

Management Topics

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

November 2025



The Okinawa Electric Power Company, Inc.

Financial Results for FY2025 2Q YTD (Year-on-Year Comparison)

■ Interim period financial results(April – September)

(Unit: million yen, X)

	Consolidated (A)				Non-consolidated (B)			
	FY2024 2Q YTD (Results)	FY2025 2Q YTD (Results)	Change	Rate of Change	FY2024 2Q YTD (Results)	FY2025 2Q YTD (Results)	Change	Rate of Change
Sales	127,229	119,231	-7,998	-6.3%	122,356	113,612	-8,743	-7.1%
Operating income	7,284	9,994	+2,710	+37.2%	7,145	9,292	+2,146	+30.0%
Ordinary income	6,871	9,196	+2,324	+33.8%	7,103	8,837	+1,734	+24.4%
Net income	5,354*	7,033*	+1,679	+31.4%	5,702	6,974	+1,272	+22.3%

* Net income attributable to owners of parent.

Consolidated and Non-consolidated : Decrease in Sales, Increase in Income for 2 consecutive years

【Revenue】

- Decrease in Electricity sales volume and decrease due to the effect of Fuel cost adjustment system in Electric business.

【Expenditure】

- Decrease in Fuel costs and Purchased power costs in Electric business.

Annual Outlook Summary

(Unit: million yen, X)

	Consolidated(A)				Non-consolidated(B)			
	FY2024 (Results)	FY2025 (Forecasts)		Change (II) - (I)	FY2024 (Results)	FY2025 (Forecasts)		Change (II) - (I)
		Announced in Jul. 2025 (I)	Announced in oct 2025 (II)			Announced in Jul. 2025 (I)	Announced in Oct. 2025 (II)	
Sales	236,540	215,200	219,300	+4,100	224,043	201,500	205,600	+4,100
Operating income	7,322	10,000	10,000	—	5,341	6,800	6,800	—
Ordinary income	5,665	8,000	8,000	—	3,956	5,000	5,000	—
Net income	4,322*	5,700*	5,700*	—	3,481	4,000	4,000	—

* 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 the 2 consecutive years)

[Comparison with previous forecasts (Jul.2025)]

【Revenue】

- Increase in sales due to Electricity sales volume in Electric business.

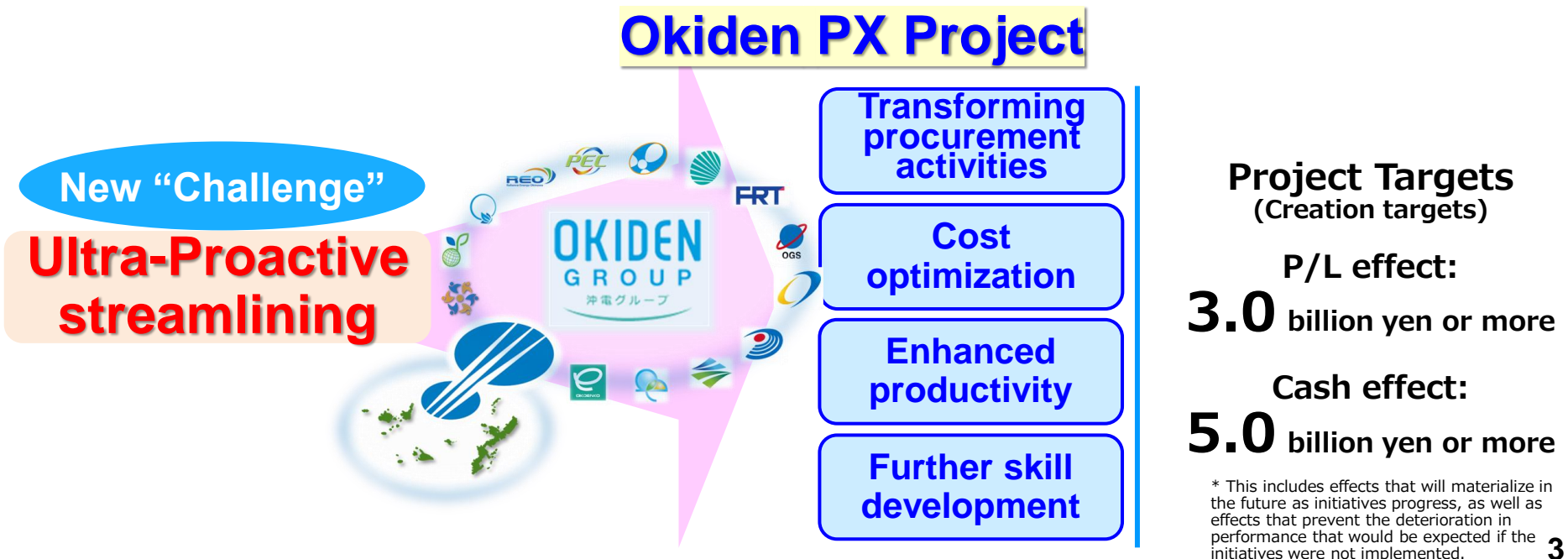
【Expenditure】

- Increase in Fuel costs due to higher electricity demand and effects of yen depreciation in Electric business.

Okiden PX Project New “Challenge”

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

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



Okiden PX Project (FY2025 Initiatives)

- In accordance with the “S + 3E” approach, we will methodically implement initiatives to ensure stable supply, while concurrently enhancing the procurement division, optimizing the supply chain, and promoting productivity through the usage of DX and other advanced technologies. We will build upon previous efforts **with new ideas and boldly “Challenge” to strengthen the management foundation toward “sustainable growth” and “enhancement of corporate value.”**
- We aim to further evolve into a company that continues to create new value by engaging in “Ultra-Proactive streamlining,” in which each and every employee boldly takes up the challenge of reforming the entire group without being bound by conventional wisdom and without fear of failure.

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 employees' capabilities through training on financial and 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**

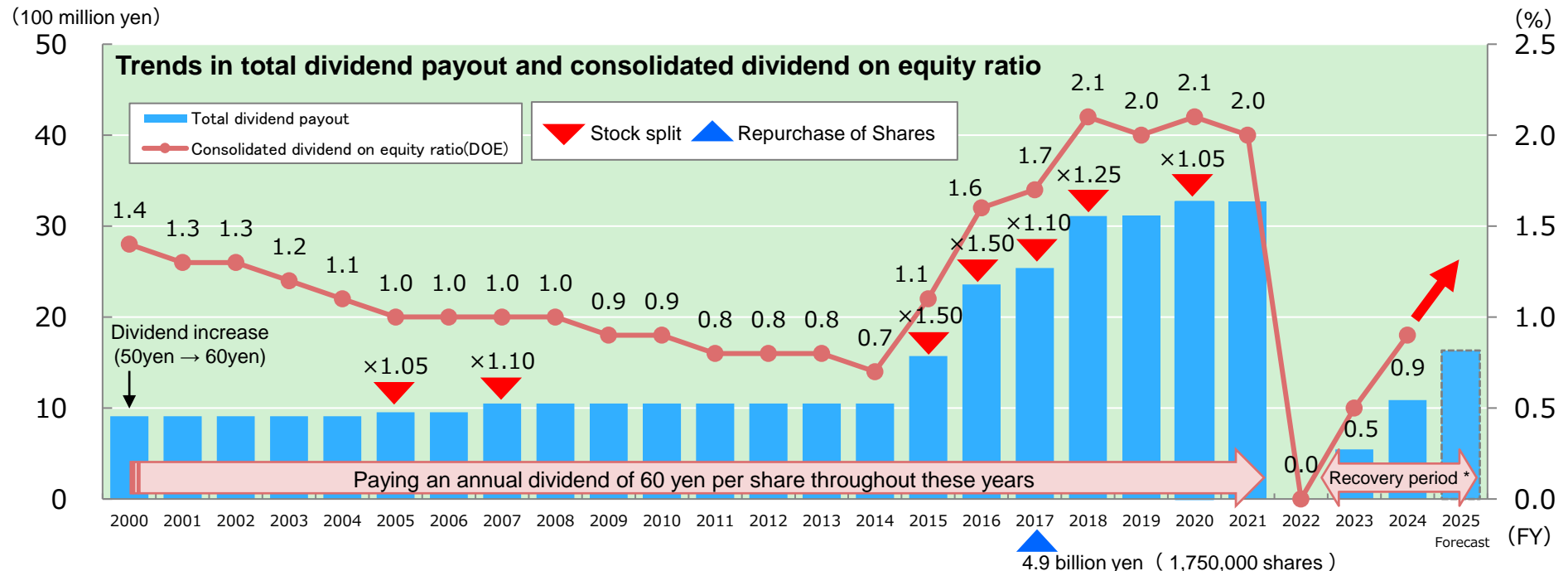
**Increasing
corporate
value**

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	interim	Year-end	Annual
Fiscal Year Ending March 2026 (FY2025)	15 yen	15 yen (Forecast)	30 yen (Forecast)



* 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.

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)

	FY2024			FY2025
	1st Half	2nd Half	FY	1st Half
Sales by large-scale retailers	6.4	6.7	6.5	6.1
No. of new car sold	-5.7	17.2	4.7	7.6
No. of incoming tourists	18.2	15.1	16.6	11.6
Value of public works contracts	-13.3	3.1	-4.3	13.9
New residential Construction starts	-3.8	2.9	-0.7	-7.6
Total unemployment rate	3.3	2.9	3.0	3.2
Job Opening Ratio	1.07	1.15	1.11	1.06

Note 1: The figures for 'Sales by large-scale retailers' are calculated on an all-store base. The figures for the first half of 2025 are preliminary figures.

Note 2: The figures for 'Total unemployment rates' and 'Job Opening Ratio' are raw data. The number of job openings by place of employment is used.

Personal consumption

Despite continued thriftiness, the recovery is gaining momentum.

Tourism

The number of incoming tourists, both domestic and international, continues to perform strongly and is expanding robustly.

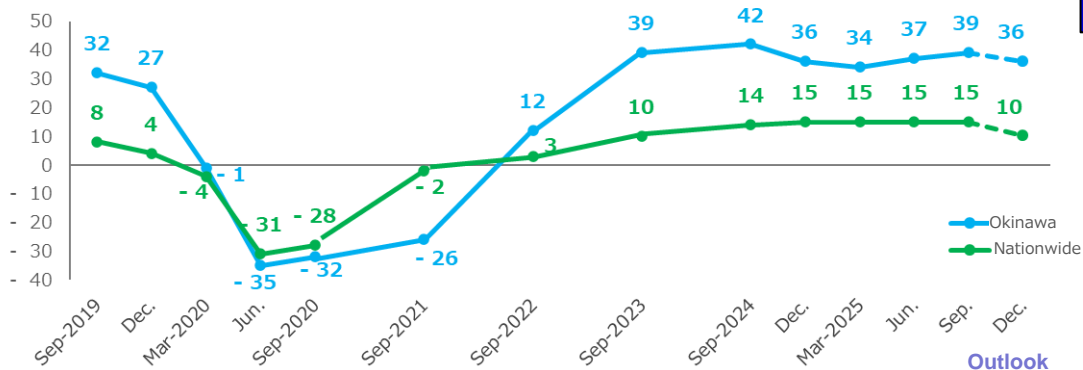
Construction

Public investment is at a higher level. Residential investment has been weak.

Employment

The effective job opening ratio has remained at a high level of 1x for 38 consecutive months.

Business conditions DI (all industries)



Source: Naha Branch, Bank of Japan

Overview of the Prefectural Economy

The business conditions DI in the BOJ's Tankan survey remained high compared to the nation as a whole, and has been positive for 13 consecutive quarters.

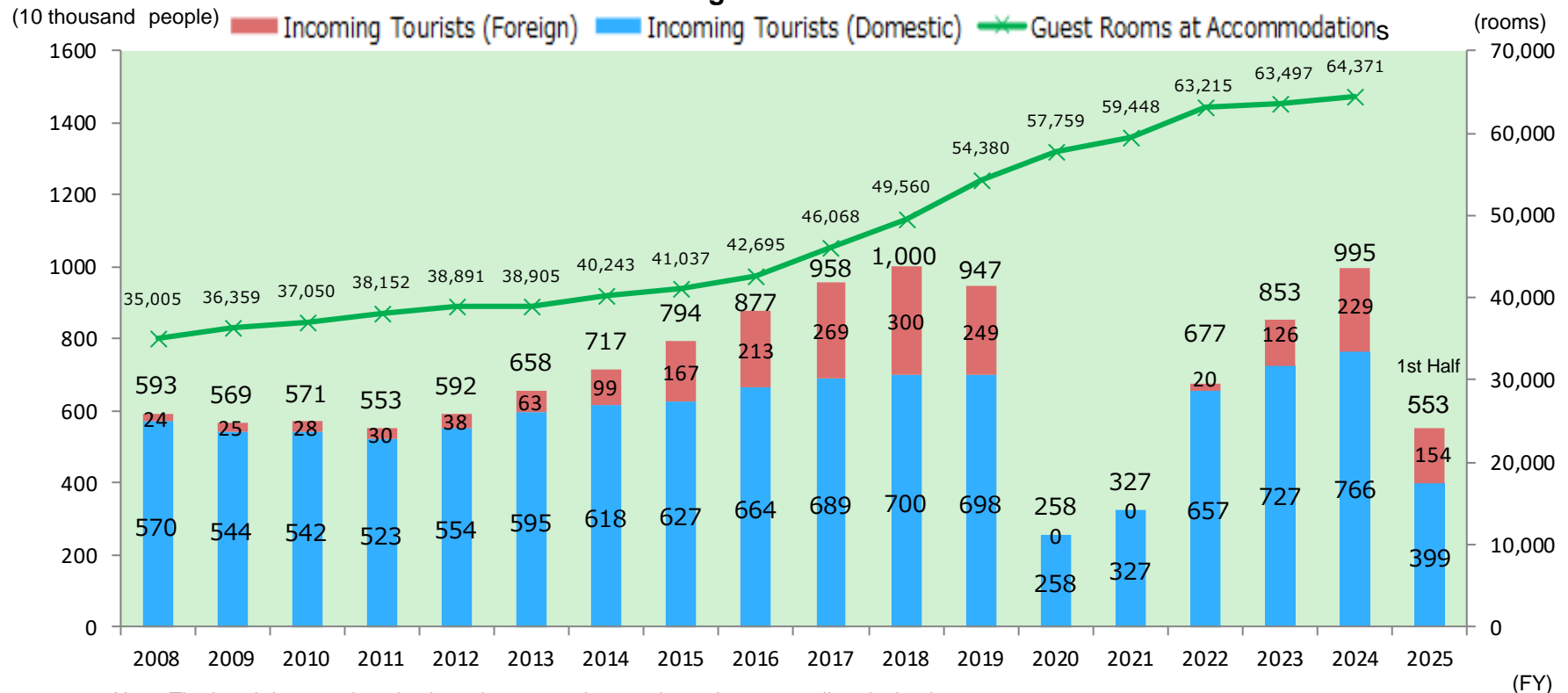
The outlook forecast is 36, down 3-point from September 2025, but still higher than the nation as a whole.

Number of incoming tourists

- The number of incoming tourists in FY2024 was 9.95 million (16.6% growth over the previous year), and the cumulative total for the first half of FY2025 was 5.53 million (11.6% growth over the same period last year), the highest ever.
 - Domestic tourists exceeded the pre-COVID-19 levels to reach a record high, while foreign tourists increased for 36 consecutive months due to the resumption of international flights and strong performance by international cruise ships.
- *Compared to the first half of FY2019: 103.5% (domestic tourists: 107.2%, foreign tourists: 95.0%)

Reference: The electricity demand of hotels and inns accounts for about 6% of the total in the first half of FY2025, which is about 40% more than FY2019 before COVID-19.

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



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

Source: "Tourism Guidebook", "Summary Statistics on Incoming Tourists to Okinawa", "2024 Accommodations Fact-finding Survey Result", published by Okinawa Prefectural Government

Facilities to be Opened, etc.

- A theme park (JUNGLIA OKINAWA) with numerous attractions, hot spring facilities, restaurants, and shopping facilities opened in July 2025 in the northern part of Okinawa's main island.
- Further expansion of Okinawa's economy is expected from the ripple effects such as the revitalization of the northern region, driven by attracting domestic and international tourists and increasing the length of their stays.
- The restoration of the main hall of the Shuri Castle is scheduled for completion in the fall of 2026, after which a further increase in the number of tourists is expected.

● Revitalization of the northern part of the main island (The theme park is scheduled to open in July 2025)

[Reference] Site area of major theme parks in Japan

- JUNGLIA OKINAWA: approx. 60 ha
- USJ (Universal Studios Japan): 54 ha
- Tokyo Disneyland (theme park area): 51 ha

[Reference] Estimated economic effect of theme parks

	First year	15-year cumulative since opening
Economic effect	Approx. 658.2 billion yen	Approx. 6,808.0 billion yen
Job creation	Approx. 70,000	Approx. 880,000

Source: Estimates by Katsuhiro Miyamoto, Professor Emeritus, Kansai University, and Xiufang Wang, Visiting Researcher, Osaka Prefecture University



Source: JUNGLIA OKINAWA website

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

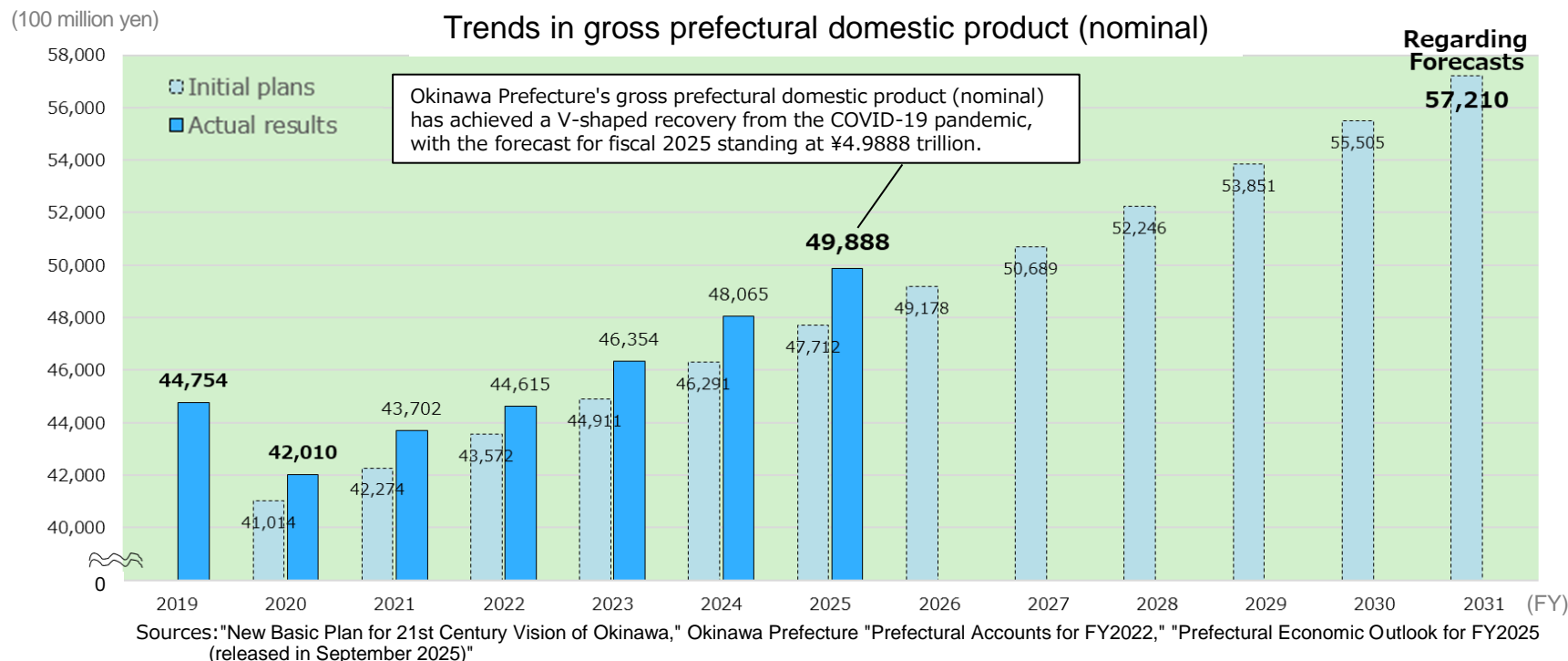


Status as of October 2025



Gross prefectural domestic product (nominal)

- The "New Basic Plan for 21st Century Vision of Okinawa (released in May 2022)," a basic concept by Okinawa Prefecture, shows a projected nominal gross prefectural product of 5,721 billion yen in FY2031, and the implementation of various measures* based on this plan is expected to help develop the Okinawa economy.
*The New Basic Plan for 21st Century Vision of Okinawa includes 36 basic measures, including "the formation of sustainable tourist destinations and the transformation of tourism in Okinawa," "the advancement and high value-added development of information and communication related industries," and "the formation of an international logistics base and the concentration of air- and port-based industries."
- In addition, the "GW2050 PROJECTS Promotion Council" (hereinafter referred to as the "Promotion Council"), established under the leadership of the private sector in cooperation with various economic organizations and related local governments in the prefecture, aims to promote the integrated use of the former base return site and the functional enhancement of Naha Airport, with the goal of driving the economic development of Okinawa, positioning it as an "Open Gateway to the World" that will truly lead Japan's progress.



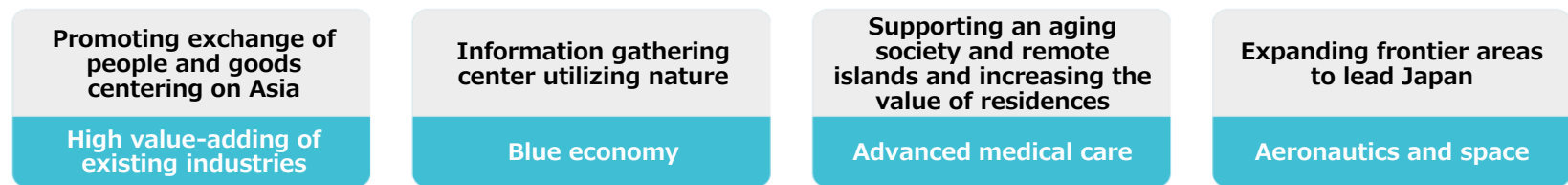
Notes: The initial plan for FY2031 is the projected value in the "New Basic Plan for 21st Century Vision of Okinawa" (The initial plan for FY2020 is the estimated actual results for FY2020 as of May 2022)
Initial plan for FY2021-FY2030 is our estimate based on the average annual growth rate up to the projected value for FY2031
FY2019 to FY2022 are actual values, FY2023 and FY2024 are estimated actual values, and FY2025 is a forecast value, all of which are released by Okinawa Prefecture

GW2050 PROJECTS

- In May 2025, the Promotion Council released a grand design that outlines the overall picture of growth industries to be addressed and the gross prefectural domestic product in 2050.
- The grand design identifies four growth industries: high value-adding of existing industries, the blue economy, advanced medical care, and aeronautics and space, and aims for sustainable growth by solving Okinawa's problems through building a foundation that includes human resources development and other measures to support these industries.

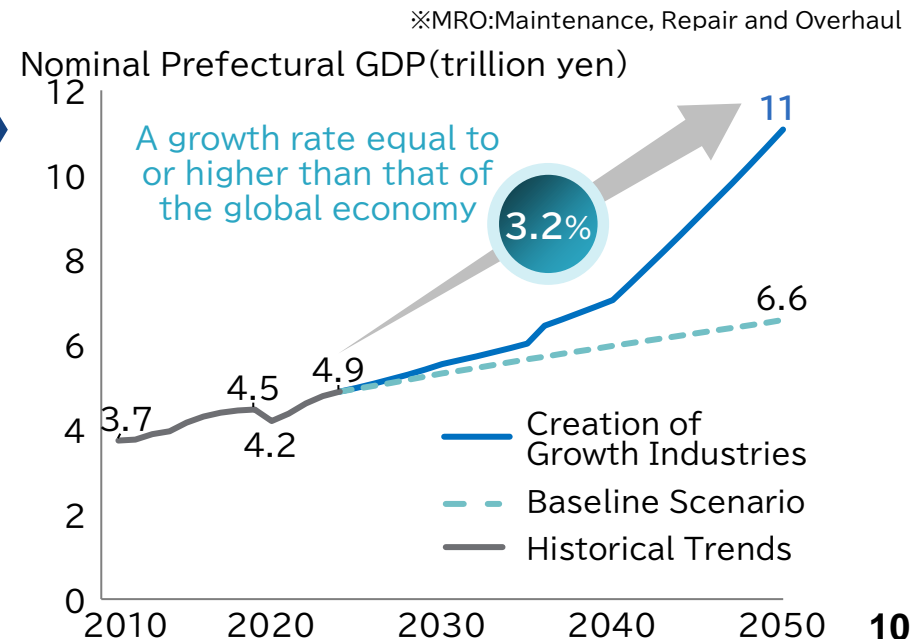
【Overview of the Grand Design】

Growth industries based on Okinawa's strengths and global industrial trends



【Outcome in 2050】

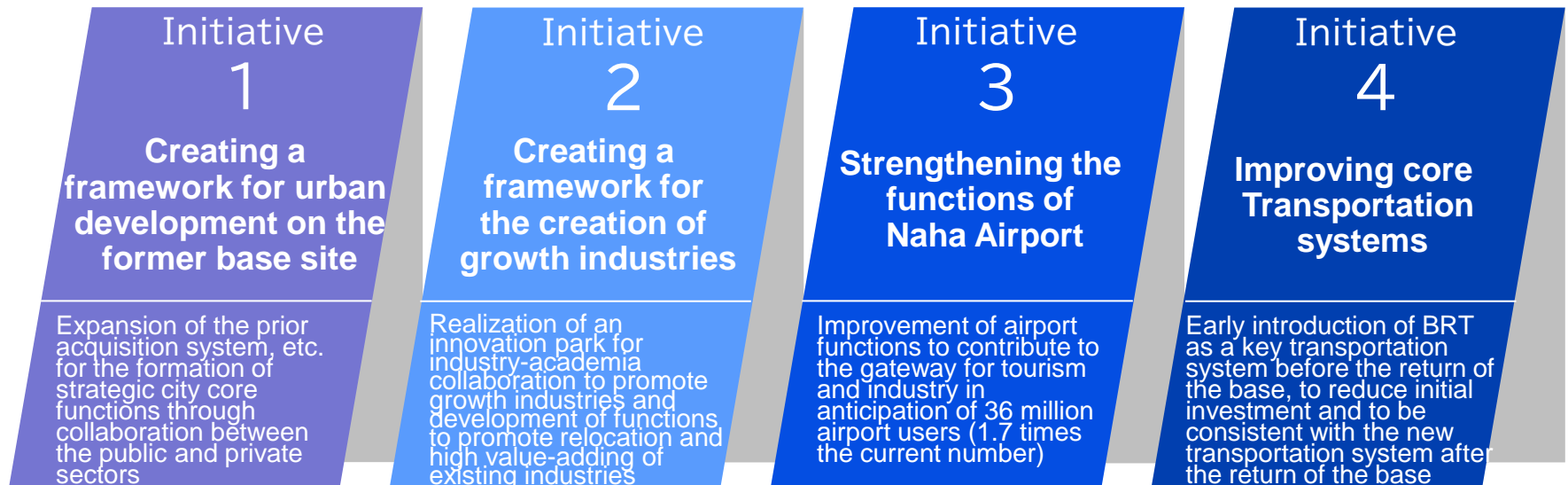
	2024	2050
Nominal Prefectural GDP (trillion yen)	4.9	11
Number of Employed Personal (million)	0.77	0.93
Total Population (million)	1.47	1.67
Per Capita Prefectural Income (million yen)	2.54	6.24



GW2050 PROJECTS

- GW2050 PROJECTS aims to lead Japan as a gateway to the world and Japan, and realize a truly self-sustaining Okinawa economy through measures in four pillars (4 Pillar Initiatives), which consist of (1) creating a framework for urban development on the former base site, (2) creating a framework for the creation of growth industries, (3) strengthening the functions of Naha Airport, and (4) improving core transportation systems, and key areas (human resources development, next generation platform, environment-related areas, etc.) that support these pillars.

GW2050 PROJECTS 4 Pillar Initiatives



Measures in key areas that support the pillars

Next generation platform area

- Regional digital platform
- Medical data platform

Human resources development area

- Improvement of business management skills
- Expansion of the introduction of global education
- Development of an environment for accepting foreign human resources

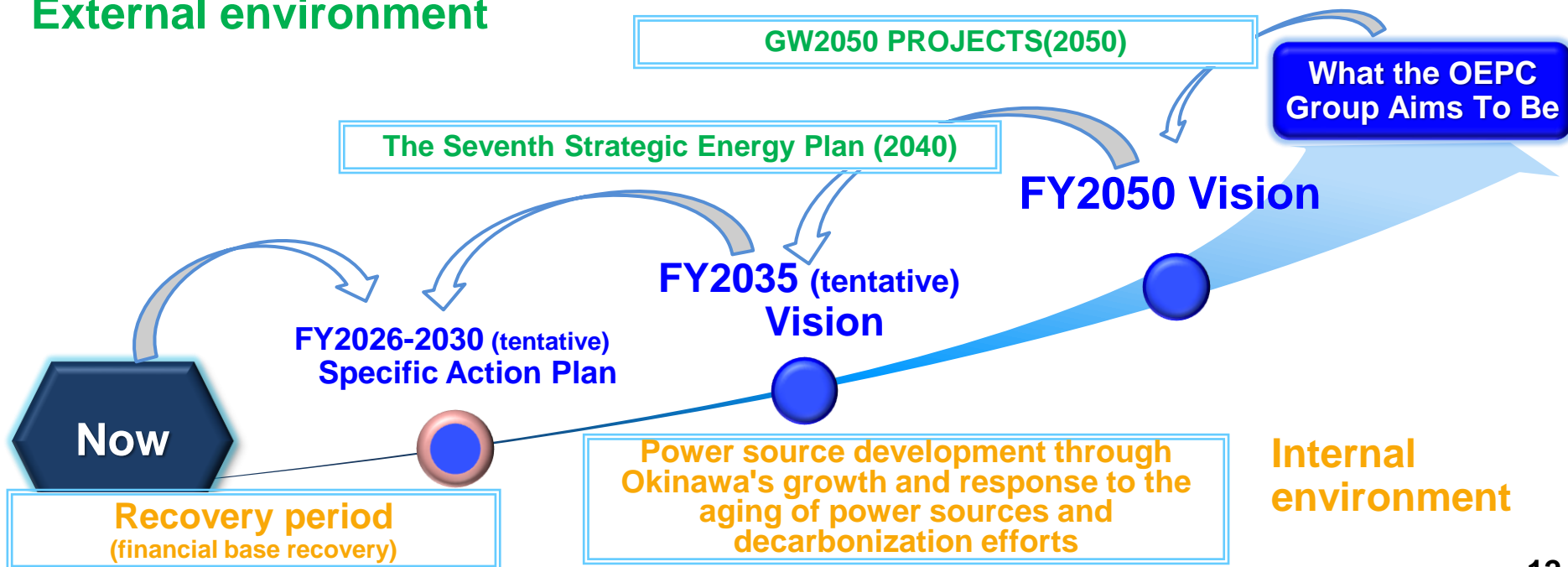
Environment-related area

- Development of an environment for hydrogen ammonia use
- Utilization of local resources such as iodine
- Establishment of next-generation renewable energy technologies

Direction of Formulation of New Medium-Term Management Plan (Backcasting from 2050)

- The GW2050 PROJECTS grand design, which is Okinawa's growth strategy, has been presented, and the Seventh Strategic Energy Plan includes a policy of "making maximum use of power sources that have high decarbonization effects," which anticipates changes in the business environment such as increase in and transformation of energy demand and decarbonization.
- We see these structural changes in the business environment as an opportunity for the OEPC Group to grow significantly, and in order to achieve sustainable growth, in addition to addressing current issues, we are considering medium- to long-term initiatives by backcasting from 2050.
- Toward this challenge for medium- to long-term growth, we are now considering to formulate a new Group Vision and a new Medium-Term Management Plan as a medium-term action plan, which we aim to announce at the beginning of the first half of FY2026.

External environment



Direction of Formulation of New Medium-Term Management Plan (Approach to Goal Setting)

- We are considering setting financial targets through around 2030 in order to solidify the foundation for future sustainable growth.
- In addition, we are considering a development method suited to the OEPC Group, with a view to including ROIC, which indicates return on capital, as an indicator in our efforts to improve corporate value.

Approach to Goal Setting

Financial targets through around 2030

- Need investment to improve and repair aging facilities to ensure a stable supply of electricity
- Need to organize how to respond to investment for the future
- Focus on improving return on capital with ROIC as a financial target

Initiatives to Achieve Carbon Neutrality

- 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 CO₂ Emissions from Thermal Power Plants,**” which are the two directions in the roadmap toward 2050, and “Promoting Electrification”.

2030

Ambitious goals
CO₂ -30%
(Compared to FY2005)

2040

2050

Make Renewable Energy
as Main Power Source

● Expansion of Renewable Energy

Introduction of Renewable Energy +100MW

- PV-TPO business^{※1} + 50MW (3.4 times by current installation)
- Large Wind Power^{※1} + 50MW

Maximum introduction of Renewable Energy

- Expansion of the PV-TPO business
- Expanding the introduction of large-scale Renewable Energy using Storage Batteries

● Grid Stabilization Technologies for Renewable Energy expansion

- Utilization and Advancement of Grid Stabilization Technologies using “Storage Batteries” and “Control Technologies”

● Development of the infrastructure to support the mainstreaming of Renewable Energy

- Raising demand for Electrification for Effective Use of Renewable Energy
- Building and Utilizing VPP^{※2} and DR^{※3} with DX (Digital Transformation)
- Building a disaster-resistant “Renewable Energy Micro-Grid” for local production and consumption

Reducing CO₂ Emissions
from Thermal Power Plants

● Expanding the use of clean fuels

- Reducing CO₂ with increased consumption of LNG
- Leveraging the mobility of LNG power sources to smooth fluctuations in renewable energy output
- Consideration of introducing CO₂-free fuels (hydrogen, ammonia, etc.) and offset technologies

- Conversion to CO₂-free fuels
- Introduction of CO₂ offset technologies

● Fade-out of the inefficient thermal power plants

- Conversion of Oil to LNG. Lower carbon emission through the use of Local Biomass in Coal-fired Power Plants
- Consideration of introducing cutting-edge technologies such as next-generation thermal power

Introduction of next-generation power sources using CO₂-free fuel conversion and CO₂ offset technology in conjunction with the shutdown of existing machines

Achieve Carbon Neutrality^{※4}

Promoting
Electrification

In addition to achieving a net zero structure on the power supply side, it is essential to promote electrification on the demand side (transportation, industry, business, household), implement necessary policies, and gain financial support.

Initiatives to Achieve Carbon Neutrality: Examples of Initiatives

Example: Construction of New Power Source at Makiminato Thermal Power Plant

- To improve supply reliability and reduce CO2 emissions from thermal power generation, we decided to construct a new power generation facility in the compound of our Makiminato Thermal Power Plant. (Press release on November 7, 2025)
- The existing heavy oil-fired thermal power generation units that have supported the power system on Okinawa Island have been in operation for more than 40 years, and will be systematically replaced with appropriate power generation equipment with a view to achieving carbon neutrality by 2050, aiming for both a stable power supply and decarbonization.
- The new power source will employ a state-of-the-art, high-efficiency gas turbine combined cycle fueled by natural gas with low environmental impact, and will also have equipment specifications that are compatible with future clean fuels (ammonia, etc.).

Overview of New Power Source Construction

Location	Urasoe City, Okinawa Prefecture In the compound of the Okinawa Makiminato Thermal Power Plant
Power generation method	Gas turbine combined cycle
Development capacity	Generating end: approx. 130,000 kW x 1 unit
Fuel used	Natural gas (considering future Clean fuels combustion potential)
Fuel supply method	Supply from Yoshinoura Thermal Power Plant via gas pipeline
Operation start date	FY2032 (planned)



From the Geospatial Information Authority of Japan Map (Electronic National Land WEB)

