Management Reference Materials

May 2025

The Okinawa Electric Power Company, Inc.

Characteristics of the Business Bases

Item	Overview	Reference Page
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	2 - 15
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.	16 - 20
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.	21 - 23
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.	24 - 27
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.	28 - 30
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	31 - 32

(i) Demand for Energy

(ii) Competition・Electricity rate

(iii) Power Generation Facilities

(iv) Global Warming Countermeasures

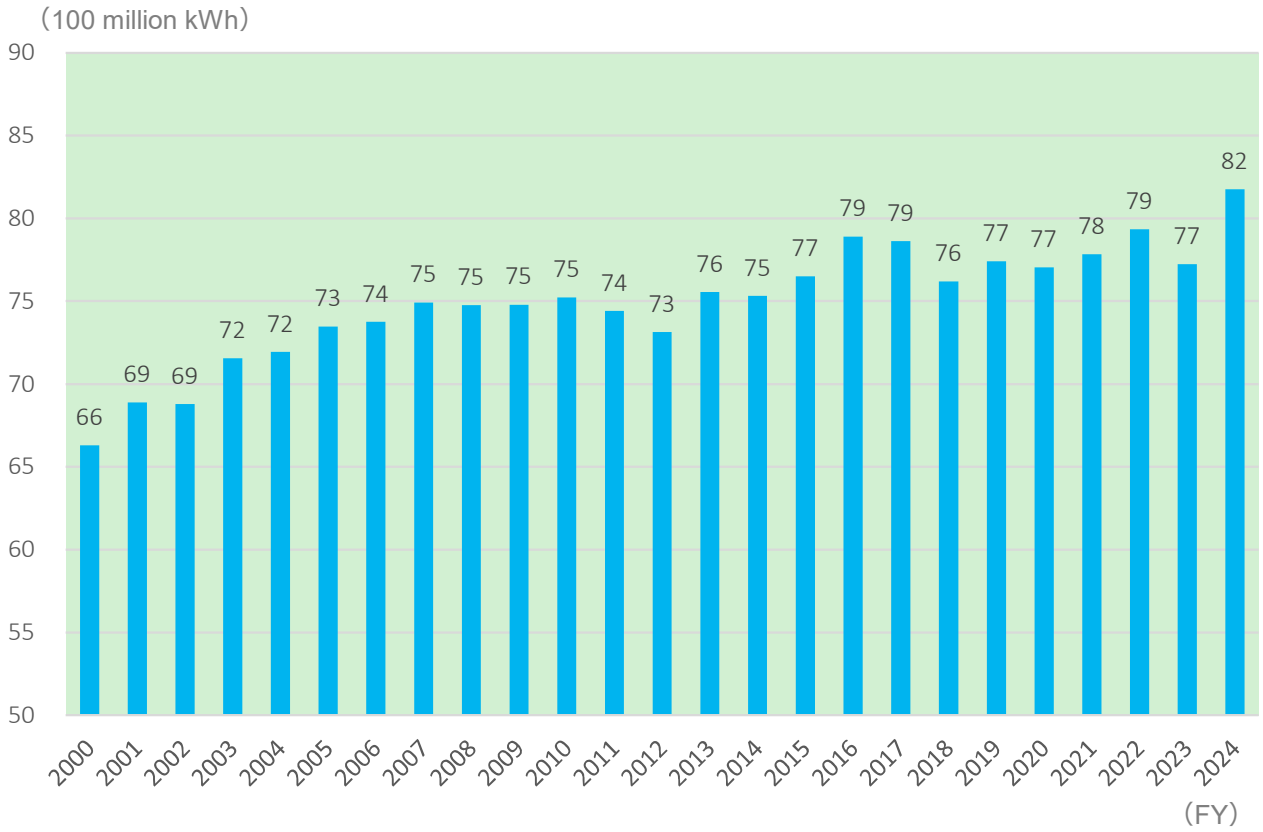
(v) Remote Islands

(vi) System

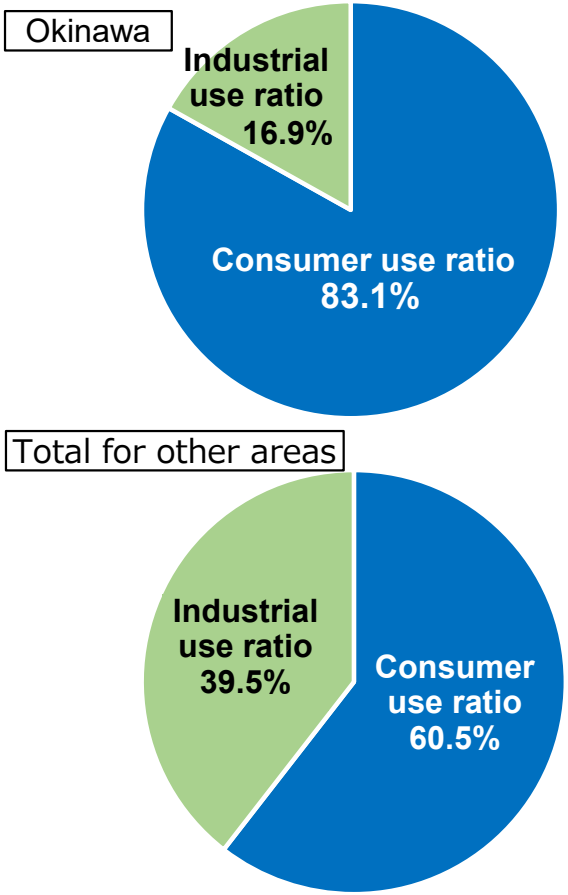
1. Trends in service area demand

- Electricity demand in the Okinawa area has remained almost flat in recent years, but it exceeded the previous year's level in FY2024 due to high temperatures in the summer. (Average growth rate over the past decade: 0.8%)
- Electricity demand in the Okinawa area is not easily affected by economic fluctuations, as about 80% of demand is for residential use, wholesale and retail businesses, schools, and other civilian uses.

[Trends in service area demand]



[Residential and industrial demand ratios in the service area]



Source: Organization for Cross-Regional Coordination of Transmission Operators, Japan
* FY2023 Results
* Consumer Use: (Household and Other) + Commercial, Industrial Use = Industrial and Other

2. Current Status and Future Forecast of Okinawa's Economy

- The current state: The economy in the prefecture is on an expansionary trend, particularly in personal consumption and tourism-related sectors.
- Prospect: The outlook for the prefecture's economy is expected to continue to expand.

Trends in Main Economic Indicators of Okinawa Prefecture(Year-on-Year Comparison) (Unit: %, X)

Indicators	FY2024												
	Apr.	May	Jun	Jul	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	FY
Sales by large-scale retailers	4.4	3.3	10.9	5.5	7.9	6.2	4.2	7.6	8.6	7.5	3.3	8.2	6.5
No. of new car sold	-25.4	-7.5	-7.4	-2.5	17.9	-2.2	5.1	-1.0	3.5	38.5	43.1	22.3	4.7
No. of incoming tourists	12.3	10.1	12.8	17.5	37.8	17.0	12.5	17.9	22.5	24.5	8.6	8.0	16.6
Value of public works contracts	-19.5	58.7	51.0	2.2	-12.5	-55.1	7.7	-12.9	-43.5	-50.2	-51.7	88.1	-4.3
New residential Construction starts	16.2	4.7	-20.7	3.4	-12.2	-4.1	21.3	-2.0	-22.1	-32.0	-5.5	81.0	-0.7
Total unemployment rate	3.9	3.2	2.8	3.4	3.1	3.5	2.9	3.0	2.8	2.5	2.3	3.6	3.0
Job Opening Ratio	1.14	1.11	1.10	1.11	1.12	1.12	1.14	1.12	1.11	1.09	1.08	1.08	1.11

Note 1: The figures for ‘Sales by large-scale retailers’ are calculated on an all-store base. The values in March 2025 are preliminary figures.
Note 2: The figures for ‘Total unemployment rates’ are raw data, whereas The figures for ‘Job Opening Ratio’ are a seasonally adjusted value for the current month.
(The values for the fiscal year are both raw data which use the number of job openings by prefecture received nationwide.)
Source: METI, Okinawa Prefecture, Ryugin Research Institute, and others.

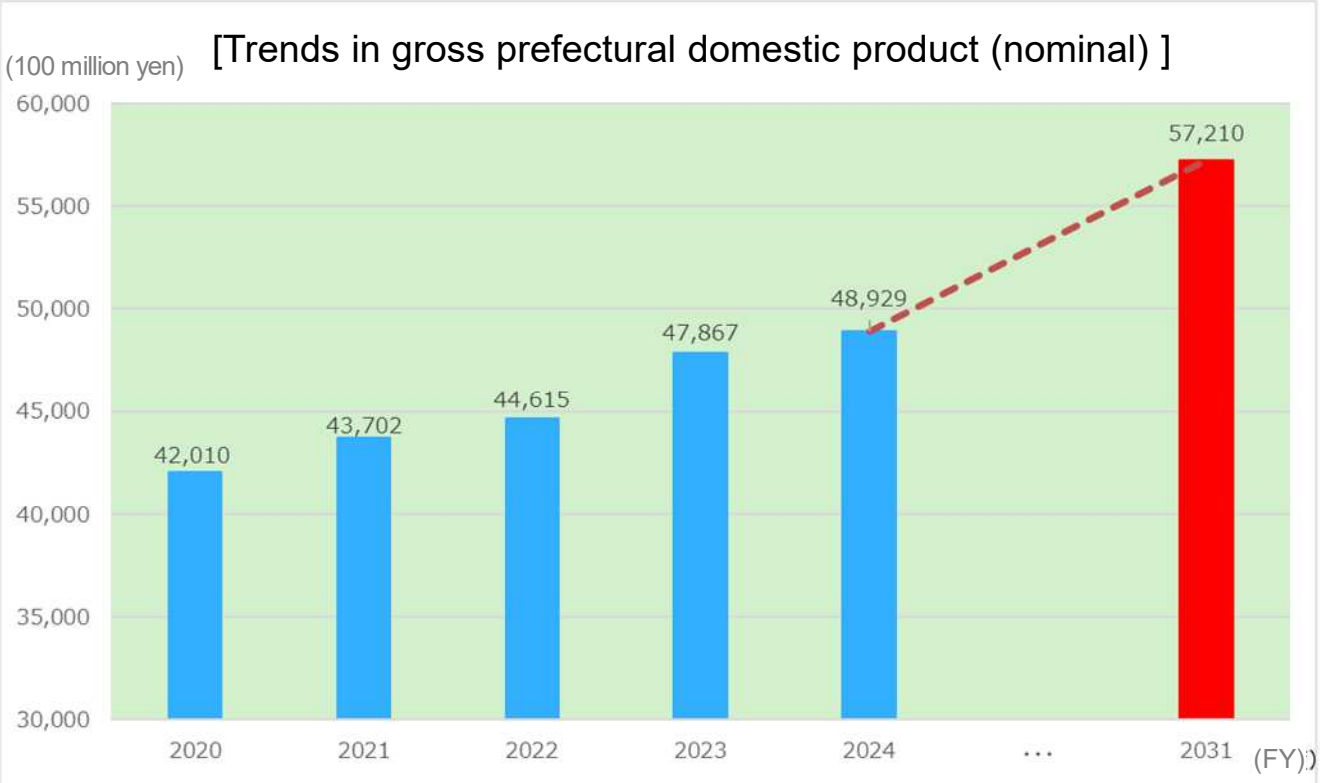
3. Economic Growth of Okinawa Prefecture under the Okinawa Promotion Plan

- Okinawa Prefecture has experienced a steady increase in its gross prefectural domestic product, which is aligned with the “Okinawa 21st Century Vision Basic Plan (FY2012-FY2021).”
- Okinawa is expected to experience further economic development in the future, driven by the implementation of various measures outlined in the New Okinawa 21st Century Vision Basic Plan.

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

The forecast for the gross prefectural domestic product (nominal) is 5,721 billion yen in FY2031.

[Trends in gross prefectural domestic product (nominal)]



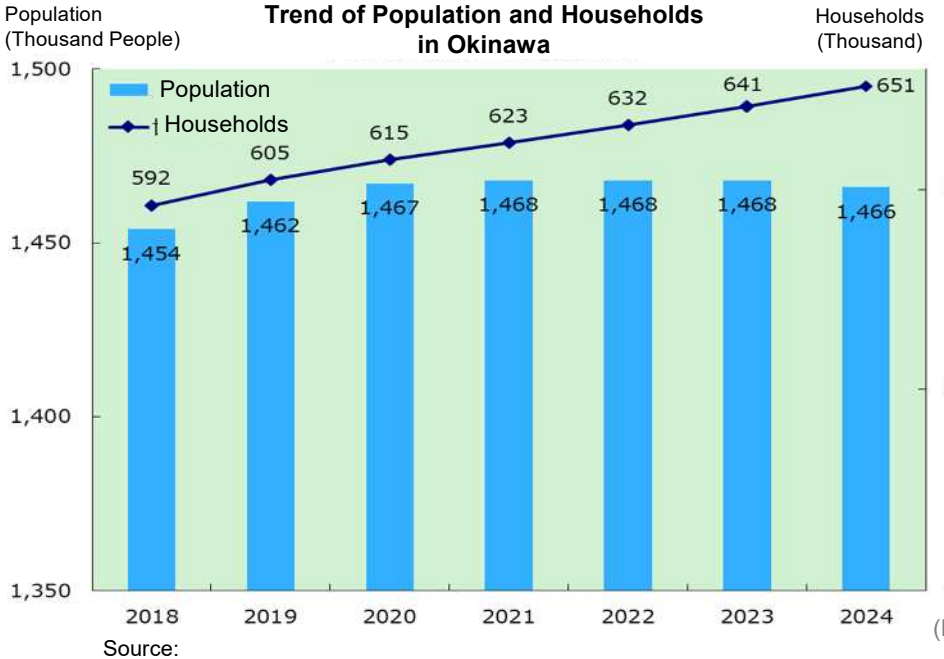
Sources: “Prefectural Accounts for FY2022”, “Prefectural economic outlook for FY2024” and the “New Basic Plan for Okinawa 21st Century Vision”

Note: The figures for FY2020 to FY2022 represent actual results, while FY2023 is an estimate of actual results and FY2024 is a forecast.

4. Okinawa Prefecture Demographics (1/2)

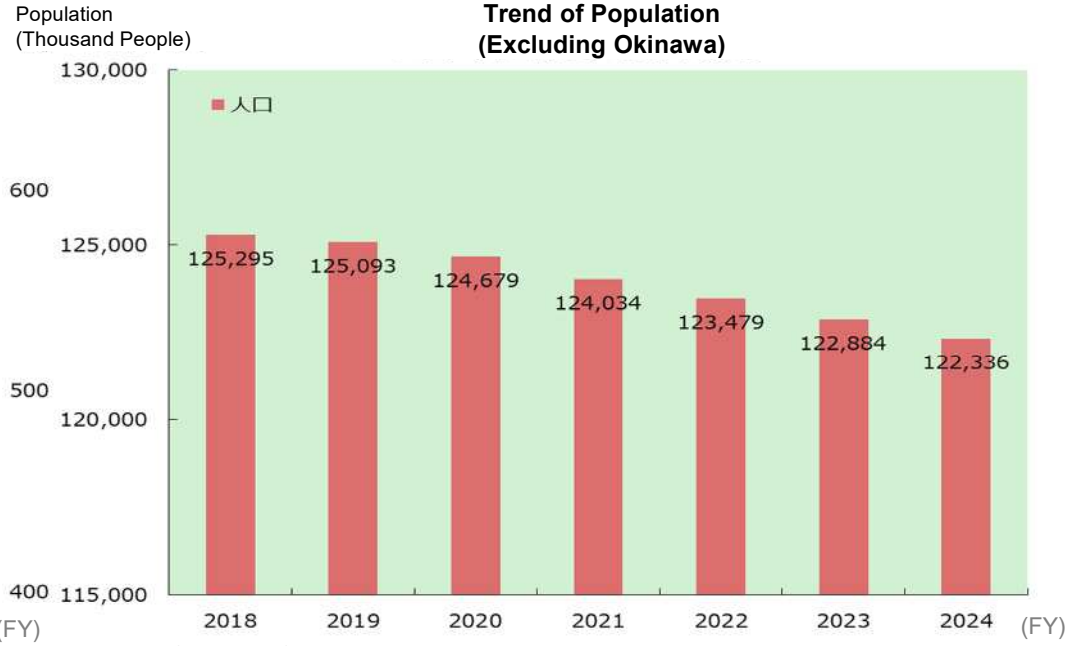
- The population of Okinawa Prefecture decreased by 1,674 (0.11%) in FY2024 compared to the previous year, marking the third consecutive year of decline since FY2022, when it began to decline for the first time since Okinawa's return to Japan.
- The number of households has been on the rise, and was higher than in the previous year in FY2024.

Trend of Population and Households in Okinawa



Source:
Population: MIC , Households : Okinawa Prefecture

Trend of Population (Excluding Okinawa)



Source: MIC

Estimated future population

[Portion of under-15 in population (Unit: %)

	2020	2035	2050
Countrywide	11.9%	10.0%	9.9%
No. 1	16.6%	14.1%	13.8%
	Okinawa	Okinawa	Okinawa
No. 2	13.6%	11.4%	11.6%
	Shiga	Kumamoto	Kumamoto
No. 3	13.5%	11.2%	11.3%
	Saga	Fukuoka	Fukuoka

4. Okinawa Prefecture Demographics (2/2)

(i) Demand	(ii) Competition	(iii) Power
(iv) Global warming	(v) Remote Islands	(vi) System

- The total fertility rate of Okinawa Prefecture in FY2023 was 1.60, the highest among all prefectures in Japan (nationwide:1.20)
- The population change in Okinawa Prefecture for FY2024 is projected to be -1.1 persons per thousand, marking the third consecutive year of decline. However, compared to the national average of -4.4 persons, the population decline in Okinawa Prefecture is relatively moderate.

Okinawa Prefecture Demographics

(People)

		2020	2021	2022	2023	2024
The total fertility rate	Nationwide	1.34	1.30	1.26	1.20	-
	Okinawa	1.86	1.80	1.70	1.60	-
	Ranking	(1)	(1)	(1)	(1)	-
The Increase of population (Per Thousand people)	Nationwide	-3.2	-5.1	-4.4	-4.8	-4.4
	Okinawa	4.1	0.7	-0.1	-0.2	-1.1
	Ranking	(1)	(1)	(2)	(2)	(6)
The Natural Increase of population (Per Thousand people)	Nationwide	-4.0	-4.8	-5.8	-6.7	-7.2
	Okinawa	1.9	0.9	-0.5	-1.4	-2.3
	Ranking	(1)	(1)	(1)	(1)	(1)
The Social Increase of population (Per Thousand people)	Nationwide	0.3	-0.3	1.4	1.9	2.7
	Okinawa	1.2	-0.2	0.4	1.2	1.1
	Ranking	(7)	(11)	(17)	(13)	(15)

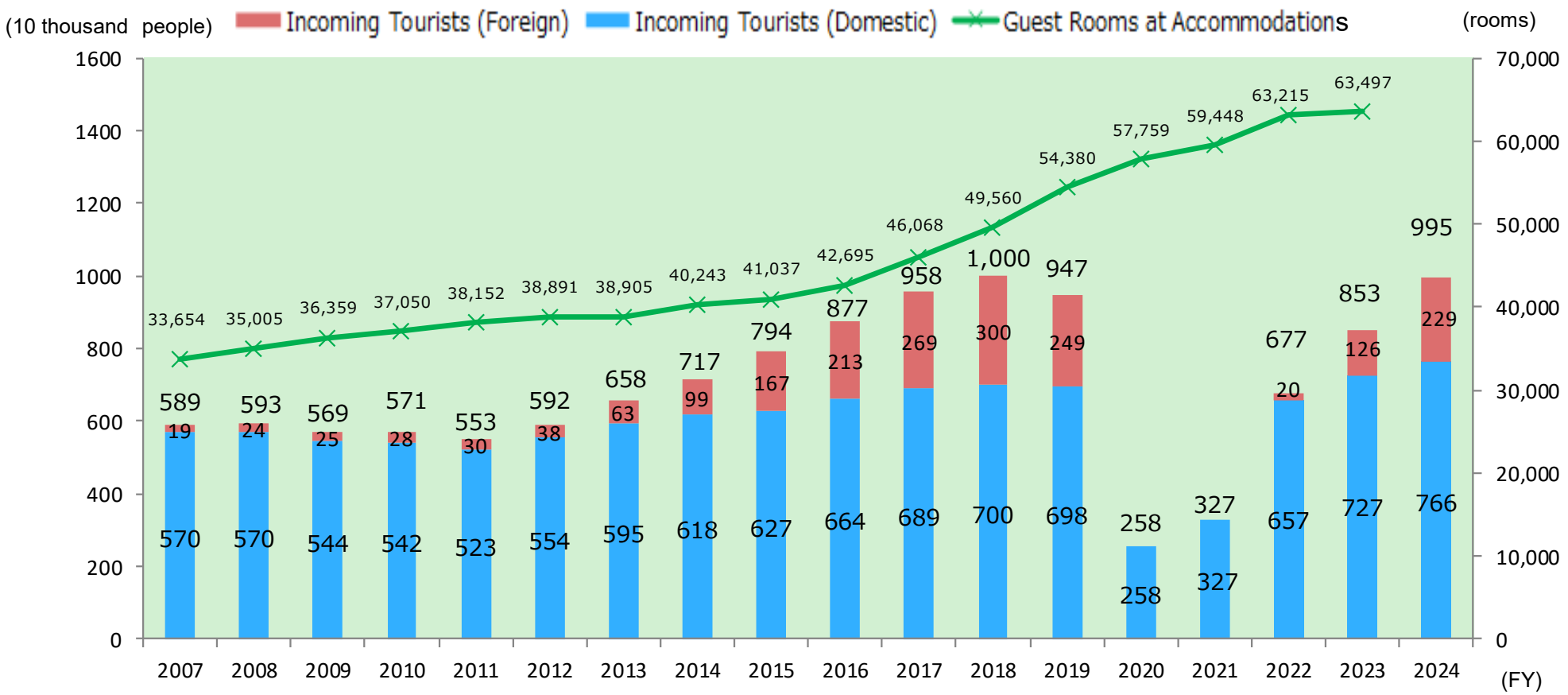
Source: "Vital Statistics" by Ministry of Health, Labour and Welfare
"Population Estimates" by Statistics Bureau, Ministry of Internal Affairs and Communications
The figures in brackets in the chart show Okinawa Prefecture's national ranking

5. Number of incoming tourists (1/2)

- 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



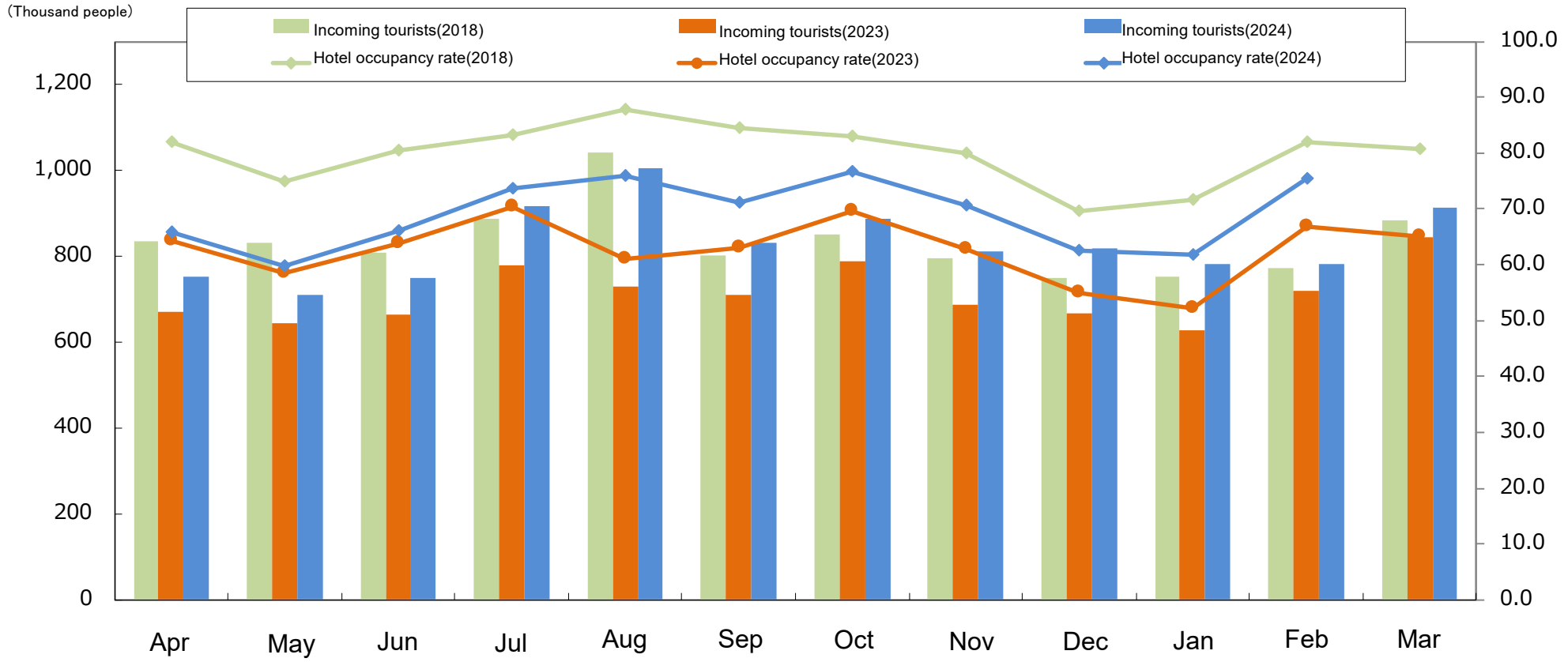
Note: The breakdown and total values do not match sometimes due to rounding decimals.
Source: “Tourism Guidebook”, “Summary Statistics on Incoming Tourists to Okinawa”, “2023 Accommodations Fact-finding Survey Result”, published by Okinawa Prefectural Government

5. Number of incoming tourists (2/2)

- In 2024, Okinawa experienced an increase in tourism, as evidenced by a rise in visitor numbers and a higher hotel occupancy rate compared to the previous year, due to the operation of extra, increased, and seasonal flights by airlines and the strong performance of international cruise ships.

  (Hotel occupancy rate) FY2024: 69.0% (+6.5% YoY)

Trend of the number of incoming tourist and Hotel occupancy rate



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

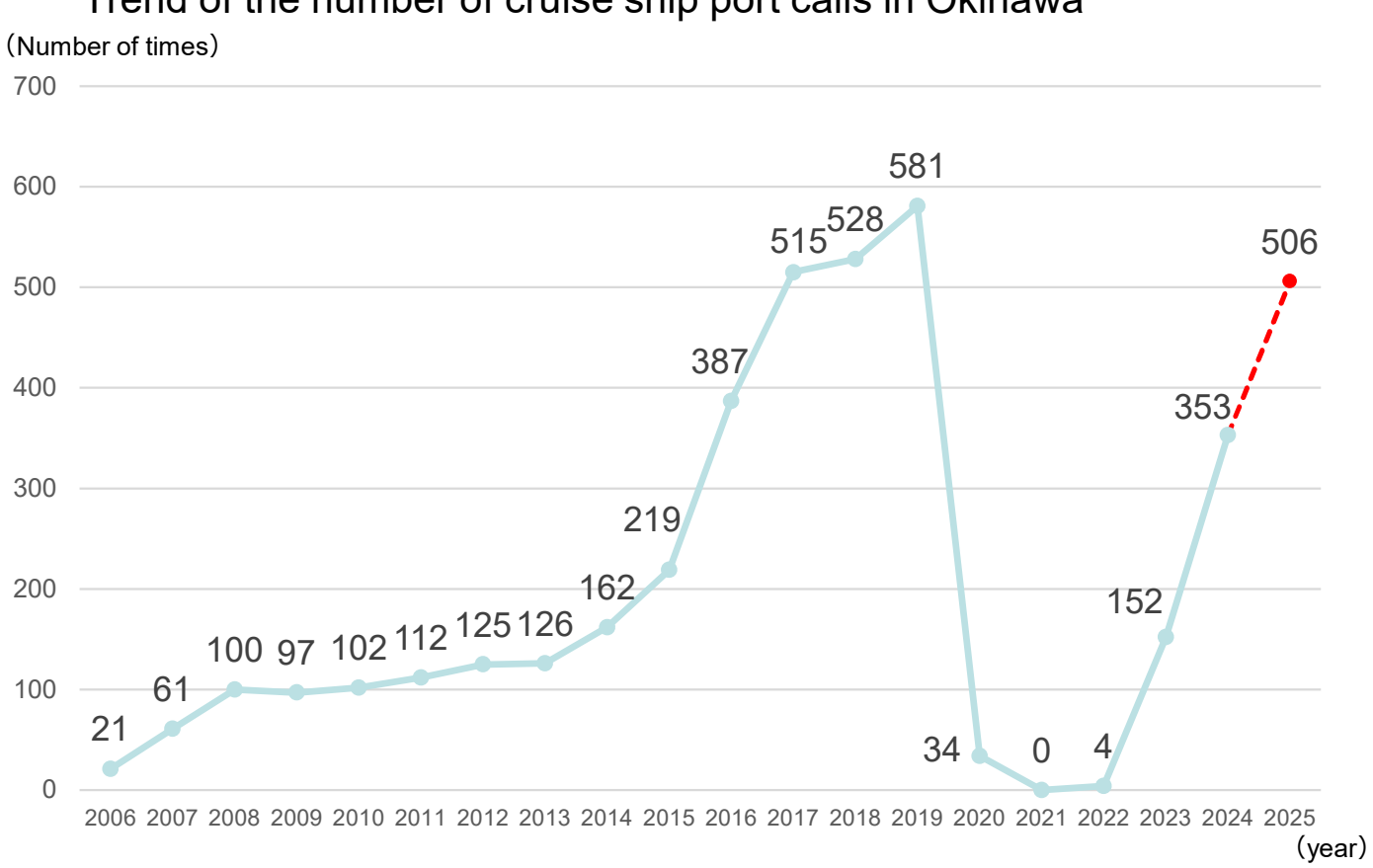
Room occupancy rates for FY2024 up to February results.

6. Number of cruise ship port calls

(i) Demand	(ii) Competition	(iii) Power
(iv) Global warming	(v) Remote Islands	(vi) System

- The number of cruise ship port calls in Okinawa Prefecture had increased year after year, reaching a record 581 calls in 2019. However, the number has dropped to zero since February 2020 due to the spread of COVID-19 infections.
- Domestic cruise vessels started to be allowed to resume port calls in June 2022, and the port was also reopened to international cruise ships in March 2023.
- The number of cruise ship calls is showing a steady recovery, and it is anticipated to maintain a robust performance in 2025.

Trend of the number of cruise ship port calls in Okinawa



source of photo：The Okinawa Times、Nikkei Inc.

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

7. 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)

Source: JUNGLIA OKINAWA website

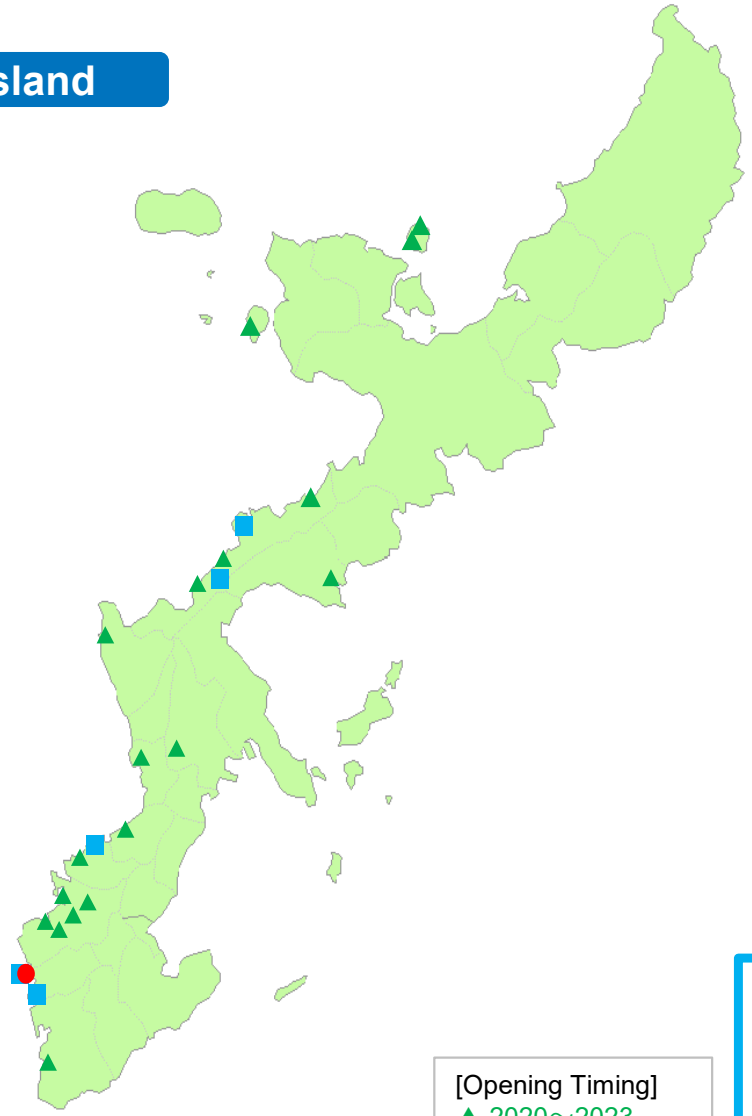
● **The restoration of the Shurijo Seiden, scheduled for completion in fall 2026, is expected to attract an additional influx of tourists**

Source: Shuri Castle Park website

8. Major Plans for Opening Accommodations

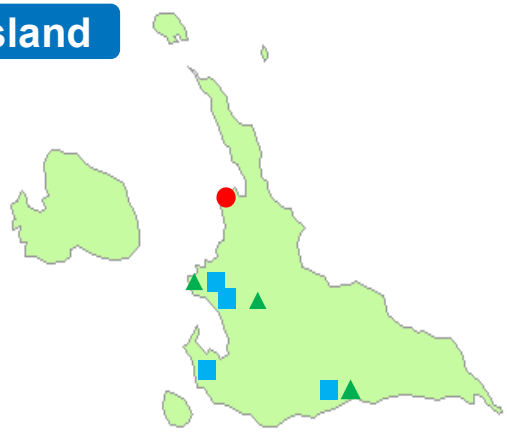
(i) Demand	(ii) Competition	(iii) Power
(iv) Global warming	(v) Remote Islands	(vi) System

Okinawa Main Island

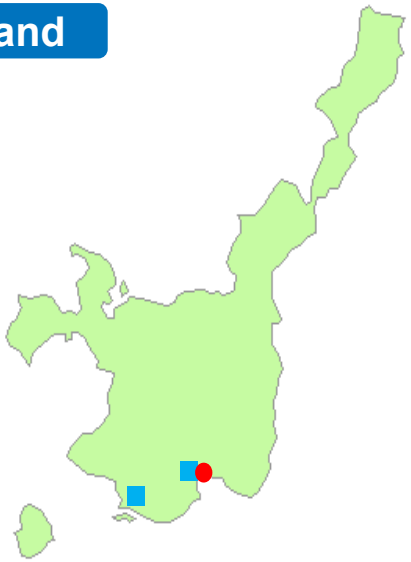


[Opening Timing]
- ▲ 2020～2023
- ● 2024
- ■ After 2025

Miyako Island



Ishigaki Island



Opening Accommodations

2020	:	9
2021	:	10
2022	:	9
2023	:	4
2024	:	3
After2025	:	20

Source: Compiled by OEPC based on newspaper reports, etc.

9. Current State of U.S. Military Bases

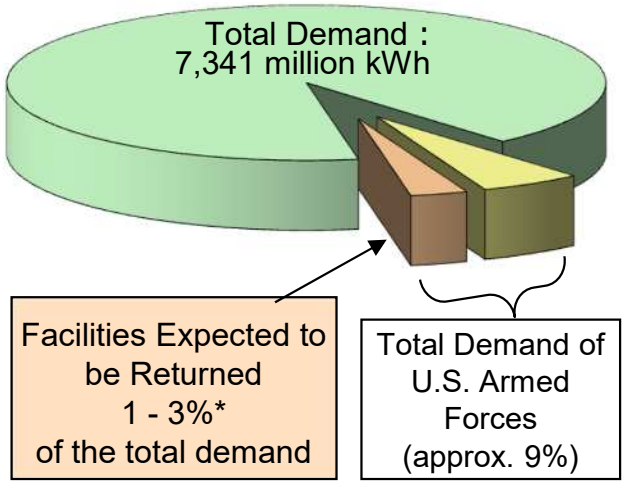
Outline of the U.S. military Forces in Okinawa

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

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

Sources ： Japan Ministry of Defense “US Forces and SDF Bases in Okinawa May 2024”, Military Base Affairs Division, Executive Office of the Governor, Okinawa Prefecture

The U.S. Armed Forces’ share of total electricity demand（FY2024)



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

Principal electricity supply destination facilities *1

Name		Location *2	Area
Camp Gonsalves	[US Marine Corps]	Kunigamison, Higashison	36,590km^2
Okuma Rest Center	[US Air Forces]	Kunigamison	546km^2
Iejima Auxiliary Air Base	[US Marine Corps]	Ieson	8,015km^2
Yaedake Communication Site	[US Air Forces]	Motobucho, Nago-shi	37km^2
Camp Schwab	[US Marine Corps]	Nago-shi, Ginozason	20,626km^2
Camp Hansen	[US Marine Corps]	Nago-shi, Ginozason, Onnason, Kincho	48,748km^2
Kadena Ammunitions Storage Area	[shared use]	Onnason, Uruma-shi, Okinawa-shi, Kadenacho, Yomitanson	26,276km^2
Camp Courtney	[US Marine Corps]	Uruma-shi	1,339km^2
Camp Mc Tureous	[shared use]	Uruma-shi	379km^2
Camp Shields	[shared use]	Okinawa-shi	700km^2
Torii Station	[US Army]	Yomitanson	1,895km^2
Kadena Airbase	[US Air Forces]	Okinawa-shi, Kadenacho, Chatancho, Naha-shi	19,856km^2
White Beach Naval Facility	[shared use]	Uruma-shi	1,568km^2
Camp Kuwae	[US Marine Corps]	Chatancho	676km^2
Camp Zukeran	[US Marine Corps]	Uruma-shi, Okinawa-shi, Kitanakagusukuson, Chatancho, Ginowan-shi	5,343km^2
Futenma Airport	[US Marine Corps]	Ginowan-shi	4,758km^2
Makiminato Service Areas	[US Marine Corps]	Urasoe-shi	2,675km^2
Naha port facilities	[US Army]	Naha-shi	559km^2

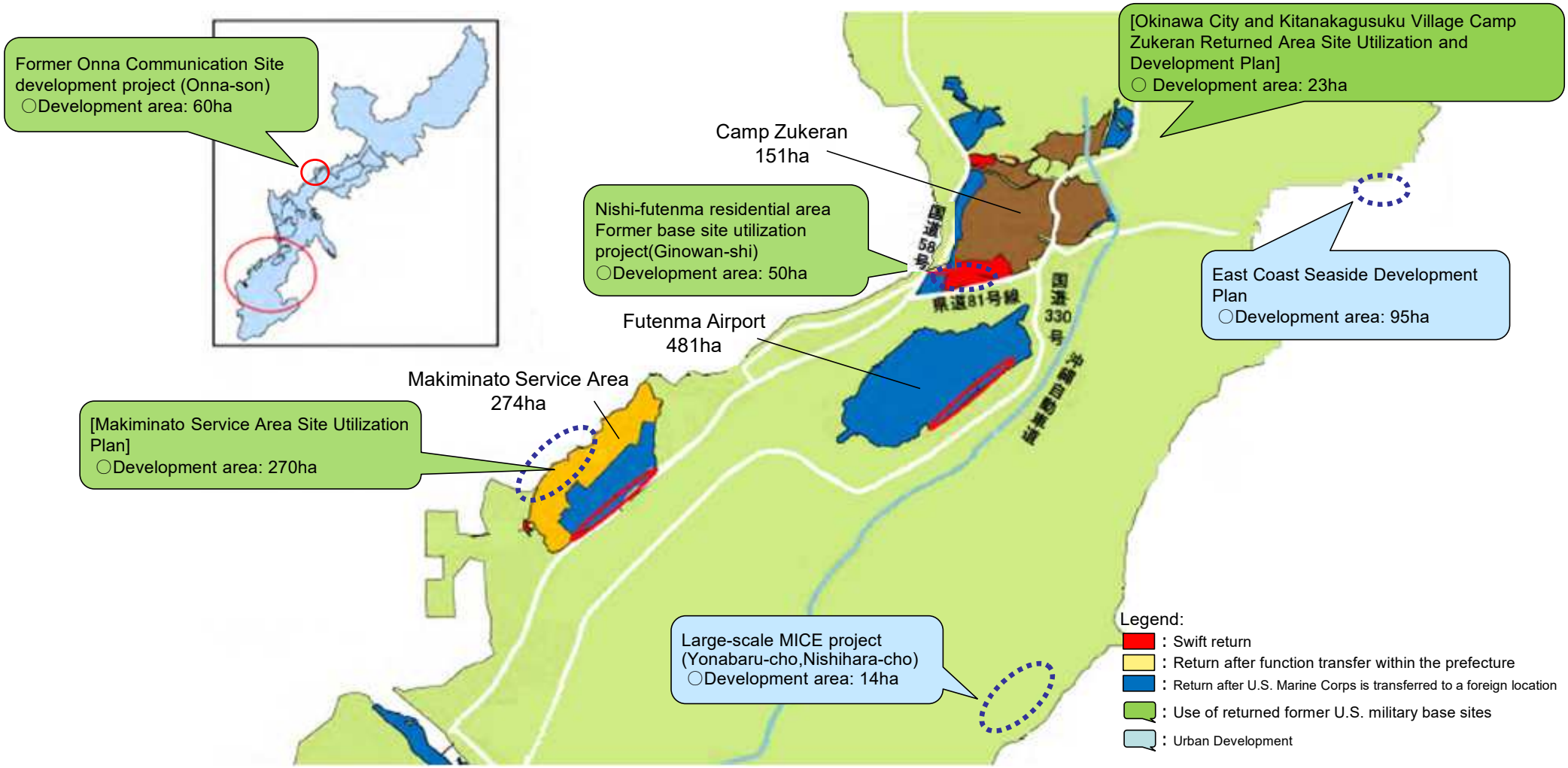
*3

*1 Professional use and large-demand customers
*2 Areas where facilities exist on a cross-area basis
*3 Facilities south of Kadenacho are scheduled to be returned (Partial return applies to Camp Zukeran)

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

(i) Demand	(ii) Competition	(iii) Power
(iv) Global warming	(v) Remote Islands	(vi) System

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

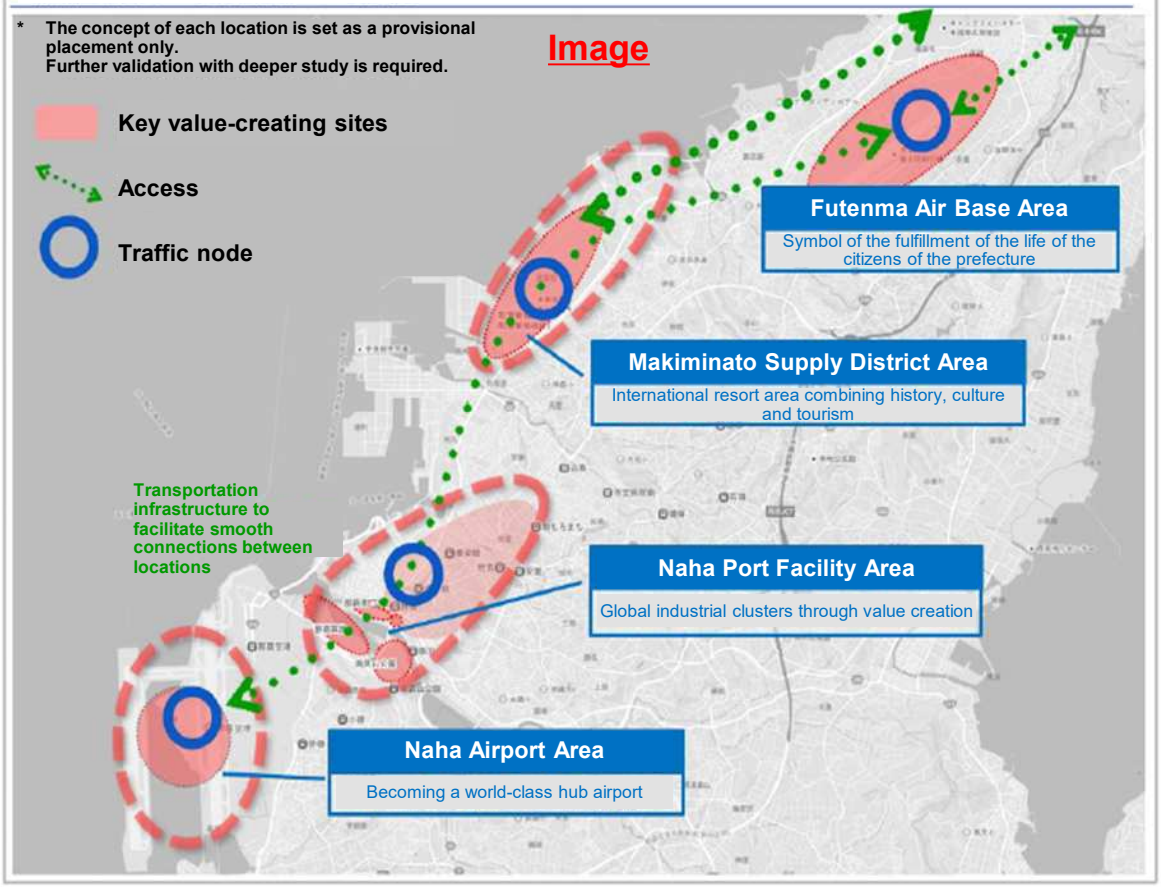


- Source: The material of the Okinawa Revitalization Council Chair and Specialized Committee Meeting (third session) presented on the Cabinet Office website, and Survey of Consideration of Ripple Economic Effects from Utilization of Former U.S. Forces Sites posted on the Okinawa Prefectural Government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

11. GW2050 PROJECTS (1/2)

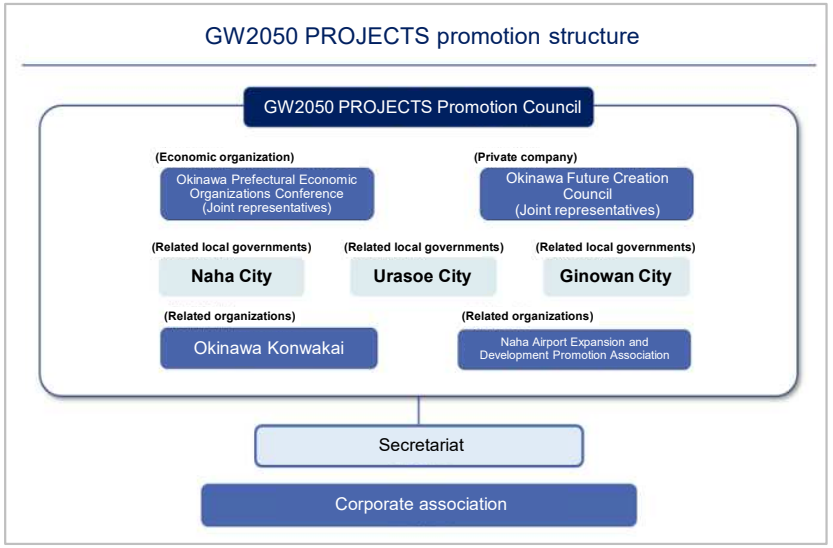
- The "GW2050 PROJECTS Promotion Council" (hereinafter referred to as the "Promotion Council") was established under the leadership of the private sector in cooperation with various economic organizations and related local governments in the prefecture, with the aim of realizing the future vision of 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.



11. 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]

① Existing industries (high value-added)
- Attracting wealthy people and investors
- Improvement of the self-sufficiency rate in the region
- Outbound creation

② Blue Economy Field
- Marine and Nature Research Function Cluster
- Utilization of rich marine resources
- Becoming a major center for shipboard MRO*

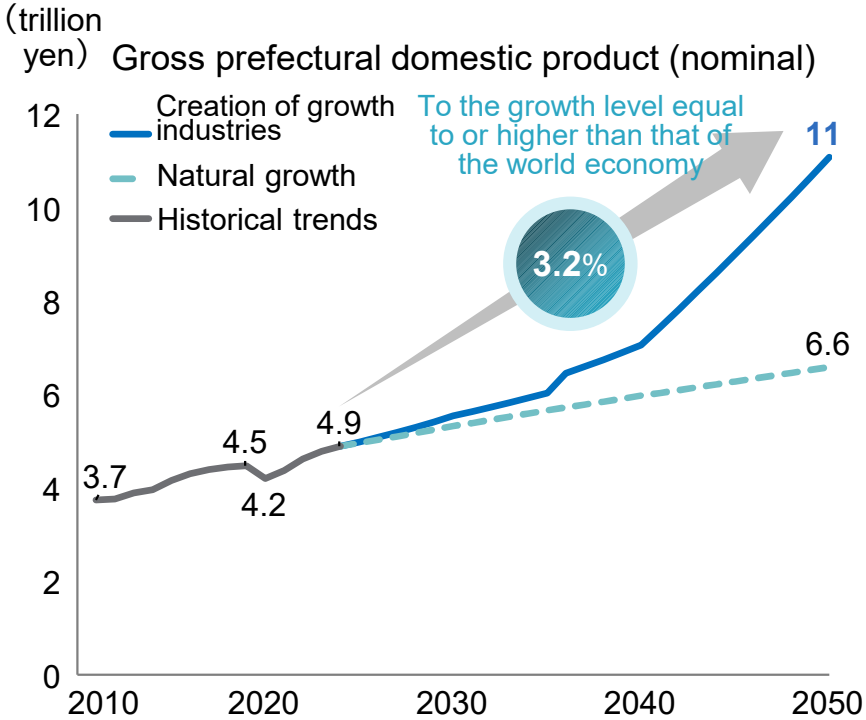
③ Advanced Medical care Field
- Long-term health and medical data
- Prior Telemedicine Technology
- Regenerative Medicine Science Park

④ Aeronautics and Space Field
- Satellite management and data utilization
- Space development and spaceport hubs
- High value-added aviation MRO*

* 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**



(i) Demand for Energy

(ii) Competition・Electricity rate

(iii) Power Generation Facilities

(iv) Global Warming Countermeasures

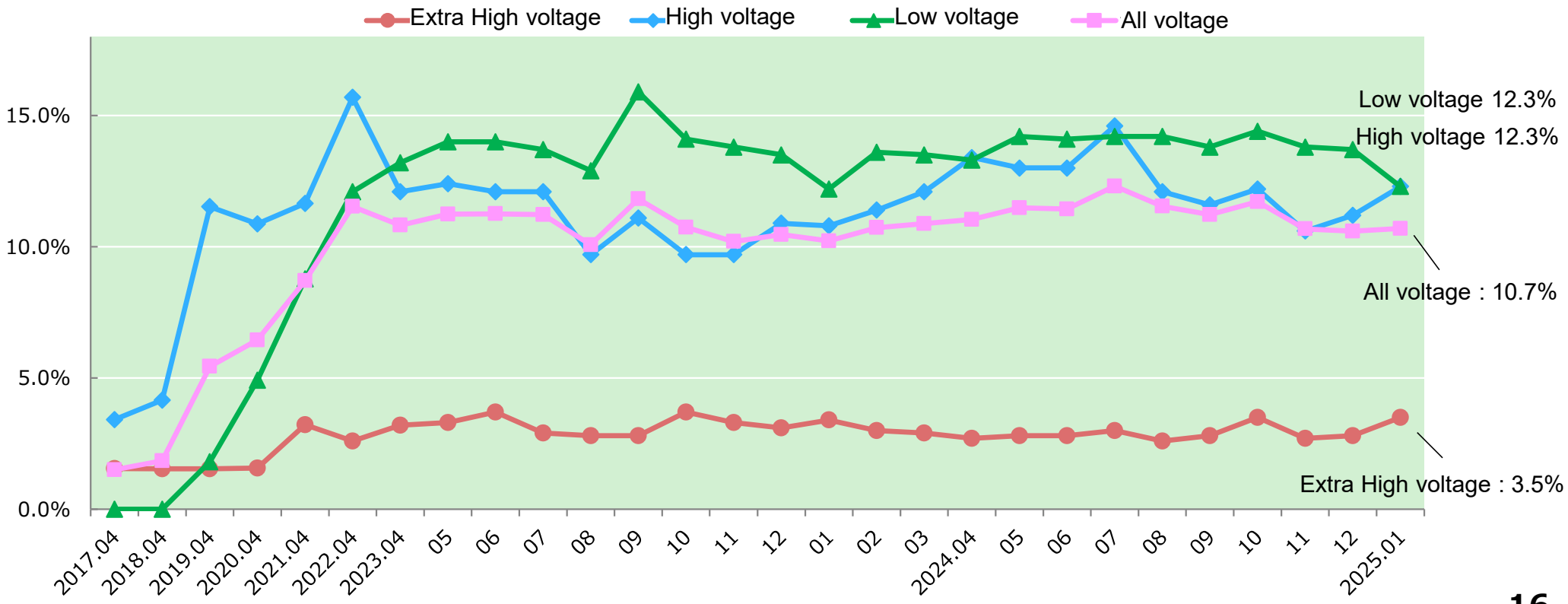
(v) Remote Islands

(vi) System

1. Full liberalization of the Electricity Market

- As part of a voluntary initiative to enhance the competitive environment in the Okinawa area, which functions as an independent power system, in April 2016, a segment of the Ishikawa Coal-Fired Power Plant, managed by Electric Power Development Co., Ltd., was divested. In April 2018, the Company initiated the provision of a “wholesale electricity menu for supply and demand adjustment.”
- In July 2021, a biomass power plant by a power producer and supplier (PPS) started operation, and further competition has been in progress.
- While currently, the share of electricity sold by PPS is 10.7% of the total for all voltages (as of January 2025), and competition is also steadily increasing in the Okinawa area, we will continue to strive to be the company of choice by developing comprehensive energy services through the concerted efforts of the entire group.

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



Source : “Electricity Trading Report”.

2. Status of Transitional Measures for Retail Charges

- With the elimination of regional monopolies due to the complete liberalization of entry into the electricity retail sector, rate regulations will become unnecessary in principle.
- On the other hand, it has been decided with the liberalization that rate regulations will be abolished after a transitional period so as not to interfere with the stable supply of electricity or cause confusion among consumers.
- At the national council meeting held in March 2025, the decision was made to terminate the transitional changes in the high-voltage field, which had been in effect only in the Okinawa area, in April 2026. The necessary preparations will be made in advance.

	OEPC			< Reference > Nine electric power companies in the mainland		
	Retail department		Transmission and distribution department	Retail company		Transmission and distribution company
Extra-high voltage ⇒Large factories, large shopping centers, etc.	Free rate 【20%】（18%） ⇒ Upper limit abolished from April 2023.		Last resort supply rate	Free rate		Last resort supply rate
High voltage ⇒Supermarkets, office buildings, etc.	Transitional treatment fee *Regulated rate 【13%】（17%） Upper limit on fuel cost adjustment exists (Upper limit on fuel cost adjustment is set by a national scheme)	Free rate 【22%】（19%） ⇒ Upper limit abolished from April 2023.	–	Free rate		Last resort supply rate
Low voltage ⇒For household use, small stores, etc.	Transitional treatment fee *Regulated rate 【28%】（31%） Upper limit on fuel cost adjustment exists (Upper limit on fuel cost adjustment is set by a national scheme)	Free rate 【17%】（15%） ⇒ Upper limit abolished from April 2023.	–	Transitional treatment fee (Regulated rate)	Free rate	–

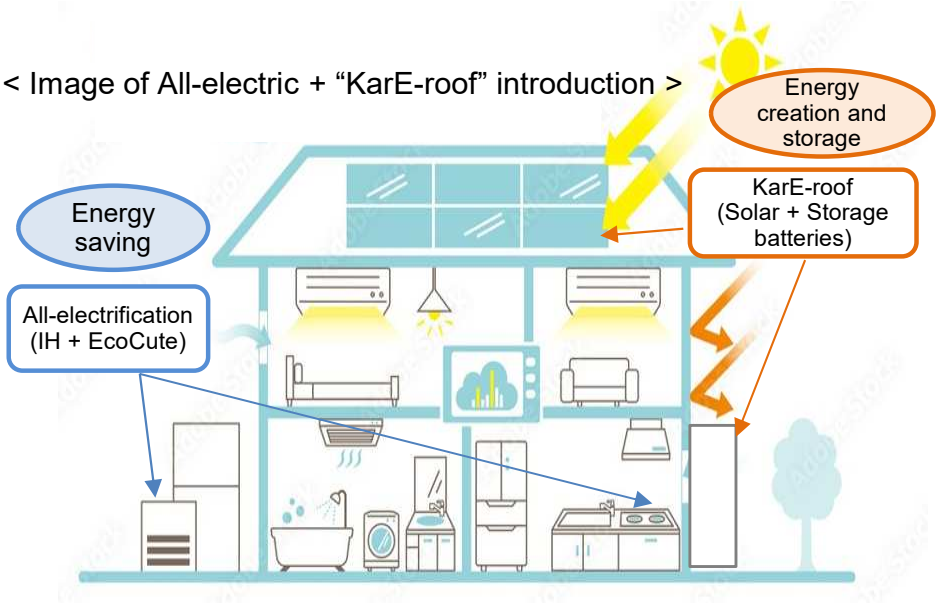
- The percentage of retail electricity sales to total electricity sales in FY2024 is shown in【 】, and the percentage when remote islands are included is shown in ( ).
- Areas for which transitional measures have been lifted may receive last resort supply from the general electricity transmission and distribution utility.

3. Current State of Promotion of Electrification

New All-Electrification Menu: "Ee Smart"

- In light of recent shifts in electricity usage patterns, attributable to the proliferation of solar power generation and advancements in energy conservation, we have launched a new electricity rate plan, "EeSmart," designed specifically for customers with all-electric homes. (Commencement date: October 1, 2025)
- Moving forward, we will continue to promote initiatives that allow customers to experience added value in electricity. For instance, we will propose new lifestyles that integrate "KarE-roof," a complimentary installation service for solar panels and batteries that are highly compatible with all-electric systems.

< Image of All-electric + "KarE-roof" introduction >



Approach for sales promotion in the corporate sector

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

Approach for the promotion and growth in the household sector

1. Implementing effective promotions based on customer needs, recognition, etc.
2. Promotion of electrification through proposals for new lifestyles combining "KarE-roof" and "all-electric" systems
3. Collaborate with sub-users such as architectural firms, construction companies, and appliance retailers
4. Maintenance and expansion of market share through prevention of defection and recovery marketing.
5. Proposals for leveraging public subsidy programs and related initiatives

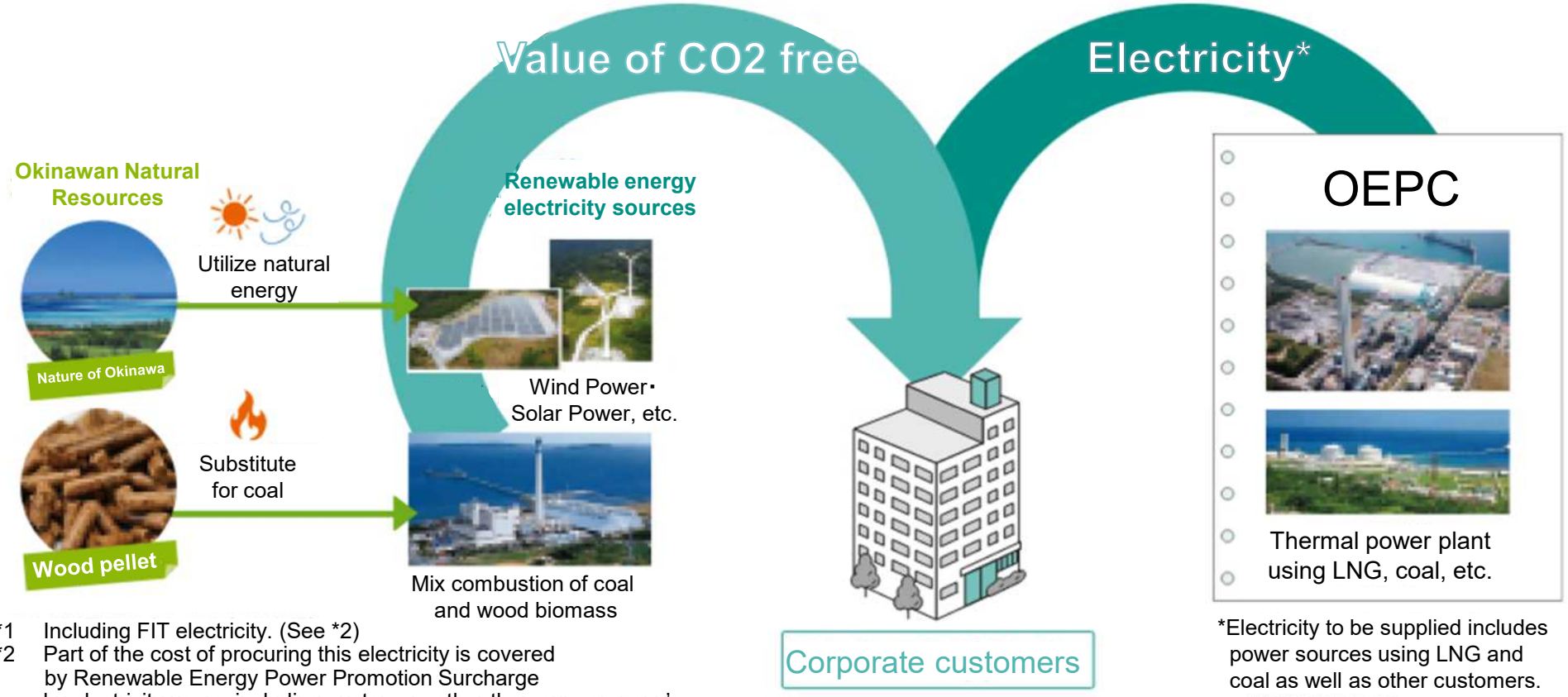
4. Enrichment of Electricity rate Menus

Uchina CO_2 free menu

- Deploying an electricity rate menu with the value of CO_2 free derived from renewable energy electricity sources.
- We will work with our customers to realize a decarbonized society in Okinawa Prefecture as a whole by using only resources in the prefecture.

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

「Local production for local consumption CO2 free menu」



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

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

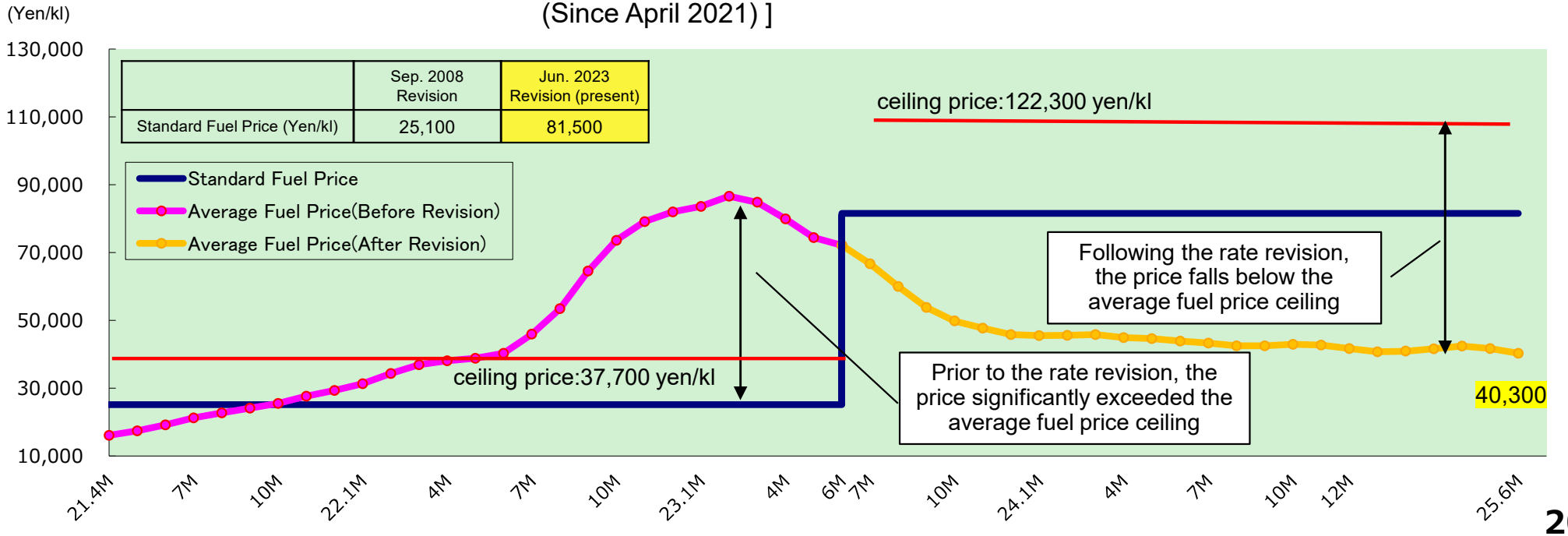
5. The Fuel Cost Adjustment System

- The fuel cost adjustment system was introduced for the purpose of clarifying the “internal factors” such as the results of efforts to promote management efficiency at electric power companies and reflecting “external factors” onto electricity rates such as exchange rates and oil and coal and LNG prices that alter the economic situation.
- The average fuel price is calculated using trade statistics for crude oil, coal, and LNG from the three-month period before the five-month period prior to adjustment. It is then compared with the benchmark fuel price at the time of the rate revision. As a result of this comparison, automatic monthly adjustments are made to electricity rates.

[Fuel price ceiling under the fuel cost adjustment system]

- The fuel price ceiling under the fuel cost adjustment system is established with consumer protection in mind, as it has the effect of suppressing the increase in electricity prices that often accompanies a rise in fuel prices.
- Regulated rates with fuel adjustment caps account for approximately 40% of the Company's total customer base. Since the June 2023 rate revision, which saw the revision of the fuel adjustment cap (from 37,700 yen to 122,300 yen,) fuel prices have continued to decline, reaching 40,300 yen/kl in June of this year. Therefore, at present, the likelihood of exceeding the limit is minimal.

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



(i) Demand for Energy

(ii) Competition・Electricity rate

(iii) Power Generation Facilities

(iv) Global Warming Countermeasures

(v) Remote Islands

(vi) System

1. Demand - Supply balance

- Not being connected to the mainland power system (power grid) and being outside the scope of wide-area power pooling necessitates high reserve capacity to ensure stable supply. To ensure a reliable power supply, even in the event of an accident involving the largest unit, reserve capacity is maintained at a level that exceeds the maximum single unit capacity.
- We would ensure long-term and stable supply.

Demand-supply balance of maximum electric power (August)

(Unit : Thousand kW, %)

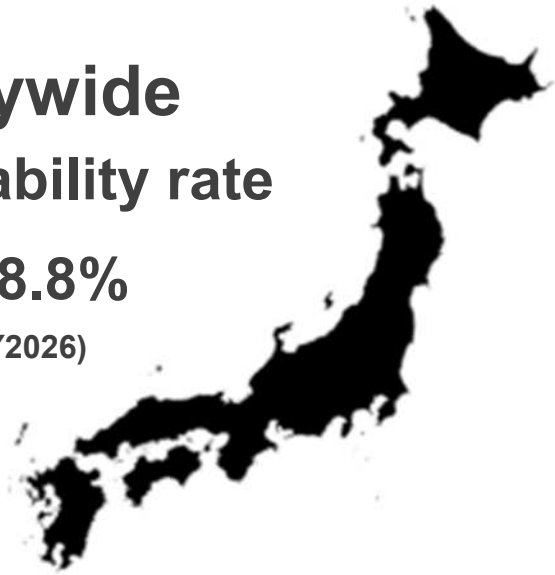
		2024 【Reference】	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Demand-supply balance	Supply capacity	1,893	2,167	2,135	2,225	2,271	2,287	2,289	2,291	2,293	2,318	2,320
	Peak load	1,616	1,603	1,612	1,620	1,628	1,655	1,664	1,673	1,682	1,691	1,700
	Reserve capability	277	564	523	605	643	632	625	618	611	627	620
	Reserve capability rate	17.1	35.2	32.4	37.3	39.5	38.2	37.5	36.9	36.3	37.1	36.5

Note: Based on FY2025 Supply Plan Notification. (general transmission / distribution business)

Okinawa
Reserve capability rate
35.2%-32.4%
(FY2025-FY2026)

>

Countrywide
Reserve capability rate
17.5%-18.8%
(FY2025~FY2026)



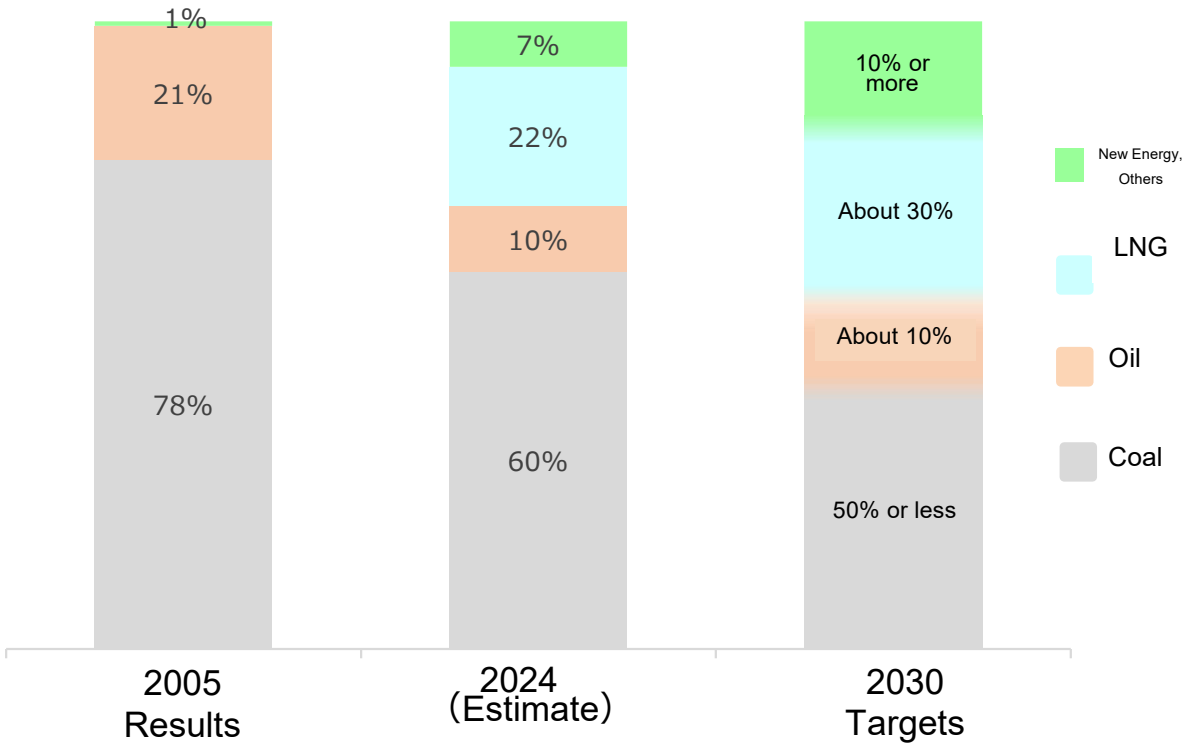
* The mainland's reserve capability rate is the median value for each company in August.

2. Power Generation Facilities (Power Supply Composition)

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

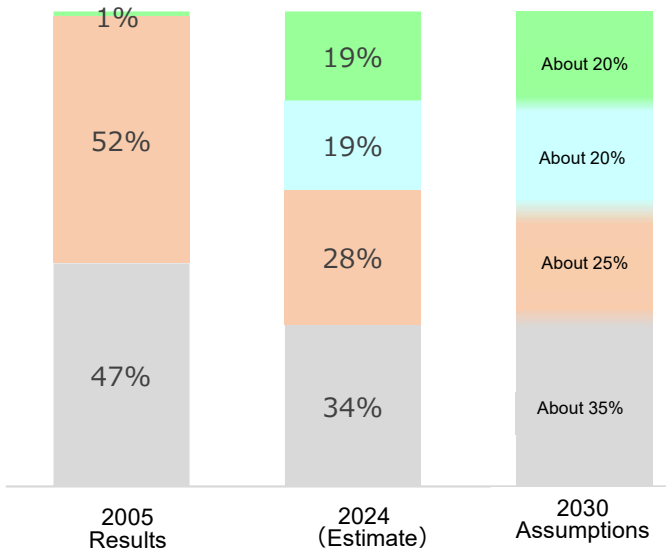
Power Supply Composition Ratio(kWh)

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



Reference：Amount of facilities in Okinawa area(kW)

Composition of the installed capacity (kW) for the entire Okinawa area by power source type (assumed values based on the FY2025 supply plan), which is the premise for calculating the power source composition (electric energy) shown on the left.



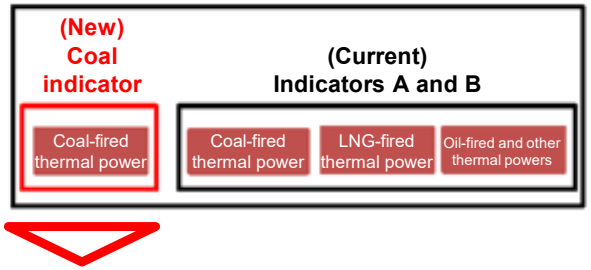
3. Response to the Fade-out of Inefficient Coal-fired Thermal Power Generation

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

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

① Regulatory measures (Energy Saving Act)

New thermal power indicator (Conceptual diagram)



Target level: Power generation efficiency of 43%

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

② Guidance by the capacity market

⇒ Not applicable to Okinawa

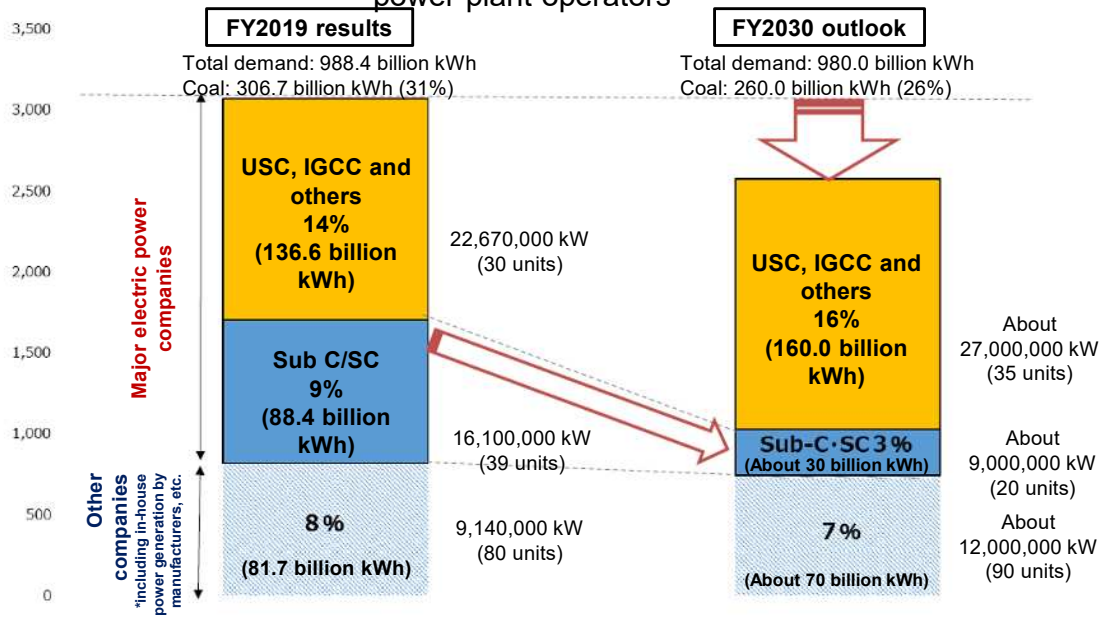
(Reference) The requirement is that the annual facility utilization ratio for the subject coal-fired power units must be reduced to 50% or less, and a penalty of 20% of the contract amount will be collected for power sources that exceed this ratio.

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

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

③ Fade-out plan (Annual submission)

(Diagram) Outlook of the inefficient coal-fired thermal power generation fade-out
*Estimated results based on the fade-out plans submitted by specific coal-fired power plant operators



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

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

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

(i) Demand for Energy

(ii) Competition・Electricity rate

(iii) Power Generation Facilities

(iv) Global Warming Countermeasures

(v) Remote Islands

(vi) System

1. Introduction status of renewable energy Facilities

■ The OEPC Group has introduced various forms of renewable energy such as wind power, solar power, biomass, and small hydroelectric power, maintaining and operating facilities for 31,609 kW in total.

【 OEPC 】 (As of March 31, 2025)

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

【 Group company 】 (As of March 31, 2025)

	Name	No. of Units	Output	Remark
Wind Power	Sosu Wind Power	2	3,600 kW	
	Nakijin Wind Power	1	1,995 kW	
	Sashiki Wind Power	2	1,980 kW	
	Iejima wind Power	2	1,200 kW	
	Iejima Daini wind Power	2	1,490 kW	
	Karimata Wind Power	2	1,800 kW	
	Sadefune Wind Power	2	1,800 kW	
	subtotal（7）	**13**	**13,865 kW**	
Solar Power	Iejima Solar Power	—	10 kW	
	Tokashiki Solar Power	—	198 kW	
	Nago Mega Solar Power No.1	—	1,990 kW	
	Nago Mega Solar Power No.2	—	1,200 kW	
	Itoman Mega Solar Power	—	1,500 kW	
	KarE-roof(PV-TPO) business	—	4,956 kW	*2
	subtotal（5） *2	—	**9,854 kW**	

Total : 31,609 kW

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

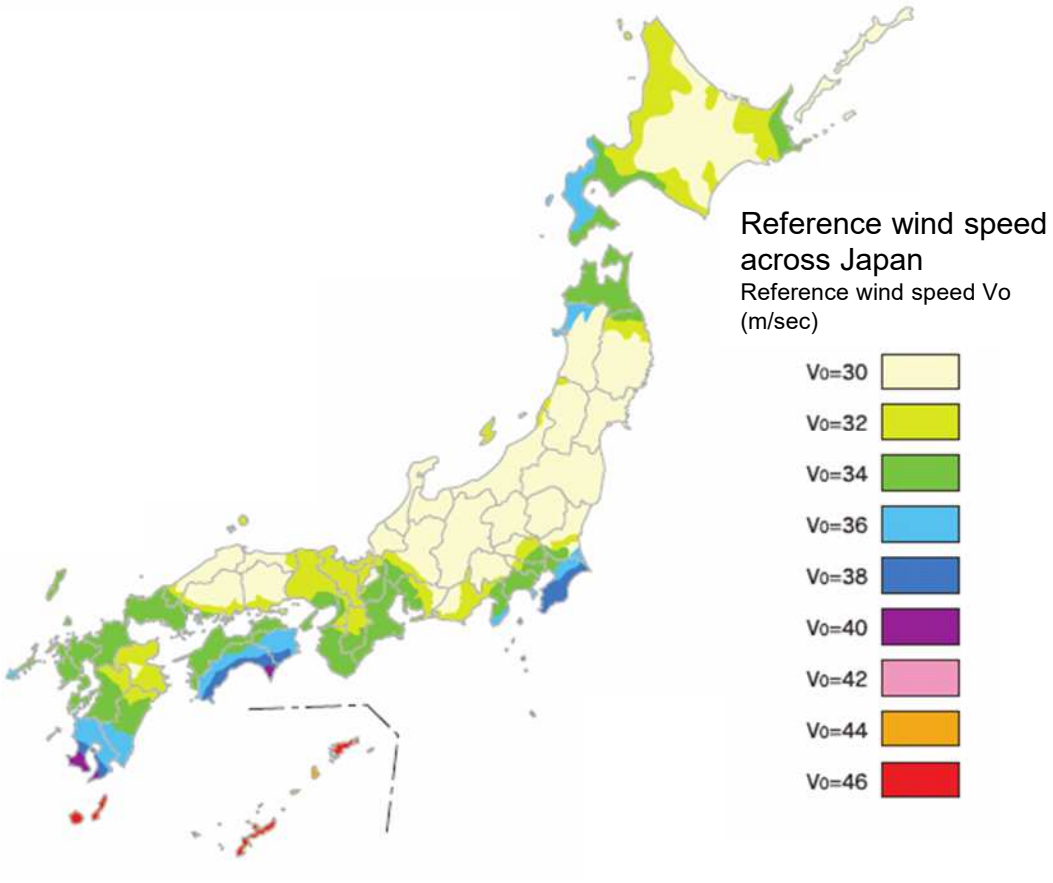
*2 Not included in total, subtotal.

2. Challenges in Expanding the Introduction of Renewable Energy (1/3)

(i) Demand	(ii) Competition	(iii) Power
(iv) Global warming	(v) Remote Islands	(vi) System

1 Wind power generation

- Wind power generation has tended to move toward larger scale for the purpose of reduce costs through economies of scale, the capacity of the mainstream in recent years is 3,000 to 4,000 kW.
- Examination criteria tightened for construction of wind power generation facilities more than 500kW in Japan (2016).
- “Extreme wind speed”* ,which is the construction standards in Okinawa, is or more “90 m/s “equivalent.
- At present, we have not been able to identify any wind turbine manufacturers around the world is producing wind power generation facilities more than 500kW that meet these standards. As a result, it is challenges to introduce new ones.
- To solve the issue, we are conducting wind condition surveys to select possible installation sites, and examining the feasibility of introducing wind power generation.



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

Source: Japan Exterior Industry Association website

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

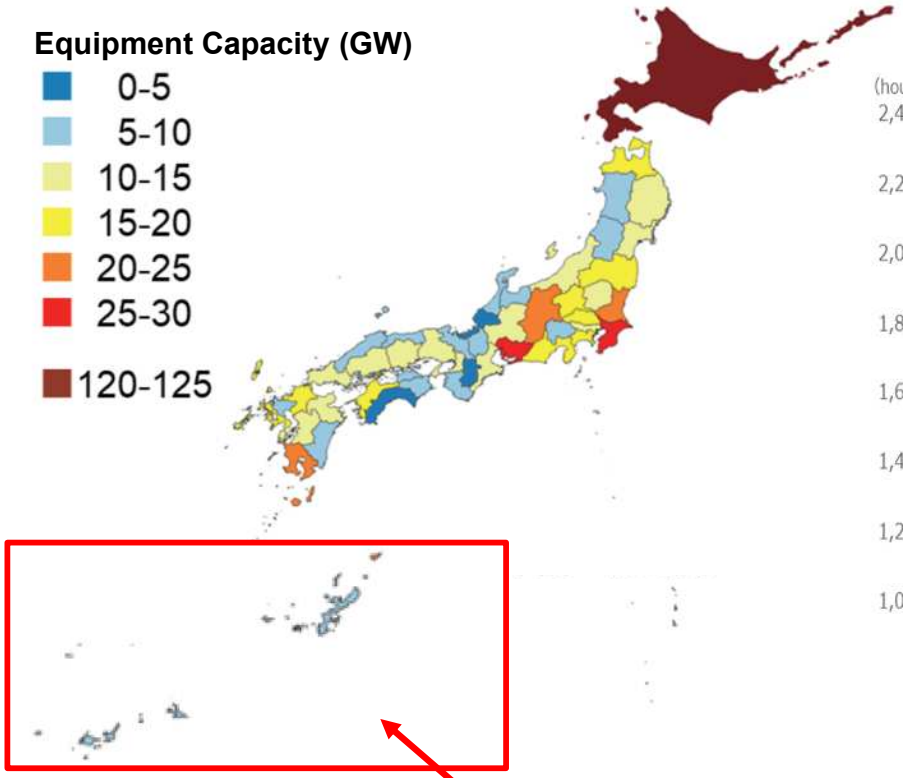
Extreme wind speed (90 m/s)
= Reference wind speed (46 m/s) × a × b × c

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

2 Solar power generation

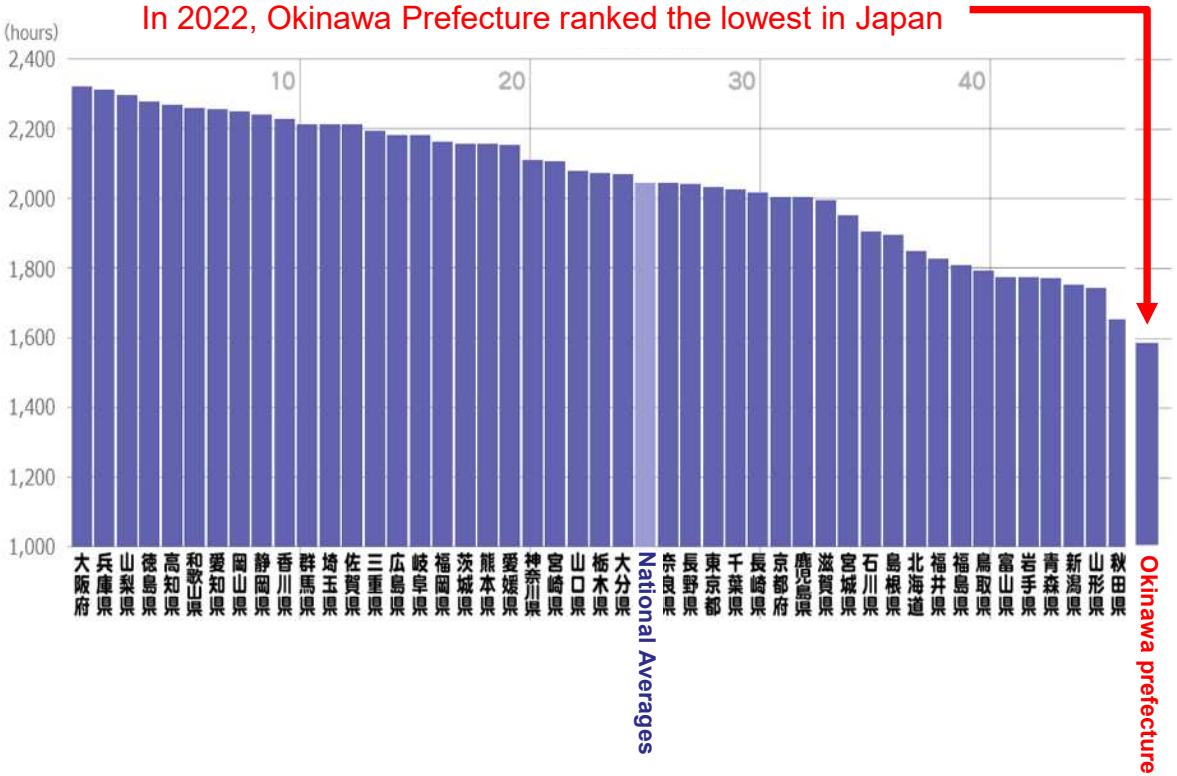
- The small island of Okinawa Prefecture has limited land availability and a scarcity of suitable sites for large-scale solar power plants.
- Okinawa Prefecture is surrounded by sea, resulting in frequent cloud cover and fewer sunshine duration compared to the national average.

< Potential for Solar Power Generation in 2050 >
(Japan Science and Technology Agency)



While the potential for 700 GW is indicated nationwide, Okinawa Prefecture is relatively small, with an estimated 10 GW.

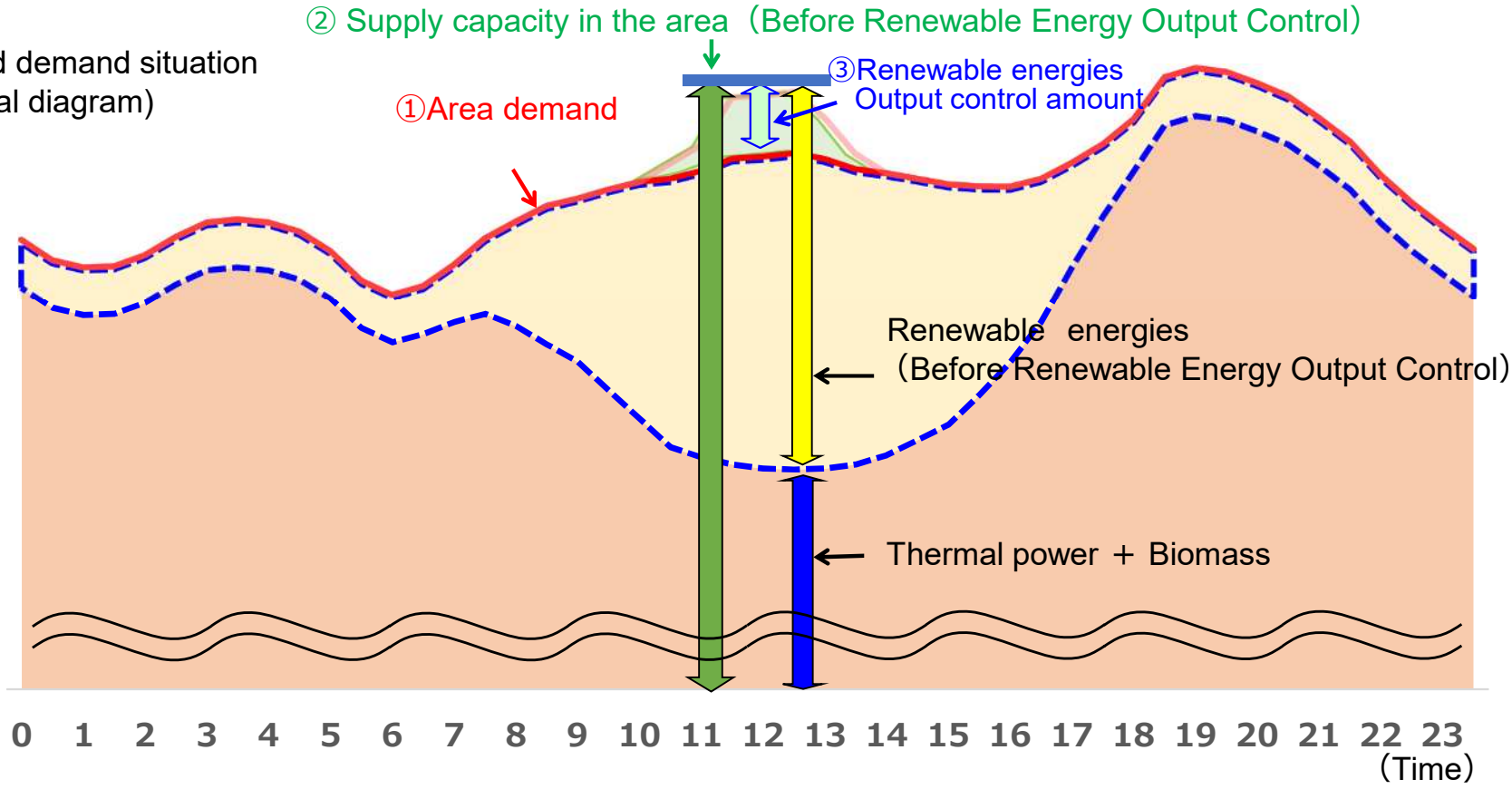
< FY2022 Annual Sunshine Duration Data >
(Statistics Bureau of the Ministry of Internal Affairs and Communications)



3 Supply and demand situation

- Following the revision of “Ordinance for Enforcement of the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities” (Renamed and currently “Ordinance for Enforcement of the Act on Special Measures Concerning Promotion of Utilization of Renewable Energy Electricity”), all solar and wind power generation facilities online after April 1, 2021 are subject to unlimited and uncompensated output control.
- The Company conducted output control of renewable energies (solar and wind) 7 times during FY2024.
- According to estimates for FY2025, the output control for all facilities (solar power and wind power) is expected to be 0.20%. As of April 10, one control was executed, with nine more scheduled after April 11.

Supply and demand situation
(Conceptual diagram)



(i) Demand for Energy

(ii) Competition・Electricity rate

(iii) Power Generation Facilities

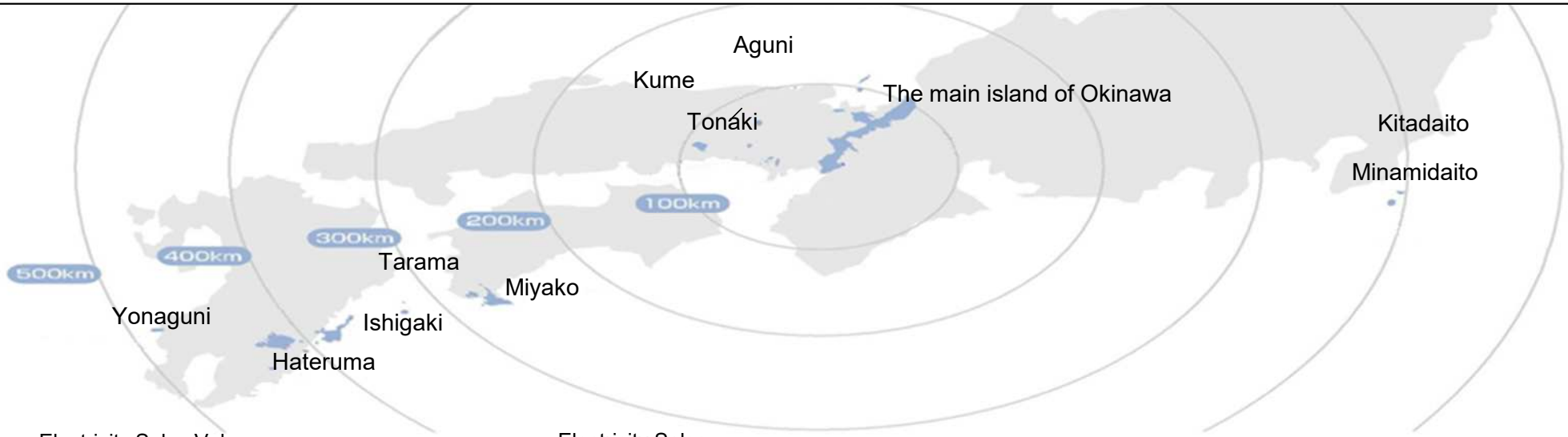
(iv) Global Warming Countermeasures

(v) Remote Islands

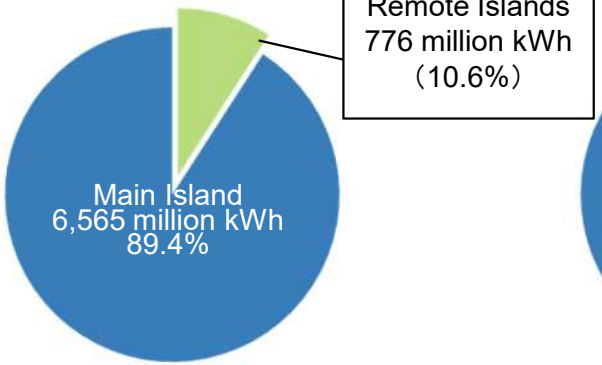
(vi) System

1. Efforts to Improve Income and Expenditureon on Remote Islands in the Prefecture

- We supply power to 38 remote islands, including the main island of Okinawa, and operate 10 isolated power systems outside the main island.
- The region has a high cost structure because of such reasons as having small islands scattered about a vast sea area and the narrow scale of the economy.
- Remote island business occupies about 10% of electricity sales and residential, commercial and industrial use charges.

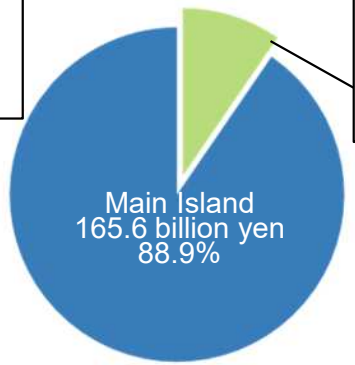


Electricity Sales Volume
(FY2024 Results)
(Total : 7,341 million kWh)



Remote Islands
776 million kWh
(10.6%)

Electricity Sales
(FY2024 Results)
(Total : 186.3 billion yen)



Remote Islands
20.7 billion yen
(11.1%)

(Efforts to improve remote island income and expenditure)

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

2. Initiatives to Expanding the Introduction of Renewable Energy on Remote Islands in the Prefecture

(i) Demand	(ii) Competition	(iii) Power
(iv) Global warming	**(v) Remote Islands**	(vi) System

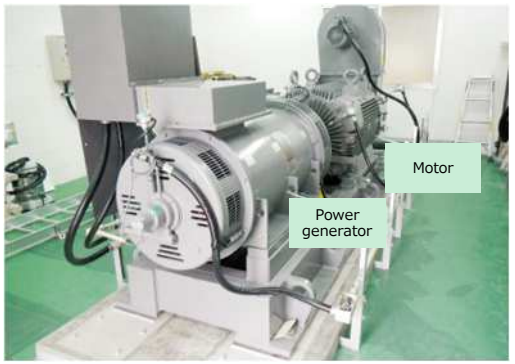
- Remote islands have a high cost structure due to their small size and geographic remoteness. As an initiative to reduce costs, we are promoting the reduction of burning fuels through the utilization of renewable energy.
- When introducing a high percentage of renewable energy to a small power system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

[Examples of initiatives on remote islands in the prefecture]

● Tiltable wind power generation equipment

● Solar demonstration facility

● MG set demonstration



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

3. Partnership Agreement on the Promotion of Sustainability in Remote Islands

(i) Demand	(ii) Competition	(iii) Power
(iv) Global warming	**(v) Remote Islands**	(vi) System

- Okinawa Electric Power Company, Okinawa Financial Group, Okinawa Cellular Telephone Company and 10 remote island towns and villages have signed a "Partnership Agreement on the Promotion of Sustainability in Remote Islands" in order to work closely together to promote regional development and community development in each remote island. (Date of agreement: June 28, 2024)
- Additionally, as part of the initiatives under the same partnership agreement, it was announced that a total of 90 million yen will be donated to 10 remote island municipalities through the Regional Revitalization Support Tax System (the corporate version of the hometown tax donation system). (Press release: February 28, 2025)
- Moving forward, the three companies will effectively leverage their information and functions to strengthen the power and telecommunications infrastructure. In addition to increasing the island's population by promoting measures to combat the declining birthrate and encouraging migration and settlement, they will also promote the use of renewable energy, digital transformation of government, and the development of other digital infrastructure, with the aim of achieving sustainable regional development and revitalization of the regional economy in collaboration with municipal governments.

Partnership Agreement on the Promotion of Sustainability in Remote Islands

Objective: Aim to **achieve sustainable regional development and regional economic revitalization** in remote islands through mutual cooperation and collaborative efforts between **remote island municipalities**, **Okinawa Financial Group, Okinawa Electric Power Company, and Okinawa Cellular Telephone Company**.

Ie Village	Kita Daito Village	Zamami Village	Aguni Village	Tonaki Village
Minamidaito Village	Ie Village	Iheya Village	Izena Village	Kumejima Town

Details of cooperation

(1) Resolving issues faced by local communities
- Enhancing local infrastructure
- Improving the standard of living of local residents
- **Countermeasures to the falling birthrate**
- **Promoting migration/settlement**

(2) Industrial promotion and creation, regional economic revitalization
- Business/industrial/economic exchange within and outside the region
- Entrepreneurship/establishment in the tourism/agriculture sector

(3) Human resource development, job creation and employment support
- Training and dispatch of personnel related to personnel exchange

(4) Local economic development through DX
- **Public administration DX**
- **Other digital infrastructure development**

(5) Creating sustainable communities
- **Promoting the use of renewable energy**
- **Optimizing energy efficiency**
- **Building a sustainable social infrastructure**

Our Mind, Timeless
Our Challenge, Timeless
沖縄セルラー

OFG Okinawa Financial Group

With the community, for the community
Okinawa Electric Power Company

The corporate version of the hometown tax payment presentation ceremony

(i) Demand for Energy

(ii) Competition・Electricity rate

(iii) Power Generation Facilities

(iv) Global Warming Countermeasures

(v) Remote Islands

(vi) System

1. Differences from other areas based on the uniqueness of the Okinawa area

(i) Demand	(ii) Competition	(iii) Power
(iv) Global warming	(v) Remote Islands	**(vi) System**

■ The Okinawa area has distinct circumstances regarding the application of exception to restrictions on concurrent business and the means of electricity transactions, given its small and independent power grid.

Exception to Restrictions on Concurrent Business

- To maintain the neutrality of the power transmission and distribution division, it is standard practice to spin off the division into a separate company in the nine areas, with the exception of Okinawa **(Restrictions on concurrent business)**
- On the other hand, the Company continues to maintain an integrated power transmission and distribution framework as an **"approved general power transmission and distribution business operator."** This encompasses power transmission and distribution, retail, and power generation divisions under a single company as an exception to the restrictions on concurrent business.

1 Due to the limited capacity of the independent power system, it is imperative that the power source operations be highly flexible

2 It is imperative that the power transmission and distribution, retail, and power generation divisions collaborate on integrated activities in the context of disaster response

Means of trading electricity

- The Okinawa area is not covered by various markets except for non-fossil value transaction markets because it is physically difficult to transfer electricity outside the wide-area interconnection system. Therefore, various power source values are traded mainly through the following means:

Value of power supply, etc.	Value traded	Various trading markets *Except for Okinawa		The primary means of transactions in the Okinawa area
Electric power **kWh value**	Electricity actually generated	Wholesale power market (spot and baseload markets, etc.)	➡	**Transactions through negotiated wholesale contracts (between power generators and retailers)**
Capacity (supply power) **kW value**	Capacity to generate electricity	Capacity market (including long-term decarbonized power auctions)	➡	**Transactions through negotiated wholesale contracts (between power generators and retailers)**
Adjustability **Negative kW value**	Capacity to adjust supply and demand in a short period of time	Supply-demand adjustment market	➡	**Request for proposal issued publicly by a general power transmission and distribution business operator**
Environmental value	Environmental value associated with non-fossil power sources	Non-fossil value trading market	➡	**Non-fossil value trading market**

2. Special Tax Measures

- OEPC has received “Preferential Measure for Standard Taxable Values Relating to Fixed Property Tax" and "Exemption from the Oil and Coal Tax Relating to Specific Coal, etc. (Coal and LNG) Used for Power Generation in Okinawa" based on the Special Measures Law for the Promotion of Okinawa.
- We consider that special taxation measures are necessary for promoting business in Okinawa Prefecture and improving the lives of Okinawa residents on the grounds that disadvantages inherent in Okinawa’s electricity business have remained unchanged. For example, there are many small and isolated systems and Okinawa is dependent on thermal power.
- The amount of tax exemption based on the special taxation measures is deducted from the cost of electricity charge.

Currently Applied Special Tax Measures

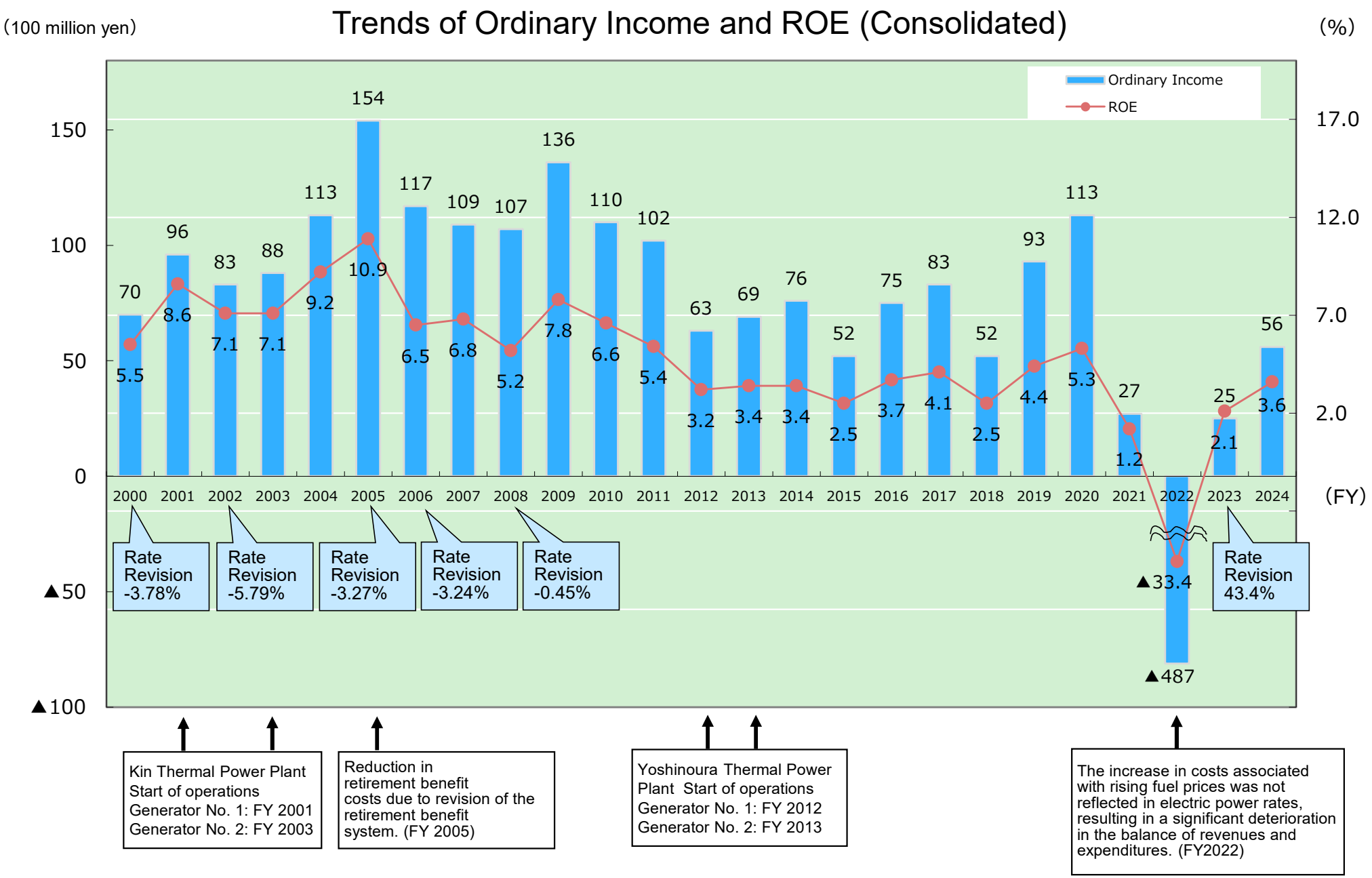
	Preferential Measure for Standard Taxable Values Relating to Fixed Property Tax	Exemption from the Oil and Coal Tax Relating to Specific Coal, etc. (Coal and LNG) Used for Power Generation in Okinawa
Details	Alleviation to 2/3 of Standard Taxable Values	(1) Exemption from the Oil and Coal Tax for coal (2) Exemption from the Oil and Coal Tax for LNG
Period	April 1, 1982 - March 31, 2027 * Extended for 3 years from April 1, 2024	(1) October 1, 2003 – March 31, 2027 * Extended for 3 years from April 1, 2024 (2) April 1, 2012 – March 31, 2027 * Extended for 3 years from April 1, 2024
Basic Law	Supplementary Provisions of the Local Tax Law (Article 15.4)	Special Measures Law for the Promotion of Okinawa (Article 64) Special Taxation Measures Law (Article 90.4.3.1)

Value of Tax Alleviation Due to the Special Measures

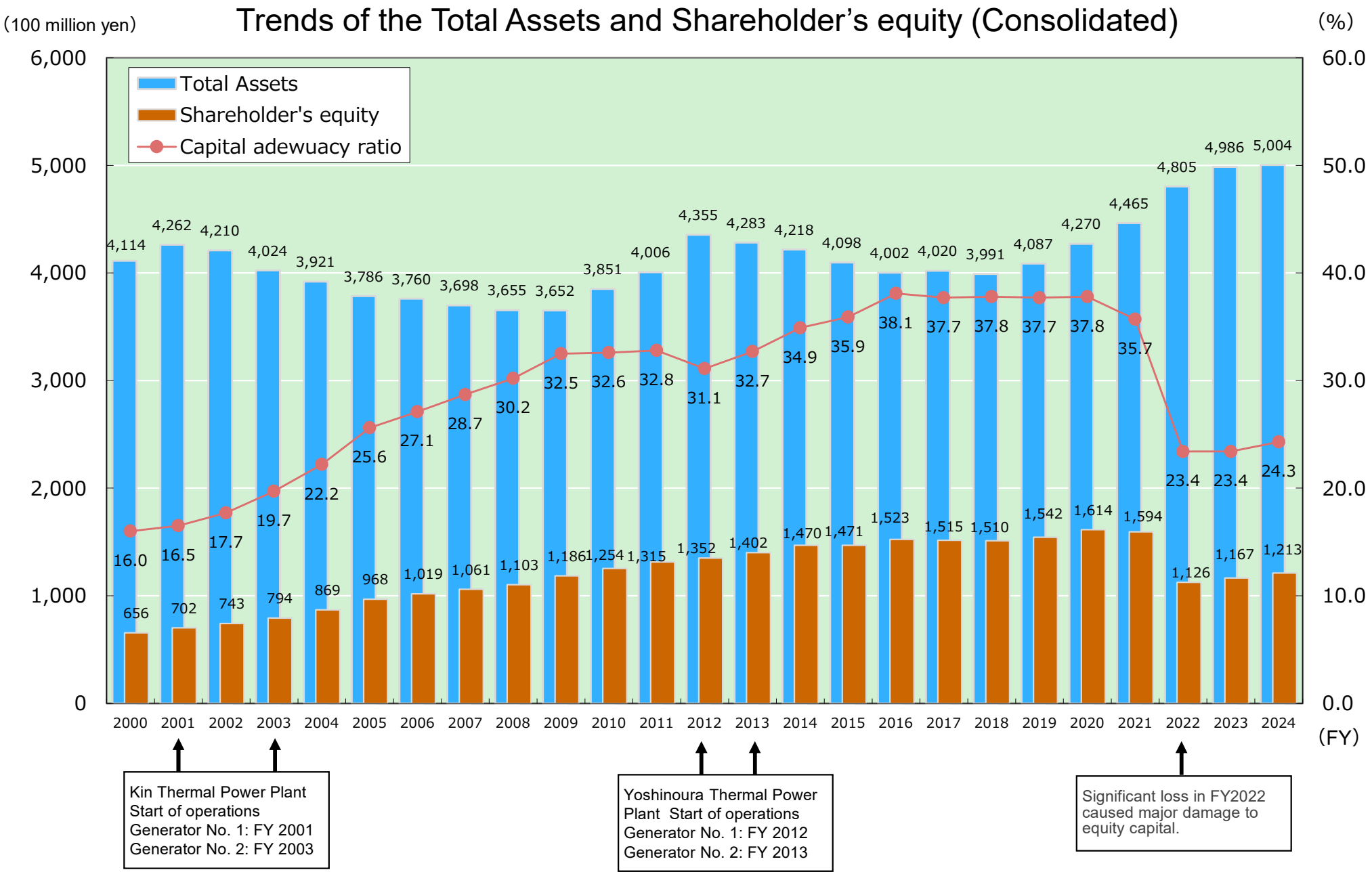
■ FY2022 : about 3.5 billion yen. ■ FY2023 : about 3.1 billion yen. ■ FY2024 :about 3.5 billion yen.

Data Collection

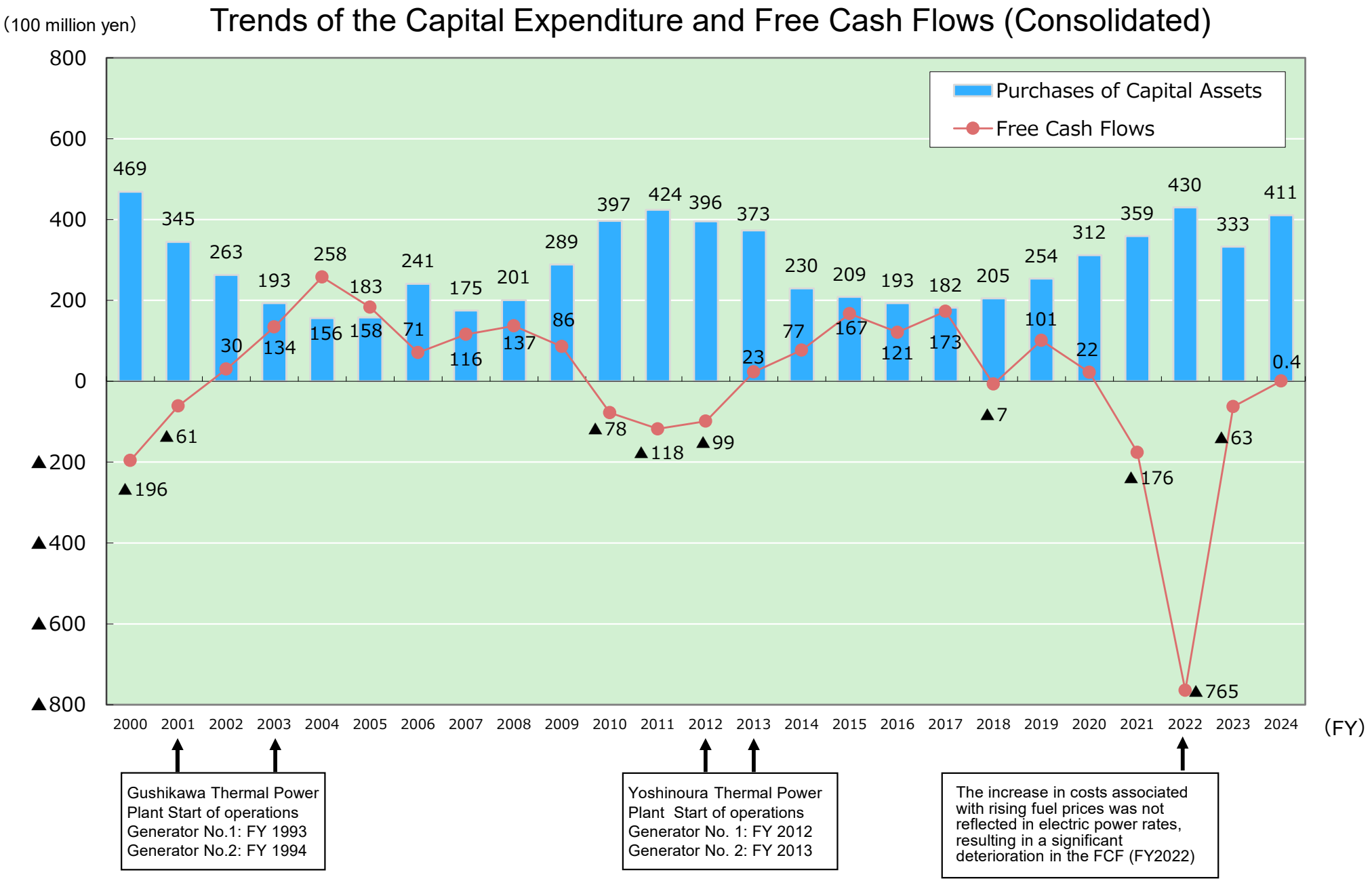
1. Trends of Ordinary Income and ROE



2. Trends of the Total Assets and Shareholder's equity



3: Trends of the Capital Expenditure and Free Cash Flows



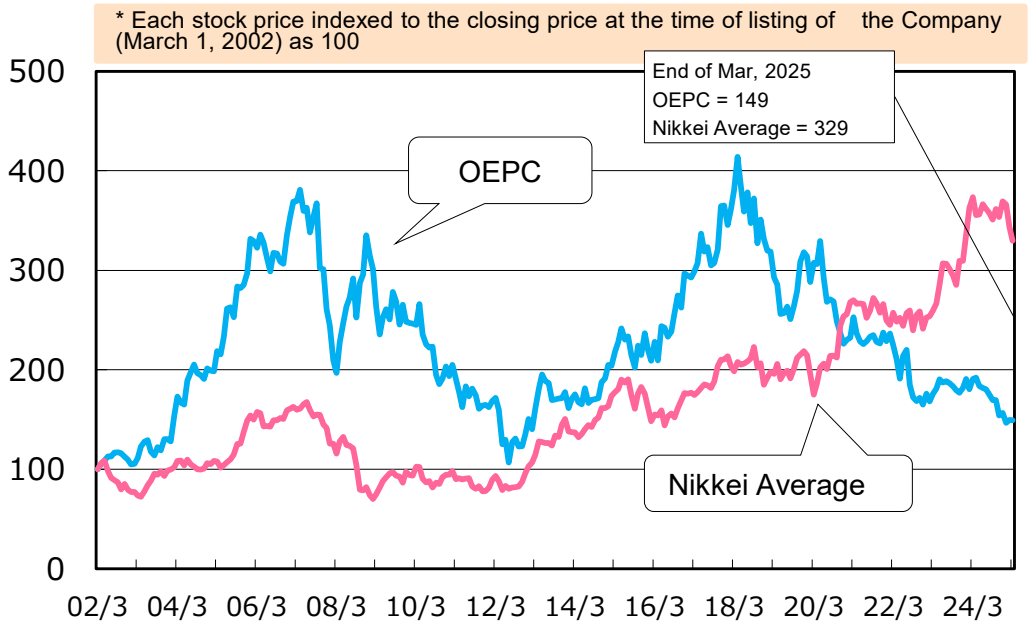
4. Change in Okinawa Electric Power's Stock Price

Recent stock price changes: from January 4, 2024 to March 31, 2025

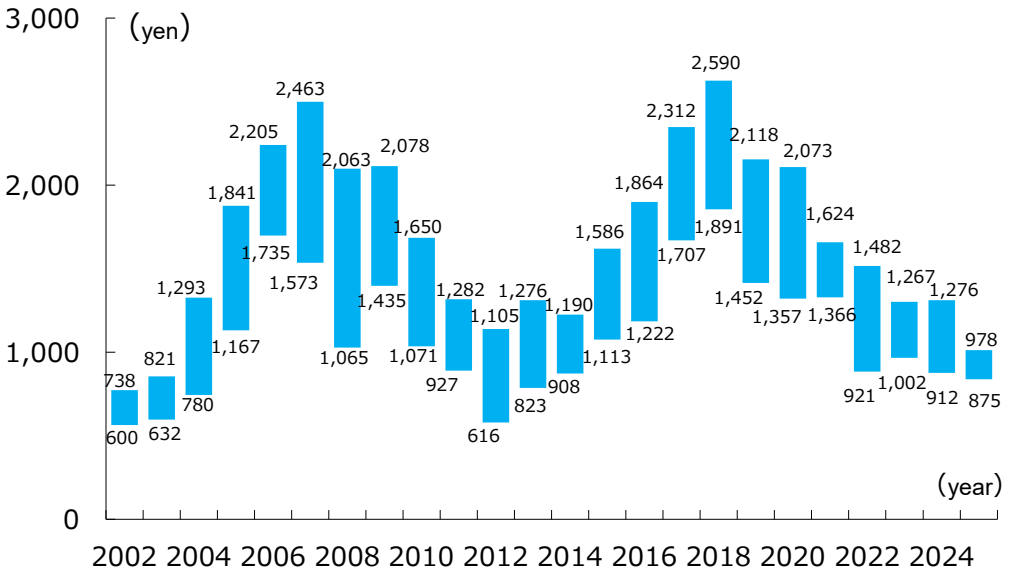
	Okinawa Electric Power Company, Inc.	Nikkei Average
Stock price as of January 4, 2024 (closing price)	1,143 yen	33,288 yen
All-time high (closing price)	1,266 yen (+10.8%) as of Apr.10, 2024	42,224 yen (+26.8%) as of July. 11, 2024
All-time low (closing price)	876 yen (-23.4%) as of Feb. 3, 2025	31,458 yen (-5.5%) as of Aug. 5, 2024
Stock price as of March 31, 2025 (closing price)	916 yen (-19.9%)	35,618 yen (+7.0%)

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

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



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



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

5. Earnings Per Share and Payout Ratio

Earnings per Share and Payout Ratio

	FY	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net income *1	Million yen	3,647	5,517	6,273	3,751	6,705	8,341	1,959	-45,457	2,391	4,322
Earnings per Share *1	yen	139.22	140.41	147.00	72.38	129.39	153.29	36.05	-836.98	44.02	79.59
(Post-adjustment after stock split) *2		(64.29)	(97.25)	(112.00)	(68.94)	(123.22)					
Dividend per Share	yen	60	60	60	60	60	60	60	0	10	20
(Post-adjustment after stock split) *2		(28)	(42)	(46)	(57)	(57)					
Payout Ratio *1	%	43.1	42.7	40.8	82.9	46.4	39.1	166.4	–	22.7	25.1
Dividend Yield	%	1.98	2.27	1.96	3.18	3.03	3.87	4.35	0	0.86	2.18
Price Book-value Ratio *1	x	0.54	0.68	0.84	0.65	0.67	0.52	0.47	0.52	0.54	0.41
Price Earning Ratio *1	x	21.8	18.8	20.8	26.0	15.3	10.1	38.2	-1.3	26.6	11.5

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

Dividends for the year ended March 2026 (FY2025)

- For the fiscal year ending March 2026, we plans to pay an interim dividend of 15 yen per share and a term-end dividend of 15 yen per share (an annual 30 yen per share).
  (For details, please refer to "Effective Utilization of Management Results: Shareholder Return Policy" on p.40 of the "Management Overview.)

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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