Management Overview

May 2025

The Okinawa Electric Power Company, Inc.

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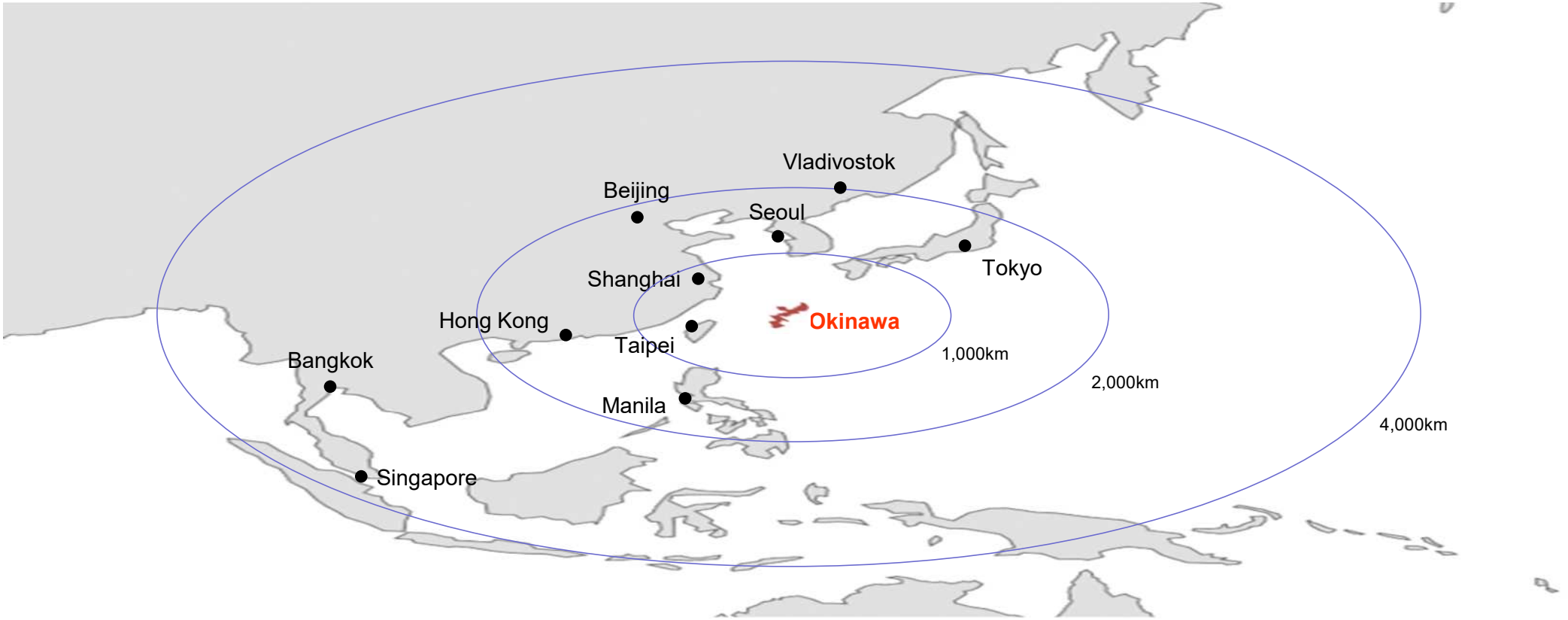
Overview of Okinawa Prefecture



Basic Data

Population:	1,467,273
No. of Households	653,899
Area	2,282 ㎢
Climate	Subtropical / Oceanic
Location	26°12N 127°41E
Prefectural GDP	¥4,323billion
Tourism Revenue	¥850.7billion

◇ Many islands are dotted over a sea area lying about 1,000 kilometers east and west and about 400 kilometers north and south.

◇ Okinawa has attracted attention for its advantages and potentials.
- Geographical characteristics as being located in the center of East Asia.
- The highest birth rate in Japan.
- Rich nature and mild climate.

◇ Making good use of such advantages and potentials, initiatives are underway
- Promotion of tourism.
- Clustering of international logistics industry.

Population, No. of Households as of March 1, 2025
Area as of January 1, 2025
Prefectural GDP as of Estimated results FY 2023
Tourism Revenue as of Estimated results FY 2023 (Source: Okinawa Prefecture, Geographical Survey Institute)

Corporate Overview of OEPC

- The Okinawa Electric Power Company (OEPC) supplies electricity to 38 inhabited islands including Okinawa main island.
- OEPC maintains 11 isolated systems that are not connected with the transmission lines of other power companies.
- OEPC has no nuclear and hydroelectric power plants and depends on fossil fuels for its power supply.

Established	May 15, 1972
Capital	¥7,586 million
Total assets	¥459.474 billion (Non-consolidated) ¥500.411 billion (Consolidated)
Employees	1,503 (Consolidated：3,128)

Security code	9511
Service area	Okinawa Prefecture
Generating facilities	Steam-power generators 5 locations 1,629 thousand kW (Oil 2 locations 375 thousand kW) (Coal 2 locations 752 thousand kW) (LNG 1 locations 502 thousand kW) Gas turbine generators 5 locations 326 thousand kW Internal-combustion power generators 13 locations 253 thousand kW Wind power generators 5 locations 2 thousand kW Total 2,210 thousand kW

(as of March 31, 2025)

Ratings

Rating agency	R&I	S&P	Moody's
Rating	AA	A＋	A1

- Ratings on long-term preferred debts as of April 30, 2025

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)

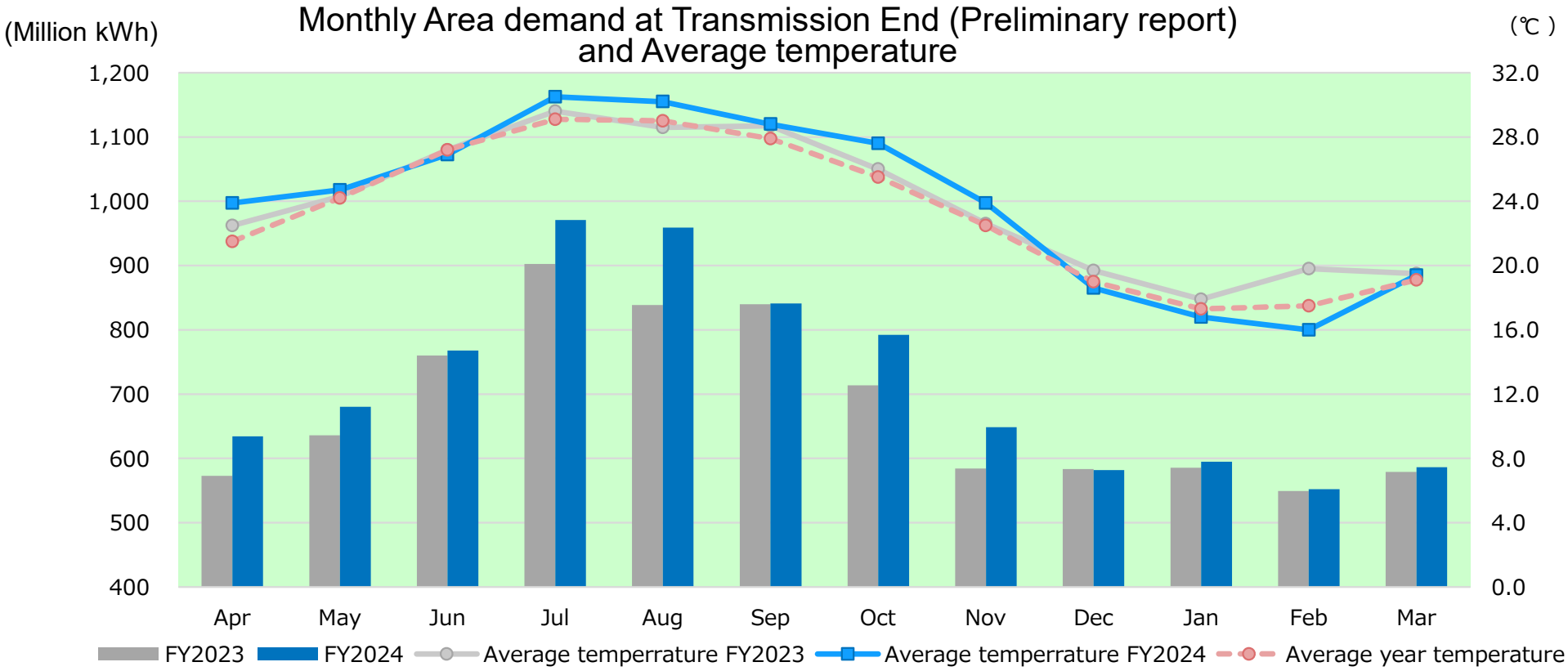
【Revenue】

- 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.

Electric Energy Demand (Results) (1/2)



Monthly Area demand at Transmission End (Preliminary report)

(Million kWh,%)

	Apr	May	Jun	Jul	Aug	Sep	1st Half	Oct	Nov	Dec	Jan	Feb	Mar	2nd Half	FY
FY2024	634	680	768	971	959	841	4,853	792	648	582	595	552	586	3,755	8,609
FY2023	573	636	760	903	838	840	4,550	714	584	583	585	549	579	3,595	8,144
Rate of Change	+ 10.7	+ 7.0	+ 1.0	+ 7.5	+ 14.4	+ 0.2	+ 6.7	+ 11.0	+ 11.0	- 0.2	+ 1.6	+ 0.5	+ 1.2	+ 4.5	+ 5.7

Average temperature

(℃)

	Apr	May	Jun	Jul	Aug	Sep	1st Half	Oct	Nov	Dec	Jan	Feb	Mar	2nd Half	FY
FY2024	23.9	24.7	26.9	30.5	30.2	28.8	27.5	27.6	23.9	18.6	16.8	16.0	19.4	20.4	23.9
FY2023	22.5	24.3	27.2	29.6	28.6	28.7	26.8	26.0	22.6	19.7	17.9	19.8	19.5	20.8	23.8
Rate of Change	21.5	24.2	27.2	29.1	29.0	27.9	26.5	25.5	22.5	19.0	17.3	17.5	19.1	20.2	23.3

* Climatological Normal is observed data from 1991 to 2020.

Trends in Electricity Sales Volume （2/2）

Electricity Sales Volume

(Unit: million kWh, %)

	FY2023 (Results)	FY2024 (Results)	Change	Rate of Change
Lighting	2,714	2,963	+249	+9.1
Power	4,251	4,378	+127	+3.0
Total	6,965	7,341	+376	+5.4

【Reference】Power Generated and Received

(Unit: million kWh)

		FY2023		FY2024		Change	Rate of Change
		Electricity generated	Com-position ratio	Electricity generated	Com-position ratio		
OEPC	Coal	2,470	34.2%	3,167	41.5%	+697	+28.2%
OEPC	Oil	1,016	14.1%	805	10.6%	-211	-20.8%
OEPC	LNG	1,981	27.5%	1,824	23.9%	-157	-7.9%
OEPC	Total	5,467	75.8%	5,796	76.0%	+329	+6.0%
Other		1,748	24.2%	1,833	24.0%	+85	+4.9%
Total		7,215	100.0%	7,629	100.0%	+414	+5.7%

<Lighting>

The demand for Lighting increased compared with Year-on-Year due to the higher temperature in summer compared with previous year.

<Power >

The demand for Power increased compared with Year-on-Year due to the higher temperature in summer compared with previous year and due to increase in demand from the water industry.

<Power Generated and Received>

- Power generated and received was 7,629 million kWh, up by 5.7%. *
- Electricity generated of OEPC's Coal-fired thermal power was up by 28.2%. *
- Electricity generated of OEPC's Oil-fired thermal power was down by 20.8%. *
- Electricity generated of OEPC's LNG-fired thermal power was down by 7.9%. *

*Comparison with the previous year.

Electric Energy Demand (FY2025 and Long-term Outlook)

Electricity sales volume (FY2025 Outlook)

(Unit : million kWh, %)

	FY2024 Results	FY2025 Forecasts	YoY Rate of Change
Lighting	2,963	2,768	-6.6
Power	4,378	4,284	-2.2
Total	7,341	7,051	-3.9

* Total may not add up due to fraction processing.

Electricity sales volume (Long-term Outlook)

(Unit:million kWh, %)

	FY2013 Results	FY2023 Results	FY2034 Forecasts	2013-2023 Annual average growth rate	2023-2034 Annual average growth rate
Lighting	2,955	2,715	2,870	-0.8 (-0.9)	0.5(0.6)
Power	4,601	4,250	4,319	-0.8 (-0.8)	0.1 (0.3)
Total	7,556	6,965	7,188	-0.8 (-0.8)	0.3 (0.4)

* Adjusted for the influence of temperature and leap year.

The demand for Electric Power in Okinawa area

(Unit:million kWh, %)

	Results		Forecasts	Average rate of Increase or decrease
	2013	2023	2034	2023-2034
Okinawa	7,467	7,622	8,249	+0.7
Japan	859,433	803,579	852,438	+0.5

(Electric Lighting)

Due to a decline in demand in response to the previous fiscal year's high temperatures, it is expected to go below the previous fiscal year
(Year-on-year growth: -6.6%)

(Electricity)

Due to a decline in demand in response to the previous fiscal year's high temperatures, it is expected to go below the previous fiscal year
(Year-on-year growth rate: -2.2%)

(Total)

Based on the above, with a total of 7.051 billion kWh, it is expected to go below the previous fiscal year (year-on-year growth: -3.9%)

(Electric Lighting)

Although there may be some impact from contract switches to other providers, a demand is expected to rise due to an increase in the number of households
(Annual average growth following the adjustment of the temperature and leap year: 0.6%)

(Electricity)

Although there may be some impact from contract switches to other providers, an increase in commercial and accommodation facilities is expected due to a rise in tourist numbers. Therefore, a demand is expected to hover
(Annual average growth following the adjustment of the temperature and leap year : 0.3%)

(Total)

Based on the above, the total is estimated to be 7.188 billion kWh
(Annual average growth rate following the adjustment of the temperature and leap year : 0.4%)

Capital Expenditures Plan

- The Company has made it a plan to strive to reduce facility-related total costs and simultaneously, maintain and build appropriate and efficient facilities steadily, based on the premise that the stable supply of electricity is ensured.
- Capital investment in FY2024 was 34.3 billion yen, including replacement of aging facilities and responding to supply reliability.
- Regarding supply facilities, it plans to make appropriate future capital investment to renew aging facilities and upgrade to the next-generation electric power networks.

Trends in the Capital Investment Amount

(Unit: 100million yen)

By facilities \ FY		2022	2023	2024	2025
		Results（Plan）	Results（Plan）	Results（Plan）	（Plan）
Power sources		180 (195)	147 (187)	124 (146)	(128)
Supply facilities	Transmission	81 (117)	76 (91)	71 (94)	(154)
	Transformation	35 (45)	37 (55)	51 (56)	(32)
	Distribution	54 (84)	62 (78)	87 (101)	(89)
	Subtotal	171 (247)	177 (225)	210 (250)	(276)
Others		34 (44)	31 (33)	8 (15)	(12)
Total		386 (485)	356 (445)	343 (411)	(416)

* Total may not add up due to fraction processing.

[Major Projects in Capital Investments in FY 2025]

Power sources:

The Miyako Second Power Plant: Installation of the new supply battery storage facility
Responding to aging of Kin Thermal Power Plant

Supply facilities:

Responding to supply reliability
Replacement of aging facilities
Responding to increasing demand
Responding to shortened power outage time

Business environment and challenges

Item	Overview and Challenges
Sales	■ The demand for Electric Power in Okinawa area will increase, but the rate of its increase has been slowing down. ■ The number of tourists is recovering, and the number of households will continue increasing. ■ The entry of power producer and supplier has advanced competition. ■ Challenges will be sales expansion of electricity and gas.
Profitability	■ The excess upper limit of the fuel cost adjustment system was solved by the price revision in Electric business. ■ Improving profitability remains a key challenge. ■ Addressing the pressing issue of rising prices is of the utmost importance.
CF	■ Capital investment will increase due to the implementation of the Mid-Term Management Plan. ■ While there is no plan for large-scale power source development in the immediate future, investment in renewal of distribution facilities, etc. will continue.
Capital composition	■ Capital adequacy ratio significantly lower than previous levels due to significant losses in FY2022. ■ A recovery period has been established until FY 2025, with the goal of restoring the financial base.

The OEPC Group Vision: Basic Management Stance

What the OEPC Group Aims To Be

With our comprehensive energy business as the core, we aim to create new value through services to support both corporate and individual customers and as a business group with a sense of solidary, growing and developing hand-in-hand with the community, will contribute to the realization of a sustainable society.

Basic Management Stance

(1) Strive to provide a stable supply of energy

(2) Aggressively take on carbon neutrality

(3) Meet the diverse needs of our customers and do our utmost to enhance customer satisfaction

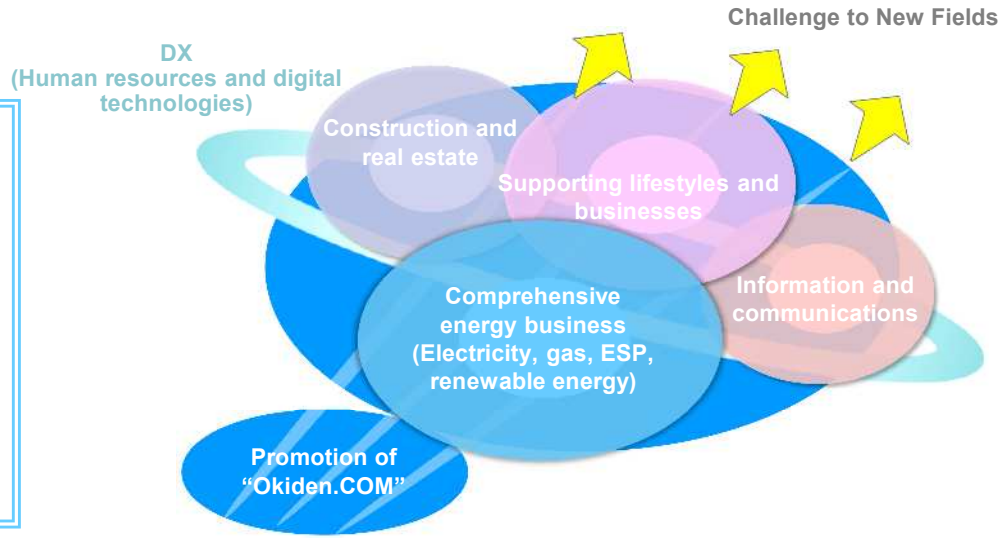
(4) Fulfill social responsibility as a good corporate citizen of local communities

(5) Nurture and value people

(6) Achieve sustainable growth through proactive business development and continually enhancing management efficiency

Business Fields

- With comprehensive energy business at its core, the OEPC Group will expand its business fields by further developing businesses in construction and real estate, information and communications, and support for lifestyles and businesses.
- We will also leverage the strengths of the OEPC Group to develop new businesses.



Direction of Initiatives in the Medium-Term Management Plan: Direction of Initiatives to Realize What the OEPC Group Aims To Be

- To realize what the OEPC Group aims to be, under the concept of "Okiden.COM," we will promote the "expansion of the topline," "proactive streamlining" and "challenge to become carbon neutral," to provide customers with energy and new extra value.

What the OEPC Group Aims To Be

Creating new value

Main directions

Expansion of the topline	Proactive streamlining	Challenge to become carbon neutral

Okiden.COM

Convert Digitalization | Optimize Optimization | Make Value creation

[Concept of 'Okiden.COM']

Convert (Digitalization):
"Give it a try and change"
- ✓ Promote DX and review business processes to transform cost structures, sophisticate operations, and further improve efficiency

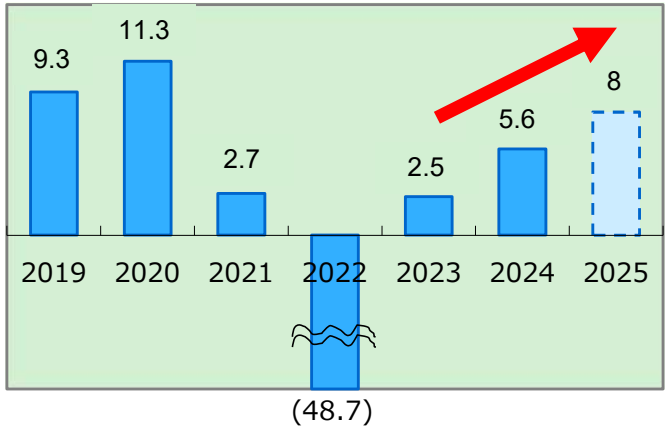
Optimize (Optimization)
"Connect and be connected"
- ✓ Strengthen and further optimize business collaboration within and outside the Group from a broad perspective of the entire supply chain

Make (Value creation)
"Creating value"
- ✓ Aim to create new value and enhance competitiveness under the concept of "Okiden.COM"

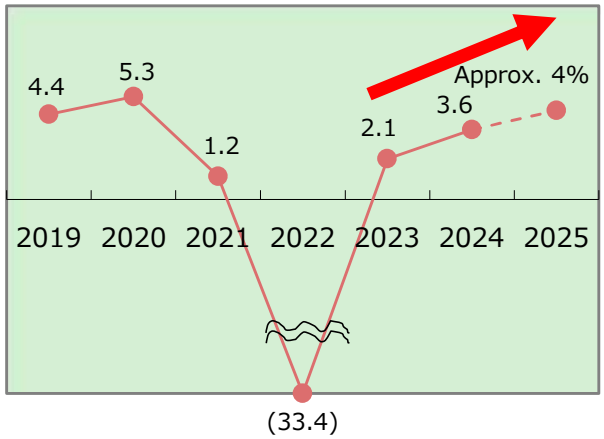
Progress on Financial Targets

- 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.

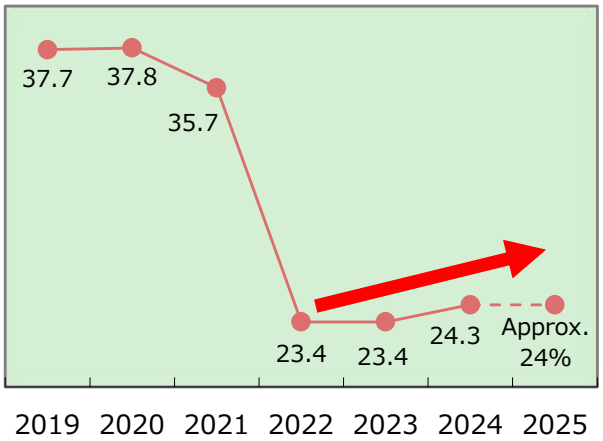
[Ordinary income (12 billion yen or more)]



[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.”**

New “Challenge”

Ultra-Proactive streamlining

Okiden PX Project

Transforming procurement activities

Cost optimization

Enhanced productivity

Further skill development

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

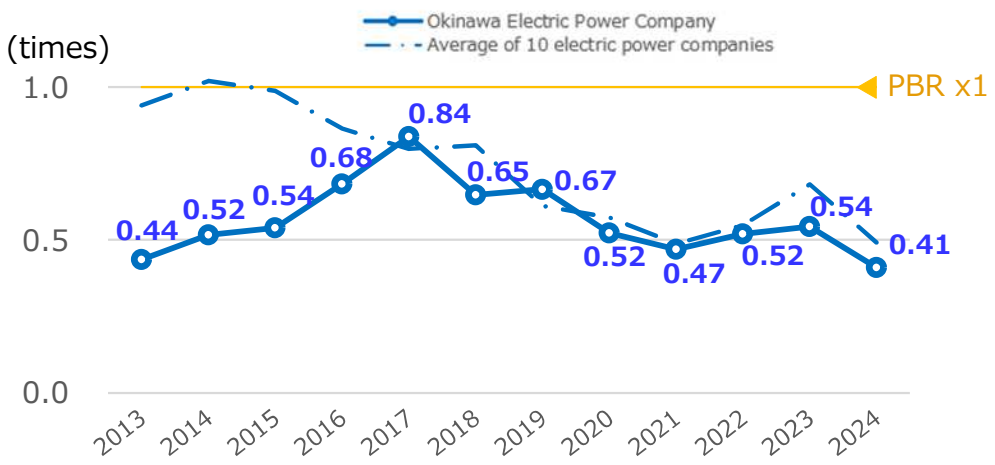
Sustainable growth

Increasing corporate value

Analysis of the Current Situation toward Achieving Cost of Capital and Stock Price Conscious Management

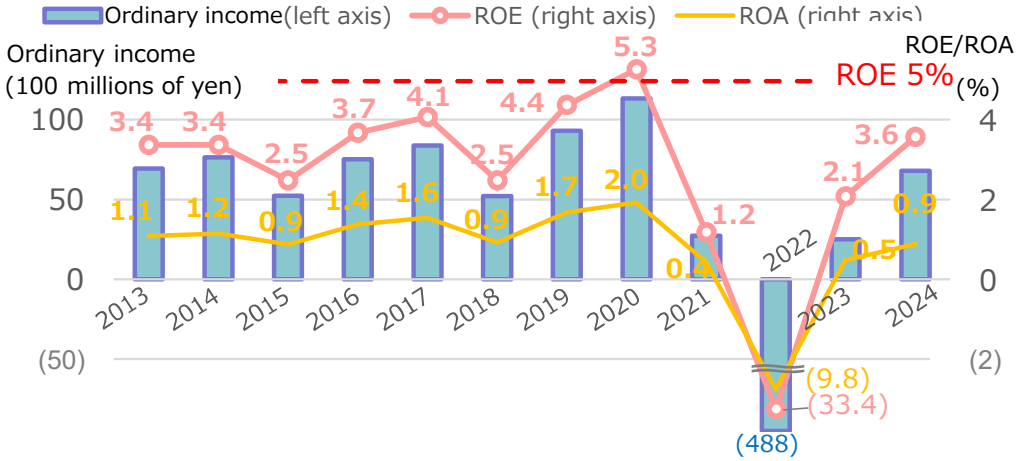
- In January 2025, we launched the “Okiden PX Project” to strengthen our management foundation for “sustainable growth” and “enhancement of corporate value.” The Okiden Group will make a concerted effort to “reform procurement activities,” optimize costs,” “improve productivity,” and “further enhance skills.”
- We will continue to strengthen our efforts to improve capital efficiency, taking into account changes in the external environment and other relevant factors.

[Trends in the Company’s PBR]

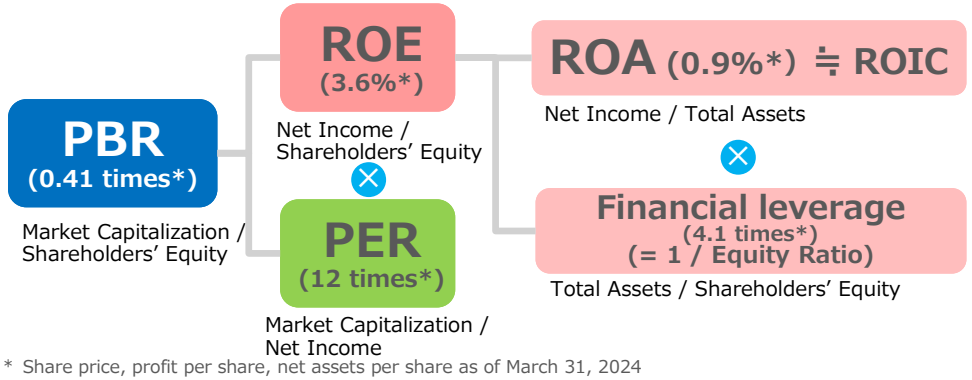


[Trends in PBR Factors (ROE (ROA), PER)]

Trends in ROE/ROA/Ordinary Income

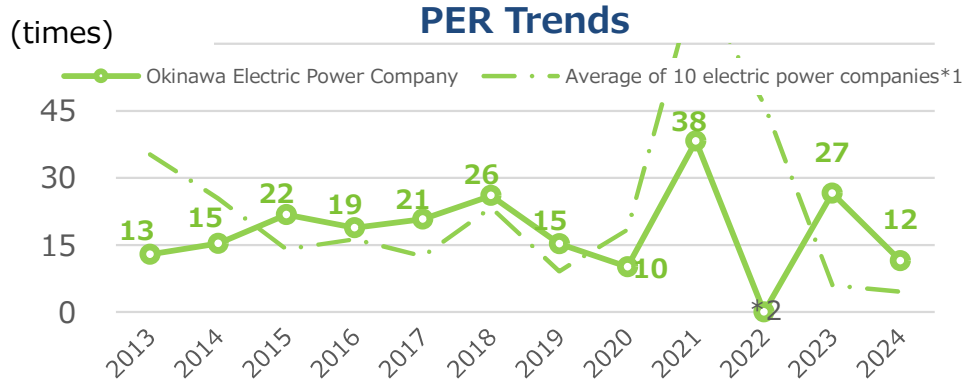


[Breakdown of PBR Factors (the Company’s Current Level*)]



* Share price, profit per share, net assets per share as of March 31, 2024

PER Trends



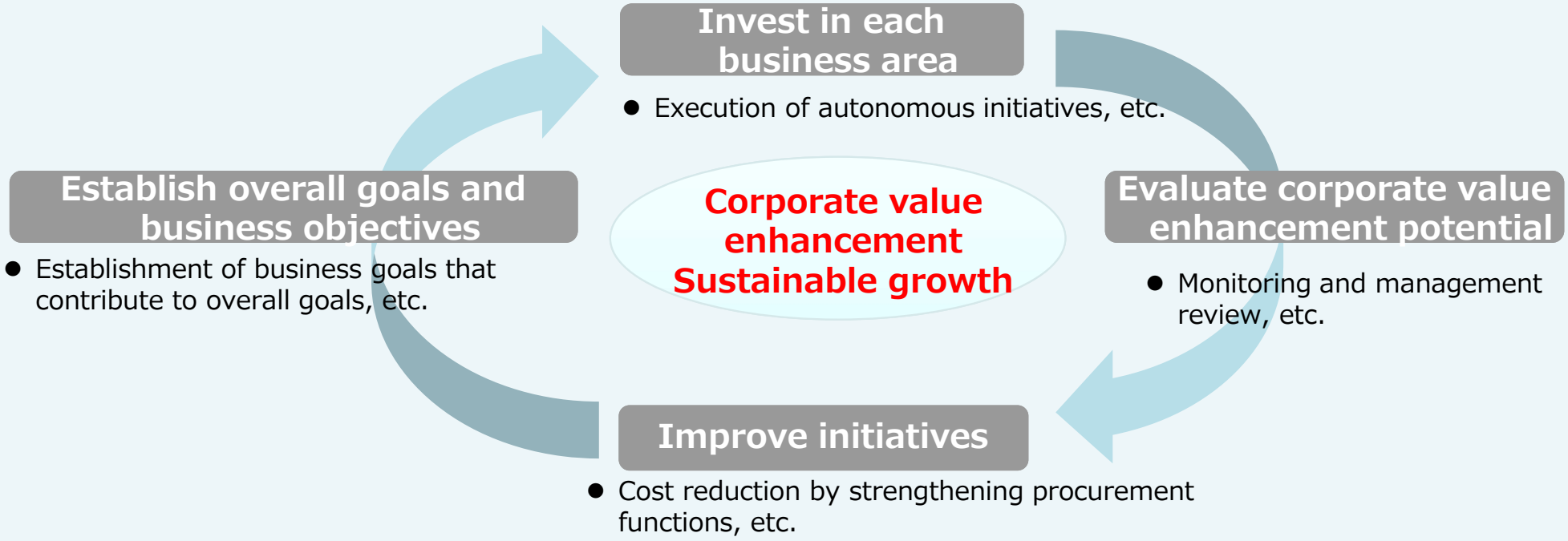
*1 Fiscal years that resulted in losses are not included in the calculation of the 10-company average

*2 Since losses were recorded, the Company’s value for FY2022 is indicated as zero

Examination of Management Methods to Improve Corporate Value

- Given Okinawa's growth potential, we believe that investment in existing and new businesses, including the electricity business to maintain a stable supply, will tend to expand in the future.
- In order to achieve sustainable growth for the entire Group, we will place greater emphasis on the perspective of capital efficiency and manage to increase corporate value (capital efficiency) while ensuring profitability that exceeds the cost of capital as a whole.
- We plans to consider the introduction of ROIC, for example, as a management method to achieve more efficient use of capital. Specific measures will be formulated as part of the next Medium-Term Management Plan.

Examination of Management Methods to Improve Corporate Value (Capital Efficiency)



Immediate Policy on Initiatives for Corporate Value Enhancement and Sustainable Growth

- Our immediate policy is to continue our initiatives to improve capital efficiency and to increase profits in growth and group businesses based on our electric power business.
- Going forward, we will continue to pursue growth potential in each of our businesses and enhance shareholder returns and market dialogue through investor relations activities in order to increase corporate value and achieve sustainable growth.

Goal: Corporate value enhancement and sustainable growth

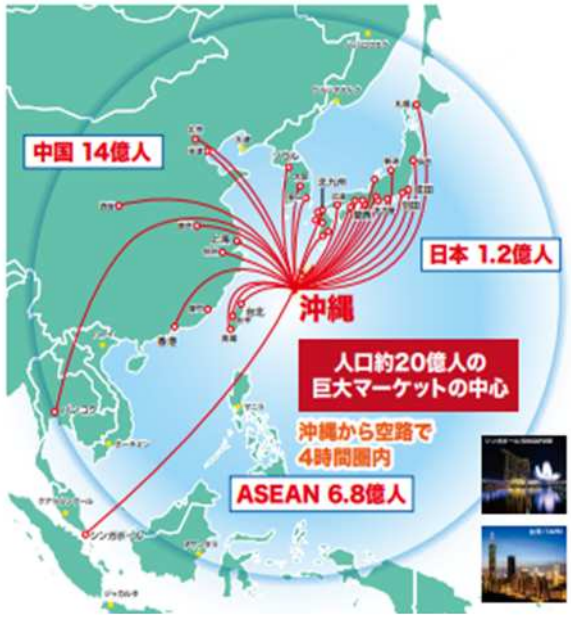
		Issue ⇒ Direction of response		Goals, KPIs, etc.	Major initiatives
ROE improvement	ROA improvement	0.9~2.0% (2013~2021) as trends	●Top line expansion ●Aggressive efficiency ●Improved return on capital	[FY2025] ✦ Consideration of management based on ROIC. [FY2025] ✦ Consolidated ordinary income : 12 billion yen or more * ✦ Consolidated ROE : 5% or more * * Work to promote Ultra-Proactive streamlining and other measures to bring the company closer to its financial targets.	• Provide electricity plus α value (point services, CO_2-free menus, etc.) • Create new value ("karE-roof" × "All electrification" promotion, Mimamori service development, etc.) • Cultivate demand along the gas line through the installation of gas pipelines • Develop business at the Group level (proposals in line with customer needs for comprehensive energy services, energy conservation, etc., promotion of extraterritorial energy business, etc.) • Expand top line by promoting CRE strategy • Initiatives to expand fuel procurement sources • Steady operation, implementation and establishment of VE proposal solicitation program • Fuel and other inventory optimization
	Financial base	Financial base damaged due to large losses recorded Equity capital ratio 35.7%→23.4% (2021) (2022)	●Recovery of financial base ●Optimal capital structure	[FY2025] ✦ Consolidated equity capital ratio: 25% or more *	• Implement profit distribution that strikes a balance between recovery of financial base, investment, and shareholder returns
PER improvement	Improved market valuation	No dividend for the first time since stock listing (FY2022) Developing a probable growth strategy that responds to changes in the environment	●Stable and continuous shareholder returns ●Gaining confidence in future growth and profitability ●Obtaining recognition for initiatives to achieve decarbonization ●Creating basic human resources, maximizing individual capabilities	[-FY2025] ✦ Establishment of recovery period: The dividend level will be raised in stages, taking into account the balance with the recovery of the financial base. [FY2030] ✦ CO_2 emissions reduction: -30% (from FY2005 level) [FY2023-] ✦ Formulation of human resource strategy Set various KPIs with a target year	• Financial results briefing for institutional investors • Individual dialogues on stewardship • Company information sessions for individual investors • Enhancement of various media and explanatory tools • Accelerate initiatives based on Okinawa's future growth potential • Promote roadmap to achieve net-zero CO2 emissions by 2050 • Initiatives for health and safety, health management, diversity, work style, human resource development

Long-Term Growth Potential of Okinawa

- Okinawa's geographical advantage of being located in the center of East Asia is attracting attention as a business base for capturing the huge markets of Asian countries.
- We aim to achieve sustainable growth and development of the OEPC Group along with economic growth that leverages Okinawa's strengths.

Strengths of Okinawa

Okinawa is located in the heart of East Asia



Source: Okinawa Prefecture Industrial Site Guide

- **Restoration of the Shurijo Seiden (Main Hall of Shuri Castle) (Construction to be completed in 2026)**
- **Revitalization of the northern part of the main island (Theme park opening in 2025)**

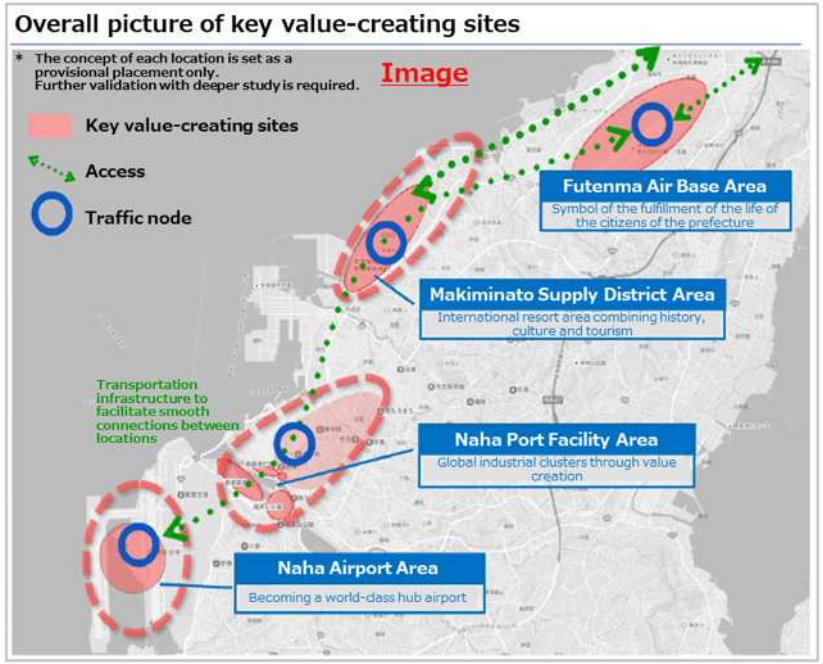
JUNGLIA OKINAWA

Land returned from military bases

As the planned site for the return of military bases south of Kadena Air Base, approximately 1,000 hectares (equivalent to about 20 Tokyo Disneylands) of land is expected to be returned in the future

GW2050 PROJECTS

We will promote the integrated use of the returned military base land and the enhancement of Naha Airport's functions to realize a “gateway to the world” and aim for Okinawa's economic development that truly leads Japan.



Source: Press release material from GW2050 PROJECTS Promotion Council

Sustainable growth and development of the Okiden Group

Tourism

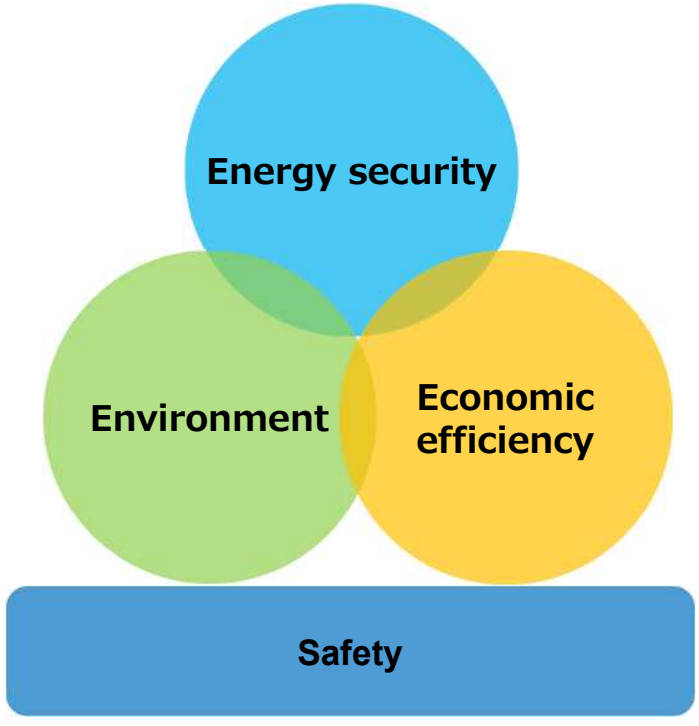
- It is anticipated that the number of inbound tourists will recover to pre-pandemic levels of 10 million per year.
- Cruise ship calls: It is estimated that the number of calls will reach a record high of 658 in FY2025
- The current supply of available hotel rooms is at an all-time high (63,497 rooms in FY2023)
- The number of hotels in Okinawa Prefecture is increasing, with several more openings planned in the future.

Initiatives to Achieve Carbon Neutrality(1/6)

“ Just Transition in the Okinawa area ” FY2030 ambitious target

- Toward zero emissions in 2050, we published "Just Transition in the Okinawa Area" in the 2022 Integrated Report as a unique path that will not have a significant impact on the local economy, taking into account the regional characteristics of the Okinawa area.
- The power source composition of the FY2030 government target of -46% includes renewable energy power sources and nuclear power, which are difficult to develop in the Okinawa area. Existing thermal power sources that can ensure reserve and inertia power are also necessary for a stable supply of electricity.
- In the Okinawa area, where zero-emission power sources are limited, the government‘s target is equivalent to -28% if we assume S+3E and replace it with applicable power sources. From there, we have gone even further and set an ambitious target of -30%* for FY2030.

* Since the previous goal set by the government compared to FY2013 was a 26% reduction (a 25.4% reduction from FY2005), with a goal compared to FY2005 also shown, we have set our goal to be a 26% reduction from FY2005, which is higher than the government’s. As a measure against global warming, our company started co-firing biomass in the Gushikawa Thermal Power Plant in 2010, and introduced the Yoshinoura Thermal Power Plant (LNG) in 2012, which is the main pillar of the measures. Since believe that our efforts will be properly evaluated, we continue to use FY2005 as the base year.



Power Source Configuration under the Sixth Basic Energy Plan			Applicable zero emission power sources	
			Nationwide	Okinawa area
Renewable energy		Approx. 36-38%		
	Hydropower	Approx. 11%	○	×
	Wind	Approx. 5%	○	×
	Photovoltaic	Approx. 14-16%	○	○
	Geothermal	Approx. 1%	○	×
	Biomass	Approx. 5%	○	○
Nuclear		Approx. 20-22%	○	×
Hydrogen		Approx. 1%	○	○
Ammonia			○	○
Thermal		Approx. 41%		
	LNG	Approx. 20%		
	Coal	Approx. 19%		
	Heavy oil	Approx. 2%		
Total		100%	Approx. 57-61%	Approx. 20-22%

Initiatives to Achieve Carbon Neutrality(2/6)

Issues and the state of initiatives to achieve carbon neutrality

- We are diligently taking various measures and initiatives, while there are issues specific to the Okinawa area due to structural disadvantages, and those to achieve “Mainstreaming of renewable energy” and “Reducing CO2 emissions from thermal power plants.”

Structural disadvantages in the Okinawa area

- Geographical, topographical, and **demand scale constraints** compel reliance on fossil fuels

☞ Management Reference Materials p.22

- It is necessary to have **a high supply reserve capacity** because it is not connected to the mainland power system and is outside the framework of wide-area grid interconnection

☞ Management Reference Materials p.21

- Large area of ocean dotted with islands and **a large percentage of demand is from remote islands**

☞ Management Reference Materials p.28

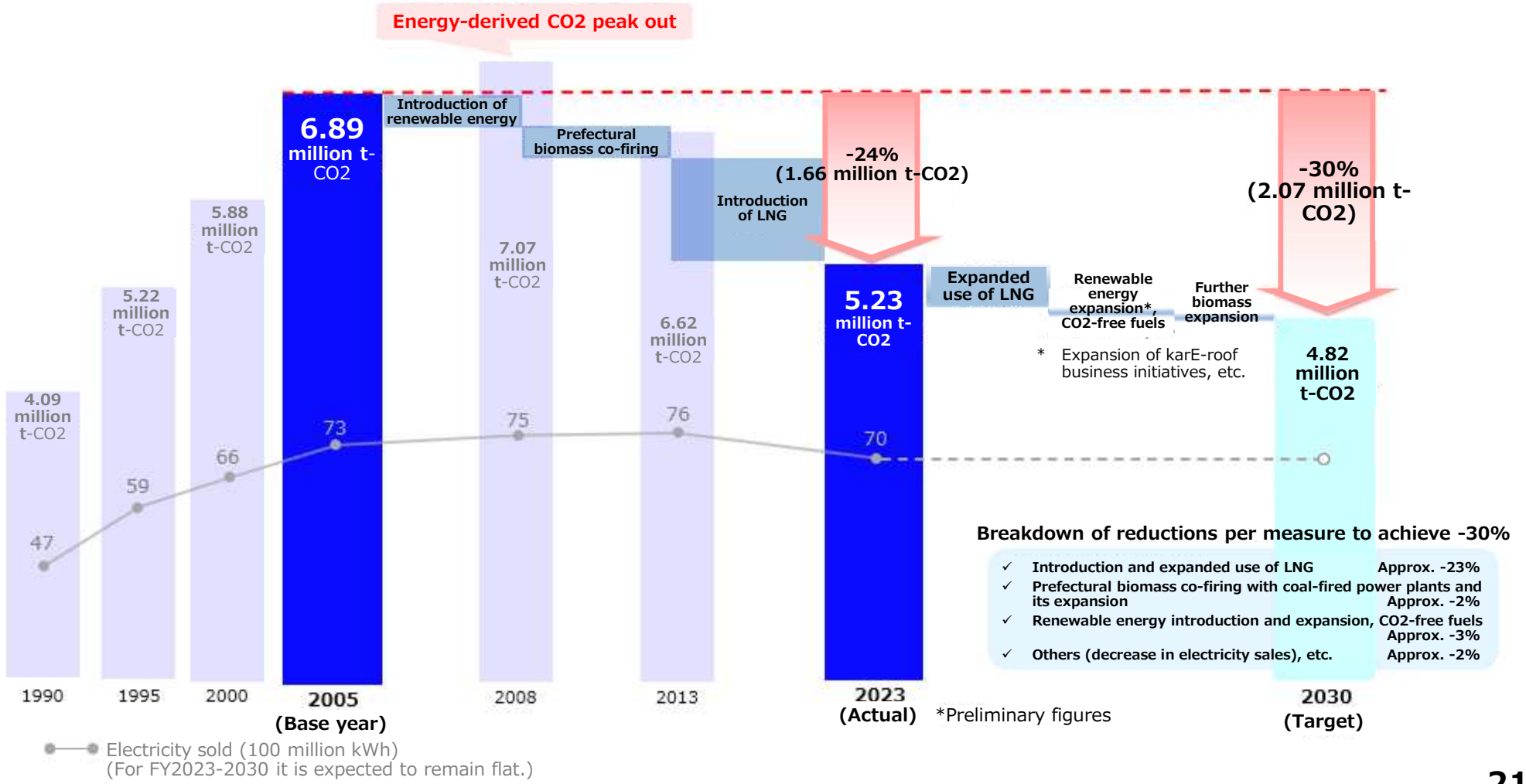
Issues to achieve carbon neutrality

- **Limited options for decarbonized power sources** that can be introduced at the moment
- To achieve both stable supply and decarbonization **with the resources of the Okinawa region alone**, thermal power sources that can ensure supply, coordination, and inertia are also needed,**requiring investment in decarbonizing more thermal power** than on the mainland
- **Decarbonization needs to be aimed for** through a fair transition based on regional characteristics, as it is necessary to take into account economic feasibility **to avoid significant impacts on the local economy (which has different time horizon from the mainland)**

Initiatives to Achieve Carbon Neutrality(3/6)

- Since the base year of FY2005, we has reduced its emissions by 24% by FY2023 through the co-firing of prefectural biomass and the introduction of LNG-fired power plants, which is the pillar of its countermeasures.
- Aiming to achieve a reduction of 30% in FY2030 (compared to FY2005) announced as a goal based on the “Just Transition in the Okinawa Area,” we will continue speeding up the initiatives for the various carbon neutral measures indicated in our roadmap.

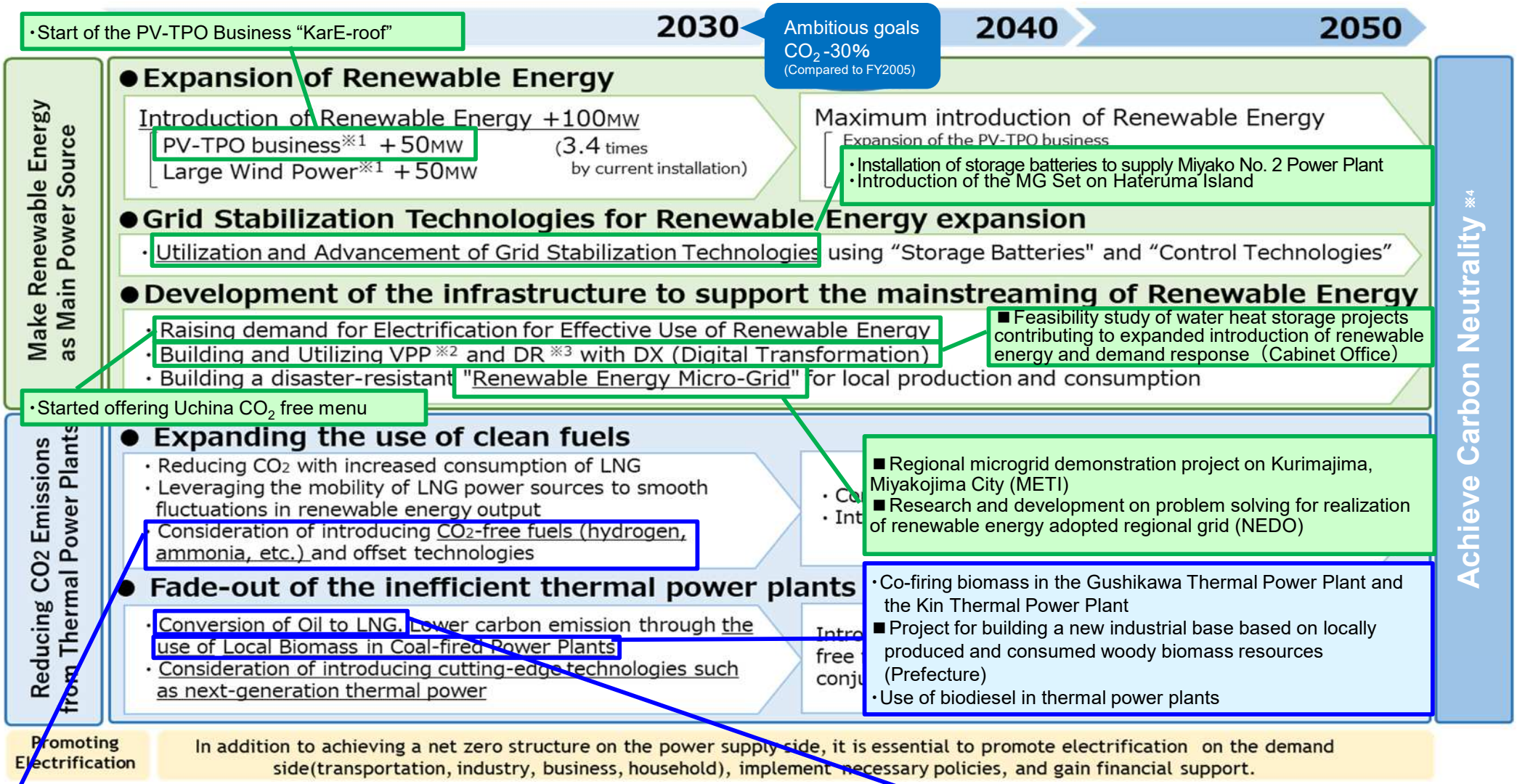
■ Progress and outlook of major measures toward CO2 reduction targets



Initiatives to Achieve Carbon Neutrality(4/6)

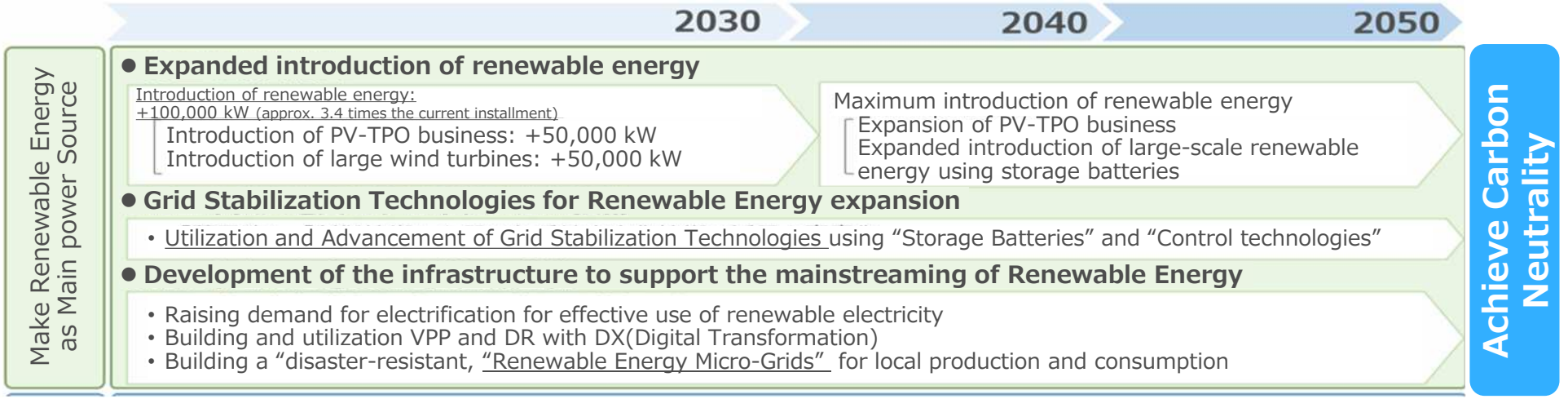
- Initiatives to Achieve Carbon Neutrality: Roadmap

■ In order to achieve zero emissions, we will work on the "Make Renewable Energy as Main Power Source," "Reducing CO_2 Emissions from Thermal Power Plants," which are the two directions in the roadmap for the next 30 years, and "Promoting Electrification".



*Projects adopted in FY2021 and later are marked with ■

Initiatives to Achieve Carbon Neutrality(5/6)



Issues for “Make Renewable Energy as Main Power Source ”

- The area is a regular site of typhoons, and from the viewpoint of extreme wind speeds, there are issues for introducing new large wind turbines (500 kW or more)

☞ Management Reference Materials p.25

- Offshore wind has economic and other issues compared to onshore wind, and environmental aspects such as the impact on coral reefs must also be considered
- Land is limited due to the narrow prefectural land area, and there are few suitable sites for mega solar power plants (sunlight hours are also short compared to the rest of the country)

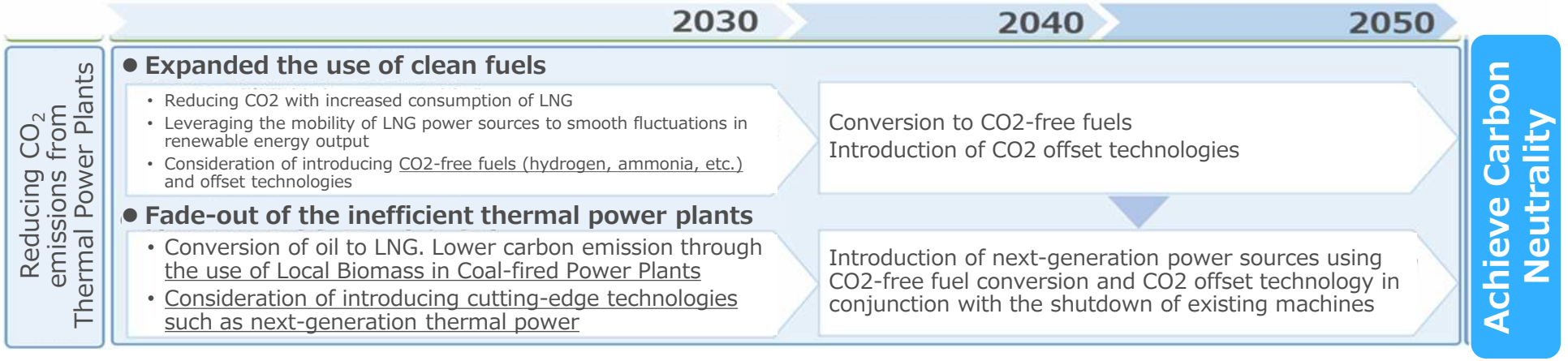
☞ Management Reference Materials p.26

- In the PV-TPO business, the number of roofs that meet the installation conditions (roof shape, age, etc.) is limited
- Given that it is a small independent system, it is necessary to secure adjustment power against output fluctuations and to deal with inertia in the power system

Progress in addressing issues

- ✓ To address the challenges associated with the implementation of large-scale wind power projects, we are conducting interviews with manufacturers and experts to identify suitable models for the Okinawa region. Concurrently, we have initiated wind condition surveys on Miyako Island and other sites, leveraging subsidies from the Okinawa Prefectural Government as part of a feasibility study for the introduction of large-scale wind power.
- ✓ We are also exploring the potential for solar power in new locations, including on water, and are working to expand the use of renewable energy through off-site power purchase agreement (PPA) schemes.
- ✓ The PV-TPO business is currently underway. We will continue to promote electrification by combining “KarE-roof” and "All-Electric" systems for general households.
  To address the needs for a carport type from our business customers, we are considering expanding our product lineup.
- ✓ Makiminato gas engine is being operated as an adjusting power source.
- ✓ We will continue working on grid stabilization and aim to advance grid stabilization technology using storage batteries and other means.

Initiatives to Achieve Carbon Neutrality(6/6)



Issues for "Reducing CO2 emissions from Thermal Power Plants"

- Introducing high-efficiency coal-fired power generation (SC/USC) is challenging due to constraints such as demand scale

☞ Management Reference Materials p.23

- In the face of output fluctuations resulting from expanding the integration of renewable energy, thermal power sources emerge as a pivotal asset, playing a crucial role in ensuring system balance
(The Gushikawa coal-fired power plant experiences more than 200 start-ups & shutdowns per year)
- At present, there are no institutional measures for investment recovery applicable to the Company
(Difficult to utilize the "Long-Term Decarbonized Power Source Auction" and the "Price Differential Support and Base Development Support" related to hydrogen and ammonia)

☞ Management Reference Materials p.23,31

- Hydrogen and ammonia, promising decarbonization technologies, face significant future uncertainty regarding technology, price, and procurement
(Island regions generally have higher costs due to the challenges associated with leveraging economies of scale)

Progress in addressing issues

- ✓ We will continue our efforts to expand the use of LNG, and to use and expand prefectural biomass co-firing for coal-fired power generation.
- ✓ To expand the use of biomass, the utilization of unused wood waste existing in the prefecture is under consideration.
- ✓ The hydrogen co-firing power generation validation tests is underway at the Yoshinoura Multi Gas Turbine Power Plant from March 2024.
- ✓ We will work diligently to establish the necessary technology for the transition to thermal zero emission and to achieve economic feasibility.
- ✓ Since policy and financial support is important, we will utilize subsidies and lobby the government and other entities.

Initiatives to Achieve Carbon Neutrality: Examples of Initiatives

Example: Construction of Makiminato Gas Engine Power Plant (Natural gas)

- The purpose of this plant is to enhance the reliability of supply by stabilizing the system, such as through frequency control and supply-demand balance adjustment, as an electric power reserve source. (February 2021: Construction work started; March 2024: Commercial operation started)
- The fuel in use will be natural gas, whose CO_2 emissions per unit calorific value is about 30% lower than petroleum and which does not generate sulfur oxides (SOx), either.
- In addition, by installing denitrification equipment, nitrogen oxide (NOx) emissions will be reduced, and radiators will be employed to cool the power generation equipment. With such measures, the plant will be an environmentally friendly power generation facility.

[Overview of Power Plant]

Name	Makiminato Gas Engine Power Plant
Location	Urasoe City, Okinawa Prefecture (In the compound of the Okinawa Makiminato Thermal Power Plant)
Power generation capacity	45,000kW (7,500kW x 6 units)
Fuel for electricity generation	Natural gas
Fuel storage facility	2,000t (PC dike and outer tank integrated- type flat-bottom spherical-roofed cylindrical vertical storage tank)
Commercial operation started	March.1,2024

↑ Entire view of Makiminato Gas Engine Power Plant

← Gas engine power facility

Initiatives to Achieve Carbon Neutrality: Examples of Initiatives

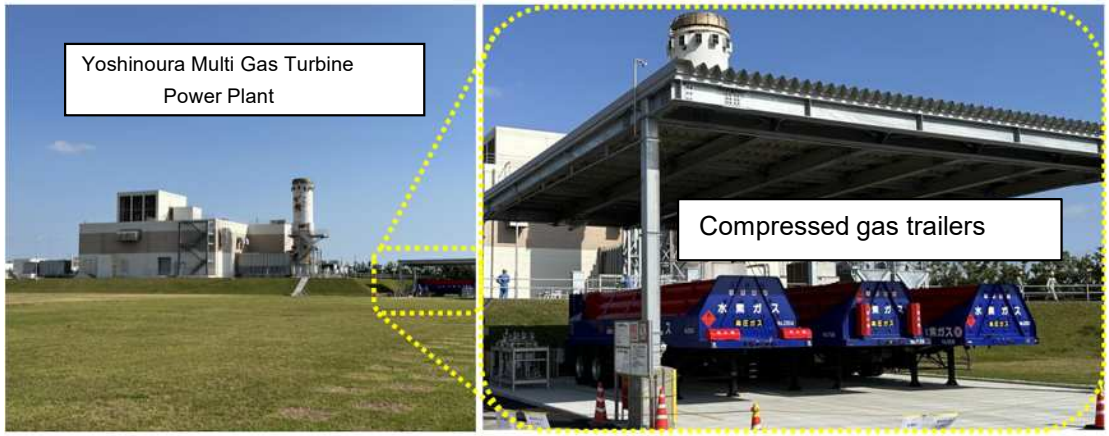
Example: Implementation of validation tests of hydrogen co-firing power generation (FY2023 to FY2025)

- In March 2024, the Company started validation tests of hydrogen co-firing power generation at the Yoshinoura Multi Gas Turbine Power Plant (35,000 kW at rated output). A co-firing rate (by volume) of 30% hydrogen at rated output was achieved in the test conducted on March 14.
- This demonstration is a key component of the Company's strategic initiative to “expand clean fuel use” in “the reduction of CO2 emissions from thermal power generation,” which is a core element of the Company's roadmap to achieve net zero CO2 emissions by 2050. In FY2024, we conducted a series of hydrogen co-firing tests. We will continue to conduct verification to establish operational technology for hydrogen co-firing power generation in FY2025.
- The Company is determined to proactively contribute to building a hydrogen-based society by becoming the first mover in the utilization of hydrogen in the Okinawa area. In parallel, the Company will build a sustainable energy system and advance the efforts to balance between the stable supply of energy and countermeasures against global warming.

* As an undertaking based on a public invitation by New Energy and Industrial Technology Development Organization (NEDO) of National Research and Development Agency, this validation tests are underway as part of the “Development of Hydrogen Co-firing Operation Technology of Electric Power Reserve Sources Using Actual Commercial Systems, and the Building of a Hydrogen Utilization Model in the Okinawa Area.” (Project period: FY2023 to FY2025)

Outline of validation tests

- Modified the Yoshinoura Multi Gas Turbine Power Plant for hydrogen co-firing, and installed a hydrogen-receiving supply facility
- Supply hydrogen as the fuel from compressed gas trailers transported from outside the prefecture. (In the future, the Company is exploring the possibility to utilize unused by-product hydrogen from within Okinawa Prefecture.)
- Aim at establishing the hydrogen co-firing power operation technology of electric power reserve sources by conducting hydrogen co-firing tests in actual commercial systems

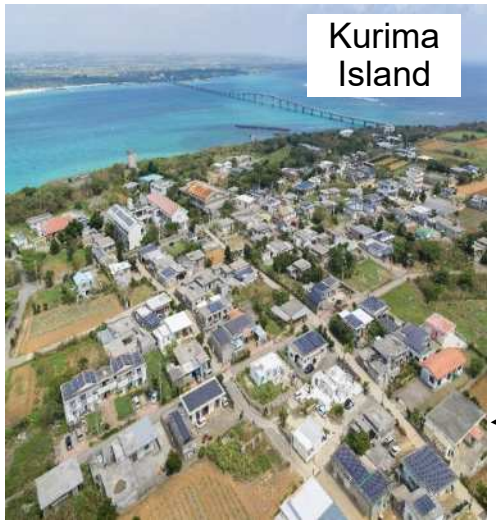


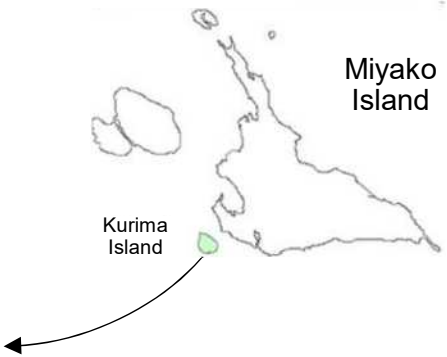
Initiatives to Achieve Carbon Neutrality: Examples of Initiatives

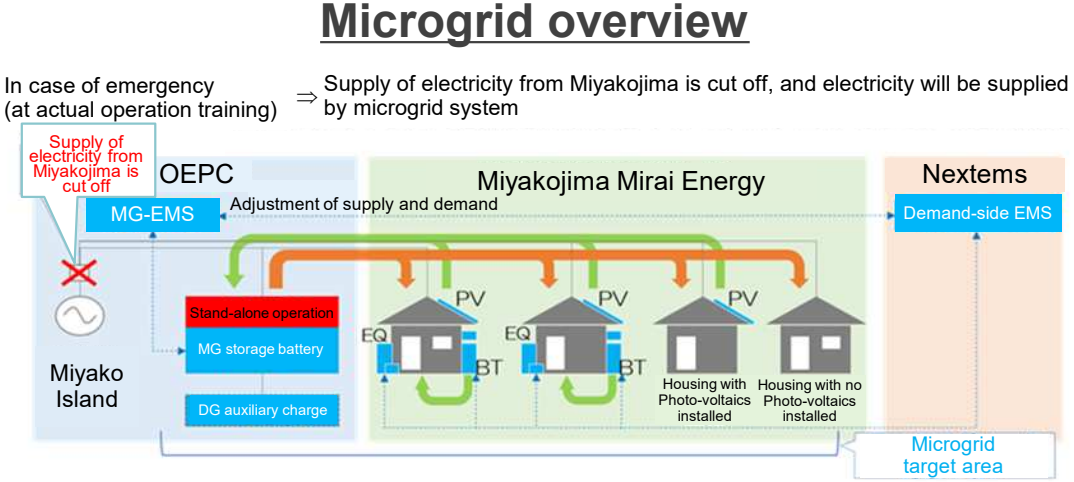
Example: Microgrid Demonstration Project in the Kurima Island Region

- The project was approved by the Ministry of Economy, Trade and Industry (METI) for the "Regional Microgrid * Development Project ," a subsidized project, a microgrid demonstration facility was constructed on Kurimajima and the demonstration project started in January 2022.
- In May 2022, for the first time in Japan, we separated the microgrid target area from the original power transmission and distribution network, and succeeded in supplying electricity using existing power distribution lines using only a combination of photovoltaic power generation installed on the customer side and our company's MG storage batteries.
- Since the start of the demonstration, we have conducted three operational drills to verify micro-grid operation technology using solar power generation and storage batteries as the main power sources. In the event of a power outage on Miyakojima in April 2024, the microgrid was put into operation to help shorten the outage time in the target area.
- We will continue to accumulate knowledge through operational training during typhoon power outages, etc., as well as through actual operation, and work to establish reliable microgrid operation technology.
- By establishing microgrid technology, we will consider expanding the technology to other remote islands in order to contribute to the realization of a sustainable society and strengthen decarbonization and electric power resilience, which are growing social needs.

* A regional microgrid is a system that uses regional renewable energy in an area of a certain size.







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
(Tiltable wind power generation + MG set + grid stabilizer)

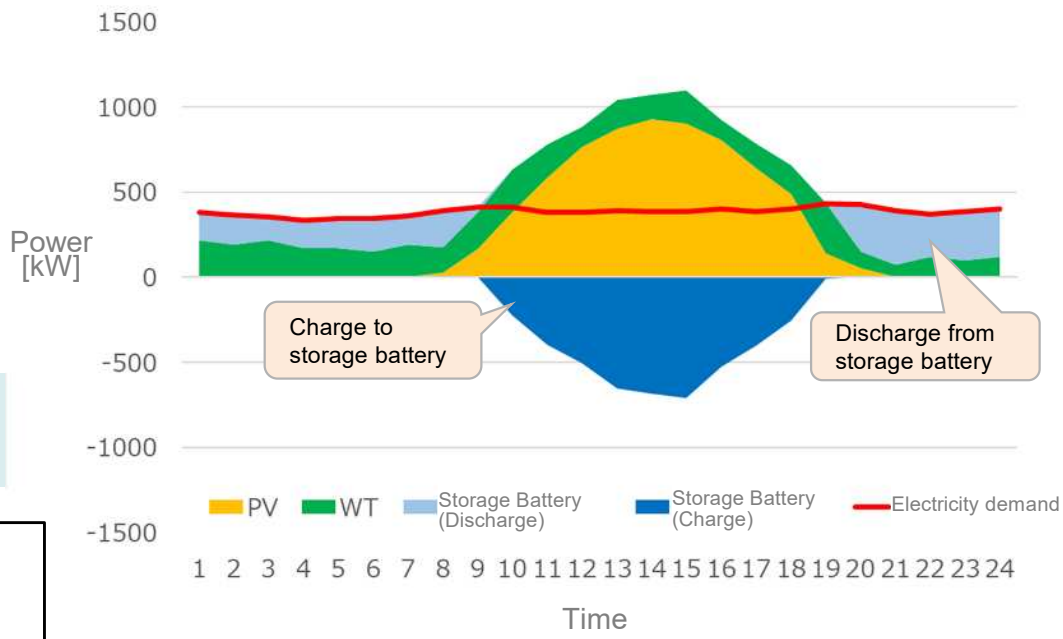
■ FY2025 - FY2027(Demonstration period)

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.

■ Image of 100% renewable energy rate operation

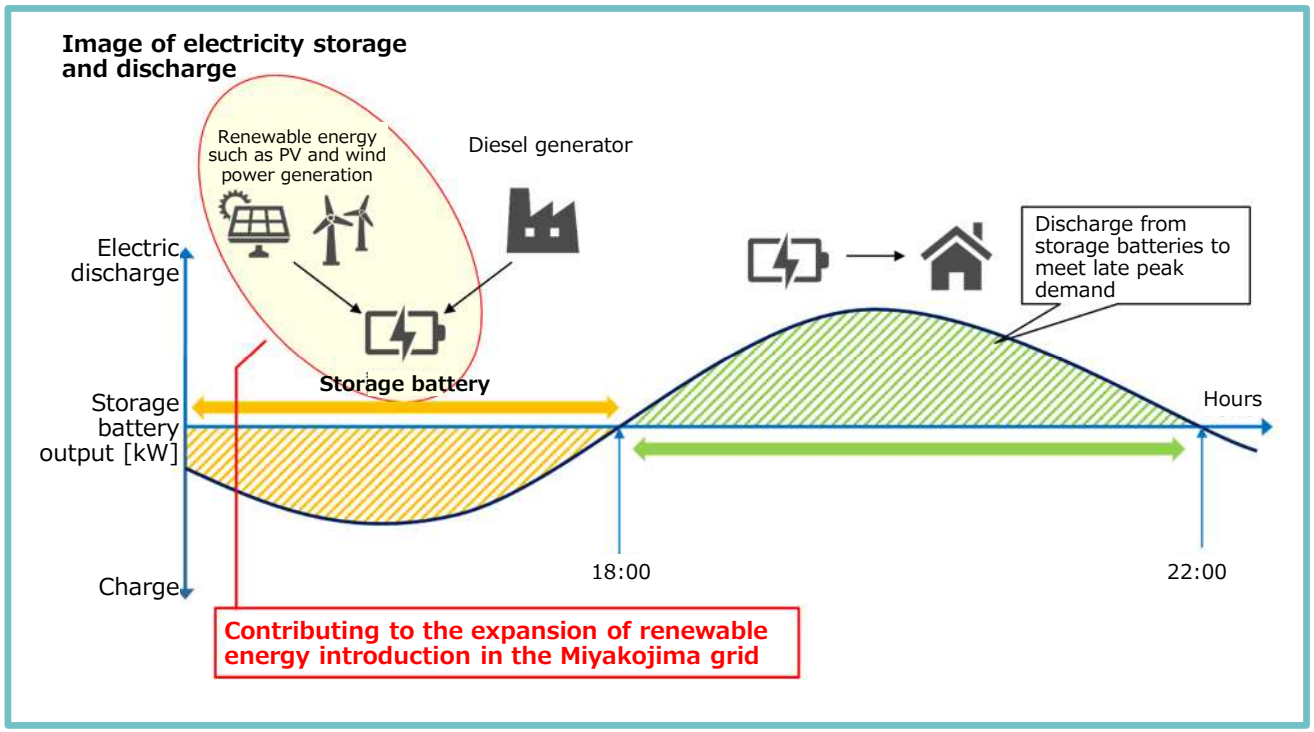


Outline of Hateruma Island
- Population approx. 450, households approx. 250
- Electricity demand 4,291 MWh/year (FY2024 actual)
- Max power 946 kW (July 2020)
- Existing facilities Diesel: 2 x 150 kW, 2 x 300 kW, 1 x 350 kW (total)1,250 kW
  MG set 300 W, Tiltable wind power generation 245kW x 2 units

Initiatives to Achieve Carbon Neutrality: Examples of Initiatives

Example: Installation of storage batteries to supply Miyako No. 2 Power Plant

- Electricity demand is on the rise in the Miyakojima system. As the peak demand for electricity covered by the Company's power generation facilities using our renewable energy facilities (primarily solar power generation facilities) occurs during evening hours (6:00 p.m. to 10:00 p.m.), the Company will introduce storage batteries to ensure supply capacity during those hours.
- The storage batteries to be introduced this time will store electricity during the daytime from diesel generators and natural variable power sources such as solar power generation installed in each home, etc., and discharge it from the storage batteries when evening peaks occur.
- As a result of the storage of electricity from solar power generation, etc., the suppression of renewable energy output will be reduced, which is expected to contribute to the expansion of renewable energy introduction in Miyakojima City, which is designated as a leading decarbonization area by the Ministry of the Environment.



○ Summary of storage batteries to supply Miyako No. 2 Power Plant
Rated output: 12,000 kW
Rated capacity: 48,000 kWh
Battery type: Lithium-ion battery
Number of containers: 20 units
PCS output: 2,590 kVA x 5 units
Start of commercial operation: May 2025 (scheduled)

<Image of completion>

*Partially processed from Google Map

Initiatives to Achieve Carbon Neutrality: Examples of Initiatives

Example: Introduction of MG sets in the Miyakojima grid

- Diesel generators (DG) are the primary source of electricity for remote islands. It is essential that DG is operated at or above the specified minimum output (lower operating limit). This is considered to be one of the factors hindering the introduction of renewable energy.
- The introduction and operation of motor-driven generator (MG) sets that do not have lower operating limits as a replacement for DG will promote the further introduction of renewable energy facilities and reduce the amount of renewable energy output control.
- By doing them, we will contribute to the reduction of renewable energy output control in Miyakojima, expansion of renewable energy interconnection, and reduction of CO2 emissions (approx. 350 t-CO2/year), and will work toward the realization of carbon neutrality.

Image of the expansion of renewable energy introduction before and after the introduction of the MG set

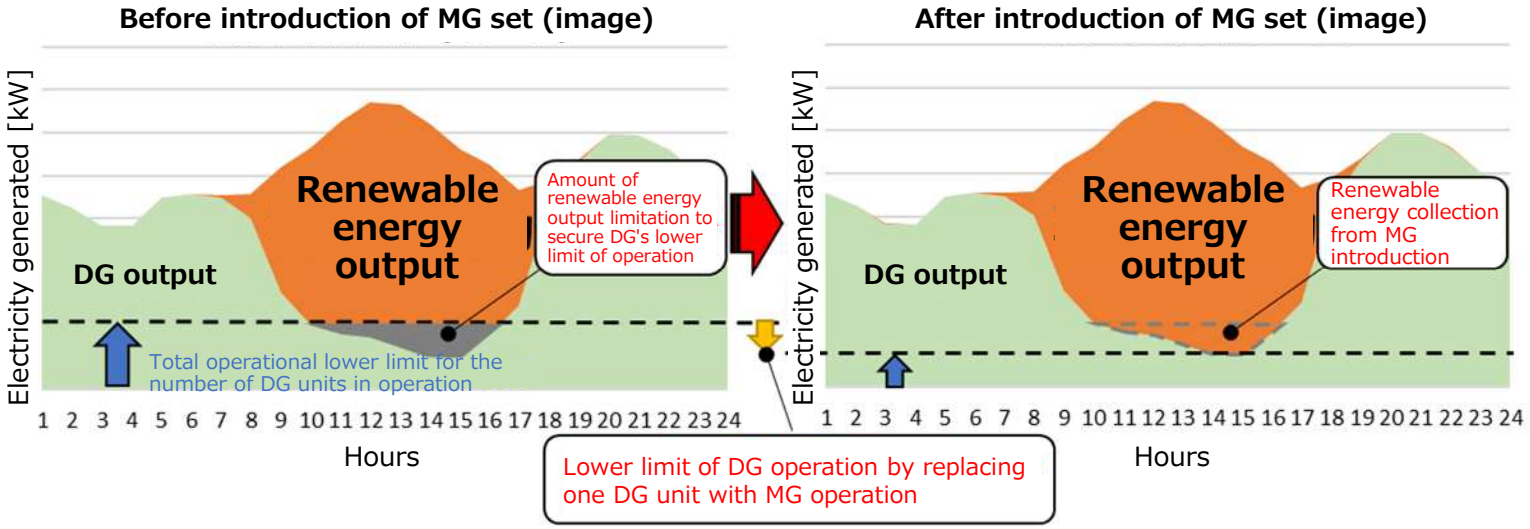
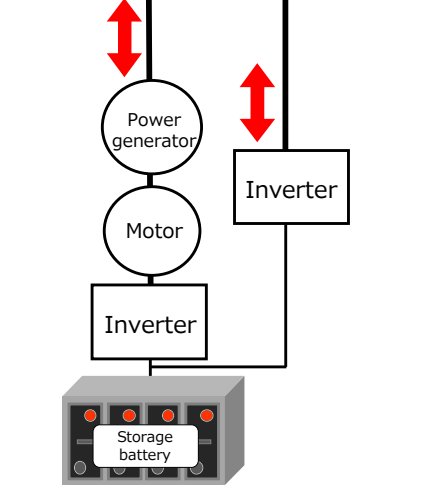


Image of MG set configuration



* Operating the MG set as a DG substitute will lower the lower limit of operation and reduce the amount of renewable energy output control.

Initiatives to Achieve Carbon Neutrality: Examples of Initiatives

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 CO_2 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.

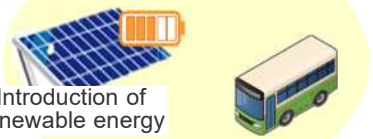
Initiatives to Achieve Carbon Neutrality: Examples of Initiatives

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.

Image of demonstration with OIST

Consider expanding the introduction of renewable energy within the OIST campus



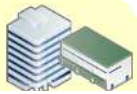
Introduction of renewable energy

EV Vehicles

Promotion through hardware (tangible assets)

Consider advancing the energy use within the OIST campus

Systematization



Demand response

Soft promotion (systems)

Hard insights

Soft insights

Dissemination of insights and know-how

Consider deploying the demonstration outcomes to the region

Initiatives by Business: Electric Power Business

[Direction of Initiatives]

- Even in a competitive environment, the Group's fundamental mission of providing a stable supply of energy remains unchanged, and we will make every effort to realize it.
- We will enhance profitability in the electricity business by implementing comprehensive cost reductions and offering value-added services that extend beyond electricity, such as proposals for new lifestyles that integrate "KarE-roof" and "All-Electric" systems, while thoroughly reviewing our business models
- We will develop the infrastructure to enable each electric power business to operate autonomously and flexibly.
- Our objective is to achieve carbon neutrality by 2050. To that end, we will consider the introduction of innovative technologies and pursue two directions: "Mainstreaming of renewable energy" and "Reduction of CO2 emissions from thermal power generation."

Power Generation Business

- Development of power supply sources for stable supply
- Stable procurement of fuels and further reduction of procurement costs
- Reduction of CO_2 emissions from thermal power sources
- Conservation of the local environment.
- Reduction of power generation costs and enhancement of profitability

Transmission and Distribution Business

- Renewal of aging facilities
- Shift of the electricity network to the next generation
- Formation of appropriate and effective facilities
- Combining power facilities and digital transformation (DX) to improve efficiency and profitability

Retail Business

- Enhancement of customer satisfaction.
- Improvement of the status of revenue and expenditure
- Strengthening and expansion of comprehensive energy services
- Provision of the value of Electricity Plus α(plus something extra)
- Promotion of electrification through proposals for new lifestyles

Initiatives by Business: Group Business

- While raising the Group's potential capabilities, we will “Challenge” to optimize costs and improve productivity. We will also utilize the resources created to expand the top line and aim for sustainable growth in the following five business areas. In addition, we will proactively promote carbon neutrality (CN) and DX initiatives, recognizing their pivotal role in fostering sustainable growth.

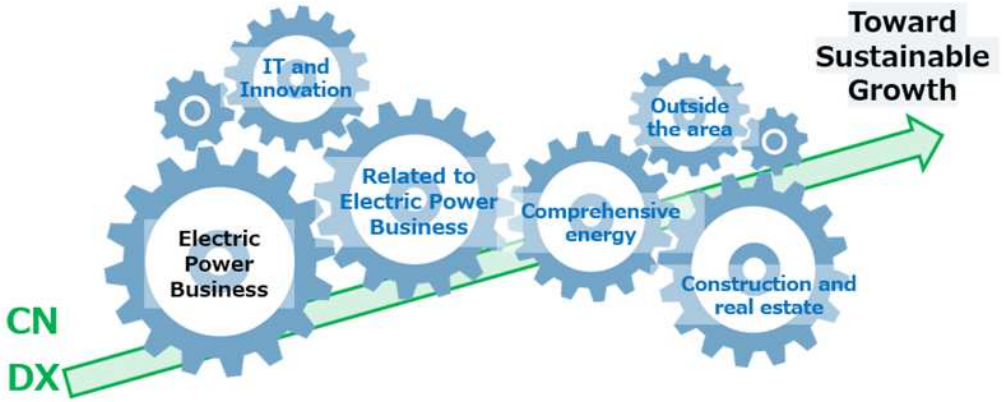
(i) **[Electricity business-related area]**
As the core of the Group's businesses that support the stable supply of electric power, we are committed to ensuring a reliable supply and enhancing efficiency across the entire supply chain, including Group companies.

(ii) **[Integrated energy area]**
In addition to our existing gas supply and ESP businesses, we will promote initiatives to expand the use of natural gas through the utilization of the newly laid Yoshinoura-Makiminato Gas Pipeline.

(iii) **[Extraterritorial and overseas area]**
We will promote initiatives that leverage the expertise gained in the electricity business, such as the introduction of renewable energy in small-scale systems.

(iv) **[Construction and real estate area**
We will promote corporate real estate (CRE) strategies and play an active role in urban development. As a comprehensive energy provider, we will leverage our strengths to contribute to these efforts.

(v) **[IT and innovation area]**
We will establish a framework that fosters collaboration both within and across the Group. This initiative will facilitate the development of new business opportunities and promote commercialization in a wide range of fields, extending beyond the core business areas of Group companies.



Group Businesses (Examples of Initiatives：Integrated energy area)

- Reliance Energy Okinawa,Inc. runs the energy service business of owning energy facilities and processing and supplying energy. Currently, 15 customers are using the services.
- Commenced gas supply business through subsidiary PEC in 2015.The OEPC Group will further promote sales of LNG by supplying LNG based on LNG supply center, capturing demand along newly constructed gas pipelines in February 2024, and collaborating with other energy companies.

Increase in new energy demand

- Large-scale development of urban areas (e.g. former U.S. military bases)
- Construction of hotels in response to an increase in the number of tourists
- Construction of large-scale retail stores

Advancement and diversification of energy needs

- Reduce initial investment in energy use (e.g. electricity and gas)
- Reduce burdens involved in facility operation/maintenance and emergency response

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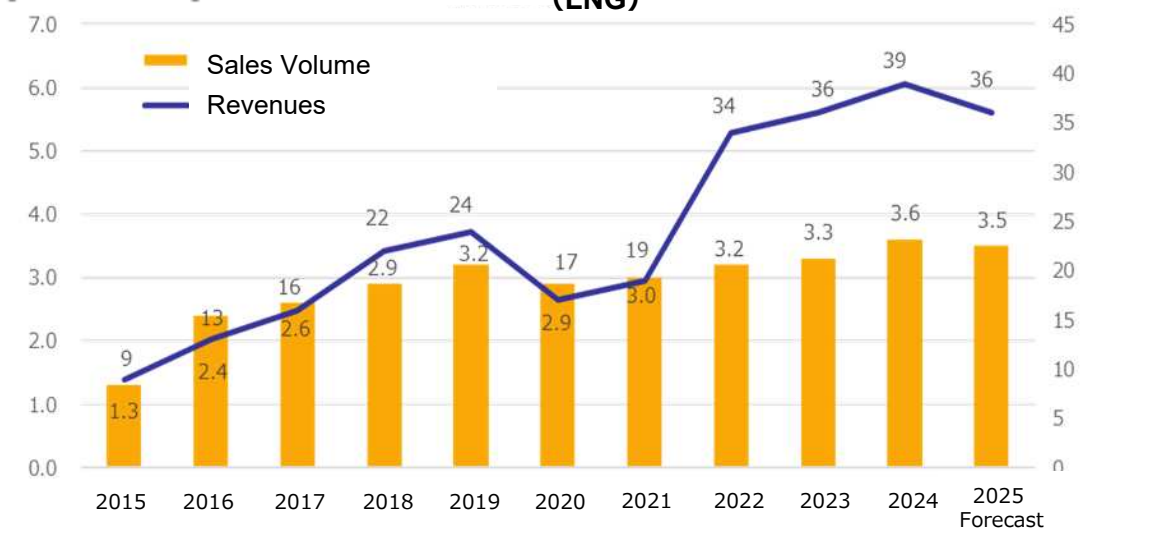
- It owns energy facilities on behalf of customers.
- It provides electricity and gas in the forms of, for example, air-conditioning water (cold / hot), hot-water supply and steam.

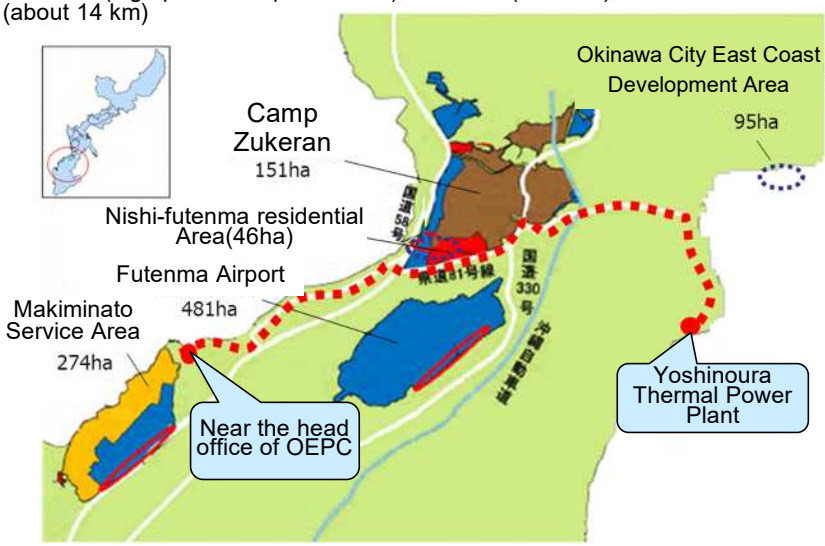
Fluctuation of Sales Volume and Revenues (LNG)



【Gas pipeline Installation Diagram】

[Equipment specifications]

Pressure (high pressure specification), diameter (300 mm), conduit extension (about 14 km)



* Base return source: Cabinet Office website, "Okinawa Promotion Council Chairman and Expert Committee Meeting (3rd meeting)" material

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.

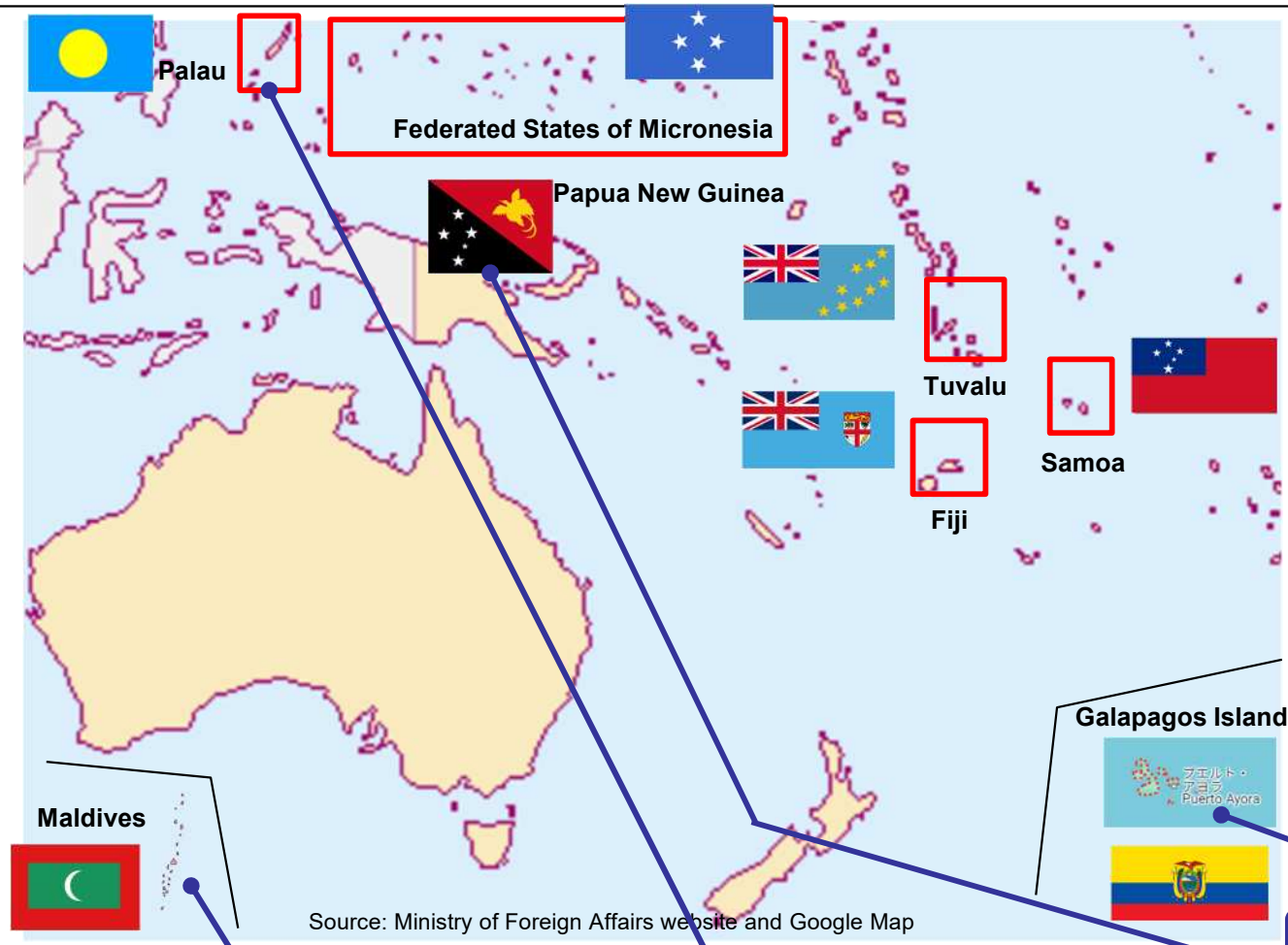
[Image of the Initiatives]

*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.

Group Business Initiatives in Extraterritorial and Overseas Area

- "SeED Okinawa LLC" jointly with five group companies to promote the development of energy business outside the region, by leveraging the knowledge and technologies cultivated with electric business such as the expansion of renewable energy introduction in remote islands, operation of grid stabilization devices, etc. (April 2021)
- Leveraging the technical capabilities and experience accumulated in the electric power business, the Group is united in its efforts to provide technical support and develop businesses related to the decarbonization of the energy sector in overseas island regions, particularly in Asia and the Pacific.



Demonstration Project for Introduction of Renewable Energy on Iwojima and Minamitorishima (Commissioned by Ministry of the Environment)

Reduce CO2 emissions and strengthen resilience by introducing solar power generation, storage batteries, etc. on both islands

Energy Transition PJ in the Oceania Region (wide-area) (JICA technical cooperation project)

Decarbonize the energy sector by strengthening capacity related to power source/grid planning and consumer-side measures to promote energy transitions

*Targeting five countries（Fiji・Federated States of Micronesia・Palau・Tuvalu）

Ecuador Galapagos Islands: Fossil Fuel Zero Roadmap Support PJ (JICA technical cooperation project)

Demonstration of a de-carbonized seawater desalination system using solar power generation and storage batteries

PV-TPO Project in Palau

Business development of third-party ownership model of solar and storage batteries in local resort hotels

PJ for Capacity Improvement of Power System Planning and Operation, Papua New Guinea (JICA technical cooperation project)

Technical support to local power companies for power system stabilization and problem solving

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	・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

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

Effective Utilization of Management Results: Concept of Investment

Concept of investment

- The basic mission of the OEPC Group is to provide stable energy to customers and contribute to the development of local communities and economies in Okinawa.

Investment for stable power supply

- With regard to facilities necessary for stable supply, we will steadily implement investments to maintain and build facilities appropriately and efficiently, while reducing the total cost of facility-related costs.

Investment for carbon neutrality

- In order to achieve carbon neutrality, we will promote realistic and effective investment in cooperation with the national government, prefectural governments and other businesses under policy and financial supports.

Investment in growth sectors

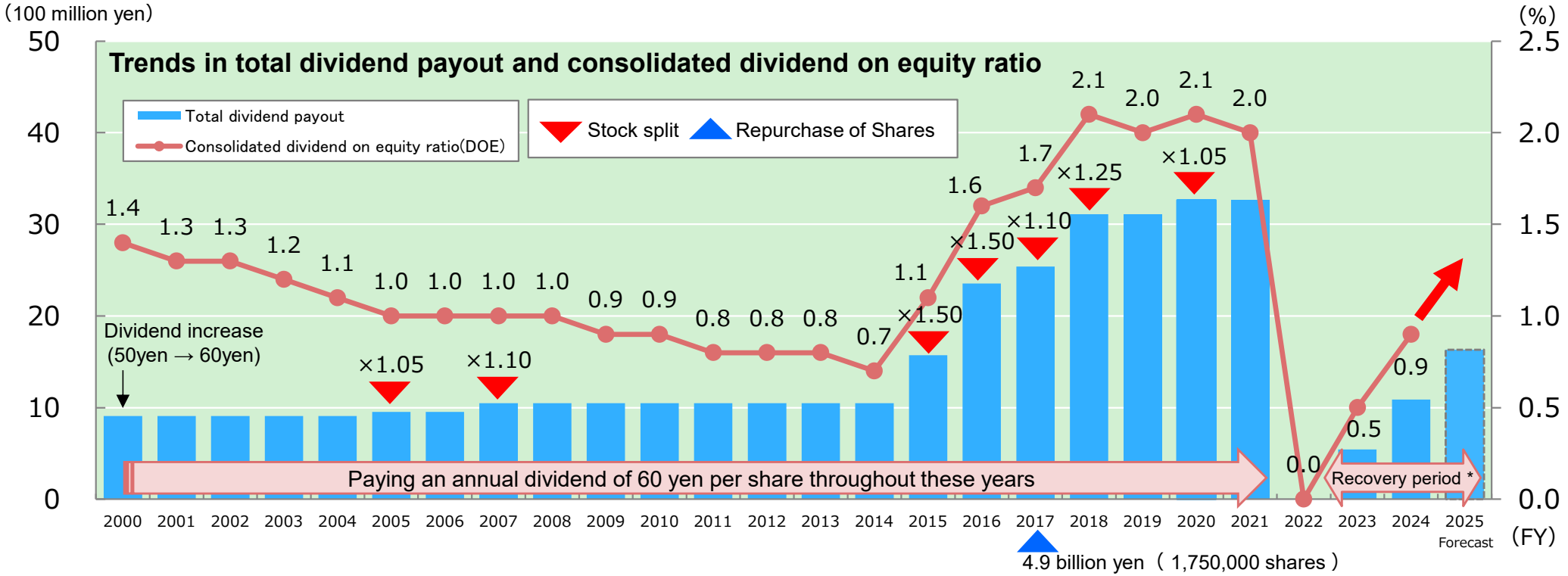
- In order to ensure the growth of the entire Group, we conduct appropriate risk management by means of a PDCA cycle based on a regular assessment of the quantity of risks involved, and then make investments for business development.

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.

Promotion of Human Resource Strategy (1/2)

< Overview of Resource Strategy: Three Directions >

- By implementing measures based on the three pillars of our human resource strategy, “Create Individuals,” “Create an Organization,” and “Create an Environment,” we will foster a workplace where diverse talents can thrive. These measures will also enhance the capabilities of our people and organization to achieve our business goals.

- Human Resources Strategy

➢ The Company aims at maximizing employee and organizational strengths, centering on three directions (the environment, individual and organization).

Viewpoint 1 **A mechanism that supports employees in developing autonomous growth**

Set up models of basic human resources

Support employees in developing their careers

Viewpoint 2 **Create an "Environment" that allows employees to learn**

Further enhance online learning

Promote cross-boundary learning

Viewpoint 3 **Provide “Opportunities” for challenge and self-realization**

Create opportunities for growth that respects independence

Viewpoint 1 **Secure human resources with diverse experience**

Strengthen recruitment of new graduates and recruit people with work experience

Support young and senior employees in playing active roles

Diverse forms of employment

Viewpoint 2 **Boost corporate management strength**

Drive co-creation type management

360 degree feedback

Clarify qualities necessary for management positions

Viewpoint 3 **Share goals and directions**

Set and manage individuals’ goals (MBO)

Enrich dialogues with employees themselves (Feedback and 1on1)

Viewpoint 1 **Keep and improve health and safety**

Continue health management

Work on health and safety

Viewpoint 2 **Prepare an environment in which employees can enjoy working**

Work flexibly and telework

Support in childcare and nursing care

Viewpoint 3 **Ensure diversity**

Set career paths that can serve as models for women's participation and advancement

Employ persons with disabilities

Promotion of Human Resource Strategy (2/2)

Human Resources Strategy　KPI

	Indicators	Targets	FY2023 Results
Safety	Number of fatal industrial accidents	0 case	0 case
Health	Periodic health checkups rate※1	100%	100%
	People with exercise habits rate	Improvement	77.6%
Diversity	Ratio of female in management positions	1.5x compared to FY 2019（by FY2025）	1.65x compared to FY 2019
	Male employees taking childcare leave rate	Improvement	80.4%
	Employment of people with disabilities	2.7% (by FY2025)	2.98% ※2
Work style	Flextime system utilization rate	100%	92.3%
Personnel development	Introduction of online learning systems	FY2024	Installation completed
Recruitment	Career recruitment in specific fields	FY2024	Implementation completed
	Percentage of female in technical recruits	20%	New employees in FY2025 20.8%

* 1 The regular health checkup participation rate according to the Industrial Safety and Health Act
* 2 Exceeds the current legal employment rate of 2.5%

About Health and Productivity Management

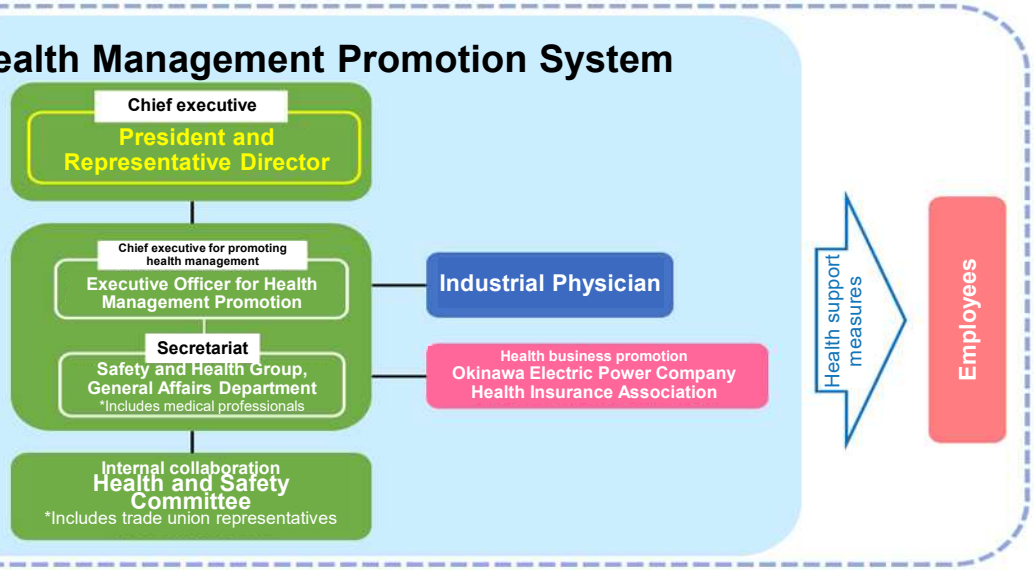
Purpose of Health Management

By ensuring the physical and mental well-being of our employees and creating a work environment filled with motivation and ambition, we aim to improve the quality of individual lives and work, which will ultimately contribute to increased corporate productivity and enhanced corporate value

Health Management Promotion Policy < Ideal State of Health Management >

- With the fundamental goal of “taking responsibility for one's own health,” each and every employee proactively promotes their own health
- We are committed to creating a work environment that promotes the physical and mental well-being of our employees, enables them to perform to their full potential, and inspires them to work with enthusiasm and ambition
- 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 seven consecutive years

In March 10, 2025, the Company was certified as “White 500” for seven consecutive years, which ranks within the best 500th position among certified corporations of “Health and Productivity Management Excellent Organizations 2025 (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

Health-related KPI

Indicator	Target	FY2024 Results
Participation Rate for Regular Health Checkups*	100%	100%
% of employees participating in regular physical activity	Improved	77.6%

* The regular health checkup according to the Industrial Safety and Health Act

Characteristics of the Business Bases

Demand for Energy	■ Increasing demand for energy, supported by Okinawa's advantages and potential. ■ As the proportion of energy for consumer use is high, effects of economic fluctuations are low for demand for Electric power. ■ Potential demand due to large-scale urban development projects
Competition Electricity rate	■ 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.
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.
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.
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.
System	■ Situation differs from other areas, such as the application of exception to restrictions on concurrent business and means of electricity trading. ■ Special tax measures are provided based on the Act on Special Measures for the Promotion and Development of Okinawa and other laws.

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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