

Management Topics

* Excerpt from "Management Overview" and "Management Reference Materials".

May 2025



The Okinawa Electric Power Company, Inc.

Financial Results for FY2024 (Year-on-Year Comparison)

(Unit: million yen, X)

	Consolidated (A)				Non-consolidated (B)			
	FY2023 (Results)	FY2024 (Results)	Change	Rate of Change	FY2023 (Results)	FY2024 (Results)	Change	Rate of Change
Sales	236,394	236,540	+145	+0.1%	225,609	224,043	-1,566	-0.7%
Operating income	3,481	7,322	+3,841	+110.3%	1,027	5,341	+4,313	+419.8%
Ordinary income	2,568	5,665	+3,097	+120.6%	387	3,956	+3,569	+921.9%
Net income	* 2,391	* 4,322	+1,931	+80.8%	1,200	3,481	+2,280	+190.0%

* Net income attributable to owners of parent.

Consolidated : Increase in Sales, Increase in Income for 2 consecutive years
(Non-consolidated : Decrease in Sales, Increase in Income for the first time in 4 years)

【Revenue】

- Decrease in Fuel cost adjustment system due to lower fuel prices although increase in Electricity sales in Electric business.
- Increase in Sales in consolidated subsidiaries.

【Expenditure】

- Decrease in Fuel costs due to fuel price fall in Electric business.

Annual Outlook Summary

(Unit: million yen, X)

	Consolidated(A)				Non-consolidated(B)			
	FY2024 (Results)	FY2025 (Forecasts)	Change	Rate of Change	FY2024 (Results)	FY2025 (Forecasts)	Change	Rate of Change
Sales	236,540	213,700	-22,840	-9.7%	224,043	200,000	-24,043	-10.7%
Operating income	7,322	10,000	+2,677	+36.6%	5,341	6,800	+1,458	+27.3%
Ordinary income	5,665	8,000	+2,334	+41.2%	3,956	5,000	+1,043	+26.4%
Net income	4,322 [*]	5,700 [*]	+1,377	+31.9%	3,481	4,000	+518	+14.9%

* Net income attributable to owners of parent.

Consolidated : Decrease in Sales, Increase in Income for the first time in 5 years

(Non-consolidated : Decrease in Sales, Increase in Income for 2 consecutive years)

【Revenue】

- Decrease in Sales due to decrease in Electricity sales volume and income from the Fuel cost adjustment system effects in Electric business.

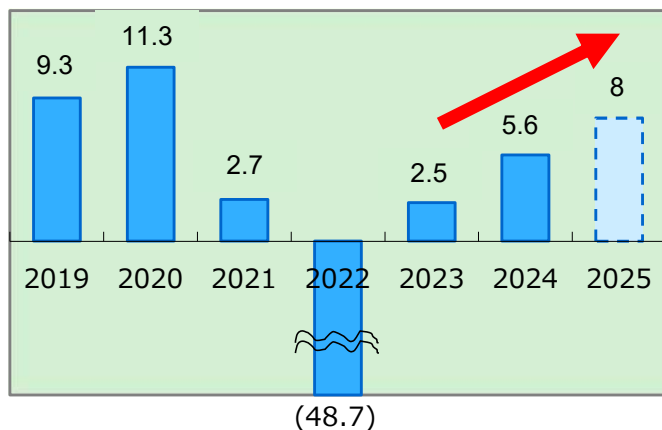
【Expenditure】

- Decrease in Fuel costs and Purchased power costs due to lower fuel prices in Electric business.

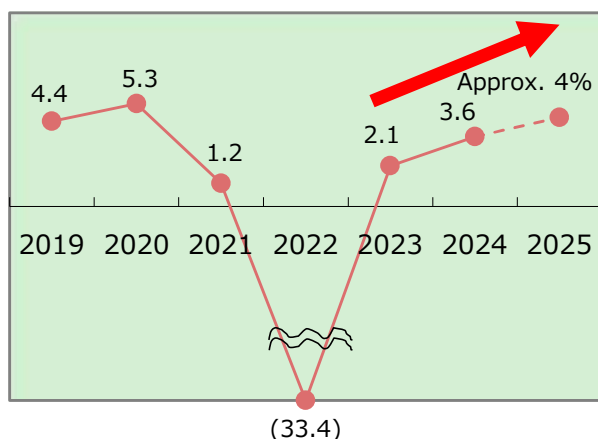
Progress on Financial Targets

- FY2025 marks the final year of the “Okiden Group Medium-Term Management Plan 2025.”
- The management environment has undergone significant changes since the plan’s formulation in March 2022. While the financial base has shown signs of recovery since returning to profit in FY2023, profitability is still in the process of recovery.
- The Company plans to finalize a new concept by FY2025 and formulate a next Medium-Term Management Plan with specific measures to enhance corporate value.

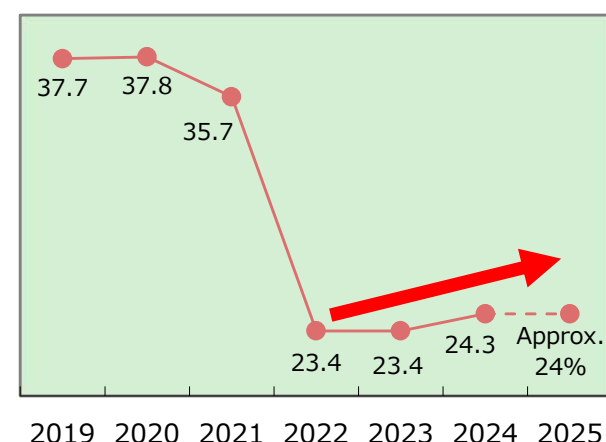
[Ordinary income (12 billion yen or more)]



[ROE (5% or more)]



[Equity capital ratio (25% or more)]



Changes in the environment since the Midterm Plan was formulated (March 2022)

- Significant volatility in fuel prices due to the war in Ukraine
- Significant increase in the costs of materials, equipment and labor due to high consumer prices
- Increase in interest rates due to revision of BOJ policy rate
- Shortage of labor in various industrial sectors continues as Okinawa's economy recovers after the COVID-19

New “Challenge”

Okiden PX Project New “Challenge”

- Due to imperative issues involving rising prices, wage increases, and the weakening yen, costs for procurement of materials and equipment, as well as construction, have increased significantly compared to previous levels. To that end, we have initiated the “**Okiden PX Project***,” with the objective of enhancing our procurement capabilities fundamentally.
- **With our unwavering commitment to the core mission of ensuring a “stable supply,”** the Okiden Group will unite as one to take on the “**Challenge**” of transformative, out-of-the-box change. This will be driven by “**ultra-Ultra-Proactive streamlining**,” reimagining how we work through our own ingenuity and accelerating digital transformation (DX) to enhance operational efficiency.

* The “**P**” in **PX** refers to **Procurement, Profit, Productivity, and Performance** (individual capabilities and company performance). It also conveys the concepts of being **Proactive, Proceed** (moving forward), and making **Progress**, sending a message: “**We will enhance procurement operations, boost productivity by leveraging DX, etc., and consistently support individual employees' growth and the company's progress toward enhancing profitability.**”



Okiden PX Project (FY2025 Initiatives)

- In accordance with the “S + 3E” approach, we will methodically implement initiatives to ensure stable supply, while concurrently enhancing the procurement division, optimizing the supply chain, and promoting productivity through the usage of DX and other advanced technologies. We will build upon previous efforts **with new ideas and boldly “Challenge” to strengthen the management foundation toward “sustainable growth” and “enhancement of corporate value.”**
- The entire Okiden Group will work together to ensure that these efforts are not just temporary changes, but sustainable growth.

Key Initiatives for FY2025



**Transforming
procurement activities**

- Strengthening the procurement division
- Improving estimation capabilities, etc.

**Cost
optimization**

- Supply chain optimization
- Optimizing the frequency and quantity of use
- Optimization of materials and specifications, etc.

**Enhanced
productivity**

- Visualization of operations
- Utilization of DX, etc.

**Further skill
development**

- Improving basic business skills
- Improving digital skills, etc.



**Strengthen
management base for
FY2026 and beyond**

- Stable energy supply
- Improve profitability(Ultra-aggressive efficiency improvements)
- Promoting DX
- Carbon Neutrality Challenge



**Sustainable
growth**

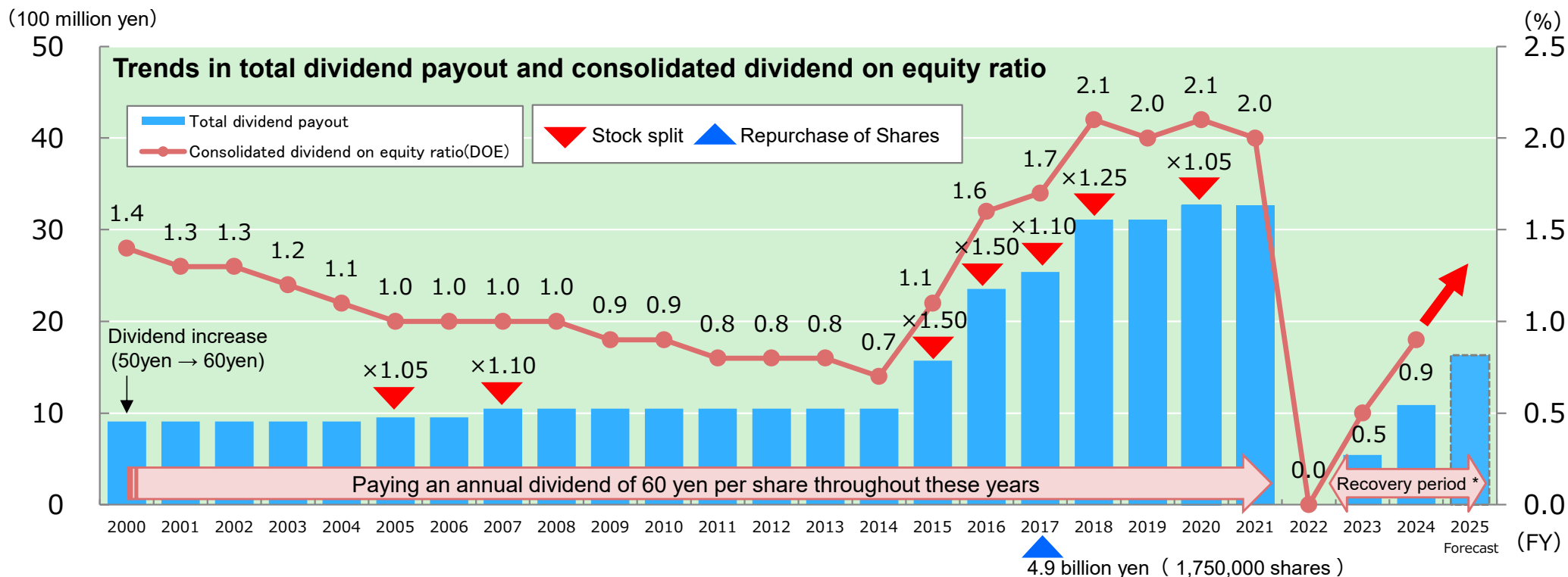
**Increasing
corporate
value**

Effective Utilization of Management Results: Shareholder Return Policy

Basic policy on shareholder return

- 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.

Dividend per share (actual and forecast)	interim	Year-end	Annual
FY2024	10 yen	10 yen	20 yen
FY2025 (Forecast)	15 yen	15 yen	30 yen



* Basic policy on shareholder return is as above. 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.

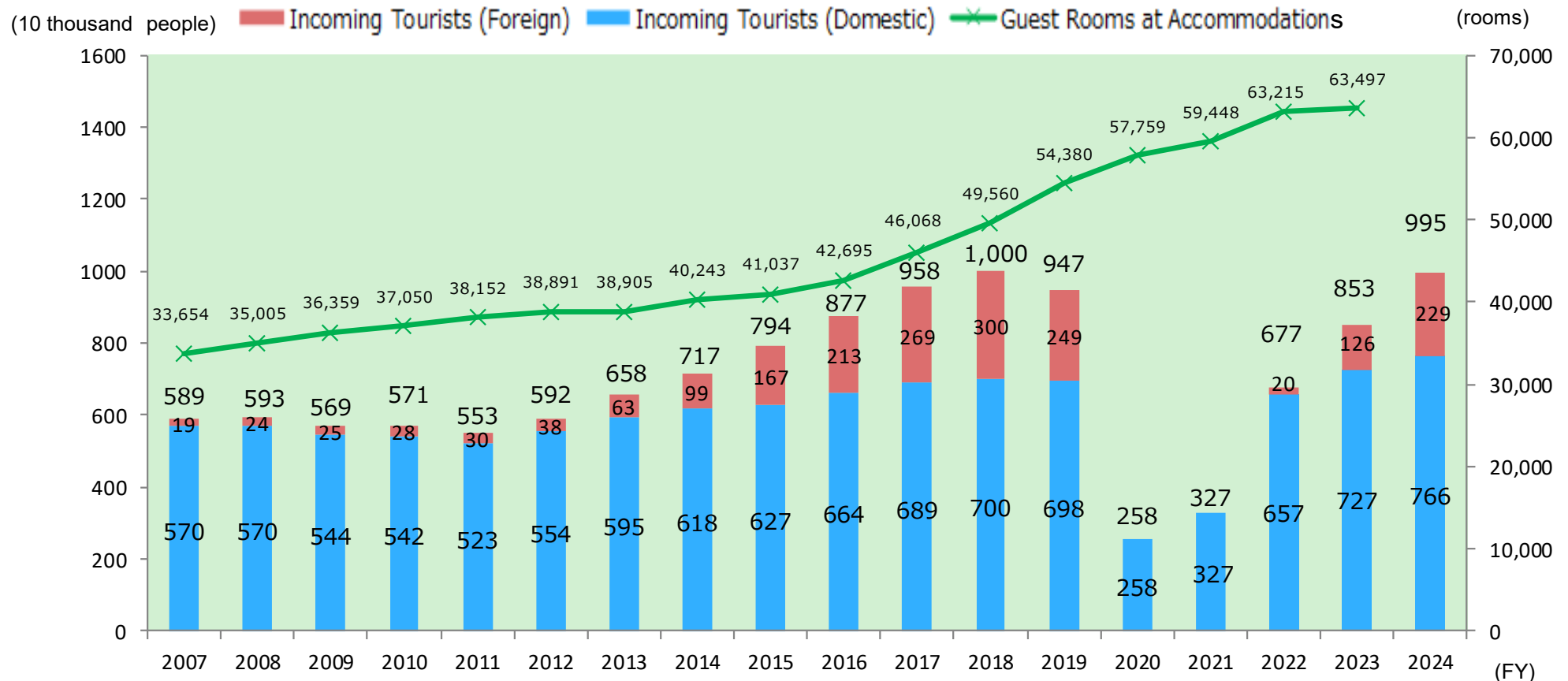
Number of incoming tourists

- 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.
- The number of foreign tourists has shown consistent growth for 30 consecutive months, driven by the resumption of international flights and the sustained robust performance of international cruise ships, and further expansion is anticipated.

*99.5% compared to FY2018 (domestic tourists: 109.4%, foreign tourists: 76.4%)

Reference: The electricity demand of hotels and inns accounts for about 6% of the total in FY2024, which is about 80% more than FY2018 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

Facilities to be Opened, etc.

- The opening of JUNGLIA OKINAWA is scheduled for July 2025 in the Yanbaru area of northern Okinawa. The revitalization of the northern area is expected.
- The restoration of the Shurijo Seiden (Main Hall of Shuri Castle) is scheduled for completion in the fall of 2026. The completion of the restoration is expected to have a significant impact on regional development through increased tourism.

- **Revitalization of the northern part of the main island
(The theme park is scheduled to open on July 25, 2025)**

JUNGLIA OKINAWA encompasses an area of approximately 60 hectares (Tokyo Disneyland: 51 hectares)



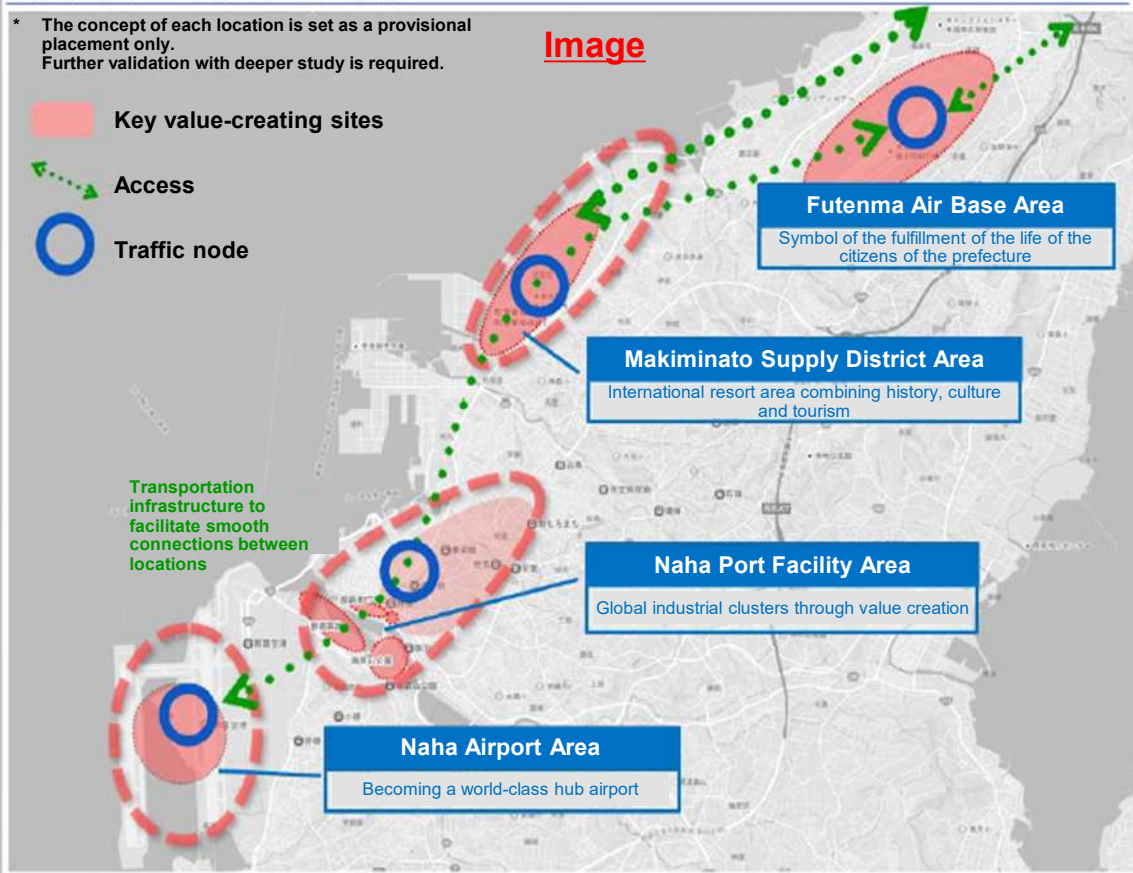
- **The restoration of the Shurijo Seiden, scheduled for completion in fall 2026, is expected to attract an additional influx of tourists**



GW2050 PROJECTS (1/2)

- The "GW2050 PROJECTS Promotion Council" (hereinafter referred to as the "Promotion Council") was established under the leadership of the private sector in cooperation with various economic organizations and related local governments in the prefecture, with the aim of realizing the future vision of Naha Airport as an "Open Gateway to the World" through the integrated use of the former base return site and functional enhancement of the airport. (August 13, 2024)
- The Promotion Council will conduct research and study in order to strengthen Okinawa's international competitiveness and sustainable development by taking advantage of the potential for extensive, areal development from cleared land in the area scheduled for base return from Naha Airport to Futenma Air Base.

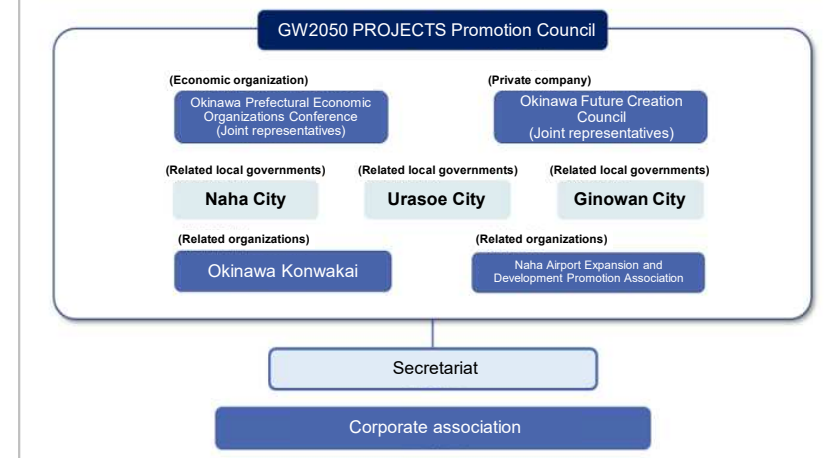
Overall picture of key value-creating sites



GW2050 PROJECTS promotion structure

- GW2050 PROJECTS Promotion Council
 - Led by the private sector, with cooperation from various economic organizations and related local governments in the prefecture. In addition, a "corporate association" consisting of seven companies in the prefecture will support the operation.
 - Okinawa Electric Power Company participates as one of the companies in the corporate association.

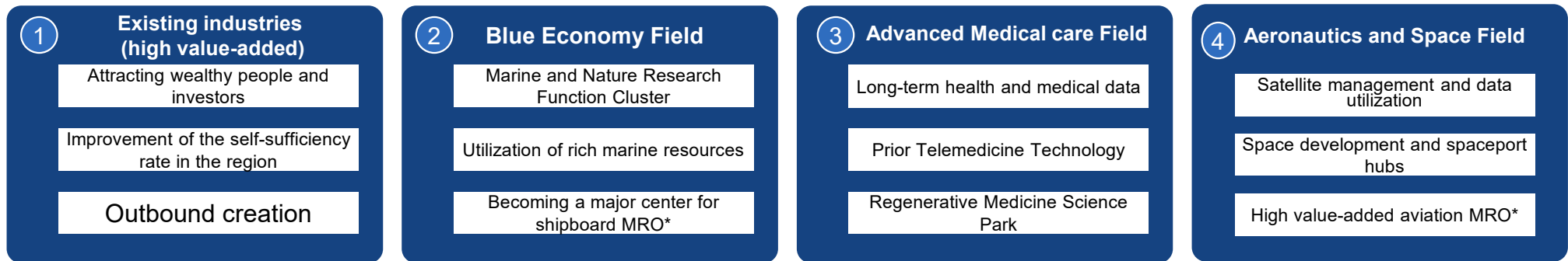
GW2050 PROJECTS promotion structure



GW2050 PROJECTS (2/2)

- The “GW2050 PROJECTS” Promotion Council has compiled a grand design that outlines the overall picture of growth industries to be addressed and the gross prefectural domestic product in 2050.
- The council aims to achieve sustainable growth in four key industries: high value-added tourism, the blue economy, advanced medical care field, and aeronautics and space field.

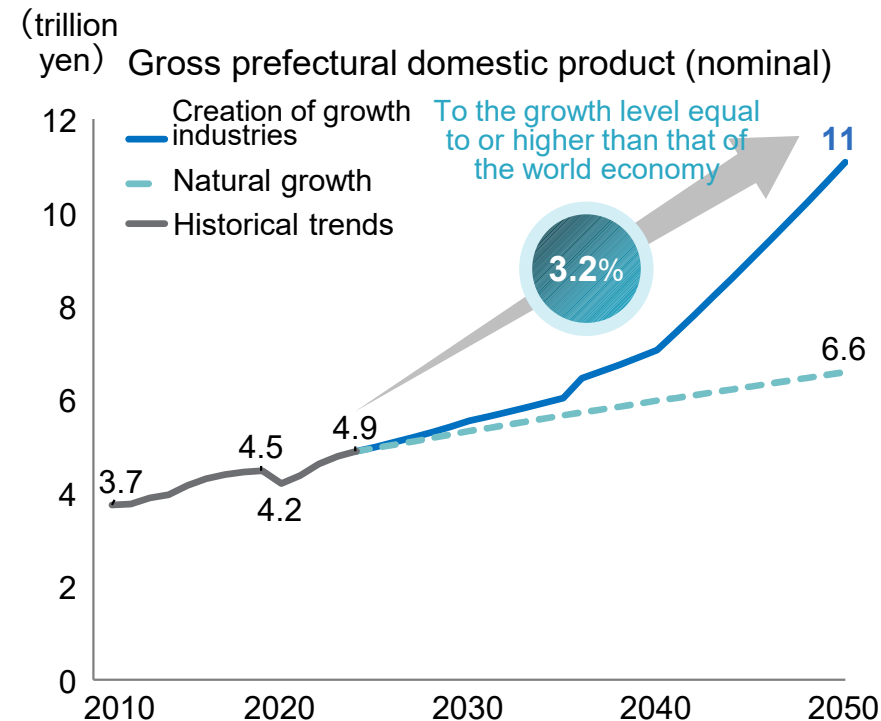
[Outline of the Grand Design]



* Maintenance, Repair and Overhaul

[Outcomes in 2050]

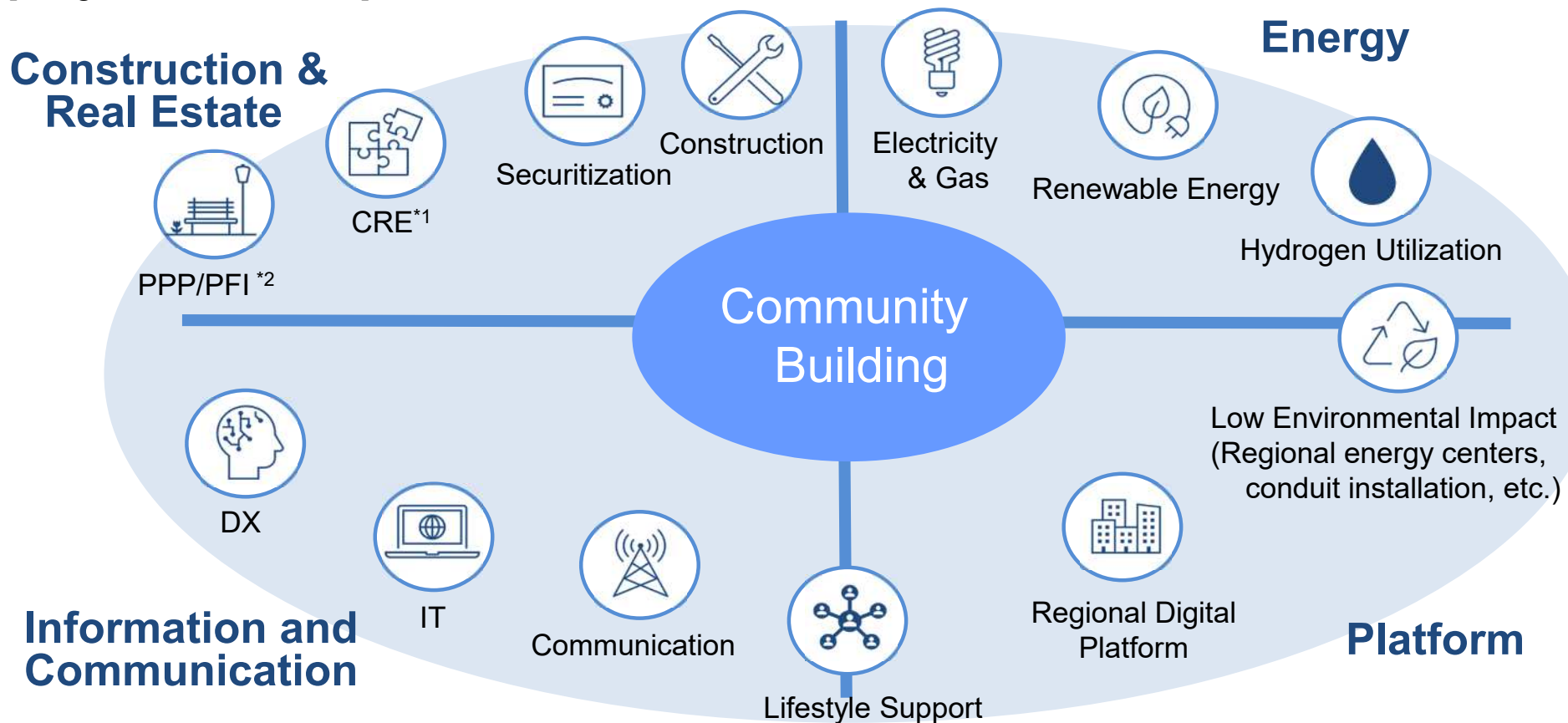
	Year 2024	Year 2050
Gross prefectural domestic product (nominal)	4.9 trillion yen	11 trillion yen
Number of persons employed	770,000 people	930,000 people
Total population	1,470,000 people	1,670,000 people
Per capita prefectural income	2,540,000 yen	6,240,000 yen



Group Business Initiatives in Construction and Real Estate Area

- Through urban development, we will work to maximize synergies among our Group businesses, including energy, construction, real estate, and telecommunications. Additionally, in conjunction with the current initiative “GW2050 PROJECTS,” we will work on an urban development project leveraging the potential of the vast 800 hectares of cleared land resulting from the base’s return.
- In addition, as we work towards achieving carbon neutrality, we will further leverage the Group's strengths by utilizing hydrogen, introducing renewable energy, and constructing regional energy centers and pipelines using natural gas at airports and former military base sites.

[Image of the Initiatives]



*1 Effective use of corporate real estate

*2 PPP: A Public Private Partnership, a collaboration between the government and the private sector to provide public services
PFI: A Private Finance Initiative, a method of promoting public works in an efficient and effective manner by leveraging private funds, management capabilities, and technological resources, etc.

Initiatives to Achieve Carbon Neutrality: Examples of Initiatives

Example : Demonstration Project to Expand the Introduction of Renewable Energy on Hateruma Island (FY2025 - FY2027)

- OEPC, Okidenko, NEXTEMS, and Ishigakijima Mirai Energy are planning a demonstration project* to expand the introduction of renewable energy on Hateruma Island.
- Through the project, we will develop the technologies essential **to achieve 100% renewable energy in small remote islands**. It will also assess and verify the operational results and expand the project to other remote islands, etc.

* The project is expected to utilize the Cabinet Office's "FY2025 Subsidy for the Okinawa Clean Energy Introduction and Promotion Demonstration Project."

■ Year 2020

Continuous supply of electricity on Hateruma Island for **about 10 days with 100% renewable energy** (Tilttable wind power generation + MG set + grid stabilizer)



■ FY2025 - FY2027(Demonstration period)

Construct renewable energy, storage batteries, EMS (grid side and demand side), etc., and combine with existing diesel and MG sets **to maximize the annual renewable energy rate**.



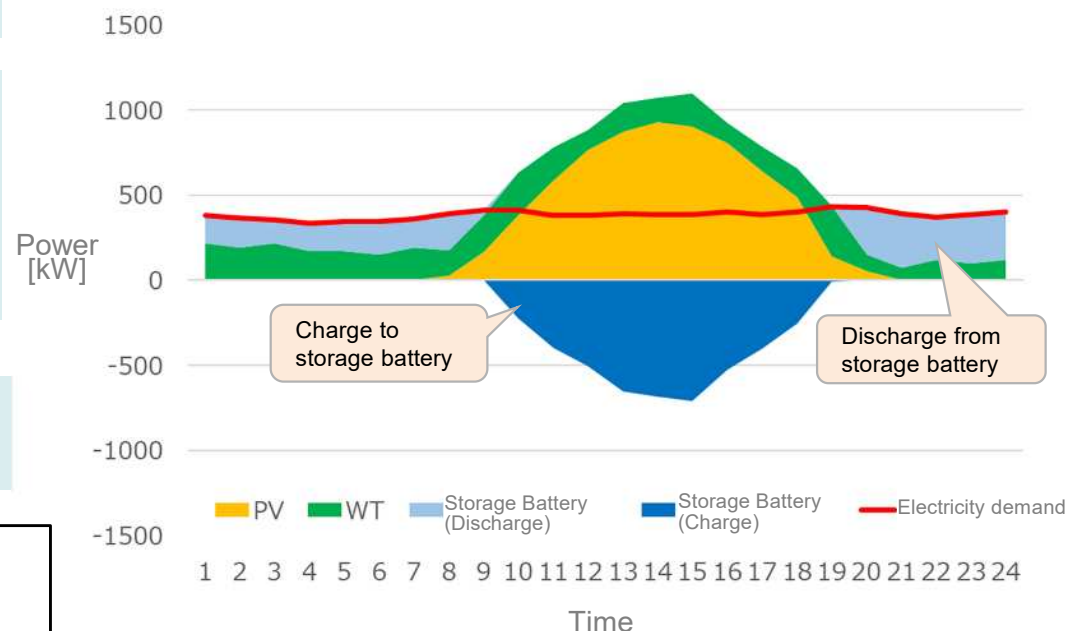
■ In the future

Aiming for **100% renewable energy** in small remote islands.

Outline of Hateruma Island

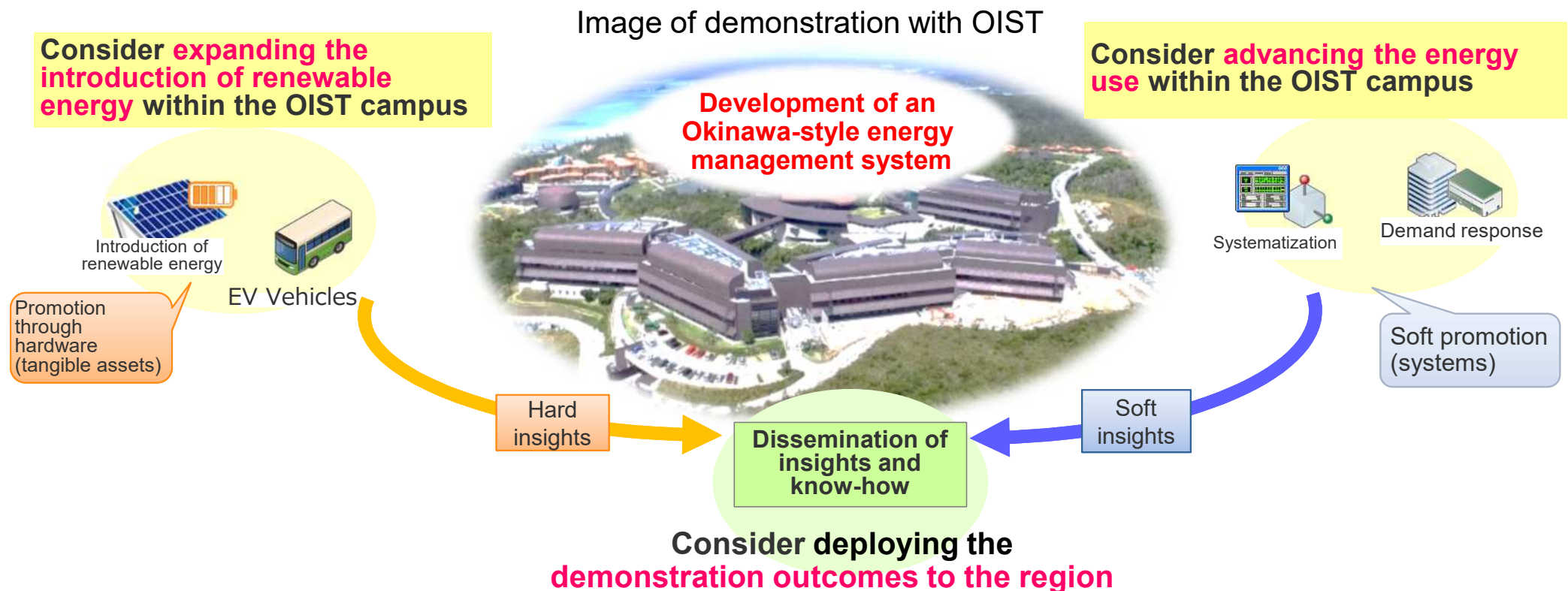
- Population approx. 450, households approx. 250
- Electricity demand 4,291 MWh/year (FY2024 actual)
- Max power 946 kW (July 2020)
- Existing facilities Diesel: 2 x 150 kW, 2 x 300 kW, 1 x 350 kW (total)1,250 kW
MG set 300 W, Tilttable wind power generation 245kW x 2 units

■ Image of 100% renewable energy rate operation



Example: A joint demonstration with the Okinawa Institute of Science and Technology Graduate University (OIST)

- In accordance with the memorandum of understanding on promoting collaboration with OIST (signed in March 2024), OIST, which fosters international, interdisciplinary, and cutting-edge research and educational activities, and the Company, which has knowledge and expertise cultivated through its energy business, are collaborating to realize a decarbonized and sustainable society by leveraging each other's strengths.
- Starting in FY2025, we will expand the introduction of renewable energy on the OIST campus and conduct demonstration research on energy efficiency, with the goal of developing an energy management system that will benefit Okinawan society.



Example: Solar power generation

[PV-TPO Business]

- Of the approximately 610 contracts signed for the residential-use “KarE-roof” system (approx. 3,360 kW), services have commenced for approximately 510 contracts (approx. 2,820 kW).
- Of the 53 contracts signed with business customers (4,134 kW), services have commenced for 35 contracts (2,950 kW).

[Demonstration research and consideration of implementation]

- Demonstration research has begun on film-type perovskite solar cells, which can be installed in various locations due to their bendable characteristics.
- Due to the limited land area of the prefecture, the possibility of using water surfaces as a new installation site for floating solar power generation is being considered.

Case Example 1 Free installation service of solar + storage battery (PV-TPO Business)



The City Hall of Nanjo (operation started in December 2024: Nanjo City)

- Solar power generator: 105 kW
- Estimated CO₂ reduction: 138 t/year
(equivalent to 16,000 cedar trees)

Case Example 2 Start of a small-scale demonstration research project on film-type perovskite solar cells



- A demonstration research commenced in March 2025 and is expected to last approximately one year. The objective of the study is to assess the weather resistance to typhoons and salt damage unique to Okinawa. (This will be the first demonstration of film-type perovskite in the prefecture)

Case Example 3 Consideration of floating solar power generation utilizing reservoirs, etc.



- We are exploring the potential for a power generation system that utilizes solar panels installed on the water surface using a floating frame, known as a “float,” for agricultural reservoirs and other applications.

Group Business Initiatives in Extraterritorial and Overseas Area

Establishment of a local corporation in the Republic of Palau and the expansion of PV-TPO business

- In order to expand our business scope from consulting to power generation, operation, and maintenance, and to further strengthen the Company's top line by developing overseas business, we established “OKIDEN PACIFIC ISLANDS CORPORATION” in Palau, our Group's first overseas local company.
- The new company sells electricity from solar power and battery storage at a resort hotel in Palau with the goal of reducing CO2 emissions and fuel costs for its own power generation facilities (diesel generators).
- This initiative will set a precedent for sustainable renewable energy systems in island regions and contribute to the Pacific region's achievement of carbon neutrality goals, through deployment in neighboring regions, including within the country.

About the new company

Name	OKIDEN PACIFIC ISLANDS CORPORATION
Location	Republic of Palau
Representative	Tetsu Yokoda, Representative Director, Executive Vice President of Okinawa Electric Power Company, Inc. and President and CEO of SeED Okinawa LLC
Business Profile	<ul style="list-style-type: none">• Research, analysis, consulting and sales of technology and know-how related to the expansion of renewable energy introduction and grid stabilization, etc.• Planning, design, development, sale, construction, operation and maintenance, etc. of wind power generation, solar power generation and grid stabilization equipment
Capital	US\$1.5 million (planned)
Date of Establishment	March 26, 2025
Investment	Wholly-owned subsidiary of Okinawa Electric Power Company

A panoramic view of the Palau Pacific Resort



Business Overview

Target Location	On the premises of Palau Pacific Resort is a resort hotel with 172 rooms, the largest in the country, which is owned and operated by the Tokyu Land Group
Installed facilities	Solar power generator : DC 668 kW / AC 400 kW Storage battery facility: Output 100 kW / Capacity 300 kWh
Schedule	Commencement of operations planned in FY2025