

Management Topics

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

May 2021



The Okinawa Electric Power Company, Inc.

Financial Results for FY2020

(Year-on-Year Comparison)

(Unit: million yen, X)

| | Consolidated (A) | | | Non-consolidated (B) | | | (A) / (B) | |
|------------------|---------------------|---------------------|-------------------|----------------------|---------------------|-------------------|---------------------|---------------------|
| | FY2019 (Results) | FY2020 (Results) | Rate of Change | FY2019 (Results) | FY2020 (Results) | Rate of Change | FY2019 (Results) | FY2020 (Results) |
| Sales | 204,296 | 190,520 | -6.7% | 194,471 | 180,638 | -7.1% | 1.05 | 1.05 |
| Operating income | 10,326 | 12,619 | +22.2% | 8,236 | 10,097 | +22.6% | 1.25 | 1.25 |
| Ordinary income | 9,311 | 11,335 | +21.7% | 7,321 | 8,939 | +22.1% | 1.27 | 1.27 |
| Net income | 6,705* | 8,341* | +24.4% | 5,651 | 6,953 | +23.0% | 1.19 | 1.20 |

* Net income attributable to owners of parent.

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

【Revenue】

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

【Expenditure】

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

Annual Outlook Summary FY2021

(Unit: million yen, X)

| | Consolidated(A) | | | Non-consolidated(B) | | | (A) / (B) | |
|------------------|---------------------|-----------------------|-------------------|---------------------|-----------------------|-------------------|---------------------|-----------------------|
| | FY2020 (Results) | FY2021 (Forecasts) | Rate of Change | FY2020 (Results) | FY2021 (Forecasts) | Rate of Change | FY2020 (Results) | FY2021 (Forecasts) |
| Sales | 190,520 | 162,400 | — | 180,638 | 153,100 | — | 1.05 | 1.06 |
| Operating income | 12,619 | 6,800 | — | 10,097 | 5,100 | — | 1.25 | 1.33 |
| Ordinary income | 11,335 | 6,500 | — | 8,939 | 5,000 | — | 1.27 | 1.30 |
| Net income | 8,341* | 4,700* | — | 6,953 | 4,000 | — | 1.20 | 1.18 |

*1 Net income attributable to owners of parent.

*2 Since the Company will apply the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) from the beginning of FY 2021, the above forecasts are based on amounts after the application of this accounting standard, and the rate of change from the previous fiscal year is not stated.

【Revenue】

- Decrease in Electricity sales (Renewable Energy Power Promotion Surcharge) and Grant under Act on Purchase of Renewable Energy Sourced Electricity due to the application of the "Accounting Standard for Revenue Recognition" in Electric business.
- Decrease in Electricity sales due to decrease in Electricity sales volume in Electric business.

【Expenditure】

- Decrease in Levy under Act on Purchase of Renewable Energy Sourced Electricity and Purchased power costs due to Application of the said accounting standard in Electric business.

The impact due to spread of the novel coronavirus has been considered in this forecast.
(Electricity sales volume : -105 million kWh)

Q1. Topics of Okinawa's Economy

1

Current Status and Future Forecast of Okinawa's Economy

■ The current state

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

Trends in Main Economic Indicators of Okinawa Prefecture

(Unit: %, X)

| Indicators | FY2020 | | | | | | | | | | | | |
|-------------------------------------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | Apr. | May | Jun | Jul | Aug. | Sep. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | FY |
| Sales by large-scale retailers | -16.1 | -6.9 | 2.5 | -2.7 | -8.1 | -11.8 | 0.8 | 0.8 | -0.3 | -1.4 | -0.6 | - | -4.0 |
| No. of new car sold | -39.3 | -54.0 | -32.7 | -18.7 | -14.9 | -11.4 | 23.1 | 3.3 | -0.2 | 4.9 | -15.6 | 1.0 | -16.0 |
| No. of incoming tourists | -90.9 | -94.7 | -83.4 | -71.2 | -80.1 | -71.9 | -59.9 | -52.3 | -56.8 | -80.2 | -79.9 | -24.5 | -72.7 |
| Value of public works contracts | 37.2 | -9.5 | 44.5 | -14.1 | 0.3 | 0.7 | 0.7 | -12.0 | -21.9 | 7.9 | 5.8 | -4.5 | -0.1 |
| New residential Construction starts | -2.1 | 44.1 | -44.2 | -36.9 | -41.0 | -63.4 | -20.9 | -23.7 | -35.4 | 19.1 | -15.0 | -33.2 | -27.4 |
| Total unemployment rate | 3.4 | 3.4 | 3.6 | 3.2 | 3.5 | 3.7 | 4.0 | 3.0 | 3.4 | 3.6 | 3.7 | 4.4 | 3.6 |
| Job Opening Ratio | 0.91 | 0.78 | 0.68 | 0.67 | 0.67 | 0.64 | 0.66 | 0.71 | 0.72 | 0.71 | 0.69 | 0.69 | 0.72 |

Note 1: The figures for 'Sales by large-scale retailers' are calculated on an all-store base. The values in February 2021 are preliminary figures.

The values for the fiscal year are the total figures from April 2020 to February 2021.

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.)

Source: Okinawa General Bureau, Okinawa Prefecture, Ryugin Research Institute, and others.

■ Prospect

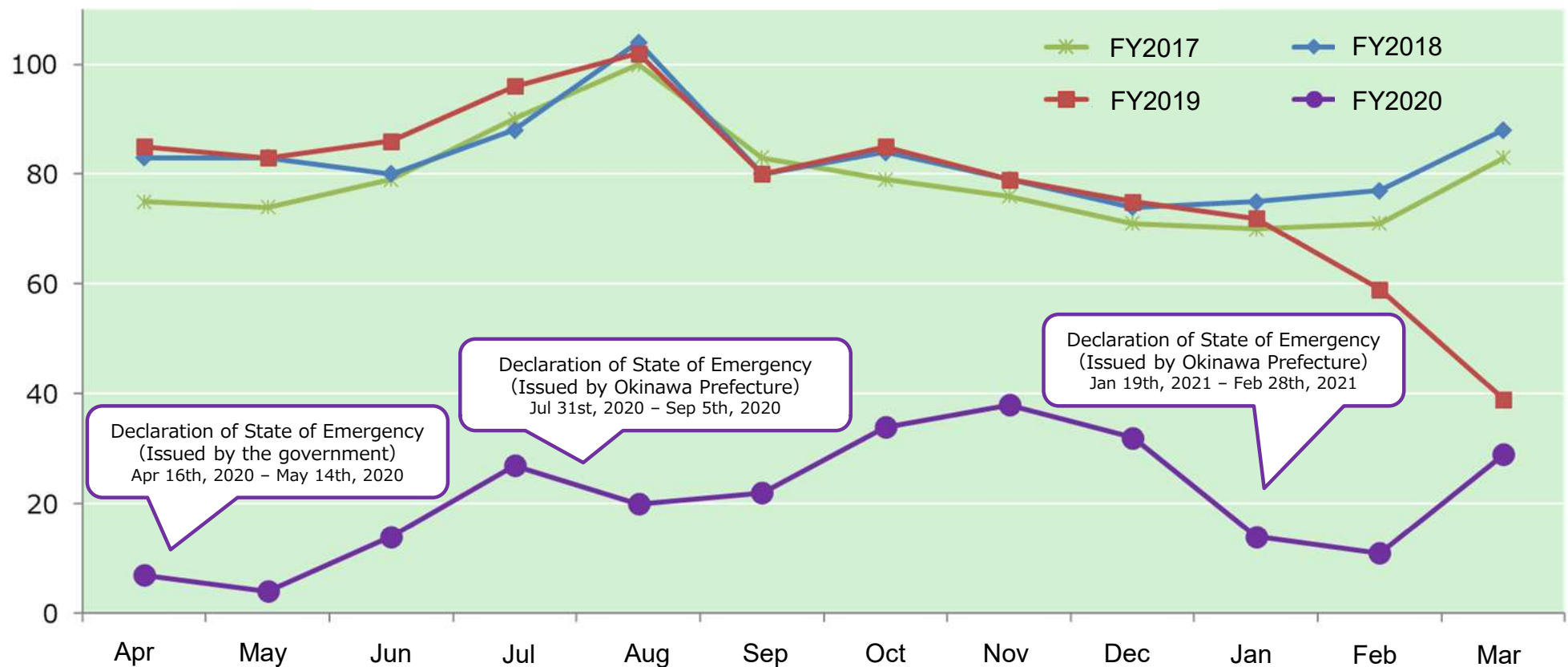
The prefectural economy is expected to continue to be affected by the novel coronavirus.

Number of incoming tourists (2/3)

- Due to the impact of the spread of the novel coronavirus, the situation has been severe since February 2020.

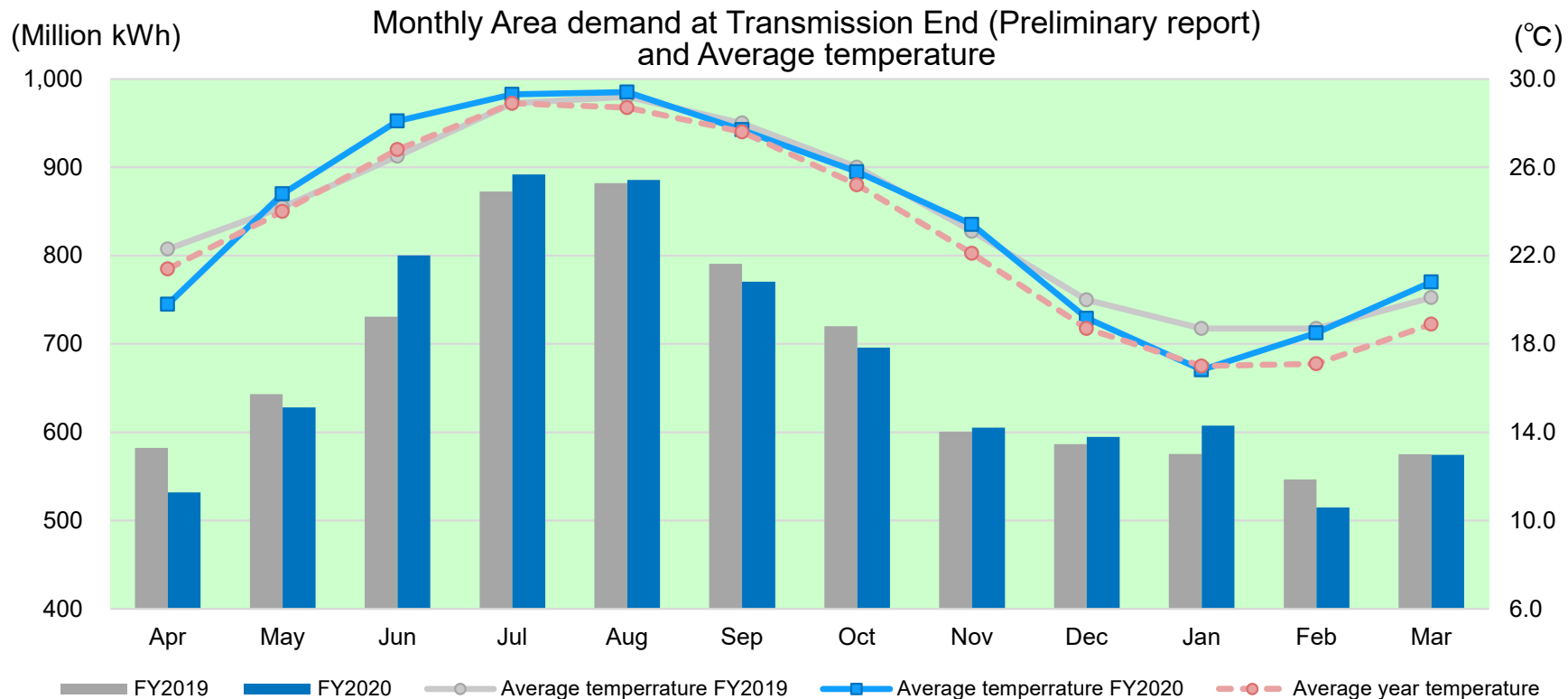
(10 thousand people)

Monthly trend of the number of incoming tourist



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

Electric Energy Demand (Results) (1/2)



Monthly Area demand at Transmission End (Preliminary report)

(Million kWh, %)

| | Apr | May | Jun | Jul | Aug | Sep | 1 st Half | Oct | Nov | Dec | Jan | Feb | Mar | 2 nd Half | FY |
|----------------|------|------|------|------|------|------|----------------------|------|------|------|------|------|------|----------------------|-------|
| FY2020 | 532 | 628 | 800 | 892 | 886 | 771 | 4,508 | 696 | 605 | 595 | 608 | 515 | 575 | 3,593 | 8,101 |
| FY2019 | 582 | 643 | 731 | 873 | 882 | 791 | 4,502 | 720 | 600 | 586 | 576 | 547 | 575 | 3,604 | 8,106 |
| Rate of Change | -8.6 | -2.3 | +9.5 | +2.2 | +0.4 | -2.6 | +0.1 | -3.4 | +0.8 | +1.4 | +5.6 | -5.8 | -0.1 | -0.3 | -0.1 |

Average temperature

(°C)

| | Apr | May | Jun | Jul | Aug | Sep | 1 st Half | Oct | Nov | Dec | Jan | Feb | Mar | 2 nd Half | FY |
|------------------------|------|------|------|------|------|------|----------------------|------|------|------|------|------|------|----------------------|------|
| FY2020 | 19.8 | 24.8 | 28.1 | 29.3 | 29.4 | 27.7 | 26.5 | 25.8 | 23.4 | 19.2 | 16.8 | 18.5 | 20.8 | 20.8 | 23.6 |
| FY2019 | 22.3 | 24.2 | 26.5 | 28.9 | 29.2 | 28.0 | 26.5 | 26.0 | 23.1 | 20.0 | 18.7 | 18.7 | 20.1 | 21.1 | 23.8 |
| Climatological Normals | 21.4 | 24.0 | 26.8 | 28.9 | 28.7 | 27.6 | 26.2 | 25.2 | 22.1 | 18.7 | 17.0 | 17.1 | 18.9 | 19.8 | 23.0 |

* Climatological Normals is observed data from 1981 to 2010.

Electric Energy Demand (Results)(2/2)

Electricity Sales Volume

(Unit: million kWh, %)

| | FY2019 (Results) | FY2020 (Results) | Change | Rate of Change |
|----------|---------------------|---------------------|--------|-------------------|
| Lighting | 2,946 | 2,983 | +37 | +1.3 |
| Power | 4,370 | 4,154 | -216 | -5.0 |
| Total | 7,316 | 7,137 | -179 | -2.5 |

<Lighting>

Demand for Lighting increased compared with Year-on-Year due to increase in the demand from air conditioner because temperature compared with previous year was high in summer and was low in winter, despite the impact to customer switching to other suppliers.

<Power >

Demand for Power decreased compared with Year-on-Year due to the impact of the spread of the novel coronavirus and switching to other suppliers.

■ Power Generated and Received

(Unit: million kWh)

| | | FY2019 | | FY2020 | | Change | Rate of change |
|-------|-------|--------------------------|---------------------------|--------------------------|---------------------------|--------|-------------------|
| | | Electricity generated | Com- position ratio | Electricity generated | Com- position ratio | | |
| OEPC | Coal | 3,208 | 42.1% | 3,216 | 43.3% | +8 | +0.2% |
| | Oil | 1,092 | 14.3% | 1,076 | 14.5% | -16 | -1.5% |
| | LNG | 1,519 | 20.0% | 1,566 | 21.1% | +47 | +3.1% |
| | Total | 5,819 | 76.4% | 5,858 | 78.9% | +39 | +0.7% |
| Other | | 1,794 | 23.6% | 1,570 | 21.1% | -224 | -12.5% |
| Total | | 7,613 | 100.0% | 7,428 | 100.0% | -185 | -2.4% |

<Power Generated and Received>

- Power generated and received was 7,428 million kWh, down 2.4%.*
- Electricity generated of OEPC's Coal-fired thermal power was up 0.2%.*
- Electricity generated of OEPC's Oil-fired thermal power was down 1.5%.*
- Electricity generated of OEPC's LNG-fired thermal power was up 3.1%.*

*Comparison with previous year.

Electric Energy Demand (FY2021 and Long-term Outlook)

Electricity sales volume (FY2021 Outlook)

(Unit: million kWh, %)

| | FY2020 Results | FY2021 Forecasts | YoY Rate of Change |
|----------|-------------------|---------------------|-----------------------|
| Lighting | 2,983 | 2,785 | -6.6 |
| Power | 4,154 | 4,072 | -2.0 |
| Total | 7,137 | 6,857 | -3.9 |

Electricity sales volume (Long-term Outlook)

(Unit: million kWh, %)

| | FY2009 Results | FY2019 Results | FY2030 Forecasts | 2009-2019 Annual average growth rate | 2019-2030 Annual average growth rate |
|----------|-------------------|-------------------|---------------------|--|--|
| Lighting | 2,916 | 2,946 | 2,743 | 0.1 (0.1*) | -0.6 (-0.5*) |
| Power | 4,562 | 4,370 | 3,941 | -0.4 (-0.5*) | -0.9 (-0.7*) |
| Total | 7,478 | 7,316 | 6,683 | -0.2 (-0.3*) | -0.8 (-0.7*) |

* Adjusted for the influence of temperature and leap year.

(Lighting)

Demand is expected to be lower year-on-year.

- ✓ Impact of customers switching to other suppliers.
- ✓ Reactionary decrease due to high temperature compared with normal year.

(YoY growth:-6.6%)

(Power)

Demand is expected to be lower year-on-year.

- ✓ Impact of customers switching to other suppliers.
- ✓ Reactionary decrease due to high temperature compared with normal year.
- ✓ Reactionary increase due to the reduced impact of novel coronavirus compared with previous year. (Factor for increase)

(YoY growth:-2.0%)

(Total)

As explained above, the total electricity sales volume is expected to be 6,857 million kWh, short of the previous year.

(YoY growth:-3.9%)

(Lighting)

Demand is expected to decrease.

- ✓ Impact of customers switching to other suppliers.
- ✓ Increased demand resulting from growth in the number of population and households. (Factor for increase)

(Annual average growth:-0.5%*)

(Power)

Demand is expected to decrease.

- ✓ Impact of customers switching to other suppliers.
- ✓ On the Assumption that the novel coronavirus infection converges, increase in commercial and accommodation facilities and food manufacturers due to growth in the number of population and tourists. (Factor for increase)

(Annual average growth:-0.7%*)

(Total)

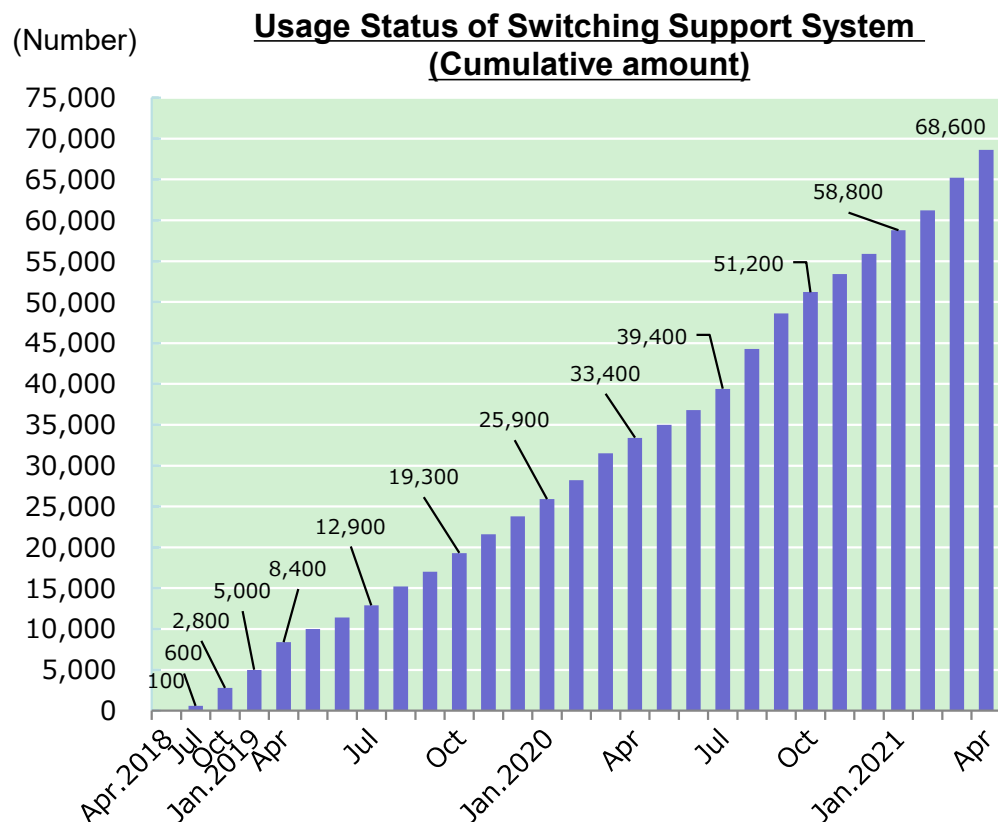
As explained above, the total electricity sales volume is expected to be 6,683 million kWh.

(Annual average growth:-0.7%*)

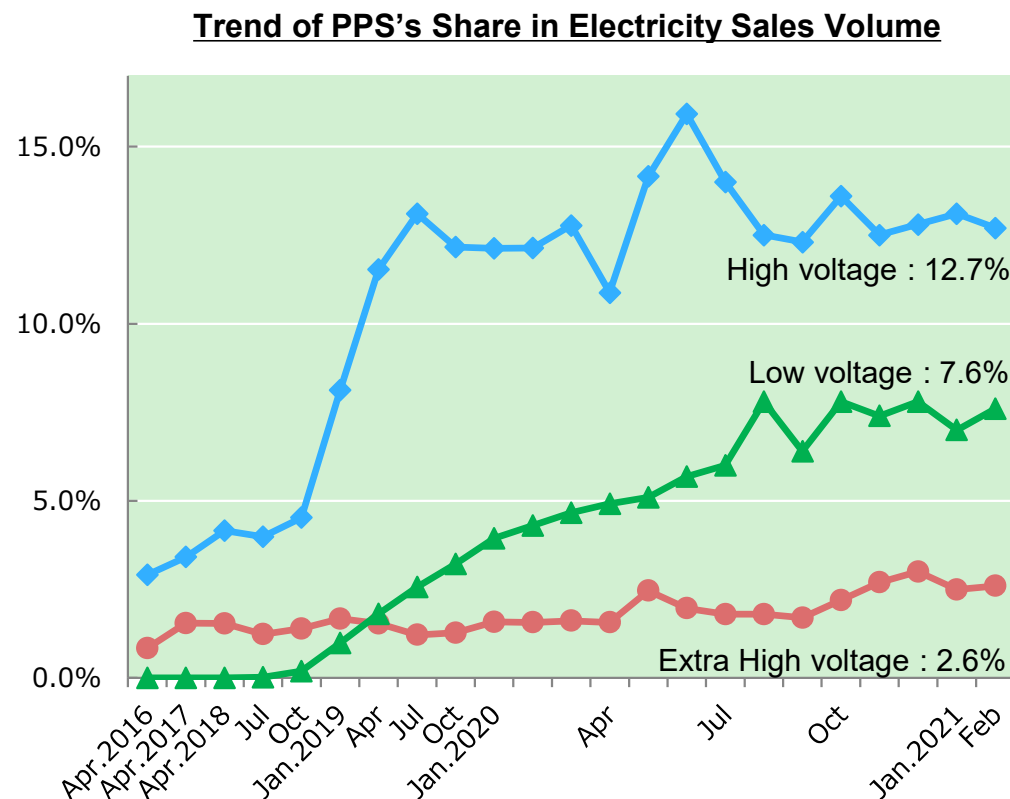
Full liberalization of the Electricity Market

- As a voluntary initiative to develop the competitive environment in the Okinawa area, which has an independent system, the Company is cutting out part of J-POWER's Ishikawa Coal Thermal Power Station, and offering routinely backing up and the wholesale electricity menu for supply-demand adjustment.
- Liberalization is in progress also in the Okinawa area, PPS's* share in the electricity sales volume reached 8.5% in the total of all voltages (as of February 2021).
- In FY 2021, further progress in competition is expected, such as the start of operation of biomass power plants by PPS.

* new suppliers, officially called power producer and suppliers



Source : "Usage Status of Switching Support System".

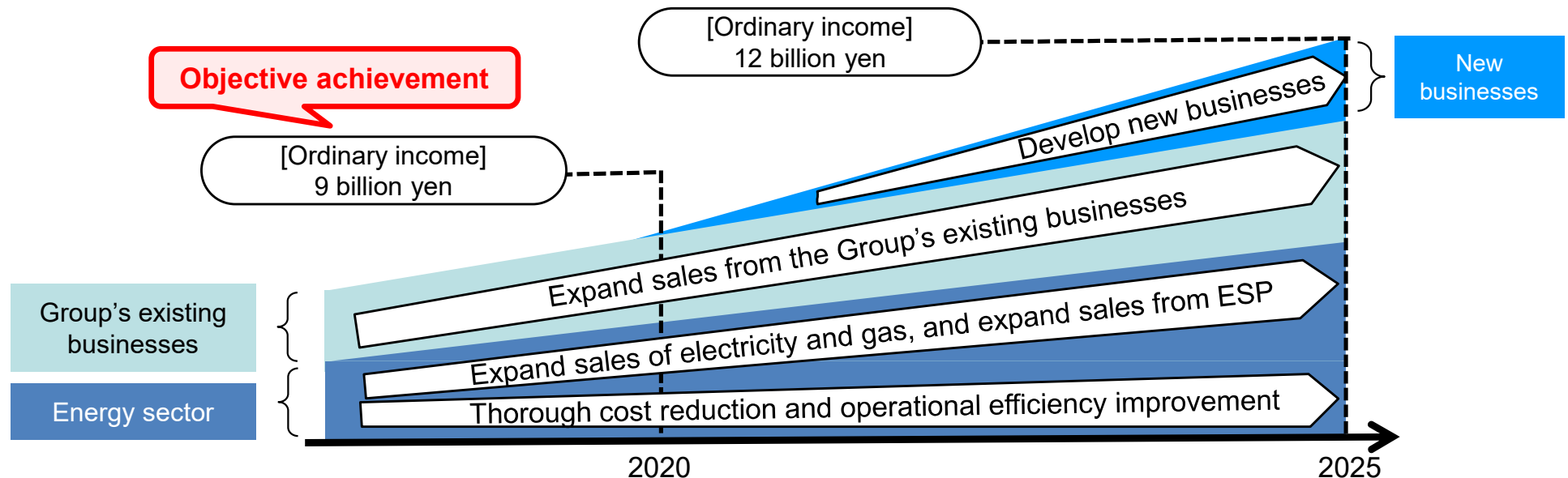


Source : "Electricity Trading Report".

Mid-Term Management Plan (2019-2021)

What we aim to be

The OEPC Group Vision sets out our vision for the future, pledging to “design and propose new value through services to support both corporate and individual customers” through our core business as a total energy supplier and to “become a unified business group that grows and develops hand-in-hand with the community.”



| | | 2020 (Results) | Mid-term Management Targets (2020) | 2021 (Forecast) | Formulate new Mid-Term Management Plan | Mid-term Management Targets (2025) |
|---------------------------------|------------------------|-------------------|---------------------------------------|--------------------|--|---------------------------------------|
| Consolidated | Ordinary income | 11.3billion yen | 9 billion yen or more | 6.5billion yen | <div>Expanding the top line</div> <div>Aggressive efficiency improvement</div> | 12 billion yen or more |
| | ROE | 5.3% | 4% or greater | 2.9% | | 5% or greater |
| | Capital adequacy ratio | 37.8% | Maintaining the 30% mark | 35.9% | | Maintaining the 30% mark |
| Amount of sales | *1 Electricity | Approx. 164GWh | 155GWh | Approx. 198GWh | | 330GWh |
| | Gas *2 | Approx. 12,400t | 13,500t | Approx. 13,270t | | 30,000t |
| Sales from outside the Group *3 | | 12.7billion yen | 14 billion yen | 12.6billion yen | | 20 billion yen or more |

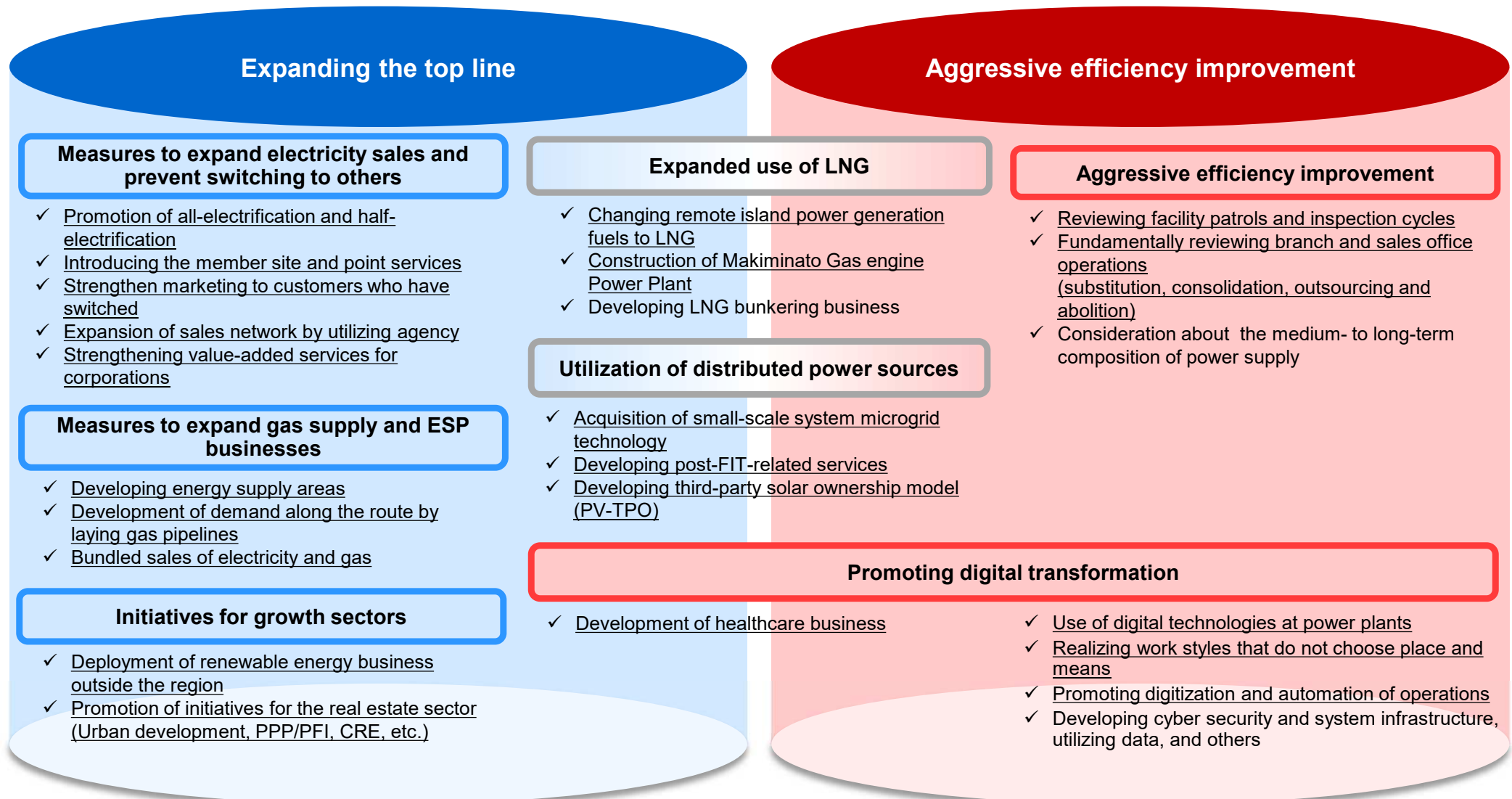
*1. Cumulative total from FY2016

*2. Exclude the amount of wholesale supplies provided to former general gas utilities

*3. Sales other than electricity business

Initiatives to Achieve Mid-Term Management Targets

- We will implement “expand group’s revenue“, “thorough cost reduction and operational efficiency improvement“, and “further strengthening the stable supply of energies“ for realizing “what we aim to be” and achieving mid-term management objectives.
- The Company has accelerated the initiatives to realize the following measures. We will build a strong corporate structure that will enable us to win the competition and link our efforts to the new medium-term management plan to be formulated in the future.



* Underline: Execution phase

Measures to expand electricity sales and prevent switching to others

- Amid the ongoing shift away of demand due to the full liberalization of the retail electricity market, the Company will endeavor to increase sales of electricity and prevent switching to others in order to win out in the competition through the continued selection by customers.

✓ Promotion of all-electrification and half-electrification

- Starting to offer the "Rikka Denka Lease", a new lease service plan of the electrical appliance.
- Strengthening cooperation with local home appliance stores and housing equipment manufacturers.
- Expanding sales channels further.
- Implementing a campaign to give a gift of Amazon Prime.

✓ Introduction of a member site and point services

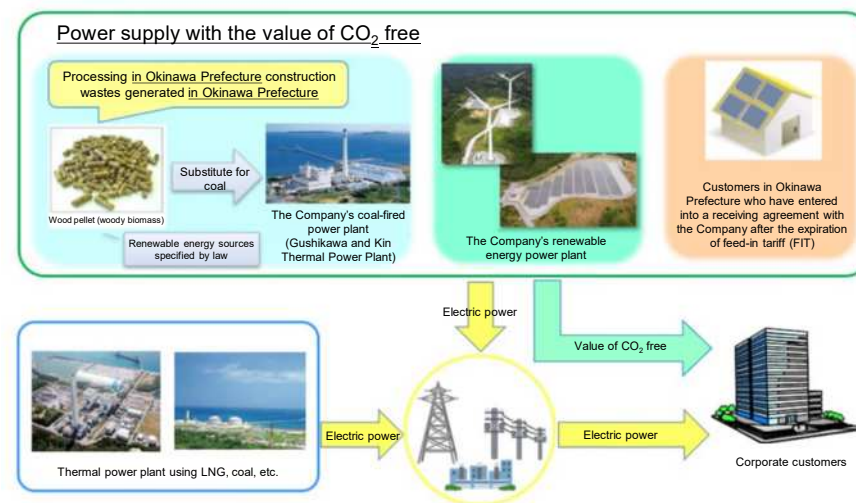
- Started "OEPC more - E," a member site where one can earn points with their electricity bills (September 2020).
- Provide various services through the member site.
- Support customers' comfortable and affluent lives.
- For customers who have graduated from FIT, the Company has started the "Renewable Energy E-Point Plan".

✓ Strengthening of sales activities for customers who have left the Group

- Offer the optimal rate menu that meets customer needs.
- Strengthening optimal energy system proposals based on consulting activities (Survey of the status of electricity/heat utilization and facility operation, etc.).

✓ Deployment of "Uchina CO₂ free menu"

- Deploying an electricity rate menu with the value of CO₂ 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.



✓ Deployment of PPS* within the group

- Okinawa New Energy Development Company, Inc. obtained a retail license.
- The entire Group will work to expand customer choice and sales by providing flexible services that meet customer needs.

* new suppliers, officially called power producer and suppliers

Measures to expand gas supply and ESP businesses

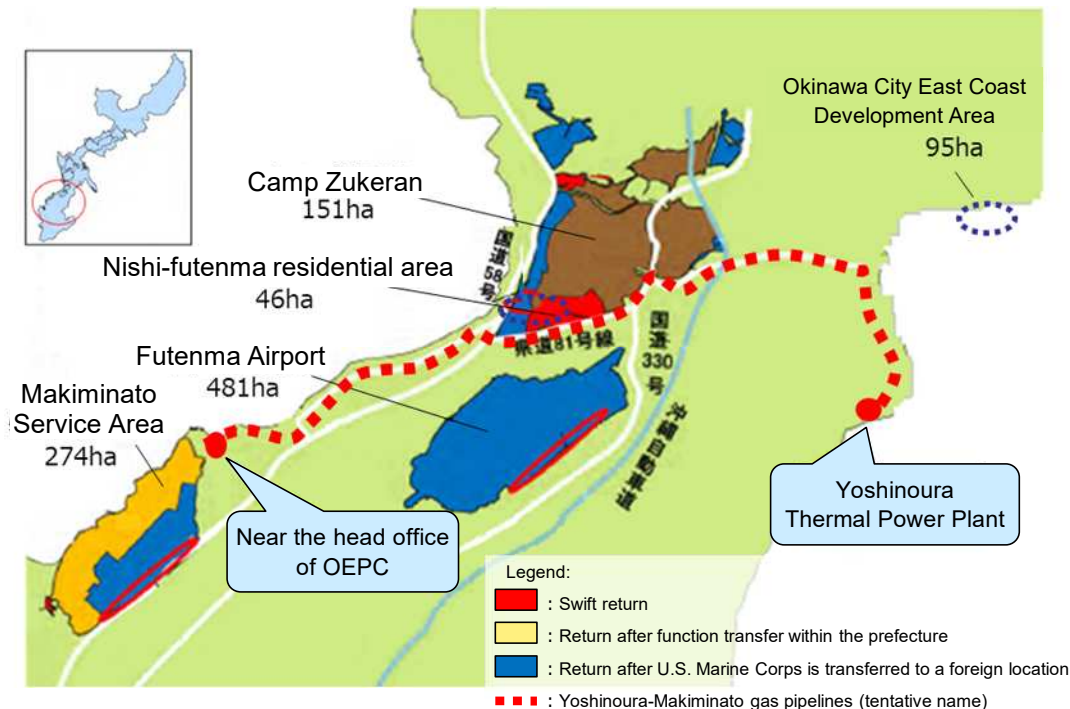
- The Company will promote the gas supply business and strengthen its efforts in the ESP business as a "Comprehensive energy service provider" to meet diversifying customer needs.

✓ Development of demand along the route by laying gas pipelines

- Gas pipeline will be laid from the Yoshinoura Thermal Power Plant to the head office of the Okinawa Electric Power Company in Urasoe City through the Nishi-Futenma area, where heat demand is expected due to the development of the former military base sites.
- The Company will develop the pipeline network, and acquire demand in line with customer's change of fuels and urban development.

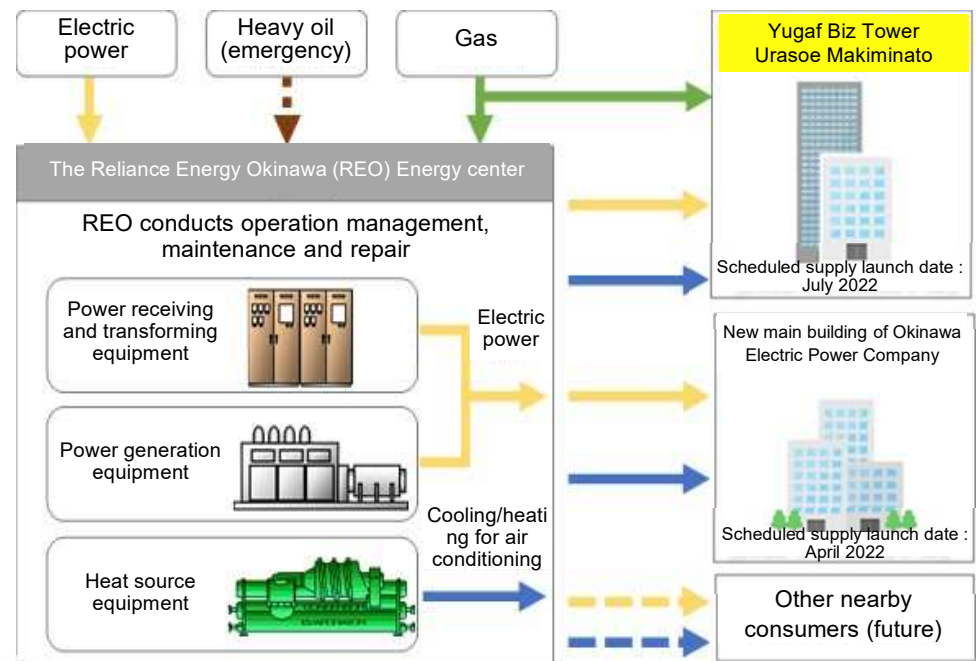
[Equipment specifications]

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



✓ Developing energy supply areas

- We will develop the energy supply business for 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. (Scheduled supply launch date : Spring 2022)



Promoting digital transformation (1/2)

- In July 2020, the Company established the DX Promotion Office to realize business innovation through DX, utilizing human resources and digital technology among others.
- In order to address various issues, the Company has organized various projects, making cross-departmental efforts.
- Striving for “further strengthening the stable supply of energies” while actively pursuing “aggressive efficiency improvement”, we will secure competitive advantages by creating new values for stakeholders (communities, customers and employees) through initiatives leading to “expanding the top line”.

✓ Realizing work styles that do not choose place and means

- Considering the realization of work-life balance and rapid changes in the business environment caused by the coronavirus crisis, the Company has introduced telecommuting as a new work style that does not choose place and means.



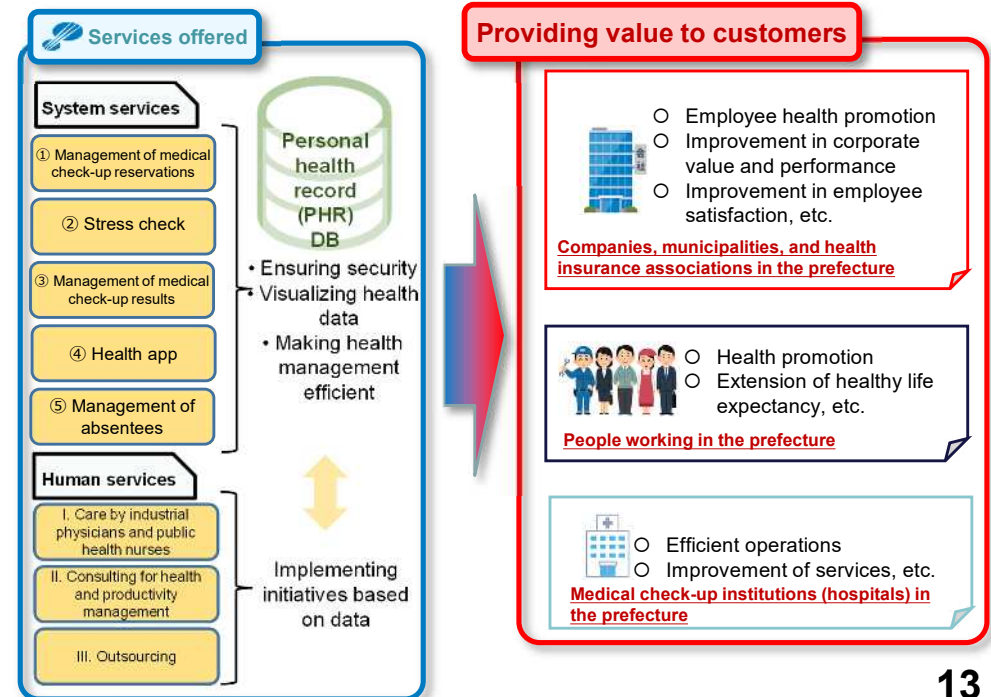
✓ Promoting digitization and automation of operations

- The Company streamlined and digitized of the internal approval process, with electronic approval starting in April 2021.
- We will continue our efforts to digitize various operations.



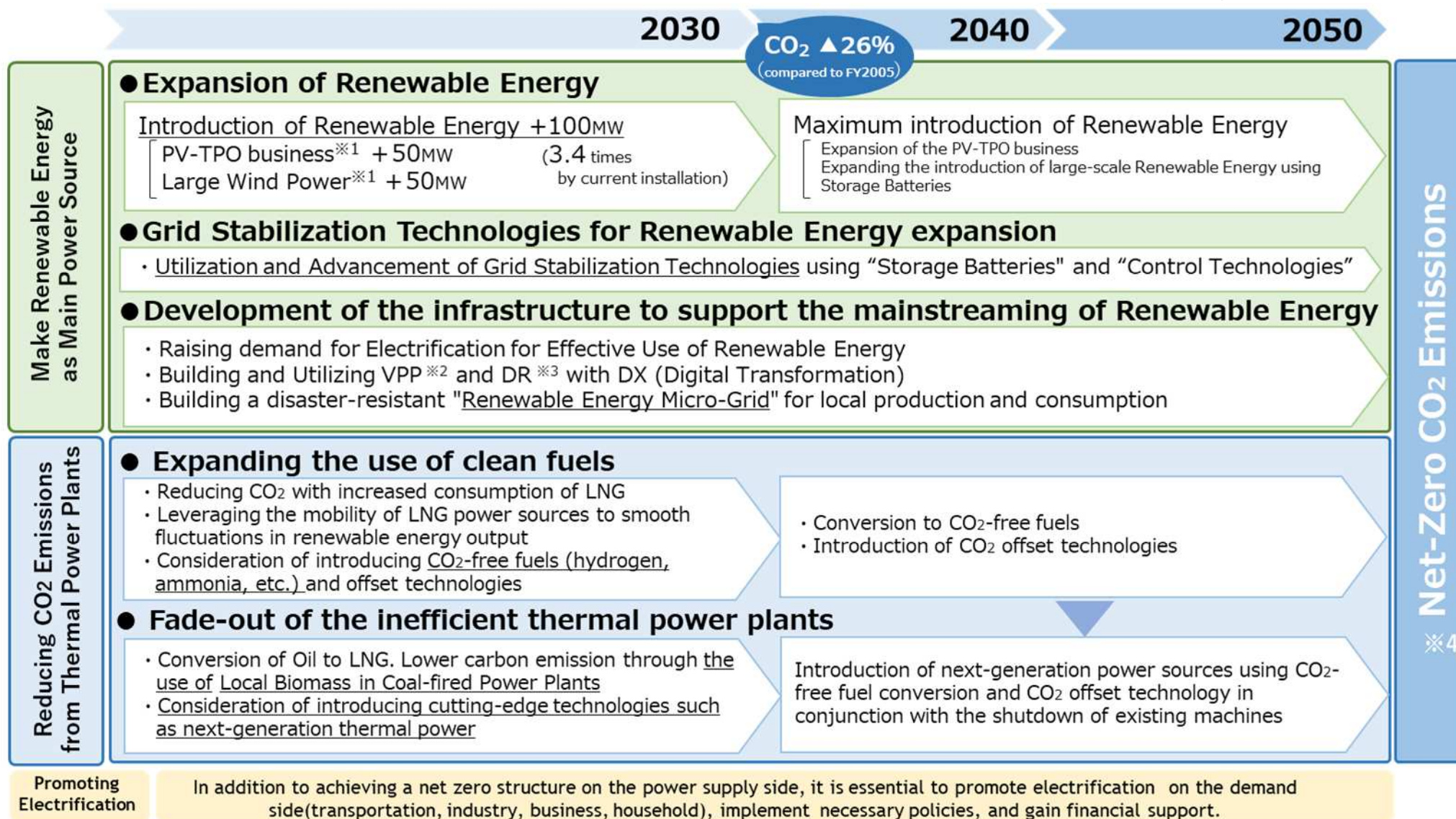
✓ Development of healthcare business

- We are considering the commercialization of 'OEPC Health Management Support Service' for people working in the prefecture, hospitals, companies, etc.
- The Company will provide system and human services for health in an integrated manner.



Net-Zero CO2 Emissions Roadmap

(December 8, 2020 Announcement)



※¹ Service in which PV and storage batteries are installed free of charge and the electricity generated is sold to customers. Both PV-TPO and large wind power are scheduled to be built and managed by our affiliated companies.

※² Virtual Power Plant (VPP) refers to the collective control and management of a number of small-scale renewable energy power plants, etc., to make them function as a single power plant.

※³ Demand Response (DR), according to the Ministry of Economy, Trade and Industry (METI), is defined as "an act of changing the consumption pattern of electricity for consumers to curb their use of electricity in response to the setting of electricity prices or the payment of incentives when wholesale market prices rise or when grid reliability declines."

※⁴ We aim to Net-Zero CO₂ Emissions by combining renewable energy power sources with thermal power sources that incorporate CO₂-free fuels and CO₂ offset technologies.

※ This requires the establishment of necessary technologies along with economic feasibility. We will earnestly work to achieve these conditions. Further, policy and financial support are necessary for the development and introduction of advanced technologies.

Efforts to Global Warming Countermeasures (1/2)

■ Expanding the introduction of renewable energy

- ✓ Introduction of Miyako Island Mega Solar Power Demonstration Research Facility
- ✓ Introduction of Abu Mega Solar Power Demonstration Research Facility
- ✓ Introduction of Ogimi Wind Power Generation Demonstration Research Facility
- ✓ Introduction of tiltable wind power generators and motor power generators
- ✓ Regional micro-grid construction project in Kurima Island, Miyakojima City.
- ✓ Free photovoltaic power generation and storage battery installation service "KarE-roof" (PV-TPO business)

■ Initiatives for thermal power generation equipment

Expanded use of LNG

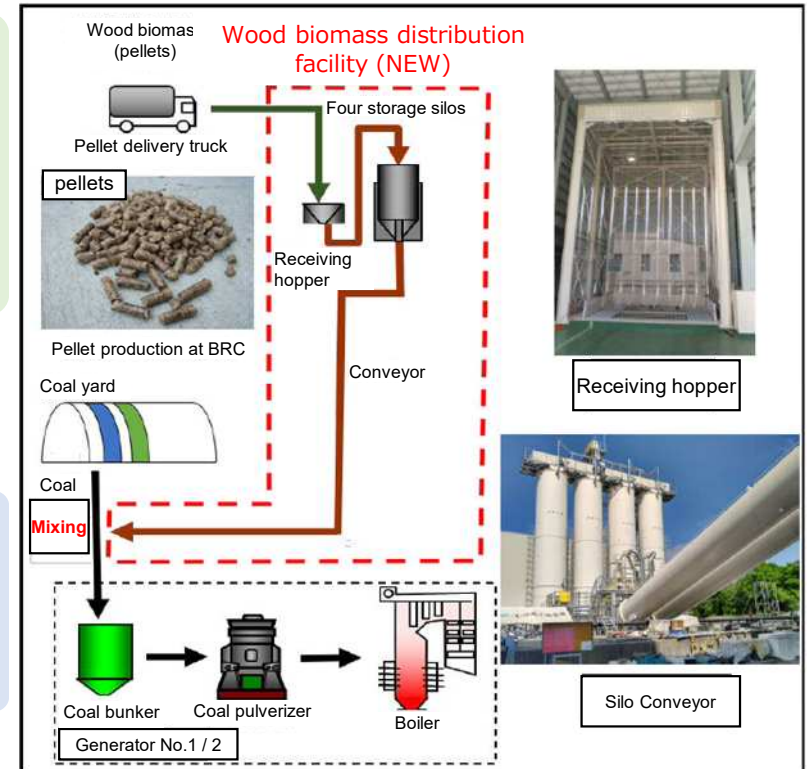
- ✓ Introduction of Yoshinoura Thermal Power Plant (Gradual increase in LNG use)
- ✓ City gas and satellite supply of LNG fuels (Change of fuels in the industrial sector)
- ✓ Deployment of LNG to remote islands (Decision to introduce dual-fuel generators that can use heavy oil and LNG)
- ✓ Construction of Makiminato Gas Engine Power Plant

Expanded use of biomass

- ✓ Implementation of biomass co-firing at Gushikawa Thermal Power Plant
- ✓ Construction of a new woody biomass supply facility at Kin Thermal Power Plant to expand biomass co-firing
 - *Reduction of environmental footprint through effective and expanded use of waste materials from buildings in the prefecture
- ✓ Introduction of the Yoshinoura Multi Gas Turbines (biofuels can be used)

Operational reinforcement

- ✓ Reinforcing the operation of thermal power plants to ensure the system stability of natural variability against the introduction of renewable energy
(Implementation of daily start stop (DSS) and adjustment of load zones, etc. of power plants)



▲ Wood biomass distribution facility

- 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)

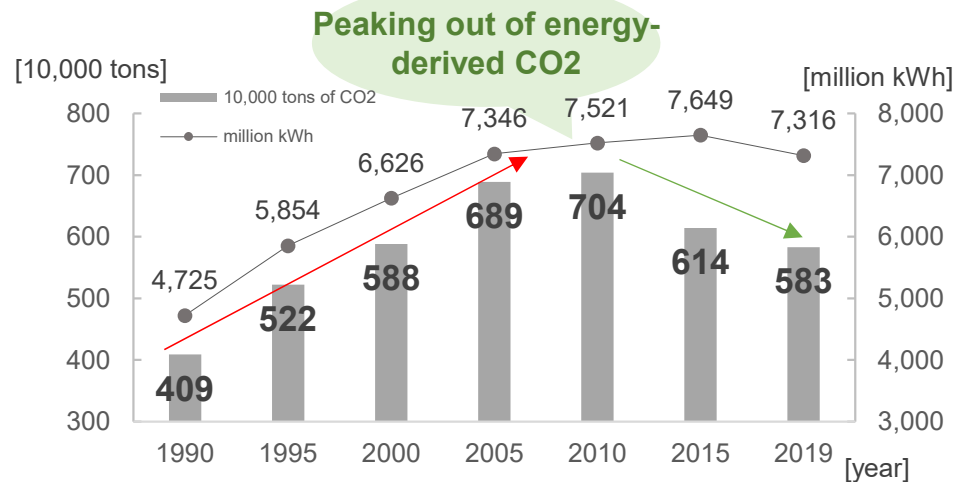
Efforts to Global Warming Countermeasures (2/2)

The following results have been achieved through our efforts to date:

► Achievement of peaking out energy-derived CO2 emissions

Amid growing demand for electric power due to economic development in Okinawa, we succeeded in peaking out energy-derived CO2 by expanding the introduction of renewable energy and introducing LNG fuel. The increased costs were absorbed by corporate efforts.

No
revision of
electricity
charges



FY2010: Start of biomass co-firing at Gushikawa Thermal Power Plant (coal-fired)

FY2012: Introduction of Yoshinoura Thermal Power Plant (LNG-fired)

FY2018: Introduction of Hateruma Island tiltable wind turbine and MG set

FY2019: DSS at the Gushikawa Thermal Power Plant (coal-fired) exceeded 100 annually.

FY2020: Start of biomass co-firing at Kin Thermal Power Plant (coal-fired)

FY2021: Start of PV-TPO business

► Achievement of supplying renewable energy 100% (Hateruma Island)*

Combining tiltable wind power generation and a system stabilizer "Motor generator (MG Set)", 100% of the electric power on Hateruma Island was supplied with renewable energy.

Continued for about 10 days(229hours27minutes)

100% power
supply with
this technology



Hateruma Island:
Located about 24 km south of Iriomote Island in Okinawa Prefecture, it is the southernmost inhabited remote island in Japan.

Area: about 13 km²

Number of households and population: about 275 households and 514 people

* Okinawa Electric Power Company was commissioned and implemented the "Project for maximum introduction of renewable energy on small remote islands" in Okinawa Prefecture.

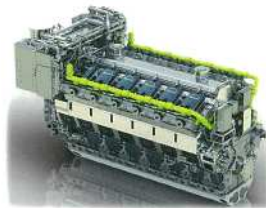
Expanded Use of LNG

- Aiming to utilize LNG, which the Company procures stably, not only for the main island electricity business and gas supply business, but also for other uses.
- In order to reduce CO2 emissions and improve energy security, A dual fuel engine that can use both heavy oil and LNG will be introduced at Miyako Island in FY2021.
- Construction of the Makiminato Gas Engine Power Plant to replace the aging Makiminato Gas Turbine No. 1 Unit. Switching from oil-fired to LNG-fired unit.

✓ Changing remote island power

Miyako dual fuel engine overview

- Miyako Daini Power Plant No.6,7
Power generation capacity: 12,000 kW x 2
Scheduled start of operation: Within FY 2021



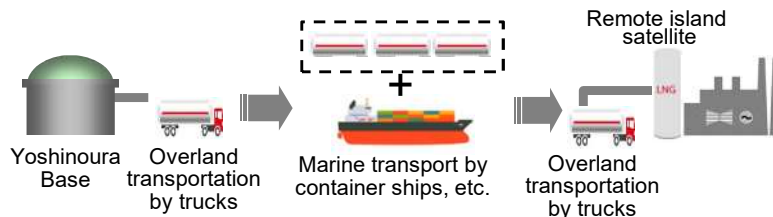
Engine capable of discretionally switching between C-heavy oil and natural gas

LNG transportation scheme to remote islands (under consideration)

[Coastal Shipping Scheme (Image)]



[ISO Tank Container Transportation Scheme (Image)]



✓ Construction of Makiminato Gas Engine Power Plant

- Power generation capacity: 45,000kW
- Fuel: Natural gas
- Scheduled start of commercial operation: March 2024
- Environmental considerations:
 - ① It generates less CO₂ than oil and coal, and no SO_x.
 - ② It generates less NO_x than oil and coal. NO_x emissions can be further reduced by installing denitrification equipment.
 - ③ No seawater is used by employing a radiator to cool the power generation equipment.



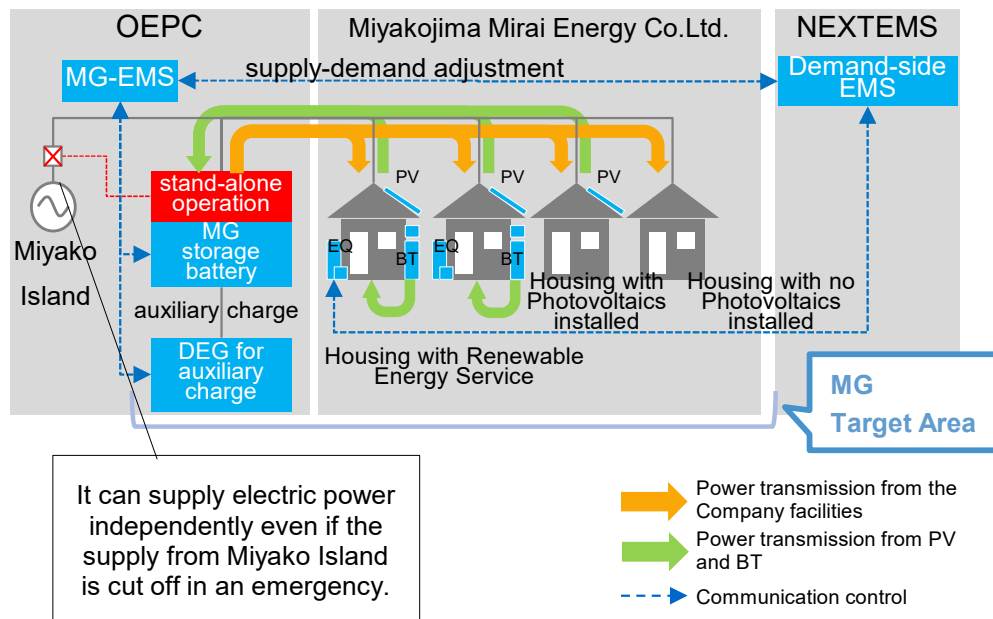
Image of the power station

Utilization of distributed power sources (1/3)

- In view of the widespread use of distributed power sources, striving to utilize distributed power sources and develop business models.

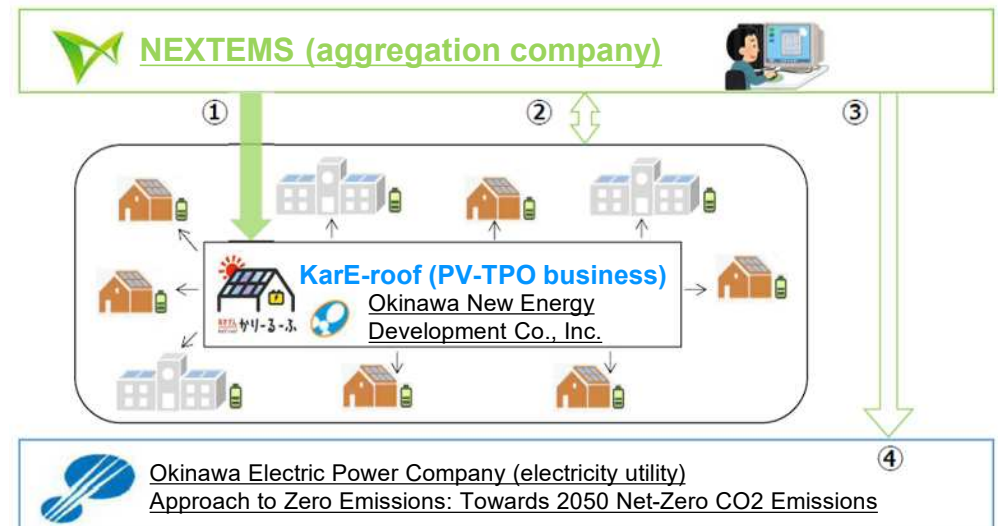
✓ Acquisition of small-scale system microgrid technology

- Started a regional microgrid construction project in Kurima Island, Miyakojima City.
- Striving to reduce the outage time by real local production and consumption of renewable energies and securing of energy sources in times of emergency.
- Aiming to realize decarbonization, strengthening of electric power resilience, and a sustainable society, which are increasingly in demand from the society.



✓ Investment in NEXTEMS CO., LTD.

- Invested in NEXTEMS CO., LTD., which engages in aggregation businesses mainly in Miyako Island.
- Utilizing its control technology and track records of construction to spread distributed power sources among others.



Current initiative

Future direction

- ① Spreading distributed power sources, etc. by utilizing NEXTEMS' track records of construction
- ② Aggregating distributed power sources, etc. for remote monitoring and optimal control
- ③ Providing value and demand-response capabilities as VPP
- ④ Utilizing distributed power sources, etc. that can be monitored and controlled remotely for the realization of renewable energy mainstreaming

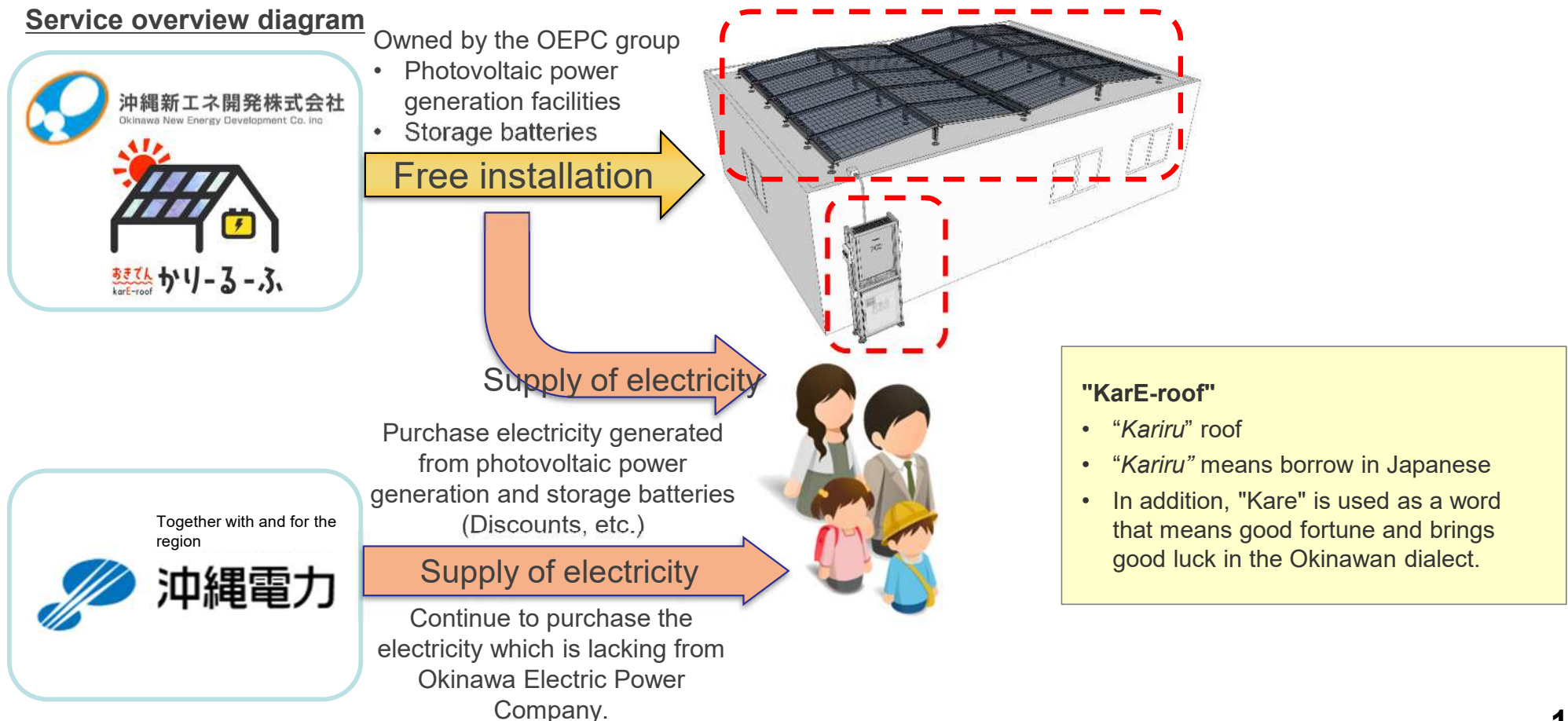
Utilization of distributed power sources (2/3)

✓ Deploying a photovoltaic third-party ownership model (PV-TPO)

Start of the "KarE-roof" Service

- In April 2021, the Company started the "KarE-roof," a service that supplies electricity by installing photovoltaic power generation facilities and storage batteries free of charge in ordinary houses (PV-TPO business).
- The PV-TPO business is one of the concrete measures for the realization of "Net zero CO₂ emission by 2050," which is one of the directions toward the realization of "Mainstreaming of renewable energy."

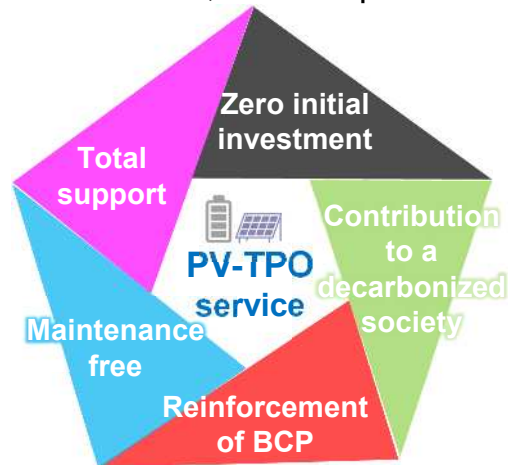
Service overview diagram



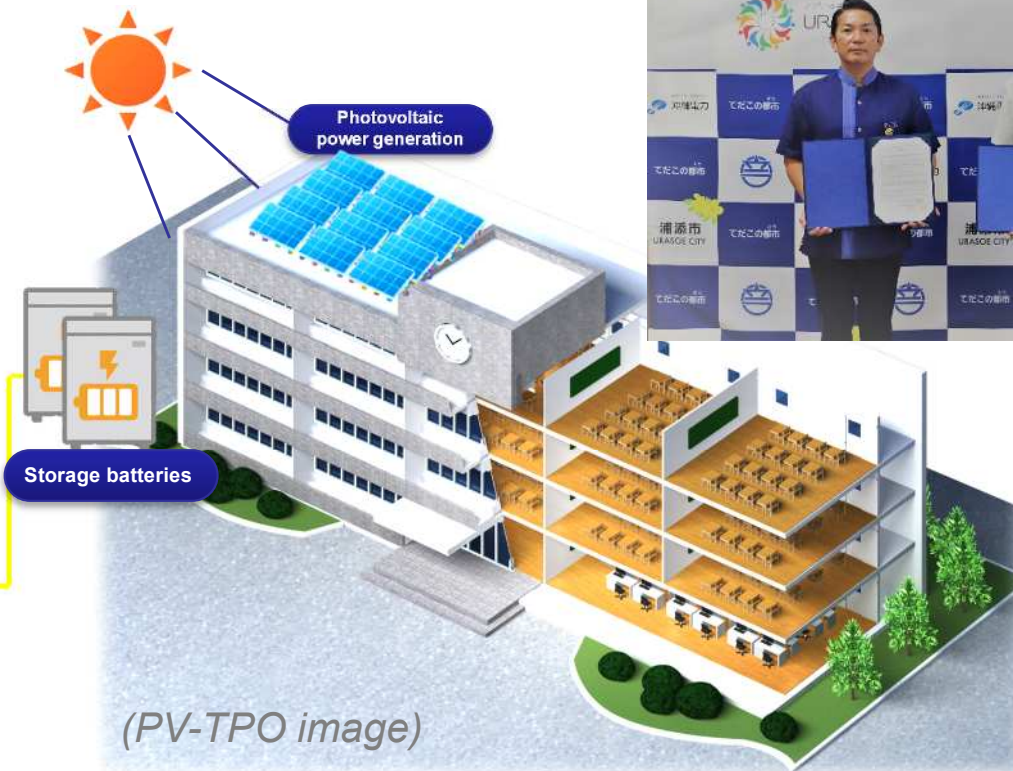
Utilization of distributed power sources (3/3)

Deployment of the "KarE-roof" business scheme for corporations

- The Company has started services for business establishments by applying the "KarE-roof" business scheme for residential houses.
- As the first case, the company decided to introduce this service to "Urasoe Municipal Minatogawa Junior High School". (It scheduled to start in summer 2021.)
- Urasoe City and the company concluded a comprehensive partnership agreement that included PV-TPO in April 2021. The parties will work together aim to resolve regional issues and build sustainable communities by cooperating on energy, the environment, disaster prevention and education for the next generation based on the agreement.



<In the case of example using the following equipments in teacher's room>



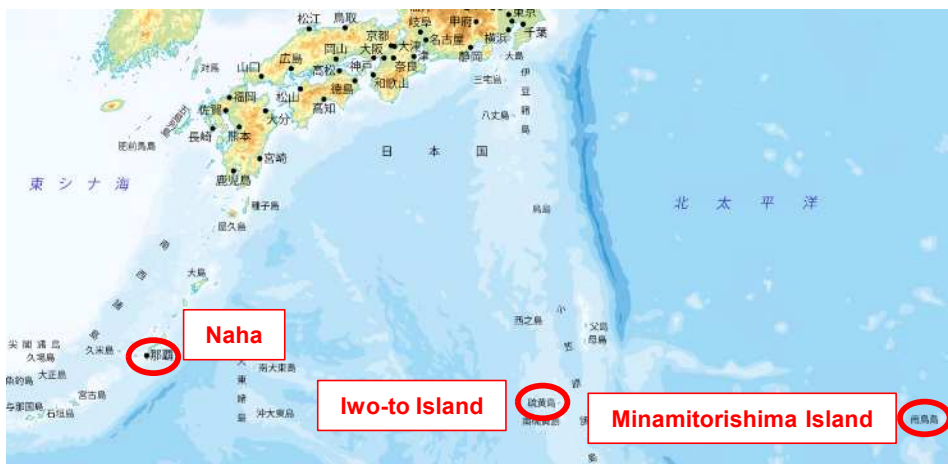
Initiatives for growth sectors

- The Company will strive to expand its business areas outside the region, utilizing its experience and know-how for the introduction of renewable energy and system stabilization in small-scale power systems.

✓ Deployment of renewable energy business outside the region

Research for the introduction of renewable energy in Iwo-to Island and Minamitorishima Island.

- Accepted the "Commissioned survey and verification for the introduction of renewable energy in Iwo-to and Minamitorishima Islands" solicited by the Ministry of the Environment.
- Surveying the natural environment, configuration and situation among others of Iwo-to and Minamitorishima Islands.
- Surveying legal and technological problems and potentials in the renewable energy introduction.



*Iwo-to Island
A volcanic island located in Ogasawara Village, Tokyo, with the area of 8km east to west and 4km north to south. It is about 1,200km away from Honshu (main island of Japan).

*Minamitorishima Island
It is a triangular island of about 2km on a side, in Ogasawara Village, Tokyo. The easternmost island of Japan, 1,800km from Honshu.

Establishment of a new company to promote overseas business

- Established SeED Okinawa LLC for the purpose of overseas business development.
- Providing one-stop products and services that leverage the strengths of the OEPC Group.
- Striving to expand the top line globally by utilizing the technologies developed through the "Mainstreaming of renewable energy" initiative.

