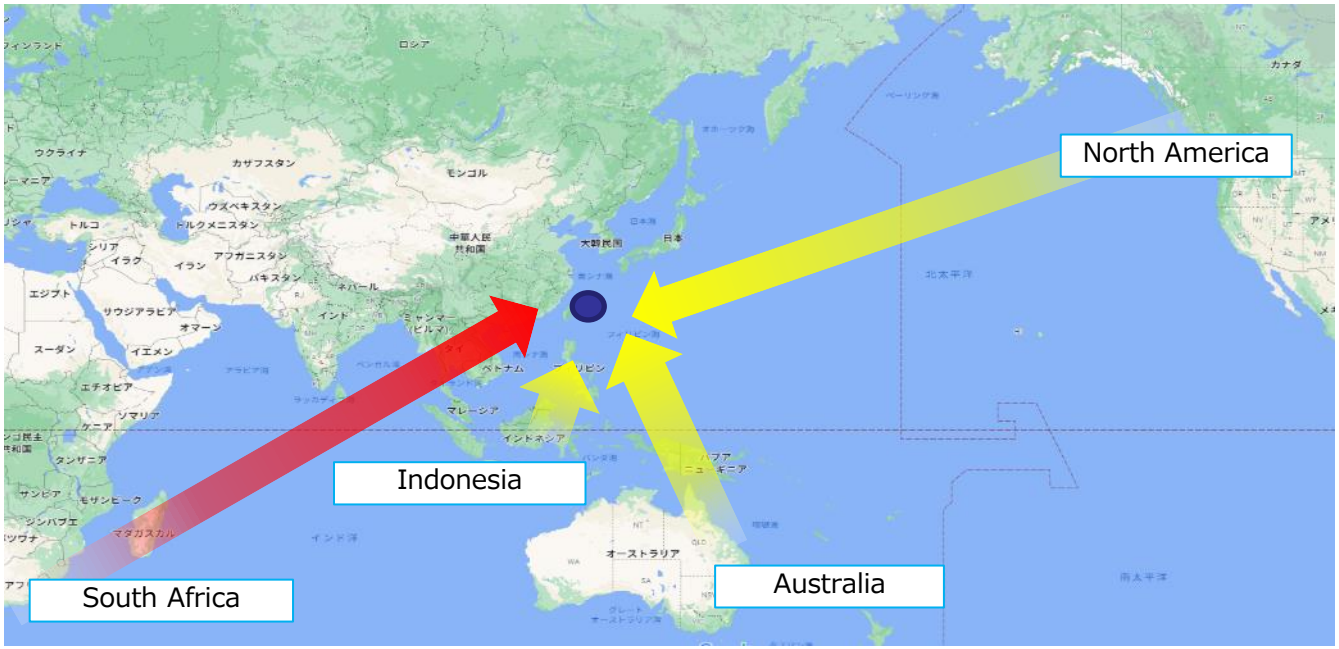


Q5. What are the efforts to fuel cost reduction? (2/2)

- As efforts to reduce fuel costs, the Company is engaged in stable supply through long-term contracts for coal and the diversification of procurement sources; the continued use of sub-bituminous coal, which is low-priced including transportation costs; and the reduction of fuel costs through buying coal in the spot market.

- As efforts to disperse and diverse procurement sources, the Company has started procuring coal from South Africa in addition to Australia, Indonesia and North America, which are the Company's traditional sources.

- Such efforts will make possible highly expeditious and flexible procurement by utilizing stock yards in countries closer to Japan.



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%.

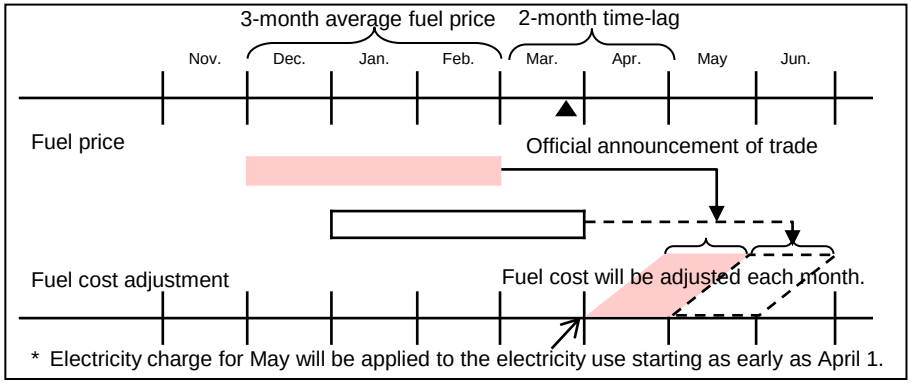
○There will be no lower adjustment limit.

○The average fuel cost adjustment price for December 2024 was 41,700 yen (the upper limit on plus adjustment was 122,300 yen).

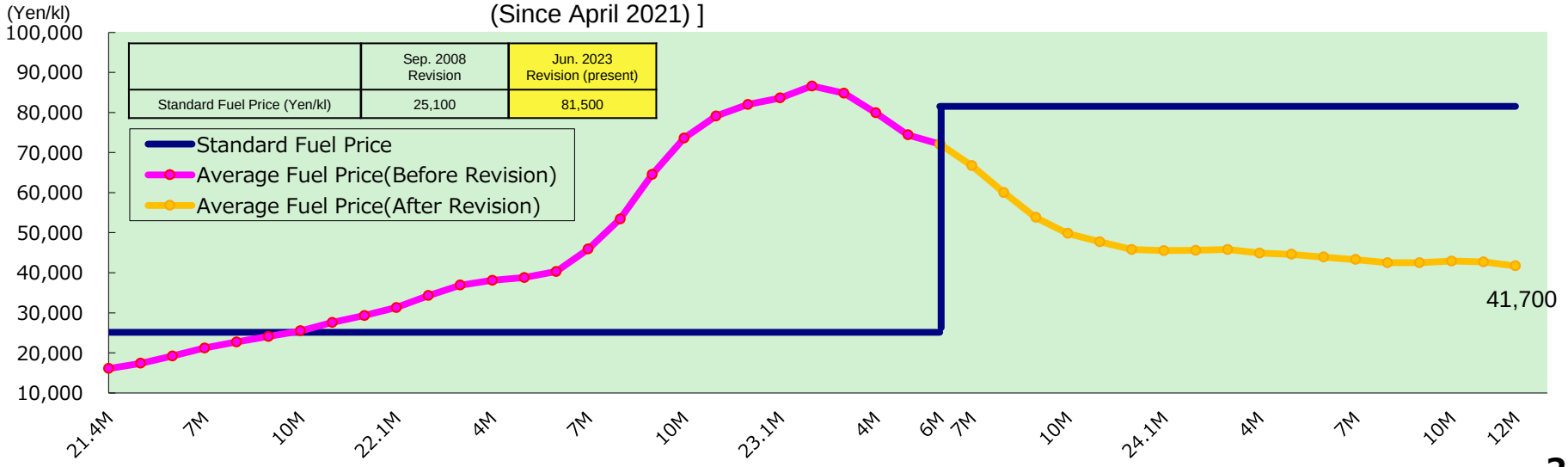
○There is no upper limit on plus adjustments for the all free rate menus after April 2023.

[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 (Since April 2021)]



Q7. The measure to mitigate sharp fluctuations in electricity rates

- We provide discounted rates according to electricity usage based on supportive measures by the government and Okinawa Prefecture.

Discount on electricity rates under the project for measures to mitigate drastic changes in electricity rates, etc.

- Discounts were offered from usage in January 2023 (February payment) to May 2024 (June payment) under the government's project for measures to mitigate drastic changes in electricity rates and Okinawa Prefecture's project for emergency measures to prevent electricity rate hikes in Okinawa.
- Based on the "Emergency Assistance for Overcoming Severe Heat" announced by Prime Minister Kishida at his press conference on June 21, 2024, electricity rates have been discounted from usage in August 2024 (September payment) to October 2024 (November payment).

[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.

(Unit: Yen)

		Feb-Jun 2023	Jul-Sep	Oct-May 2024	Jun	Jul	Aug	Sep-Oct	Nov
Low voltage	Government	-7.0	-7.0	-3.5	-1.8			-4.0	-2.0
	Okinawa		-3.0	-1.5	-0.7				
	Total	**-7.0**	**-10.0**	**-5.0**	**-2.5**			**-4.0**	**-2.5**
High voltage	Government	-3.5	-3.5	-1.8	-0.9			-2.5	-1.3
	Okinawa		-2.3	-1.2	-0.6				
	Total	**-3.5**	**-5.8**	**-3.0**	**-1.5**			**-2.5**	**-1.3**

* The amount of monthly discounts based on these measures for our low-voltage model case (electricity consumption: 260 kWh/month), which is based on the project for measures to mitigate drastic changes in electricity rates, etc. and electricity rate support, will be as follows for each discount unit price.

(Unit: Yen)

		Feb-Jun 2023	Jul-Sep	Oct-May 2024	Jun	Jul	Aug	Sep-Oct	Nov
Low voltage	Unit price	**-7.0**	**-10.0**	**-5.0**	**-2.5**			**-4.0**	**-2.5**
	Amount	**-1,820**	**-2,600**	**-1,300**	**-650**			**-1,040**	**-650**

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
Extra-high voltage ⇒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
High voltage ⇒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
Low voltage ⇒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)

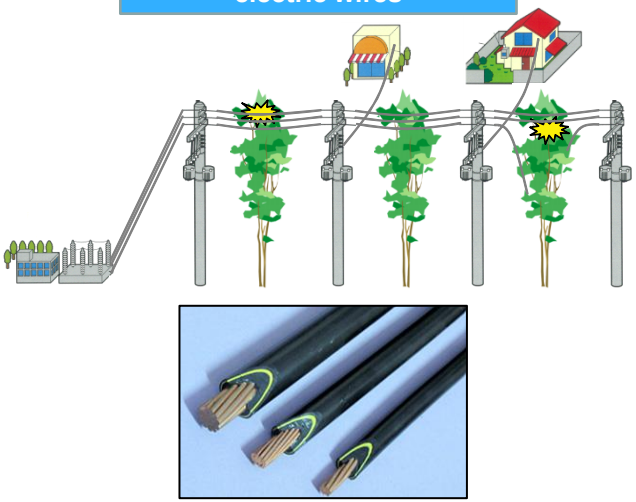
Value of Tax Alleviation Due to the Special Measures

■ FY2022 : about 3.5 billion yen. ■ FY2023 : about 3.1 billion yen. ■ FY2024(forecast) : 3.6 billion yen.

Q10. What are the efforts to typhoon measures?

- Since many typhoons approach Okinawa every year, 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.

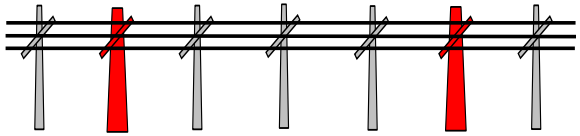
Replace to abrasion-resistant electric wires



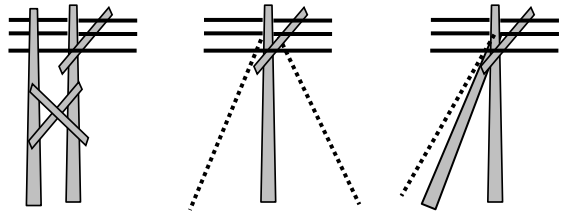
Abrasion-resistant electric wires

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

The measures to prevent the continuous collapse of utility poles



Utility poles to reinforce



Strengthened utility pole | Reinforcing wire | Reinforcing wire / pole

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

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.

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.

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.

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]

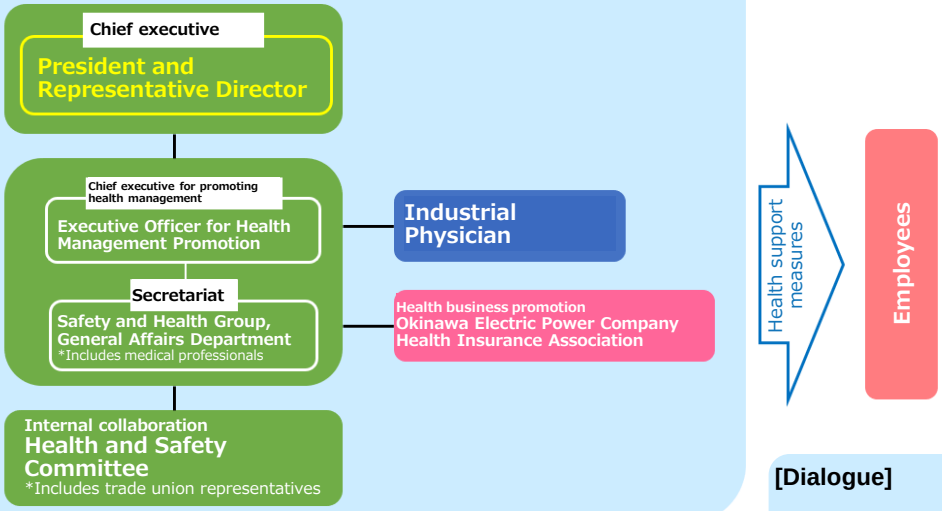
[After work]

Q12. About Health and Productivity Management

Objectives

- The Company positions the health of employees as the foundation of management and an invaluable asset to the company.
- When employees are physically and mentally healthy and work with enthusiasm and dreams, the quality of life and the quality of work of individuals, including their families, will be enhanced, and the productivity and value of a company will be improved.
- The Company will take a variety of measures to promote health that allow each employee to take the initiative in promoting their own health.
- The Company will underpin the health and longevity and economic activities in Okinawa Prefecture and contribute to the creation of the future of Okinawa full of dreams and dynamism.

Health Management Promotion System



Certified as White 500 for six consecutive years

In March 11, 2024, the Company was certified as "White 500" for six consecutive years, which ranks within the best 500th position among certified corporations of "Health and Productivity Management Excellent Organizations 2024 (large enterprise category)" in "Health and Productivity Management Outstanding Organization Recognition Program," jointly administered by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi (Japan's council for health).

[Dialogue] President × Public Health Nurse

Our company is supported by the "power of people" Creating an environment through health management
- To protect your health by yourself -

In September 2024, we held a dialogue with the president regarding health management, which is regarded as an important initiative in our human resource strategy, with the aim of creating a workplace where each and every employee can feel fulfilled both physically and mentally and feel a sense of fulfillment in their work.

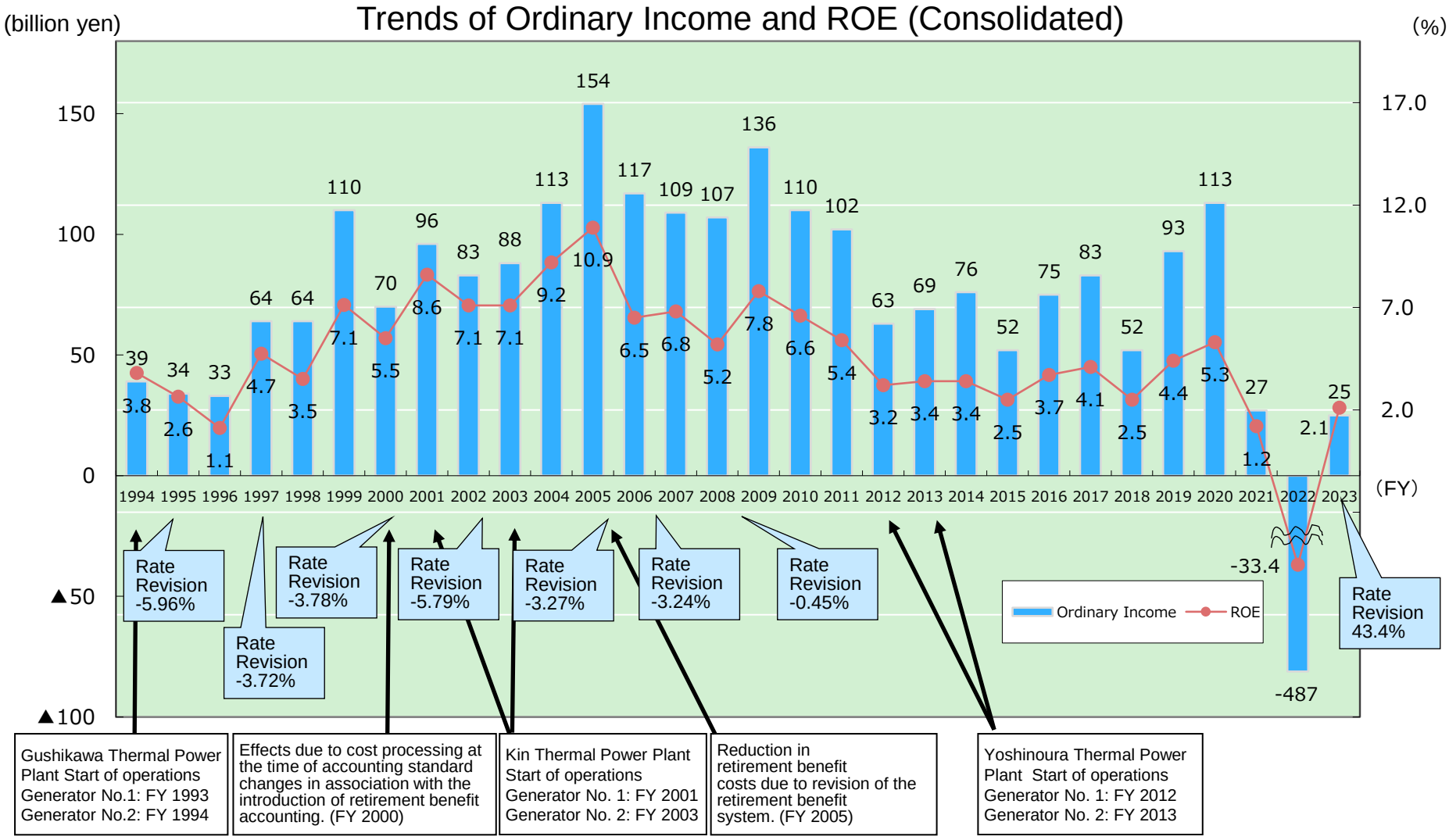
Main measures for promoting health and productivity management

- ✓ Mental health measures(Okiden Basic Plan for Promotion of Mental Health)
- ✓ Comprehensive measures against lifestyle-related diseases(Health Okiden 21Road Map)
- ✓ Countermeasures against passive smoking
- ✓ Creation of an employee-friendly working environment

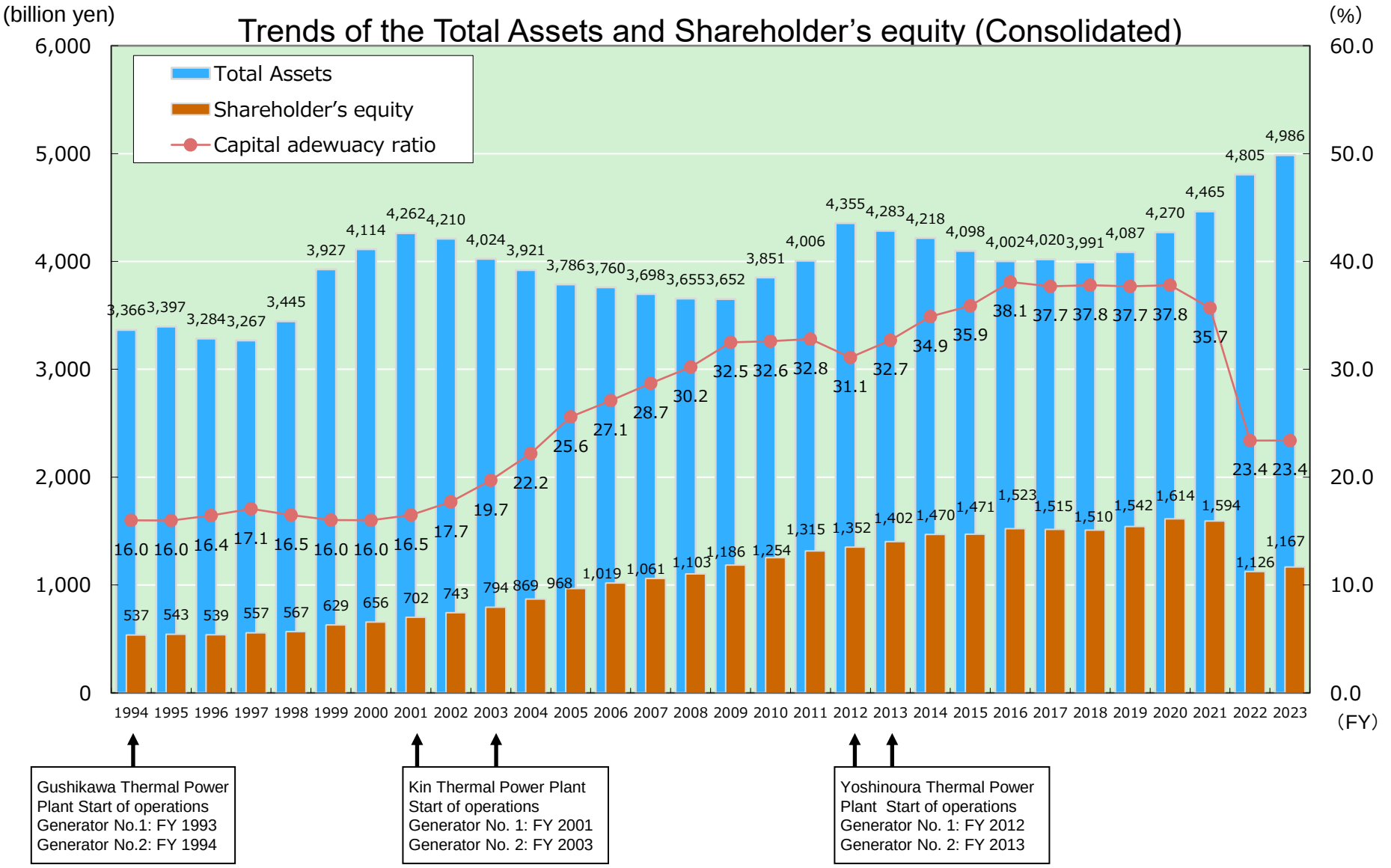
KPIs related to health

- ✓ Actual undergoing rate of persons subject to periodic health checkups: Maintain 100% (Actual undergoing rate of 100% in FY2023)
- ✓ Percentage of those who have established an exercise habit: Improve (Actual percentage of 75.2% in FY2023)

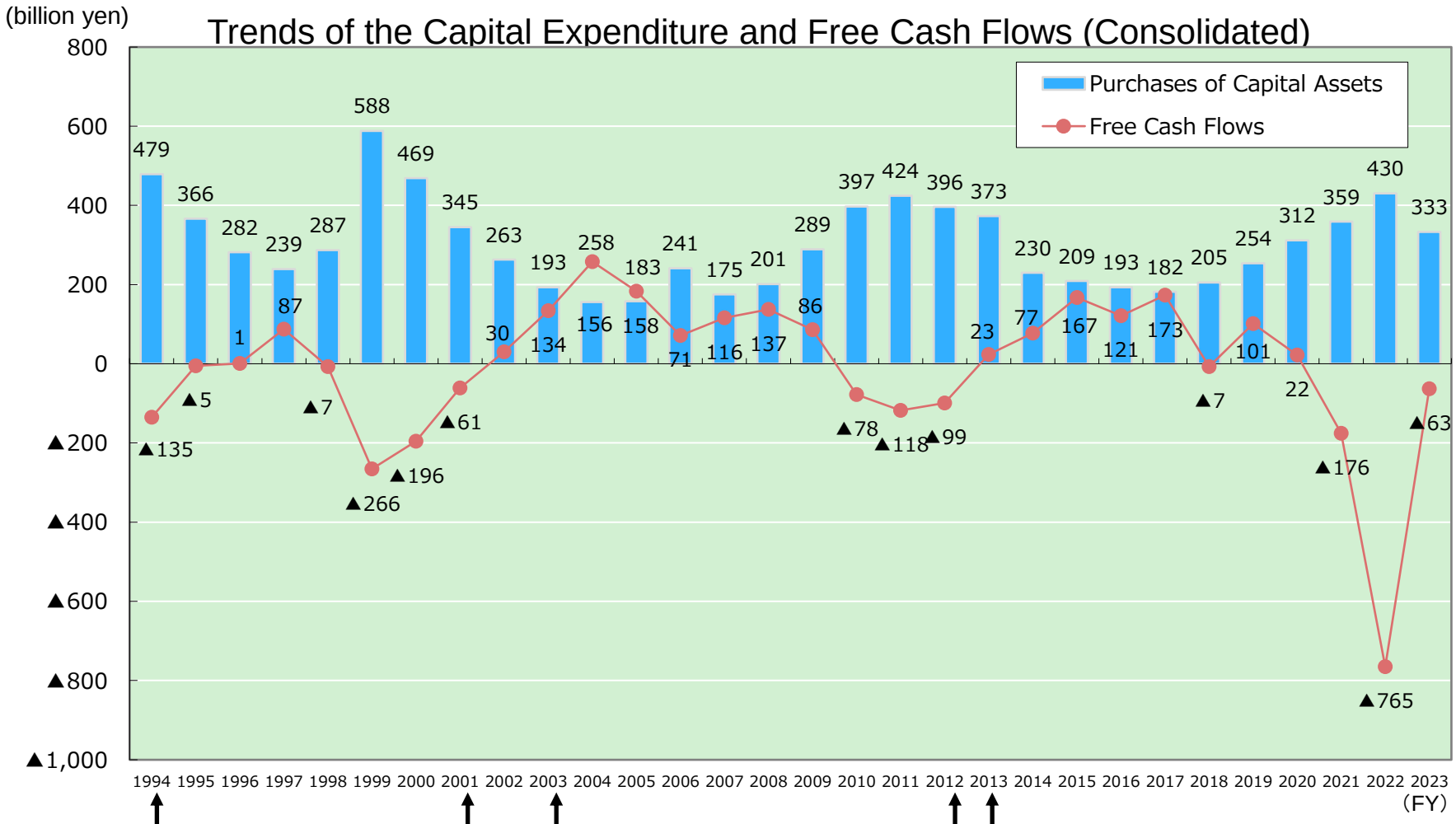
Reference 1: Trends of Ordinary Income and ROE



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.

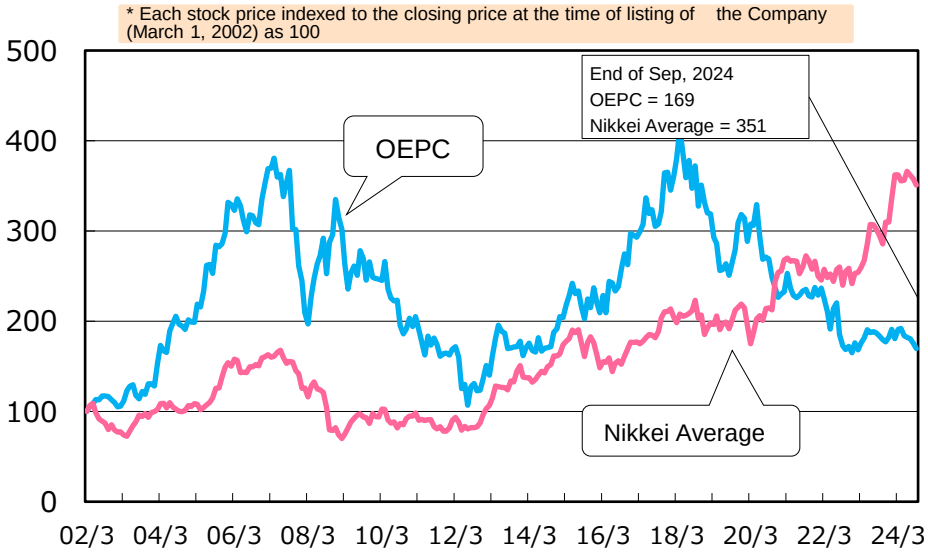
Reference 4: Change in Okinawa Electric Power's Stock Price

Recent stock price changes: from January 4, 2024 to September 30, 2024

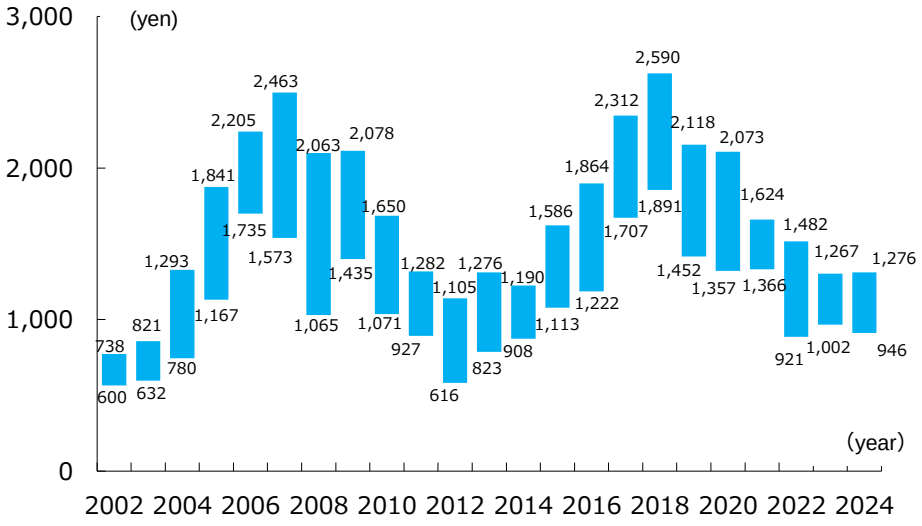
	Okinawa Electric Power Company, Inc.	Nikkei Average
Stock price as of January 4, 2024 (closing price)	1,143 yen	33,288 yen
All-time high (closing price)	1,266 yen (+10.8%) as of Apr.10, 2024	42,224 yen (+26.8%) as of July. 11, 2024
All-time low (closing price)	970 yen (-15.1%) as of Aug. 5, 2024	31,458 yen (-5.5%) as of Aug. 5, 2024
Stock price as of September 30, 2024 (closing price)	1,039 yen (-9.1%)	37,919 yen (+13.9%)

(Note) Figures in bracket indicate percentage change in the stock price from its closing price on January 4, 2024.

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



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



(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.

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 *1	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 *1	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) *2		(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) *2		(18)	(28)	(42)	(46)	(57)	(57)				
Payout Ratio *1	%	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 *1	x	0.52	0.54	0.68	0.84	0.65	0.67	0.52	0.47	0.52	0.54
Price Earning Ratio *1	x	15.4	21.8	18.8	20.8	26.0	15.3	10.1	38.2	-1.3	26.6

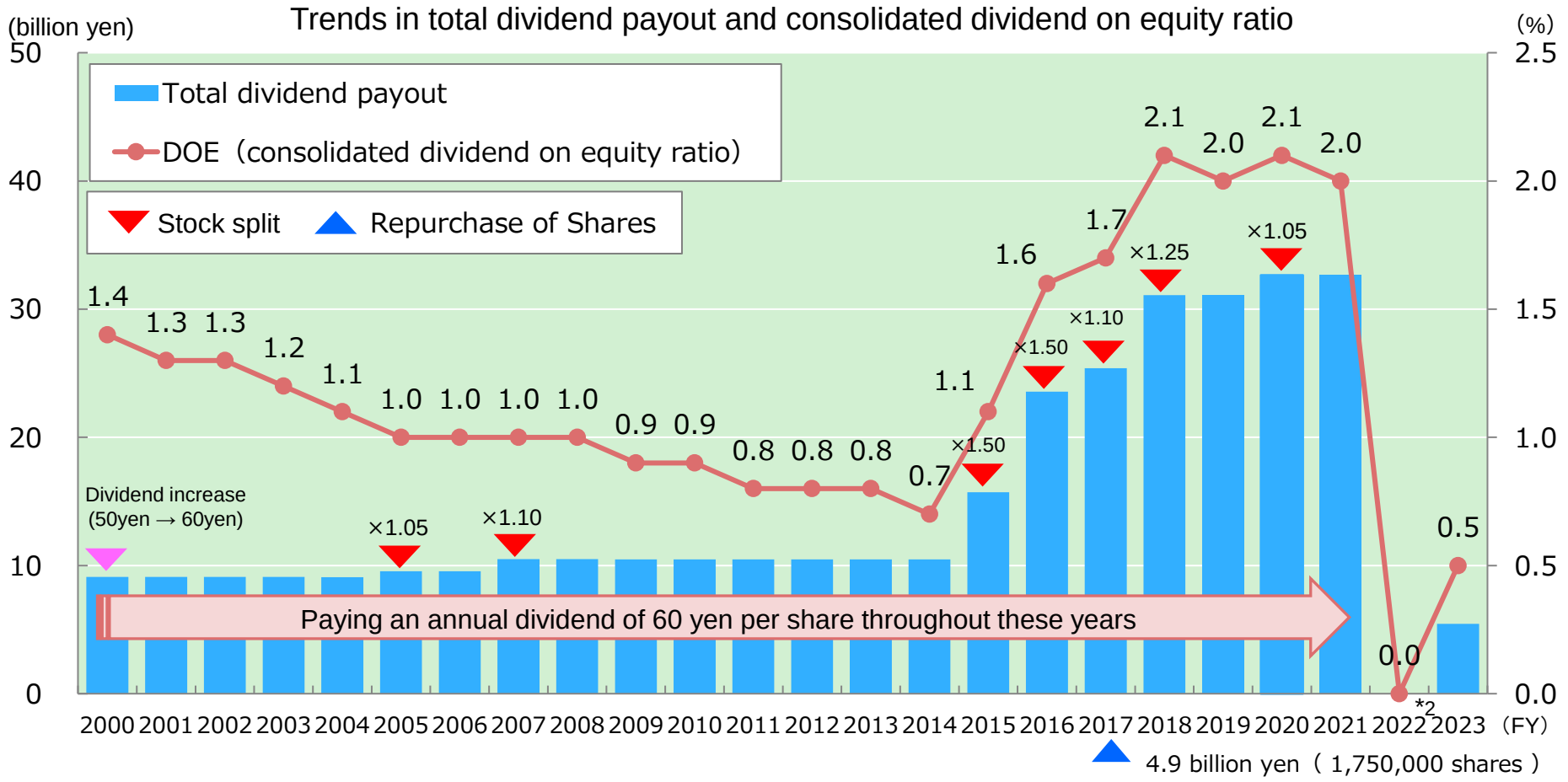
*1 Net Income, EPS, Payout Ratio, PBR, PER are on a consolidated basis
*2 Shown in the brackets are numbers adjusted for the effects of past stock splits.

Dividends for the year ended March 2025 (FY2024)

- For details, please refer to "Effective Utilization of Management Results: Shareholder Return Policy" on p.34 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 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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