Management Reference Materials

May 2020

The Okinawa Electric Power Company, Inc.

Contents

■ Main contents

■ Q&A contents

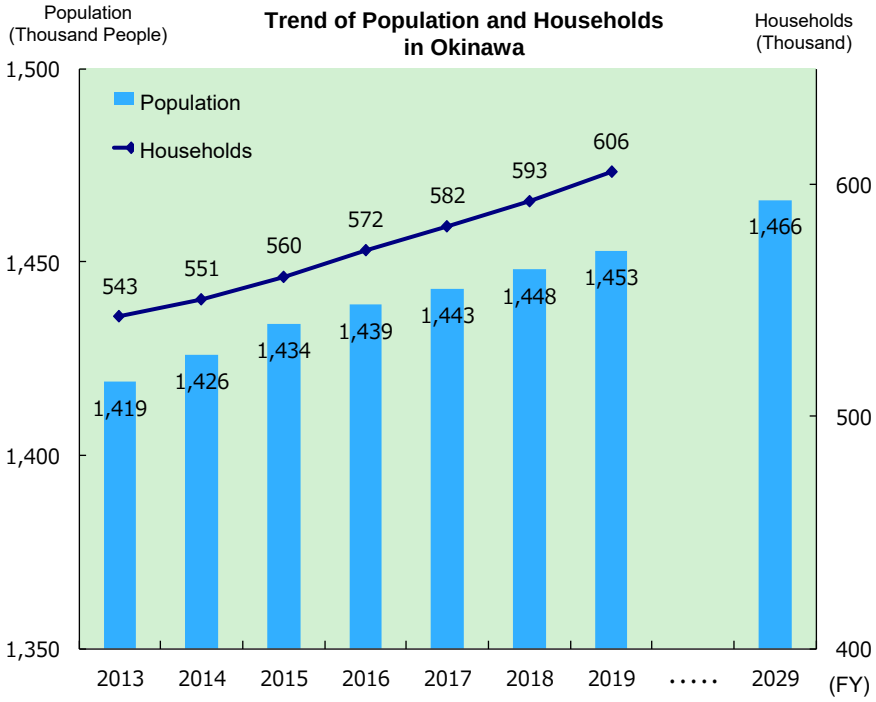
Characteristics of the Business Bases

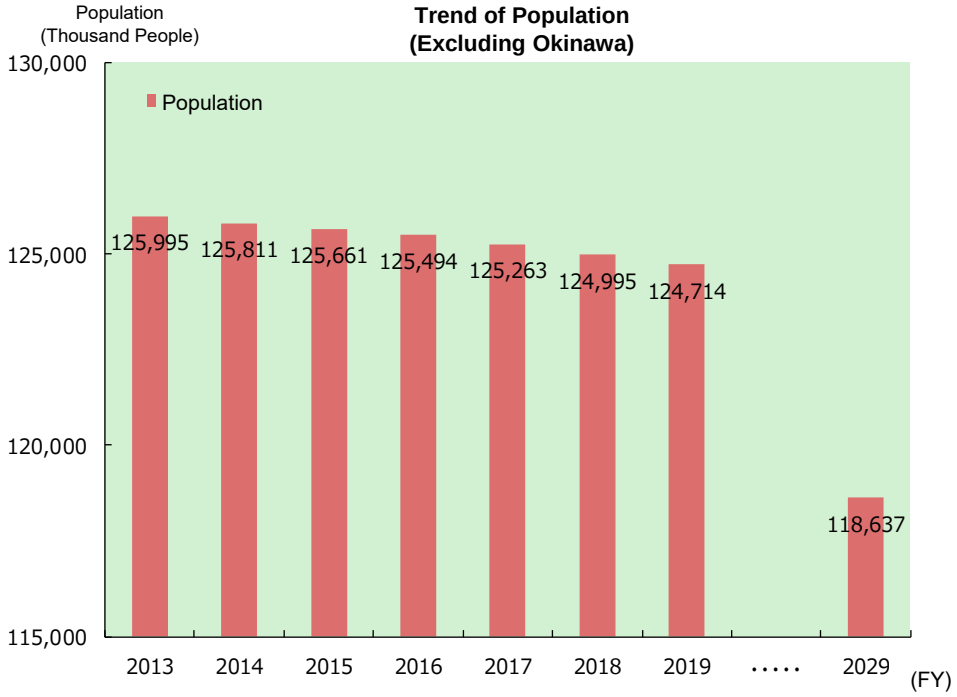
Item	Overview	Reference Page
Demand for Energy	◆ Increasing demand for energy due to population growth and increasing tourists. ◆ As the proportion of energy for consumer use is high, effects of economic fluctuations are low for demand for Electric power. ◆ Potential demand due to large-scale urban development projects	2～10
Competition	◆ OEPC is outside the framework of wide-area power interchange because it has an isolated system. ◆ OEPC has voluntarily released power of 10,000kW supplied by J-Power. ◆ Competition is advancing due to the entry of energy suppliers. ◆ Power producer and supplier is currently implementing plans to construct power plants.	11
Total Energy Services	◆ Started selling gas with the introduction of LNG. ◆ Developing Total Energy Services by taking advantage of our ability to sell electricity and gas.	12～14
Electric Power Generation Facilities	◆ Reliant on fossil fuels only due to difficulties to develop nuclear or hydraulic power generation ◆ A sufficient supply capacity is secured after Yoshinoura Thermal Power Plant has started operations. ◆ A high reserve supply capacity is required due to an isolated system	15～17
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.	18
Renewable Energy	◆ Reducing fuel consumption and cost is highly effective on remote islands, where fuel unit price is high. ◆ Since the system in the main island of Okinawa is small and independent, the limit of connection volume is likely to occur when using renewable energy.	19～24

Okinawa Prefecture Demographics（1/2）

- While the national population has started decreasing , the population in Okinawa is expected to increase until around 2030. *
- Demand for lighting is expected to increase as the population and number of households increases in the future.

* According to the National Institute of Population and Social Security Research, "Regional Population Projections for Japan: 2015–2045 (2018)





Source:
Population: The actual figures are based on the data provided by the Ministry of Internal Affairs and Communications (MIC).
The figures for FY2029 are based on estimated data provided by the Organization for Cross-regional Coordination of Transmission Operators, JAPAN (OCCTO).
No. of households: The figures are based on the data provided by the Okinawa Prefecture Government.

Source: The actual figures are based on the data provided by MIC.
The figures for FY2029 are based on estimated data provided by OCCTO.

Okinawa Prefecture Demographics（2/2）

- The total fertility rate of Okinawa Prefecture in FY2018 was 1.89, the highest among all prefectures in Japan (nationwide:1.42)
- While the number of the national population in FY2019 decreased by -2.2 persons per 1,000 people, that of Okinawa increased by 3.9 people.

Okinawa Prefecture Demographics

(People)

		2015	2016	2017	2018	2019
The total fertility rate (Per Thousand people)	Nationwide	1.45	1.44	1.43	1.42	—
	Okinawa	1.96	1.95	1.94	1.89	—
	Ranking	(1)	(1)	(1)	(1)	—
The Increase of population (Per Thousand people)	Nationwide	-1.1	-1.3	-1.8	-2.1	-2.2
	Okinawa	5.6	4.0	2.6	3.1	3.9
	Ranking	(2)	(2)	(3)	(2)	(2)
The Natural Increase of population (Per Thousand people)	Nationwide	-2.2	-2.3	-3.0	-3.4	-3.8
	Okinawa	3.9	3.8	2.9	2.6	2.0
	Ranking	(1)	(1)	(1)	(1)	(1)
The Social Increase of population (Per Thousand people)	Nationwide	0.7	1.1	1.2	1.3	1.7
	Okinawa	0.8	0.2	-0.3	0.5	1.9
	Ranking	(7)	(11)	(17)	(11)	(8)

Source: ”Vital Statistics” by Ministry of Health, Labour and Welfare

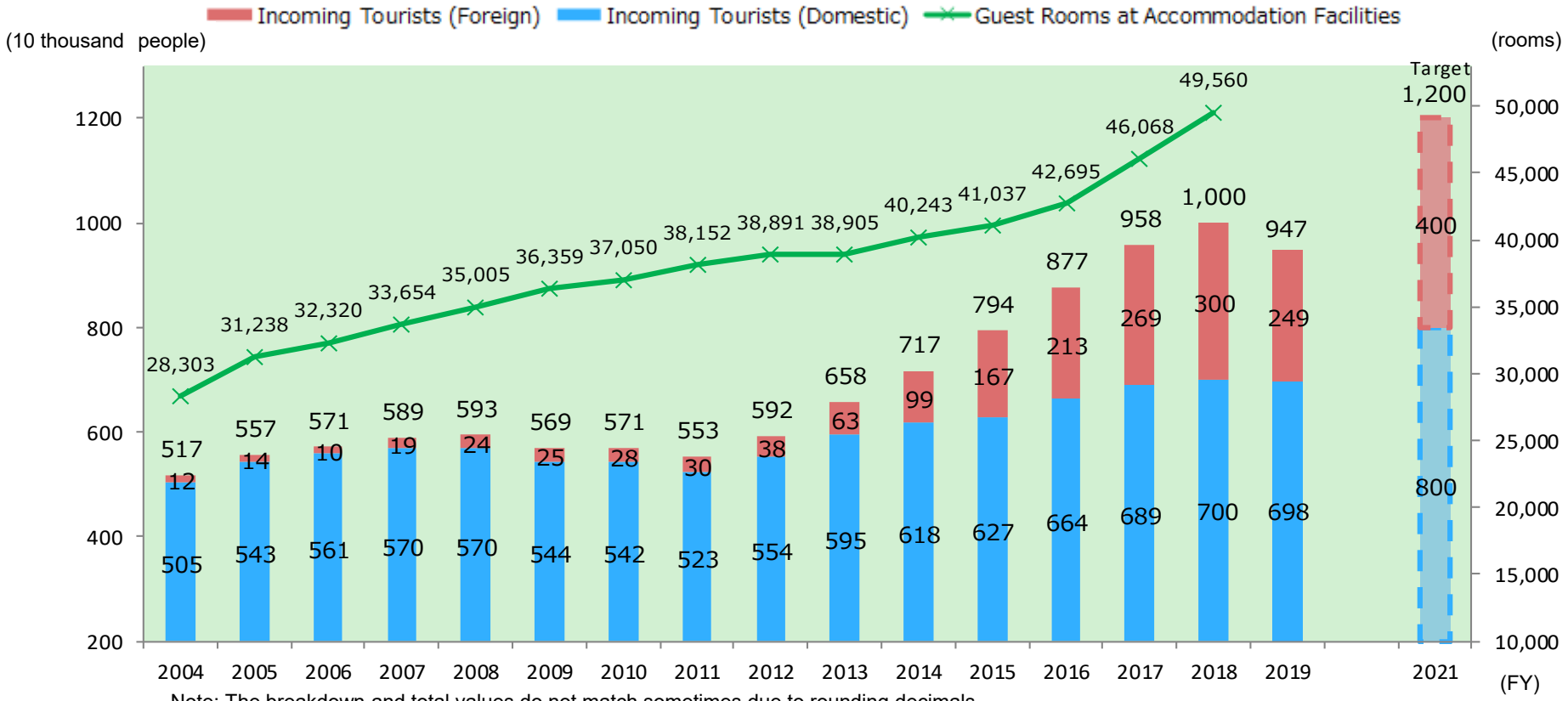
The figures in brackets in the chart show Okinawa Prefecture's national ranking

Number of incoming tourists（1/6）

■ In FY 2019, the number of incoming tourists was 9.47 million. Due to the spread of the novel coronavirus, it fell below the previous year for the first time in eight years.

[Incoming tourists] FY2018 : 10,000 thousand people (Growth rate of 4.4% year-on-year)
FY2019 : 9,470 thousand people (Growth rate of -5.3% year-on-year)

Trends of the Numbers of Incoming Tourists and Guest Rooms at Accommodation Facilities



Note: The breakdown and total values do not match sometimes due to rounding decimals.
Source: “Tourism Guidebook”, “Summary Statistics on Incoming Tourists to Okinawa”, “2018 Accommodations Fact-finding Survey Result”, “FY2019 Visit Okinawa Plan” and “Road map for promoting tourism in Okinawa (revised edition, March 2020)” published by Okinawa Prefectural Government

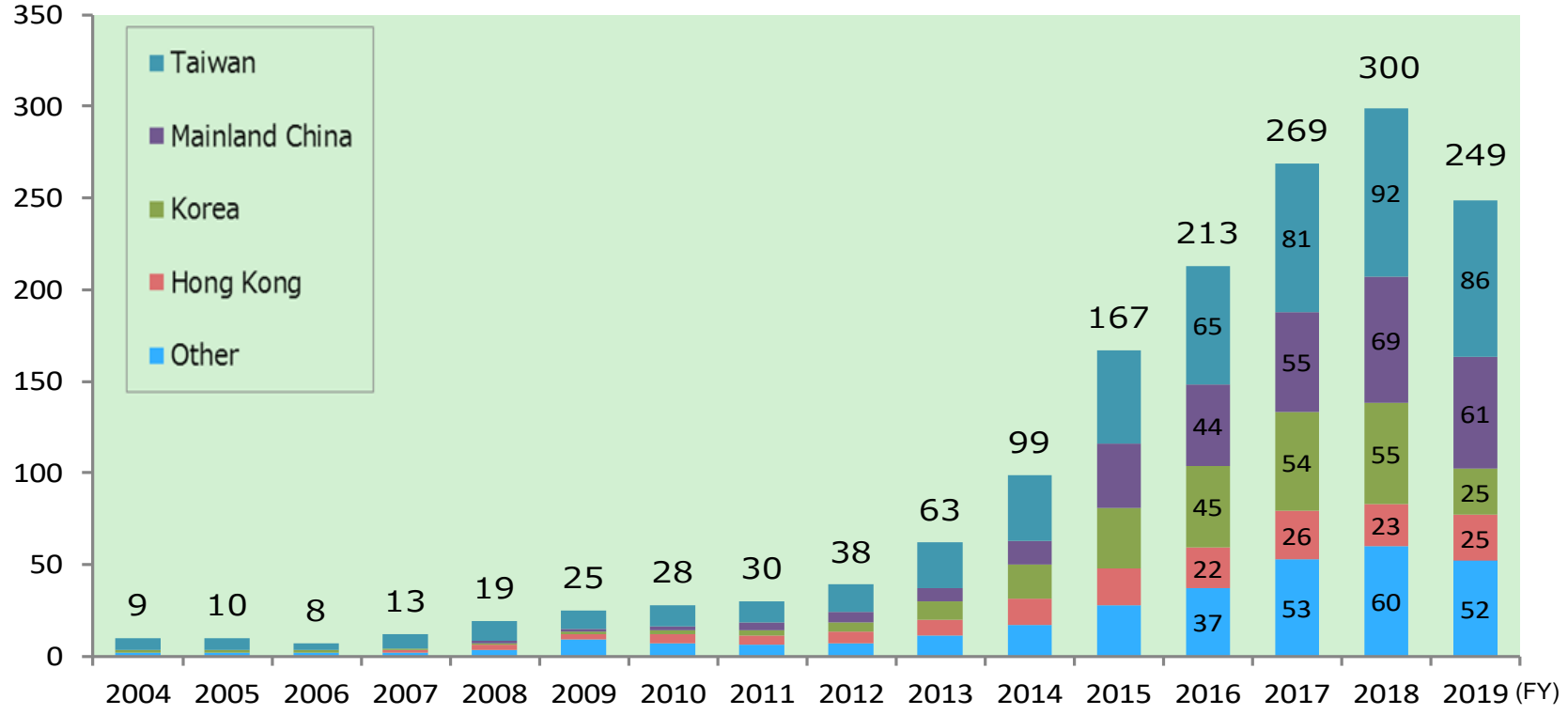
Number of incoming tourists（2/6）

■ Due to the spread of the novel coronavirus, number of incoming foreign tourists fell sharply from the previous year.

[Incoming foreign tourists] FY2018 : 3.00 million people (Growth rate of 11.5% year-on-year)
FY2019 : 2.49 million people (Growth rate of -17.0% year-on-year)

（10 thousand people）

Change in number of incoming foreign tourists



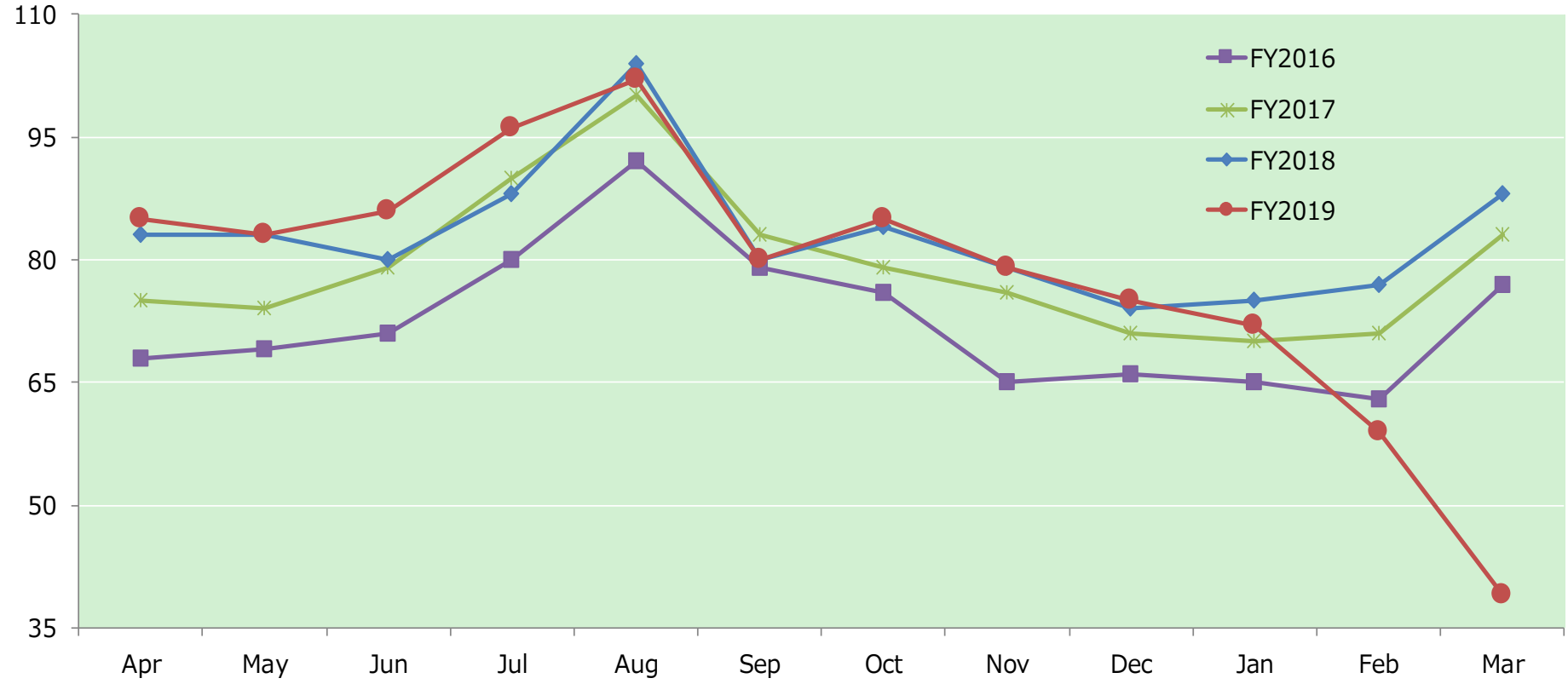
Note: The numbers between 2004 and 2008 are based on the calendar year, and those after 2009 are based on the fiscal year.
The breakdown and total values do not match sometimes due to rounding decimals.
Source: “Tourism Guidebook”, “Summary Statistics on Incoming Tourists to Okinawa” and “FY2019 Visit Okinawa Plan” published by Okinawa Prefectural Government

Number of incoming tourists（3/6）

■ FY2018 Apr-Dec：7.59 million people Jan-Mar：2.41 million people
FY2019 Apr-Dec：7.75 million people Jan-Mar：1.72 million people
（Growth rate of 2.1%year-on-year） （Growth rate of -28.8%year-on-year）

(10 thousand people)

Monthly trend of the number of incoming tourist



Source: “Tourism Guidebook” and “Summary Statistics on Incoming Tourists to Okinawa” published by Okinawa Prefectural Government

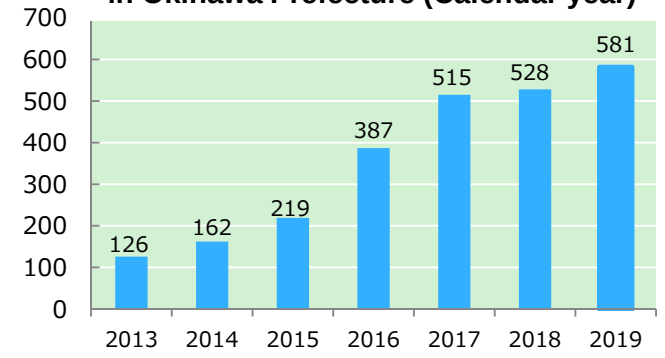
Number of incoming tourists（4/6）

- The number of cruise ships calling at the port has been increasing, and marked a record high of 581 times (up 10%) in 2019（calendar year）.
- The number between Jan and March 2020 has been reduced to 34 times (Growth rate of -70.7% year-on-year) due to spread of novel coronavirus.
- Aim to strengthen attraction and acceptance system by deploying new berth to ports within Okinawa Prefecture.

Scene of 3 ships calling at Naha Port at the same time (July 28, 2015)

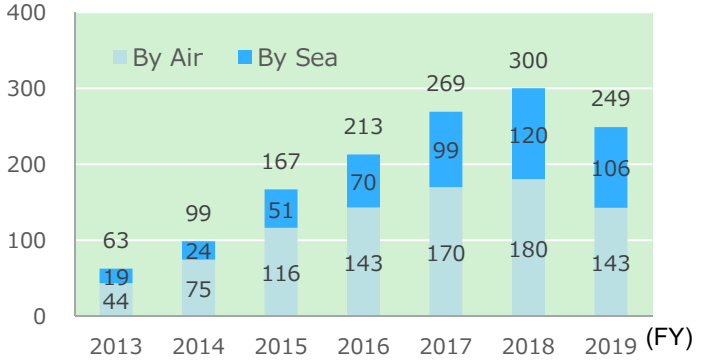
Provided by Naha Port Authority

Trend in Number of Cruise Ship Calls in Okinawa Prefecture (Calendar year)



Source:Okinawa General Bureau

Change in number of incoming foreign tourists(by Air and Sea)



Source: “Tourism Guidebook” and “Summary Statistics on Incoming Tourists to Okinawa” published by Okinawa Prefectural Government

Number of incoming tourists（5/6）

■ A second runway at Naha Airport started operation on March 26, 2020. Annual departure and arrival capacity has expanded 1.8 times as much as before.

Operation start: March 26, 2020
Departure and arrival capacity: about 135,000 times a year → about 240,000 times a year
(an annual increase of 105,000 times)
*excluding helicopters and midnight flights

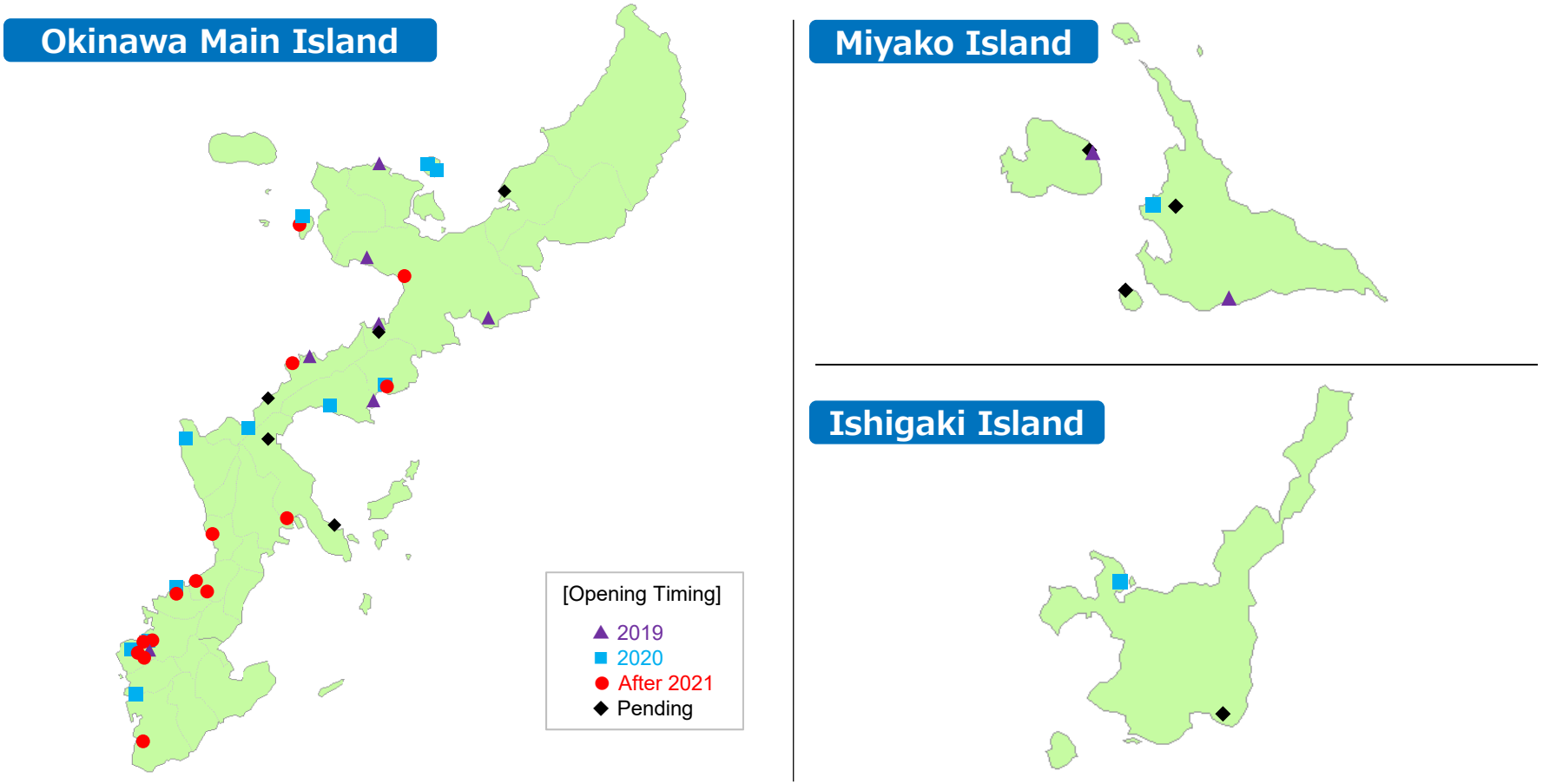
Reclaimed land area: about 160 ha
Total construction cost: about 207.4 billion yen

Source : Provided by Okinawa General Bureau (It was taken on September 2019)

Number of incoming tourists（6/6）

- Accompanying an increase in tourists visiting the region, the numbers of accommodation facilities and guest rooms have kept increasing in Okinawa Prefecture.
- Going forward, multiple accommodation facilities are planned to open.

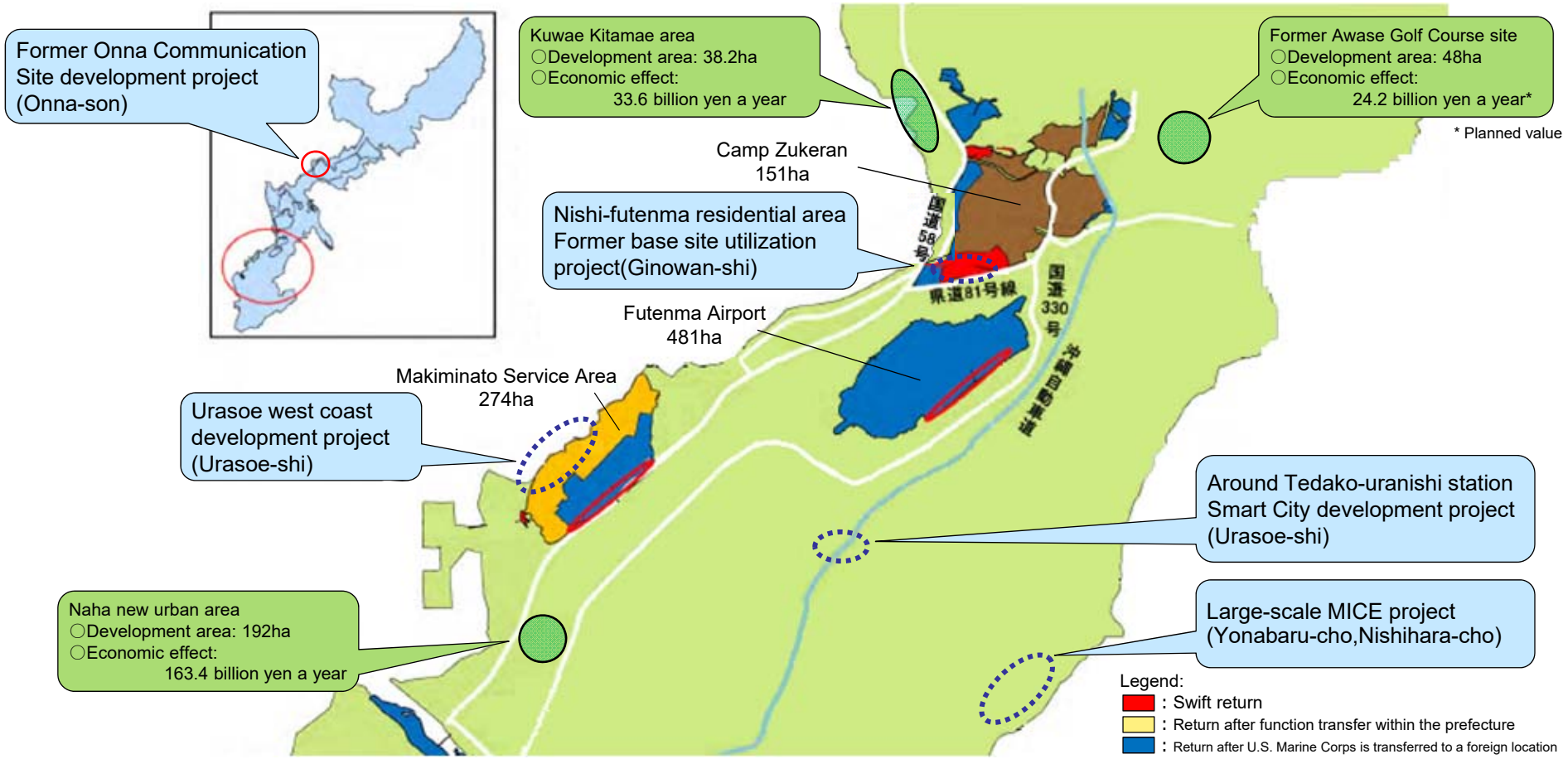
Major Plans for Opening Accommodations



Source: Compiled by OEPC based on newspaper reports, etc. *Including projects still pending

Use of returned former U.S. military base sites

■ If the US military facilities are returned, demand is expected to decrease temporarily. However, demand will subsequently increase on the strength of revitalization of the local economy following redevelopment of the US military facilities sites.



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

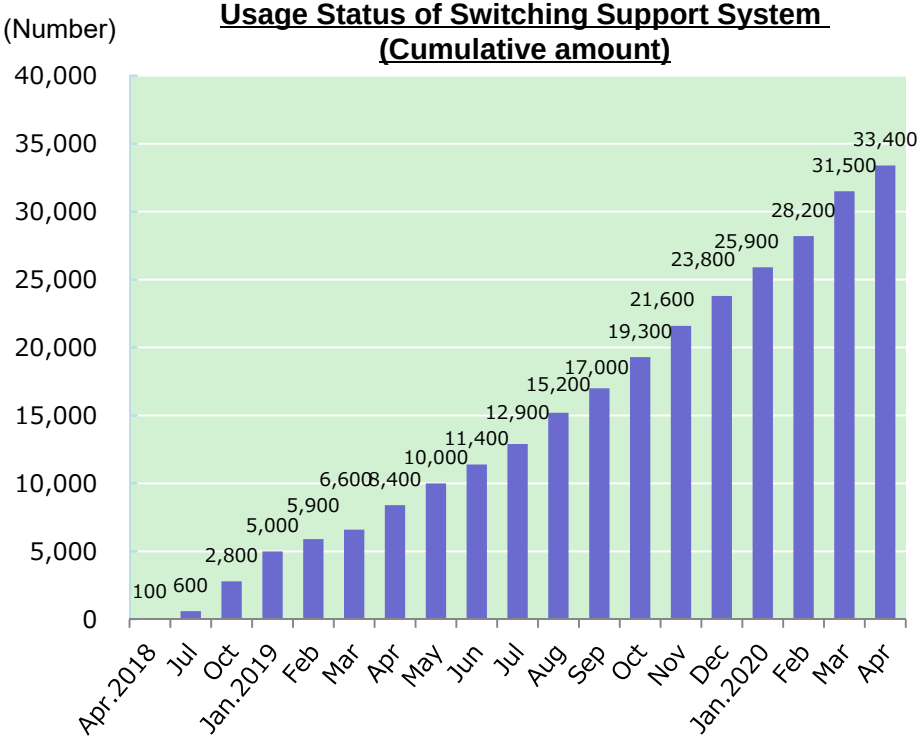
Full liberalization of the Electricity Market

- After the Full liberalization of the Electricity Market in April 2016, PPS* that use power supply from J-POWER's Ishikawa Coal Thermal Power Station or the feed-in tariff system have been entering the market. As a result, Okinawa area has also beginning full-scale competition.
- The number of cases of switching increased to 33,400 cases in cumulative total (as of April 2020) due to partly the entry of PPS that take advantage of "the wholesale electricity menu for supply-demand adjustment", which has been on offer since April 2018. As a result, PPS' share in the electricity sales volume in Okinawa area reached 6.3% in the total of all voltages (as of Jan 2020).

[PPS's share in electricity sales volume]
Extra High voltage: 1.6%, High voltage: 12.1%, Low voltage: 3.9%

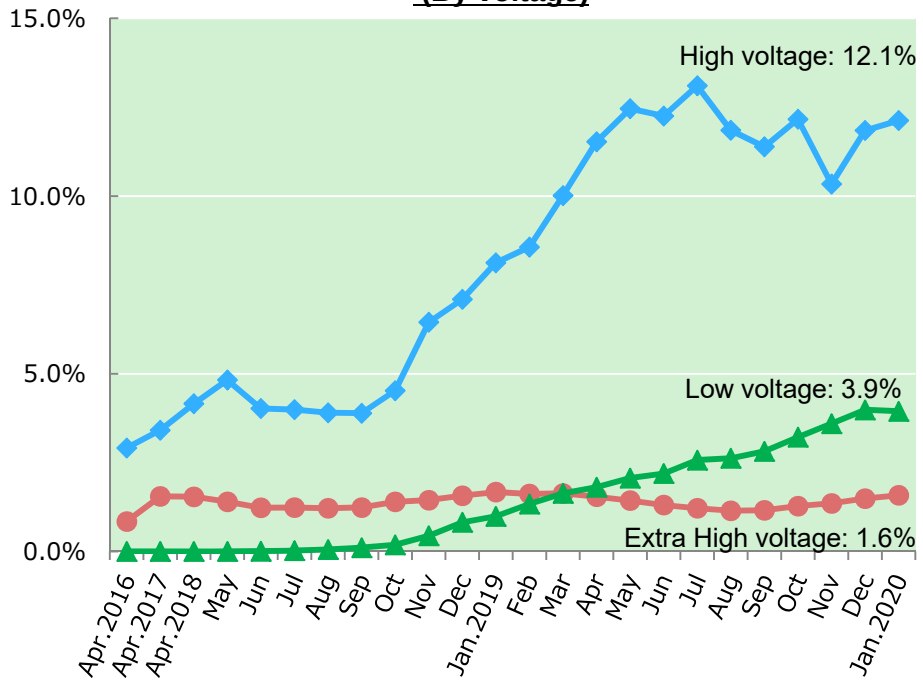
* new suppliers, officially called power producer and suppliers

Usage Status of Switching Support System (Cumulative amount)



Source : "Usage Status of Switching Support System".

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



Source : "Electricity Trading Report".

Gas supply business

- Commenced gas supply business in 2015.
- The OEPC Group will expand to supply to broad areas through pipelines, based on PEC's*1 satellite facilities.

Pipeline supply (5 cases)

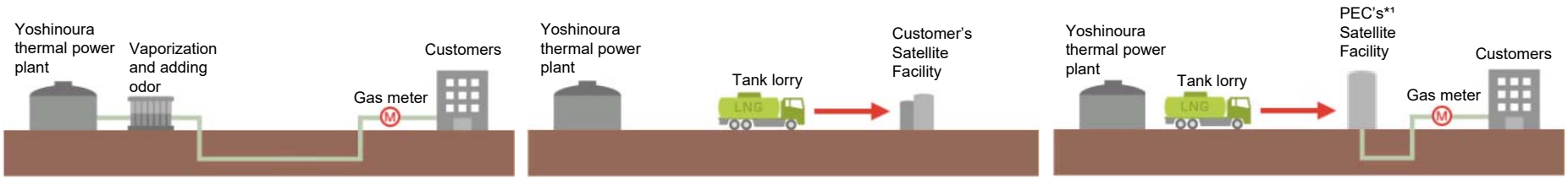
Supplies gas to customers in the vicinity of the Yoshinoura thermal power plant through gas pipelines after vaporizing and odorizing liquefied natural gas (LNG).

Lorry supply (8 cases)

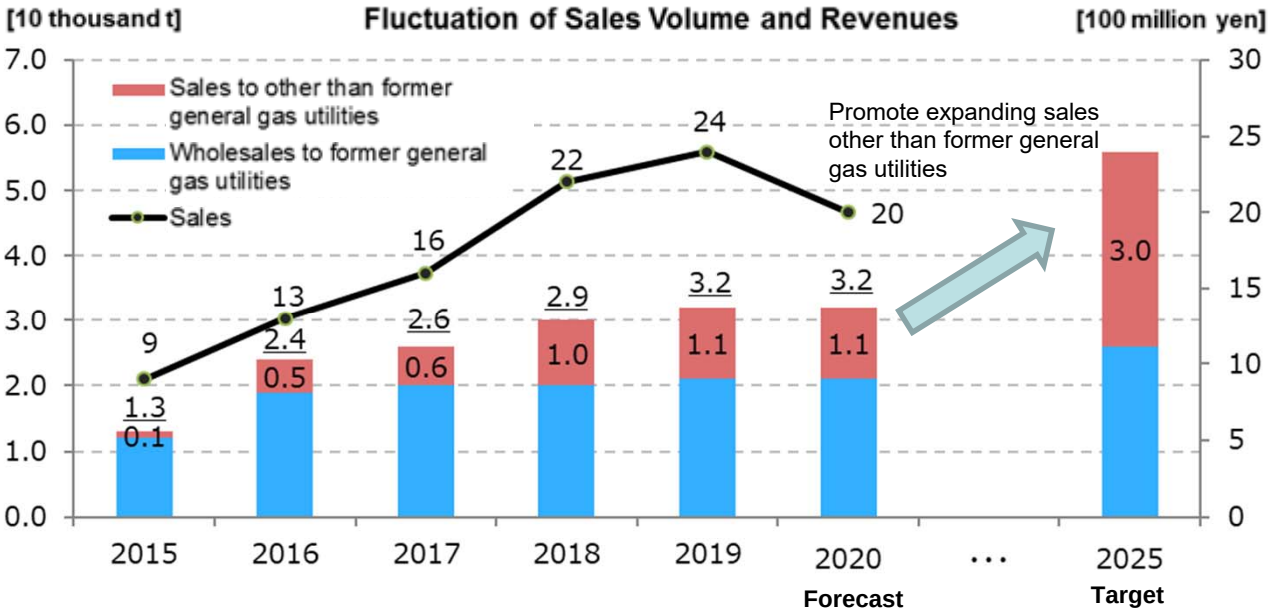
Supplies LNG by tank lorry to customers in areas where pipelines are difficult to be developed.

PEC Supply Center (7 cases)

At former U.S. military base site and industrial parks, PEC*1 constructs supply centers*2 and supplies gas through pipelines.



*1: Progressive Energy Corp.
*2: Awase Natural Gas Supply Center, Suzaki Natural Gas Supply Center and Makiminato Natural Gas Supply Center



Principal customers

Okinawa Gas Co. (Wholesale)
TAKUNAN STEEL CO., LTD
Okinawa Watakyu shingu Co.
ORION BREWERIES,LTD
Chubu Tokushukai Hospital
ITO EN, LTD.
Hyatt Regency Seragaki Island, Okinawa
Royal Hotel OKINAWA ZANPAMISAKI

*Customers to whom we supply over 500t of gas per year

Energy Service Provider (ESP) Business (1/2)

■ We have established a new company called The Reliance Energy Okinawa, Inc., which is an energy service provider (ESP) in December 2017.

■ We own electric and heat source facilities on behalf of customers, and process and supply energy.

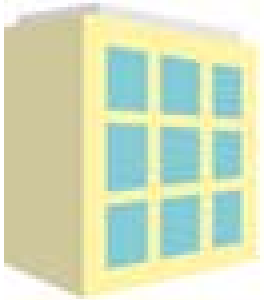
[Increase in new energy demand]

- 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]

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

Okinawa Prefecture



Customer

The Reliance Energy Okinawa, Inc.,

- 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.

Energy Service Provider (ESP) Business (2/2)

- In June 2019, a service for the “SAN-A Urasoe West Coast PARCO CITY”, was launched.
- We are looking to development of Total Energy Services for broad areas mainly from the energy center that will be built on the premises of the OEPC. For example, we are looking to supplying to buildings on the premises, and supplying to multipurpose building that is planned to be constructed nearby.

< Examples of businesses adopting ESP>

SAN-A Urasoe West Coast PARCO CITY
- Service launch date: June 2019

Lab 4 of the Okinawa Institute of Science and Technology Graduate University
- Service launch date: April 2020

San-A Nishihara City (Existing renovation)
- Service launch date: April 2020

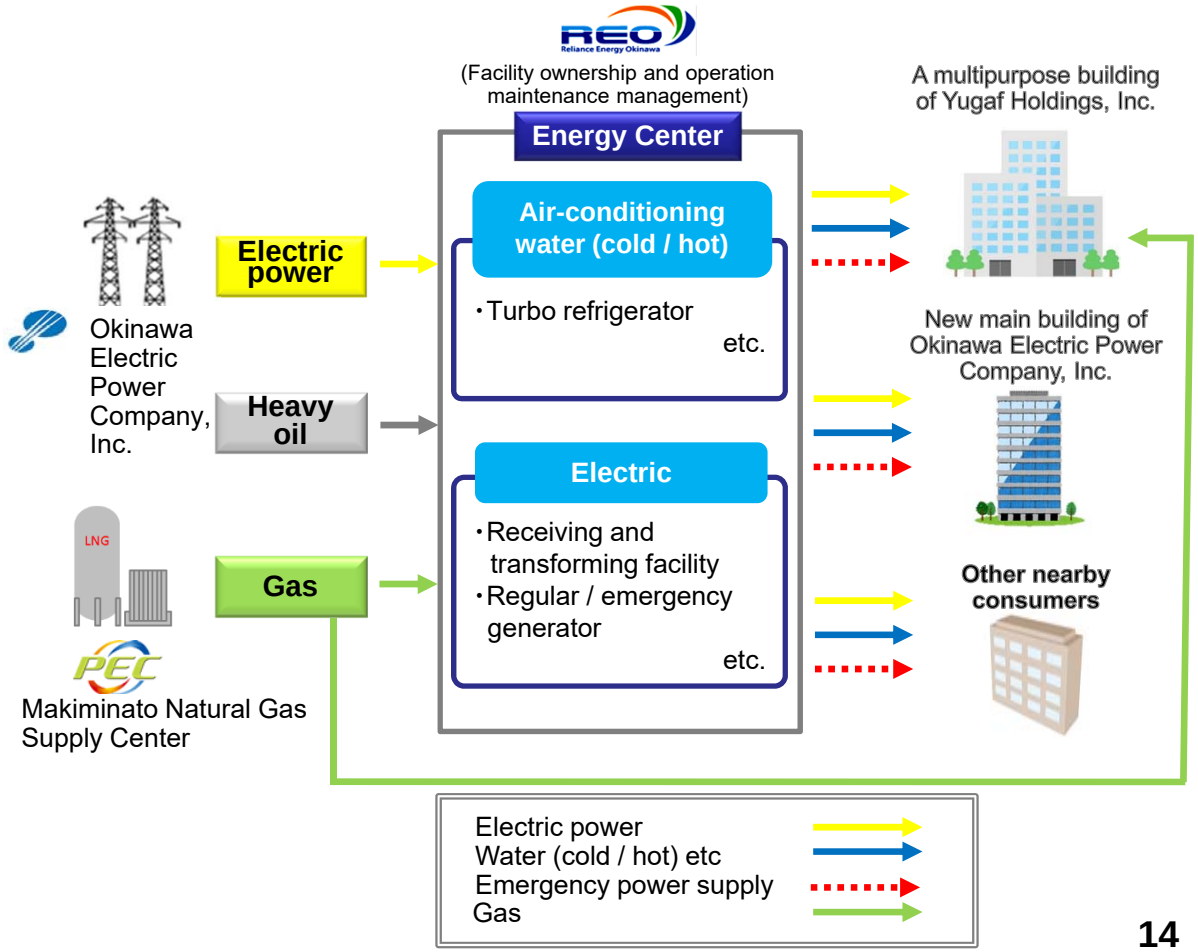
Yuuaikai Yuuai Medical Center (A new hospital of Tomishiro Central Hospital)
- Service launch date: May 2020

San-A Ishikawa City
- Scheduled service launch date: Summer 2020

Yugaf Holdings, Inc. (hotels, offices, etc.)
- Scheduled service launch date: November 2021

New main building of Okinawa Electric Power Company, Inc.
- Scheduled service launch date: May 2022

[Schematic Overview of Energy Center]

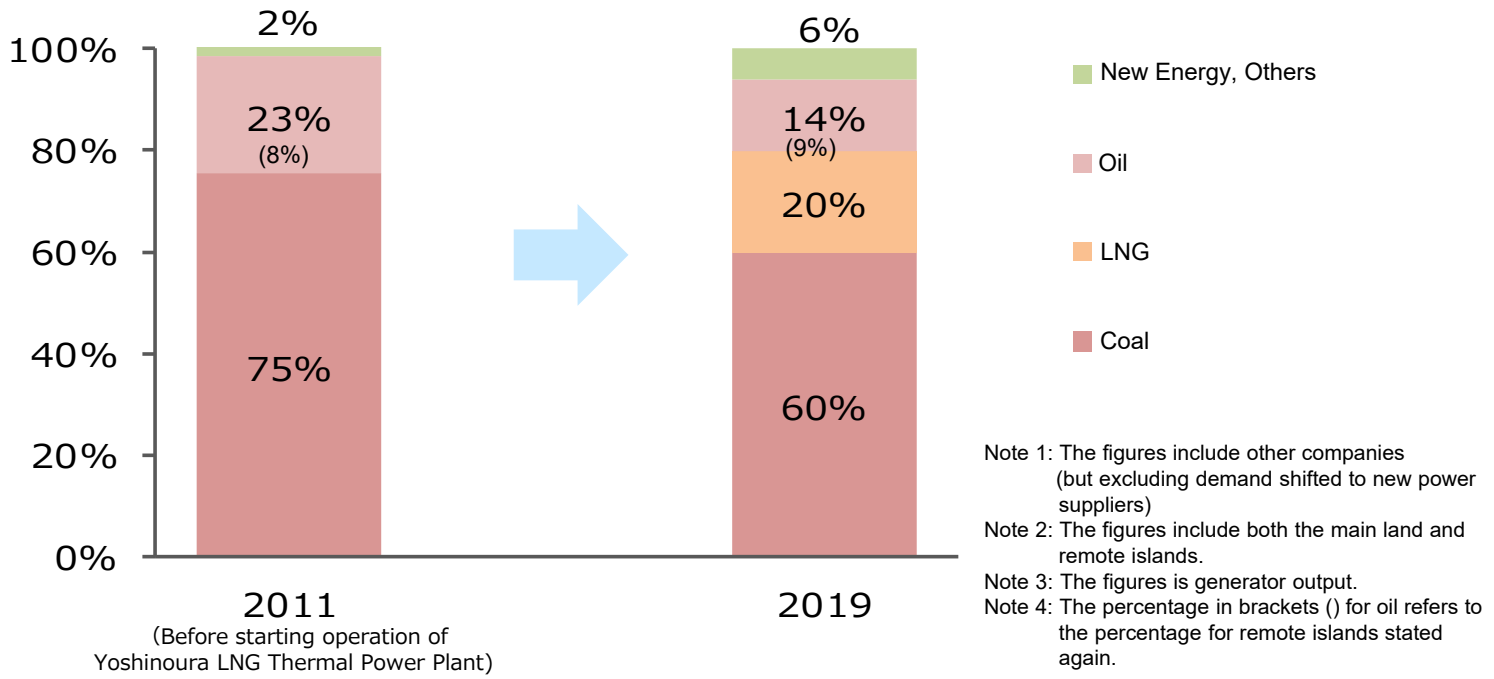


Power Generation Facilities (Power Supply Composition)

■ The composition of electric power source is highly reliant on fossil fuel, as developing nuclear or hydroelectric power generation is difficult in Okinawa due to the reasons of geographic condition and the small scale of demand. Accordingly, fossil fuels; petroleum, coal and LNG, are the only source for the composition.

■ We have secured long-term power supply capacity, the improvement of energy security, and effective countermeasures for global warming issues by commencing the operation of Yoshinoura Thermal Power Plant(since 2012), our first plant using LNG.

Electric Power Composition Ratio(Power generating end)



Note 1: The figures include other companies (but excluding demand shifted to new power suppliers)
Note 2: The figures include both the main land and remote islands.
Note 3: The figures is generator output.
Note 4: The percentage in brackets () for oil refers to the percentage for remote islands stated again.

Power Generation Facilities (Yoshinoura LNG Thermal Power Plant)

- Yoshinoura Thermal Power Plant was constructed as OEPC first LNG thermal power plant from the viewpoints of securing stable supply of electricity, increasing energy security, environmental measures and venturing into gas-related business.
- Yoshinoura Multi Gas Turbine Power Plant was constructed mainly for the purposes of starting power grids in case that the entire main island of Okinawa loses all electricity sources, dealing with the electricity peak of normal time.

[Outline of the Power Plant]

Name	Yoshinoura Thermal Power Plant	Yoshinoura Multi-Gas Turbine Power Plant
Location	Nakagusuku-son, Okinawa Prefecture	
Power generation capacity	251,000kW×2 power generators	35,000 kW × 1 plant
Fuel	Liquefied natural gas (LNG)	LNG, kerosene (The normal fuel to be used is LNG.)
Storage facilities	140,000kl × 2 stations	
Start of commercial operation	Generator No.1:November 27, 2012 Generator No.2:May 23, 2013	March 20, 2015
Fuel procurement	Contractor: Osaka Gas Co., Ltd. Contract period: 27 years from FY2012 (main source of supply: Gorgon in Australia) Contracted quantity: About 400,000 t/year Terms of delivery: Delivery on ship's arrival (EX-Ship)	

Demand - Supply balance

- A high generation reserve margin is necessary because of OEPC's isolated system and the responsibility to provide stable supply as a public utility.
- The reserve capacity exceeding of the largest unit is secured so that it is possible to provide stable supply even if the largest unit breaks down.

- We would ensure long-term and stable supply.

Demand-supply balance of maximum electric power (August)

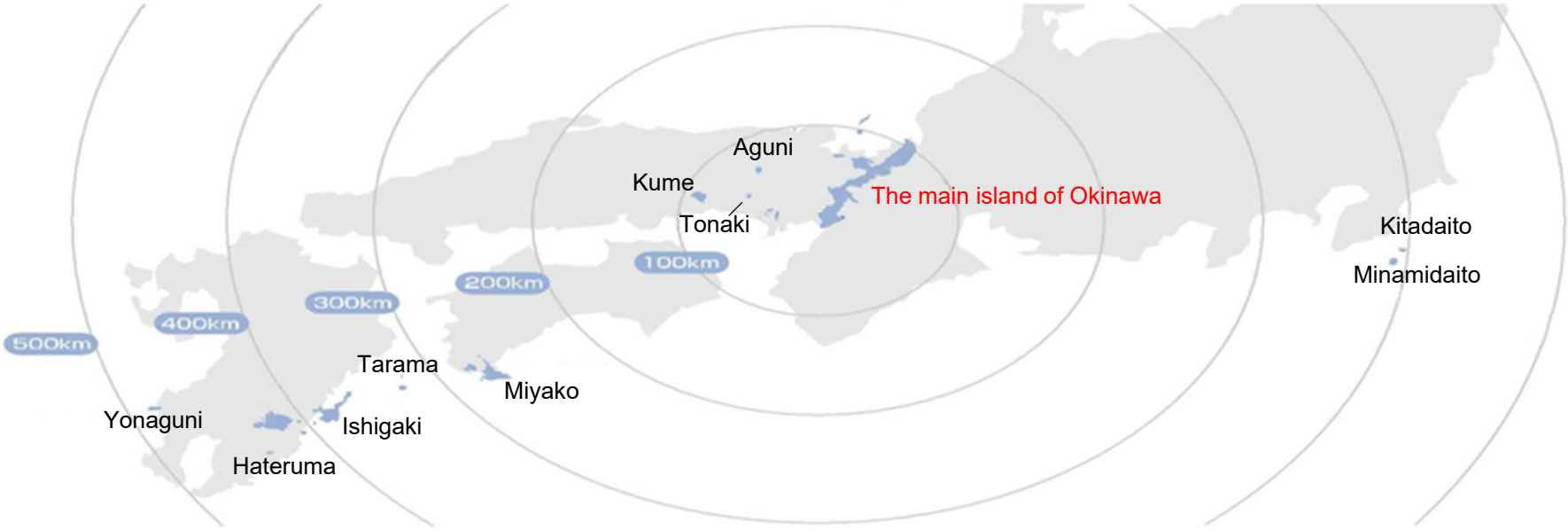
(Unit : Thousand kW, %)

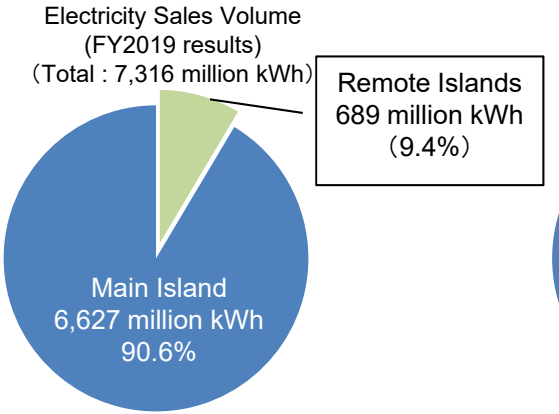
		2019 (Reference)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Demand-supply balance	Supply capacity	2,217	2,002	2,268	2,133	2,277	2,324	2,273	2,274	2,278	2,282	2,286
	Peak load	1,500	1,500	1,510	1,521	1,529	1,538	1,547	1,555	1,564	1,572	1,581
	Reserve supply capacity	717	502	758	612	748	786	726	719	714	710	705
	Reserve supply rate	47.8%	33.5%	50.2%	40.2%	48.9%	51.1%	46.9%	46.2%	45.7%	45.2%	44.6%

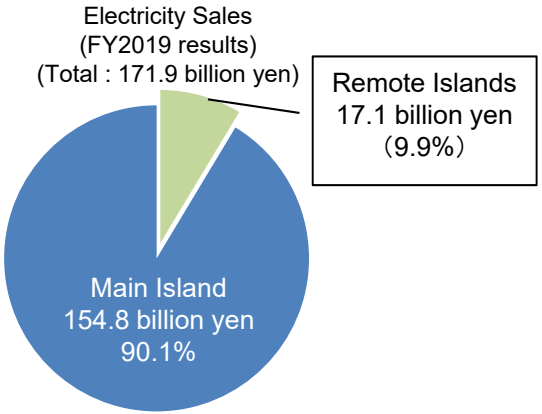
Note: Based on FY2020 Supply Plan Notification. (general transmission / distribution business)

Remote Islands
(Efforts to Improve Income and Expenditure)

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







(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
- Reducing the fuel consumption rate by introducing high-efficiency units

Status of Wind and Solar Power Electricity Generation Facilities

■ The OEPC Group has new energy facilities with total output of 27,868kW (wind power: 22,130kW, solar power: 5,738kW).

【 OEPC 】

	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	*1
	Minamidaito Tiltable Wind Power	2	490 kW	*1
	Tarama Tiltable Wind Power	2	490 kW	*1
	Hateruma Tiltable Wind Power	2	490 kW	*1
	subtotal（6 ）	**10**	**6,315 kW**	
Solar Power	Abu Mega Solar Power	—	1,000 kW	
	Kitadaito Daini Solar Power	—	100 kW	*2
	Miyako Mega Solar Power	—	4,000 kW	*2
	Miyako Branch Solar Power	—	10 kW	
	Tarama Solar Power	—	250 kW	*2
	Yaeyama Branch Solar Power	—	10 kW	
	Hateruma Solar Power	—	10 kW	
	Yonaguni Solar Power	—	150 kW	*2
	subtotal（8）	—	**5,530 kW**	

(As of March 31, 2020)

【 Group company】

	Name	No. of Units	Output	Remark
Wind Power	Sosu Wind Power	2	3,600 kW	
	Nakijin Wind Power	1	1,995 kW	
	Gushikawa Wind Power	1	1,950 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（8）	**14**	**15,815 kW**	
Solar Power	Iejima Solar Power	—	10 kW	
	Tokashiki Solar Power	—	198 kW	
	subtotal（2）	—	**208 kW**	

*1 Tiltable Wind Power

*2 Micro grid （a combination of system stabilizing technologies such as storage batteries)

Challenges for the introduction of renewable energies(1/3)

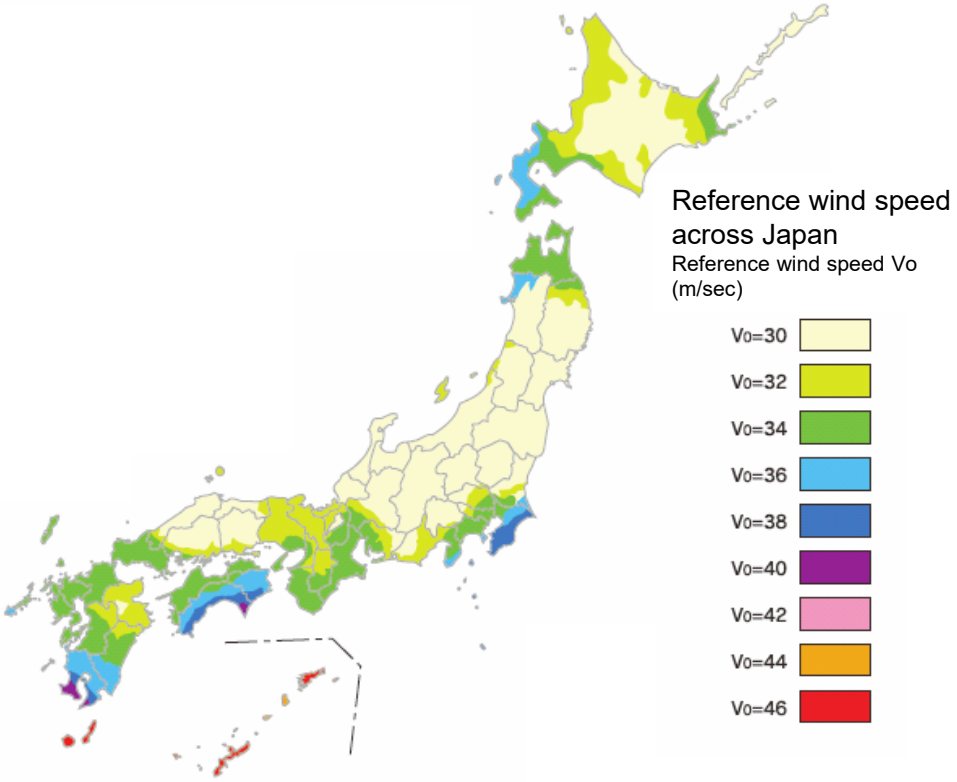
1 Wind power generation

- Examination criteria tightened for construction of wind power generation facilities in Japan (2016).
- "Extreme wind speed"* ,which is the construction standards in Okinawa, is "90 m/s".
- At present, no wind turbine manufacturers around the world is producing wind power generation facilities that meet these standards. As a result, it is practically impossible to introduce new ones.
- We are considering whether it is possible to install wind turbines by devising operational aspects (maintenance, monitoring system, safety measures, etc.).

* 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



[Design reference wind speed distribution]

*Image of "Building Standards Act Notice No.1454" categories

Source: Japan Exterior Industry Association website

Challenges for the introduction of renewable energies(2/3)

2 Solar power generation

- The amount of solar PV generation interconnection in the Okinawa area has increased rapidly since the implementation of the feed-in tariff scheme (FIT scheme) in July 2012.
- Since the system in the main island of Okinawa is small and independent, the limit of connection volume is likely to occur when using renewable energy.

[Connection of renewable energies]

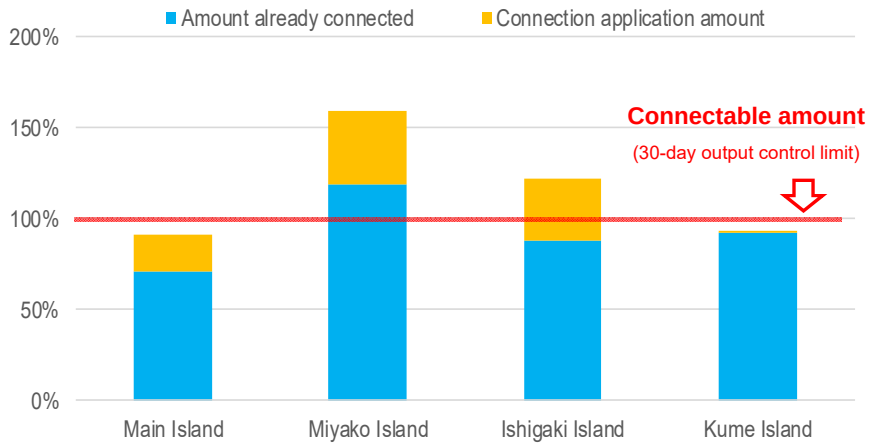
■ Main island of Okinawa (MW)

	30-day output control limit	Amount already connected	Connection application amount	Total
Solar	495	352	101	453

■ Remort islands (kW)

	30-day output control limit	Amount already connected	Connection application amount	Total
Miyako	24,101	28,585	9,660	38,245
Ishigaki	21,991	19,385	7,353	26,738
Kume	2,719	2,504	5	2,509

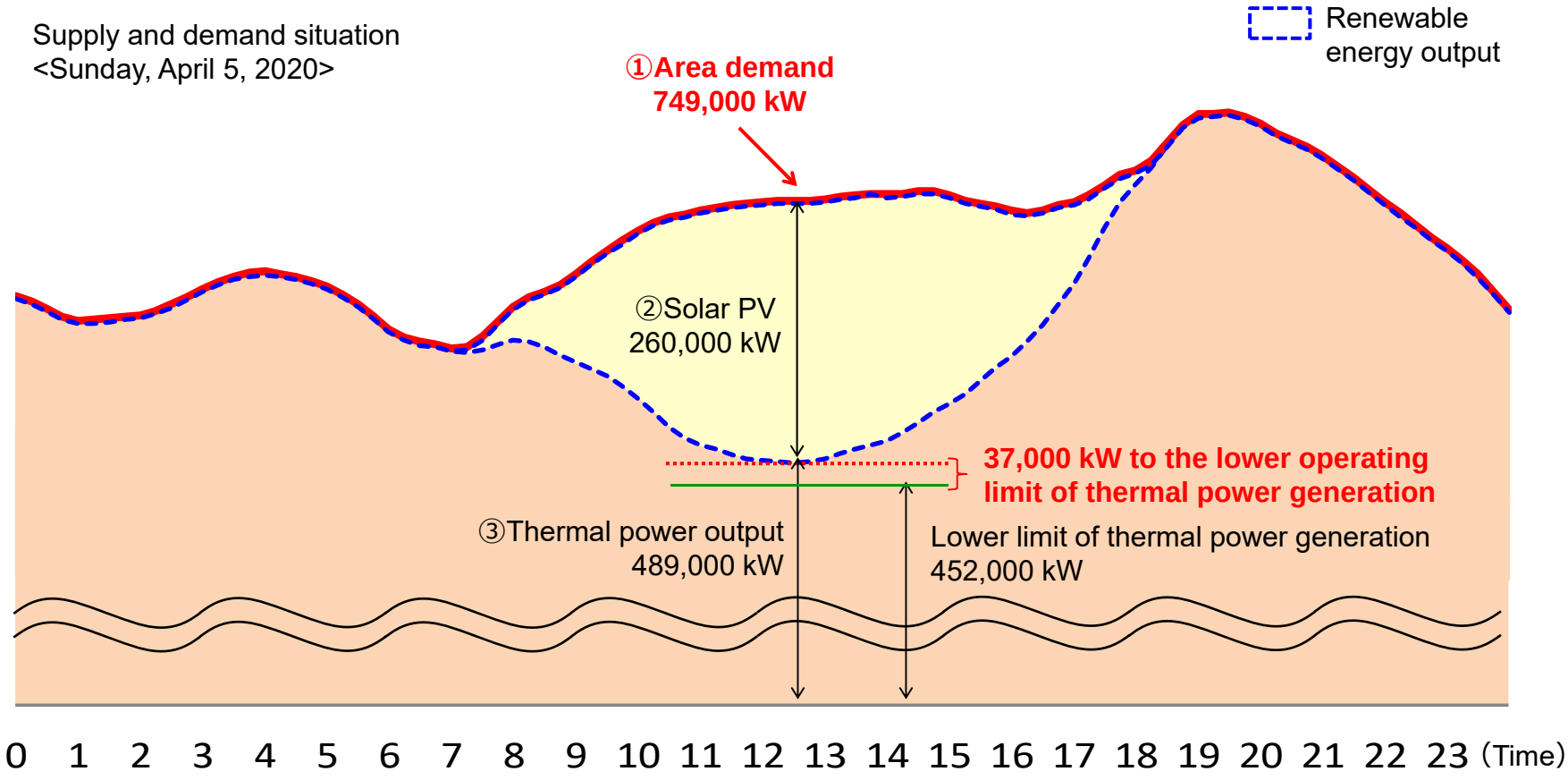
* As of March 31, 2020



* The connectable amount (30-day output control limit) and the connected (applied) amount are figures of solar PV generation only for the Main Island, while those of whole renewable energies including wind power for the three remote islands.

Challenges for the introduction of renewable energies(3/3)

- Due to expanded introduction of renewable energies, the lower operating limit of thermal power generation which is necessary for a stable supply is approaching.
- There is an increasing possibility of controlling the output of renewable energies in order to maintain the balance between supply and demand.



Efforts to expand the introduction of renewable energies(1/2)

1 Introduction of Tiltable wind power generators

- It's problem that damaging to wind turbines due to strong wind because Okinawa is tha area to hit typhoons frequently.
- The introduction of Japan’s first tiltable wind power generators has enabled the stable operation of renewable energy and reduced the cost of fuel and repair and maintenance.
- Currently, it has been introduced to 4 remote islands, Aguni,MinamiDaito,Tarama and Hateruma.

＜Characteristics and advantages of Tiltable wind power generator＞

- Wind power generators can be tilted nearly 90 degrees so that damages by strong winds from typhoons can be avoided by tilting them.
- Wind power generators do not need large-size cranes to construct and can be constructed in moderate hilly areas.
- Wind power generators are retractable so that maintenance work can be carried out on the ground.
- Wind power generators are supported by wires.

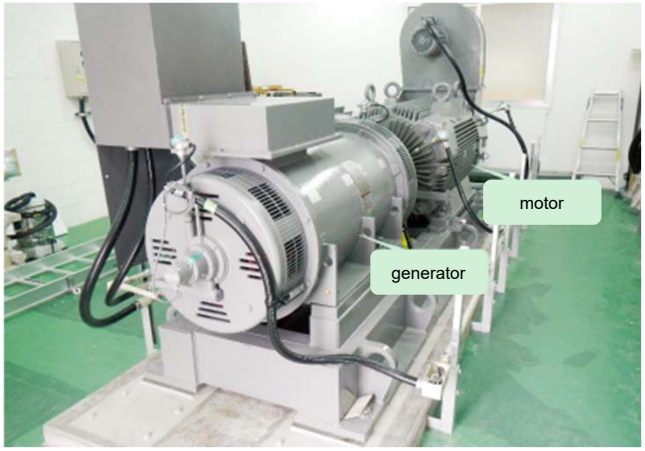
▲Aguni tiltable wind power generators when tilted

Efforts to expand the introduction of renewable energies(2/2)

2 Introduction of motor generator (MG set) in Hateruma Island

- Demonstration test of motor generator (MG set) is under way.
- The MG set operates powered by a battery charged with excess electricity from renewable energy sources. The system effectively utilizes surplus electricity from renewable energy sources, which could not be supplied to the grid before and therefore was restricted.
- The system is connected to the commercial grid as a unit with the same functions as a diesel generator. This is a globally unprecedented initiative to expand the introduction of renewable energies.
- The electricity used on Hateruma Island was temporarily* supplied using 100% renewable energy.

  * *1 hour 47 minutes from 5:35 AM to 7:22 AM on November 27, 2018*



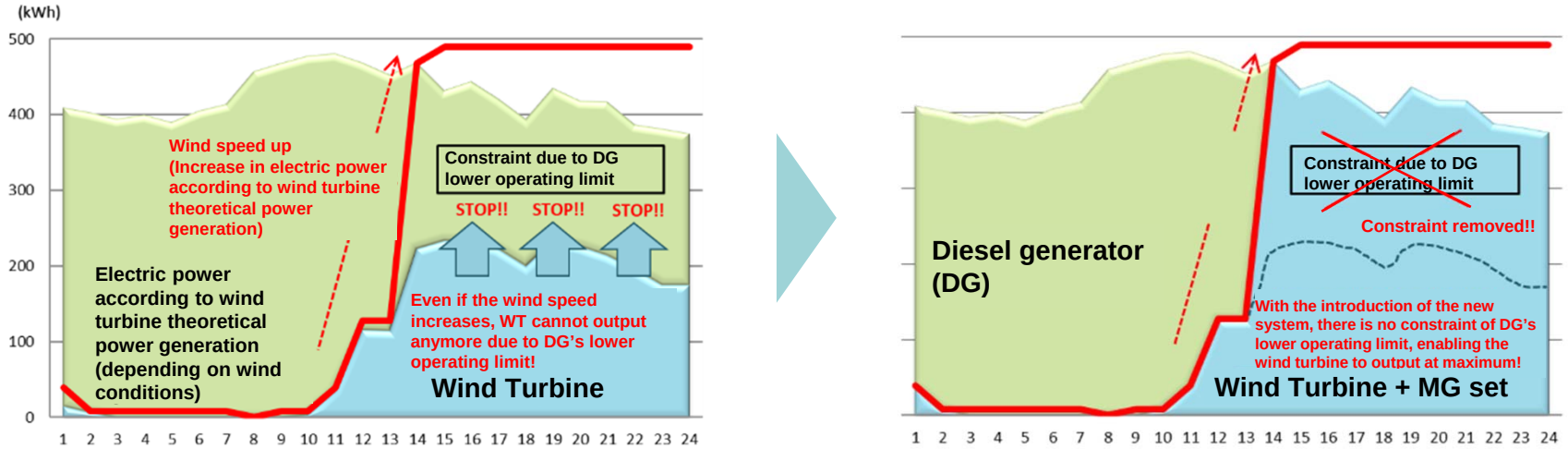


Figure. Image of maximizing renewable energy operation by introducing MG set

Q & A

Q1. Topics of Okinawa's Economy

1 Current Status and Future Forecast of Okinawa's Economy

■ The current state

Recently, there are increasing more difficult in the prefectural economy by the impacts of the novel coronavirus.

Trends in Main Economic Indicators of Okinawa Prefecture (%)

Indicators	FY2019												
	Apr.	May	Jun	Jul	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	FY
Sales by large-scale retailers	3.8	3.3	3.9	4.2	2.6	8.7	-5.7	1.0	0.4	2.6	0.2	-6.3	1.5
No. of new car sold	3.4	6.0	-11.3	-6.6	8.2	12.8	-17.7	-5.6	-4.0	-7.3	-0.5	-15.5	-3.7
No. of incoming tourists	2.2	0.5	7.2	8.8	-1.9	1.0	0.2	0.5	1.0	-3.4	-23.5	-55.2	-5.3
Value of public works contracts	-24.3	30.4	-18.1	94.2	-17.8	-12.5	29.8	28.2	94.7	1.3	-47.5	-11.7	4.3
New residential Construction starts	-1.5	-38.4	-20.6	-16.0	25.5	10.7	-16.2	-0.8	-17.5	-37.4	-19.1	-18.4	-12.1
Total unemployment rate	2.5	2.7	3.0	2.8	2.9	3.2	2.8	2.5	2.5	3.0	3.1	2.9	2.8
Job Opening Ratio	1.18	1.18	1.19	1.19	1.20	1.19	1.20	1.20	1.19	1.11	1.11	1.06	1.16

Note 1: The figures for 'Sales by large-scale retailers' are calculated on an all-store base. The values in March 2020 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.
(Please note that the values for the fiscal year are both raw data.)
Source: Okinawa General Bureau, Okinawa Prefecture, Ryugin Research Institute, and others.

■ Prospect

The prefectural economy is expected to continue to be affected by the novel coronavirus. Future risk factors include developments in the mainland and overseas economies (including prolonged effects of novel coronavirus and geopolitical risks).

Q1. Topics of Okinawa's Economy

2 Economic Growth of Okinawa Prefecture under the Okinawa Promotion Plan

- With implementation of a variety of action plans under the Okinawa Prefectural government's "Basic Plan of Okinawa 21st Century Vision (Okinawa Promotion Plan)" which started in FY2012, the prefecture's GDP posted growth rate increase of outpacing the national average growth rate.
- Recently, the prefectural economy continue to be affected by the novel coronavirus, but the demand for electricity is expected to increase in the medium to long term because it's expected to grow the prefectural economy.

Prefectural GDP and National GDP

(billion yen)

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Prefectural GDP	4.2% 3,892.3	-0.3% 3,879.1	3.2% 4,004.2	3.2% 4,132.0	3.1% 4,260.4	1.6% 4,330.4
National GDP	2.6% 512,534.7	-0.4% 510,704.0	1.3% 517,223.3	0.9% 521,963.0	1.9% 532,070.3	0.3% 533,645.5

Sources: "Prefectural Accounts for FY2016", "Prefectural economic outlook for FY2019" and Cabinet Office "List of Statistical Tables" (Second Preliminary Data for the October-to-December 2019 period)
Note : Prefectural GDP's for FY2017 and FY2018 are estimates. Figures in the upper row are growth rates on a Y to Y basis.

Basic Plan of Okinawa 21st Century Vision (Okinawa Promotion Plan)

In May 2012, the "Basic Plan of Okinawa 21st Century Vision (Okinawa Promotion Plan)" was formulated under the initiative by the Okinawa Prefectural government (revised in May 2017).

Through the implementation of various measures that are developed based on this plan to take advantage of regional characteristics of Okinawa Prefecture, gross production in Okinawa（nominal）in FY2021 is estimated to increase about 1.4 times compared with that in FY2010 to 5,100 billion yen.

Q1. Topics of Okinawa's Economy

3 Okinawa International Logistics Hub

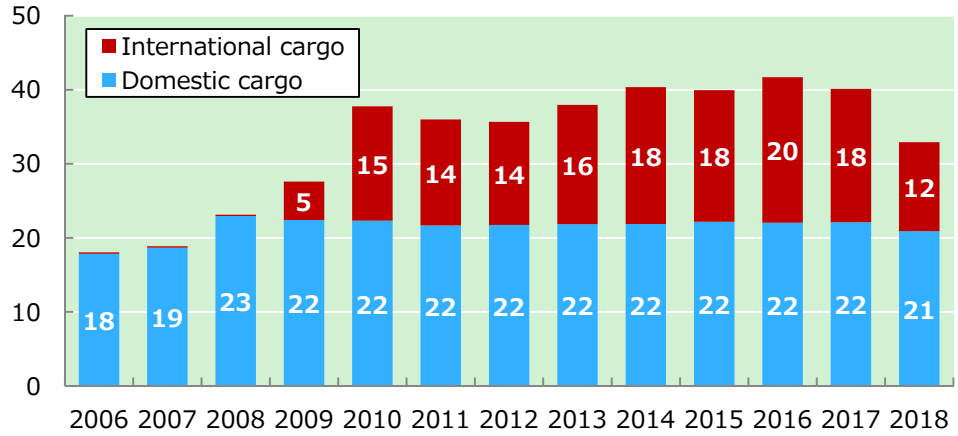
■ Okinawa Prefecture is promoting the establishment of an international logistics hub through accumulating the industries at the areas peripheral to airport and harbor where new business is to be developed through utilizing Okinawa international logistics hub. In addition, Okinawa Prefecture is working hard to attract logistics companies from home and abroad.

Source: A pamphlet titled "Okinawa International Logistics Hub" (prepared by the International Logistics Promotion Division, Department of Commerce, Industry and Labor and available on the website of the Okinawa Prefecture)

- ○ Okinawa Prefecture is located in the center of the huge market of two billion people.
- ○ Travel time required between Okinawa Prefecture and major cities in Japan and Asia is about four hours.
- ○ Utilizing late-night cargo flights through 24-hour operation system at Naha Airport.
- ○ Quick transportation through 24-hour customs clearance system.

(10 thousand tons)

Cargo handling volume in Naha Airport



* From October 2009, the cargo hub project was launched by ANA.
Source: Land, Infrastructure and Transportation Ministry

Q1. Topics of Okinawa's Economy

4 Aviation Industry Cluster

- Aviation demand in Asia is expected to increase in the future and the total number of aircraft is expected to increase by 2.7x in the next 20years.
- Okinawa Prefecture, taking advantage of the characteristic of the center of Asia, is engaged in the aviation industry cluster focused on MRO*.
- MRO Japan started aircraft maintenance business at Naha Airport in January 2019.

* MRO : Maintenance, Repair, & Overhaul

Source: The Industrial Site Promotion Guide Book 2019-2020

MRO Japan

MRO Japan Co., Ltd.

Established on June 2015 (Head Office: Naha City)
Businesses: Aircraft Maintenance, Repair, & Overhaul
Paid-in Capital: 1 billion yen
Shareholder composition:

ANA Holdings Inc. 45%
JAMCO Corporation. 25%
Mitsubishi Heavy Industries, Ltd. 20%
The Okinawa Development Finance Corporation. 2%
Bank of The Ryukyus, Ltd. 2%
The Bank of Okinawa, Ltd. 2%
The Okinawa Kaiho Bank, Ltd. 2%
The Okinawa Electric Power Company, Inc. 2%

Q2. What is the Current State of U.S. Military Bases?

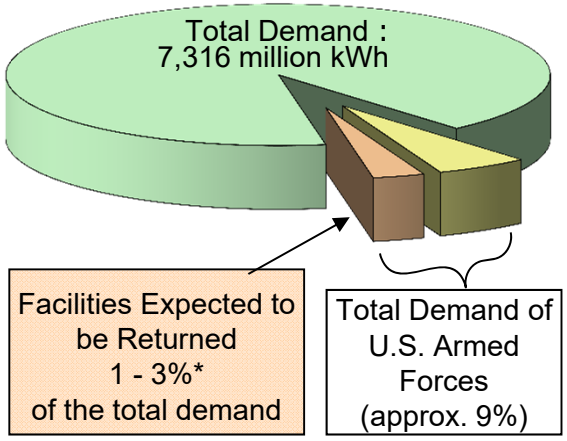
Outline of the U.S. military Forces in Okinawa

No. of Fasilities	33
Area	187,099km^2

<Reference>
No. of employees working for the U.S. Armed Forces in Okinawa: 8,919
*As of the end of March 2018.

Sources ： Japan Ministry of Defense “US Forces and SDF Bases in Okinawa August 2019”, Military Base Affairs Division, Executive Office of the Governor, Okinawa Prefecture

The U.S. Armed Forces’ share of total electricity demand（FY2019)



* 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	48,728km^2	
Kadena Ammunitions Storage Area	[shared use]	Onnason, Uruma-shi, Okinawa-shi, Kadenacho, Yomitanson	26,585km^2	
Camp Courtney	[US Marine Corps]	Uruma-shi	1,339km^2	
Camp Mc Tureous	[US Marine Corps]	Uruma-shi	379km^2	
Camp Shields	[shared use]	Okinawa-shi	700km^2	
Torii Station	[US Army]	Yomitanson	1,895km^2	
Kadena Airbase	[shared use]	Okinawa-shi, Kadenacho, Chatancho, Naha-shi	19,855km^2	
White Beach Naval Facility	[shared use]	Uruma-shi	1,568km^2	
Camp Kuwae	[shared use]	Chatancho	675km^2	*3
Camp Zukeran	[shared use]	Uruma-shi, Okinawa-shi, Kitanakagusukuson, Chatancho, Ginowan-shi	5,450km^2	
Futenma Airport	[US Marine Corps]	Ginowan-shi	4,759km^2	
Makiminato Service Areas	[US Marine Corps]	Urasoe-shi	2,694km^2	
Naha port facilities	[shared use]	Naha-shi	559km^2	

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

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

■ **Approach for the promotion and growth in the household sector**

(1) OEPC started to offer the "Rikka Denka Lease", a new lease service plan of the electrical appliance.

(2) OEPC will open "Membership Site" that is a new web service and introduce the point service in September 2020.

(3) Strengthening cooperation with local home appliance stores and housing equipment manufacturers, who are the main players delivering value directly to customers.

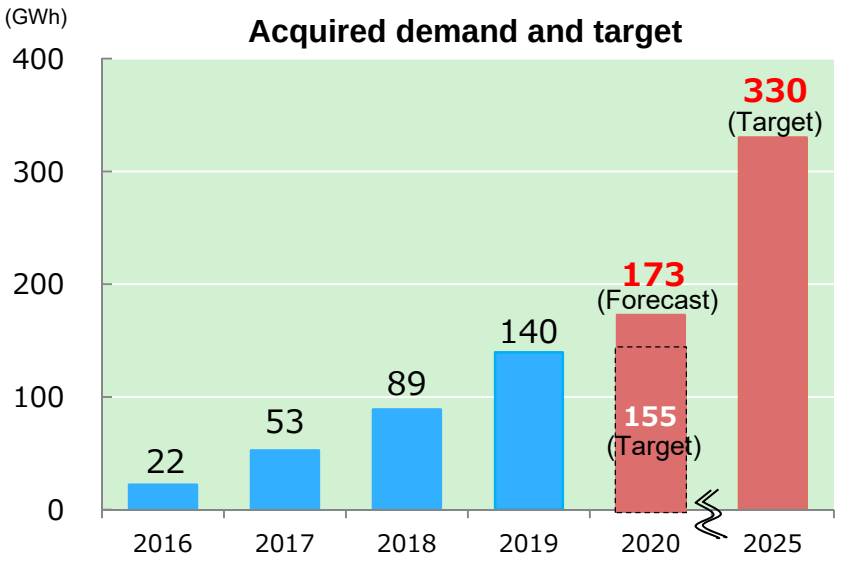
◇ The ratio of all-electric houses to newly-built detached houses in FY2019 : 28.6%

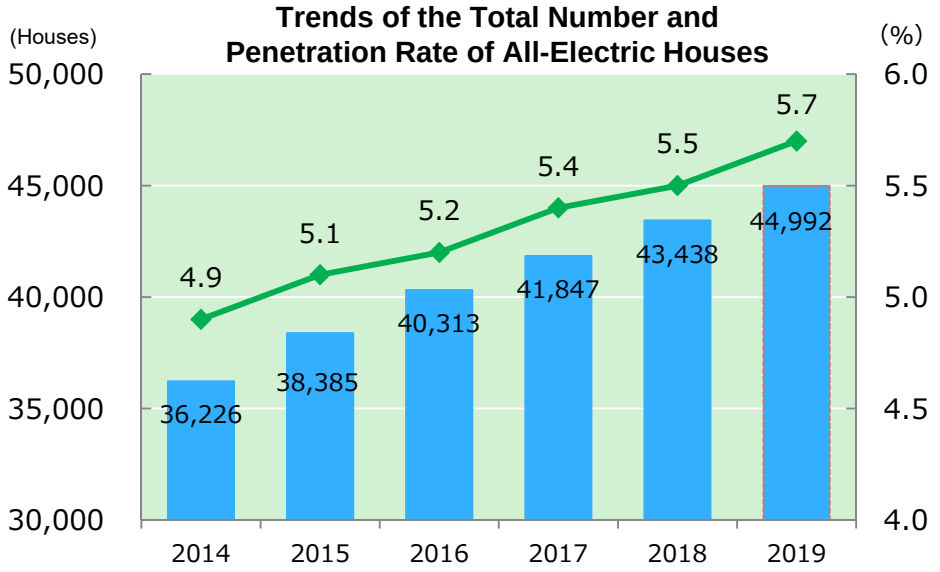
■ **Approach for sales promotion in the corporate sector**

(1) Offering customers comprehensive proposals for electrification (air-conditioning systems, kitchens, and water heaters) appropriate for their power usage.

(2) Strengthening of cooperation with sub-users including manufacturers, contractors, design offices, etc.

(3) Utilization of public subsidy system, etc.



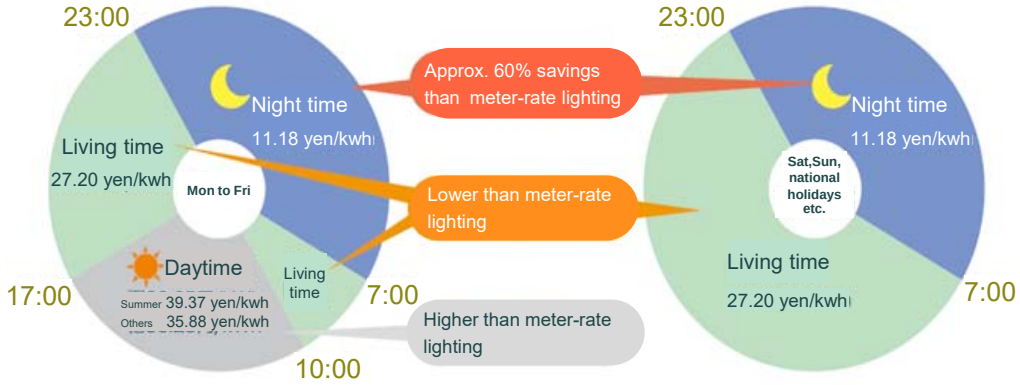


Q4. What is the enrichment of electricity rate menus?

The electricity rate menu for all electrification

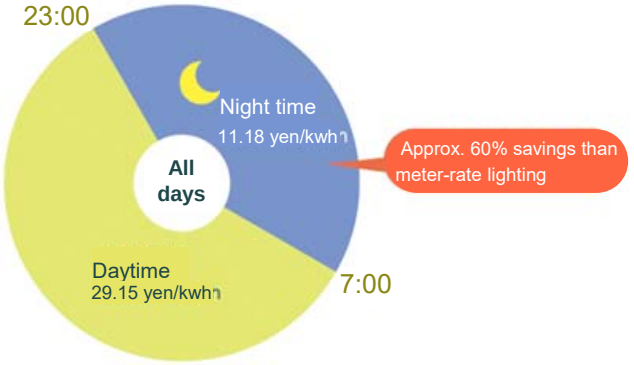
◆Ee Home Holiday

Suitable for double-income households who use less electricity on weekdays.



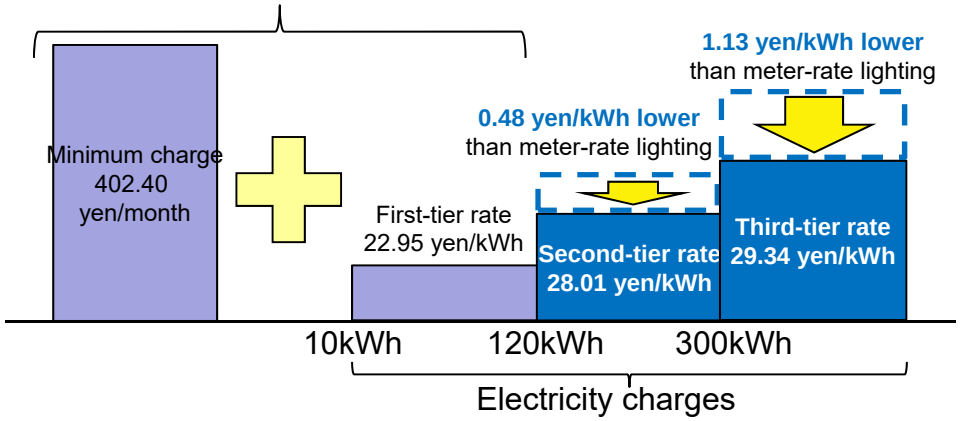
◆Ee Home Flat

Suitable for households of full-time housewives and senior citizens who use more electricity during the daytime on weekdays.



Good Value Plan

The plan that is more advantageous than meter-rate lighting by setting the unit price to be the same as meter-rate lighting or cheaper.



au Denki

auでんき
powered by 沖縄電力
沖縄電力 × au 沖縄セルラー

- ✓ This is a service for customers using au.
- ✓ OEPC supplies electricity as before.
- ✓ The electricity tariff is equivalent to the electricity tariff charged at the meter-rate lighting plan by OEPC.
- ✓ The au WALLET points corresponding to up to 5% of electricity tariff are returned.

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

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

Efficient operation of coal-fired plants by reducing consumption of fuel oil and LNG

Making Ishikawa Thermal Power Plant the base of distributing fuel oil to remote islands

Reduction of fuel costs through measures including purchasing fuel oil on the spot market

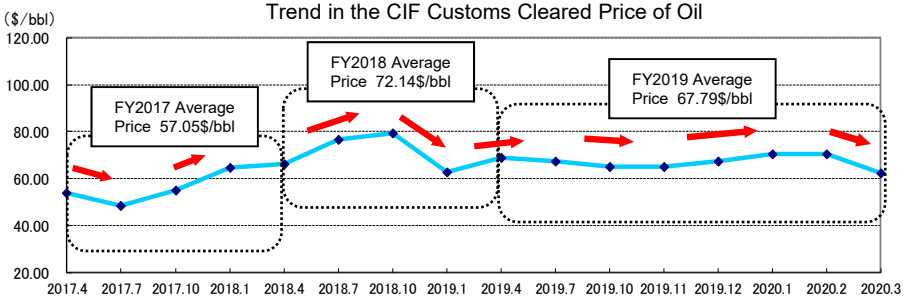
Stable procurement through long-term coal purchase contracts

Continued use of sub-bituminous coals that are low in not only prices but also transport costs

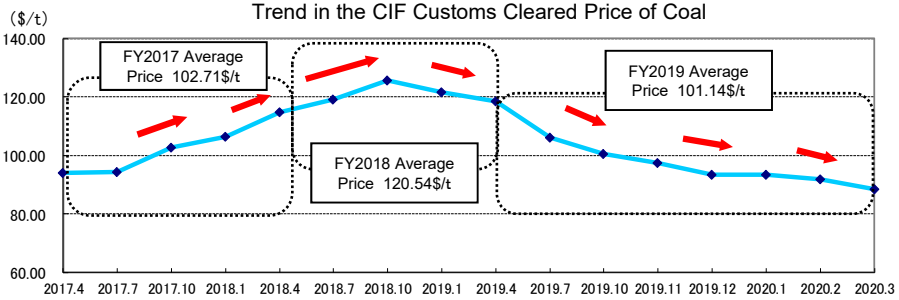
Stable procurement through long-term LNG purchase contracts

Achieving stable fuel supply and pursuing cost reductions

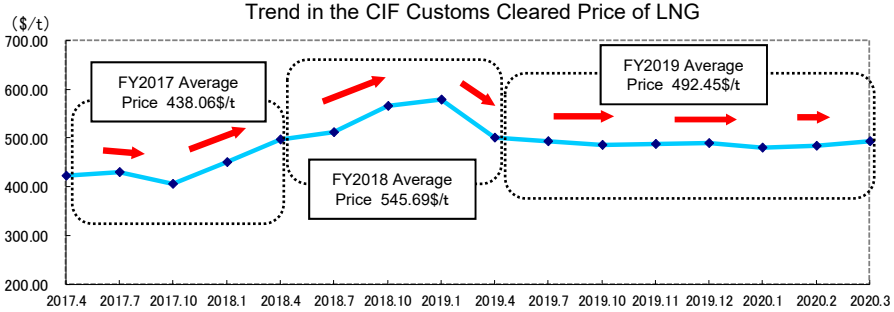
Trend in the CIF Customs Cleared Price of Oil



Trend in the CIF Customs Cleared Price of Coal



Trend in the CIF Customs Cleared Price of LNG



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

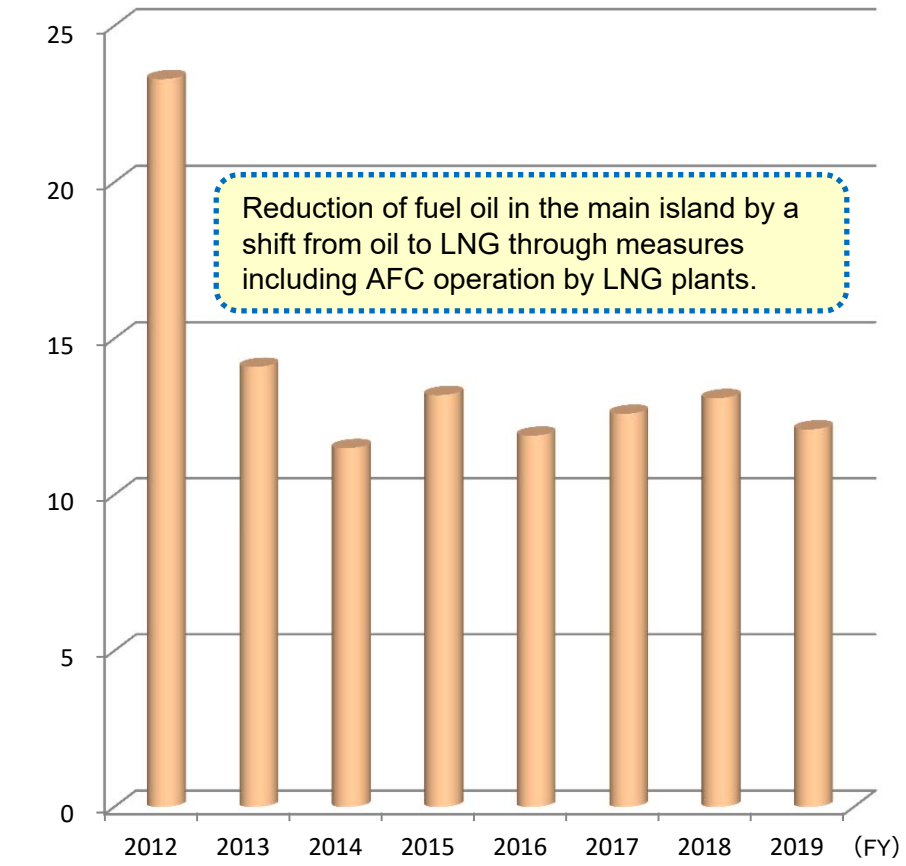
■ Efficient operation of coal-fired plants by reducing consumption of fuel oil and LNG.

* AFC=Automatic Frequency Control

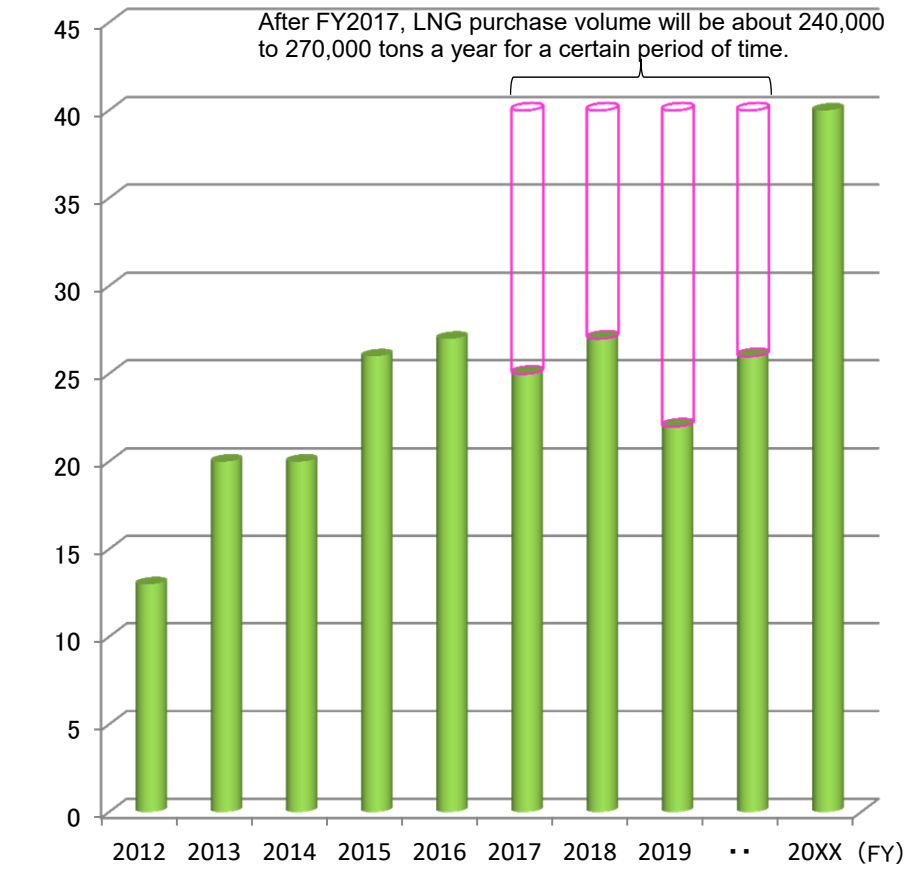
○ Reduction of oil consumption by shifting AFC* that oil-fired plants took charge of to LNG-fired plants.

○ A shift to coal-fired plants that have much lower power unit costs by reducing the volume of LNG.

Trend in Fuel Oil Consumption by Main Island



Trend in LNG Purchase Volumes



Q6. What are the efforts to reduce CO_2 emissions?(1/3)

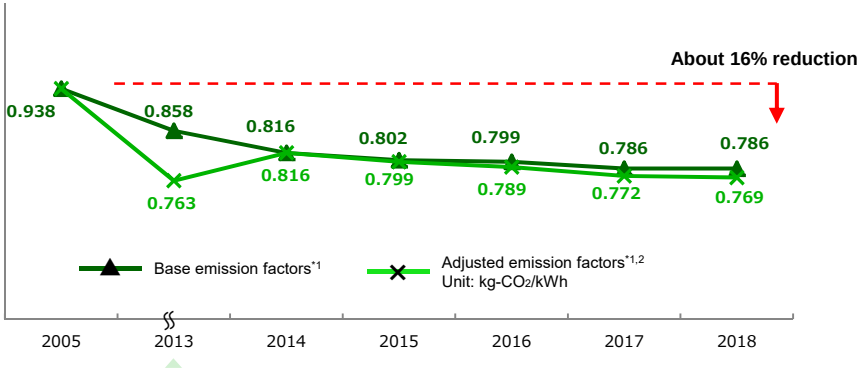
1 Efforts in electricity business

- Introducing hydro or nuclear power is difficult in Okinawa Prefecture due to reasons including the region's geological and geographic characteristics and constraints on the scale of demand ⇒ Dependency on fossil fuels (oil, coal, etc.)
- OEPC commenced operation of Yoshinoura Thermal Power Plants, which are fueled by LNG with low CO_2 emissions, in November 2012.
- OEPC efforts to CO_2 emissions reductions in cooperation with the Electricity Business Council for a Low-Carbon Society.

[Key measures against global warming]

Stable operation of Yoshinoura Thermal Power Plants, which are fueled by LNG	Improvement of efficiency of energy use
Use of renewable energy (e.g. mixed combustion of woody biomass fuel, Tiltable wind power generators)	Promotion of energy-saving and CO_2 saving activities

Trends of CO_2 emission factors



Note 1: Electricity sales volume and CO_2 emission factors related to electricity retailers (the main island of Okinawa) in and after FY2016 due to the full liberalization of the electricity market. Figures in and before FY2015 are for former general electricity utilities (main and remote islands).
Note 2: Adjusted emission factors reflecting adjustments related to the feed-in tariff system and other factors.

Chart: Comparison of CO2 Emission Volumes by Fuel Type

Fuel Type	CO_2 Emission Volume Per Unit Heat Value [g-CO_2/MJ] *1	vs. Coal	vs. Oil	CO_2 Emission Volume Per kWh [kg-CO_2/kWh] *2	vs. Coal	vs. Oil
Coal	90.6	1.00	1.27	0.84	1.00	1.20
Oil *3	71.5	0.79	1.00	0.70	0.84	1.00
LNG	49.5	0.55	0.69	0.38	0.45	0.54

*1 The values of the Enforcement Order of the Act on Promotion of Global Warming Countermeasures. (Convert the CO_2 emission factors Kg-C/MJ to g-CO_2/MJ)
*2 Calculated using actual value of OEPC's Thermal Efficiency at Generation End at FY2018.
*3 Oil comparisons were based on type C heavy oil.

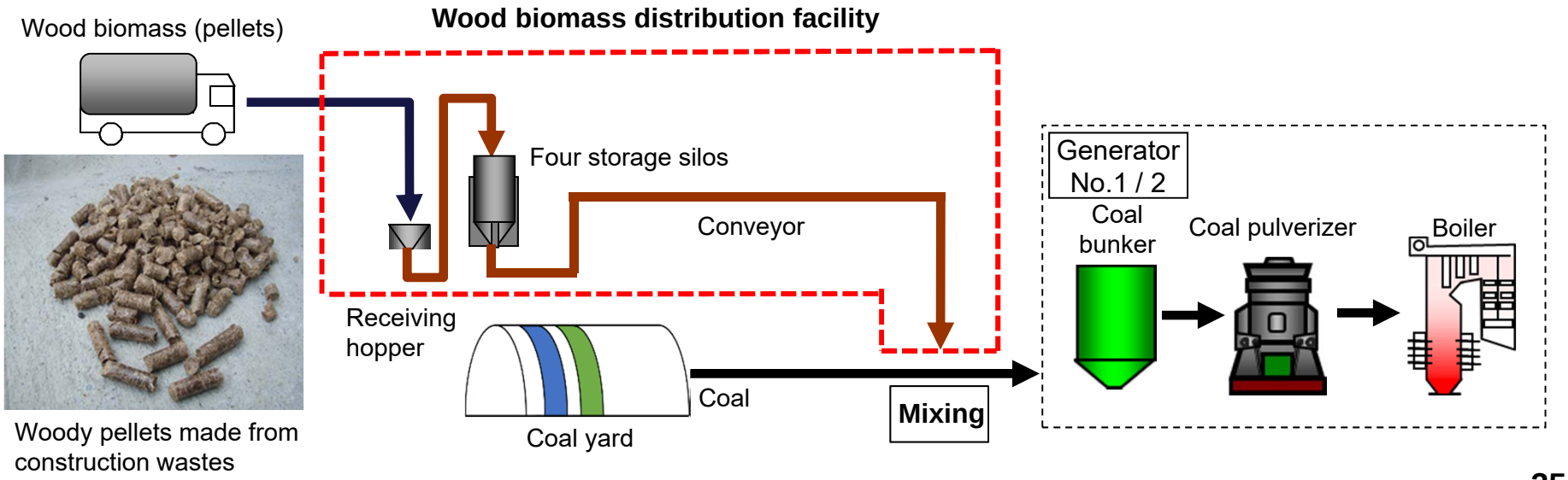
Q6. What are the efforts to reduce CO_2 emissions?(2/3)

- OEPC efforts to mix combustion of wood biomass fuels at coal-fired thermal power plants.*1
- In order to promote the use of renewable energy, the decision was made to introduce it at the Kin thermal power plant.*2

*1 Gushikawa Thermal Power Plant : from March 2010.

*2 Kin Thermal Power Plant : scheduled to start mixed combustion in March 2021.

- ✓ It uses Woody pellets made from construction wastes that have been incinerated in the prefecture.
- ✓ It contributes to the reduction of CO2 emissions in the prefecture by reducing the consumption of coal as fuel while contributing to the promotion of recycling construction wastes.
- ✓ Wood biomass consumption : approx. 30,000 t/year*
  CO2 reduction: approx. 40,000 t/year* (*Total of Gushikawa and Kin Thermal Power Plants)
- ✓ Amount of possible mixed combustion : approx. 3% (weight ratio)



Q6. What are the efforts to reduce CO_2 emissions?(3/3)

2 Efforts in OEPC Group

- Through the gas supply business, the OEPC Group is working to shift customers' energy sources from heavy oil to LNG, which is low in CO_2 emissions.
- In the overseas business, the OEPC Group contributes to promoting the wide spread use of renewable energy facilities in Pacific island states with high dependency on fossil fuels similar to Okinawa.
- The OEPC Group will make all-out efforts to reduce CO_2 emissions in a comprehensive manner.

[Efforts in gas supply business]

Orion Breweries, Ltd.

- Orion Breweries became the first brewing company in Okinawa to shift its fuels from heavy oil to natural gas.
- Introduction of natural gas is expected to reduce CO_2 emissions by 1,500t annually.

▲ LNG satellite facilities

[Efforts in overseas business]

Delivery of tiltable wind power generators to Tonga.

- Progressive Energy Corporation (PEC) received an order for ODA project involving the Kingdom of Tonga.
- PEC signed a contract with Tonga Power Limited for five tiltable wind power generators.
- On June 2019, PEC completed constructions of five tiltable wind power generators, and handed over them to the Kingdom of Tonga.

▲ Tiltable wind power generators at the Kingdom of Tonga.

Q7. Support for TCFD Recommendations

■ In September 2019, Expressing to support the Recommendations adopted by the Task Force on Climate-related Financial Disclosures(TCFD).

■ At the same time, deciding to participate in TCFD consortium.

- The composition of electric power source is highly reliant on fossil fuel, as developing nuclear or hydroelectric power generation is difficult in Okinawa due to the reasons of geographic condition and the small scale of demand.
- Under such conditions, we have been tackling with the issue of global warming and with the reduction of environmental load based on the “Okiden Group’s Policy on the Environment”.
- Also, through CSR reports and environmental action reports, we have been endeavoring to disclose information on environmental, social and governance initiatives(ESG) .
- In recognition of the fact that our business activities are significantly related to the issue of global environment, we agree with the purpose of the TCFD recommendations, which is “analyzing the risks and opportunities related to climate change that affect business and promoting climate-related financial disclosures”.
- We will continue to enhance information disclosure on climate change, improve corporate value, and contribute to the realization of sustainable society.
- At present, OEPC are considering about "Governance" and "Risks and Opportunities". Scenario analysis will be progressively disclosed by 2022.

TCFD：Task Force on Climate-related Financial Disclosures

This task force was established by the Financial Stability Board (FSB), which is an international agency that has central banks, financial regulatory authorities and other organizations from major countries as members. In June 2017, a proposal was published regarding the ideal disclosure of information on climate-related risks and opportunities by companies.

TCFD Consortium ：

TCFD Consortium consists of companies and financial institutions supporting TCFD recommendations, where these organizations work together through discussing a path to effective disclosure by companies and adequate utilization of disclosed information in investment decisions by financial institutions. Established on May 27, 2019

Q8. The Fuel Cost Adjustment System

■ The fuel cost adjustment system was introduced for the purpose of clarifying the “internal factors” such as the results of efforts to promote management efficiency at electric power companies and reflecting “external factors” onto electricity rates such as exchange rates and oil and coal and LNG prices that alter the economic situation.

[Range of fuel cost adjustment]

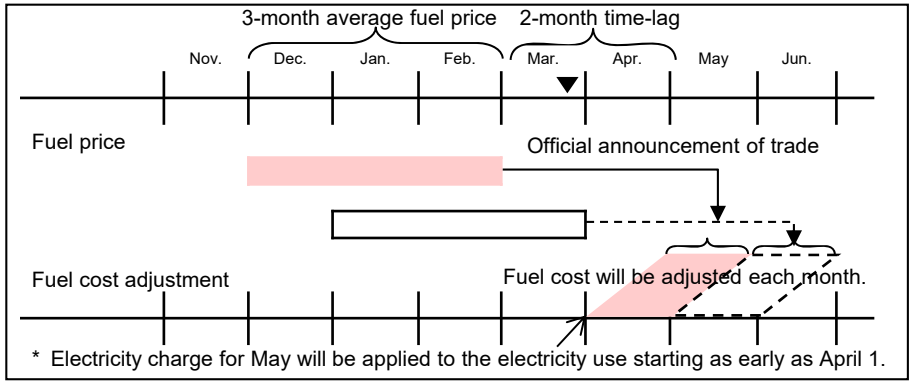
○We will calculate the average fuel price based on the prices of crude oil, coal and LNG on the trade statistics during the period between five months and three months prior to the fuel cost adjustment, and electricity charge will be automatically adjusted each month by comparing the above price with the standard fuel price at the time of electricity rate revision.

○The maximum level of fuel cost adjustment will be 50%.

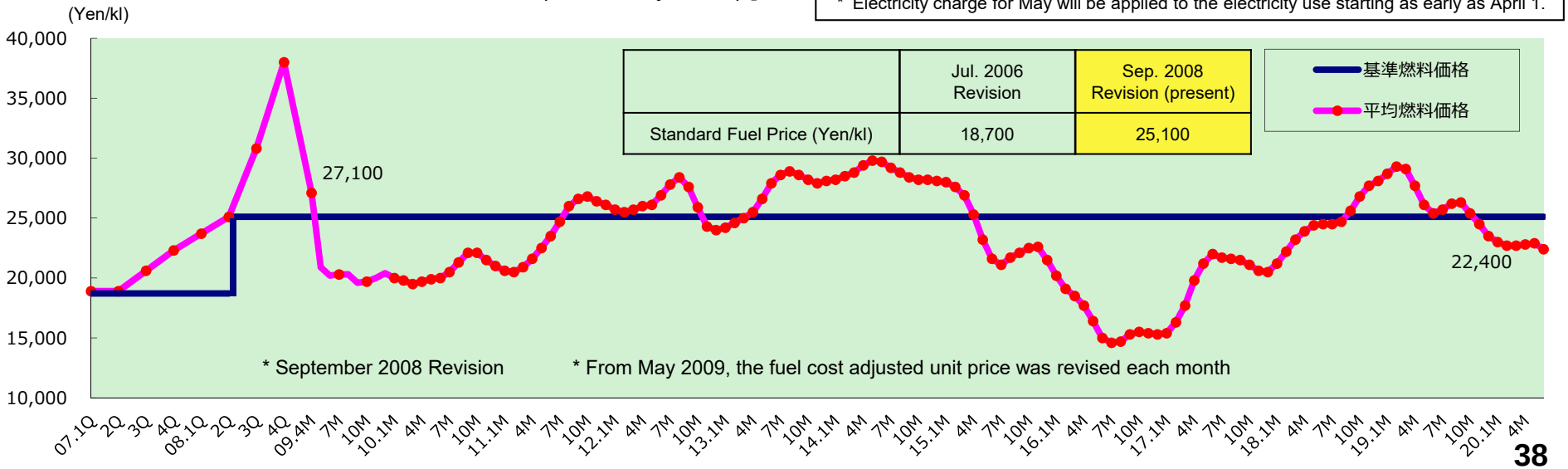
○There will be no lower adjustment limit.

[Conceptual drawing of the fuel cost adjustment system]

E.g. The average fuel price during the period between December and February of the following year will be applied to fuel cost adjustment for the electricity charge for May in the following year.
The average fuel price during the period between January and March will be applied to fuel cost adjustment for the electricity charge for June in the same year.



[Trend of Average Fuel Price and Standard Fuel Price (Since July 2006)]



Q9. What is the approval that it's possible to engage in electricity transmission and distribution on concurrent?

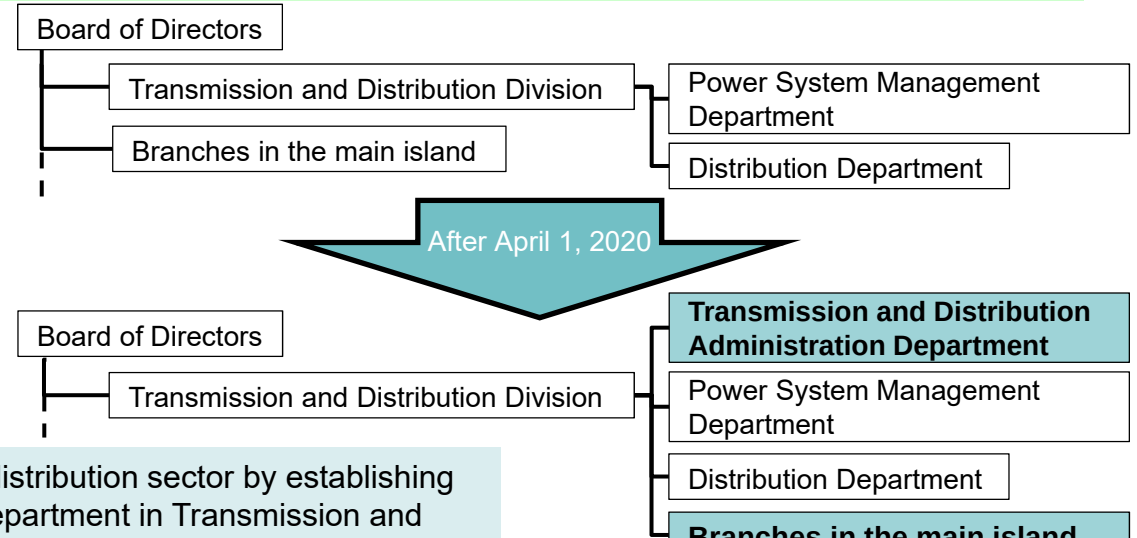
- After April 2020 when the amended Electricity Business Act comes into effect, the general electricity transmission and distribution utilities must not engage in electricity retail or electricity generation on concurrent business. (Restrictions on Concurrent Business)
- As an exception to the restriction on Concurrent Business, OEPC became the “the approved general electricity transmission and distribution utility” which can operate power retail business and power generation business, and this means that OEPC can continue maintaining the integrated system for power transmission and distribution.
- On the other hand, OEPC implemented the organizational revision to respond conduct regulations aimed at ensuring neutrality of the transmission/distribution sector.

Reasons for exceptions to Restriction on Concurrent Business

- ✓ There is a particularly high need for flexible power supply operation because OEPC's power grid is small-scale power system and independent from the mainland.
- ✓ There is a particularly high need for the transmission and distribution, retail and power generation divisions to work together in disaster response.

Conduct regulations

- ✓ Prohibition of use/provision of information for other purposes
- ✓ Prohibition of discriminatory treatment
- ✓ Prohibition of competitive inhibition acts
- ✓ Establishment of appropriate information management system, etc.



Further ensuring neutrality of the transmission/distribution sector by establishing Transmission and Distribution Administration Department in Transmission and Distribution Division, and transferring each branches in the main island.

Q10. What are the Special Tax Measures?

- 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, 2022 * Extended for 2 years from April 1, 2020	(1) October 1, 2003 – March 31, 2022 * Extended for 2 years from April 1, 2020 (2) April 1, 2012 – March 31, 2022 * Extended for 2 years from April 1, 2020
Basic Law	Supplementary Provisions of the Local Tax Law (Article 15.5)	Special Measures Law for the Promotion of Okinawa (Article 65.2) Special Taxation Measures Law (Article 90.4.3.1)

Revision of the Act on the Special Measures for the Promotion and Development of Okinawa

- The Act on the Special Measures for the Promotion and Development of Okinawa was revised in March 2012, and the revised law came into effect on April 1, 2012.
- Under the revised law, etc., OEPC receives favorable treatment based on "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".

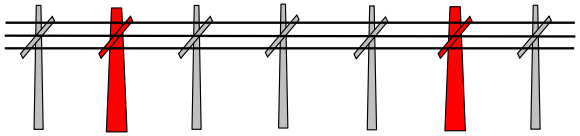
Value of Tax Alleviation Due to the Special Measures

- The value of the alleviation measures in FY2019 : about 3.4 billion yen.
- The value of the alleviation measures for FY2020 : expected to be 3.4 billion yen.

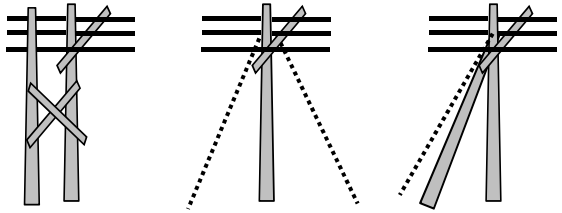
Q11. What are the efforts to typhoon measures?

■ Since many typhoons approach Okinawa every year, the OEPC is taking basic measures by thoroughly inspection patrol electricity transmission/distribution facilities and regularly cutting trees, and is also taking various other precautionary measures.

The measures to prevent the continuous collapse of utility poles



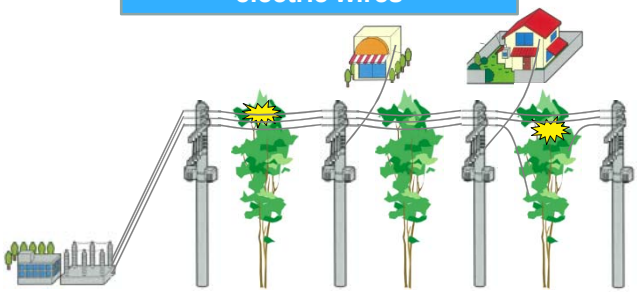
Utility poles to reinforce

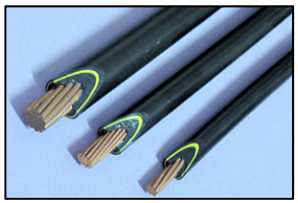


Strengthened utility pole | Reinforcing wire | Reinforcing wire / pole

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

Replace to abrasion-resistant electric wires

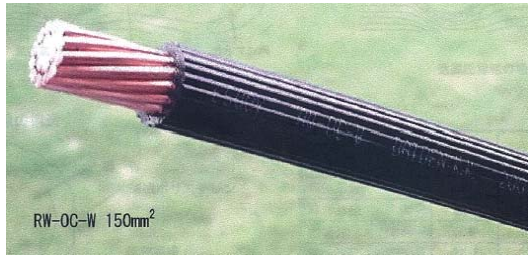




Abrasion-resistant electric wires

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

Use of electric wires to reduce wind pressure



Electric wire that reduces wind pressure

Reduce the wind pressure load by providing grooves on the surface of the electric wire.

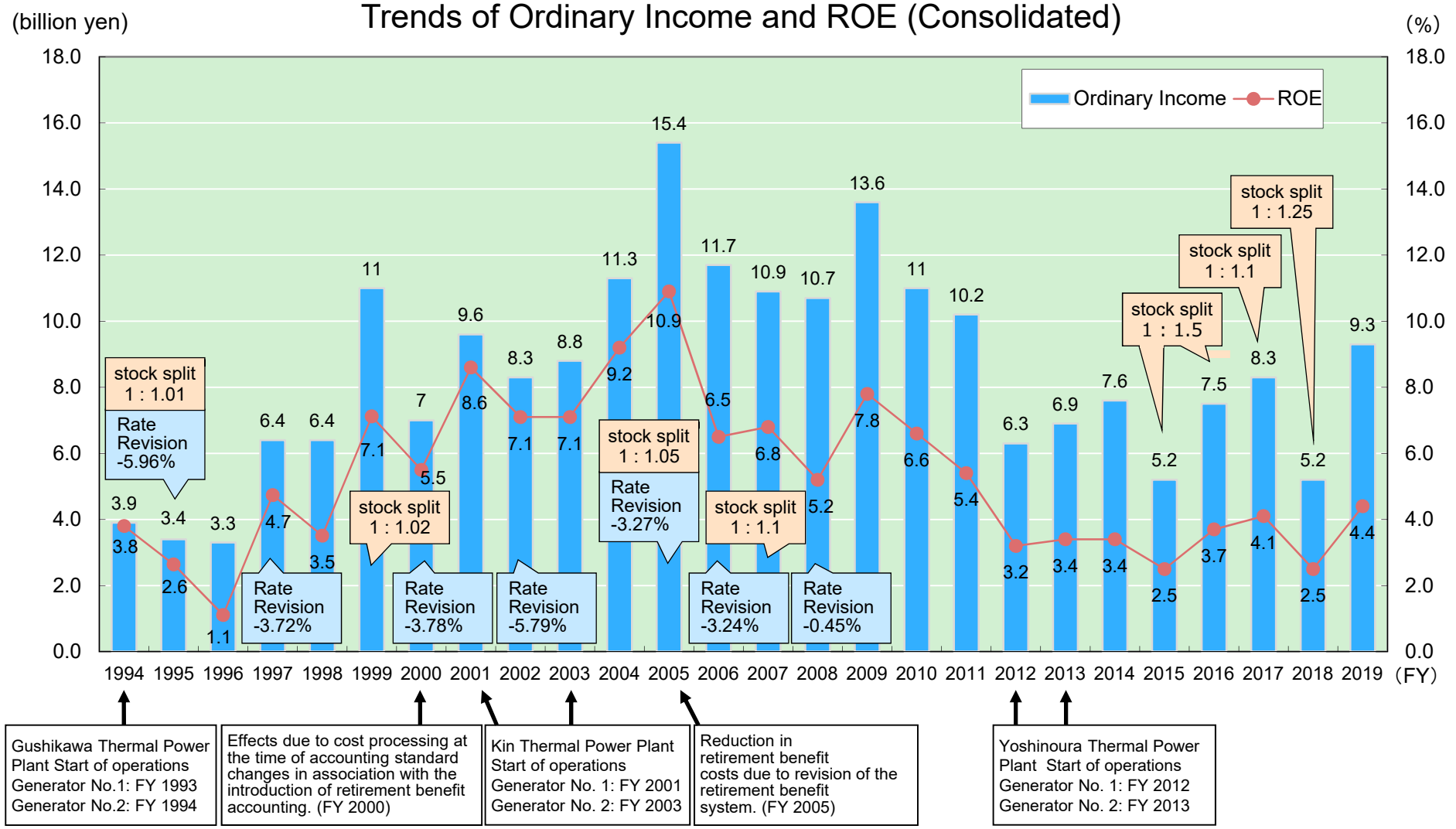
Design standard for transmission towers

Transmission towers need to be designed to withstand a wind speed of up to 40 m/s based on the “Ministerial Order to Provide Technical Standards for Electrical Equipment (Ministry of Economy, Trade and Industry)”. However, the OEPC design transmission towers that can withstand a wind speed of up to 60 m/s in consideration of the maximum typhoon wind speed in the past.

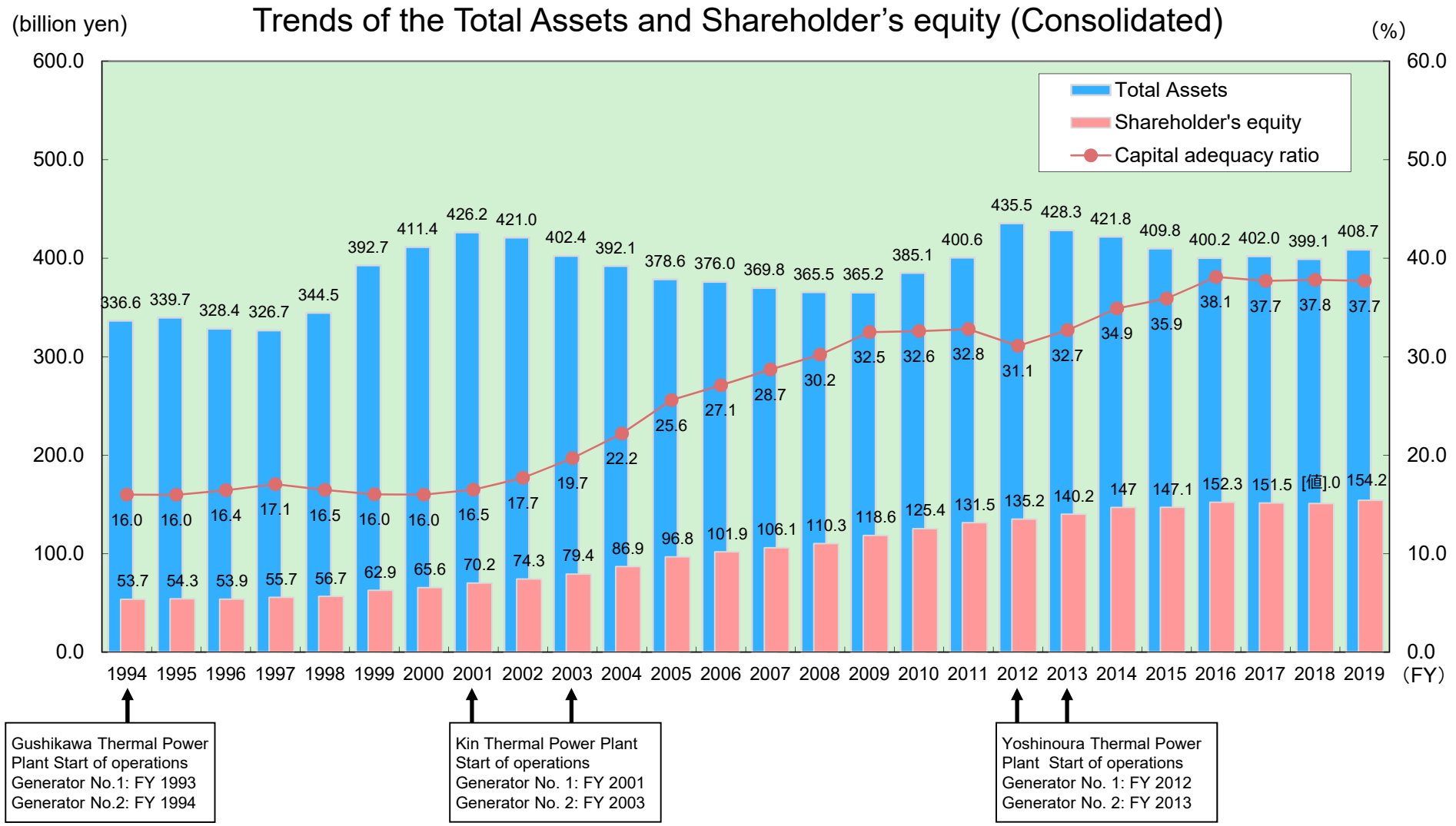
Public relations activities

The OEPC is making an effort to prevent the spread of damage by disseminating typhoon measures at home (e.g. preventing zinc roofs, tents and signboards from flying off) on TVCM, Radio, SNS before the typhoon approaches.

Reference 1:
Trends of Ordinary Income and ROE



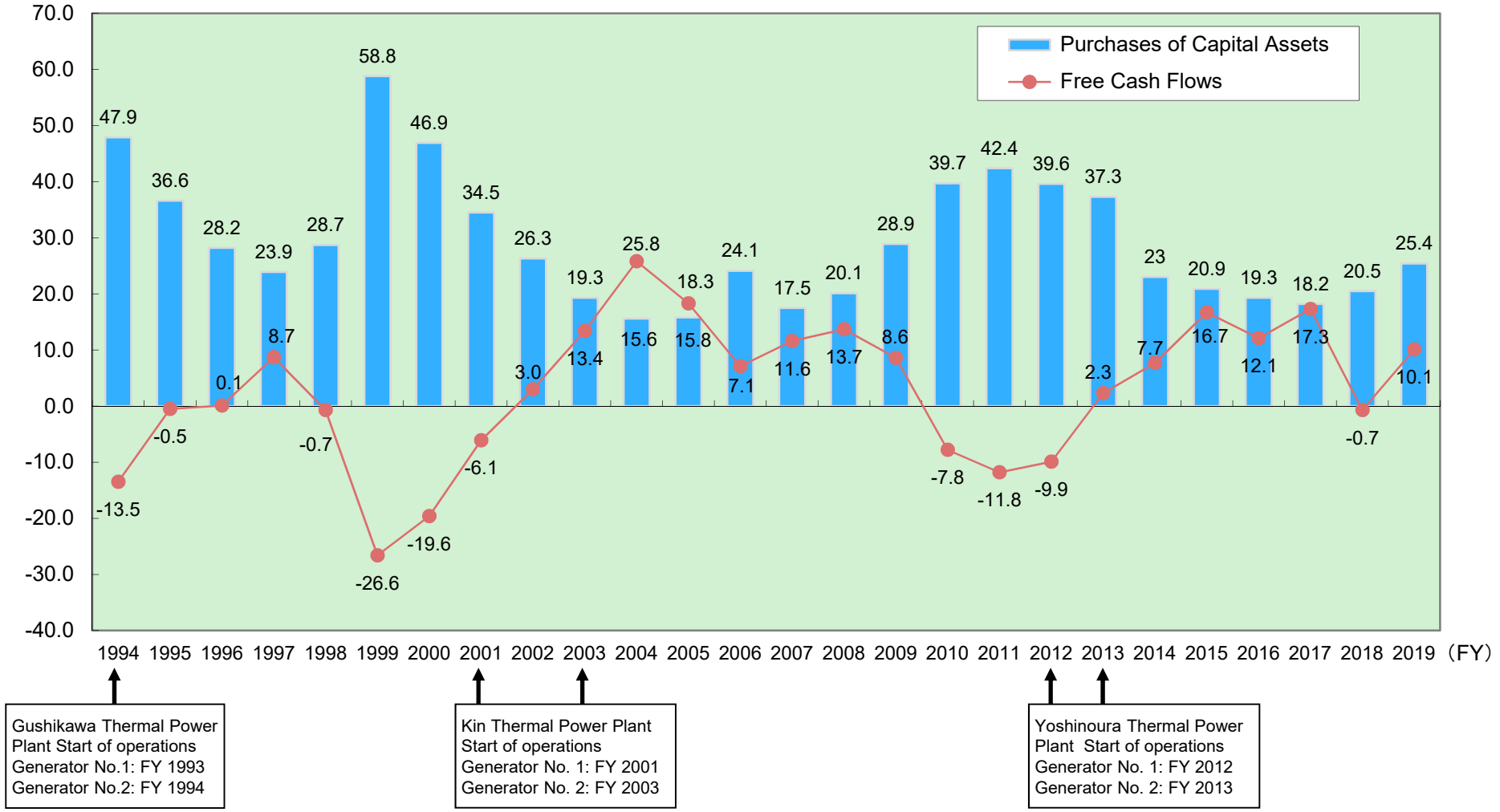
Reference 2:
Trends of the Total Assets and Shareholder's equity



Reference 3:
Trends of the Capital Expenditure and Free Cash Flows

(billion yen)

Trends of the Capital Expenditure and Free Cash Flows (Consolidated)



* Based on “Income and Expenditure Statement (Non-consolidated)” on and before 1998, and “Statement of Cash Flow (Consolidated)” on and after 1999, respectively.

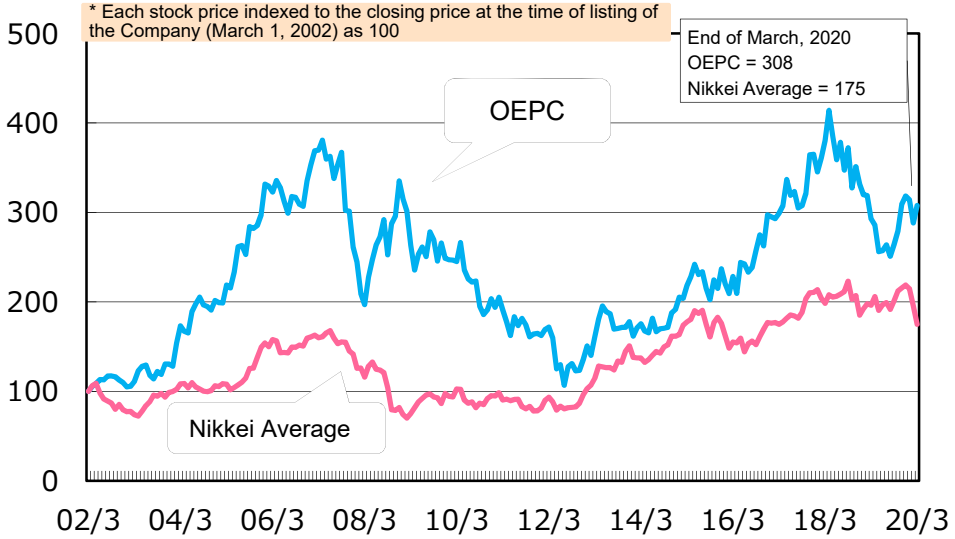
Reference 4:
Change in Okinawa Electric Power's Stock Price

Recent stock price changes: from January 4, 2019 to March 31, 2020

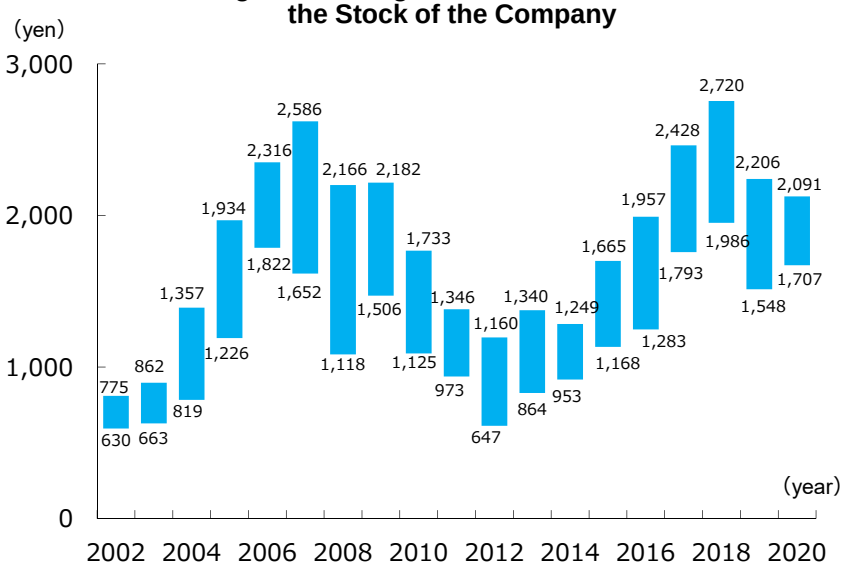
	Okinawa Electric Power Company, Inc.	Nikkei Average
Stock price as of January 4, 2019 (closing price)	2,206 yen	19,561 yen
All-time high (closing price)	2,206 yen (-) as of Jan. 4, 2019	24,083 yen (+23.1%) as of Jan. 20, 2020
All-time low (closing price)	1,548 yen (-29.8%) as of Aug. 13, 2019	16,552 yen (-15.4%) as of Mar. 19, 2020
Stock price as of March 31, 2020 (closing price)	1,980 yen (-10.2%)	18,917 yen (-3.3%)

(Note) .Figures in bracket indicate percentage change in the stock price from its closing price on January 4, 2019.

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 six 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 and End of May 2018), and adjustment has been made for the figures before the end of May 2018.

Reference 5:
Earnings Per Share and Payout Ratio

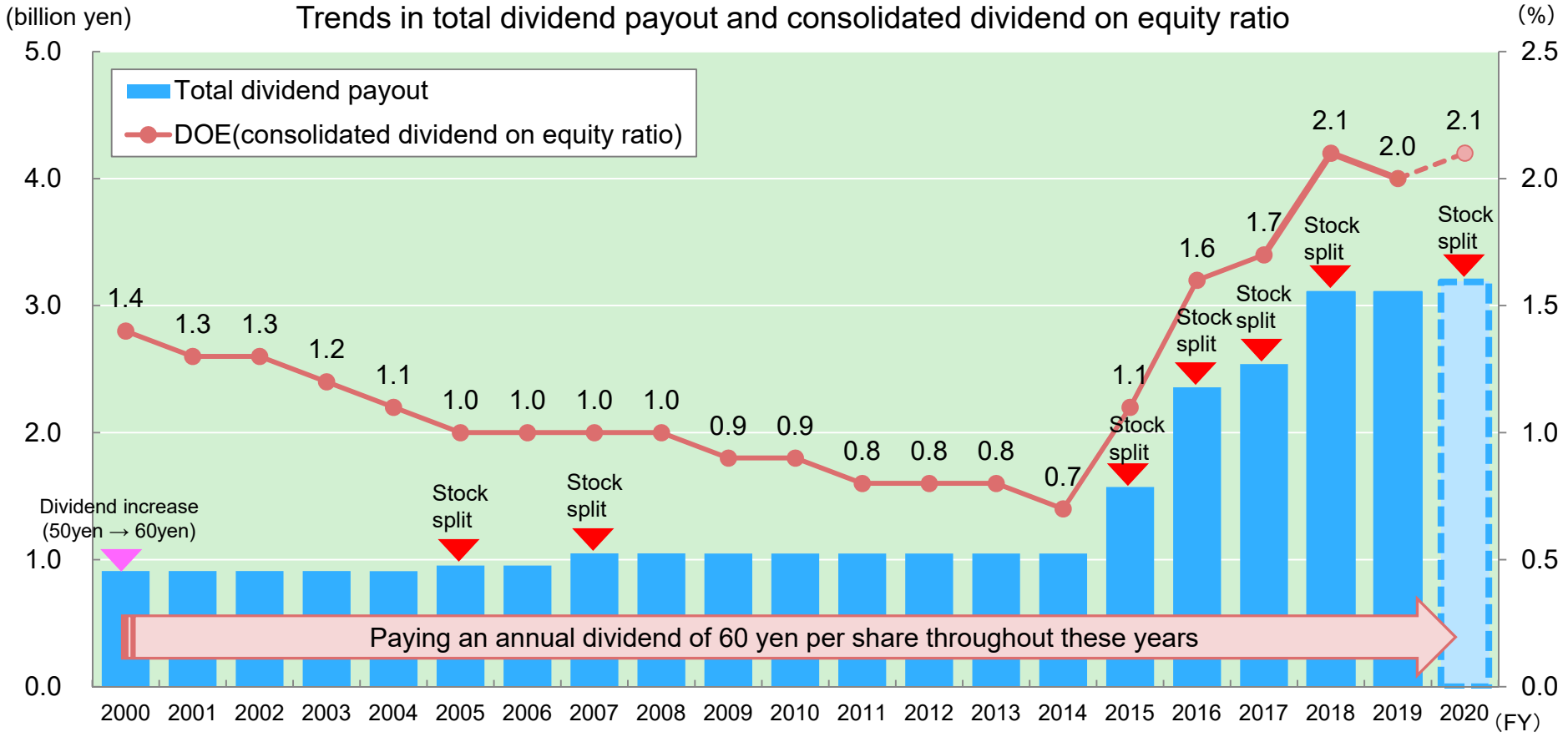
Earnings per Share and Payout Ratio

	FY	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net income *1	Million yen	8,047	6,956	4,318	4,731	4,943	3,647	5,517	6,273	3,751	6,705
Earnings per Share *1 (Post-adjustment after stock split) *2	yen	460.58 (148.87)	398.15 (128.70)	247.20 (79.90)	270.80 (87.53)	282.99 (91.47)	139.22 (67.50)	140.41 (102.12)	147.00 (117.60)	72.38	129.39
Dividend per Share (Post-adjustment after stock split) *2	yen	60 (19)	60 (19)	60 (19)	60 (19)	60 (19)	60 (28)	60 (44)	60 (48)	60	60
Payout Ratio *1	%	13.0	15.1	24.3	22.2	21.2	43.1	42.7	40.8	82.9	46.4
Dividend Yield	%	1.58	1.75	1.87	1.72	1.38	1.98	2.27	1.96	3.18	3.03
Price Book-value Ratio *1	x	0.53	0.45	0.41	0.44	0.52	0.54	0.68	0.84	0.65	0.67
Price Earning Ratio *1	x	8.3	8.6	13.0	12.9	15.4	21.8	18.8	20.8	26.0	15.3

*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.

Reference 6:
Policy for Returning Profits to Shareholders

- Our basic policy is to “distribute stable and continuous dividends,” and we have continuously been distributing an annual dividend of 60 yen per share since 2000.
- We will make efforts to maintain “a DOE of over 2.0%,” which is our indicator.



Reference 7: Stock Split

■ We implemented a stock split for the first time in two years on June 2020.
(Ninth time since being listed on the stock market.)

■ This was to increase the actual amount of dividend per share for maintaining an annual dividend of 60 yen per share.

1. Purpose of stock split

To distribute profits back to all our shareholders and increase the liquidity of our shares

2. Method of stock split

A 1.05-for-1 stock split

3. Number of shares increasing as a result of the stock split

Total number of issued shares prior to the stock split :
54,217,110 shares
Number of shares increasing as a result of the stock split :
2,710,855 shares
Total number of issued shares after the stock split :
56,927,965 shares
Total number of authorized shares after the stock split :
92,800,000 shares

4. Stock Split Calendar

Record date: May 31, 2020
Effective date: June 1, 2020

5. Expected dividend for March 2021 (forecast)

End of 2nd quarter 30 yen per share
End of term 30 yen per share

<Reference: Trend in Stock Splits>

Date	Issued number of shares of common stock	Ratio
Feb. 10, 1992	14,728,132	Listed
Nov. 20, 1995	14,875,413	1:1.01
May. 25, 1999	15,172,921	1:1.02
May. 20, 2005	15,931,567	1:1.05
Apr. 1, 2007	17,524,723	1:1.10
Jun.1, 2015	26,287,084	1:1.50
Jun.1, 2016	39,430,626	1:1.50
Jun.1, 2017	43,373,688	1:1.10
Jun.1, 2018	54,217,110	1:1.25
Jun.1, 2020	56,927,965	1:1.05

Reference 8: Repurchase of Shares

■ We repurchased treasury stock at FY2017 in accordance with the provisions in the articles of incorporation pursuant to the provisions of the Companies Act.

1. Purpose of repurchasing shares

To increase capital efficiency and implement flexible capital policy

2. Class of shares to be repurchased

Common shares

3. Total number of shares to be repurchased

1,750,000 shares

4. Total purchase price for repurchase of shares

4,900,602,600 yen

5. Period of repurchase

From Nov. 29, 2017 to Dec.15, 2017

6. Method of repurchase

Market purchases including the purchase of treasury stock through the off-hours trading (ToSTNeT-3)

<Reference: Number of treasury stock held>

Date	Number of treasury stock
As of 2017.09.30	156,197 shares
As of 2018.03.31	1,906,955 shares
As of 2019.03.31	2,389,436 shares
As of 2019.09.30	2,389,762 shares
As of 2020.03.31	2,390,471 shares

* We implemented a stock split on June 1, 2018.

This document includes statements concerning future results. Such statements are based on calculations and predictions and are neither definite nor guaranteed. 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】

Budget & Finance Group,Accounting & Finance Department
Okinawa Electric Power Company, Inc.
TEL： +81-98-877-2341 FAX： +81-98-879-1317
Email：ir@okiden.co.jp