Management Overview

May 2021

The Okinawa Electric Power Company, Inc.

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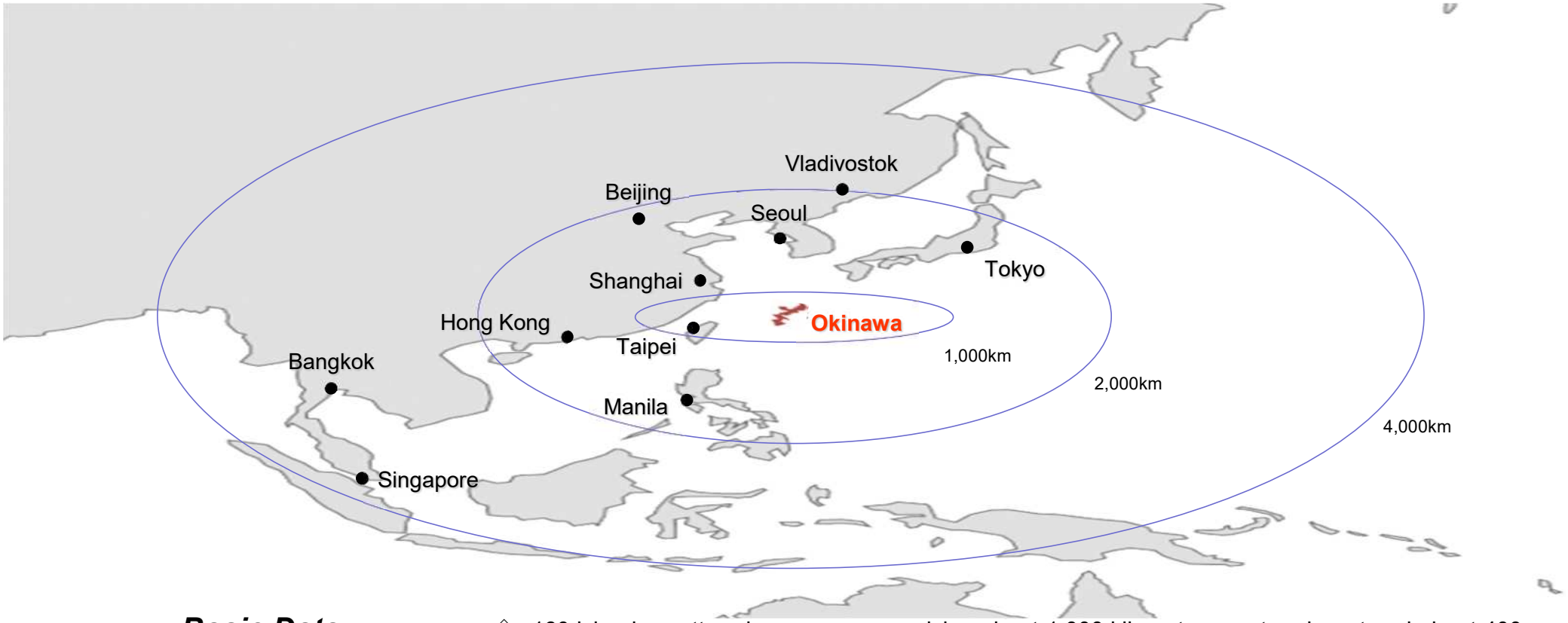
Overview of Okinawa Prefecture



Basic Data

Population:	1,460,652
No. of Households	618,912
Area	2,283 ㎢
Climate	Subtropical / Oceanic
Location	26°12N 127°41E
Prefectural GDP	¥4354.0billion
Tourism Revenue	¥704.7billion

◇ 160 islands scattered over a sea area lying about 1,000 kilometers east and west and about 400 kilometers north and south.

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

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

Population, No. of Households as of March 1, 2021
Area as of January 1, 2021
Prefectural GDP as of Estimated results FY 2019
Tourism Revenue as of FY 2019 (Source: Okinawa Prefecture, Geographical Survey Institute)

Corporate Overview of OEPC

- The Okinawa Electric Power Company (OEPC) supplies electricity to 37 inhabited islands including Okinawa main island.
- OEPC maintains 11 isolated systems that are not connected with the transmission lines of other power companies.
- OEPC has no nuclear and hydroelectric power plants and depends on fossil fuels for its power supply.

Established	May 15, 1972
Capital	¥7,586 million
Total assets	¥391.496 billion (Non-consolidated) ¥427.031 billion (Consolidated)
Employees	1,536 (Consolidated：2,796)

Security code	9511
Service area	Okinawa Prefecture
Generating facilities	Steam-power generators 5 locations 1,629 thousand kW (Oil 2 locations 375 thousand kW) (Coal 2 locations 752 thousand kW) (LNG 1 locations 502 thousand kW) Gas turbine generators 5 locations 326 thousand kW Internal-combustion power generators 13 locations 190 thousand kW Wind power generators 5 locations 2 thousand kW Total 2,147 thousand kW

(as of March 31, 2021)

Ratings

Rating agency	S&P	Moody's	R&I
Rating	A+	A1	AA
Outlook (direction)	Stable	Stable	Stable

* Ratings on long-term preferred debts as of April 30, 2021

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】

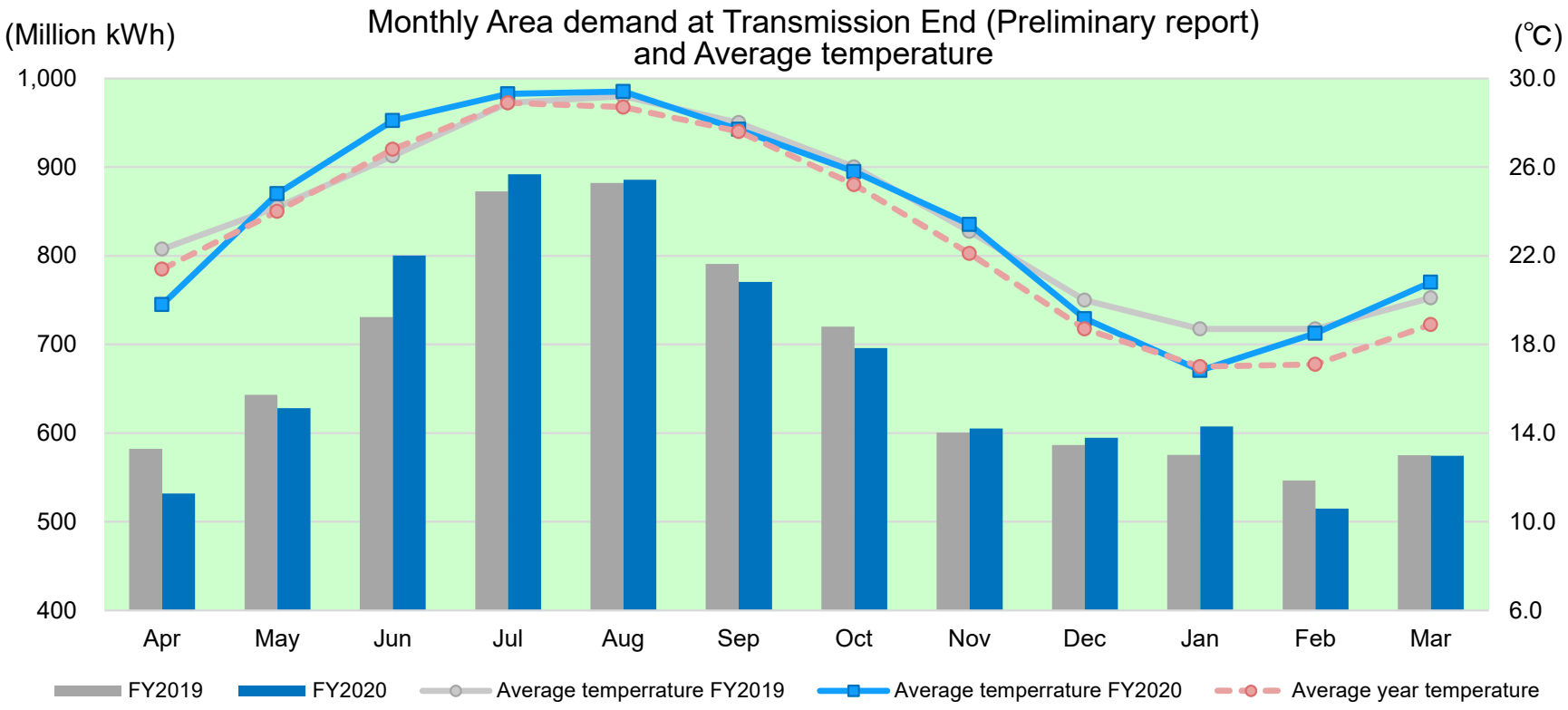
- Decrease in Electricity sales (Renewable Energy Power Promotion Surcharge) and Grant under Act on Purchase of Renewable Energy Sourced Electricity due to the application of the "Accounting Standard for Revenue Recognition" in Electric business.
- Decrease in Electricity sales due to decrease in Electricity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

Electric Energy Demand (Results) (1/2)



Monthly Area demand at Transmission End (Preliminary report)

(Million kWh,%)

	Apr	May	Jun	Jul	Aug	Sep	1st Half	Oct	Nov	Dec	Jan	Feb	Mar	2nd Half	FY
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

(℃)

	Apr	May	Jun	Jul	Aug	Sep	1st Half	Oct	Nov	Dec	Jan	Feb	Mar	2nd 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

■ 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%

<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>

- 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

(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%)

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 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%*)

Capital Expenditures Plan

- Capital investment in FY 2020 was 30.9 billion yen due to the aging of power sources and an increase in the construction and replacement of power distribution facilities.
- Although costs for responding to aging of supply facilities are expected to increase, efforts are made to level off investment amounts.

Trends in the Capital Investment Amount

(Unit: 100million yen)

By facilities \ FY		2018	2019	2020	2021
		Results (Plan)	Results (Plan)	Results (Plan)	(Plan)
Power sources		26 (41)	63 (67)	88 (115)	(124)
Supply facilities	Transmission	57 (88)	63 (87)	67 (86)	(112)
	Transformation	23 (32)	39 (59)	63 (76)	(74)
	Distribution	61 (79)	48 (77)	65 (106)	(93)
	Subtotal	141 (200)	151 (224)	196 (267)	(279)
Others		5 (7)	16 (6)	24 (27)	(34)
Total		173 (247)	230 (297)	309 (409)	(438)

Note: The figures may not exactly match the figures because of rounding.

[Major Projects in Capital Investments in FY 2021]

Power sources: Miyako Daini Power Plant No.6,7

Makiminato Gas engine Power Plant

Supply facilities: Responding to increasing demand

Replacement of aging facilities

Responding to shortened power outage times

Responding to supply reliability

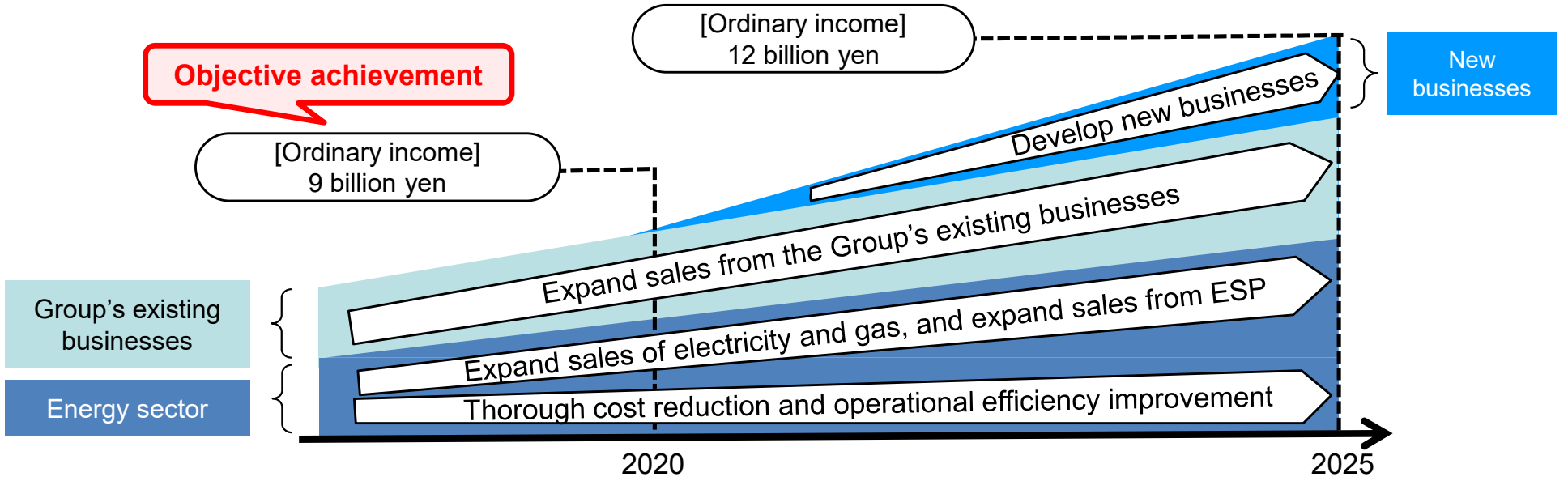
Business environment and challenges

Item	Overview and Challenges
Sales	■ The population and the number of households will continue increasing, but the number of tourists has decreased recently. ■ The demand for Electric Power in Okinawa area will increase, but the rate of its increase has been slowing down. ■ The entry of power producer and supplier has advanced competition. ■ Challenges will be sales expansion of electricity and gas.
Profitability	■ Due to shift from coal to LNG, burden of fuel cost reduces profit. ■ A challenge will be to improve profitability. ■ The cost structure must be reviewed.
CF	■ Capital investment will increase due to the implementation of the Mid-Term Management Plan. ■ No large-scale electric power development is planned for the time being.
Capital composition	■ Equity capital is secured at the level necessary for financial stability. ■ A challenge is to improve capital efficiency.

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)
Consolidated	Ordinary income	11.3billion yen	**9 billion yen** or more	6.5billion yen
	ROE	5.3%	**4%** or greater	2.9%
	Capital adequacy ratio	37.8%	Maintaining the **30%** mark	35.9%
Amount of sales *1	Electricity	Approx. 164GWh	**155GWh**	Approx. 198GWh
	Gas *2	Approx. 12,400t	**13,500t**	Approx. 13,270t
Sales from outside the Group *3		12.7billion yen	**14 billion yen**	12.6billion yen

Formulate new Mid-Term Management Plan

- **Expanding the top line**
- **Aggressive efficiency improvement**

Mid-term Management Targets (2025)

12 billion yen or more
5% or greater
Maintaining the **30%** mark
330GWh
30,000t
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.

Expanding the top line

Measures to expand electricity sales and prevent switching to others

- ✓ Promotion of all-electrification and half-electrification
- ✓ Introducing the member site and point services
- ✓ Strengthen marketing to customers who have switched
- ✓ Expansion of sales network by utilizing agency
- ✓ Strengthening value-added services for corporations

Measures to expand gas supply and ESP businesses

- ✓ Developing energy supply areas
- ✓ Development of demand along the route by laying gas pipelines
- ✓ Bundled sales of electricity and gas

Initiatives for growth sectors

- ✓ Deployment of renewable energy business outside the region
- ✓ Promotion of initiatives for the real estate sector (Urban development, PPP/PFI, CRE, etc.)

Expanded use of LNG

- ✓ Changing remote island power generation fuels to LNG
- ✓ Construction of Makiminato Gas engine Power Plant
- ✓ Developing LNG bunkering business

Utilization of distributed power sources

- ✓ Acquisition of small-scale system microgrid technology
- ✓ Developing post-FIT-related services
- ✓ Developing third-party solar ownership model (PV-TPO)

Promoting digital transformation

- ✓ Development of healthcare business

Aggressive efficiency improvement

Aggressive efficiency improvement

- ✓ Reviewing facility patrols and inspection cycles
- ✓ Fundamentally reviewing branch and sales office operations (substitution, consolidation, outsourcing and abolition)
- ✓ Consideration about the medium- to long-term composition of power supply

Promoting digital transformation

- ✓ Use of digital technologies at power plants
- ✓ Realizing work styles that do not choose place and means
- ✓ Promoting digitization and automation of operations
- ✓ Developing cyber security and system infrastructure, utilizing data, and others

* 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

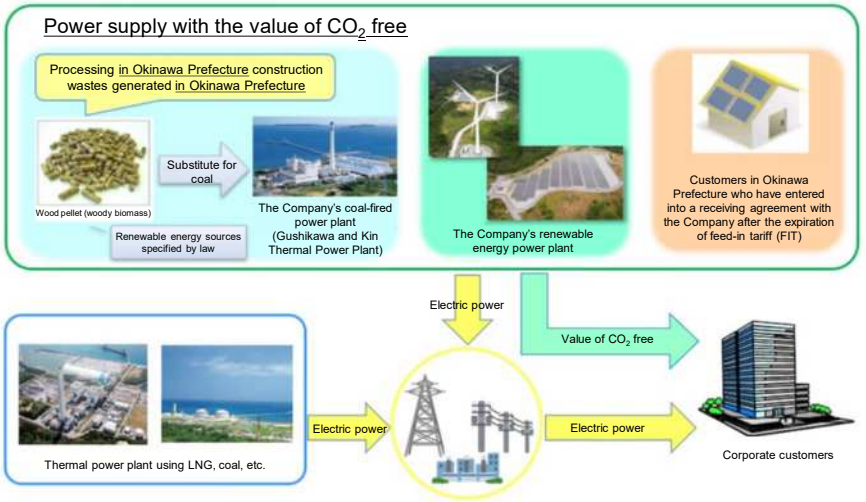
- Started "OEPC more - E," a member site where one can earn points with their electricity bills (September 2020).
- Provide various services through the member site.
- Support customers' comfortable and affluent lives.
- For customers who have graduated from FIT, the Company has started the "Renewable 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 CO_2 free menu"

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



✓ 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

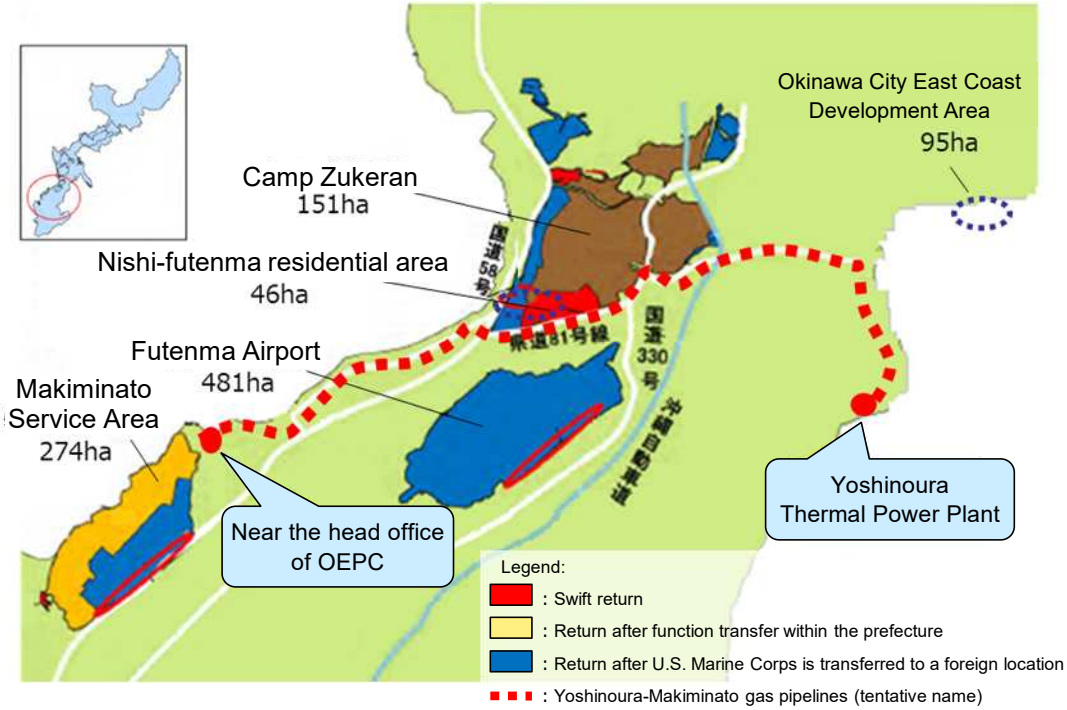
■ The Company will promote the gas supply business and strengthen its efforts in the ESP business as a "Comprehensive energy service provider" to meet diversifying customer needs.

✓ 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.

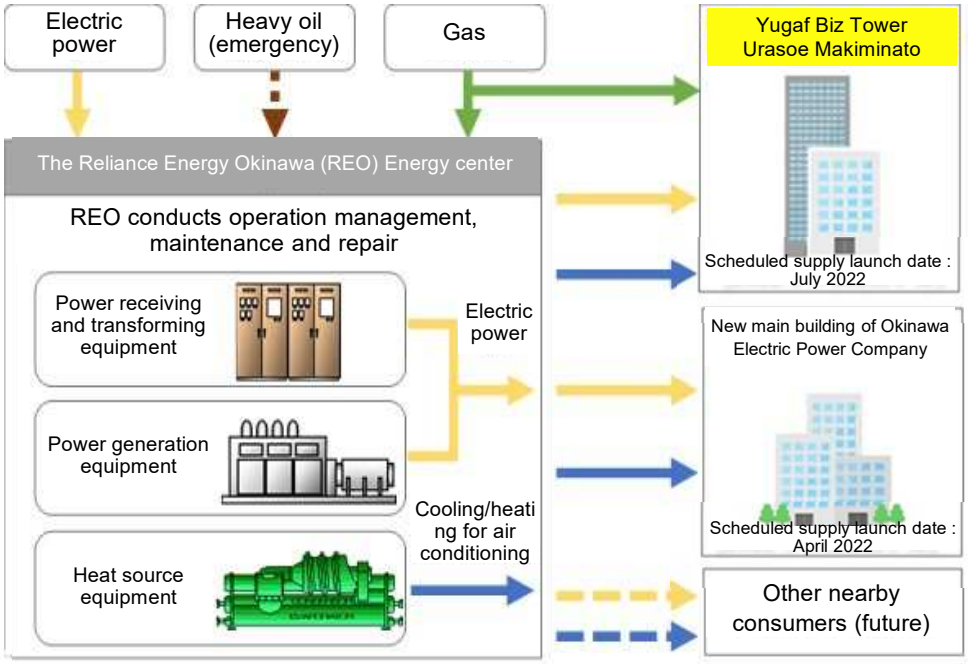
[Equipment specifications]

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)



* Source: The material of the Okinawa Revitalization Council Chair and Specialized Committee Meeting (third session) presented on the Cabinet Office website

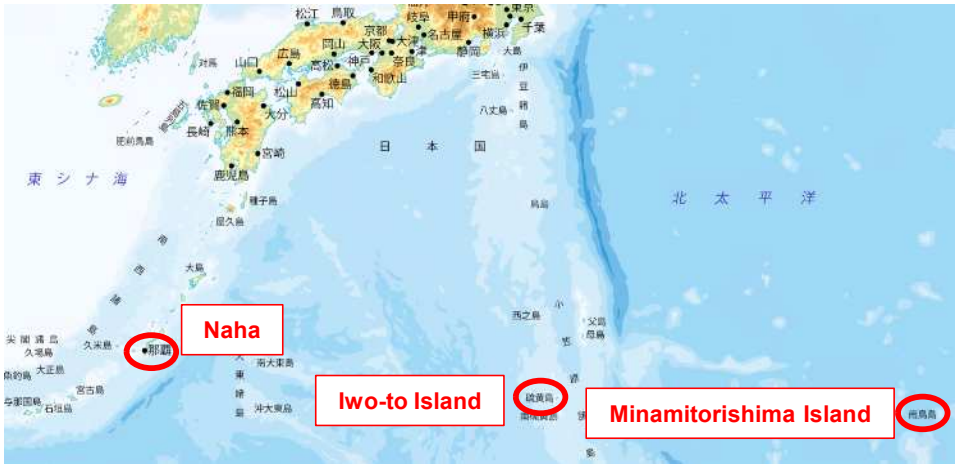
Initiatives for growth sectors

■ 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.

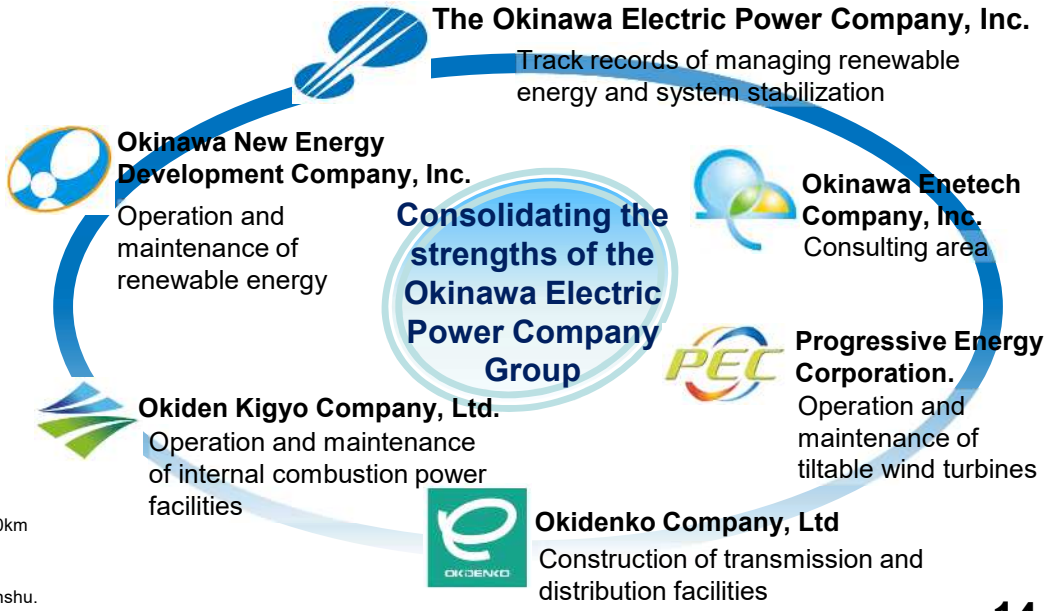


*Iwo-to Island
A volcanic island located in Ogasawara Village, Tokyo, with the area of 8km east to west and 4km north to south. It is about 1,200km away from Honshu (main island of Japan).

*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.



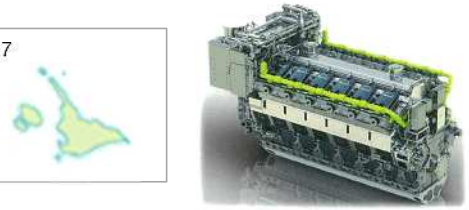
Expanded Use of LNG

- 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

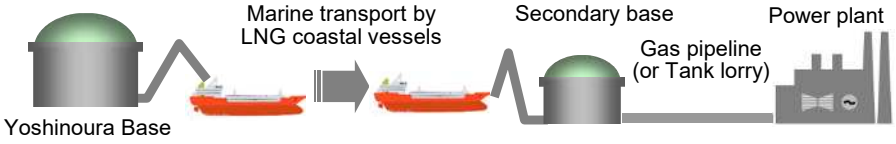
○ Miyako Daini Power Plant No.6,7
Power generation capacity: 12,000 kW x 2
Scheduled start of operation: Within FY 2021



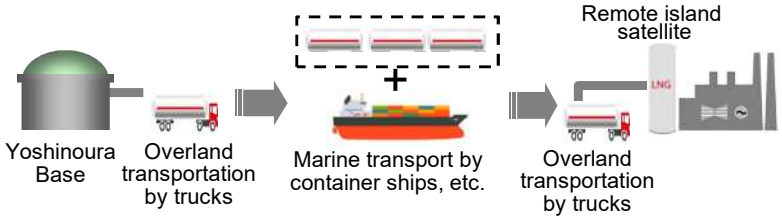
Engine capable of discretionally switching between C-heavy oil and natural gas

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 CO_2 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.

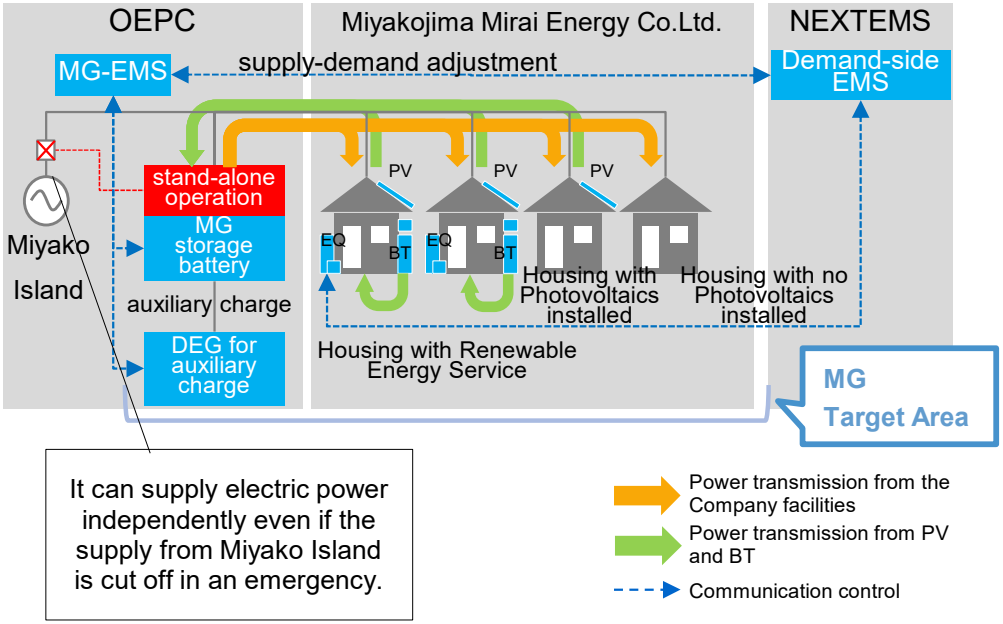
Image of the power station

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.

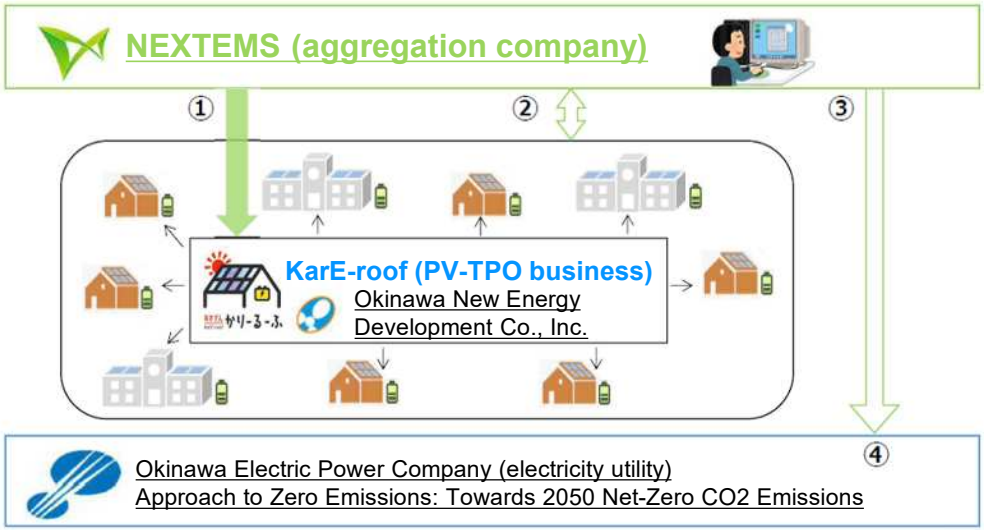
✓ Acquisition of small-scale system microgrid technology

- 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

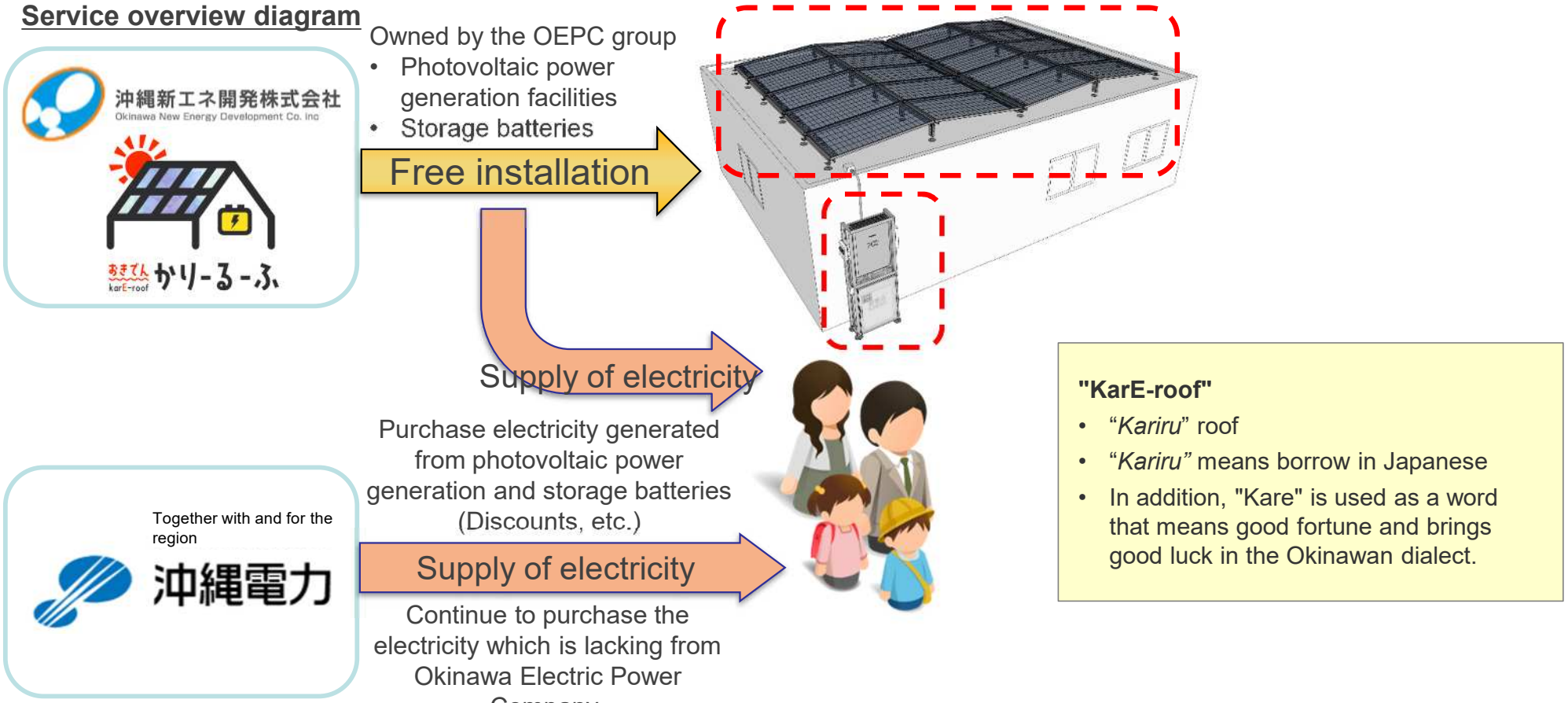
Utilization of distributed power sources (2/3)

✓ 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 CO_2 emission by 2050," which is one of the directions toward the realization of "Mainstreaming of renewable energy."

Service overview diagram



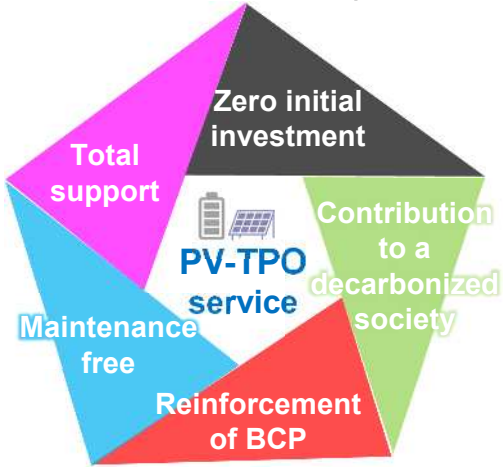
"KarE-roof"

- "*Kariru*" roof
- "*Kariru*" means borrow in Japanese
- In addition, "Kare" is used as a word that means good fortune and brings good luck in the Okinawan dialect.

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.



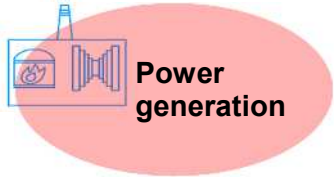
<In the case of example using the following equipments in teacher's room>

Aggressive efficiency improvement

■ In light of changes in the business environment, we are promoting a review of internal rules that contribute to improving operational efficiency and profitability without being constrained by conventional ideas.

✓ Reviewing facility patrols and inspection cycles

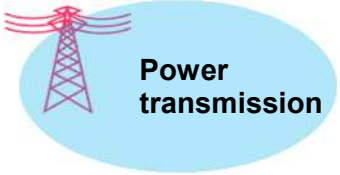
- We reviewed safety regulations across the entire facilities divisions on the premise of maintaining stable supply.



Power generation

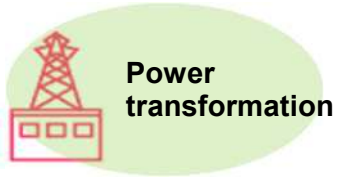
[Statutory inspection of boilers]
Cycle: 2 years ⇒ 6 years at maximum

[Statutory inspection of steam turbines]
Cycle: 4 years ⇒ 6 years at maximum



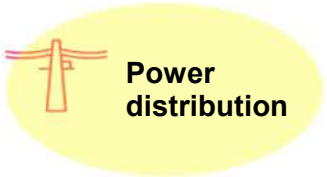
Power transmission

[Inspection of concrete poles, etc.]
Cycle: 4 years ⇒ 5 years



Power transformation

[Inspection of main circuit breakers]
Cycle: 12 years ⇒ Condition management as needed



Power distribution

[Patrol of distribution facilities]
Cycle: 2 years ⇒ 4 years

[Inspection on grounding resistance of pole transformers]
Cycle: 5 years ⇒ 10 years

Power generation facilities

(Statutory inspection of boilers and steam turbines)

- We got the certifies(System S) which enables an extension of the cycle for statutory inspections at three power plants that are Yoshinoura, Gushikawa and Kin.
- We can now plan flexible self-inspection while maintaining the reliability of facilities.
- We strengthened the monitoring of facilities' conditions by using digital technologies.

Cycle \ Year	0	1	2	3	4	5	6
Conventional (2 years/4 years)	Statutory		Statutory		Statutory		Statutory
System S (6 years at maximum)	Statutory	(Formulation of flexible voluntary inspection plans)					Statutory

✓ Fundamentally reviewing branch and sales office operations

- We conducted examination to improve efficiency from the perspectives of substitution, consolidation, outsourcing and abolition.
- Going forward, we will shift personnel to new operations that are increasing profits by improving efficiency.

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

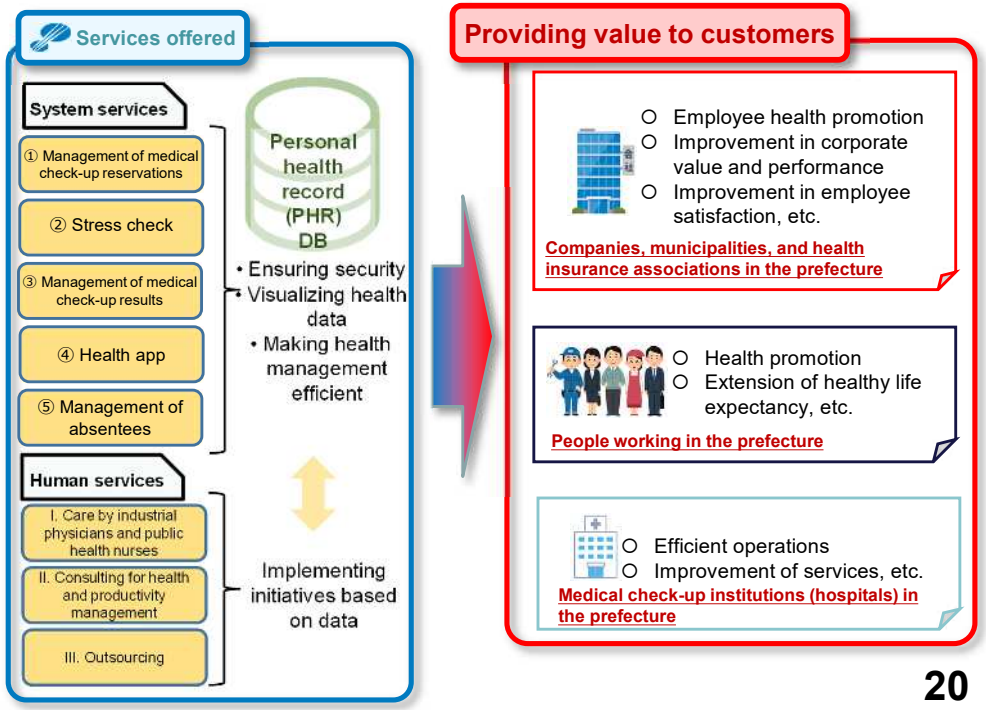
- Considering the realization of work-life balance and rapid changes in the business environment caused by the coronavirus crisis, the Company has introduced telecommuting as a new work style that does not choose place and means.

✓ 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.



Promoting digital transformation (2/2)

■ By upgrading operations, we effort to realizing more work efficient, digitizing, automating, stabling supply operations.

✓ **Use of digital technologies at power plants**

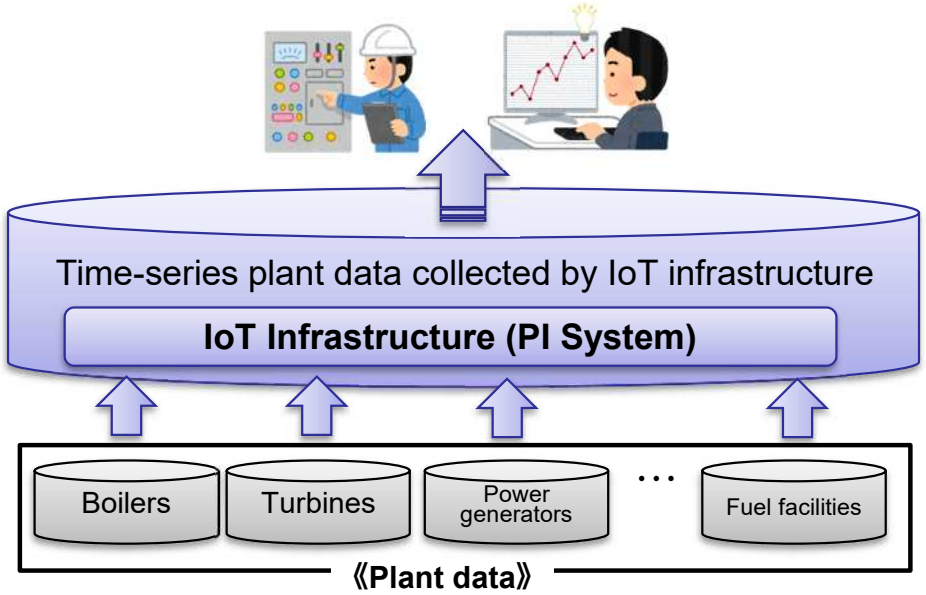
- Introduce the OSIsoft PI System as IoT infrastructure.
- Using the system enables sophisticated operation management and efficient operations.

◆ FY2019: Yoshinoura Thermal Power Plant (LNG)

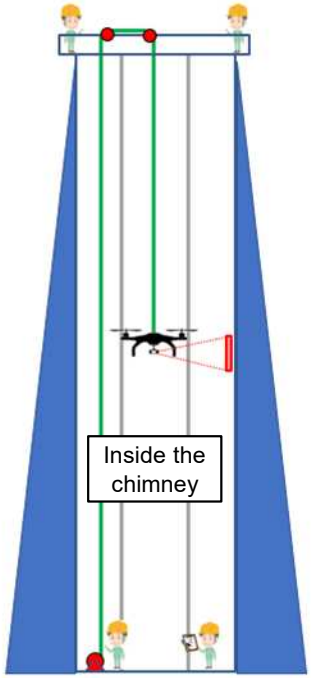
◆ FY2020: Gushikawa and Kin Thermal Power Plant (coal)

◆ FY2021: Makiminato Thermal Power Plant (oil)

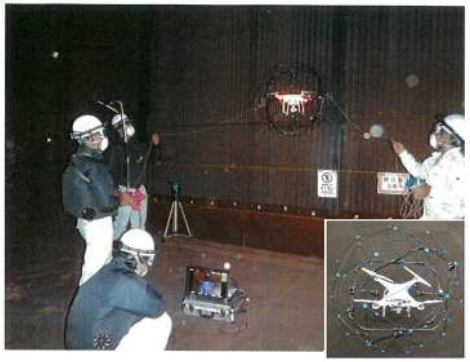
Sophisticated operation management and efficient operations due to utilize IoT infrastructure (PI System)



- Using drones for examination and visual inspection of boilers and chimneys.
- Using underwater drones to check the status of water inlet facilities.
- Possible to improve safety while reducing costs.



<Inside the chimney: Inspection of appearance>

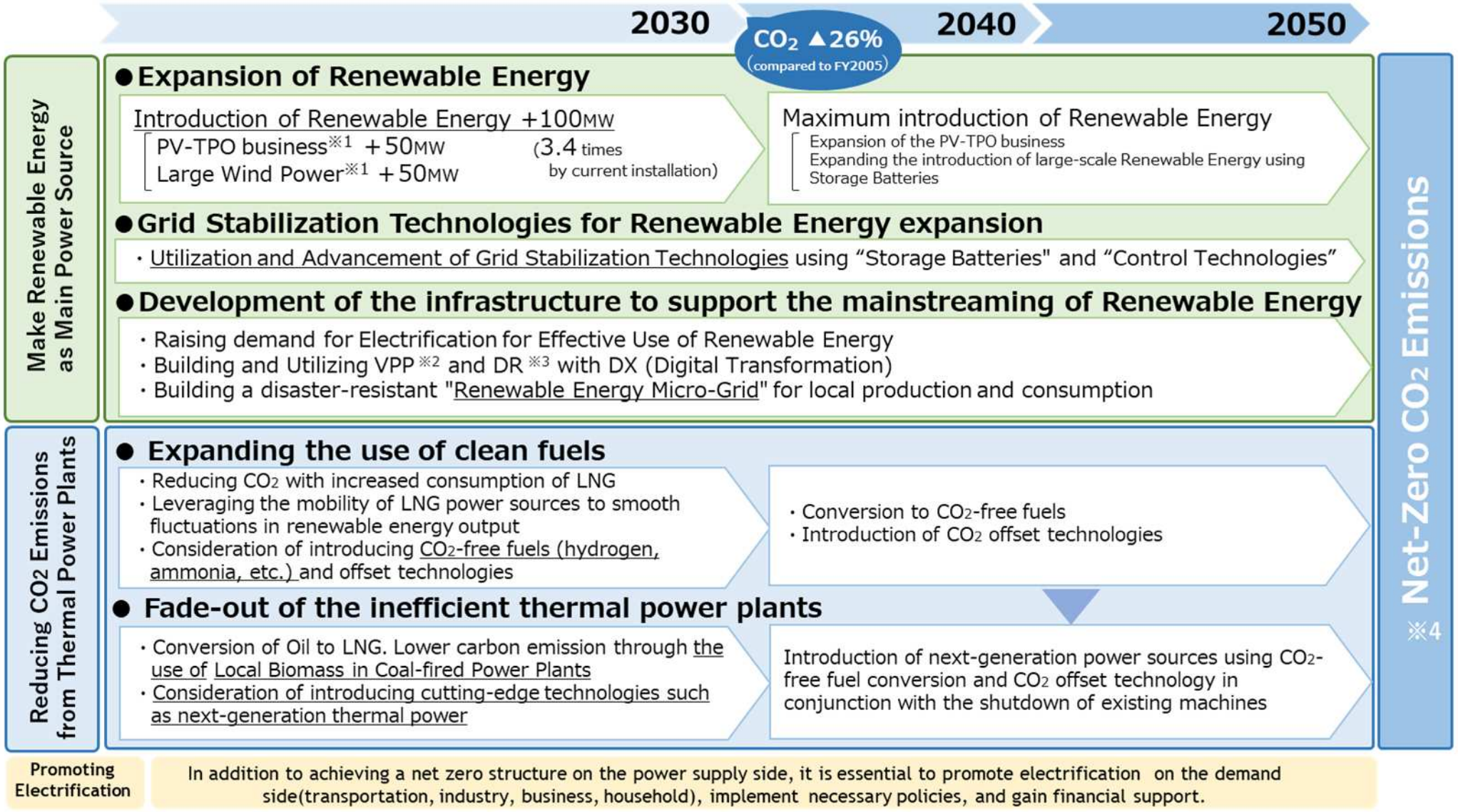

<Inspection of the exhaust heat recovery boiler>


<Water inlet inspection by underwater drone>

(Source: Okinawa Enetech Company, Inc.)

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 CO_2 Emissions by combining renewable energy power sources with thermal power sources that incorporate CO_2-free fuels and CO_2 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.

Characteristics of the Business Bases

Demand for Energy	◆ Increasing demand for energy due to population growth. ◆ As the proportion of energy for consumer use is high, effects of economic fluctuations are low for demand for Electric power. ◆ Potential demand due to large-scale urban development projects.
Competition	◆ 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.
Total Energy Services	◆ Started selling gas with the introduction of LNG. ◆ Developing Total Energy Service by taken advantage of our ability to sell electricity and gas.
Electric Power Generation Facilities	◆ A high reserve supply capacity is required due to an isolated system. ◆ Reliant on fossil fuels only due to difficulties to develop nuclear or hydraulic power generation. ◆ Coal-fired thermal power generation is indispensable not only for stable supply but also for maintaining electricity rates.
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.
Measures against global warming	◆ Currently, possible measures are limited due to reasons including the region's geographic characteristics and constraints on the scale of demand. ◆ The introduction of renewable energies contributes to reducing fuel consumption and cost on remote islands, where fuel unit price is high. ◆ Since the systems of Okinawa area are small and independent, the limit of connection volume is likely to occur when using renewable energies.

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】

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