

The Okinawa Electric Power Company Group Integrated Report 2024

With the community, for the community



With the community, for the community

Empowering Okinawa through energy business

- Energise Okinawa -

The Okinawa Electric Power Company will support the livelihoods and economic activities of our customers with pride and a sense of duty and contribute to the creation of a vibrant future with full of dreams for Okinawa with high aspirations, overflowing passion, and abundant imagination.



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The Okinawa Electric Power Company Group Integrated Report 2024

● Editorial policy

We are involved in a variety of activities based on our corporate slogan "With the community, for the community". We are publishing this report by integrating financial and non-financial information so that all our stakeholders, including shareholders and investors, have a better understanding of the Group's initiatives for sustainable value creation.

● Organizations included in the report

OEPC and OEPC group companies (marked with )

● Report period

FY2023 (Apr. 1, 2023 - Mar. 31, 2024)

* Some of the included information is outside of the report period.

● Guidelines used as a reference

- International Integrated Reporting Council (IIRC) "International Integrated Reporting Framework"
- GRI "The global standards for sustainability reporting"
- Task Force on Climate-related Financial Disclosures (TCFD) "TCFD Recommendations"
- Ministry of Economy, Trade and Industry "Guidance for Collaborative Value Creation 2.0"

● For inquiries

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Incorporated (OEPC)
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comments and suggestions



1 Introduction



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Message from the President

“With the community, for the community”

We will contribute to the future of Okinawa

by working together as a group.

MOTONAGA Hiroyuki

Representative Director / President,
The Okinawa Electric Power Company

Message from the President

We are engaged in daily business activities as a comprehensive energy provider that supports an important lifeline for the entirety of Okinawa Prefecture.

Q; Please tell us about the business environment within which the OEPC Group works.

Okinawa is an island prefecture consisting of various large and small islands scattered over a vast sea area extending 1,000 kilometers from east to west and 400 kilometers from north to south. The OEPC Group is a comprehensive energy company providing an important lifeline to the entire prefecture and is engaged in business activities with the core mission of ensuring a stable supply of energy essential for customers' lives and economic activity.

Looking at the business environment surrounding the Group, competition in the electricity business within the prefecture has progressed since full liberalization of the electricity market, such as with the transfer of contracts to other companies.

That said, looking at the economy of Okinawa Prefecture, there has been a gradual expansion of economic activity, particularly in tourism. In 2025, a theme park is scheduled to open in the northern part of the main island, and a large-



scale urban development plan (hereinafter, "GW2050") is being launched. The plan will link the expansion of Naha Airport's functionality with the development of U.S. military base sites after return in the west coast area, from the airport to the Futenma area, and make Okinawa a "gateway" open to the world. As such, we believe that the potential for future growth is quite large.

Q; What are your thoughts on restoring the financial base?

In FY2023, we were able to resume dividend payments for the first time in two fiscal years. Although there have been many difficulties, we were able to overcome them thanks to the understanding of our stakeholders.

In FY2024, we began accelerating various initiatives based on "The OEPC Group Medium-Term Management Plan 2025" (hereinafter, Medium-Term Management Plan), and set the period up to 2025 as a recovery period in which we will focus on restoring our financial base. We will work to restore the damaged financial base and improve capital profitability, aiming for an equity ratio of 25%. We see this as a major growth opportunity for the Group to come together and make full use of our comprehensive capabilities to become strong, with all employees working together to achieve a V-shaped recovery.

Q; What kind of prospects do you have for the future growth of the Okiden Group?

With our comprehensive energy business as the core, the OEPC Group aims to create new value through services to support life and business. As a business group with a sense of solidarity, growing and developing hand-in-hand with the community, we look to contribute to the realization of a sustainable society.

To realize "What We Aim To Be", we will promote "Increasing the top line", "Aggressive efficiency improvement", and "Taking on the challenge of becoming carbon neutral", and continue to provide customers with new value of energy plus α . In February 2024, the Yoshinoura Makiminato gas pipeline,

the Company's first gas pipeline facility, was opened and put into service. In the future, we expect that customers in the west coast area and along the pipeline will be able to use natural gas with excellent environmental characteristics, which will lead to new added value proposals as a comprehensive energy company, such as improving the energy use environment and achieving low carbon emissions by promoting fuel switching.

In addition, when a typhoon hit last year, the Group's PV-TPO business, KarE-roof, proved effective as an emergency power source during power outages thanks to being able to supply electricity through photovoltaic generation and storage batteries. We will continue to introduce new lifestyles to the citizens of the prefecture which is the combination of the decarbonization through photovoltaic power generation with all-electric home, and disaster prevention measures utilizing batteries.

As for outside the region/overseas, we want to use them as a driving force for growth. We are working to spread the "Mimamori Service", a new business utilizing state-of-the-art Wi-Fi sensing technology developed by our Group company Okiden CplusC Corporation, throughout Japan. In addition, SeED Okinawa LLC will utilize the renewable energy introduction methods and grid stabilization technologies the Group has cultivated over many years to expand its business to overseas island countries such as Papua New Guinea and the Republic of Palau.

In the future, energy demand in the prefecture is expected to increase, as development of tourism and industrial facilities is planned in the west coast area, including Urasoe City, where our head office is located, under Okinawa's new urban development plan GW2050. We aim to "Increase the top line" by actively engaging in the growth potential of Okinawa, particularly in the fields of comprehensive energy services and construction and real estate.

Q; In relation to overseas business, you spoke at COP28 last year. What was your presentation about?

Since FY2022, we have participated in the Ministry of the Environment's City-to-City Collaboration Program to Support



▲ Makiminato Gas Engine Power Plant

the Decarbonization Efforts by Overseas Subnational Governments. We had the opportunity to present this project in the Republic of Palau at the Japan Pavilion at COP28 (the 28th meeting of the Conference of the Parties (COP) to the UNFCCC) held in Dubai in December 2023. On stage, I explained our Group's renewable energy initiatives and the status of studies on building a Palau-type decarbonization model utilizing third-party solar and battery installation services (PV-TPO). I believe that this honor reflects recognition of the Group's power grid stabilization technology and track record in small-scale independent power systems. Moving forward, we will continue to leverage our strengths as a Group to contribute to solving energy issues in overseas island nations, including the Republic of Palau.



▲ Presentation at COP28

We will do our best to achieve carbon neutrality in 2050

Q; What is the directionality for achieving carbon neutrality by 2050?

To achieve carbon neutrality by 2050, we are proceeding with “Just Transition in the Okinawa area”, based on our “OEPC Net-Zero CO₂ Emissions Roadmap”. We have set a target of reducing CO₂ emissions by 30% by FY2030, which will be quite the serious challenge. However, taking into account the uniqueness of the Okinawa area, we will promote measures based on the two directions of “mainstreaming of renewable energy” and “reducing CO₂ emissions from thermal power plants”, with the stable supply of electricity as the main premise. In addition to promoting electrification, we will work toward carbon neutrality in Okinawa.

Q; What kind of initiatives are being implemented now?

With regard to “mainstreaming of renewable energy”, we are working on the sophistication of grid stabilization technology using storage batteries and control technology, such as the MG set on Hateruma Island and microgrid demonstration tests on Kurima Island. In addition, as a responsible energy business operator in Okinawa, we are contributing to the decarbonization and sustainable development of local communities by entering into comprehensive partnership agreements with local governments and promoting the expansion of our “KarE-roof (PV-TPO)” business to government facilities, in addition to disaster prevention and regional development.

However, since geographical, topographical, and electricity demand size constraints make it difficult to develop hydroelectric and nuclear power generation in Okinawa Prefecture, thermal power sources are also necessary in regulating and supplying power for the time being to compensate for the volatility of renewable energy as it continues to expand, and we believe that it will continue to play an important role.

With regard to “reducing CO₂ emissions from thermal power plants”, it is under these circumstances that the Makiminato Gas Engine Power Plant commenced commercial operation on March 1, 2024. The plant uses liquefied natural gas (LNG), which emits less CO₂ than oil and coal. The plant is expected to contribute to “Conversion from oil to LNG”, “Reducing CO₂ with increased consumption of LNG” and “leveraging the mobility of LNG power sources to respond to fluctuations in renewable energy output”, as described in the roadmap.

Furthermore, in addition to co-firing local biomass at coal-fired power plants, we began a hydrogen co-firing power generation test at the Yoshinoura Multi-Gas Turbine Power Plant in March 2024, achieving co-firing at a ratio of 30% by volume at rated output. This demonstration test is one of the important measures that will contribute to the “expansion of the use of clean fuels” described in the roadmap, and we will continue to conduct verification with the aim of establishing operational technologies for hydrogen co-fired power generation.

In order to achieve carbon neutrality, we believe it is important to make multiple breakthroughs and continue to take on the challenge of radical innovative technologies moving forward. In moving toward the realization of these innovations, we will continue to work closely with the government, companies,

research organizations such as the Okinawa Institute of Science and Technology Graduate University, and more to realize a regional decarbonized society in Okinawa Prefecture.

With “human resources” as the driving force behind our company's sustainable growth, we are aiming for a “relationship that enables both employees and the company to grow”.

Q; Last year, a Human Resources Strategy was formulated. What are your thoughts on the company's relationship with human resources moving forward?

The power of people is needed more than ever to realize our goals in becoming what we aim to be. We formulated the Human Resources Strategy in November 2023 to realize our goal of creating human resources that take on the challenge of creating new value, which is a materiality of ours. Three directions have been set in this strategy: Creating a working environment, creating individuals, and creating an organization. We are creating an environment in which our employees can perform well and enjoy their work, developing measures that enable each and every one of our diverse human resources to take on challenges while developing their abilities and becoming what they want to be, and maximizing everyone's capabilities as an organization. We will promote human capital management and build a relationship where individuals, organizations, and companies can grow together, giving everyone a sense of pride and purpose as employees of the Okinawa Electric Power Company so that they can work in tandem with the company to contribute to the creation of the future of Okinawa.



In addition, as stated in one of our basic management stances, “value our staff and help them grow”, the health of employees is the foundation of management and is considered to be an invaluable asset for the company. In March 2024, we were recognized for the sixth consecutive year as a “White 500”, representing us as one of the top 500 “the 2024 Certified KENKO Investment for Health Outstanding Organizations (large enterprise category)”. We believe that our accumulated practice of “KENKO investment for health” up to now has contributed to this certification. In Okinawa Prefecture, the deterioration of the health of the prime working generation is a major issue. Our company will continue to contribute to solving issues in Okinawa Prefecture by supporting the KENKO investment for health of companies and other organizations in the prefecture, such as by providing our health support service “Well Porta”, which utilizes the health support and management knowledge and expertise we have cultivated.



Stable energy supply is where our social responsibility starts

Q; Please tell us about the initiatives to ensure a stable supply.

With the occurrence of natural disasters such as Typhoon No. 6, which hit the Okinawa area last year, and the Noto Peninsula Earthquake, we have once again been strongly reminded of our basic mission of providing a stable supply of energy. We must give top priority to ensuring the safety of those engaged in company operations, and must thoroughly manage and maintain our supply facilities, devoting all our energies to achieving this. In order to achieve rapid recovery

in the event of a disaster, we will continue to prepare for and conduct training on a regular basis, as well as strengthen disaster preparedness measures that have been completed by departments and companies.

To ensure a stable electric energy supply, we have been developing power sources and constructing facilities, including constructing power plants, incorporating redundancy of transmission lines, and automating transmission and distribution facilities. In our day-to-day operations, we strive to ensure a stable supply through 24-hour, 365-day power supply monitoring and patrol activities. In addition, to eliminate long-term power outages caused by typhoons, our company is working to enhance power distribution facilities based on past typhoon damage analyses, and we are working to create facilities that are resistant to natural disasters such as earthquakes and tsunamis.

In recent years, we have been improving the speed and efficiency of recovery operations using DX, and we have established a system for sharing failure areas identified during patrol activities in real time using mobile terminals. In addition, in the event of a large-scale blackout due to heavy rain, typhoon, earthquake, etc., resulting in an increase in inquiries, we have participated in an initiative in which each power company provides mutual support for some of the telephone inquiry response work. Furthermore, in the event that a typhoon is expected to approach the Sakishima region or surrounding islands, recovery personnel are dispatched from the main island as necessary in advance, taking into consideration the predicted path to and impact on Okinawa's main island. We are working to improve our recovery system through cooperation with related organizations, such as by having entered into disaster agreements with the Ground Self-Defense Force and the Coast Guard Headquarters to transport support personnel and equipment to disaster-stricken areas.

In addition, we are working to improve the ways we communicate information on power outages to customers. In addition to our own website and email delivery service, we have launched a new power outage information distribution service using LINE as a tool to inform customers. We will continue to enhance information dissemination capabilities in order to ease the anxiety of customers who are suffering from power outages.

In the gas supply business and energy service business,

our company is striving to strengthen the operation and maintenance of facilities to improve reliability, and we are working to further strengthen the early recovery system in the event of a supply disruption.

The entire Group will continue to work together to realize the basic philosophy of “Energise Okinawa”.

Q; Finally, what message do you have for stakeholders?

Since its establishment, our company, whose sole supply area is Okinawa Prefecture, has been operating under the corporate slogan of “With the community, for the community”, with the understanding and cooperation of local residents. We believe that maintaining and contributing to universal services, even under extremely severe business conditions, is a vital mission of our company.

We will continue to make every effort not only to ensure compliance, but to provide safety and security to customers and local communities through a stable energy supply, and to establish the trust that can be obtained as a result of this accumulation.

Okinawa is expected to become more and more active over the next several decades, and I believe that there is great potential for business development across the entire Group, including in terms of energy demand. We will continue to actively engage in the future growth of Okinawa and work hard to achieve sustainable growth and increase the Group's corporate value.

I express my gratitude to all our stakeholders for their continued understanding and support.

Oct. 2024

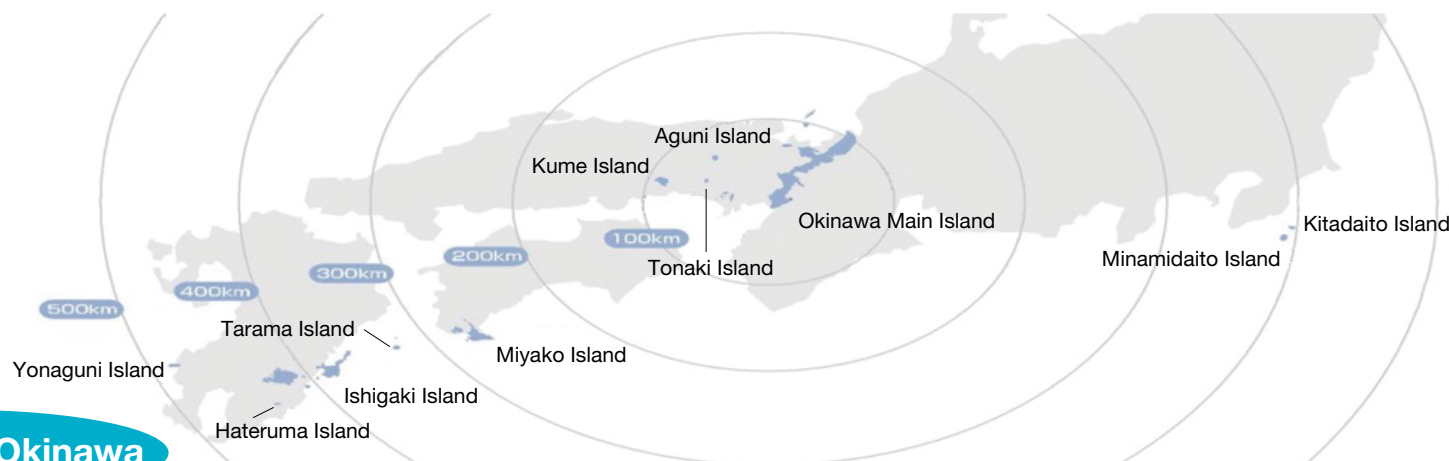
The Okinawa Electric Power Company, Incorporated (OEPC)
Representative Director / President

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Business Environment of the OEPC Group

Okinawa is an island prefecture consisting of various large and small islands scattered over a vast sea area extending 1,000 kilometers from east to west and 400 kilometers from north to south.

OEPC supplies electricity to 38 inhabited islands including the main island of Okinawa. OEPC maintains 11 isolated systems that are not connected with the transmission lines of other power companies.



Features of Okinawa

1 Prefectural economy

- There are advantages and potential for economic growth, such as the growth of the tourism industry (recovery from the COVID-19 pandemic), which drives the economy of Okinawa Prefecture, and its geographical location at the center of East Asia.
- Taking advantage of these advantages and potential, measures are being taken to promote various industries such as tourism and to utilize sites after the return of military bases.

Demand is expected to continue to increase.

2

Demand weight Consumer > Industrial

- The demand structure is such that the weight of consumer demand from general households and hotels is higher than industrial demand from factories.



The demand structure is not easily influenced by the economy.

3

Urban development

- We will be actively involved in the urban development of the returned former U.S. military base sites, and will supply energy to the entire area.



This will lead to expanded sales of energy.

4

Geography and topography

- Development of hydroelectric power is difficult due to the topography of the region.
- Development of nuclear power is difficult due to the small scale of demand.
- Because of the small size of the prefecture, there is limited land on which photovoltaic generation facilities can be installed.
- Large-scale wind power generation facilities (500 kW or more) must be high strength as the area is prone to typhoons.

Although reliance on fossil fuels is unavoidable, we are boldly taking on new challenges, such as co-firing woody biomass with coal in thermal power plants and introducing motor-driven generators.

5

Small scale independent systems

- Systems not connected with the power systems of other areas are outside the framework of wide-area power sharing. Therefore, it is necessary to secure a high reserve capacity.



Stable supply is our core mission.

6

Insularity of islands

- Although Okinawa is dotted with islands over a vast sea area and has many remote islands with high supply costs, we are trying to maintain universal service by devising various measures.

We are working to improve profitability by introducing renewable energy to reduce fuel consumption and effectively using waste oil.

History of OEPC

On May 15, 1972, when Okinawa returned to the mainland, our company took over the operations of the Ryukyu Electric Power Public Corporation and started operations as the special corporation “Okinawa Electric Power Co., Ltd.”, which was funded by the government and Okinawa Prefecture.

1972 Electricity business in Okinawa before establishment

In 1954, the U.S. government established Ryukyu Electric Power Corporation. The U.S. military dispatched the power generating ships “Jacona” and “Impedance” from South Korea to meet the growing demand for post-war reconstruction. For a while, Gilbert Pacific, which was commissioned by the U.S. Military, operated the power generation and transmission, but the Ryukyu Electric Power Corporation decided to operate the power generation and transmission business on its own after the Kin Power Plant started operations in 1965.



General meeting for establishment



Impedance

1976 Integration of electricity business

Immediately after Okinawa's return to Japan, the electricity business in Okinawa Prefecture continued to be based on the so-called “one power, five power distribution” power supply system, which consisted of our company, which mainly handled power transmission, and five companies that mainly handled power distribution. In 1976, we acquired the assets and liabilities of the five power distribution firms and unified the electricity business in Okinawa.



Merger agreement signing ceremony



Article on centralization

1994 Diversifying fuels by introducing coal-fired power generation

The necessity to build coal-fired power plants to establish a management system that would not be impacted by the oil scenario increased as a result of the oil shock. At that time, our company lacked sufficient financial resources, construction experience, and know-how, so in 1986, Electric Power Development Co., Ltd. built a coal-fired power plant.

Subsequently, in 1994, our company's first coal-fired power plant, the Gushikawa Thermal Power Plant, and in 2002, the Kin Thermal Power Plant, began operation, significantly improving energy security and providing highly economical fuel. This has greatly contributed to improving our bottom line, including reducing electricity prices by about 40%.



Kin Thermal Power Plant



Gushikawa Thermal Power Plant

Up to 1972

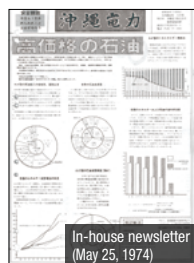
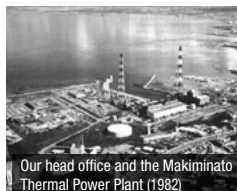
1973

1976

1988

1989

1994

In-house newsletter
(May 25, 1974)Our head office and the Makiminato
Thermal Power Plant (1982)

1973 Oil shock

The first oil shock occurred in 1973 as a result of the Fourth Middle East War. The government issued administrative directives to cut oil and power use by 10%, which had a significant impact on the social economy of Japan.

During the second oil shock in 1979, we were concerned that our business, which relies 100% on oil for power, would collapse. As such, we decided to raise electricity rates twice in 1980, but fell into insolvency in the same year. Discussions about introducing coal-fired power generation to reduce our company's complete reliance on petroleum were accelerated by the two oil shocks.

1988 Privatization

Due to insolvency caused by the previous oil crisis and the historical rise in electricity prices, the price differential with the mainland increased, and “securing a level of charges on par with mainland Japan” became an important management issue that could not be separated from privatization. From 1983, crude oil prices stabilized, and we were able to secure a level of charges comparable to that of the mainland due to improved income and expenditure conditions as well as achieve an increased degree of management stability against fluctuations in oil prices due to the construction of coal fired power plants by Electric Power Development Co., Ltd. In light of such a business environment, we achieved privatization on October 1, 1988.

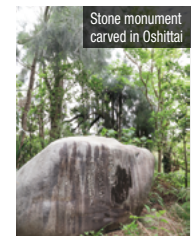


Privatization commemoration ceremony

1989 Electrification of all islands realized

Eight areas in Okinawa (one main island and seven remote islands) were not supplied with electricity by our company even after it was established. The electrification of Okinawa's main island was achieved in 1982 after inhabitants of Genka, Nago City (common name: Oshittai), which was the sole unserved location on the main island, filed a petition.

Municipalities supplied power in the unsupplied areas of remote islands with private power generation, but in 1989, the entire island of Okinawa, including the remote islands, was electrified, realizing universal service.

Article on the electrification
of all islandsStone monument
carved in Oshittai

2003 Miyako Island struck by Typhoon No. 14

On September 10 and 11, 2003, Typhoon No. 14, a violent typhoon with a maximum instantaneous wind speed of 74.1 m/s, hit Miyako Island, causing extensive damage to our facilities, including 882 damaged and collapsed electric poles, 125 damaged transformers, 915 broken distribution lines, and 3 collapsed wind power generation facilities, resulting in about 21,400 households, or 98% of the area under the jurisdiction of Miyako Branch, losing power.



Nacelle of the collapsed
Nanamata Windmill No. 1



Continuous collapse of power poles

2009 Introduced Japan's first tiltable wind power generation system

Our company introduced Japan's first tiltable wind power generation technology in 2009 with the goal of limiting CO₂ emissions and reducing fuel costs at our remote island power plants to realize a low-carbon society.



Tilttable Wind Power
Generation System (Hateruma)

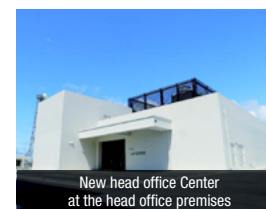


Hateruma Tilttable Wind Power Generation
System installation ceremony

波照間可倒式風力発電設備 併入式

2015 Started comprehensive energy services

In the Okinawa energy market, where new energy demand is expected to increase due to large-scale development of urban areas such as former U.S. military bases, our company began its progress as a comprehensive energy provider with the start of the gas business by Progressive Energy Corporation (PEC) in 2015. Our company also entered the energy services business by establishing Reliance Energy Okinawa, Inc. (REO) in 2017.



New head office Center
at the head office premises



REO inauguration press conference



Makimino LNG Supply Center

2003

2009

2012

2015

2020

2022

2012 Yoshinoura Thermal Power Plant start of operations

Unit 1 of the Yoshinoura Thermal Power Plant, which was our company's first plant to use liquefied natural gas (LNG), began operation in November 2012, and Unit 2 began operation in May 2013.

In addition to ensuring a stable supply system that can cope with increasing demand, our company has been able to reduce CO₂ emissions by using environmentally friendly LNG as fuel, and further improve energy security by diversifying fuels.



Yoshinoura Thermal Power Plant



Supply from LNG carrier



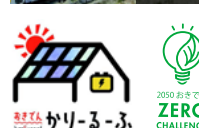
Partnership agreement
with Okinawa Prefecture



Biomass mixed firing
at Kin Thermal Power Plant



KarE-roof



2020 2050 zero emissions declaration

To achieve net-zero CO₂ emissions by 2050, our company formulated a roadmap for the next 30 years by setting up two pillars: "Mainstreaming of renewable energy" and "Reducing CO₂ emissions from thermal power plants". We have also implemented various measures, such as developing the PV-TPO business "KarE-roof", expanding the usage of LNG, and mixed firing of woody biomass in coal-fired power plants.

We are also working with industry, academia, and government to realize carbon neutrality in Okinawa Prefecture working together with the customer side.

2022 New head office completed

Our new head office was completed on the 50th anniversary since our founding. Based on the concept of a comfortable working environment for both officers and employees, it is designed to be disaster-resistant and safe, with a strong emphasis on BCP. In addition, the building receives power and heating/cooling energy from the adjacent energy center, and it began operation as a symbolic office building for a comprehensive energy services company.



New head office

Corporate Profile

Corporate Overview of OEPC

Company Name	The Okinawa Electric Power Company, Incorporated (OEPC)
Headquarters Address	5-2-1 Makiminato, Urasoe City, Okinawa Prefecture, 901-2602 TEL: +81-98-877-2341 (Main phone)
Description of business	Electricity business
Share capital	7,586 million yen
Company establishment	May 15, 1972
Total number of shareholders	18,833 people
Total number of issued shares	56,927 thousand shares
Total assets	(Non-consolidated) 458.330 billion yen (Consolidated) 498.671 billion yen
Electricity sales	Total electricity sales 6.965 billion kWh Lighting 2.714 billion kWh Power 4.251 billion kWh
Sales	(Non-consolidated) 225.609 billion yen (Consolidated) 236.394 billion yen
Employees	1,504 (Consolidated: 3,079)

*Results as of March 31, 2024 and FY2023

Ratings

Rating agency	R&I	S&P	Moody's
Rating	AA	A+	A1

* Ratings on long-term preferred debts as of September 30, 2024

OEPC Group List

Construction



Okidenko Company, Limited

TEL. 098-835-9888



Okinawa Enetech Company, Incorporated

TEL. 098-879-9031



Okisetsubi Company, Limited

TEL. 098-835-9893

Electric utility related



Okiden Kigyo Company, Limited

TEL. 098-876-0270



Okinawa Plant Kogyo Company, Incorporated

TEL. 098-876-2535



Okinawa Denki Kogyo Company, Incorporated

TEL. 098-929-1255

Information and communication



The Okiden Global Systems Company, Incorporated

TEL. 098-885-9709



FRT, Incorporated

TEL. 098-942-6609

Overseas business



SeED Okinawa LLC

TEL. 098-877-2341
(inside OEPC Business Development Dept.)

Real estate



Okiden Kaihatsu Company, Incorporated

TEL. 098-878-3966

Renewable energy



Okinawa New Energy Development Company, Incorporated

TEL. 098-923-2212

Tida Energy Okinawa LLC

TEL. 098-877-2341
(OEPC Carbon Neutrality Promotion Division, Environment Department)

Gas supply and distributed power supply



Progressive Energy Corporation

TEL. 098-943-6560

Energy service



The Reliance Energy Okinawa, Incorporated

TEL. 098-955-8456

Other Business



Quetech Company, Incorporated

TEL. 070-5815-0939



Okiden CplusC Corporation

TEL. 098-870-9610

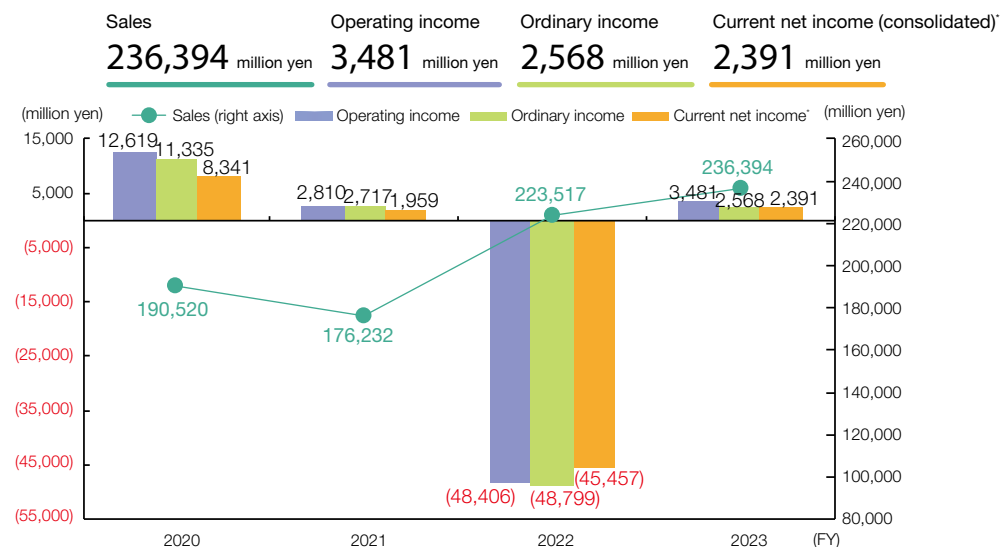
Learn more about
the OEPC Group



Financial Data

[Consolidated]

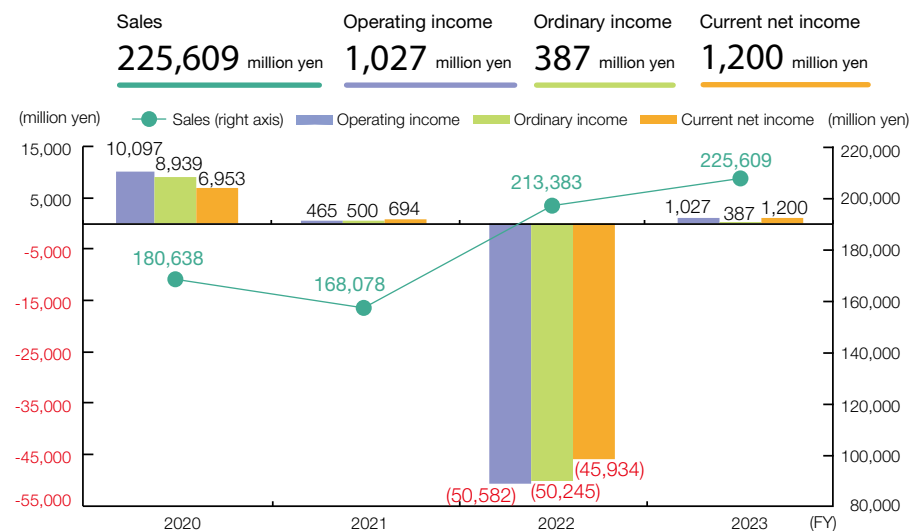
Sales, operating income, ordinary income, and current net income*



* Profit attributable to owners of the parent

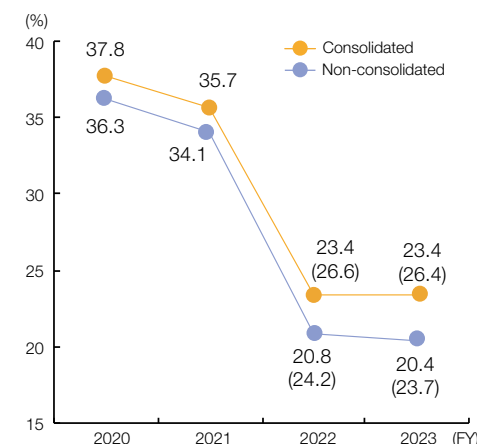
[Non-consolidated]

Sales, operating income, ordinary income, and current net income



Equity ratio

Consolidated: 23.4 % (26.4%)
Non-consolidated: 20.4 % (23.7%)

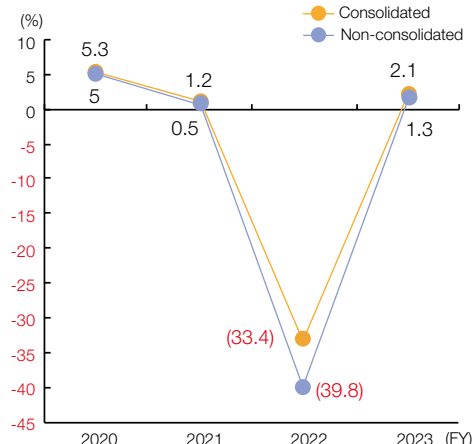


* Own capital ratio = Own capital/Total assets

* () is , of the 30 billion yen in outstanding hybrid bonds, 50% is held as equity capital.

ROE (Return on Equity)

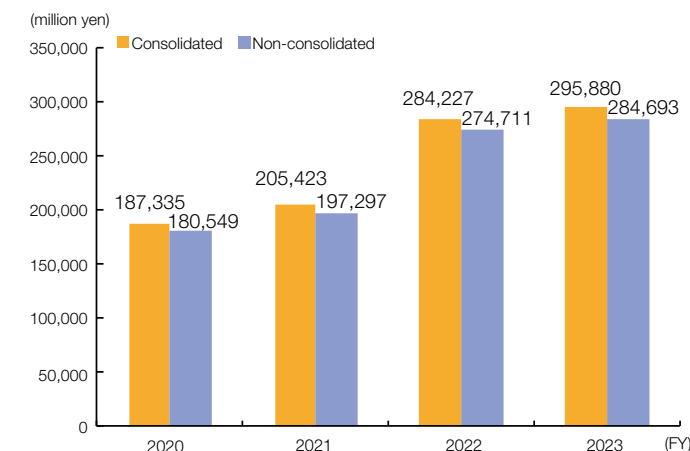
Consolidated: 2.1 %
Non-consolidated: 1.3 %



*ROE (Return on Equity) = Current net income/own capital

Interest-bearing debt outstanding

Consolidated: 295,880 million yen
Non-consolidated: 284,693 million yen



Value Creation Process

The OEPC Group Vision OEPC Corporate Mission

Business Environment Surrounding the Group

The OEPC Group Vision (What the OEPC Group Aims To Be)

With our comprehensive energy business as the core, we aim to create new value through services to support life and business support. As a business group with a sense of solidarity, growing and developing hand-in-hand with the community, we will contribute to the realization of a sustainable society.

Important Management Issues (Materiality)

Invested capital

Principles Business activities

Value Creation

Empowering Okinawa through energy business ~Energise Okinawa~

- Stable energy supply and enhanced resilience
- Initiatives to become carbon neutral in Okinawa's unique environment
- Providing value that exceeds customer expectations
- Strengthening governance and ensuring compliance
- Contributing to local communities
- Creating human resources that take on the challenge of creating new value
- Respect for human rights and diversity
- Improving competitiveness and strengthening the management base

Human resources	Employee strength/Organizational strength	
	· High sense of mission for stable energy supply	
	· Ability to make proposals as a comprehensive energy provider	
	· Investment in human resources	
	Number of Group employees	3,079

Finance	Total assets	
		498.671 billion yen

Production	Generating facilities	2,210,895 kW
	Transmission facilities	1,246 km
	Distribution facilities	11,352 km

Intellectual property and technology	Knowledge, expertise, and technical capability for continued and consistent delivery of energy	
	· Power grid stabilization technology for small scale systems	

Connection to society	Relationship of trust with the community	
	No. of Okiden more-E members:	
		Approx. 99,808

Abundant tourism resources	Beautiful clear blue sea Okinawa's rich nature is registered as a world natural heritage site	
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Take on challenges in new fields



The OEPC Group Mid-Term Management Plan 2025

Infrastructure to support sustainable value creation

E (Environmental)

Initiatives to reduce environmental impact

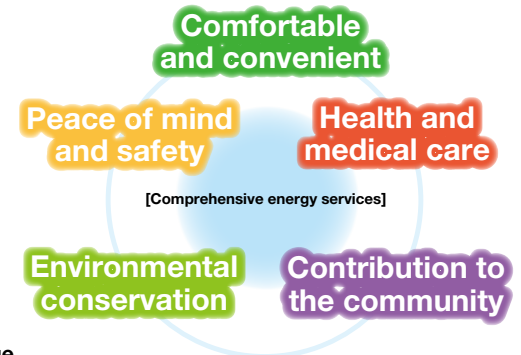
S (Social)

Contribution to the community and society, human resources, safety and health

G (Governance)

Strengthen governance

CSR Charter



We aim to become a company that our customers trust and select by creating new value in addition to stably supplying low-cost and high-quality energy.



We will practice efficient business management, aim for sustainable growth, and strive for the timely and appropriate disclosure of information.



Based on the basic management stance, "value our staff and help them grow", we will respect the diverse values and individuality of our human resources and strive to enable them to play an active role in various departments.



We will strive to procure materials and equipment of superior safety and quality while emphasizing compliance with laws, regulations, and social norms, establishing a relationship of mutual trust.



Under the corporate slogan of "With the community, for the community", we will contribute to the creation of a prosperous and vibrant future for Okinawa.

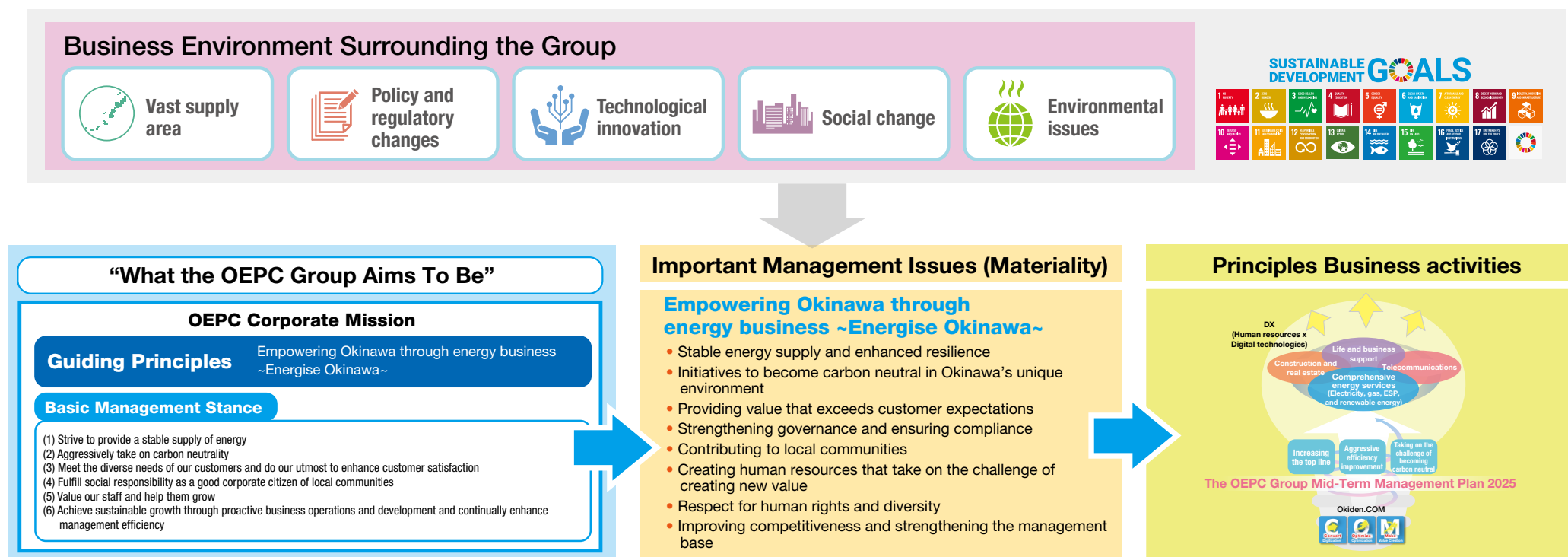


We will utilize the technology we have cultivated so far and work to balance a stable supply of energy and global warming countermeasures.

Important Management Issues (Materiality)

Systems for materiality, etc.

Our company has identified important management issues (materiality) based on our corporate mission, Group vision, the surrounding business environment, etc. To solve these issues, we are promoting initiatives to achieve both sustainable improvement of corporate value and the resolution of social issues based on the OEPC Group Medium-Term Management Plan 2025. We will continue to gather the wisdom of our executives and employees, incorporating it into concrete plans to accelerate various initiatives.



Materiality identification process

STEP ① Extract issues

Taking the surrounding business environment into account, we analyze trends and relationships with stakeholders to identify and extract issues for each basic management direction.

STEP ② Assess issues

Issues are assessed and classified from the perspective of “whether they are of high importance to stakeholders” and “if it is an issue that needs to be prioritized and focused on in order to achieve the company’s targets and what the Group aims to be”.

STEP ③ Validation


























The validity of each issue is verified based on comments from management, including outside officers, and investors.

STEP ④ Identify important issues

Important issues (materiality) are identified through discussions by management.

Important Management Issues (Materiality)

Empowering Okinawa through energy business ~Energise Okinawa~

Important Issues (Materiality)		Major Initiatives	Goals/Indicators		FY2023 Results	Target Year(s)	(Reference) Basic Management Stance	(Reference) Corresponding SDGs
Stable energy supply and enhanced resilience	S	<ul style="list-style-type: none"> ○ Construction, operation, and maintenance of facilities for a stable supply ○ Stable and inexpensive procurement of fuel ○ Initiatives for early recovery from intensifying natural disasters 	Planned renovation of aging facilities, etc.	Concrete poles: approx. 4,000 Power distribution cables: approx. 5 km	Concrete poles: approx. 870 Power distribution cables: approx. 1 km	5-year total (2023–2027)	1. Strive to provide a stable supply of energy	  
			Measures of utility pole removal	Distribution line length of which poles are removed: approx. 29 km	Approx. 5 km			
			Annual number of power outages for low-voltage (lighting) customers *Excluding external factors such as natural disasters and power outages due to work	13 MWh or less	16MWh	(2023–2027)		
Initiatives to become carbon neutral in Okinawa's unique environment	E	<ul style="list-style-type: none"> ○ Promotion of carbon neutrality through "Just Transition in the Okinawa area" <ul style="list-style-type: none"> • Mainstreaming of renewable energy • Reduction of CO₂ emissions from thermal power plants • Promoting electrification 	Reduce CO ₂ emissions from power sold (compared to FY2005)	30% reduction	24% reduction	2030	2. Aggressively take on carbon neutrality	    
			New development of renewable energy	100,000 kW	+ approx. 10,000 kW			
Providing value that exceeds customer expectations	S	<ul style="list-style-type: none"> ○ Providing rate plans and value of electricity plus α that further enhances customer satisfaction ○ Creation of new value through new businesses 	Ratio of deregulated rate service plans	50% of electricity sales (kWh) for lighting	37%	2025	3. Meet the diverse needs of our customers and do our utmost to enhance customer satisfaction	
			Expand the CO ₂ -free service plan	sales of all non-FIT and non-fossil certificated electricity	71%	2030		
			Increase satisfaction with the membership site "Okiden more-E"	Total number of members: 150,000	Total number of members: 99,808 (achievement rate: 66.5%)	2025		
Strengthening governance and ensuring compliance	S	<ul style="list-style-type: none"> ○ Thorough compliance ○ Ensuring the neutrality and reliability of the network department ○ Strengthening cybersecurity measures ○ Steady promotion of CSR activities in local communities 	Number of serious compliance violations	0	0	Every fiscal year	4. Fulfill social responsibility as a good corporate citizen of local communities	          
			Number of serious information security incidents	0	0	Every fiscal year		
			Conduct training to ensure network neutrality and reliability	Training through e-learning	Confirm the participation of all eligible	Every fiscal year		
			Promote marine plastic measures (beach and river cleanup activities)	30 times	90 times	Every fiscal year		
Creating human resources that take on the challenge of creating new value	S	<ul style="list-style-type: none"> ○ Developing and promoting new human resources strategies that enable a diverse range of human resources to flourish and grow ○ Promoting management with respect for human rights 	Percentage of women in management positions	1.5 times (compared to FY 2019)	1.21 times (compared to FY 2019)	2025	5. Value our staff and help them grow	   
			Employment rate of people with disabilities	2.7%	2.76%	2025		
			Online learning rates	100%	Scheduled to start in FY2024	2025		
Improving competitiveness and strengthening the management base	S	<ul style="list-style-type: none"> ○ Further growth and development of the Group's businesses centering on comprehensive energy services ○ Initiatives for rebuilding the financial base ○ Promotion of "Okiden.COM" initiatives (improve operational efficiency and create new value through DX) 	Financial targets	Ordinary profit: 12 billion yen (Electricity business:Group business = 2:1)	2.5 billion yen	2025	6. Achieve sustainable growth through proactive business operations and development and the continual enhancement of management efficiency	
				ROE 5% or more	2.1%			
				Equity ratio 25%	23.4% [26.4%*]			

*Of the 30 billion yen in outstanding hybrid bonds, 50% is held as equity capital.

2 Initiatives for Value Creation by the OEPC Group



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The OEPC Group Vision

What the OEPC Group Aims To Be

With our comprehensive energy business as the core, we aim to create new value through services to support life and business. As a business group with a sense of solidarity, growing and developing hand-in-hand with the community, we will contribute to the realization of a sustainable society.

Basic management stance

1 Strive to provide a stable supply of energy

2 Aggressively take on carbon neutrality

3 Meet the diverse needs of our customers and do our utmost to enhance customer satisfaction

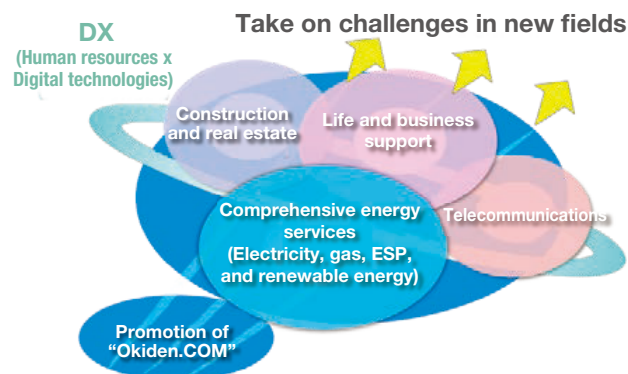
4 Fulfill social responsibility as a good corporate citizen of local communities

5 Nurture and value people

6 Achieve sustainable growth through proactive business development and continually enhancing management efficiency

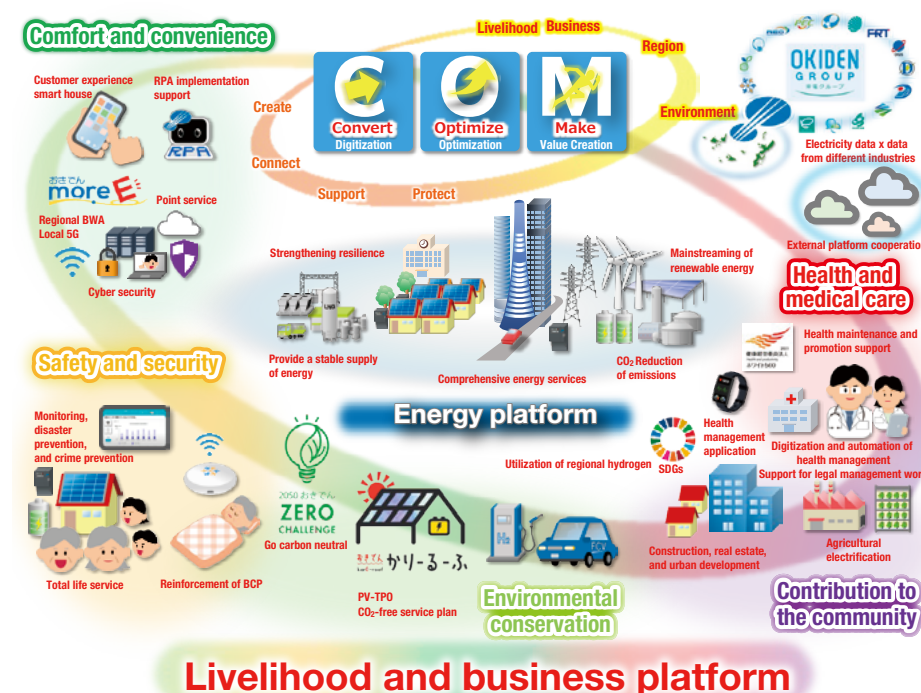
Business fields

With the comprehensive energy business at its core, the OEPC Group will expand its business fields by further developing businesses in construction and real estate, information and communications, and support for life and businesses. We will also leverage the strengths of the OEPC Group to develop new businesses.



Long-term vision for the future

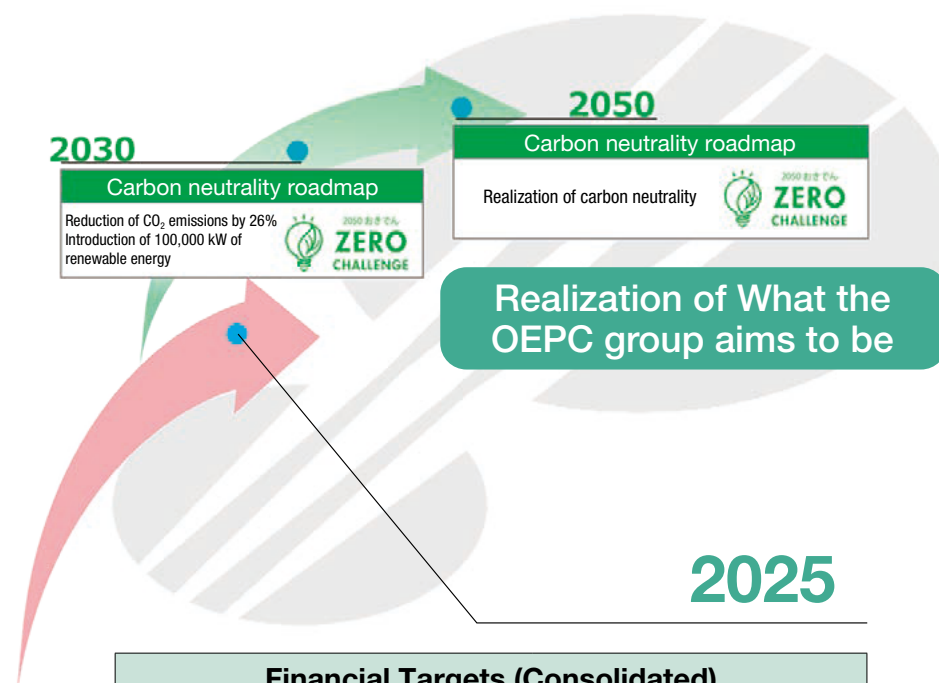
- The OEPC Group will work together as a group through the initiatives of “Okiden.COM” to “create, connect, support, and protect” Okinawa’s “livelihood, business, community, and environment” and continue to provide value that contributes to “peace of mind and safety”, “comfort and convenience”, “health and medical care”, “contribution to the community”, and “environmental conservation”.
- We will contribute to the realization of a sustainable society through total life services that support the lives of the people of Okinawa while creating new value that meets the diverse needs of life and business.



Management Goals

Positioning of Medium-Term Management Plan (2025)

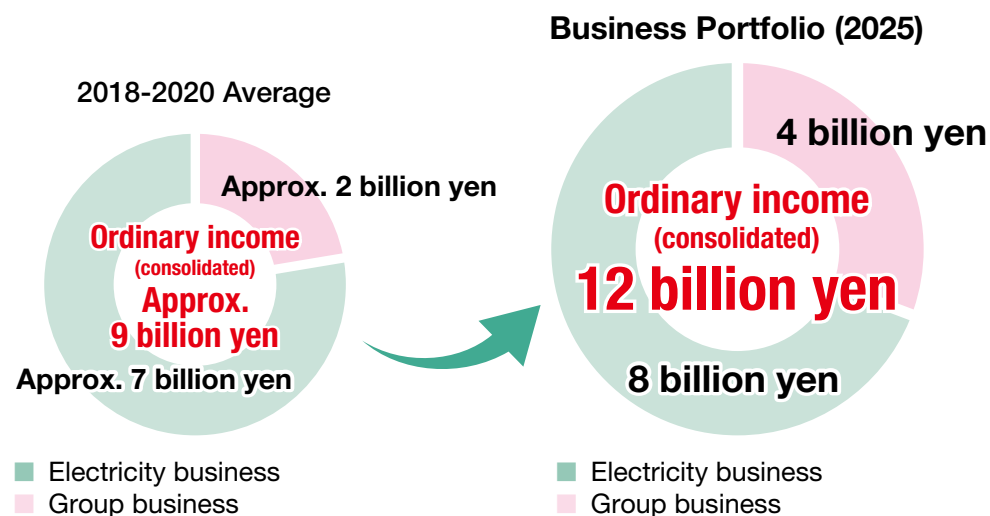
To realize our vision, the Mid-term Management Plan (2025) has been compiled as an action plan of our policies and goals to be implemented until FY2025.



Financial Targets (Consolidated)	
Ordinary income	12 billion yen or more
ROE (Return on Equity)	5% or more
Equity ratio	25%

Financial targets and business portfolio

- The entire Group will work together to realize what we aim to be, striving to achieve financial goals.
- With comprehensive energy businesses such as the gas supply business, ESP, etc., at its core in addition to the electricity business, the entire Group aims to grow by developing and enhancing the construction and real estate, information and communications, and life and business support businesses.



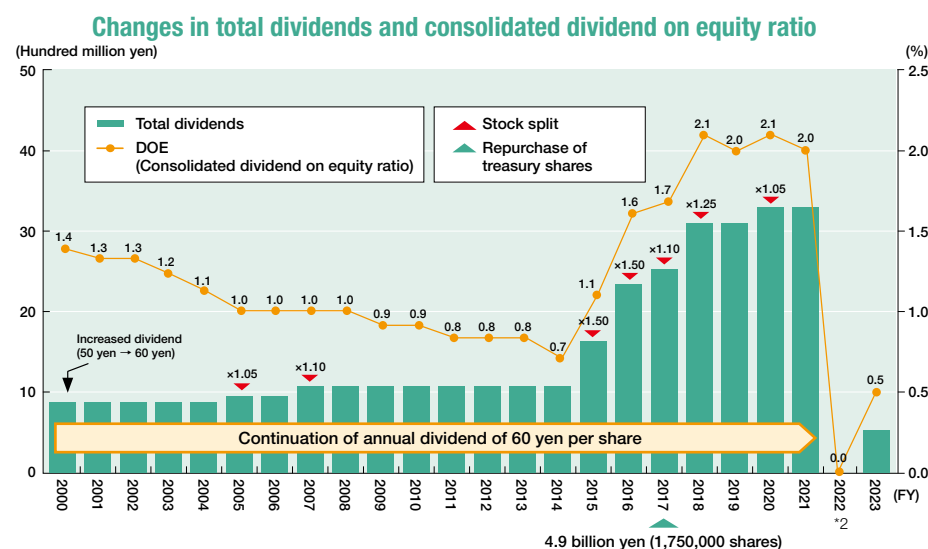
Effective Utilization of Management Results

Concept of investment

- The basic mission of the OEPC Group is to provide stable energy to customers and contribute to the development of local communities and economies in Okinawa.
- **Investment for stable power supply**
With regard to facilities necessary for stable supply, we will steadily implement investments to maintain and build facilities appropriately and efficiently, while reducing overall facility-related costs.
- **Investment for carbon neutrality**
In order to achieve carbon neutrality, we will promote realistic and effective investment in cooperation with the national government, prefectural government, and other businesses based on policies and financial support.
- **Investment in growth sectors**
In order to ensure the growth of the entire Group, we conduct appropriate risk management by means of a PDCA cycle based on a regular assessment of the quantity of risks involved, and then make investments for business development.

Basic policy on shareholder return

For the distribution of profits, our company will maintain a “consolidated dividend on equity ratio (DOE) of at least 2.0%” based on a “stable and continuous dividend” policy.*1



*1 The basic policy on shareholder returns is as described above. However, due to the significant loss in FY2022 and the substantial damage to the financial base, we have set the three-year recovery period up to FY2025 as a period for focusing on restoring the financial base. During this period, we will gradually raise the dividend level and aim to return to the previous dividend level after completion of the recovery period. The dividend amount for each fiscal year will be determined taking into consideration the balance between restoring the damaged financial base and shareholder return.

*2 In FY2022, due to extremely difficult earnings conditions, we decided not to pay interim or year-end dividends.

Relationships with shareholders and investors

General Meeting of Shareholders

Our company holds the general meeting of shareholders in June every year so that shareholders can resolve important matters related to management. Shareholders who are unable to attend the meeting in person can exercise their voting rights in advance by mail or online and can watch the general meeting of shareholders through a live stream.



IR (investor relations) activities (FY2023 results)

In addition to holding financial results briefings and small meetings for institutional investors and analysts, we also hold visits by management to reflect as many opinions as possible in our business activities. In order to improve the convenience for participants, financial results briefings have been held in a hybrid format, both in-person and online, since FY2021.

- Financial results briefings (Twice a year): A total of 113 people attended (both in-person and online)
- Small meetings for analysts: 5 people attended
- Briefing session for individual investors in the prefecture: 178 individuals attended
- Visiting activities: Two visits to a total of 11 companies in Japan
- Other activities: Conducted a total of 18 online interviews

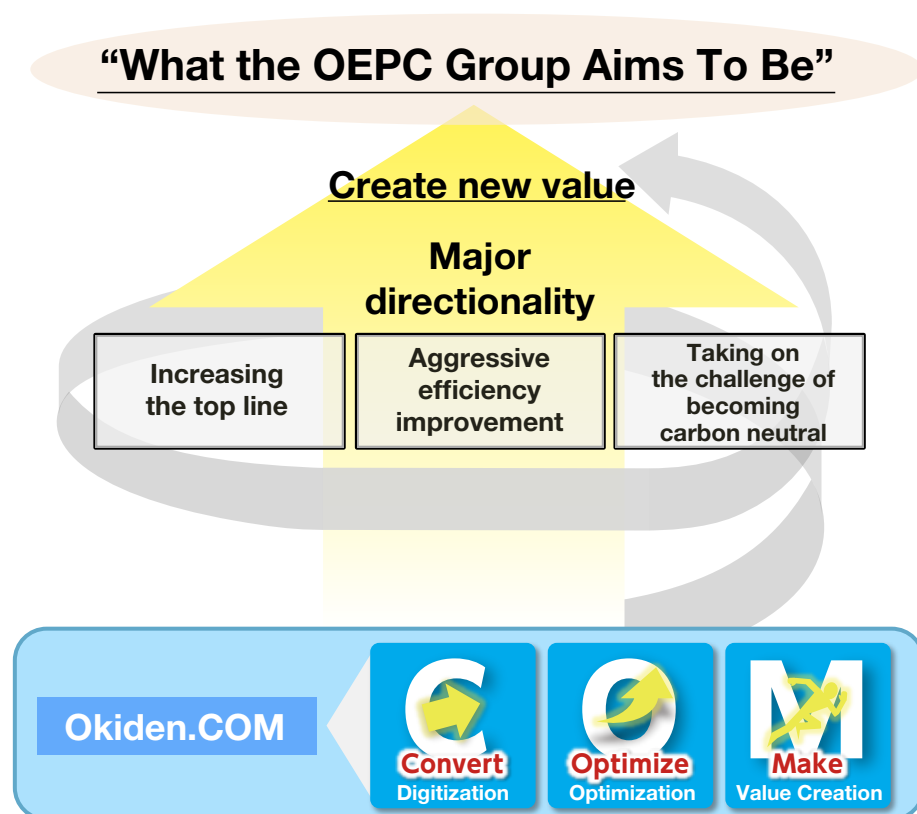


▲ President Motonaga at the financial results briefing

Directionality of the Medium-Term Management Plan Initiatives

Directionality of initiatives to realize “What the OEPC Group Aims To Be”

To realize “What the OEPC Group Aims To Be”, we will promote “Increasing the top line”, “Aggressive efficiency improvement”, and “Taking on the challenge of becoming carbon neutral” under the concept of “Okiden.COM”, and continue to provide customers with new value of energy plus α .



Concept of initiatives to achieve goals (Concept of “Okiden.COM”)

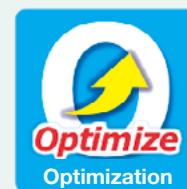
We will promote initiatives based on the “Okiden.COM” concept to create new value and achieve “What the OEPC Group Aims To Be” and management goals.



Convert (Digitization)

“Give it a try and change”

Promote DX and review business processes to transform cost structures, sophisticate operations, and further improve efficiency



Optimize

“Connect and be connected”

Strengthen and further optimize business collaboration within and outside the Group from a broad perspective of the entire supply chain



Make (Value creation)

“Creating value”

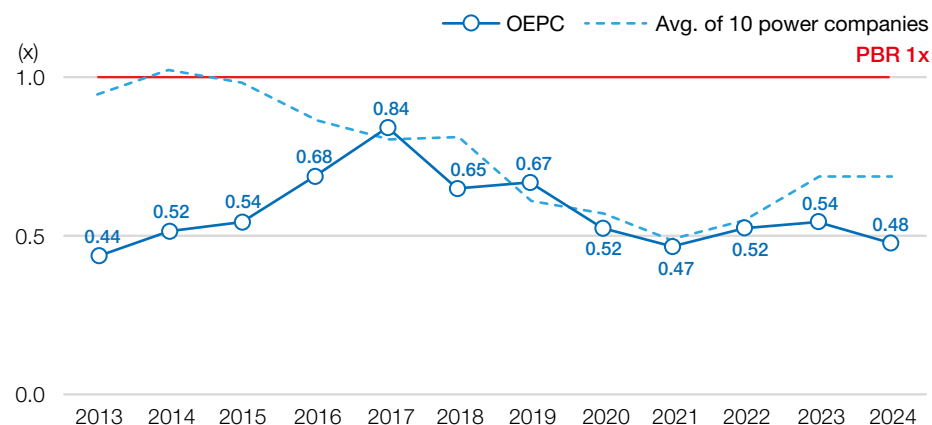
Aim to create new value and enhance competitiveness under the concept of “Okiden.COM”

Action to Implement Management that is Conscious of Cost of Capital and Stock Price

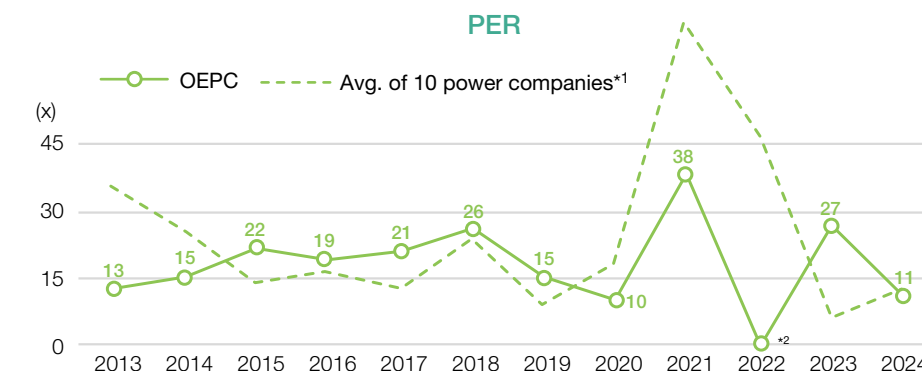
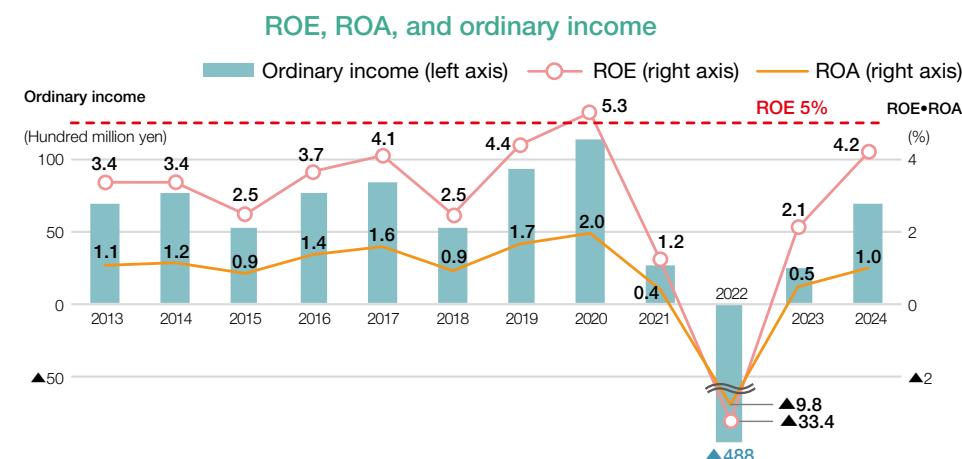
Analysis of current situation to implement management that is conscious of cost of capital and stock price

We established The OEPC Group Medium-term Management Plan 2025 in 2022, and have been promoting initiatives to provide new additional value on top of energy through increasing the top line, aggressive efficiency improvements, and taking on the challenge of becoming carbon neutral. Going forward, we believe it will be necessary to strengthen our efforts to increase capital efficiency in light of changes in the external environment, etc.

Company PBR



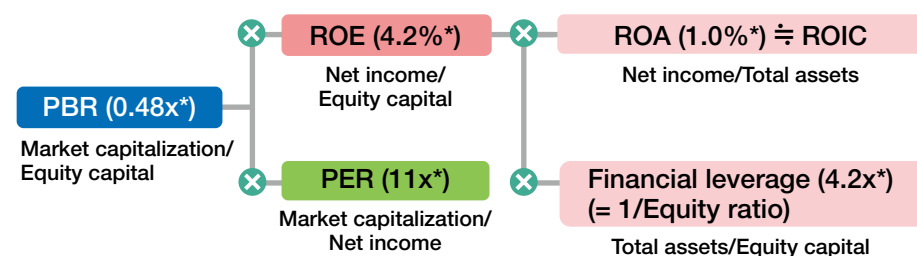
Changes in PBR factors (ROE (ROA), PER)



*1 Fiscal years with net losses are excluded from the calculations for the 10-company average

*2 As we had a net loss for the fiscal year, our value for FY2022 is shown as zero

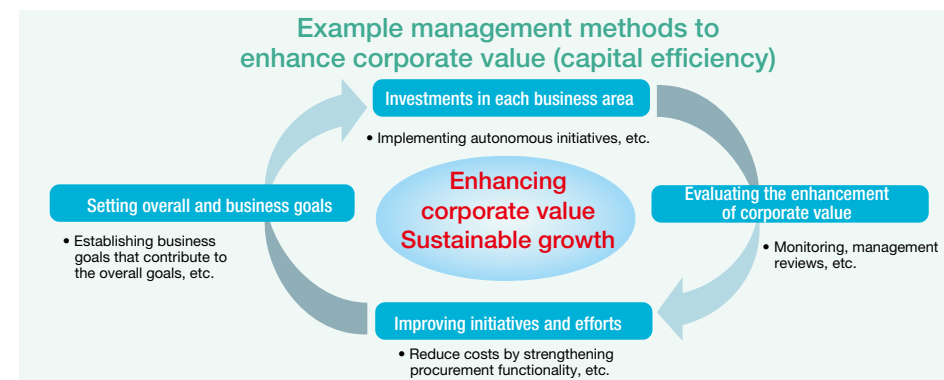
PBR factorization (current OEPC level*)



* Stock price: As of September 30, 2024, Net income per share: FY2024 performance forecast (as of July), Net assets per share: As of the end of FY2023

Examination of management methods to enhance corporate value

Given Okinawa's potential for growth, we believe that investment in both new and existing businesses, including the electricity business, will continue to expand in the future. In order to achieve sustainable growth for the Group as a whole, we will place greater emphasis on capital efficiency and manage our operations to enhance corporate value (capital efficiency) while ensuring overall profitability that exceeds cost of capital. Each business unit will set performance goals based on the characteristics of the business that contribute to the overall goals, and will establish systems that allow for autonomous management.



Current initiative policy for enhancing corporate value and achieving sustainable growth

For the time being, we will continue our efforts to improve capital efficiency and increase profits in growth businesses and Group businesses based on the electricity business. Going forward, we will strive to enhance corporate value and achieve sustainable growth by pursuing the potential for growth in each business and enhancing market dialogue through shareholder returns and IR activities.

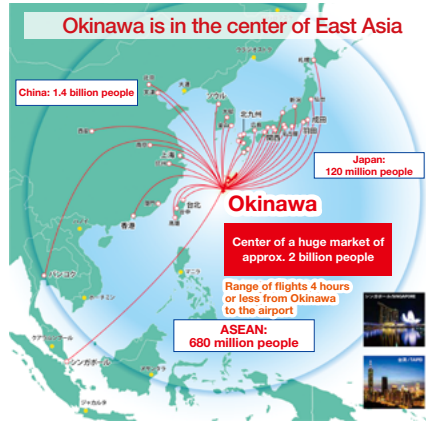
Aim: Enhance corporate value and achieve sustainable growth

Issue ⇒ Direction of Response		Targets, KPIs, etc.	Major Initiatives
Improve ROE	Improve ROA	0.9-2.0% (2013-2021) • Increasing the top line • Aggressive efficiency improvement • Improving capital profitability	• Provide the value of electricity plus α (point service, CO ₂ -free service plan, etc.) • Create new value (Promote KarE-roof combined with All-electric, develop Mimamori Service, etc.) • Develop demand along the route by laying gas pipelines • Develop business Group-wide (Proposals in line with customer needs, such as comprehensive energy services and energy conservation, promotion of energy business outside the region, etc.) • Increase the top line by promoting CRE strategies • Initiatives to expand the number of fuel suppliers • Steadily implement and establish the Value Engineering Proposal Solicitation System • Optimize fuel and other inventories
	Financial base	Financial base impaired due to large deficit Equity ratio 35.7%→23.4% (2021) (2022) • Restoring the financial base • Optimal capital structure	
Improve PER	Improve market valuation	No dividend since stock listing (FY2022) • Consistent and sustainable shareholder returns • Earn confidence regarding future growth and profitability • Earn recognition for decarbonization efforts • Create fundamental human resources, maximize individual capabilities	• Restore the financial base and implement profit distribution that balances investment and shareholder returns • Financial results briefings for institutional investors • Individual dialogues regarding stewardship • Company briefings for individual investors • Enhance various media and explanatory tools
		Establishment of a sustainable growth strategy in response to environmental changes • Consistent and sustainable shareholder returns • Earn confidence regarding future growth and profitability • Earn recognition for decarbonization efforts • Create fundamental human resources, maximize individual capabilities	

Long-term growth potential of Okinawa

Centered in East Asia, Okinawa has a geographical advantage and is attracting attention as a business base for capturing huge markets in Asian countries. Taking advantage of Okinawa's strengths, in addition to economic growth, we are aiming for sustainable growth and development of the OEP Group as a whole.

Okinawa's strengths



Source: Okinawa Prefecture Industrial Site Guide

- **Urban development**
Approx. 1,000 hectares (about the same as Chuo Ward, Tokyo) to the south of Kadena Air Base are expected to be returned

Revitalizing the northern section of the main island (Theme park to be opened in 2025)

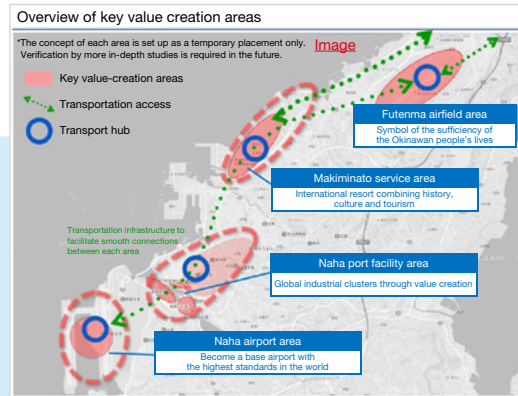
JUNGLIA: Approx. 60 ha
(Tokyo Disneyland: 51 ha)



Source: JUNGLIA homepage

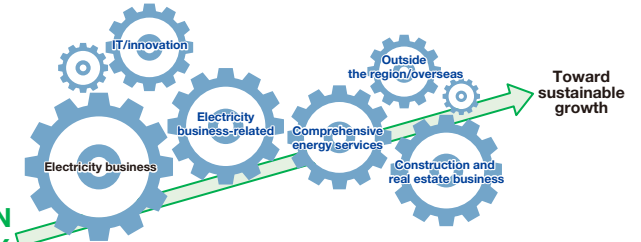
GW2050

Through the integrated use of returned sites and the strengthening of the functionality of Naha Airport, the aim is to develop Okinawa's economy so that it truly leads Japan as a "gateway open to the world."



Source: GW2050 PROJECTS Promotion Council press release

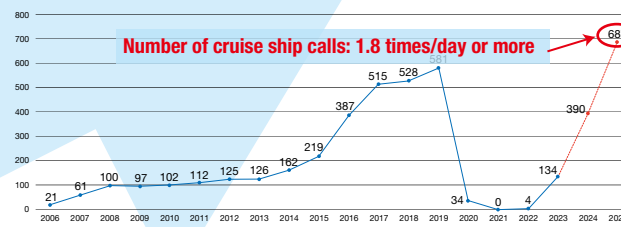
Sustainable growth and development of the OEP Group



• Tourism-related

- The number of inbound visitors is expected to return to pre-pandemic levels of 10 million per year.
- The number of hotel rooms has hit an all-time high (63,497 rooms in FY2023)
- Number of cruise ship calls: A record high of 687 (FY2024)

Number of cruise ship calls to Okinawa

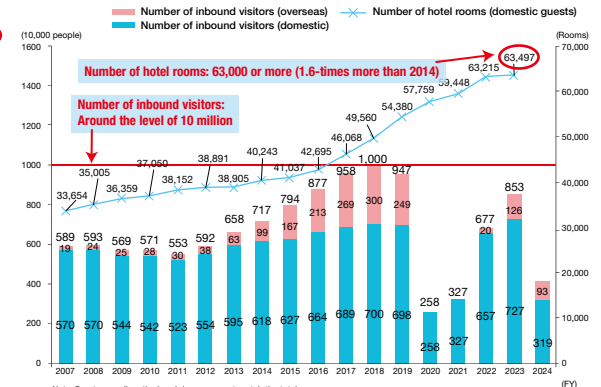


* Until 2022, this figure was based on the "2023 OKINAWA Cruise Report" of the Okinawa General Bureau of the Cabinet Office. 2023 of the graph was based on the Naha Port Authority and the cruise ship port schedules for Okinawa Prefecture, Miyakojima City, and Ishigaki City, while 2024 of the graph was based on information from the Ministry of Land, Infrastructure, Transport and Tourism.



Photo source: The Okinawa Times, The Nikkei

Number of inbound visitors and hotel rooms



Note: Due to rounding, the breakdown may not match the total.
Sources: Okinawa Prefecture "Tourism Outline", "Entry into An Area Tourist Statistical General Condition" and "2022 Accommodation Facility Survey Results"

Initiatives for Each Business: Electricity Business

• Directionality of initiatives

- ① OEPC will take initiatives to achieve the group's fundamental mission of maintaining a stable supply of energy even in the midst of competition.
- ② We will promote initiatives to work toward carbon neutrality.
- ③ Based on the concept of "Okiden.COM", we will promote thorough cost reductions, provide electricity plus additional value while reviewing our business model, and pursue improvement in the profitability of the electricity business.
- ④ OEPC will promote the establishment of infrastructure that gives each business sector the autonomous and flexibility to operate independently.

Power generation business

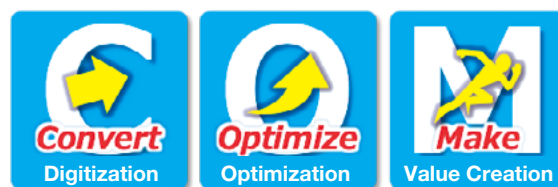
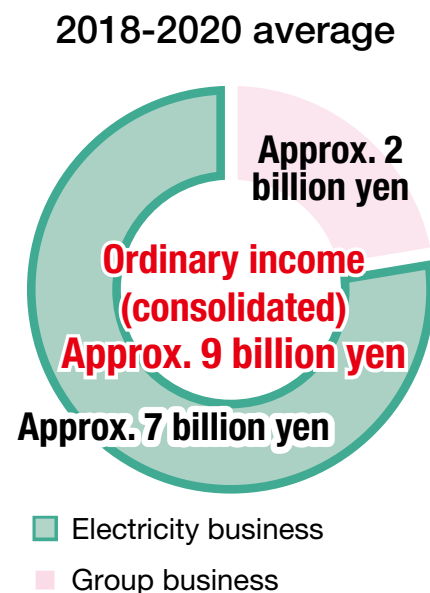
To ensure a stable supply of energy, we will establish future power source development plans, and pursue the construction, operation, and maintenance of facilities, including outdoor facilities as well as main machinery.

Power transmission and distribution business

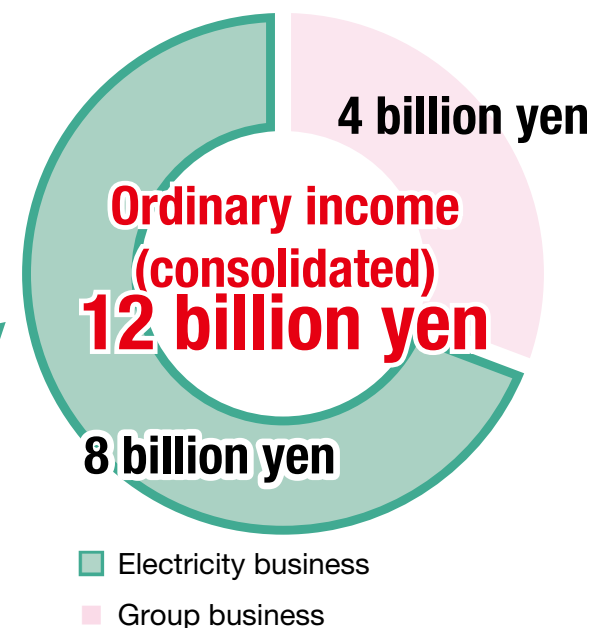
We will ensure an appropriate profit level while maintaining a stable supply of electricity and make appropriate and efficient facility structures and capital investments for the future renewal of aging facilities and the next generation of electric power networks.

Retail business

Amid a rapidly changing competitive environment, we will strive to thoroughly improve efficiency to improve our bottom line. In order to continue to be a company chosen by customers, we will work to expand sales and strive to provide value that exceeds expectations by enhancing our ability to empathize with customers and propose solutions that exceed their expectations.



Business portfolio (2025)



Initiatives for power generation business

Fuel procurement

Liquefied natural gas (LNG) procurement

LNG procured from Australia is used as fuel for the Yoshinoura Thermal Power Plant and Makiminato Gas Engine Power Plant. LNG is a clean fuel that emits less CO₂ and contains no impurities compared to petroleum and coal. We are working to ensure stable procurement of LNG as it is an effective means of reducing our environmental footprint.

Fuel oil procurement

Fuel oil is procured mainly from domestic refineries in the form of heavy oil C, heavy oil A, light oil, and kerosene as fuel for the Makiminato and Ishikawa Thermal Power Plants, as well as power plants on remote islands. These fuel oils are procured stably through various means, such as oil tankers, trucks, and drums.

Coal Procurement

Coal is procured mainly from Indonesia and Australia as fuel for the Gushikawa and Kin Thermal Power Plants. We strive to reduce our environmental footprint, extend the life of ash treatment plants, and reduce fuel costs by using sub-bituminous coal, which has low sulfur and ash contents and a lower total cost, including transportation. We are making effective use of our dedicated coal carrier, "Shinryo Maru", built in March 2018, ensuring a stable and economical fare that is not affected by the chartered ship market.



▲ Receiving by LNG carriers



▲ Dedicated coal carrier "Shinryo Maru"

Electric power development

Based on the premise of a stable supply of electricity to the Okinawa area, we are planning the development of electrical power sources of appropriate types and capacities at the right timing to achieve the best mix of power sources, based on demand forecasts and comprehensively taking into account economic efficiency, environmental friendliness, safety, energy security, and the soundness of existing facilities.

Each of the main island thermal power generation facilities owned by our company plays an important role and their use will be continued for the time being. In order to further expand the use of renewable energy in the future, it is important to secure adjustable power sources that can respond to the renewable energy fluctuation.

We will consider expanding the use of LNG thermal power plants because they are excellent as a power source for adjusting power and also contributing to reducing CO₂ emissions. As part of our efforts to achieve zero emissions from thermal power generation facilities as a whole, we will continue to steadily consider optimization of the entire power supply structure while keeping an eye on fuel trend and government policies with a view to introducing clean fuels. On the other hand, for the Okinawa's remote islands with the small scale electricity demand, it is difficult to introduce large-scale cost efficient power plant, and diesel power must be used. In this circumstances, we are operating the Yoshinoura Thermal Power Plant, which use LNG to peak-out CO₂ emissions while elevating our energy security measures.

Characteristics of each power source in thermal power generation

	LNG Thermal Power Plants	Oil Thermal Power Plants	Coal Thermal Power Plants
Stable supply*	Relatively low geopolitical risk compared to oil	Geopolitical risk is high	Lowest geopolitical risk among fossil fuels
Economic efficiency*	More expensive per calorific value than coal	Highest unit price per calorific value	Lowest unit price per calorific value
Environment	Lowest greenhouse gas emissions among fossil fuels	Greenhouse gas emissions second to LNG	Large amount of greenhouse gas emissions
Operating characteristics	Easy to fluctuate output in response to changes in electricity demand	Easy to fluctuate output in response to changes in electricity demand	Moderate output fluctuation is possible

* In general, as mentioned above, stable supply and economic efficiency are affected by the global situation.

• Construction of facilities and maintenance of operations

To ensure a stable supply of electric power and protect the environment, by considering the operational status of power generation facilities and carrying out appropriate daily management, periodic inspections, and measures to prevent aging, we are working to improve the efficiency and sophistication of operations by constructing efficient equipment from a long-term perspective and utilizing digital technology.

Daily management includes safe and environmentally friendly operations while preventing accidents through early detection, prompt handling of failures through patrol and inspection, and monitoring equipment status.

For periodic inspection of power generation facilities, we have established a quality control system based on laws and ordinances and prepared an instruction manual (procedure manual) to ensure the quality of inspections, clearly defining inspection plans, inspection methods, inspection records, and procedures for preparing and approving corrective measures. We strive to maintain the reliability of the power generation facilities and ensure a stable supply of electric power by implementing these activities consistently.

Regarding aged facilities, long-term stable operations are enabled by implementing measures for aging to replace the facilities at the required time based on predictive maintenance and diagnostics for effective remaining life, thereby playing a role in the stable supply of electric power.

• Response to defects

We are working to reduce the number of unplanned outages of power generation facilities by preparing a manual on how to respond to the problems of power generation facilities (identifying the cause, taking action, implementing measures to prevent recurrence, and informing the concerned parties).

We promptly share information on failures received from other companies in the industry and take prompt action on related matters.

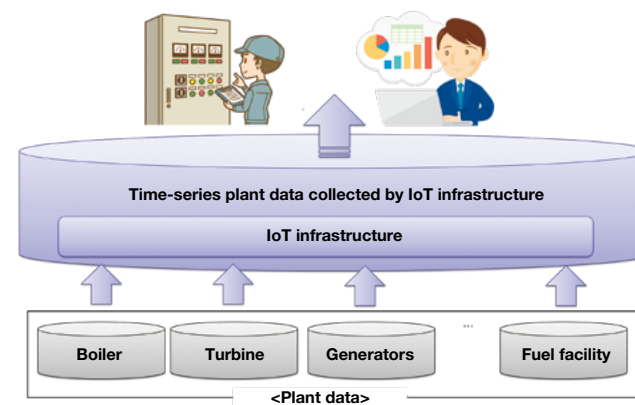
When the operations of power generation facilities are required to be stopped for repairs due to failures, the operations are stopped after confirming that the power supply capacity is secured.

• Digitization and optimization

- We have introduced an IoT infrastructure that supports the visualization of operating conditions and data analysis through long-term storage and centralized management of operating data of power generation facilities.
- With the introduction of the IoT infrastructure, a large amount of operating data can be managed on a common platform, enabling real-time monitoring of power plants, understanding of data correlation, and advanced operational management based on them.
- Going forward, we will use this system effectively to “detect early signs of abnormalities,” “improve the operability and efficiency of power generation facilities”, and “rationally inspect, repair, and upgrade facilities”, in an effort to further strengthen our independent safety capabilities.

<Illustration of IoT Infrastructure>

Advanced operation management and work efficiency through the use of IoT infrastructure



Initiatives for power transmission and distribution

- Efforts to improve the sophistication and efficiency of operations (power transmission)
- We will use DX to enhance the sophistication and efficiency of power transmission and distribution operations as a means of ensuring a stable supply of electricity and maintaining affordable wheeling charges.
- We will also consider creating new businesses using our company facilities.

Illustration of power transmission and transformation utilizing DX (sophistication and efficiency)

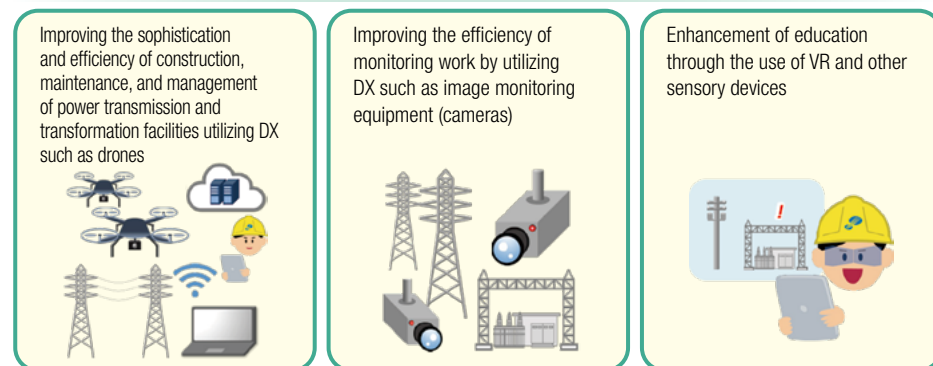
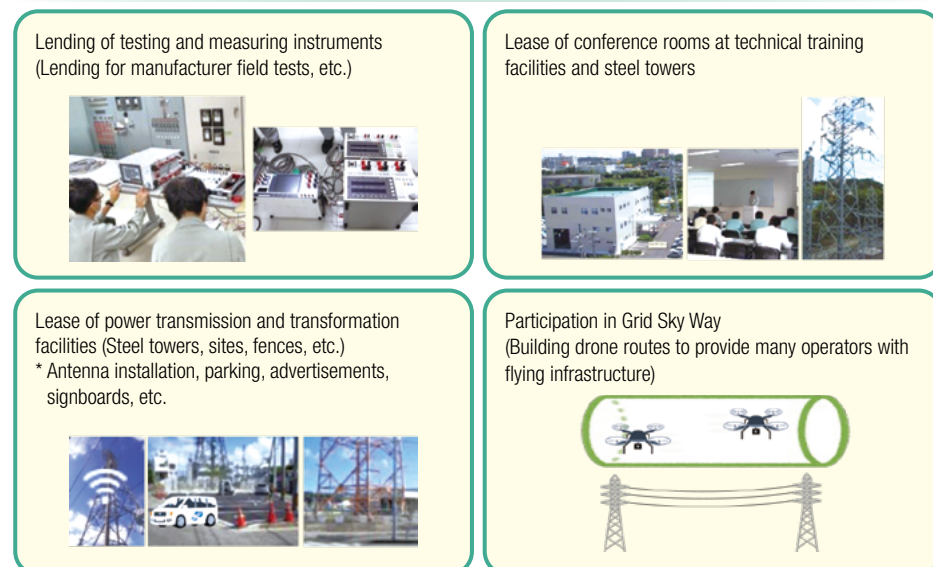
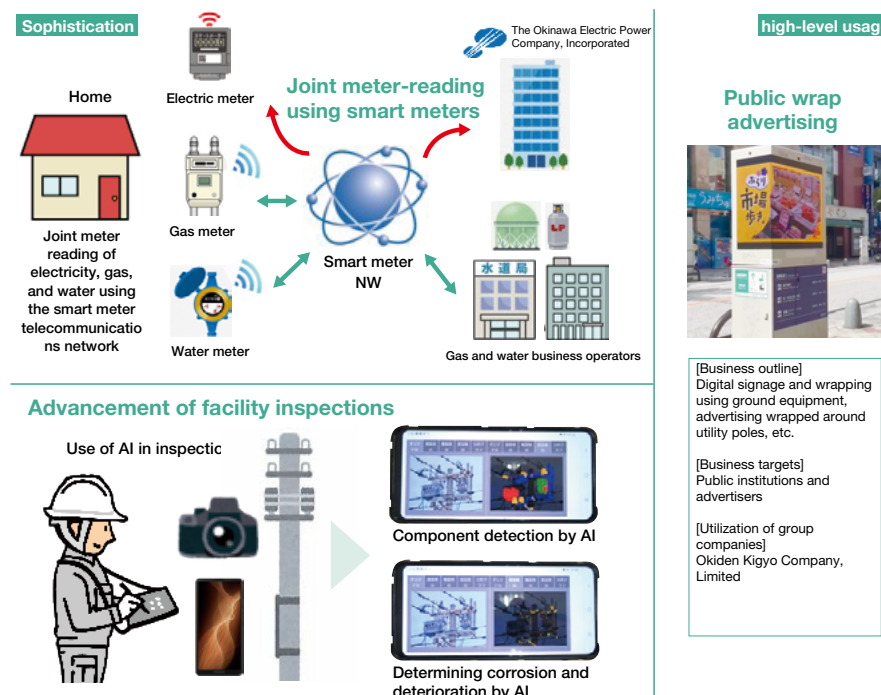


Illustration of new businesses utilizing power transmission and transformation facilities (profit improvement)



- Efforts to improve the sophistication and efficiency of operations (power distribution)
- We will develop businesses that take advantage of the strengths of our group companies.
- We will also make new revenue sources, utilizing distribution assets.
- Through mechanization, centralization, and outsourcing, we will shift our workforce to high-value-added works (sophistication and profitability) and to strengthening on-site capabilities.

Shift to high-value-added works



Initiatives for stable energy supply

Our basic mission is to provide a stable supply of electricity, which is essential for our customers' lives and economic activities. We are keenly aware of our role as the most important lifeline in the local community and will do our utmost to ensure a stable supply of high-quality energy.

• Power System Management Department

Construction of facilities

The electricity generated needs to go through distribution facilities such as power lines and substations for delivery to customers. Therefore, we are effectively enhancing our distribution facilities to ensure electricity supply well into the future while considering local demand trends and supply reliability.

Operation and maintenance of power systems

A balance between consumption and generation is always required for electricity. We deliver stable, high-quality electricity to meet the ever-changing demand for electric power through 24-hour control that includes estimating the amount of electricity used by customers, regulating the output of each power plant, and adjusting the power flowing through transmission lines and transformers. We conduct regular patrols and inspections of power transmission lines and substations to ensure they always function correctly.

Countermeasures against natural disasters, etc.

In addition to steadily promoting equipment fortifications such as the installation of lightning protectors to ensure supply reliability during lightning and stable operation of the power grid, we are also working to establish double power lines and routes so that power outages will not occur even if power cannot be transmitted through some transmission lines during natural disasters. We are striving to ensure a stable power supply by automating the restoration of power lines to reduce the duration of power outages in the event of a power failure. We conduct disaster drills in line with the actual conditions, and our employees, affiliated companies, and partner companies work towards the early restoration of damaged facilities during disasters.



▲ Operation and monitoring of power systems

• Distribution Department

Construction of facilities, Operation and maintenance

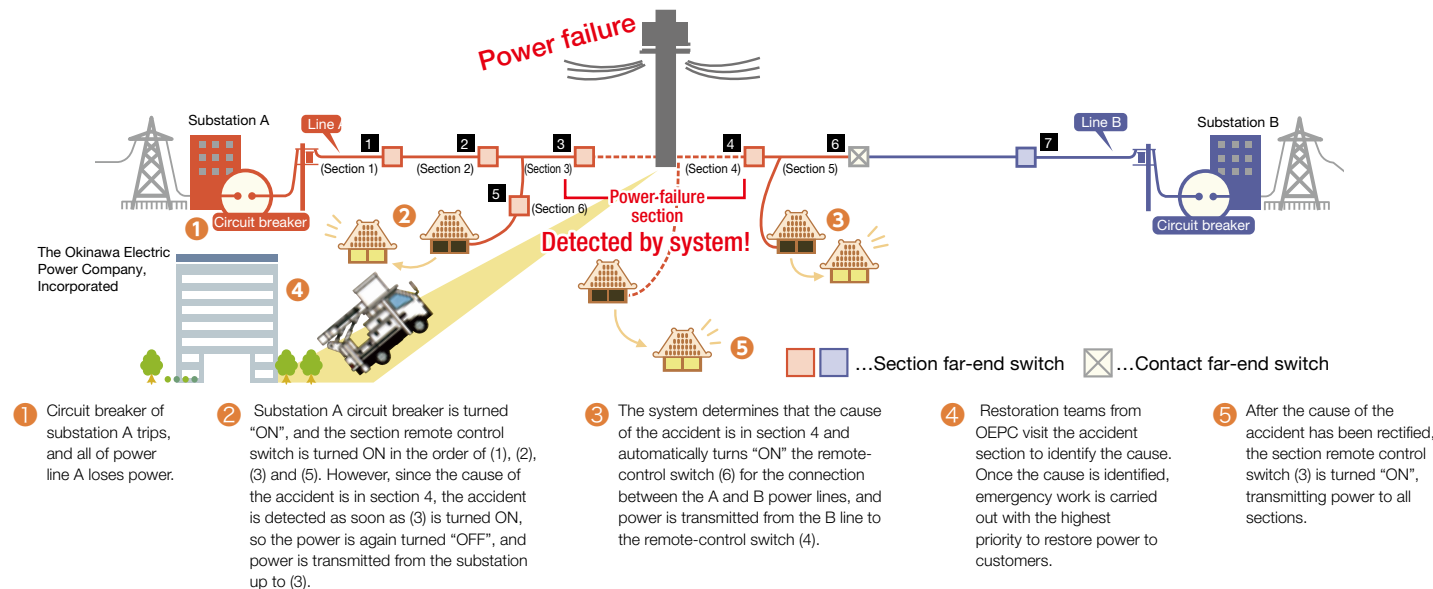
As a typhoon-prone area, Okinawa is often hit by strong winds, rains, and flying debris, causing extensive damage to power distribution facilities.

The Distribution Department strives to build facilities that are resistant to natural disasters, considering past damage (power outages) and other factors to ensure a stable power supply for the extensive power distribution facilities throughout Okinawa prefecture. We ensure that any irregularities in our distribution facilities are discovered early and swiftly repaired through regular power line patrols and inspections. Even in cases where incidents cause power outages, we are able to restore power quickly through an automated distribution system* operated from computers installed at each branch.

* The automated distribution system enables remote operation of switchgear on poles and automatic collection of information such as the voltage and current of distribution lines by connecting computers installed at each branch office and remote control equipment attached to poles with communication cables.

Outline of distribution line accident handling

When an accident occurs at a distribution line, the automated distribution system detects the section at which the accident has occurred and automatically sends electricity to all sections except the section where the accident occurred.



Measures of utility pole removal

Utility poles are removed by burying electric power cables under roads to ensure a safe and comfortable traffic flow and improve the urban landscape. In Okinawa prefecture, since the start of the project in 1991, about 128 km of utility pole removal has been completed as of March 31, 2024, and work is in progress for approximately 205 km. Since the funds required for the construction of a pole-free system is high compared to the construction of a system with utility poles, the route of the system will be determined through consultations between the national government, prefectures and municipalities, which manage the roads, and electric cable managers, including our company, based on the needs of the region and the effect of the system, and the system will be developed under an appropriate division of roles.

Before



After



▲ Examples of utility pole removal

- Remote islands

Stable supply of electricity to remote islands

We supply electricity to 37 inhabited remote islands, excluding the main island of Okinawa. Electricity is continuously supplied 24 hours a day by installing independent internal combustion power plants on each of the 10 remote islands, excluding the islands to which power is supplied by submarine power cables from the main island of Okinawa, and OEPC also strives to provide universal service by keeping rates for electricity on the island the same as those of customers on the main island of Okinawa.

The small scale of electricity demand in the remote islands makes it difficult to introduce large-scale power sources such as coal-fired thermal power generators. As such, the sales cost is significantly affected when there is a steep increase in the price of crude oil and fuel delivery costs are also high. Therefore, one of the important issues to be addressed is to make the remote island electricity business more efficient.

Submarine cable to remote islands

Cables are laid to supply power to some islands when the cost of laying submarine power cables to supply power is lower compared to installing a power plant on the island.

Submarine power cables have been laid over a total length of 220 km to 10 remote islands around the main island of Okinawa, 3 islands around Miyako Island, and 8 islands around Ishigaki Island to supply electric power.

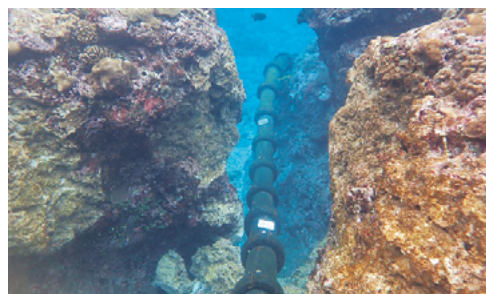
We will continue to study the use of submarine cables, considering the cost of cable installation and trends in technological development.

Mobile power generation equipment (gas turbine and diesel engine)

Our company has several mobile power generation units (gas turbines and diesel engine). When an emergency arises, such as failure of a power generation system or an accident on a remote island, we have a system to deploy the mobile power generation systems to the island to meet the power demand.



▲ Tarama Tilttable Wind Power Generation System/tilting state



▲ Tokashiki Island submarine cable installation



▲ Mobile power generation equipment

Initiatives for strengthening resilience

Our company is responsible for the lifeline of Okinawa, and we routinely work to eliminate any causes of disasters and create a disaster-resistant environment to reduce damage to electric power facilities and quickly recover from any damage that may occur. In light of the Great East Japan Earthquake and other natural disasters that have become increasingly intense in recent years, we have become more aware of the importance of our mission to provide a “Stable Energy Supply”, and we will continue to implement initiatives to enhance our resilience.

Accident and emergency response training

We conduct company-wide comprehensive disaster prevention training and participate in various drills organized by the national government (General Bureau), prefectures, and the Self-Defense Forces to improve disaster preparedness.



Heavy oil leakage treatment training



Fuel supply training for high-voltage generators



Kurima Island micro-grid simulation training

Measures for network facilities

To minimize the damage caused by power outages due to natural disasters in power transmission, transformers, and electricity distribution facilities, we are implementing measures such as the construction of facilities that are resistant to natural disasters, prevention through periodic patrols and inspections, and automation of repair work.



Initial response cards for disasters

[Description]

- Action Guidelines
- Safety Report Flow
- How to access the Disaster Message Board etc.

Use of initial response cards for disasters

We ensure rapid and accurate initial response as well as action guidelines and safety confirmation methods in the event of a disaster by giving all employees the “Initial Response Cards for Disasters” to carry with them at all times in preparation for an earthquake or tsunami and raise their awareness of disaster prevention daily.

Preparedness System development

Disaster response organization

In the event of a disaster and depending on its scale, an emergency disaster countermeasures headquarter or a disaster countermeasures headquarter is set up, and predetermined personnel for measures will be ready to carry out their duties immediately, irrespective of nighttime or holidays.

Emergency Disaster Countermeasures Organization Chart

Emergency Disaster Countermeasures Headquarter

[Headquarter, Countermeasures Promotion Team]

Disaster Countermeasures Branch Offices

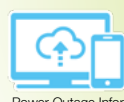
[Branches, sales offices, electric offices]

Disaster Countermeasures Verification Committee

In addition to estimating damage to our facilities caused by an earthquake or tsunami based on the hazard map published by Okinawa prefecture, the “Disaster Countermeasures Verification Committee”, chaired by the President, and five working groups, which are subordinate to the Committee, have been established to verify disaster response, restoration scenarios, and logistical support for electric power facilities based on the results of surveys on the damage and restoration status of electric power facilities after the Great East Japan Earthquake.

Disclosure of power outage information

Information on power outages during normal times, as well as during typhoons and other disasters, is published on our website. In addition to the transmission of power outage information through TV and radio stations in the prefecture, the community FM 17 station within the prefecture provides prompt and quick notification in a specialized format for each municipality in the prefecture based on agreements with our company.



Power Outage Information Map Display Service (Website)



Official YouTube channel "OKIDEN Channel"



The Okinawa Electric Power Company, Incorporated Official Facebook page



Official LINE Account OEPG Power Outage Information

Power outage information tool

We have been providing the “e-mail Distribution Service” that notifies customers of power outage information due to typhoons, etc., the “Power Outage Inquiry Service” on our website for customers to enquire about the status of power outages and receive information on damage to our facilities, an “Automatic Response Service for Power Outage Information” that verbally provides information on power outages in the relevant area based on confirming the words, and a “Chat Support” regarding power outages and damage to our facilities. In addition, starting in August 2024, we will offer a service that notifies you of power outages in areas you have pre-registered for via LINE.

Information dissemination Strengthening solidarity

Disaster Cooperation Plan

Ten general power transmission and distribution companies, including our company, formulated a Disaster Cooperation Plan for early restoration, including push support and joint use of materials and equipment, based on the provisions of the revised Electricity Business Act, which was enacted on July 1, 2020.

Partnership agreement with local governments

Our company has been cooperating with Okinawa Prefecture and other municipalities in the event of a large-scale disaster. As of May 2024, we have entered into agreements for mutual cooperation in the event of a disaster with 28 out of 41 municipalities in the prefecture.

The agreements include the establishment of an emergency contact system, provision of activity centers, notification of power outages to residents, cooperation in removing obstacles, etc.

Disaster prevention initiatives

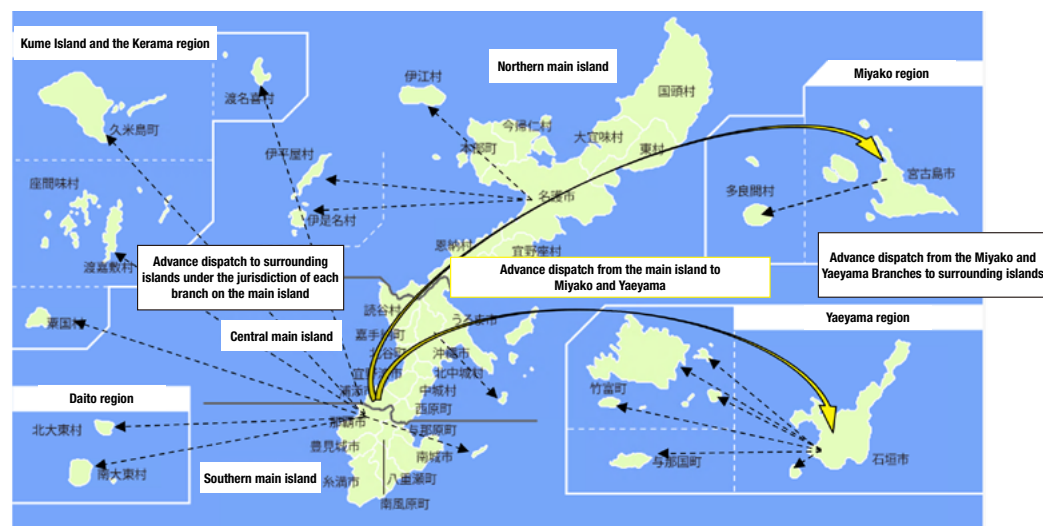


Initiatives for strengthening resilience

As we are geographically prone to typhoons, in order to strengthen the resilience of the entire area, including the remote islands scattered across the vast sea, we are working to utilize DX and establish rational recovery systems.

• Dispatch of recovery personnel to surrounding islands

In the event that a typhoon is expected to approach the Sakishima region or surrounding islands, recovery personnel are dispatched from the main island as necessary in advance, taking into consideration the predicted path to and impact on Okinawa's main island. In addition, we have entered into disaster agreements with the 15th Brigade of the Japan Ground Self-Defense Force and the 11th Regional Coast Guard Headquarters in an effort to secure the means to transport support personnel and equipment necessary for recovery. Furthermore, with the cooperation of local airlines, priority is given to our support staff when special flights are operated.



▲ Signing of the agreement on mutual cooperation with the 11th Regional Coast Guard Headquarters



▲ Dispatch by Self-Defense Force helicopters



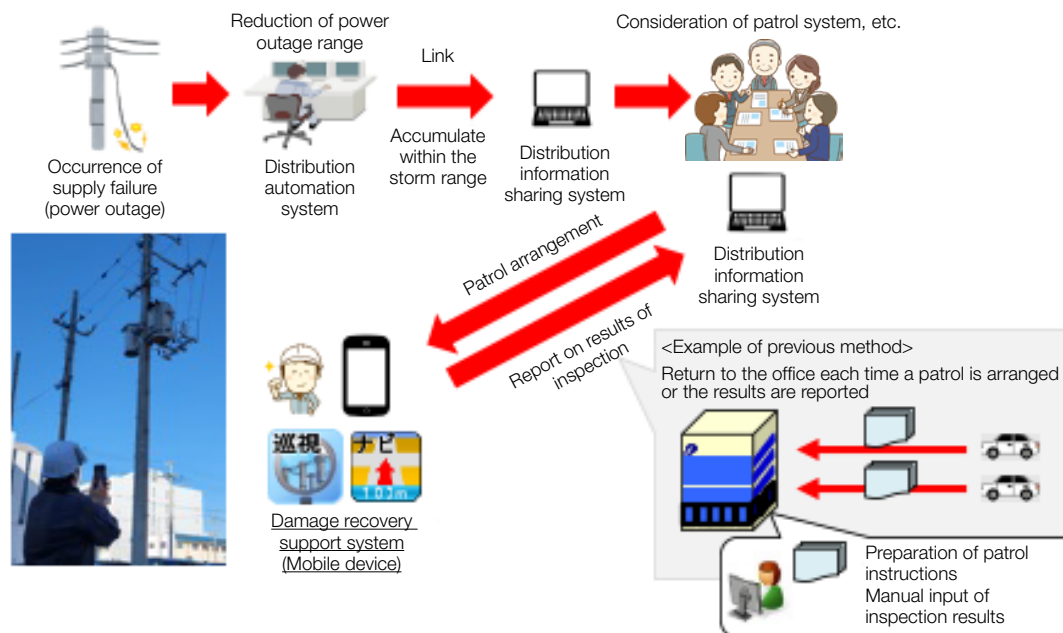
▲ Dispatch by ships of the Coast Guard Headquarters



- Streamlining typhoon recovery work through DX initiatives

Information on damage that occurs during a storm is stored in a power distribution information sharing system, and consideration is given to patrol systems, personnel allocations, and patrol priorities after the wind and rain subside. As soon as the wind and rain subside, the power distribution lines where power outages occurred are inspected. We respond with the largest number of employees possible, including clerical staff who provide support to the power distribution department as drivers.

In the past, this was all done on paper, so each time a patrol was completed, it was necessary to return to the branch office to receive new instructions and manually input the results into the system. However, by making it possible to give instructions and make reports using mobile devices, efficiency has been improved.



- Disseminating information on measures against typhoons, etc.

We create leaflets on measures against typhoons, and visit the Okinawa Prefecture Department of Agriculture, Forestry and Fisheries, JA Okinawa, and the Okinawa Prefecture Floriculture and Horticulture Cooperative every year before the typhoon season begins to raise awareness about measures to prevent the scattering of plastic agricultural sheets and preparations to take against power outages.

In response to Typhoon No. 6 in 2023, we held briefings for the mass media on recovery prospects and provided information on the status of power outages via social media.



▲ Typhoon countermeasure leaflet



▲ Briefing sessions for the media (webcast)

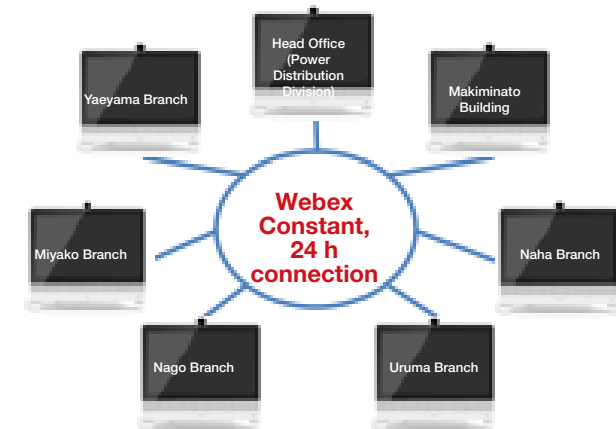


▲ Sending out social media updates

- Introduction of TV conference terminals

Video conference terminals are installed at each business site, and each business site is connected 24 hours a day during periods of typhoon recovery.

They are used as a communication tool for both the head office and branch offices, such as for assessing the damage situation and sharing information with all departments.



Initiatives in retail business (corporate sector)

• Provision of finely tuned services to corporate customers

As an energy company that can provide both electricity and natural gas, we propose optimal energy systems, solar power generation (KarE-roof), support for energy conservation, the most reasonable electricity rate plans based on electricity usage pattern, to meet various customers' requests such as cost reduction and decarbonization efforts. We will also enhance our follow-up activities for proposals, and strive to ensure customer satisfaction.



E-waja



• Supply for "Uchinaa CO₂-free plan"

The service plan uses non-fossil certificates derived from renewable energy utilizing Okinawa's resources, such as power generated by the mixed firing of woody biomass produced in the prefecture that effectively uses the construction wood scrap, photovoltaic generation, etc. By applying this plan, all or part of the electricity used by customers can be considered to have essentially zero CO₂ emissions.

Number of contracted companies: 36 (as of the end of March 2024)

Comments from customers who have introduced the services



Hotel

The most decisive factor in introducing natural gas is consideration for the environment. We thought it would be effective for reducing CO₂ emissions in addition to the safety and security of our customers. It was also attractive as it led to reduced costs.



Hospital

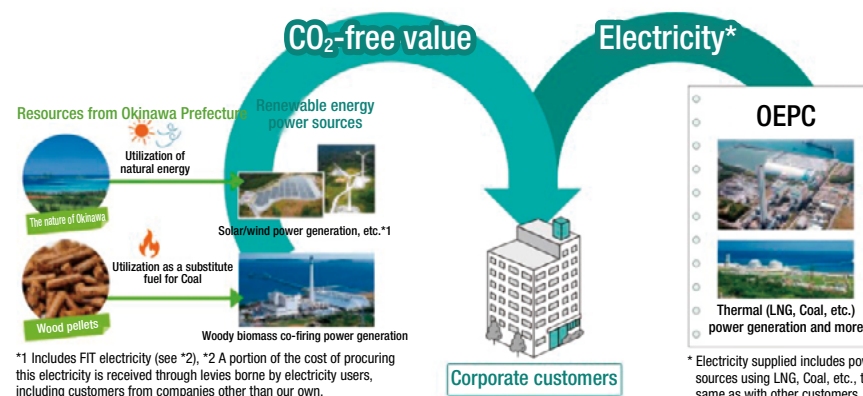
Considering that we are the kitchen of a medical institution, we decided to introduce an electrified kitchen without hesitation because we wanted to emphasize safety and hygiene. Electrified kitchens don't use fire and are safe and easy to clean. Furthermore, since they don't get hot during cooking, we can maintain a clean kitchen environment.



Commercial
facility

We have adopted the energy service that is most suitable for us. Thanks to this, we are able to concentrate on our core business of running the stores without worrying about energy maintenance and management.

Based on non-fossil certificates using resources from Okinawa Prefecture, "Local production for local consumption CO₂-free service plan"



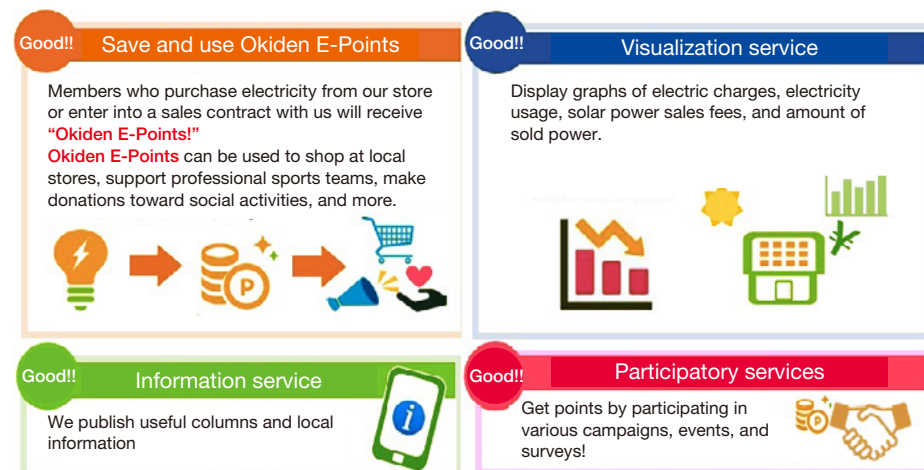
Initiatives in retail business (life sector)

• Various rate plans and a membership site

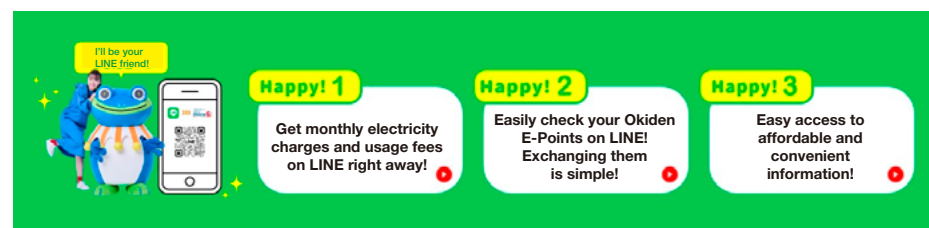
We offer electricity rate plans that can be selected according to lifestyle and the amount of electricity used.

“Okiden more-E” is our membership-based web service. If customers who have an electricity supply and demand contract with our company register as a premium member, they will earn “Okiden E-points” based on their electricity bills. The accumulated points can be exchanged for points and gift certificates for local supermarkets, financial services, and transportation, or can be donated to support local professional sports teams and help solve local problems.

Monthly electricity bills and usage can also be checked at any time using a smartphone or home computer.



By linking with your LINE account, you can easily log in, check your electricity bill and usage, and exchange points.

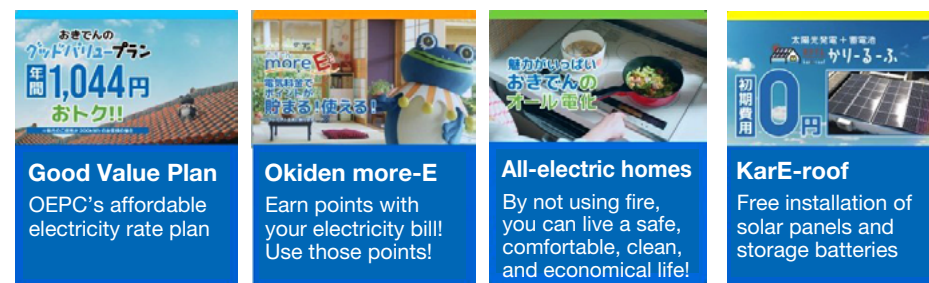


• Proposals for a comfortable life

Every year, more and more houses are becoming all-electric by adopting “IH cooking heaters”, which generate heat in the pan itself without using fire, and “EcoCute”, a water heater that boils water using aerothermal energy. We are proposing all-electric homes through our dedicated all-electric website “www.okiden.co.jp/iikoto-iroiro”, where information is provided to customers through our brochures and consulting activities.

In addition, we offer the Rikka Denka Lease, an all-electric equipment leasing service in cooperation with Okiden Kigyo Company, Limited and Okisetsubi Company, Limited, both part of the Okiden Group, as well as KarE-roof, a free installation service for solar panels and storage batteries provided by Okinawa New Energy Development Company, Incorporated, offering a rich and comfortable lifestyle.

Under the slogan “likoto iroiro Okiden” (Many good things with Okiden), we comprehensively and cross-sectionally promote a variety of services, such as electricity fee plans that allow customers to choose what they like according to their needs, “Okiden more-E,” a member site that allows customers to collect points on their electricity bills, All-electric homes, and KarE-roof, which allows customers to install solar panels and storage batteries free of charge.



Many good things with Okiden

Digital transformation

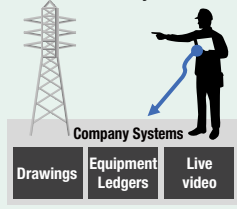
• Introduction of a zero trust environment

We have built an information infrastructure based on a zero-trust security model and strengthened our business foundation.

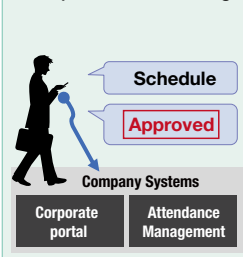
Zero Trust will further improve internal and external operational efficiency, accelerate the creation of new value-added services, and promote a shift to a challenging mindset and speedy management.

Efficient and comfortable internal and external operations

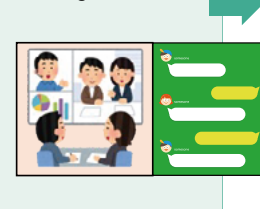
Using a smartphone or tablet device, we can access the internal system at any time from the field and check information about the facility



View schedules and proceed with electronic approvals from your smartphone while on the go



Facilitate communication between employees in remote locations through web meetings, etc.



We will further improve operational efficiency and accelerate the creation of new value-added services both internally and externally.

Utilization of Cloud Services

- Flexible and fast use of cloud services that will become mainstream in the future, while ensuring security
- Smoothly using big data in the cloud for advanced data utilization



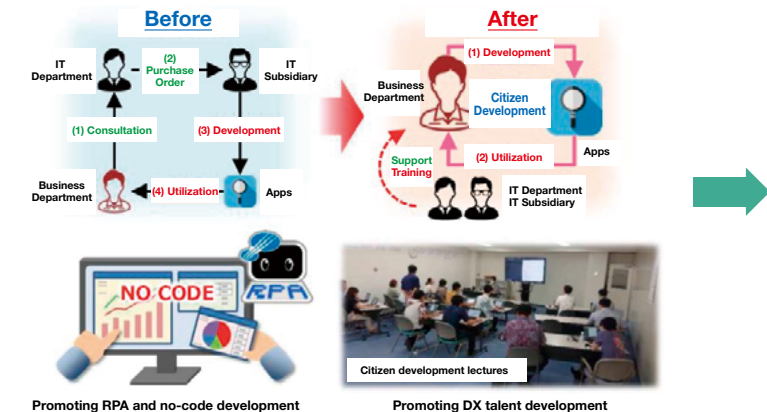
Utilizing the characteristics of the cloud, which is easy to introduce, expand, and withdraw, we will shift to a challenging mindset and promote speedy management.

• Promoting citizen development and utilizing generative AI

We are promoting “citizen development,” which enables employees to develop apps that improve operational efficiency and productivity, even if they have no knowledge of programming. We are also working to develop DX human resources in-house, such as by having employees serve as lecturers and holding citizen development workshops for all employees. These results are steadily taking root, with apps developed by employees themselves being used throughout the company.

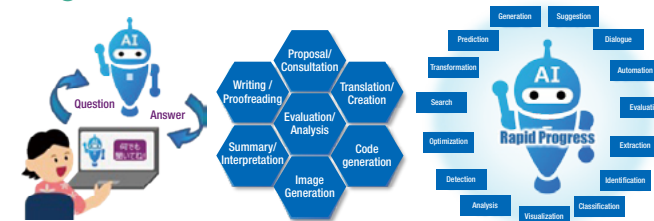
We are aiming to create new value and innovate our business by combining human resources and digital technology, including the use of company-wide generative AI chat tools, with the goal of achieving in-house and external work that is efficient and comfortable.

“Citizen development,” in which business departments develop their own apps



In addition to faster development of apps and lower costs, it improves user experience and engagement for employee.

Creating new value through the use of generative AI



By utilizing generative AI, we will create new value such as by upgrading field operations and improving customer service.

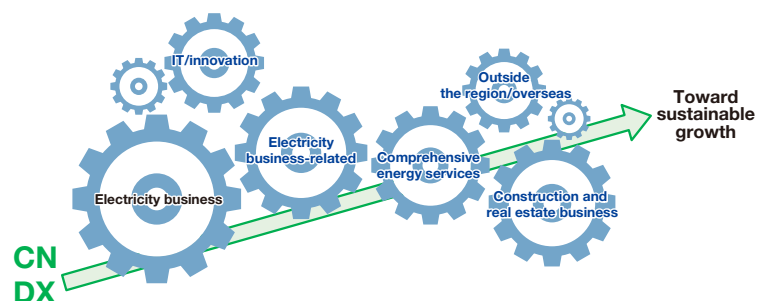
Initiatives for Each Business: Group Business

Directionality of initiatives

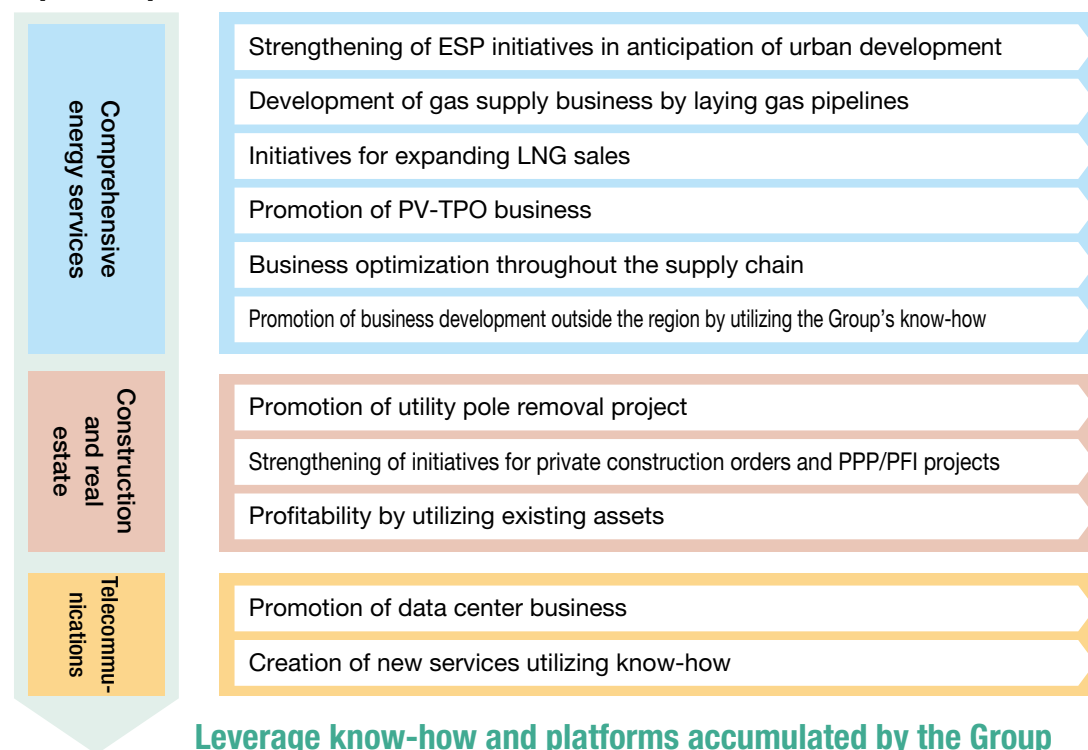
As a Group business, we aim for sustainable growth in the following five business areas while raising the Group's potential.

We also actively promote carbon neutrality (CN) and DX as important factors contributing to sustainable growth.

- (1) In the electricity business-related field, as the core of the Group's business that supports stable supply of electricity, we will work to ensure a stable supply and efficiency throughout the entire supply chain, including our Group companies.
- (2) In the comprehensive energy services field, in addition to our existing gas supply and ESP businesses, we will work to acquire new customers along the Yoshinoura and Makiminato gas pipelines.
- (3) Outside the region and overseas, we will promote initiatives that take advantage of the know-how we have accumulated in the electricity business, such as the introduction of renewable energy in small-scale systems.
- (4) In the construction and real estate fields, we will take advantage of our strengths as a comprehensive energy services company to promote corporate real estate (CRE) strategies and actively participate in urban development.
- (5) In the field of IT and innovation, we will continue to make steady progress toward early commercialization with a view to nationwide expansion of the Mimamori Service utilizing IT.



[Initiatives]



Life and business support

- Business support business centered on healthcare business
- Promotion of initiatives for Mimamori (caring family monitor) service

Energy service provider (ESP) business

The energy service provider (ESP) business owns energy facilities and processes and supplies energy on behalf of customers. The Reliance Energy Okinawa, Inc., which is in charge of the ESP business, has been actively promoting proposal activities and currently has 12 customers using the service as of the end of March 2024.

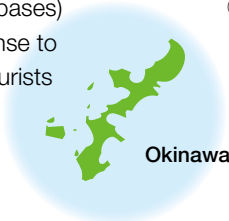


The Reliance Energy Okinawa, Inc.

- 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.

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 commercial facilities



Advancement and diversification of energy needs

- Reduce initial investments in energy use (e.g. electricity and gas)
- Reduce burdens involved in facility operation/maintenance, emergency response, etc.

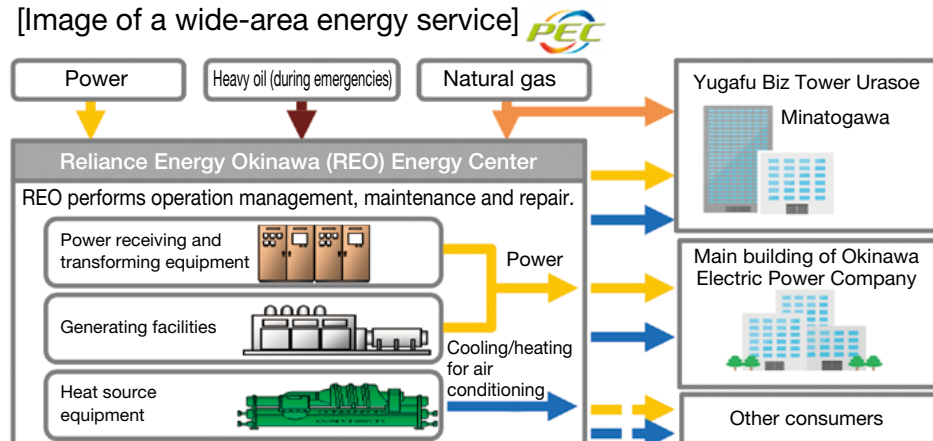


Customers

Developing wide-area energy services

As a comprehensive energy company capable of supplying both electricity and gas, constructing an energy center within the premises of the OEPC Head Office, which has the advantages of reducing CO₂ emissions, ensuring a stable supply of energy, and strengthening the Business Continuity Plan (BCP). In the future, we will develop wide-area energy services modeled on this center.

[Image of a wide-area energy service]



<Examples of businesses adopting>

San-A Urasoe West Coast PARCO CITY

Lab 4 of Okinawa Institute of
Science and Technology

San-A Nishihara City (renovation)

Yuuaiikai Yuuai Medical Center

San-A Ishikawa City

San-A Naha Main Place (renovation)

San-A Miyakojima City

Yugafu Biz Tower Urasoe Minatogawa

FRT

Lab 5 of Okinawa Institute of
Science and Technology

Jin-aikai Urasoe General Hospital

(Service start order)

First in the prefecture to win both the Minister of the Environment Awards for Climate Action and the Energy Conservation Grand Prize

Following the Energy Conservation Grand Prize (METI Minister's Award) received in FY2022, The Reliance Energy Okinawa, Inc. received the Minister of the Environment Awards for Climate Action in FY2023 sponsored by the Ministry of Environment for its energy service provider business for the large commercial facility in the prefecture, making it the first company in Okinawa to receive both awards.



▲ The Energy Conservation Grand Prize ceremony



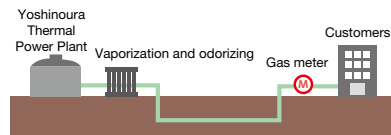
▲ The Awards for Climate Action ceremony

Gas supply business

In addition to electricity supply, we began supplying natural gas in 2015. Since then, we have been working to expand the use of natural gas, which is superior in environmental and safety aspects, to customers throughout the main island of Okinawa by supplying natural gas via pipelines to Okinawa Gas customers and to customers around the Yoshinoura Thermal Power Plant. In addition, we have been supplying liquefied natural gas via lorry transportation to our satellite customers.

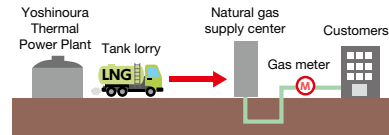
Pipeline supply

Supplying gas to customers in the vicinity of the Yoshinoura Thermal Power Plant through gas pipelines after vaporizing and odorizing liquefied natural gas (LNG).



LNG Supply Center

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



Lorry supply

Supplying LNG by tank lorry to customers in areas where development of pipelines is difficult.



* Progressive Energy Corp

List of Customer Suppliers

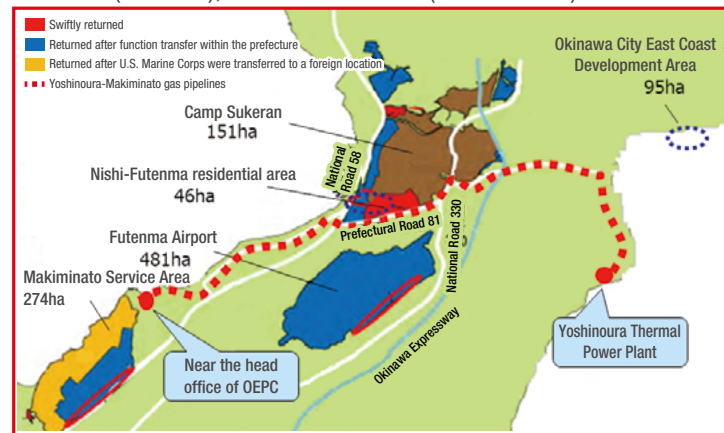
Many customers choose it because it is a clean energy source that is friendly to the environment and facilities, and because of its supply capacity and price stability.

Development of demand along the route by laying gas pipelines

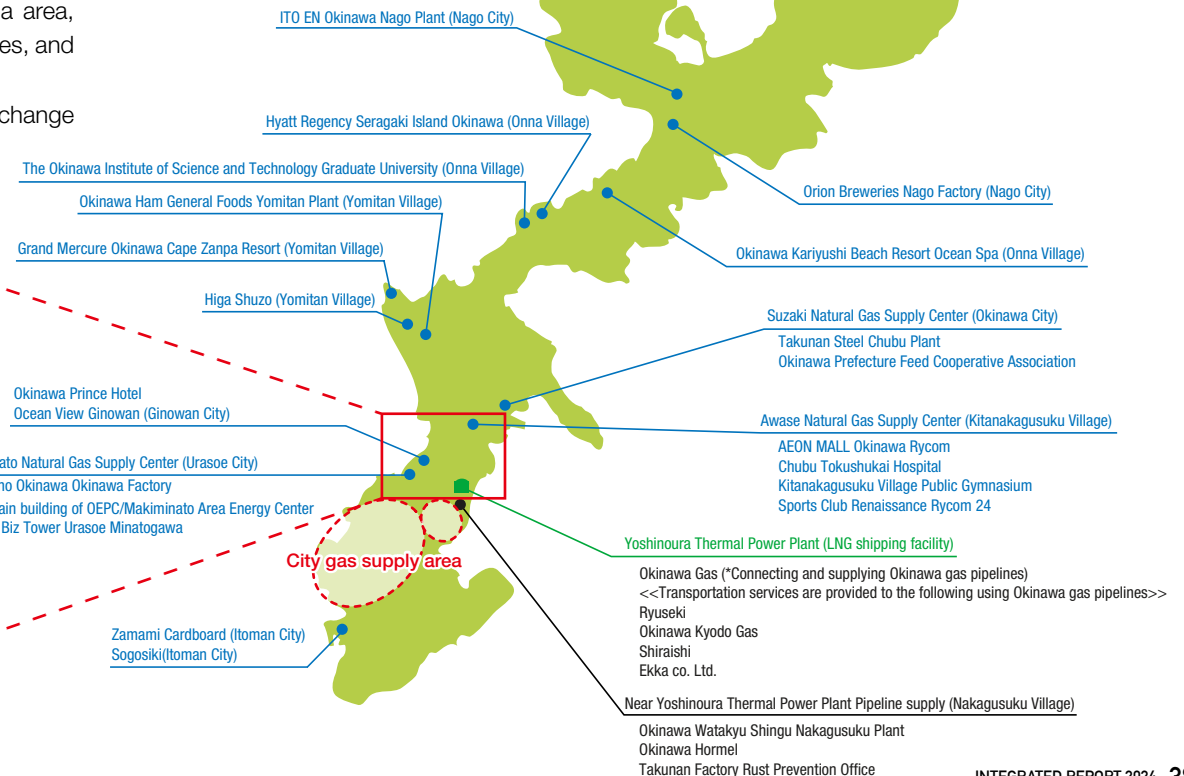
Gas pipeline was laid from the Yoshinoura Thermal Power Plant to the head office of the Okinawa Electric Power Company in Urasoe City through the Nishi-Futenma area, where heat demand is expected due to the development of former military base sites, and operation began in February 2024.

We will develop the pipeline network, and acquire demand in line with customers' change of fuels and urban development.

[Equipment specifications] Pressure (high pressure specification), diameter (300 mm), conduit extension (about 14 km)



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



Initiatives for growth sectors

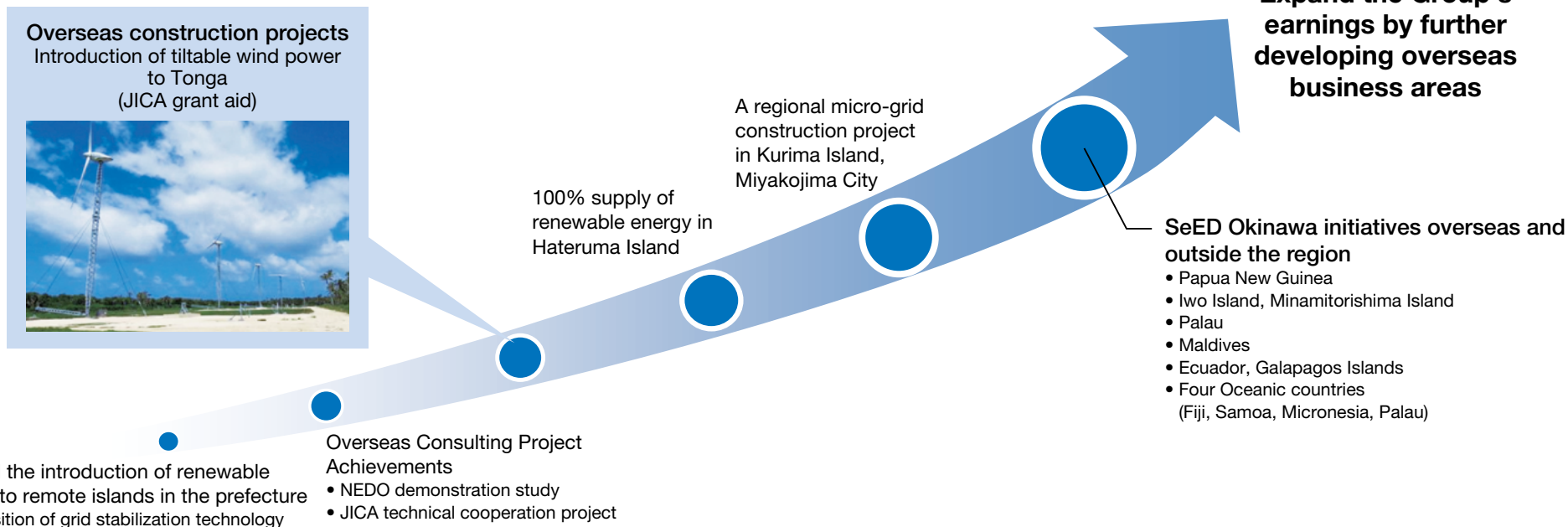
The Company will strive to expand its business areas outside the region, utilizing its experience and know-how for the introduction of renewable energy and system stabilization in small-scale power systems.

Deployment of renewable energy business outside the region

- Established a new company, SeED Okinawa LLC, to promote overseas business

Established SeED Okinawa LLC in April 2021 with the aim of delivering renewable energy introduction technologies, etc., that leverage the strengths of the OEPC Group to customers around the world.

As social demands for countermeasures against global warming increase further worldwide, we will use the knowledge and technologies cultivated by the OEPC Group to confront climate change risks and contribute to the realization of a low-carbon, sustainable society in overseas countries, especially in the island regions of Asia and the Pacific.



[The OEPC Group's projects related to the introduction of renewable energy outside the region]

Major projects to be undertaken

Papua New Guinea Power System Planning and Operation Capability improvement Project (FY2021-2024, JICA Project)
Support for sustainable renewable energy through cooperation between Urasoe City and Airai State (FY2022 Ministry of the Environment Project)

Demonstration of the introduction of renewable energy in Iwo Island and Minamitorishima Island (FY2022-2025 Ministry of the Environment Project)

Road Map for Zero Fossil Fuel in Galapagos Islands Project (FY2023 to FY2026 JICA project)

Oceania Regional (Wide Area) Energy Transition Project (FY2024 to FY2028 JICA project)



Announcement at COP28

In December 2023, decarbonization efforts in Palau were announced at the 28th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP28) held in Dubai, United Arab Emirates.

Life and business support

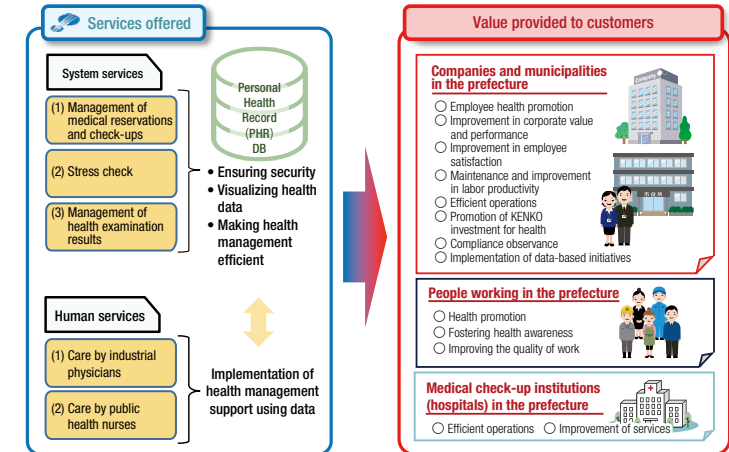
Healthcare-Related Projects

• Well Poruta (OEPC Health Management Support Service)

In order to support the lives and economic activities of Okinawans with “health” and contribute to the creation of a vibrant future with full of dreams for Okinawa, we have began offering “Well Porta” a health management support service, targeting people working in the prefecture since FY2021.

“Well Porta” provides health management support services that integrates health-related system services and human services to companies, municipalities (for employees), and health screening institutions in the prefecture.

As the Certified KENKO Investment for Health Outstanding Organization (White 500), our experienced professional staff (industrial physicians and public health nurses) will support in responding to legal matters and streamlining health management operations, thereby contributing to the promotion of KENKO Investment for Health in addition to improving the health of all workers.



• Participation in the “Okinawa KENKO Investment for Health Plus 1 Project”

We participate in the “Okinawa KENKO Investment for Health Plus 1 Project,” which was launched under the auspices of the Okinawa General Bureau of the Cabinet Office as an initiative in which companies in Okinawa Prefecture cooperate in KENKO Investment for Health.

As one of our Plus 1 initiatives, we provide the “Well Porta” Okiden health management support service to employees and related parties of various organizations, including companies and local governments in the prefecture, as well as health checkup institutions.



• Holding a KENKO Investment for Health seminar for companies in the prefecture

On December 13, 2023, we held a KENKO Investment for Health seminar together with Advantage Risk Management Co., Ltd., with which we have a business alliance.

In this seminar, “Learning by Example! Start Now! What is the approach to KENKO investment for health that leads to corporate growth?,” panelists discussed the approaches and effects of KENKO investment for health using DX. 31 people from 18 companies and organizations in the prefecture participated.



Three Objectives

- Maintaining and Improving Health through Public-Private Partnerships, Aiming to Restore the Healthy Longevity of Okinawa -

01

Participating companies not only carry out health maintenance and promotion activities for their own employees, but also implement one or more activities that contribute to the maintenance and promotion of health for local residents, thereby taking responsibility for the maintenance and promotion of the health of the people of Okinawa and the revival of healthy longevity in Okinawa.

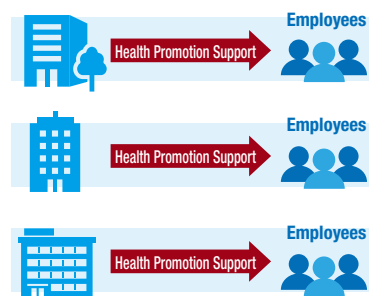
02

Aiming to achieve high quality KENKO investment for health within the Company, participating companies cooperate to synergize efforts related to KENKO investment for health.

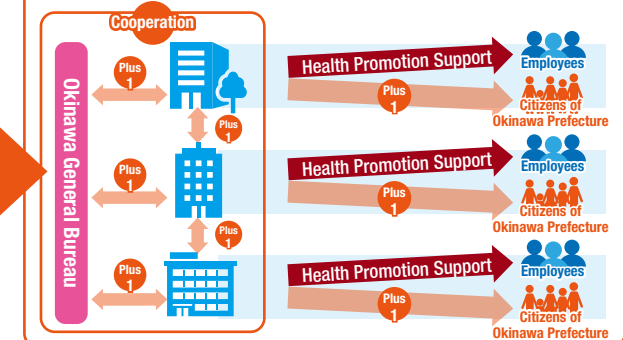
03

The goal is to maximize the number of companies in the prefecture that promote KENKO investment for health (expand the scope).

KENKO Investment for Health initiatives up to now

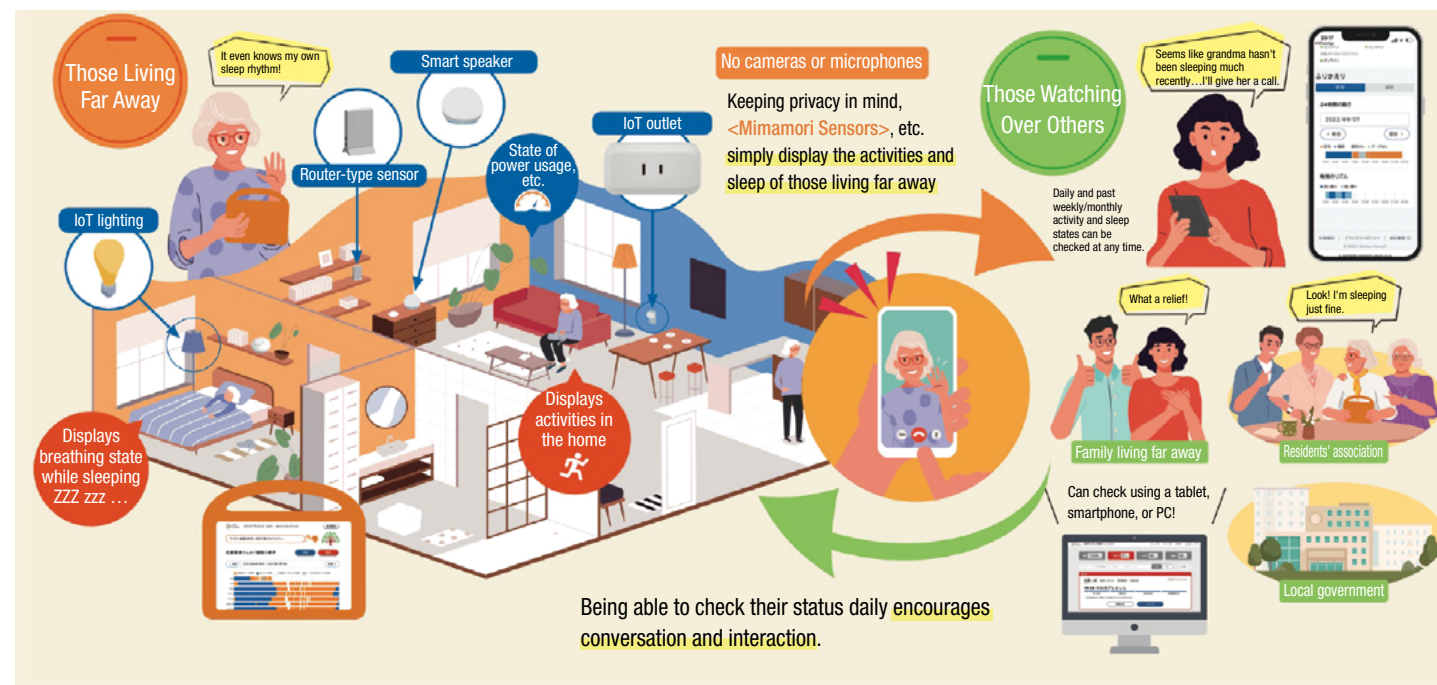


Okinawa KENKO Investment for Health Plus 1 Project



Initiatives for Mimamori (caring family monitor) service

- We established Okiden CplusC Corporation with the aim of developing Mimamori (caring family monitor) Service (May 2021).
- Utilizing the world's most advanced Wi-Fi sensing technology, we can visualize the sleep and activity states of the elderly 24 hours a day, 365 days a year. "Friendly Mimamori" is designed for privacy, without cameras, microphones, or wearables.
- Since fiscal 2021, we have entered into agreements with 14 municipalities in Okinawa Prefecture through subsidized projects from the Cabinet Office and Okinawa Prefecture. In response to nationwide social issues such as the increasing burden on municipalities and local stakeholders due to rapid aging and the neglect of elderly solitary death, we aim to establish a monitoring system for the elderly that integrates self-help, mutual assistance, and public support.
- In the future, we will promote the Mimamori Service for the elderly from Okinawa to all throughout Japan, and will consider new services in the fields of energy management and security using Wi-Fi sensing technology. Furthermore, in the field of disaster prevention, we will consider how this can be used to support evacuations, such as establishing an emergency communication network and providing information on the presence or absence of people during a disaster.



▲ Development of new devices
Wi-Fi sensor (left) and Wi-DAR sensor (right)



Response to Climate Change

Initiatives to Achieve Carbon Neutrality

OEPC aims to achieve 2050 net-zero CO₂ emissions

As social demands for global warming countermeasures continue to increase, in December 2020, we established the long-term policy “Zero Emission Initiatives of OEPC”. To achieve net-zero CO₂ emissions by 2050, we have presented a roadmap for measures based on the directions of “make renewable energy a mainstay” and “reduce CO₂ emissions from thermal power”, and are promoting initiatives as the OEPC Group.



Just Transition in the Okinawa area

The government calls on the power industry to play a major role in decarbonization the power industry in its “Green Growth Strategy Through Achieving Carbon Neutrality in 2050” and set an ambitious target for FY2030 to “Reduce greenhouse gas emissions by 46% in FY2030 from its FY2013 levels while continuing strenuous efforts in its challenge to meet the lofty goal of cutting its emission by 50%”.

The government’s goal of reducing greenhouse gas emissions by 46% **is equivalent to a reduction rate of 28%** in the case of the Okinawa area (refer to Table 1), where zero-emission power sources are limited. A reduction rate of 28% is a tough target for the Okinawa area.

A reduction rate of 28% is an estimate of the reduction rate in the Okinawa area, where zero-emission power is limited, as indicated in the 6th Strategic Energy Plan, as it is difficult to develop nuclear power plants and large-scale hydroelectric power plants due to geographical, topographical, and grid-scale constraints. For example the installation of large-scale wind turbines is not possible due to extreme wind speeds. Hydropower, wind power, geothermal power, and nuclear power, which are difficult to install in this area, are calculated by replacing them with existing thermal power.

For this reason, in FY2030, it is necessary to move towards carbon neutrality through a unique path that does not have a significant impact on the local economy, that is, **“Just Transition in the Okinawa area”** based on regional characteristics, rather than the uniform national target value.

Taking into account the features of the Okinawa area, we will continue to cooperate with the government’s goals and further speedup the initiatives towards carbon neutrality, which are based on the condition of a stable supply of electricity.

Table 1 Zero-emission power supply that can be introduced in the Okinawa area

The 6th Strategic Energy Plan Power supply configuration		Applicable zero-emission power supply	
		Japan	Okinawa area
Renewable energy	About 36-38%		
Hydro power	About 11%	○	×
Wind power	About 5%	○	×
Solar power	About 14-16%	○	○
Geothermal power	About 1%	○	×
Biomass	About 5%	○	○
Nuclear power	About 20-22%	○	×
Hydrogen	About 1%	○	○
Ammonia		○	○
Thermal power	About 41%		
LNG	About 20%		
Coal	About 19%		
Heavy oil	About 2%		
Total	100%	About 57-61%	About 20-22%

* Zero-emission power supply: Power sources such as renewable energy and nuclear power which do not emit CO₂ during power generation.

* For wind power generation facilities of 500 kW or more, it is assumed that the facilities will withstand calculated extreme wind speeds of approximately 90 m/s or more. After a review of the examination of the construction plan notification form, windmills that can withstand extreme wind speeds and large-scale wind turbines have not been introduced for more than 6 years.

* Since the land surface area is small, there are limitations to development of solar power

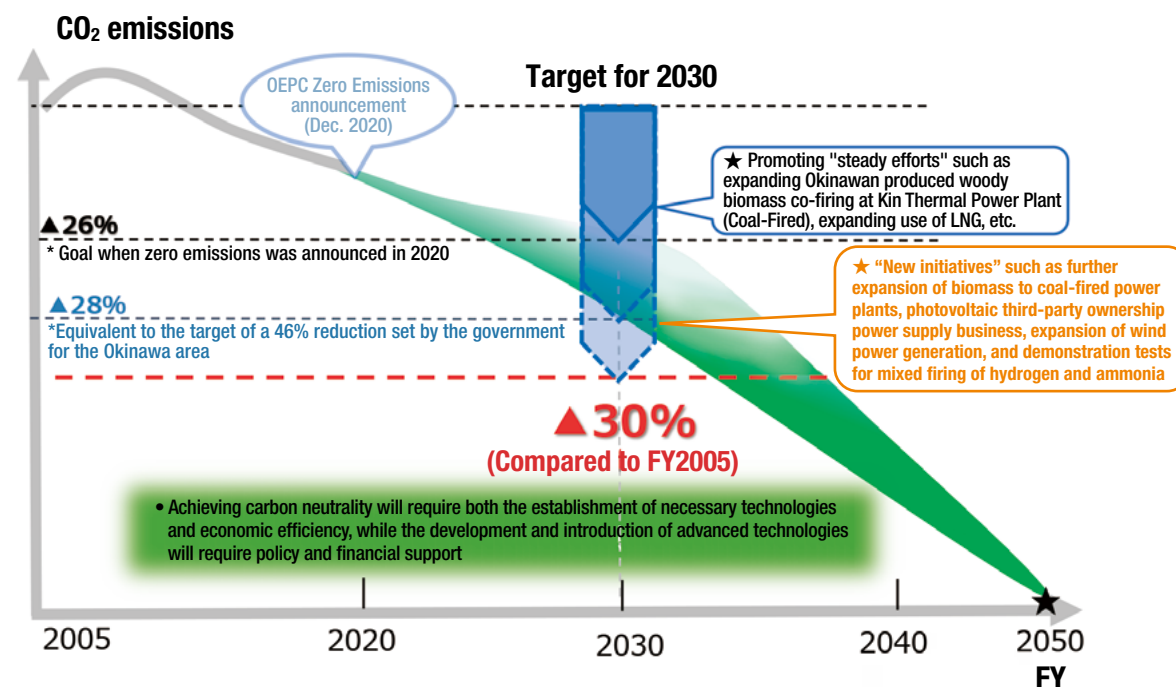
More ambitious goal for FY2030

OEPC has decided to go further than the 28% reduction, which is equivalent to the government's target to achieve **a reduction of 30% in FY2030 (compared to FY2005)** as an ambitious goal in the "Just Transition in the Okinawa Area". We will do our utmost to speed up the various carbon neutral measures indicated in the roadmap.

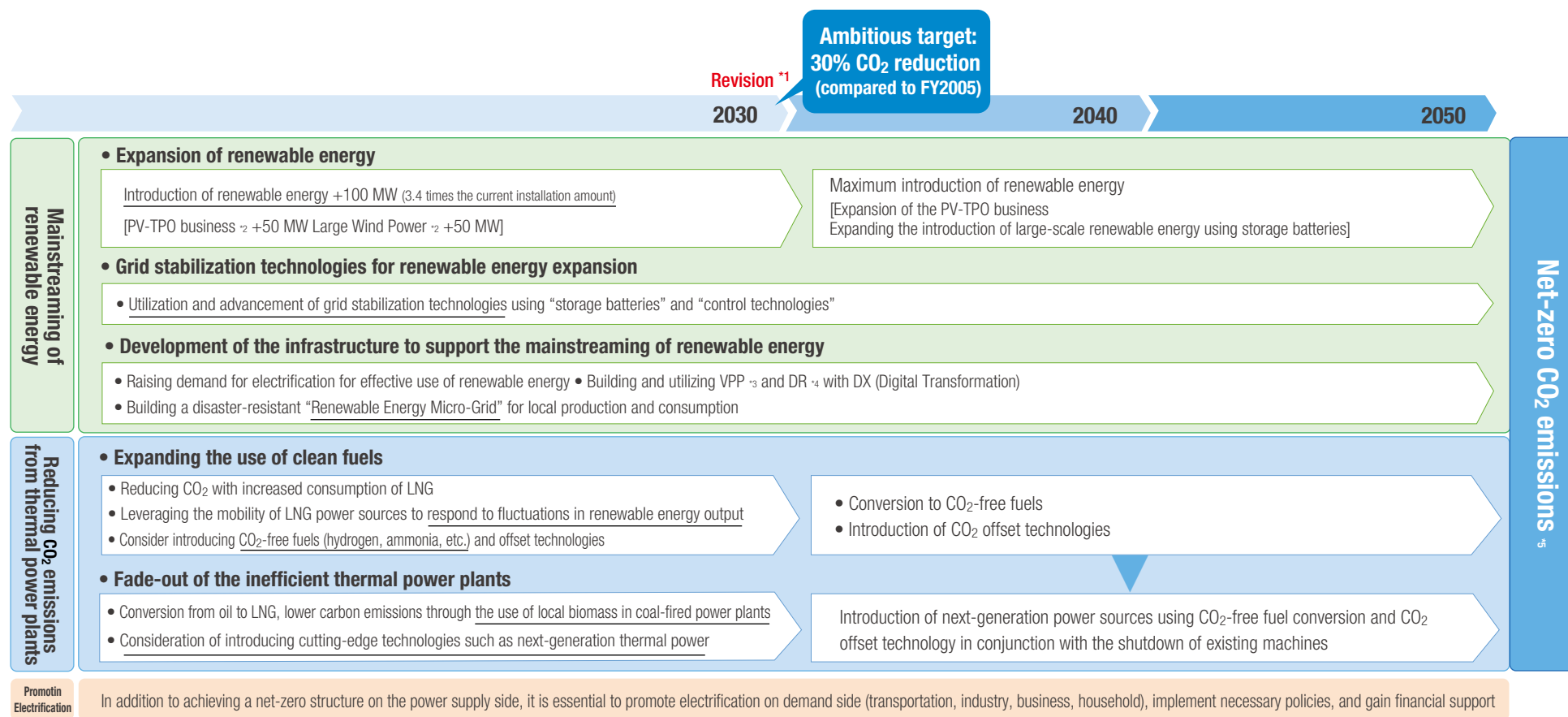
In addition, to achieve both an inclusive decarbonized society and economic society in the Okinawa area, it is essential that at least the following business environment be developed with sufficient policy and financial support from the government.

- Technological development that satisfies the installation standards for largescale wind power generation based on the extreme wind speeds in the Okinawa area, and a business environment that allows for commercial implementation.
- To achieve a balance between securing the capacity of thermal power plants, which is necessary for stable supply in the Okinawa area, and reducing CO₂ emissions, a business environment that allows Just Transition to low and decarbonized thermal power generation has been established through sufficient support for efforts to reduce and decarbonize existing thermal power plants through measures such as co-firing CO₂-free fuels.
- To maximize the use of renewable energy, we will establish a good relationship with the local community by reducing the burden on the public through rational environmental regulations and securing suitable sites in a symbiotic manner with the local community.
- To secure the stable supply of necessary resources and fuels, the cost of supplying decarbonized fuels and technologies has been sufficiently reduced by building hydrogen and ammonia fuel supply chains in cooperation with relevant countries, and by promoting integrated initiatives to secure suitable sites for CCS.

Fig. 1 Initiatives to Achieve Carbon Neutrality: Illustration of Achievement



* Since the government's previous target of a 26% reduction compared to FY2013 (25.4% reduction compared to FY2005) also included the FY2005 standard target, we set a target of a 26% reduction compared to FY2005, which is higher than the government target, and have been working to achieve the target. Started biomass mixed firing at Gushikawa Thermal Power Plant in 2010 as a countermeasure against global warming, and introduced Yoshinoura thermal power (LNG) in 2012, which became a pillar of the countermeasure, and we continue to use FY2005 as the base year as this will allow us to properly evaluate our initiatives.

2050 Net-Zero CO₂ Emissions Roadmap Ver. 1 (2022.10)

*1 The government's goal of reducing greenhouse gas emissions by 46% is equivalent to a reduction rate of 28% in the case of the Okinawa area, where zero-emission power sources are limited and it is a tough target for the Okinawa area. We have taken a step further by setting a new target of a 30% reduction.

The government's previous target included a target for the standard of FY2005, and as a countermeasure against global warming, we started with biomass mixed firing at Gushikawa Thermal Power Plant in 2010 and introduced Yoshinoura thermal power (LNG) as a pillar of the countermeasure in 2012. We decided to use FY2005 as the base year to clearly evaluate our initiatives.

*2 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-scale wind power are scheduled to be built and managed by our affiliated companies.

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

*4 Demand Response (DR), according to the Ministry of Economy, 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 or when grid reliability declines."

*5 We are aiming for 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.

Mainstreaming of Renewable Energy

CO₂ is not emitted when electricity is generated with photovoltaic and wind power, and electric power generation using biomass is expected to be further utilized for carbon-neutral energy.

On the other hand, since the output in photovoltaic and wind power generation fluctuates due to the impact of weather, etc., adjustment by thermal power generation and storage batteries becomes inevitable, and these sources have to be introduced in a well-balanced manner among other power sources.

In order to achieve net-zero CO₂ emissions by 2050, we will promote the use of renewable energy as a mainstay and conduct demonstration tests to ensure a stable energy supply.

For more information,
please visit our
website.



Achievement of supplying renewable energy 100% (Hateruma Island)

We have been entrusted with the “Smart Energy Island Infrastructure Development Project (Project for Maximum Introduction of Renewable Energy on Small Isolated Islands)”, and introduced an MG set (Motor Generator) at our Hateruma Power Plant in February 2018.

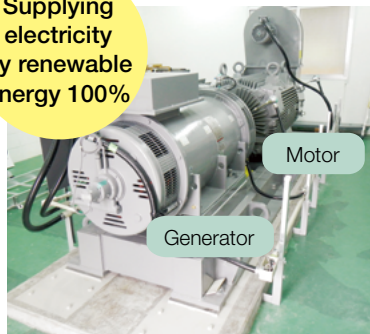
Since the MG set is operated using a storage battery charged with surplus electric power from renewable energy as its power source, depending on the balance between demand and renewable energy output, it is possible to supply 100% renewable energy.

The MG set is connected to a commercial power grid as a device having the same functions as a diesel generator. This initiative for expanding the introduction of renewable energy is unparalleled anywhere in the world.



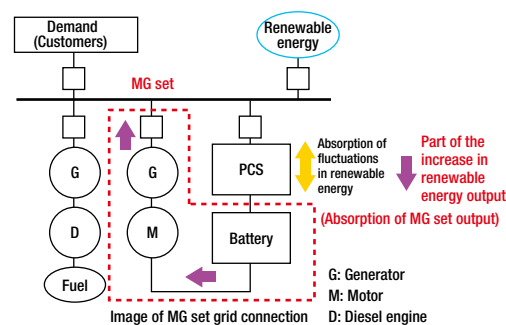
▲ Tiltable wind power generation system

Supplying
electricity
by renewable
energy 100%



▲ Appearance of the MG Set

Installation of the MG set on Hateruma Island

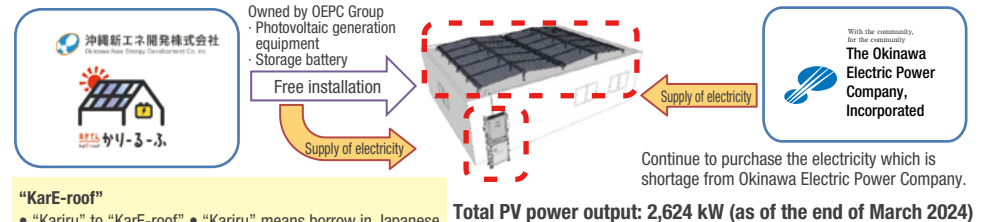


In 2020, combining tiltable wind power generation and a system stabilizer in the “Motor generator (MG Set)”, 100% of the electric power on Hateruma Island was supplied with renewable energy for about 10 days (229 hours 27 minutes).

Solar power generation + storage battery free installation service (PV-TPO business) “KarE-roof”

• For general housing

Since April 2021, we have been offering a service called “KarE-roof” for general housing, which costs customers 0 yen for installation and maintenance of photovoltaic power generation facilities and storage batteries, and provides the generated electricity to the customers at reasonable rates. The advantage of “KarE-roof” is that you can use electricity from photovoltaic power and storage batteries in the event of power outage due to disasters such as typhoons, and if you install an EcoCute and IH cooking heater to create an all-electric home, you can further reduce your overall utility costs.



“KarE-roof”

- “Kariru” to “KarE-roof” • “Kariru” means borrow in Japanese
- In addition, “Kari” is used as a word that means good fortune and brings good luck in the Okinawan dialect.

• For business

As social demand for measures against global warming further increases, the number of inquiries from customers has been increasing, and we are now accepting applications from various businesses. In addition, in the event of power outages due to a typhoon or other disaster, electricity stored in storage batteries from photovoltaic power generation facilities can be used, making this a service that can also be available in the event of an emergency.



Okinawa Hormel Ltd.
(Service started in June 2023)

- PV power generation facilities: 185 kW
- Storage batteries: 13.5 kWh
- CO₂ reduction: 254 tons/year

Total PV power output: 2,140 kW
(as of the end of March 2024)

Acquisition of small-scale micro-grid technology

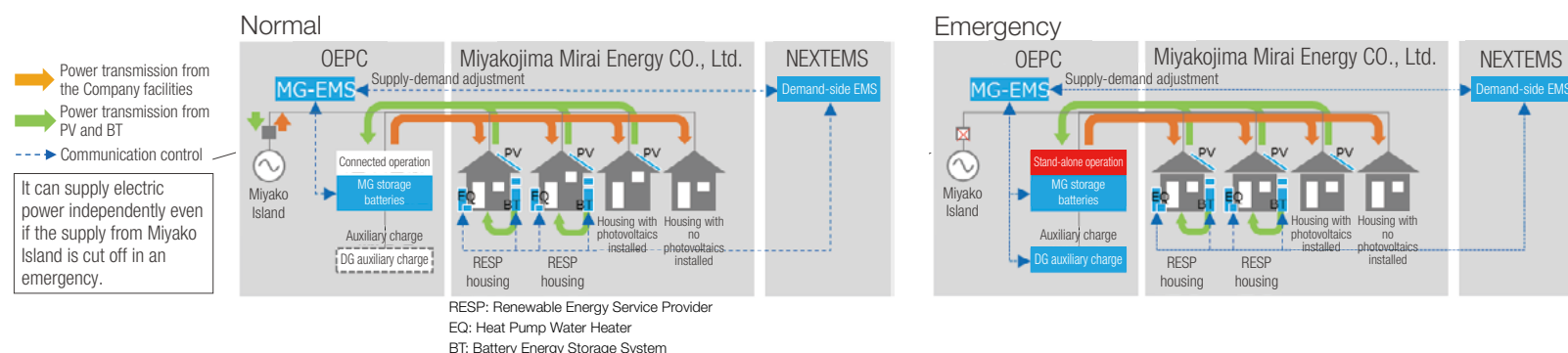
In response to a decision by the Ministry of Economy, Trade and Industry to grant subsidy to the “Regional Micro-Grid Construction Project”, our company, NEXTEMS Co., Ltd., Miyakojima Mirai Energy Co., Ltd., and Miyakojima City started the operation of a regional microgrid on Kurima Island in Miyakojima City on January 25, 2022.

Regional renewable energy can be used in an area of a certain size with a regional micro-grid (hereinafter referred to as an “MG”). This is a new energy system in which electricity can be supplied efficiently to the required area during normal times by utilizing renewable energy such as photovoltaic generation and storage batteries, whereas during an emergency, such as a large-scale power outage due to a disaster, etc., if the micro-grid is cut off from the main power transmission and distribution network (Miyakojima grid in this project), electricity can be supplied independently to the area.

In May 2022, for the first time in Japan, we separated the micro-grid area from the main transmission and distribution network, and succeeded in supplying electricity using existing distribution lines only by combining solar power generation installed on the customer side with our MG batteries.



▲ Kurima Island

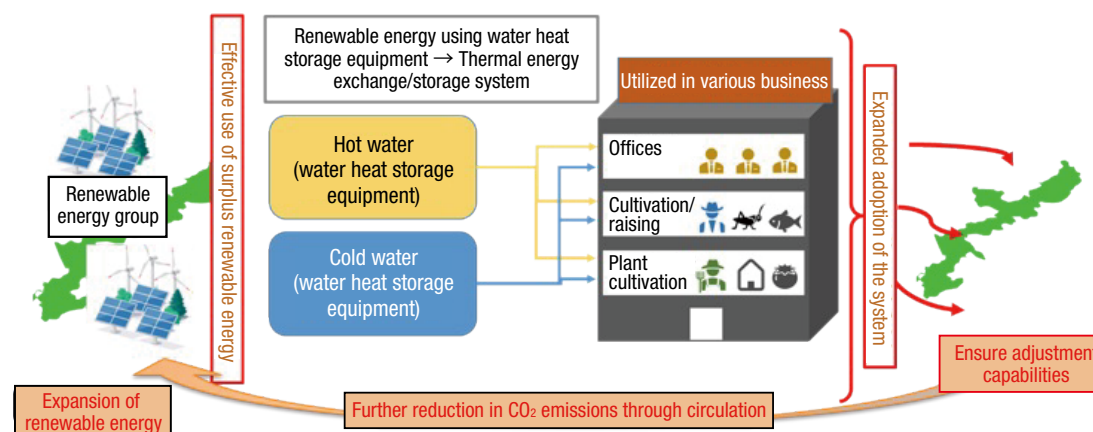


Feasibility study for water storage and heat utilization business contributing to expanding the introduction of renewable energy and demand response

Under the “Okinawa Clean Energy Introduction Promotion Research Program” held by the Okinawa General Bureau of the Cabinet Office, we conducted “Feasibility Study for Water Storage and Heat Utilization Business Contributing to Expanding the Introduction of Renewable Energy and Demand Response”.

In this study, we investigated the use of a renewable energy conversion/storage system using water heat storage to see if it is possible to realize a business model that aims to effectively utilize surplus renewable energy and achieve demand response, as well as the possibility of expanding business that will ensure the ability to adjust.

Survey image

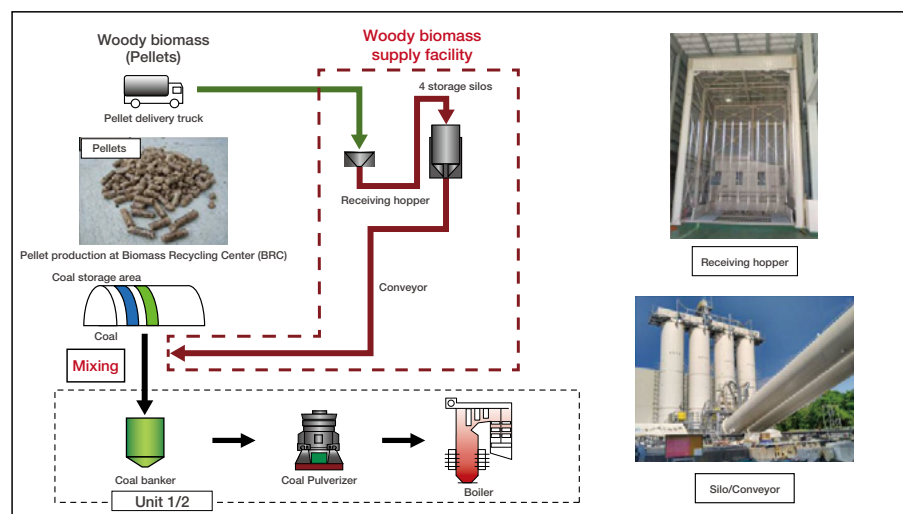


Reduction of CO₂ Emission From Thermal Power Plants

The development of large-scale hydroelectric and nuclear power is problematic in Okinawa due to geographical, topographical and electricity demand size constraints, and the unstable output of renewable energy such as photovoltaic power and wind power is unstable; Hence, we have no choice but to rely on thermal power generation using fossil fuels (oil, coal, and LNG).

Biomass co-firing at a coal-fired power plant (Gushikawa/ Kin) using local woody biomass

In order to expand use of renewable energy and reduce CO₂ emissions, woody biomass (which is a carbon-neutral resource) and coal are co-fired at our coal power plants (Gushikawa/Kin). We are contributing to the reduction of CO₂ emissions and coal consumption by using woody biomass produced from construction waste that used to be incinerated in Okinawa as fuel at our power plants. This project will also contribute to achieving the basic goal of “local production for local consumption of energy” set forth in Okinawa Prefecture’s Clean Energy Initiative.



Amount of woody biomass used: approx. 30,000 tons* per year
CO₂ reduction: approx. 40,000 tons* per year (* Total for Gushikawa and Kin)
Possible amount of mixing: approx. 3% (weight ratio)

Makiminato Gas Engine Power Plant (natural gas) started commercial operation

Makiminato Thermal Power Station (45,000 kW) is being constructed as an adjustable power source started commercial operation in March 2024 with the goal of stabilizing the power system through frequency control and supply and demand balance regulation, thereby improving supply reliability.

Natural gas will be used as the fuel in this power plant. CO₂ emissions per unit calorific value of the natural gas are approximately 30% less compared to oil and does not generate sulfur oxides (SO_x).

In addition, the installation of denitrification equipment reduces the amount of nitrogen oxide (NO_x) emissions, and the use of radiators to cool the facilities provides environmentally friendly power generation facilities.



▲ Makiminato Gas Engine Power Plant

About Makiminato
Gas Engine Power
Plant started
commercial operation



Stable operation of the Yoshinoura Thermal Power Plant (LNG combined cycle)

We are stably operating the Yoshinoura Thermal Power Plant, which uses liquefied natural gas (LNG) that emits less CO₂ than coal and oil, and adopts a combined cycle system that has a excellent power generation efficiency to reduce the CO₂ emissions.

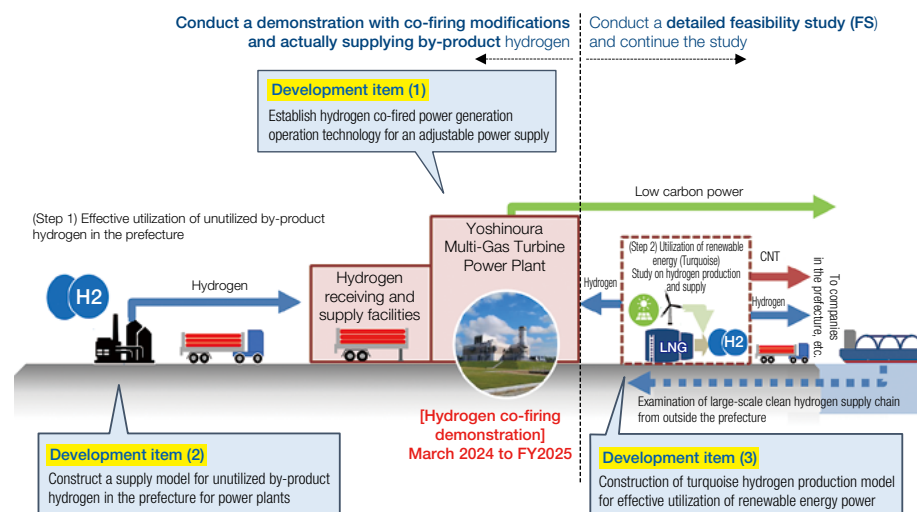
Demonstration experiment of hydrogen co-fired power generation

- In March 2024, we started a demonstration test of hydrogen co-fired power generation at the Yoshinoura Multi-Gas Turbine Power Plant (rated 35,000 kW). (Project implementation period: FY2023 to FY2025)
- In the test conducted on March 14, hydrogen co-firing at a ratio of 30% by volume was achieved at rated output.
- This is a pioneering effort in Japan for the adoption of hydrogen co-firing at an existing thermal power plant for commercial use.
- This demonstration is one of the pillars of our roadmap for achieving net-zero CO₂ emissions by 2050, and we will continue to conduct tests under actual commercial systems with the aim of establishing hydrogen co-firing power generation technology for adjustable power sources.
- We will actively contribute to the establishment of a hydrogen society by becoming a first mover in the utilization of hydrogen in the Okinawa area. At the same time, we will build a sustainable energy system and promote initiatives to balance the stable supply of energy with measures against global warming.

Overall business picture

NEDO subsidized project name

Development of Hydrogen Co-firing Operation Technology for Adjustable Power Supply Using Commercial Systems and Construction of Hydrogen Utilization Model in the Okinawa Region



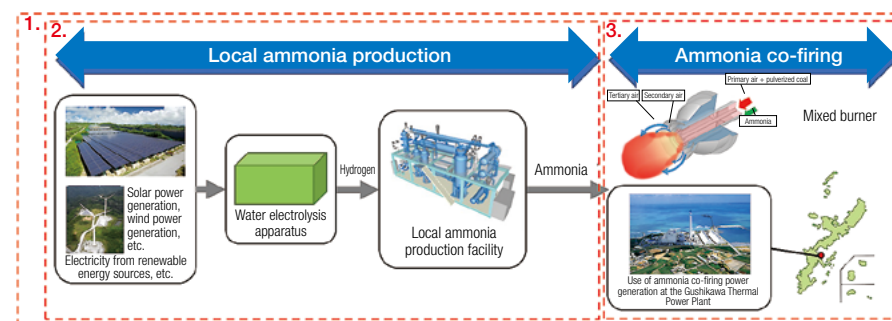
Research project on local consumption of ammonia in coal-fired thermal power stations

- We applied for the "FY2022 Okinawa Clean Energy Promotion Survey Project" in the open recruitment held by the Okinawa General Bureau of the Cabinet Office, and the "Survey Project on Consumption of Clean Fuel Ammonia in Local Production Areas in the Okinawa Region" was adopted.
- Ammonia co-firing in coal-fired power plants is expected to be an effective way to decarbonize thermal power sources in Okinawa, where reducing CO₂ emissions is an issue.
- In this survey, we investigated the feasibility and business profitability of using local production and consumption of ammonia as a clean fuel by co-firing ammonia at coal-fired power plants (local consumption) while contributing to the use of renewable energy through ammonia production (local production) using electricity derived from renewable energy. We will continue our efforts to realize a decarbonized society in the region.

Specific details of the investigation

- ① Investigate the possibility of co-firing ammonia produced locally at the Gushikawa Thermal Power Plant
- ② Investigate production and supply of local ammonia
- ③ Investigate remodel for ammonia co-firing at the Gushikawa Thermal Power Plant

Overall business picture



Other Initiatives

Comprehensive partnership agreements with municipalities and private companies, etc. (Conclusion of comprehensive agreements: 13)

Expected effects of concluding a partnership agreement

In signing this partnership agreement, we plan to introduce PV-TPO (a solar third-party ownership model), which is one of the initiatives to make renewable energy a mainstay, provide the “Uchinaa CO₂-free plan”, promote initiatives such as joint research and projects aimed at creating new technologies that help solve the problem of decarbonization and contribute to society, and conduct beach cleaning activities and environmental education, etc.



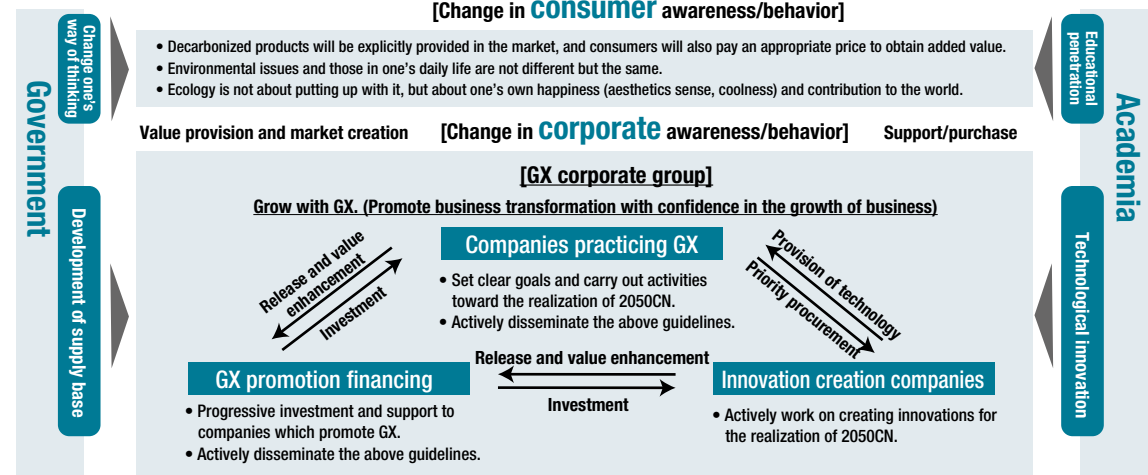
▲ Entering into the comprehensive partnership agreement with OIST

Participation in the GX League

The “GX League” aims to create a virtuous cycle between the environment and the economy with a view to achieve carbon neutrality by 2050, taking on the challenge to quickly transition to carbon neutrality, and the group of companies working on GX by themselves, the Japanese government, and financial and educational institutions such as universities will collaborate to lead the transformation.

We participated in the GX League because we consider it to be consistent with our initiatives and ideas for zero emissions. We will continue to work toward net-zero CO₂ emissions throughout Okinawa Prefecture and contribute to the realization of a sustainable society.

About the GX League



Source: "ABOUT GX LEAGUE" official GX League website

Measures for TCFD Recommendations

One of the fundamental directions of the Company's management is to carry out its business activities "aggressively taking on carbon neutrality". Achieving carbon neutrality by 2050 is one of our responsibilities as a comprehensive energy company rooted in the region, and we believe that doing so will lead to the realization of a sustainable society in Okinawa by taking a unique path that does not have a significant impact on the local economy based on the characteristics of the region, namely a "Just Transition in the Okinawa area".

In order to steadily advance toward carbon neutrality, we will utilize the framework of the TCFD Recommendations to disclose information, appropriately respond to the risks and opportunities posed by climate change in our business activities, strive to increase corporate value, enhance information disclosure, and contribute to the realization of a sustainable society together with all stakeholders.

Governance

- Addressing climate change as an important management issue, we regularly hold meetings of the "Carbon Neutral Promotion Committee", chaired by the President, to discuss various measures and issues related to climate change, and strive to improve and enhance initiatives, etc. In addition to reporting the results of deliberations and management status to the Board of Directors, when significant issues related to climate change occur, reports will be made as appropriate and confirmation will be received.
- The Priority Action Policies were discussed by the "Carbon Neutrality Promotion Committee" and reflected in the management plan and policies. It was decided that the Board of Directors will discuss and decide the policy, and execution status of the business plan will be reported to the Board of Directors by each division.
- The OEPC Group Medium-Term Management Plan 2025 was formulated through the Board of Directors, including a long-term plan for achieving carbon neutrality by 2050.

Main matters to be reported to the Board of Directors (FY2023)

- 2050 Zero-emission roadmap progress report
- Report on TCFD information disclosure

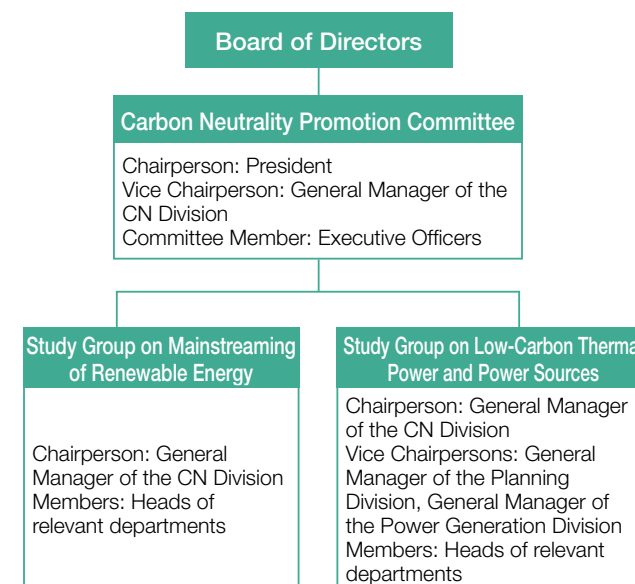
Risk management

We check the status of risk management every year to prevent risks and quickly respond if risks occur. Business and financial risks, including risks related to climate change, are checked separately by coordinating with the relevant departments. Physical risks associated with climate change are assumed to be particularly important. The Equipment Department evaluates them from the perspective of protecting the equipment and ensuring the safety of employees. We prescribe regulatory documents such as risk management manuals, prepare for the occurrence of risks by conducting drills, simulate disasters caused by typhoons and tsunamis, perform periodic evaluation and analysis of the effectiveness of our disaster prevention plan, examine risk mitigation measures, and take appropriate actions. The status of risk management is reported to senior management during management reviews.



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

* Task Force on Climate-related Financial Disclosure established by the Financial Stability Board (FSB) in response to the proposal of G20 Finance Ministers and the Central Bank



Strategies —Referring climate change scenarios—

Since FY2020, we have been working to identify future climate change risks and opportunities by referring to multiple scenarios.

Possible events related to climate-related risks and opportunities in our company are summarized as follows: the 2°C Scenario, where necessary measures are taken to limit temperature rise to 2°C or less; the 1.5°C Scenario, where stricter measures are required than the 2°C Scenario; and the 4°C Scenario, where climate change measures exceeding the current level are not taken and decarbonization does not progress.

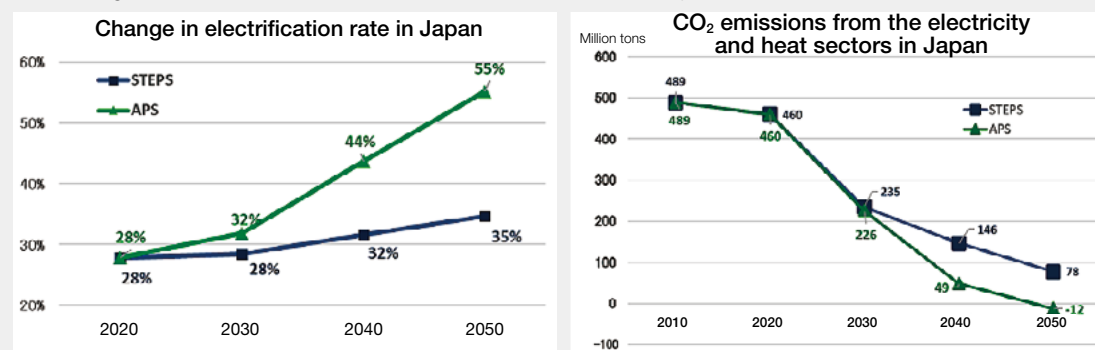
* In the midst of many long-term uncertainties, this is a summary of possible events for our company and it does not indicate future prospects.

2°C
Scenario

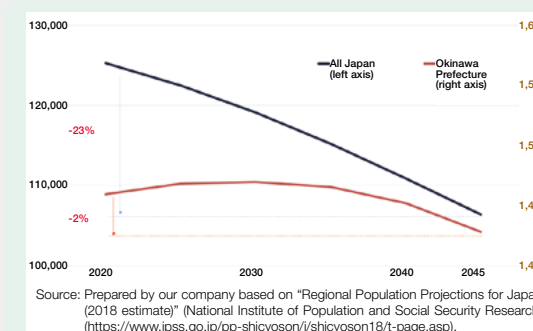
1.5°C
Scenario

Referring to the World Energy Outlook 2023 of the International Energy Agency (IEA), the transition risks and opportunities for a decarbonized society were summarized.

In the 2°C Scenario (APS), while a certain degree of growth in electricity demand is expected due to the increasing decarbonization of society, there is a possibility that the cost of strengthening policies and regulations will increase. Furthermore, these trends may be more pronounced in the 1.5°C Scenario (NZE). We also believe that a number of technological breakthroughs and economic benefits must be achieved in the transition process.



Source: Prepared by our company based on Electricity and CO₂ emissions (Japan) referencing IEA World Energy Outlook 2023.



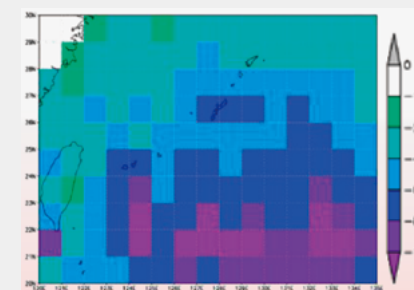
According to the National Institute of Population and Social Security Research, the population of Okinawa Prefecture is expected to decline by about 5% in 2050. Therefore, in Okinawa, the degree of impact on electricity demand due to population decline is limited, and electricity demand is expected to grow steadily, as electrification is expected to promote decarbonization.

4°C
Scenario

We compiled physical risks, such as abnormal weather and opportunities by referring to RCP 8.5 of the IPCC (Intergovernmental Panel on Climate Change).

As a result of organizing future changes around Okinawa Prefecture around 2050 in the RCP 8.5 scenario from existing literature and existing data sets, it is possible that the number of future typhoons passing through the waters around Okinawa, especially in the southern part of the sea area, will decrease.

On the other hand, it is considered that the passing frequency of "strong" typhoons with high maximum wind speeds will increase.



Changes in the number of typhoons passing through the waters around Okinawa around 2050 (difference of future climate minus present climate) [units/10 years]

Strategies — Summary of risks and opportunities related to climate change—

Risk			Manifestation timing		Degree of impact	Risk Overview (Financial Impact)	OPEC Group Initiatives
			Short-to medium-term	Long-term			
Transition Risks	Policy/Laws and regulations <small>Transition to decarbonization policies: Increasing demand to reduce CO₂ emissions</small>	1	Decline in the competitiveness of coal-fired power (Change in role of thermal power plants)		High	The cost of responding to policies for the decommissioning of inefficient coal-fired power. There are concerns about an increase in investment costs and depreciation costs related to the replacement of power plants, an increase in costs for the retirement of existing facilities, and an increase in fuel costs associated with the fade-out of coal thermal power plants.	<ul style="list-style-type: none"> Expand introduction of clean fuels (biomass) Ammonia co-firing Promote consideration of next-generation power sources
		2	Introduction of carbon pricing, etc		High	Substantial cost increases are expected if carbon pricing is implemented. (On the other hand, reducing CO ₂ through various climate change initiatives is equivalent to reducing the financial impact by about 9 billion yen*) <small>* IEA WEO 2023 carbon price estimates for 2030 Estimated based on (NZE: US \$140/t-CO₂, APS: US \$135/t-CO₂)</small>	<ul style="list-style-type: none"> To reduce GHG emissions, promote initiatives that contribute to mainstreaming renewable energy and reducing CO₂ emissions from thermal power plants, as outlined in the 2050 Net-Zero CO₂ Emissions Roadmap
		3	Impacts of fossil fuel costs due to lower fuel supply		High	The growing need for carbon neutrality has stalled investment in upstream development of fossil fuels, and there are concerns about rising prices due to supply shortages. <small>Impact of a 1% increase in fuel costs: 940 million yen</small>	<ul style="list-style-type: none"> Diversify suppliers Observe price trends
		4	Fuel cost impact of LNG conversion from coal (further utilization of LNG)		Medium	The shift from coal to LNG is expected to have a financial impact due to changes in fuel costs.	<ul style="list-style-type: none"> Observe price trends
	Technology <small>Progress in low-carbon and decarbonization technologies</small>	5	Increase in grid stabilization costs (expanded introduction of renewable energy due to technological progress)		Medium	It is assumed that the cost of capital investments, such as storage batteries, for system stability measures with the introduction of renewable energy will increase.	<ul style="list-style-type: none"> Utilize and upgrade system stabilization technology Build and utilize VPP and DR using DX
	Market/Service <small>Changes in customer preferences</small>	6	Competition due to changes in customer preferences (increased environmental awareness)		Small to medium	Concern over the inability to increase sales due to competition with competitors in the environmentally friendly products industry.	<ul style="list-style-type: none"> Strengthen decarbonization solutions and comprehensive energy services
	Reputation <small>Change in corporate image</small>	7	Decline in societal assessment of climate change response (CO ₂ emissions)		Small to medium	Due to structural disadvantages in the Okinawa area, the situation of having to rely on fossil fuels gives a negative impression and the reputation of stakeholders falls.	<ul style="list-style-type: none"> Expand climate change initiatives Improve disclosure of climate-related information Enhance dialogue with shareholders, institutional investors, etc.
Physical Risks	Acute <small>Intensification of abnormal weather</small>	8	Damage due to intensification of typhoons (increased recovery costs)		Small to medium	In the waters around Okinawa, while the number of typhoons passing through will decrease, the ratio of powerful typhoons will increase, raising the possibility of large-scale equipment damage and accidents. Potential impact: 1 billion yen <small>* Most recent maximum damage amount (FY2023)</small>	<ul style="list-style-type: none"> Introduce facilities with high wind resistance Appropriately maintain and manage equipment Rapid response for early recovery Implement disaster prevention and recovery drills in preparation for an emergency disaster Strengthen cooperation with local governments and related organizations
		9	Damage caused by torrential rain		Small to medium	There are concerns regarding damage to facilities due to flooding and landslides caused by torrential rains associated with climate change.	<ul style="list-style-type: none"> Raise building floors and outdoor equipment in areas where there is a risk of inundation or flooding Implement measures against landslides taking into account topography, geology, etc. (walls, masonry, etc.)
		10	Climate change impacts on fuel suppliers		Small to medium	Damage caused by cyclone, heavy rain, and other extreme weather events at fuel suppliers are expected to hinder stable procurement and increase procurement costs <small>Impact of a 1% increase in fuel costs: 940 million yen</small>	<ul style="list-style-type: none"> Diversify suppliers Observe price trends
	Chronic <small>Changes in climate patterns</small>	11	Impact of changes in weather patterns on operations, etc. (destabilization of income/expenses)		Small to medium	High temperature days and rising extreme water levels may affect business.	<ul style="list-style-type: none"> Improve equipment Secure revenue sources that are not affected by temperature fluctuations

* The impact levels were rated as "Large: Impact would cause business to stop, or significantly shrink or expand", "Medium: Impact a portion of business", and "Small: Minor impact".

* The contents of this table summarize events that the Company can think of in the midst of many uncertainties, and do not indicate future outlook.

Strategies — Summary of risks and opportunities related to climate change—

We classify the “Risks and opportunities related to climate change” as shown in the table below.

Opportunity			Manifestation timing		Degree of impact	Overview of Opportunities (Financial Impact)	OEPC Group Initiatives
			Short-to medium-term	Long-term			
Opportunity	Expanded use of LNG outside the electricity business	1	Expanded use of LNG outside the electricity business (Further utilization of LNG)		Small to medium	As a countermeasure against climate change, efforts to achieve zero emissions are expected to accelerate, and earnings are expected to increase by expanding the use of renewable energy in small-scale power systems and by developing businesses that utilize knowledge regarding power system stabilization technologies cultivated by our Group.	The OEPC Group will work together to expand LNG sales channels.
	Products and Service/Market	2	Use of decarbonized power sources (development of services that contribute to expanding the introduction of renewable energy such as distributed power sources)		Small to medium	With the transition to a low-carbon and decarbonized society, the market need for natural gas, which emits less CO ₂ than other fossil fuels, is expected to increase, and revenues from the gas business are expected to increase. SeED Okinawa LLC, which is utilizing the Group's knowledge and expertise to engage in the development of overseas business, achieved ordinary revenue of approximately 330 million yen in FY2023	The OEPC Group will work together to expand overseas business.
		3	Progress of electrification (changes in power demand structure due to climate change)		Small to medium	Increase in electric power demand due to progress in electrification Increase of 440 million yen when demand increases by 1%	<ul style="list-style-type: none"> Strengthen decarbonization solutions and comprehensive energy services Implement effective promotions based on customer needs
		4	Increasing customer needs for environmentally conscious plans		Small to medium	It is expected that KarE-roof (PV-TPO), which contributes to the adaptation of energy-saving housing and ZEH, and the “Uchinaa CO ₂ -free plan,” which is fully electric and environmentally friendly, will become more widespread.	
	Resilience	5	Energy security accumulated over many years due to typhoon response		Small to medium	Strengthening resilience against natural disasters by preventive measures such as “abrasion resistant electrical wire”, “low wind pressure electrical wire”, and rapid restoration measures will lead to the improvement of corporate value.	<ul style="list-style-type: none"> Strengthen distribution facilities Rapid response for early recovery Examine and develop new technologies

* Occurrence timing has been set as “short to mid: by 2030” and “long: by 2050”.

* The impact levels were rated as “Large: Impact would cause business to stop, or significantly shrink or expand”, “Medium: Impact a portion of business”, and “Small: Minor impact”.

* The contents of this table summarize events that the Company can think of in the midst of many uncertainties, and do not indicate future outlook.

Indicators and goals

We announced our long-term guidelines “OEPG’s Approach to Zero Emissions ~Towards 2050 Net-Zero CO₂ Emissions~” in December 2020 and based on our roadmap for the next 30 years, we will implement a variety of measures, with two directions: “Make renewable energy a mainstay” and “Reduce CO₂ emissions from thermal power”.

We have set an ambitious target of a “30% reduction in FY2030 (compared to FY2005)” and will speedup the “Just Transition in the Okinawa area” with maximized initiatives, including various carbon neutral measures as indicated in our roadmap.

■ Addition of
+100,000 kW
renewable energy in FY2030

■ Reduce CO₂ emissions by
30%
in FY2030 compared to FY2005

→ See p.45 - p.49 for details on the roadmap.

Progress and outlook of major measures toward CO₂ reduction targets

Greenhouse gas emissions through the supply chain

[10,000 t -CO₂]

Scope	2021	2022	2023
Scope 1* ¹	449	456	400
Scope 2* ²	0.3	0.3	0.2
Scope 3* ³	159	153	156

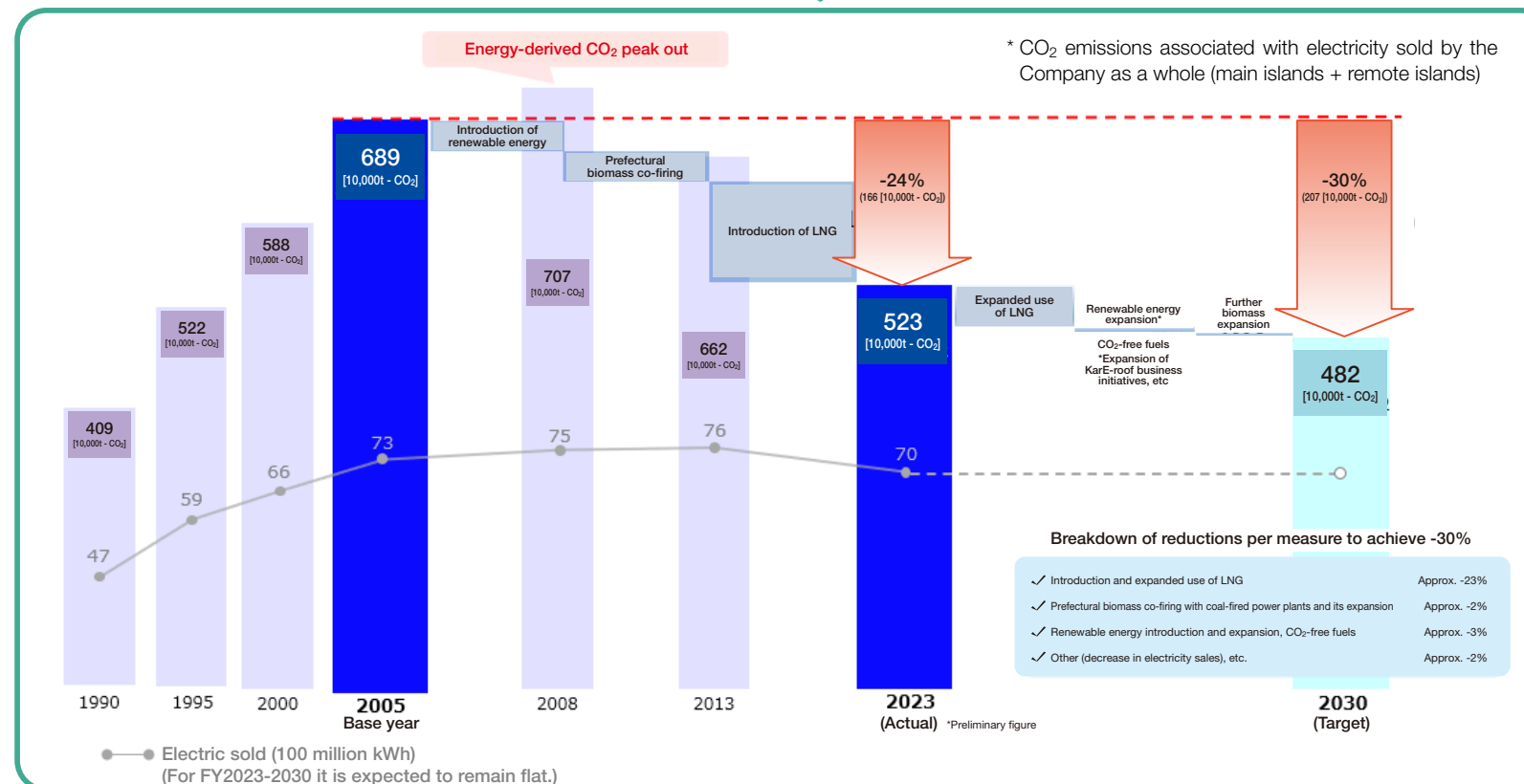
*1 Direct emissions of greenhouse gases as defined in the Act on Promotion of Global Warming Countermeasures (CO₂, N₂O, HFC, SF₆, etc.)

*2 Indirect emissions associated with the use of electricity and steam supplied by other companies

*3 Categories covered by Scope 3 are as follows.

Categories covered by Scope 3

- Category 2: Capital goods
- Category 4: Upstream transportation and distribution
- Category 6: Business travel
- Category 11: Use of sold products
- Category 3: Fuel- and energy-related activities not included in Scope 1 or 2
- Category 5: Waste generated in operations
- Category 7: Employee commuting



3 Infrastructure to Support Value Creation



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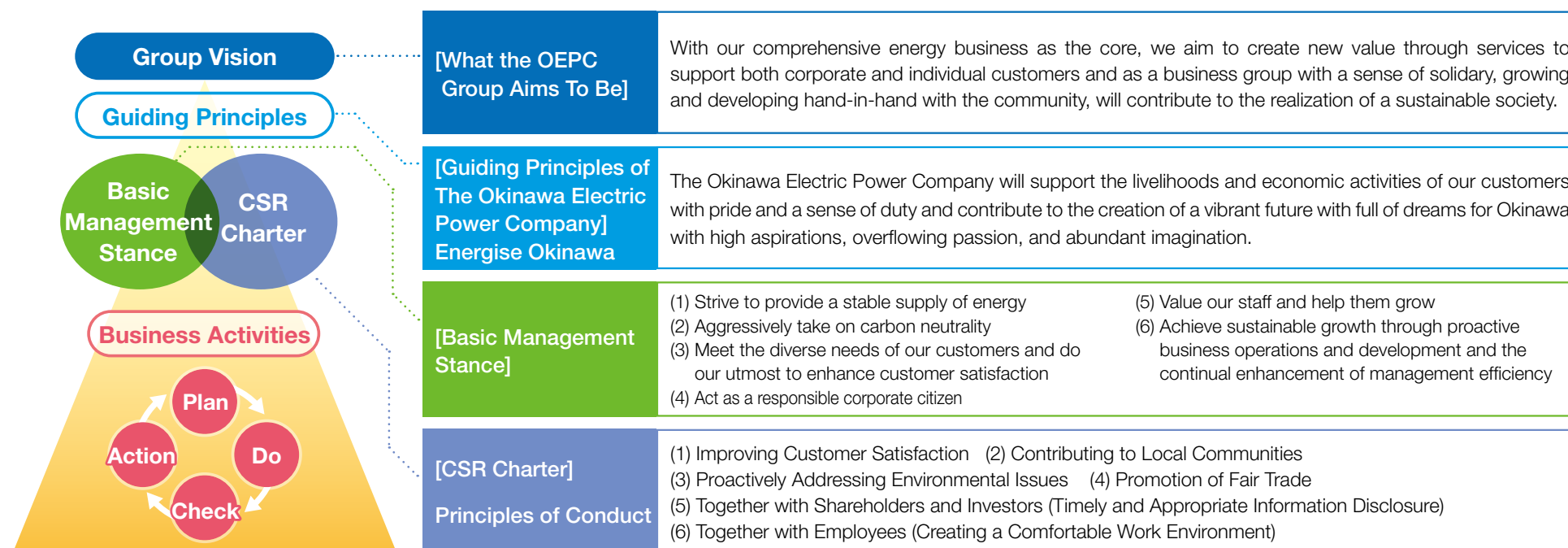
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CSR Initiatives

The goal that the OEPC Group aims to achieve through the CSR activities is to realize the OEPC Group Vision and Guiding Principles with our business activities. We will continue to do our best to realize this goal with the collective wisdom of each one of us.

[Corporate Slogan] With the community, for the community

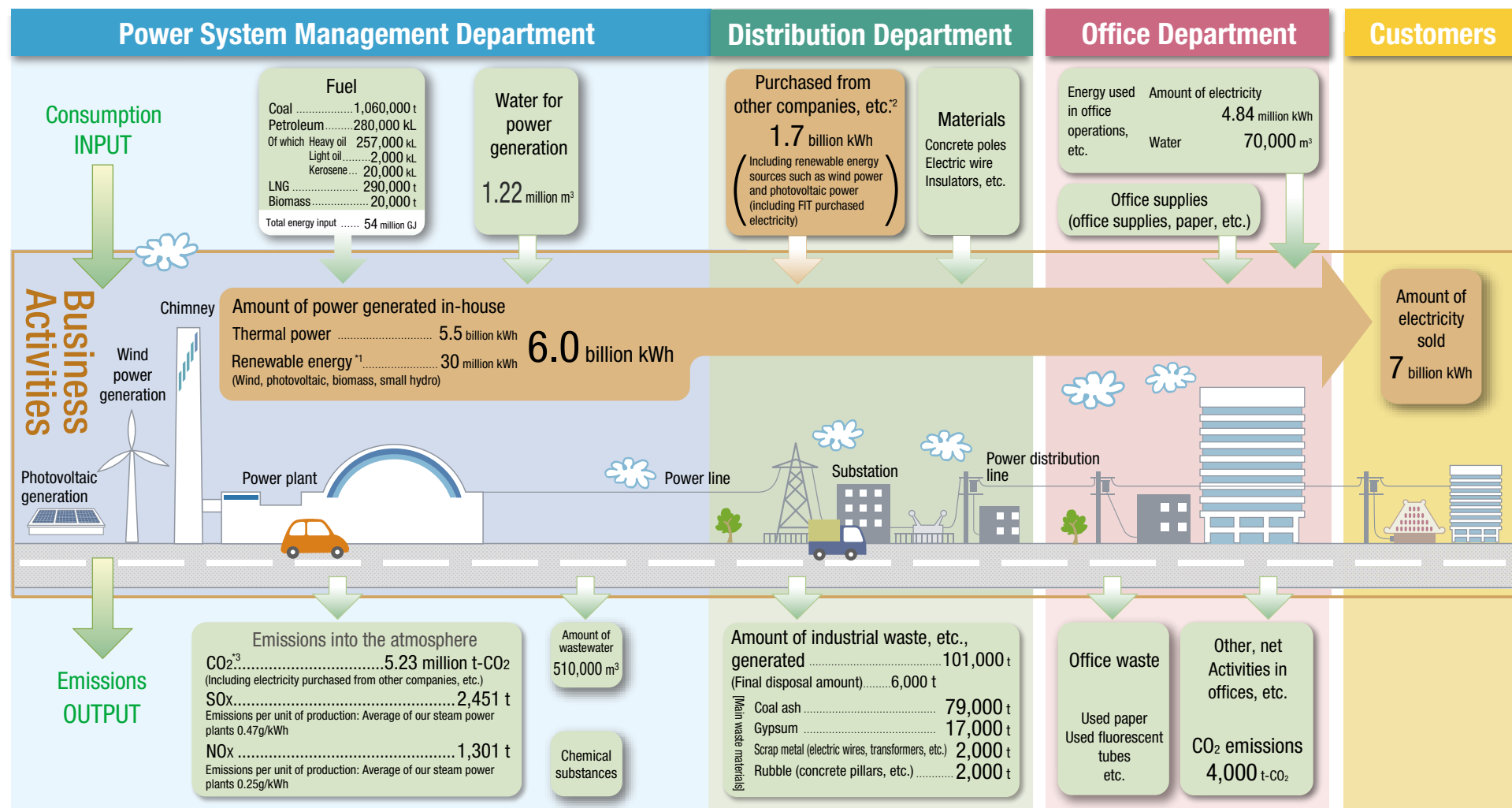


Our Group is engaged in various CSR initiatives in line with the management philosophy, including measures to effort to global warming countermeasures. We will proactively address the Sustainable Development Goals (SDGs) adopted by the United Nations through initiatives such as zero emissions.



Overview of Environmental Footprint

To deliver electricity to our customers, the Power Generation and Distribution Departments use fuels and other materials to generate electricity, and CO₂ and waste materials are generated during this process. Our company strives to assess and reduce the environmental impact of our operations, including the resources used and office activities, to limit the environmental impact of our business as a whole.



^{*1} The amount of electricity generated from our own renewable energy sources is the amount of electricity at the transmission end.

^{*2} Including the amount of electricity received from other companies and the amount deducted from the transmission of electricity to other companies.

^{*3} Emissions related to the electricity sales for our Company (main island + remote islands) are estimated. (Total values may not match due to rounding.)

◇ For more information on our environmental initiatives, please refer to our website.

📄 Top Page ▶ OEPG Initiatives ▶ Our Environmental Activities



Enhancement of Environmental Management

The OEPC Group considers environmental issues to be the most important management issues because we want to become a driving force for Okinawa through energy and connect Churashima (the pure beautiful islands) to the future. We are developing various initiatives based on the OEPC Group Environmental Policy as a corporate group responsible for the global environment to retain the trust of local communities and customers.

Proactive promotion of environmental action management system

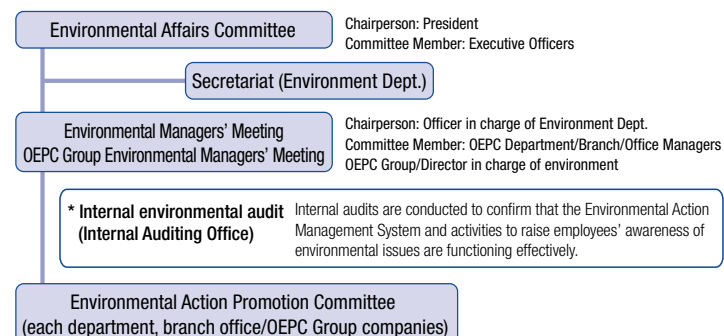
We have established the “Environmental Action Management System”, which is operated to carry out environmentally friendly business activities and conduct environmental activities by setting environmental targets, using the results for further improvement.

• Promotion System

We have established the “Environmental Affairs Committee” chaired by the President, and the “Environmental Managers’ Council” and “Environmental Managers’ Council of the OEPC Group”, as subordinate bodies of the committee, for the proper operation of the Environmental Action Management System. The committee examines issues about environmental problems and decides policies and measures after deliberation.

We have also formed an “Environmental Action Promotion Committee” in each department, and each OEPC Group company and the entire Group engages proactively in environmental action. We conduct internal environmental audits to confirm that the environmental action system is functioning effectively.

• Promotion Structure



OEPC Group Environmental Policy

Environmental Philosophy

The OEPC Group strives to promote group-wide environmental action and enhance environmental management to enable us to leave a rich and beautiful global environment to future generations, conducting our business activities with maximum emphasis on the environment. Each individual employee proactively acts toward realization of the sustainable development of our society, with a high level of awareness.

Environmental Action Guidelines

1. Promotion of global warming countermeasures
2. Promotion of local environmental conservation
3. Promoting a recycling-oriented society
4. Promoting environmental communication
5. Enhancement of environmental management

Enacted: March 11, 2008 7th edition : Revised: June 12, 2023

OEPC Group Medium-Term Environmental Targets

We have set mid-term targets for environmental action in our “Environmental Action Guidelines” for improvements required over the medium term, and the promotions are progressing steadily.

Environmental Action Guidelines	No.	Item	Medium-Term Environmental Targets (FY2026)
Promotion of Global Warming Countermeasures	1	Reduction of CO ₂ emissions	Strive to achieve the ambitious target of reducing CO ₂ emissions by 30% by FY2030 (compared to FY2005) [Initiatives] • Mainstreaming of renewable energy (+100,000 kW) • Reducing CO ₂ emissions from thermal power plants • Promoting electrification
Promotion of Local Environmental Conservation	2	Proper disposal of PCB waste	Dispose of all waste by the legally mandated disposal deadline.
Promoting a Recycling-Oriented Society	3	Promotion of the 3Rs of industrial waste	Recycling rate: 95% or more
	4	Promotion of green purchasing	Green purchasing rate: 85% or more
Promoting Environmental Communication	5	Promotion of measures against marine plastics	Promote beach (river) cleaning activities.

(6th edition : Enacted: December 13, 2023)

Overall environmental targets and results for fiscal year

A report is presented here on the achievement status of the overall environmental targets of FY2023 that were set based on the “OEPG Group Mid-Term Environmental Targets” and “FY2023 Environmental Action Implementation Plan”.

Evaluation standards for FY2022 results

Qualitative goals Implemented Partially implemented Not implemented Numerical targets Target achieved 80% or more achieved Efforts can be confirmed. Not implemented

Environmental Action Guidelines	No.	Item	FY2022 Targets	FY2023 Results	Evaluation
Promotion of Global Warming Countermeasures	1	Reduction of CO ₂ emissions	Strive to limit CO ₂ emissions through various measures, such as the stable operation of the Yoshinoura Thermal Power Plant, which uses LNG as fuel, and utilization of renewable energy, operation by the mixed firing of woody biomass fuel, conducting verification tests for the stable operation of photovoltaic and wind power generation, and maintaining thermal efficiency of thermal power plants.	We have strived to limit CO ₂ emissions through various measures such as the stable operation of the Yoshinoura Thermal Power Plant, which uses LNG as fuel, and utilization of renewable energy, mixed firing of woody biomass fuel for coal-fired thermal power, and conducting verification tests for the stable operation of photovoltaic and wind power generation.	
	2	Reduction of electricity consumption in offices *1	1% reduction from the previous fiscal year	17.3% decrease	
	3	Implementation of eco-commuting *1	Target achievement rate: 50% (Target: 12 times/person/year)	65%	
Promotion of Local Environmental Conservation	4	Proper disposal of PCB waste	Appropriately store and manage all PCB waste, and continue to promote the treatment of PCB waste.	Properly stored and managed all PCB waste; promoted steady disposal of PCB-contaminated oil and PCB-contaminated equipment.	
Promoting a Recycling-Oriented Society	5	Promotion of the 3Rs of industrial waste	Recycling rate: 95% or more	94%	
	6	Promotion of green purchasing *1	Green purchasing rate: 85% or more	86%	
Promoting Environmental Communication	7	Implementation of environmental action panel exhibitions *1	12 times/year	15 times/year	
	8	Participation in environmental volunteer activities *1 *2	2 times/person/year	1.7 times/person/year	
	9	Promotion of measures against marine plastics *1	Beach (river) cleanup activities 30 times/year	90 times/year	
	10	Conducting energy and environmental education *1	50 times/year	70 times/year	

*1. For item , we aggregated data for 13 Group companies including OEPG. *2. Includes participation by family members, acquaintances, and friends of executives and employees.

Promotion of Local Environmental Conservation

The bountiful nature benefits our lives in a variety of ways. Our company engages in business activities by remaining connected with the local natural environment, including the air and sea. Our company gives due consideration to the environmental impact of our business activities, and we take various environmental protection measures while aiming to be in harmony with the local environment, so that we can pass on nature, which is invaluable for our company, to future generations. Our Power Generation Department is working to prevent environmental accidents and reduce our environmental impact through the Environmental Management System that is operated and continuously improved by the joint effort of all the power plants and Head Office departments.

Environmental conservation countermeasures at thermal power plants

We are taking various environmental protection measures related to air, water and noise, to reduce the environmental impact of power plant operation as much as possible.

[Main environmental protection countermeasures]

Measures to protect the atmosphere and water warm discharged water, measures to prevent noise and vibration, odor prevention measures, etc.

For more information on our environmental conservation measures, please refer to our website (environment-related information).



Monitoring the impact on the environment around the power plant

The power plants have entered into an environmental protection agreement with the Okinawa Prefecture and local governments to prevent environmental pollution and preserve the livelihood and natural environment. Based on the agreement, we will also measure the air, water, noise and vibrations, as well as conduct surveys to monitor their impact on the surrounding environment, and we will report the results of these measurements to the applicable parties on a regular basis.

Creating facilities in harmony with the environment

Our aim is to create a facility in harmony with Okinawa's blue skies and sea and the rich natural scenery unique to the subtropical region. We are working to create such a facility using a variety of ideas, considering the local landscape.

Environmental protection measures during construction

To protect Okinawa's nature, including the sea, rivers, flora, and fauna, we are taking various measures friendly to the local environment and biodiversity during the construction of power plants and substations and repairs.



Inspection of air pollution measuring instruments



Marine environment monitoring (coral survey)



Power transmission line towers in environmentally harmonized colors (Nanjo City)
We adopted an environmentally friendly color for the transmission towers following the "Nanjo City Scenery and Town Planning Ordinance", taking into account the landscape.



Nagura Power Distribution Tower (Ishigaki Island)
We adopted a red-tiled roof and a building exterior that matched the landscape following the "Ishigaki City Landscape Planning Ordinance".

Promoting a Recycling-Oriented Society

We promote the 3Rs, Reduce (reducing industrial waste generated from business activities), Reuse, and Recycle, and are working toward “Zero Emissions”, where the amount of final disposal will be reduced to near zero. We strive to appropriately manage and treat discharged industrial waste.

Reduce

Use of sub-bituminous coal to reduce generation of coal ash and gypsum

Our company generates about half of its electric power in coal-fired power plants, and coal ash and gypsum comprise at least 90% of the industrial waste generated by our company. Our company introduces low-ash, low-sulfur sub-bituminous coal to reduce the amount of coal ash generated. In our effort to increase the life of our coal ash disposal facility and reduce flue gas treatment costs, we purchased 350,000 tons of sub-bituminous coal, which accounted for about 30% of our annual purchases in FY2023.

Reuse

Reuse of electric wire drums

In FY2023, we collected and reused 295 units, contributing to the reduction of deforestation equivalent to about 68 trees.



Collection and reuse of electric wire drums (wooden)

Reuse of materials and equipment for power

Concrete poles and pole top transformers removed during power distribution work are reused after determining whether or not they can be reused. We also repair and reuse energy meters and other equipment as much as possible.

Recycle

GANJYUDO HASAIZAI [coal-fired power plant]

The coal ash and gypsum generated during power generation are used effectively by recycling as a raw material for cement and as a substitute for sand.

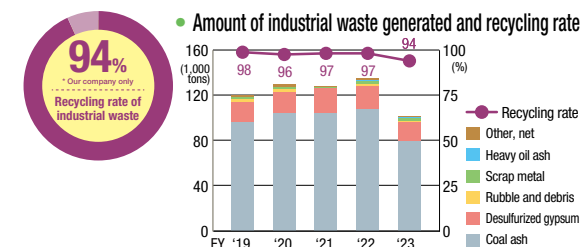
Our group company, Okinawa Plant Kogyo Company, Inc., produces “GANJYUDO HASAIZAI” as a substitute for sand in the coal ash utilization facility on the power plant premises, used for construction work and public works projects throughout the prefecture.



GANJYUDO HASAIZAI

Recycling of heavy oil ash [oil-fired power plant]

The heavy oil ash generated during power plant is recycled by recovering the rare metals contained in it.



Animal Smile Project

Okinawa Electric Power Company, Incorporated and Okidenko Company, Limited provide Okinawa Zoo & Museum with some of the trees that are cut down to prevent power outages, making effective use of trees that would otherwise be disposed of as industrial waste and reducing the burden of food procurement for the animals.

This initiative is called the Animal Smile Project, and is continuously being carried out by the three parties.



▲ Entering into the agreement on the free provision of felled trees

[OEPC/Okidenko Company, Ltd.]
Cut down trees to prevent power outages

[Okinawa Zoo & Museum]
Use the felled trees as food



Provision of felled trees



Effective use of waste (promoting the SDGs)

Promoting Environmental Communication

We are developing various activities to make as many people as possible aware of the Group's environmental initiatives. We will continue to make efforts to improve and enhance the environmental activities of the OEPC Group through interactions with local communities and questionnaires related to environmental support activities.

Interaction with the local community

Churaumi Okiden Action

The Okiden Group conducted beach and river cleanup activities around its facilities as part of the "Churaumi Okiden Action", in which a total of 994 people took part and 350 bags of garbage were collected.



Urasoe West Coast (Urasoe City)



Wataruji Beach (Aguni Village)

Other coral conservation activities include participation in TEAM TYURA SANGO, planting coral seedlings at Okiden Kaihatsu Company, Incorporated and conducting educational activities.

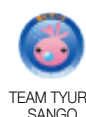


TEAM TYURA SANGO planting

TEAM TYURA SANGO

The organization aims to spread the "heart of cherishing the beautiful sea" through activities such as coral planting. The program started in FY2004, and since then 4,433 people have participated in planting 19,439 coral seedlings.

TEAM TYURA SANGO website



TEAM TYURA SANGO

Community cleanup activities

As the Okiden Group, in order to contribute to the local community and raise the environmental awareness of our employees, in FY2023, 4,614 employees engaged in volunteer cleanup activities along roadsides, etc., around our offices.



Cleanup activities around the Okiden Head Office (Urasoe City)

The Okiden Group has set an annual target for participation in environmental volunteer activities such as cleaning at 2 times/person/year, and is promoting efforts to beautify the local environment and solve the problem of marine plastics.

Environmental conservation organizations that we are a member of or support

- The Japanese Coral Reef Society
- OCCN (Okinawa Clean Coast Network)
- Japan Greenery Research and Development Center
- TEAM TYURA SANGO
- Sea and Beach Environment Beautification and Oil Pollution Control Organization
- Forest Volunteer Okinawa
- Keidanren Committee on Nature Conservation



OCCN (Okinawa Clean Coast Network)

Environmental education support activities

Environmental education at elementary schools and other events

The OEPC Group offers delivery classes on the role of electricity in our daily lives, how electricity is produced, and energy and environmental issues such as global warming, with fun experiments.



Tokashiki Elementary School



Okiden presents the 46th Okinawa Youth Science Work Exhibition

Disclosure and communication of environment-related information

Disclosure of environment-related information

To report the impact of the OEPC Group's business activities on the environment outside the company, we disclose environmental information on our website and disseminate it both internally and externally.



"Our Environmental Activities" on the OEPC website



Exhibition of environmental action panels

We hold "Environmental Action Panel Exhibitions" at events throughout the prefecture to inform the public about environmental issues and the OEPC Group's environmental efforts, and to listen directly to the opinions of local residents.



Remote Island Fair 2023

Environment initiatives of group companies

Okidenko Company, Limited

- Environmental initiatives through the ZEB^(*) construction of the Makiminato building

By renovating our own building to ZEB standards, we will spread ZEB awareness throughout Okinawa Prefecture and promote it externally as a model facility. At the same time, we aim to be the most environmentally friendly general construction company, and will work together with the OEPC Group to promote carbon neutrality based on the Group's goal of net zero CO₂ emissions by 2050.



Okiden Kigyo Company, Limited

- Promotion of the Rikka Denka Lease

We are working to popularize energy-saving devices by reducing energy prices at night and offering fixed monthly leases for electric water heaters (EcoCute and Electric water heaters) and IH cooking heaters, which are easy to clean and safe since there is no fire involved.



Okinawa Plant Kogyo Company, Incorporated

- Recycling of coal ash

We are engaged in the manufacture and sale of "GANJYUDO HASAIZAI", a soil substitute material made from coal ash, as well as the sale of coal ash and clinker.



GANJYUDO HASAIZAI

Okinawa Denki Kogyo Company, Incorporated

- Re-use of power meters

We repair, produce, and sell power meters that are used to measure the amount of electricity consumed, and endeavor to reuse the meters after performing repairs.



Repair of electronic power meters

Okiden Kaihatsu Company, Incorporated



Planting coral seedlings

- Planting coral seedling

We hold "coral seedling planting" for the purpose of preserving corals.

Okinawa New Energy Development Company, Incorporated

- Contribution to a decarbonized society

We are engaged in wind power generation and PV-TPO businesses (free solar panel and storage battery installation service).



Iejima No. 2 Wind Power Plant

Okinawa Enetech Company, Incorporated

- Life Cycle Assessment (LCA)

We support decarbonization efforts by calculating the environmental impact of our products and services throughout their life cycles.



FRT, Incorporated

- CN data center initiatives

In addition to our efforts to reduce power consumption in our Internet data centers, we have committed to transitioning our data center power to CO₂ free, renewable energy in 2023.



FRT Internet data center

Progressive Energy Corporation

- Promotion of global environmental measures

We sell natural gas, which has a low environmental burden, to industrial and business purpose customers in the prefecture. Reducing CO₂ emissions is a major issue for customers who use petroleum-based fuels, but by using natural gas as fuel, it is possible to reduce CO₂ emissions.

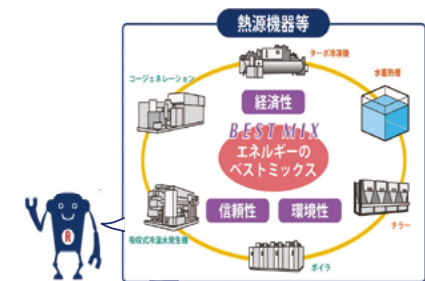


Awase Natural Gas Supply Center

The Reliance Energy Okinawa, Incorporated

- Achieve the best mix of energy

We provide our customers with an energy usage environment that saves energy and reduces CO₂ through our energy service business. We were the first company in Okinawa to win the Energy Conservation Grand Prize and the Minister of the Environment Awards for Climate Action.



Okisetsubi Company, Limited

- Proposals for repair and sales of energy-saving equipment

We are engaged in the construction and management of electrical equipment, and propose energy-saving renovation work using energy-saving related subsidies and other measures for customers to reduce the energy cost of facilities.



Repair of energy-saving equipment

All-electric equipment



LED lighting fixtures

ELCE (water treatment system)

* ZEB stands for "Net Zero Energy Building," a building that aims to achieve a comfortable indoor environment while reducing its annual primary energy consumption balance to zero.

Relationship With Customers (Improving Customer Satisfaction)

Our goal is to be a company that is trusted and chosen by our customers by taking each customer's voice sincerely and delivering services that will satisfy them even more.

"Customers' Voices" Feedback Policy

We will do our best to satisfy our customers.

We aim to be the company of choice for our customers by placing "customer satisfaction" at the center of all our operations, sincerely listening to the "voice" of each and every customer, and proactively applying it to our corporate activities.

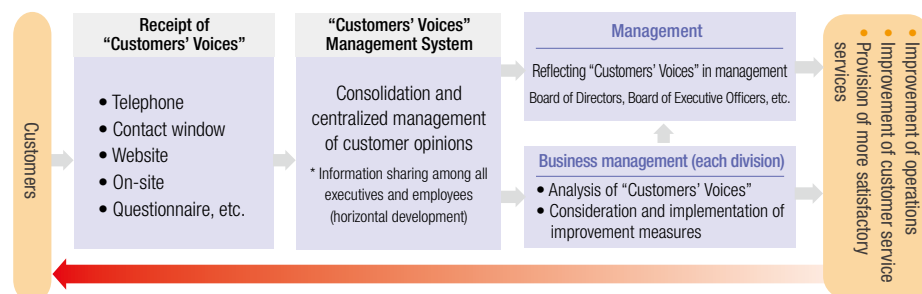
Basic Stance (Four Principles)

1. Listen sincerely to customers' voices.
2. Think thoroughly from the customer's perspective.
3. Do our utmost to meet our customer's expectations.
4. Take pride in our customer's satisfaction.

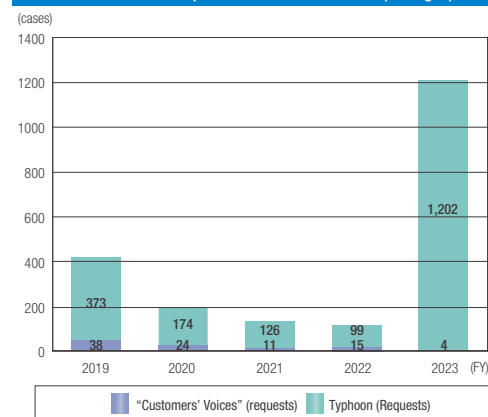
Initiatives to utilize customer feedback in business operations

The valuable opinions and requests received from customers are shared with all executives and employees as "customers' voices" in order to improve operations and provide services from the customer's perspective. In addition, we regularly report the collected and analyzed "customers' voices" to our executives, who share the information and evaluate measures to improve our business operations, and take the initiative in applying "customers' voices" to management.

Utilization of "Customers' Voices" (Image)



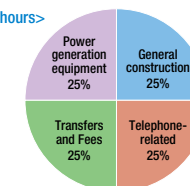
Status of receipt of "Customers' Voices" (Changes)



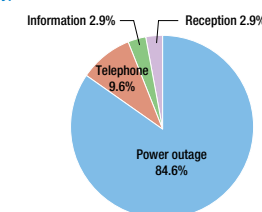
Implementation rate of improvement activities is the ratio of the number of cases in which improvement activities were implemented to the total number of customer comments (requests) excluding typhoons.

FY2023 "Customers' Voices" (by category)

<Normal hours>



<Typhoon>



Examples of improvements based on "Customers' Voices"

<Customers' Voices>

I always pay my electricity bill at a convenience store, but I'd like to be able to pay it with PayPay.

[Improvement made]

We introduced smart phone payment because it is not tied to the place or timing of payment, and it offers great benefits to customers such as earning points.

[How to use]

1. Download the app
2. Register customer information in the app
3. Read the barcode on the money transfer slip and make the payment



* Examples of improvements can be found on our website.



Relationships With Local Communities

With our corporate slogan, “With the community, for the community,” at the center of our management, we are actively engaged in a variety of social contribution activities.

Regional community services development

OEPC pursues a number of initiatives aimed at assisting the local economy, building the foundation for a thriving industry, and promoting technological development in Okinawa. Among these initiatives include making proposals and providing support for industrial promotion by liaising with business organizations inside and outside of Okinawa, conducting collaborative research with industry, government, academia, and the private sector, and providing support to strengthen the capabilities of these organizations and dispatching Company staff to them.

Self-produced TV program (Uchina Kibun) broadcast

Through the production, planning and provision of the TV program “Uchina Kibun”, which focuses on Okinawa’s culture, history, nature, and other subjects rooted in the local community, we aim to promote the local community and convey the changing customs of Okinawa as a record of time.

Social welfare activities

We are working on the promotion of local social welfare through donations to social welfare organizations in Okinawa Prefecture and participation in and support for various welfare events. We are also actively engaged in activities through the “OEPC Group Volunteer Mutual Aid Association”, which consists of executives and employees of OEPC Group companies.

[Details of activities (FY2023)]

Group cleaning

- Family House “Gajyumaru no Ie”

Donation activities

- Okinawa prefectural council for children’s future “Okinawa Children’s Future Fund”
- Children’s homes in the prefecture (8 facilities)
- Council of Social Welfare, Okinawa
- Council of Social Welfare, Urasoe City
- NPO Mesh support (group supporter)
- 2024 Noto Peninsula Earthquake Donations, etc.



▲ Donations to Children’s homes



▲ Food donation to food banks

Material support activities

- Donated used stamps, spoiled and unused postcards to the Naha city council of social welfare to help people with disabilities living at home.
- Donated food to NPO Food Bank Second Harvest Okinawa

Family house “Gajyumaru no Ie”

The OEPC Group Momosokai has donated Family House “Gajyumaru no Ie” to Okinawa Prefecture.

The facility is a low-cost and comfortable accommodation for families of children living in remote islands and remote areas who are receiving treatment at advanced medical centers. Every year we conduct a cleanup of the facility premises during “Okiden Taiwa Junkan”.

Okiden Taiwa Junkan (dialogue period of ten days)

The “Okiden Taiwa Junkan” has been held every year since 1978, with the aim of expressing our gratitude to the people in the community who help us on a daily basis.

Details of the initiative (FY2023) [Period: November 1-10, 2023]

	Activity name	Activities	Number of events
1	Friendship Activities	Visit to related sites, IH cooking class	12 events
2	Community Service Activities	Cleaning activities, etc.	32 events
3	Message Activities	Energy and environmental education, environmental action panel exhibitions	2 events
4	Sports Exchange Activities	Dodgeball tournament, gateball tournament, ground golf tournament	3 events



▲ Okinawa High School Robot Competition Sponsorship Presentation Ceremony



▲ Broadcasted every Sunday from 11:00 to 11:30 am on Ryukyu Broadcasting Corporation (RBC)



Self-produced TV program Uchina Kibun website



▲ Cleaning the Family House “Gajyumaru no Ie” facility



Family House “Gajyumaru no Ie” website



▲ Community service activities (cutting down trees in the village)



▲ Message activities (Environmental action panel exhibition)

Arts and cultural events

OEPC has been contributing to the promotion of the arts and cultural activities in Okinawa. We organized the “Okiden Sugar Hall Fresh Musicians’ Concert Audition,” the “Okiden ‘Scenery of Light’ Digital Photo Contest,” and more.

• Okiden Sugar Hall Fresh Musicians’ Concert Audition

Since 1994, it has been held jointly with Nanjo City and the Okinawa Times with the aim of discovering and fostering musicians with outstanding potential, promoting local music culture, and contributing to the promotion of international exchange. This is an international audition with many applicants from Japan and overseas, and the focus is on the competence of the applicants.



Sugar Hall Fresh
Musicians’ Concert

• Okiden ‘Scenery of Light’ Digital Photo Contest

We hold a digital photo contest for anyone who wants to experience the warmth, floridness, and peace of mind of “electric light”.



Digital Photo
Contest



Yuma Yamada
The 29th Grand Prix Winner



▲ Sponsorship to “Kokoro no
Theatre” by Shiki Theatre Company

Number of entries for the 16th contest (FY2023): 1,396



Monsters
in the bathroom
Nana Nagayama



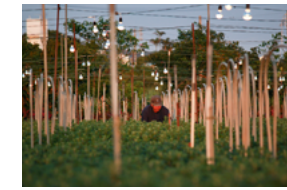
<Okinawa>
“Illuminated
Golden Dragon”
Marina Yodoshi



<Life>
“Fast Asleep”
Fuka Kinjo



<Night view>
“Homebound”
Ittetsu Mekaru



<Junior Section>
“Good Morning”
Yuka Tobaru

Academic, education and sports

We support academic and educational events to nurture a love for learning and a creative spirit in children, who will be the future leaders of Okinawa. We also offer a variety of educational opportunities, such as the Electrical Science Museum, where you can enjoy learning about how electricity works, take a tour of the power plant and participate in a craft workshop for parents and children.

Exhibition of the Science-work by the students in Okinawa presented by OKIDEN

OEPC has run the Okinawa Youth Science Exhibition since 1978 with the aim of stimulating interest in science among students, promoting science education, and contributing to the development of human resources in Okinawa. As of FY2024, the event has been held 47 times. In order to prevent the spread of the COVID-19, from FY2020 the event was scaled down and only involved accepting submissions, judging, and announcing the results. However, in FY2023, we were able to hold the event in person for the first time in four years.

The event featured an awards ceremony and exhibition of all the prize-winning works, including for the Okinawa Governor's Award and the Okinawa Electric Power Company President's Award, as well as a poster session by top prize winners, a challenge experiment corner, science classes, energy and environmental education, and more, making it an enjoyable opportunity for everyone to experience science up close.

Exhibition of the
Science-work by the
students in Okinawa



▲ Greetings from the organizer



▲ Electric energy corner

Relationships with local communities

We provide internship programs to support the development of the next generation of human resources.

We hope that the internship program will provide students with a concrete image of their work, help them think about their own job aptitude and future plans, and motivate them to learn more.



▲ Work experience in power distribution work using a work truck

Sports promotion

OEPC supports activities that promote and develop sports in Okinawa through sponsorship and volunteer involvement. These activities include sponsorship of sporting events such as the Okiden Pennant Elementary School Baseball Tournament, and a volunteer presence at sporting events for people of all ages, such as the Naha Marathon.

In addition, the Okiden Baseball Club is working for the sound upbringing of young people and the improvement of skills and the promotion and development of the baseball industry in the prefecture through baseball classes for children and lectures by the Okiden Baseball Club.



▲ Okiden Pennant Elementary School Baseball Tournament

Craft workshop for parents and children

We hold "craft workshops" designed for parent-child participation at Gushikawa thermal power plant every year, enabling participants to understand the electricity business and energy, and to educate young people about electrical science. We also hold tours of the Electrical Science Museum and facility tours, which are attended by many parents and children every year.

* In FY2023, the event was held with measures to prevent the spread of COVID-19.



▲ A scene from a parent-child craft class



▲ Electrical Science Museum

Training support

JICA training and dialogue program: Power Distribution Grid(A)

These training programs aim to provide the development technology of the electricity distribution network in Japan to electric power companies in developing countries and help the trainees efficiently develop power distribution facilities in their countries.

ASEAN training program

The program is conducted based on an agreement to develop human resources concluded by JEPIC (Japan Electric Power Information Center) with ASEAN countries.

Basic Procurement Policy on CSR

To fulfill our Corporate Social Responsibility (CSR), we have established a seven-point “Basic Policy for the Procurement of Materials and Equipment”, which includes items such as “compliance with laws, regulations, and social norms” and “ensuring safety and quality”. We also ask our business partners to conduct their business activities with CSR procurement in mind.

Basic Policy for the Procurement of Materials and Equipment

1. Compliance with laws, regulations, and social norms

We will respect human rights and also comply with relevant laws and regulations, their spirit, and social norms both within Japan and overseas. Business partners are requested to comply with these rules.

2. Ensuring safety and quality

Our highest priority is on safety, and we comply with all applicable laws and regulations, and ensure the quality of the materials, equipment, and services we purchase while striving to prevent industrial accidents and ensure public safety and health.

3. Consideration for the global environment

We will cooperate with our business partners and strive to reduce the environmental load through green procurement and create a decarbonized and recycling-oriented society.

4. Ensuring fairness, justice, and transparency

We will comprehensively consider the quality and safety of our products while choosing the business partners and strive for transparent procurement and fair selection.

5. Open procurement

To procure high quality and economical products, we open our doors to a wide range of companies within and beyond Japan.

6. Establishing relationships of mutual trust and reciprocity

We shall establish a trust relationship between our business partners and our company, and work to realize the mutual value through cooperation.

7. Contribution to local communities and society

We and our business partners will become better partners that contribute to the local community through purchasing transactions.

Request to Our Business Partners

In order to conduct business activities with CSR procurement in mind together with our business partners, we are requesting the following six items.

1. Compliance with laws, regulations, and social norms

- Compliance with related laws and regulations and the spirit thereof
<Note> Laws and internal standards include not only laws and regulations related to commercial broadcasting, commercial law, anti-monopoly law, and intellectual property, but also those related to labor and basic human rights that must be complied with in fulfilling social responsibility.

2. Ensuring safety

- Thorough awareness of safety as top priority
- Preventing industrial accidents and ensuring public safety and health

3. Consideration for the global environment

- Compliance with related laws and regulations (waste disposal law, construction recycling law, etc.)
- Promotion of preferential purchasing of materials and equipment with a low environmental impact (green purchasing)

4. Ensuring proper price and quality

- Pursuing cost reductions based on quality, performance, and safety

5. Providing good after-sales service

- Cooperation in maintenance
- Prompt and sincere response to accidents and malfunctions

6. Promoting communication

- Opinions, requests, suggestions, etc.

Basic Procurement
Policy ▶



Initiatives

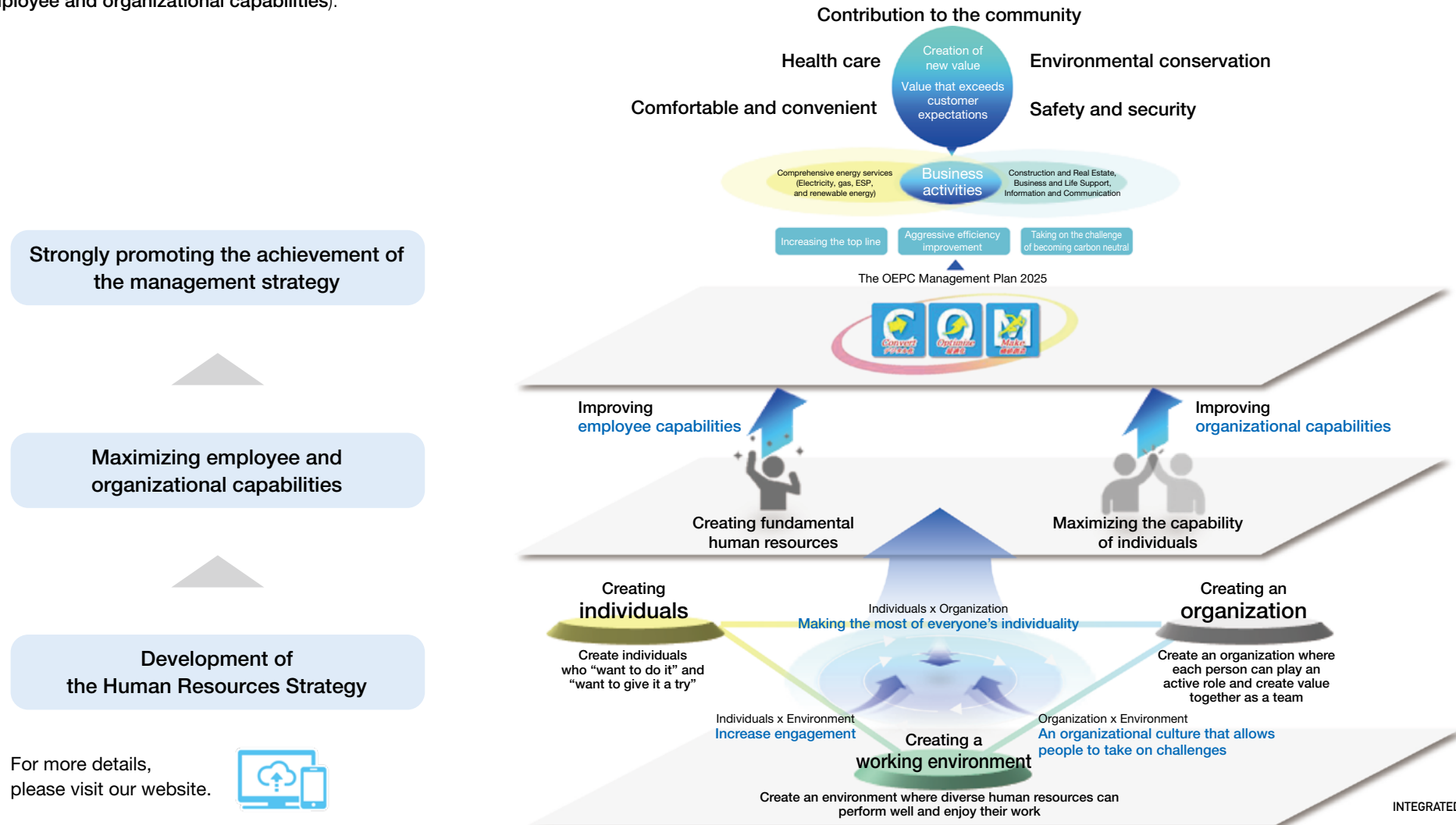
We are committed to procuring materials and equipment of superior safety and quality in order to ensure a stable supply of electricity, and place importance on the establishment of a relationship of mutual trust and compliance with domestic and international laws and regulations and social norms by both us and our business partners. In January 2021, we announced the “Declaration of Partnership Building” and are working to build relationships of mutual trust and mutual benefit with our business partners. In FY2023, based on the Guidelines on Respecting Human Rights in Responsible Supply Chains (Inter-Ministerial Committee on Policy Promotion for the Implementation of Japan’s National Action Plan on Business and Human Rights), etc., we surveyed suppliers (887 companies) and no risks were identified.



Relationship With Human Resources

Human resources strategy formulation

In order to continue to contribute to the realization of a sustainable society now and in the future, we will promote “Increasing the top line”, “Aggressive efficiency improvement”, and “Taking on the challenge of becoming carbon neutral” under the concept of “Okiden.COM”, and continue in the directionality of initiatives aimed at providing customers with new value of energy plus α . We recognize the importance of improving employee and organizational capabilities in order to create new value and more strongly promote the achievement of our management strategies. We formulated the **Human Resources Strategy** to ensure the creation of fundamental human resources and the maximization of individual capabilities (**maximizing employee and organizational capabilities**).



Three directions of the Human Resources Strategy

In the area of “**Creating a working environment**”, we establish systems and mechanisms to maximize the performance of both employees and the organization. In the area of “**Creating individuals**”, we examine systems and mechanisms that stimulate employees’ desire to grow, promote behavioral change, and accelerate the “creation” of value. In the area of “**Creating the organization**”, we establish value co-creation systems and mechanisms that maximize individual capabilities.

The strategies are developed by organically linking these three directionalities.

Specific initiatives /

Direction (1)

Creating a working environment

- Create a working environment where diverse human resources can perform well and enjoy their work -

Increasing employee engagement is essential to bring out the most potential of each employee. As the basis of our strategy, we will create an environment that promotes “ease of work”.

- **Maintaining and promoting both safety and health**
Continuing KENKO investment for Health, taking measures to ensure safety and health
- **Creating an environment where everyone can work well**
Flextime, telework, childcare/family care support, and more
- **Ensuring diversity**
Establishing model career paths for promoting women, employing people with disabilities

Direction (2)

Creating individuals

- Create individuals who “want to do it” and “want to give it a try” -

In order to achieve sustainable growth by creating new value for society while fulfilling our mission of providing a stable supply of energy, we encourage employees to grow and promote behavioral change.

- **Systems for supporting self-sustaining growth**
Setting of a profile for fundamental human resources (human resources that utilize DX and AI, etc.), career development support, etc.
- **Creating an environment that promotes learning opportunities**
Further enhancement of online learning, promotion of cross-border learning, etc.
- **Providing opportunities for challenges and self-realization**
Creation of growth opportunities that respect autonomy

Direction (3)

Creating an organization

- Create an organization where each person can play an active role and create value together as a team -

In order to take on unprecedented challenges, not only does each individual employee create value, but we “co-create” and maximize value as a team.

- **Securing human resources with diverse experiences**
Strengthen recruitment of new graduates, mid-career hiring, etc.
- **Strengthen management skills**
Promote co-creation style management, 360-degree feedback, etc.
- **Share goals and direction**
Setting and managing personal goals (MBO), feedback/1-on-1

Status of Initiative Targets (Implemented in FY2023)



Safety

- ✓ Number of fatal accidents: **0 (0)**



Health

- ✓ Percentage of routine medical check up: **100% (100%)**
- ✓ Percentage of people with fixed exercise habits: **Improve (75.2%, up 0.6% year-on-year)**



Diversity

- ✓ Percentage of women in managerial positions: **1.5x** by FY2025 compared to FY2019 **(1.21x)**
- ✓ Percentage of male workers taking childcare leave: **Improve (85.5%, up 25.9% year-on-year)**
- ✓ Employment of people with disabilities: **2.7% (2.76%)***
*This exceeds the current legal employment rate of 2.3%.



Work style

- ✓ Flextime utilization rate: **100% (93%)**



Education

- ✓ Implementation of online learning system: **¥2024** (to be implemented in FY2024)



Recruitment

- ✓ Career recruitment in specific fields: **¥2024 (-)**
- ✓ Percentage of women among technical recruitment: **20% (expect to achieve in FY2025)**

Safety and health initiatives

• Safety and Health Management Goals for FY2024

We have established the “Safety and Health Management Goals” and are implementing company-wide safety and health measures to achieve the management goals, from top management to every individual employee, to ensure our employees’ safety and physical and mental health and promote the creation of a comfortable working environment.

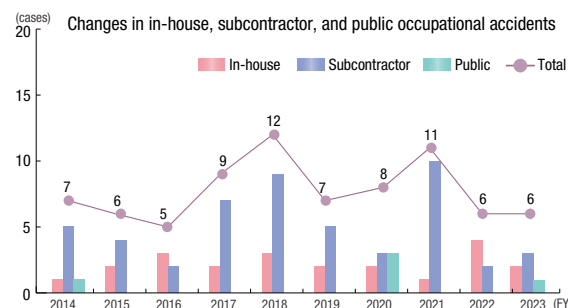
• Central Safety and Health Conference

The OEPC Group holds a Central Safety and Health Conference in April every year to reaffirm our commitment to work together to ensure safety, prevent industrial accidents, and promote a comfortable working environment.



Pointing and chanting

• Trend in occupational accidents (FY2014-FY2023)



[Explanation of Terms]

(1) **In-house:** Personal injury of our employees (including contract employees, loaned employees).

(2) **Subcontractor:** Injuries of contracted workers that occur during the performance of our contracted work on our premises or in the construction area, excluding the cases without lost workdays.

(3) **Public:** Personal injury to the public caused in connection with our facilities, equipment, and materials, and personal injury to the public caused by our employees (including temporary employees, loaned employees, and temporary employees) in the course of their duties.

Initiatives for KENKO investment for health

Declaration of KENKO investment for health

Our employees’ health is the foundation of management and an invaluable asset of our company. We believe that employees who are healthy, both physically and mentally, with motivation to achieve their dreams, will improve the quality of life and work for every individual, including their own families, which leads to increased productivity and value for the company. With the fundamental objective of “protecting one’s health by oneself,” we promote health support measures for improving mental health and lifestyle-related diseases so that employees can be healthy both mentally and physically and fully demonstrate their capabilities. We support every employee in taking the initiative in maintaining their health. We will continue to support the healthy longevity and economic activities of Okinawa through our business activities and contribute to the creation of a vibrant future with full of dreams for Okinawa by implementing “KENKO investment for health” together with our employees. We will also strive to create a work environment where our employees can work in good health and vigor.



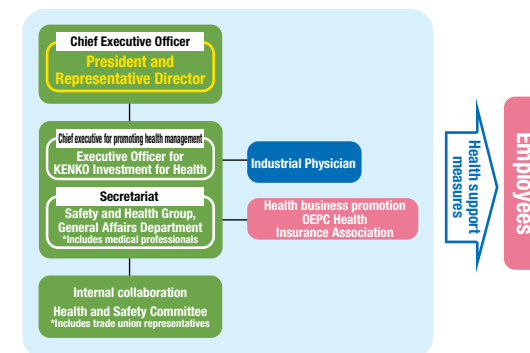
MOTONAGA Hiroyuki
Representative Director
President

• Promotion of KENKO investment for health

We have set specific goals and are developing several health measures to improve the health literacy of our employees. We promote measures for lifestyle-related diseases and measures to improve mental health (Okiden Basic Plan for Promotion of Mental Health) and are actively engaged in promoting health management, maintaining and improving health, and creating a comfortable work environment.

• KENKO investment for health promotion system

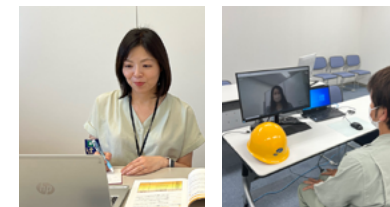
The President, who heads the company’s management, is the chief executive for promoting KENKO investment for health, and together with the Safety and Health Group of the General Affairs Department, which serves as the secretariat, work together with industrial physicians to run the PDCA cycle and mutually cooperate with health insurance associations to work on daily KENKO investment for health promotion measures.



• Examples of health support activities

<Health consultation by industrial physicians and public health nurses>

physicians and public health nurses · Walking event Health consultations are regularly conducted by industrial physicians and in-house health nurses. Online interviews are also conducted using our in-house computers, and consultation services are actively provided to people who are unable to meet in person or who have been transferred to remote locations.



<Mental Health Training for Supervisors>

The Okiden Basic Plan for Promotion of Mental Health has been formulated to enhance mental health measures for primary prevention (promoting the maintenance of mental health and preventing problems before they occur), secondary prevention (early detection and treatment), and tertiary prevention (returning to work and preventing recurrence). In December 2023, we held mental health training for supervisors, led by industrial physicians with the aim of helping employees understand and prevent mental health issues, allowing them to fulfill their respective roles in promoting mental health.

Recognized as “The 2024 Certified KENKO Investment for Health Outstanding Organizations (large enterprise category)” (White 500) for the sixth consecutive year.

On March 11, 2024, for the sixth year in a row, we recognized as one of the “White 500,” which corresponds to the top 500 among the certified corporations in the “the 2024 Certified KENKO Investment for Health Outstanding Organization (large enterprise category)” under the Certified KENKO Investment for Health Outstanding Organizations Recognition Program*, jointly implemented by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.

* The Certified KENKO Investment for Health Outstanding Organizations Recognition Program: A program for certifying companies that are implementing KENKO Investment for Health in cooperation with insurers (health insurance societies, etc.).



Diversity initiatives

• Support for women's participation

We have drawn up a 5-year action plan, which spans from April 2021 to March 2026, and are working to create an environment where individuals can demonstrate their abilities and take on an active role regardless of gender.

<Major initiatives>

- e-learning training for all managers (unconscious biases)
- Re-examining careers and work styles by participating in cross-industry networking events
- Participating in external training for female managers
- Publishing interviews with female employees in our in-house newsletter
- Establishing career paths that serve as a model for women's' participation and advancement
- Online events for female science students, etc.

Action plan based on
the promotion of women's
participation



▲ Posting interviews with female employees

FY	2018	2019	2020	2021	2022	2023
Ratio of female managers (%)	3.6	3.8	4.5	4.5	4.6	4.6

• Support for childcare and nursing care

Based on the General Employer Action Plan, we are enhancing our work-life balance support system, which goes beyond the Child Care and Family Care Leave Act, in order to create an environment in which employees who are involved in raising children and those who need to take care of their family members can work more easily.

Work-life balance
support plaza



<Support for childcare>

Childcare leave system

Available until the child reaches age 2

Shorten working hours system for child care

Can be used for up to 1 hour and 40 minutes until the end of the third grade of elementary school

Sick/injured child care leave system

Five days for one child, 10 days for two or more children, up to the time they enter junior high school

<Support for family care>

Family care leave system (long-term)

Can be used for one person in need of care or for the same family member for up to one year (can be divided)

Shorten working hours system for family care

Can be used for up to 2 hours in 30-minute increments for a period of 3 years or less

Family care leave system (short-term)

Five days for one person in need of care, 10 days for two or more people

• Employment of people with disabilities

With regard to employment of people with disabilities, from the viewpoint of creating a comfortable environment that is easy to work in, we have counselors assigned at both our head office and business offices and a system in place that allows them to receive advice and consultation at any time, ensuring that they do not encounter any obstacles to employment.

• Support for re-employed contract workers

In addition to career training for mid-career employees, which includes mindset and skill development training for the transition to becoming a re-employed contract worker, we are also considering expanding the scope of their work to provide an environment in which re-employed contract workers can demonstrate their abilities.

Approaches to work styles

In order for these employees to realize their full potential, we will enhance employee engagement by developing "workability" from an environmental perspective.

• Flextime work system

This system is being introduced as a trial allowing employees to determine their daily work start and end times and working hours, enabling employees to work more efficiently while maintaining a healthy work-life balance.

• Telework

We have introduced work from home on a trial basis as a new, flexible way of working to achieve a work-life balance for our employees. We aim to improve corporate value and productivity, employee satisfaction, and business continuity with this.

• Establishment of harassment guidelines and awareness

We have established regulations for the prevention of harassment and established a consultation service. We also regularly raise awareness regarding harassment through our in-house newsletter.

• Digitization of operations

In order to streamline the approval process, which used to involve stamping and approval through paper documents, we are working to digitize various operations, such as approval requests and accounting and contract work.

Human resource development initiatives

• Basic policy for human resource development

Based on the concept of “Okiden.COM”, we aim to improve our employee and organizational strength in order to carry out our strategies and promote business activities. In order to steadily develop such human resources, we have set the “direction for human resource development to achieve our goals” and defined the “three fundamental human resources” that constitute our employee and organizational capabilities.

Direction for human resource development to achieve our goals

Employee strength/Organizational capabilities

Human resources that create value

Value that exceeds customer expectations



Creators

Those who can create new business areas with passion and imagination



Challengers

Those who see change in a positive light and aggressively take on challenges



Evolvers

Those who can evolve and deepen the provision of a stable supply of energy

• Education and training system

We have implemented an education and training system based on our “Human Resource Development Plan” from the perspective that improving employee capabilities is essential for sustainable growth and development.

Going forward, we will support the growth of our employees by setting up skill maps and specifying the basic skills required for the three fundamental human resources. More specifically, we will actively develop human resources that possess skills and knowledge in the fields of DX and AI and are able to utilize such technology.

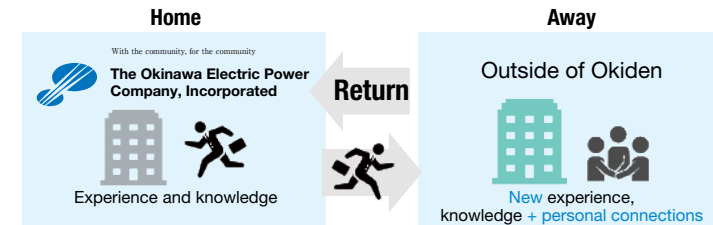
Category	Content
1. Training by level	Acquiring the basic attitude, knowledge, and skills necessary to perform the work that is required for each level
2. Departmental training	Acquiring the basic attitude, knowledge, and skills necessary to perform the work that is required for each department
3. Special training	Regardless of level or department, this training is designed to improve skills on a specific topic, solve problems, deepen knowledge, acquire advanced expertise and skills in specific fields, broaden employees' horizons, and develop character
4. Self-development	Correspondence education, language courses, online learning, etc.

• Implementation of online learning system

In addition to traditional education and OJT, we have introduced an online learning system that allows employees to “actively” deepen their education regarding their careers anytime, anywhere.

• Promotion of cross-border learning (side job system)

We encourage cross-border learning, including side jobs, as the skills and know-how acquired outside of the company not only lead to personal growth, but by applying them to our main business, they can also lead to the growth of the company itself.



• Creation of growth opportunities that respect autonomy

We have launched an internal recruitment program to not only show that it is possible for employees to choose their own careers and not just be led by company initiatives, but also to foster motivation and enhance employee engagement.



Other

• Initiatives for communication between labor and management

We regularly hold information exchange meetings to improve the working environment.

• Symbolic sports Initiatives

We have positioned our baseball team as our symbolic sport, and in addition to training daily with the goal of national dominance, it also contributes to the local community by providing technical guidance to local youth baseball teams. At the 95th Intercity Baseball Tournament, our team made it to the finals as the second representative from the Kyushu region, fostering a sense of unity among all employees of the Group.

OEPC Baseball Team



▲ Youth baseball classes



▲ Participating in the Intercity Baseball Tournament



▲ Cheering

Corporate Governance

Our company group will do its utmost to become a business group that continues to be chosen by customers by complying with the relevant laws and regulations, striving to conduct business with high ethical standards and morale, disclosing information promptly and accurately and establishing a more profound relationship of trust with shareholders, investors and customers. To achieve this, our Group is proactively enhancing corporate governance throughout the group.

Board of Directors, Board of Executive Officers, and Management Task Force Meeting

The Board of Directors, which meets twice a month in principle, consists of 11 directors (including four outside directors), and makes decisions on important matters related to the management of our company, receives status reports on operations from directors, and oversees the performance of their duties.

The Board of Executive Officers, which is composed of Executive Officers, has been established to discuss important matters related to operations management under the president's supervision and ensure that such operations run smoothly based on the policies established by the Board of Directors. In principle, the Board of Executive Officers meets 2-3 times per month where it discusses important matters related to business.

The Management Task Force Meeting has been established to discuss significant measures for ensuring sustained stability in management and measures to deal with various issues in all aspects of management.

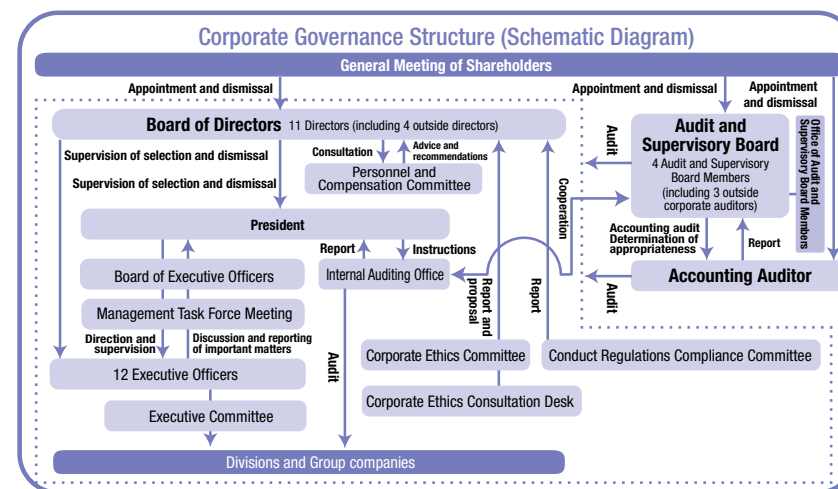
Audit and Supervisory Board

The Audit and Supervisory Board, which meets once every two months in principle, consists of 4 corporate auditors (including three outside corporate auditors) and receives reports on important matters related to audits to discuss and make resolutions in cooperation with accounting auditors and the Internal Auditing Office.

Corporate auditors audit individual directors' performance of their duties following the audit policies and plans established by the Audit and Supervisory Board, which is done by attending the Board of Directors and other important meetings, exchanging opinions with Representative Directors and outside directors regularly, conducting visits to every department, and communicating with directors and corporate auditors of subsidiaries.

Internal Auditing Office

The Internal Auditing Office was established as an organization under the direct supervision of the President and is operated with 16 full-time employees. The Internal Auditing Office evaluates whether the internal control system established under the Companies Act and the Financial Instruments and Exchange Act is functioning effectively. Striving to conduct audits that add value to management, the Internal Auditing Office confirms the development and operation status of the internal control systems in each organization and verifies that appropriate and effective business processes are implemented to achieve management goals. The internal audit plan and results for the fiscal year are reported to the Board of Directors. The results of audits are reported to the President, directors in charge, and the Audit and Supervisory Board Members each time an audit is conducted. The results are also reported to the Audit and Supervisory Board on a regular basis, and information is coordinated with the accounting auditors.



Governance of Group companies

For the management of Group companies, our company has established an operating division as well as "Operating Procedures for Affiliated Companies" for important matters that may affect the management of the Group. Furthermore, we receive prior consultation or reports from Group companies.

In addition, information on business risks is collected through regular meetings of the OEPC Group Top Management conference, which consists of the President, Vice Presidents, the Group Business Management Division Manager, and the presidents of each Group company.

Executives (as of July 1, 2024)



Representative Director / Chairman

OMINE Mitsuru

Apr. 1980 Joined OEPC
Jun. 2003 General Manager, Accounting & Finance Dept.
Jun. 2005 Director, General Manager, Accounting & Finance Dept.
Jun. 2008 Director/Deputy Division Manager, Planning Division
Jun. 2009 Managing Director/Division Manager, Planning Division
Jun. 2011 Representative Director and Executive Vice President/Division Manager, Planning Division/CSR
Apr. 2013 Representative Director and President/Division Manager, Planning Division/CSR
Jun. 2013 Representative Director and President
Apr. 2019 Representative Director and Chairman (to the present)



Representative Director / President

MOTONAGA Hiroyuki

Apr. 1988 Joined OEPC
Jul. 2011 General Manager, Planning Dept., Planning Division
Jun. 2013 Director, General Manager, General Administration Dept.
Jun. 2015 Representative Director and Executive Vice President/Division Manager, Customer Services Division/CSR
Jun. 2017 Representative Director and Executive Vice President/Division Manager, Planning Division/CSR
Dec. 2017 Representative Director and President, The Reliance Energy Okinawa, Incorporated
Apr. 2019 Representative Director and President, OEPC (to the present)/Division Manager, Planning Division/CSR
Jun. 2019 Division Manager, Customer Services Division
Jul. 2019 Division Manager, Sales and Marketing Division
Jun. 2021 President (to the present)

Representative Director
Executive Vice President

NARISOKO Hayato

Apr. 1987 Joined OEPC
Jul. 2013 General Manager, Planning Dept., Planning Division
Jun. 2015 Senior General Manager, General Administration Dept.
Jun. 2016 Director, General Manager, General Administration Dept.
Jun. 2019 Managing Director/CSR/Division Manager, Planning Division/Deputy Division Manager, Customer Services Division
Jul. 2019 Managing Director/CSR/Division Manager, Planning Division/Deputy Division Manager, Sales and Marketing Division
Apr. 2020 Managing Director/CSR/Division Manager, Planning Division/Division Manager, Sales and Marketing Division (to the present)
Jun. 2021 Representative Director and President, Okinawa New Energy Development Company, Incorporated
Jun. 2021 Director and Senior Managing Executive Officer, OEPC/CSR/Division Manager, Planning Division
Jun. 2023 Representative Director (to the present) / Executive Vice President (to the present)

Representative Director
Executive Vice President

YOKODA Tetsu

Apr. 1991 Joined OEPC
Jul. 2014 General Manager, Power System Management Dept., Electric Power Engineering Division
Jun. 2015 Senior General Manager, Power System Management Dept., Electric Power Engineering Division/Deputy Division Manager, Electric Power Engineering Division
Apr. 2016 Senior General Manager, Power System Management Dept., Transmission and Distribution Division/Deputy Division Manager, Transmission and Distribution Division
Jun. 2016 Director, General Manager, Power System Management Dept., Transmission and Distribution Division/Division Manager, Transmission and Distribution Division (to the present)
Jun. 2019 Director
Jun. 2020 Managing Director/Division Manager, IT Promotion Division
Jun. 2021 Director, Managing Executive Officer/Division Manager, IT Promotion Division/President, Remote Islands Company (to the present)
Jun. 2023 President & CEO, SeED Okinawa LLC (to the present)
Jun. 2023 OEPC Representative Director (to the present) / Executive Vice President (to the present)



Director/Managing Executive Officer
UEMA Jun

Apr. 1992 Joined OEPC
Jul. 2015 General Manager, Planning Dept., Planning Division
Jun. 2019 Director, General Manager, Planning Dept., Planning Division/
Deputy Division Manager, Planning Division
Jun. 2021 Director, Executive Officer, General Manager, Planning Dept.,
Planning Division/Deputy Division Manager, Planning Division
Jun. 2022 Director, Executive Officer
Jul. 2022 Director, Executive Officer/Division Manager, Corporate
Strategy Division (to the present)
Jun. 2023 Director, Managing Executive Officer (to the present)



Director/Managing Executive Officer
NAKAMURA Naomasa

Apr. 1992 Joined OEPC
Jun. 2015 General Manager, Accounting & Finance Dept.
Jun. 2019 Director, General Manager, Accounting & Finance Dept.
Jun. 2021 Director, Executive Officer, General Manager, Accounting &
Finance Dept.
Jun. 2022 Director, Executive Officer
Jul. 2022 Director, Executive Officer, Division Manager, Group Business
Management Division (to the present)
Jun. 2023 Director, Managing Executive Officer (to the present)



Director/Managing Executive Officer
NAKAHODO Hiraku

Apr. 1992 Joined OEPC
Jul. 2017 General Manager, Power Generation Dept., Power Generation Division
Jun. 2019 Senior General Manager, Power Generation Dept., Power Generation Division/
Deputy Division Manager, Power Generation Division
Jun. 2020 Director, General Manager, Power Generation Dept., Power Generation
Division/Deputy Division Manager, Power Generation Division
May 2021 Representative Director and President, Okiden CplusC Corporation (to the present)
Jun. 2021 Director, Executive Officer, General Manager, Power Generation Dept., Power
Generation Division, OEPC/Division Manager, Power Generation Division (to the present)
Jul. 2021 Director, Executive Officer, Director, Executive Officer/Deputy Division
Manager, Carbon Neutrality Division (to the present)
Jun. 2022 Director, Executive Officer/Deputy Division Manager, Carbon Neutrality Division
Jun. 2023 Director, Managing Executive Officer (to the present)/Division Manager,
Carbon Neutrality Division (to the present)



Outside Director
YOGI Tatsuki

Apr. 1989 Joined The Daido Fire and Marine Insurance
CO., Ltd.
Jul. 2010 General Manager, Business Dept.
Jun. 2015 Director, General Manager, Business Dept.,
Jun. 2016 Director, General Manager, Sales Planning
Promotion Dept.,
Managing Director
Jun. 2017 Representative Director and President
Jun. 2018 Outside Director, OEPC (to the present)
Jun. 2019 Director / Chairman, The Daido Fire and
Jun. 2024 Marine Insurance CO., Ltd. (to the present)



Outside Director
NOZAKI Seiko

Oct. 2002 Joined Mori Hamada & Matsumoto
Sept. 2006 Joined Miyazaki Law Office
(currently Naha Sogo Legal Professional
Corporation)
Jan. 2013 Representative, Umuyasu Law Office
(currently Umuyasu Law and Accounting
Office) (to the present)
May. 2015 Outside Director, SAN-A CO., Ltd.
May. 2017 Outside Director (Audit & Supervisory
Committee Member), SAN-A CO., Ltd. (to
the present)
Jun. 2019 Outside Director, OEPC (to the present)
Apr. 2024 Chairman, Okinawa Bar Association (to the
present)



Outside Director
NAGAMINE Toyoyuki

Apr. 1980 Joined All Nippon Airways Co., Ltd.
Apr. 2013 Director in charge of Human Resources
Department and Labor Department
Jun. 2015 Director and Executive Officer, ANA Holdings, Inc.
Apr. 2016 Director and Managing Executive Officer
Apr. 2017 Representative Director, Vice President, and
Executive Officer
Apr. 2020 Full-time Advisor
Jun. 2020 Full-time Auditor
Jun. 2022 Full-time Advisor
Apr. 2023 Advisor, ANA Strategic Research Institute
Co., Ltd. (to the present)
Jun. 2023 Outside Director, OEPC (to the present)



Outside Director
TAMAKI Emi

Dec. 2011 Specially Appointed Researcher, Graduate School of Arts and
Sciences, The University of Tokyo
Jul. 2012 President and Representative Director, H2L Co., Ltd.
Apr. 2013 Assistant Professor, Department of Human Informatics and Cognitive
Sciences, Faculty of Human Sciences, Waseda University
Oct. 2015 Japan Science and Technology Agency PRESTO Sakigake Researcher
Apr. 2017 Associate Professor, School of Creative Science and Engineering,
Waseda University, and Adjunct Lecturer, School of Human Sciences,
Waseda University (to the present)
Mar. 2021 President and Representative Director, H2L Co., Ltd. (to the present)
Apr. 2021 Adjunct Lecturer, Faculty of Science and Engineering, Waseda
University (to the present) and Professor, Faculty of Engineering,
University of the Ryukyus (to the present)
Mar. 2023 Outside Director, ZENHOREN CO., Ltd (to the present)
Apr. 2023 Special Guest Lecturer/Professor, Department of Systems Innovation,
School of Engineering, The University of Tokyo (to the present)
Jun. 2023 Outside Director, OEPC (to the present)



Standing Corporate Auditor
ONKAWA Hideki

Apr. 1985 Joined OEPC
Jun. 2008 General Manager, Accounting & Finance Dept.
Jun. 2011 Director, General Manager, Accounting & Finance Dept.
Jun. 2015 Managing Director
Jun. 2019 Standing Audit & Supervisory Board Member, OEPC (to the present)



Outside Audit & Supervisory Board Member
FURUSHO Miwa

Dec. 2006 Joined KPMG AZSA & Co. (currently KPMG AZSA LLC)
Nov. 2010 Partner, Furusho CPA firm (to the present)
Jun. 2019 Outside Audit & Supervisory Board Member, OEPC (to the present)



Outside Audit & Supervisory Board Member
SUGA Takashi

Jan. 1991 Joined IDO Corporation (currently KDDI Corporation)
Apr. 2016 Executive Officer, General Manager of the Consumer Sales Division and Consumer Marketing Division, KDDI Corporation
Apr. 2017 Executive Officer, Deputy General Manager of Consumer Business Division
Apr. 2018 Executive Vice President, UQ Communications Inc.
Jun. 2019 Representative Director and President
Apr. 2020 Senior Advisor, Okinawa Cellular Telephone Company
Jun. 2020 Representative Director and Vice President
Jun. 2021 Representative Director and President
Jun. 2023 Outside Audit & Supervisory Board Member, OEPC (to the present)
Jun. 2024 Special Advisor, OCT (to the present)
Outside Director, ZENHOREN CO., Ltd. (to the present)



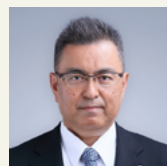
Outside Audit & Supervisory Board Member
KAMIYA Shigeru

Apr. 1982 Joined The Bank of Okinawa, Ltd.
May 2004 Representative Director, Okinawa Management Support Limited (to the present)
Jun. 2019 Representative Director (Chairman), Okinawa Prefecture Small and Medium Business Management Consultant Association
Jun. 2023 Outside Audit & Supervisory Board Member, OEPC (to the present)



Executive Officer
SAKUMOTO Tatsuya

Apr. 1991 Joined OEPC
Jun. 2015 General Manager, Planning Dept., Planning Division
Jul. 2017 General Manager, Business Development Dept., Planning Division
Jun. 2021 Executive Officer, General Manager, Business Development Dept., Planning Division/Deputy Division Manager, Planning Division
Jun. 2022 Executive Officer, General Manager, Marketing Dept., Sales and Marketing Division (to the present)/Deputy Division Manager, Sales and Marketing Division (to the present)
Jun. 2024 Executive Officer (to the present)



Executive Officer
ITOKAZU Masahide

Apr. 1992 Joined OEPC
Jun. 2019 General Manager, General Administration Dept.
Jul. 2020 Senior General Manager, General Administration Dept.
Jun. 2021 Executive Officer, General Manager, General Administration Dept.
Jul. 2022 Executive Officer, General Manager, Planning Dept., Corporate Strategy Division/Deputy Division Manager, Corporate Strategy Division (to the present)
Jun. 2024 Executive Officer (to the present)



Executive Officer
YAGI Makoto

Apr. 1992 Joined OEPC
Jul. 2017 General Manager, Environment Department
Jul. 2021 General Manager, Environment Department, Carbon Neutrality Division/Deputy Division Manager, Carbon Neutrality Division (to the present)
Jun. 2023 Executive Officer, General Manager, Environment Department, Carbon Neutrality Division
Jun. 2024 Executive Officer (to the present), Deputy Division Manager, Sales and Marketing Division (to the present)



Executive Officer
KAMIDA Tomotada

Apr. 1992 Joined OEPC
Jun. 2019 General Manager, Marketing Dept., Sales and Marketing Division
Jul. 2021 General Manager, Marketing Dept., Sales and Marketing Division/Deputy Division Manager, Sales and Marketing Division
Jun. 2022 General Manager, Lifestyle Sales Department, Sales and Marketing Division/Deputy Division Manager, Sales and Marketing Division
Jun. 2023 Representative Director and President, Okinawa New Energy Development Company, Incorporated (to the present)
Jun. 2023 Executive Officer, OEPC (to the present)



Executive Officer
SHIROMA Toshihito

Apr. 1992 Joined OEPC
Jul. 2017 Group Leader (General Manager), Planning and Control, Customer Services Division
Jul. 2019 General Manager, Corporate Sales Department, Sales and Marketing Division
Jul. 2022 General Manager, Corporate Sales Department, Sales and Marketing Division/Deputy Division Manager, Sales and Marketing Division
Jun. 2023 Executive Officer, General Manager, Corporate Sales Department, Sales and Marketing Division
Jun. 2024 Executive Officer/General Manager, General Administration Dept. (to the present)



Executive Officer
AHAGON Naoya

Apr. 1993 Joined OEPC
Jun. 2022 General Manager, Distribution Dept., Transmission and Distribution Division
Jun. 2024 Executive Officer, General Manager, Distribution Dept., Transmission and Distribution Division (to the present), Deputy Division Manager, Transmission and Distribution Division (to the present)

Approach to the diversity and size of the board of directors

Article 19 of the Articles of Incorporation of our company stipulates that the number of directors shall be 15 or less and the current number of directors are 11. The Board of Directors consists of 4 appointed outside directors, and internal directors are appointed in a balanced manner with human resources having extensive knowledge, experience, and ability through work in the technical and administrative departments, respectively.

Expertise and experience of directors and auditors

Name	1. Corporate management and business strategy	2. Legal and risk management	3. Finance and accounting	4. Technology and development	5. Sales strategy and marketing	6. DX, IT	7. ESG	8. International, regional development, academic research
OMINE Mitsuru	●	●	●				●	●
MOTONAGA Hiroyuki	●	●	●		●		●	
NARISOKO Hayato	●	●	●		●		●	
YOKODA Tetsu	●	●		●		●	●	
UEMA Jun	●		●			●		●
NAKAMURA Naomasa	●		●				●	●
NAKAHODO Hiraku	●			●		●	●	
YOGI Tatsuki	●	●			●			
NOZAKI Seiko	●	●						●
NAGAMINE Toyoyuki	●	●						●
TAMAKI Emi	●			●				●
ONKAWA Hideki	●	●	●					
FURUSHO Miwa		●	●					●
SUGA Takashi	●				●	●		
KAMIYA Shigeru	●		●		●			

* The table does not represent the all the expertise and experience of each executive.

Assessing the effectiveness of the Board of Directors

Regarding the effectiveness of the Board of Directors, we conduct a questionnaire survey of directors and auditors every year, report the analysis and evaluation results at the Board of Directors, and confirm that effectiveness is generally secured. We also hold meetings with outside officers, representative directors, and Audit and Supervisory Board Members to exchange opinions and enhance discussions through a shared understanding. We will strive to further improve the effectiveness of the Board of Directors.

Training plan for directors and audit and supervisory board members

In order for the directors to acquire the necessary knowledge about the company's management issues, financial and legal compliance, etc., the company provides the explanations on the contents of its operations from each department as appropriate, and provides opportunities to attend external seminars, etc. In order for the Audit & Supervisory Board Members to fully demonstrate their management supervision and auditing functions, auditors are provided with the opportunity to attend external seminars, etc., to acquire knowledge of relevant laws and regulations such as the Companies Act, as well as financial accounting. To enhance understanding of the outside directors regarding the group, they are given the opportunity to understand the business and business contents from each department when assuming office and as necessary, and to inspect major business sites. The company provides and mediates opportunities for each director and corporate auditor for self-improvement and supports their expenses.

Executive compensation

Remuneration amounts for Directors and Audit and Supervisory Board Members for FY2023 are as follows.

Category	Monetary compensation		Non-monetary compensation		Total amount of compensation
	Fixed compensation (monthly compensation)		Performance-linked stock compensation		
	Number of executives	Payment amount	Number of executives	Payment amount	
Directors (excluding Outside Directors)	8	224 million yen	8	16 million yen	241 million yen
Audit and Supervisory Board Members (excluding Outside Audit and Supervisory Board Members)	2	33 million yen			33 million yen
Outside Director	6	20 million yen			20 million yen
Outside Audit and Supervisory Board Member	5	15 million yen			15 million yen

- (Note) 1. The above figures include 3 Directors (including 2 Outside Directors) and 3 Audit and Supervisory Board Members (including 2 Outside Audit and Supervisory Board Members) who retired at the conclusion of the 51st Ordinary General Meeting of Shareholders held on June 29, 2023.
2. Performance-linked stock compensation is paid to Directors (excluding Outside Directors) as non-monetary compensation. This stock compensation is granted through a trust (hereinafter, the "Trust"), in which company shares are acquired using money contributed by the company, and then shares and money equivalent to the market value of the shares (hereinafter, "Company Shares, etc.") are paid to the Directors in accordance with the the Stock Benefit Regulation for Executives established by the company. In principle, a Director receives their payment of Company Shares, etc., at the time of their retirement as a Director.
3. The performance indicators for performance-linked stock compensation are the state of dividends and consolidated ordinary income. These indicators were selected because they are set as financial targets and that they are more closely linked to shareholders' interests. Consolidated ordinary income for the fiscal year was 2.5 billion yen, and the annual dividend per share was 10 yen. Performance-linked stock compensation is determined within a range of 50 to 100%, with 50% of the points being fixed and the remaining 50% being variable. A payout rate of 100% is given when targets are achieved.
4. The maximum amount of compensation (monetary compensation) for Directors was resolved at the 34th Ordinary General Meeting of Shareholders held on June 29, 2006 to be up to 310 million yen per year. There were 14 Directors subject to this resolution.
5. At the 49th Ordinary General Meeting of Shareholders held on June 29, 2021, it was resolved that the maximum amount of non-monetary compensation (performance-linked stock compensation) for Directors shall be "up to 100,000 points, up to 150 million yen per 3-fiscal year period." There were 8 Directors subject to this resolution.

6. The Board of Directors determines the compensation, etc., for each individual Director based on the advice and recommendations of the Personnel and Compensation Committee. Regarding the compensation, etc., for individual Directors for the fiscal year in question, the Board of Directors confirms that the method for determining the content of compensation, etc., and the contents themselves are in accordance with the applicable policies.

* Meeting of the Personnel and Compensation Committee held on April 9, 2024 and the Board of Directors meeting held on April 30, 2024

7. The maximum amount of compensation for Audit and Supervisory Board Members was resolved at the 44th Ordinary General Meeting of Shareholders held on June 29, 2016 to be up to 80 million yen per year. There were 5 Audit and Supervisory Board Members subject to this resolution.
8. The amount of compensation for Audit and Supervisory Board Members is fixed and determined in consultation with the auditors.

Disclosure of the policy for determining amount of compensation and calculation method

At a meeting of the Board of Directors held on September 26, 2023, the company resolved to revise its policy for determining the compensation, etc., of individual Directors. The Board of Directors' resolution was made based on the advice and recommendations of the Personnel and Compensation Committee, which mainly consists of independent Outside Directors.

The details of the policy for determining the compensation, etc., of individual Directors is as follows.

- The compensation for Directors (excluding Outside Directors) shall consist of fixed compensation and performance-linked stock compensation. The compensation for Outside Directors shall consist only of fixed compensation.
- Fixed compensation shall be paid monthly in cash, set at an amount commensurate with each Director's duties based on comprehensive consideration of the company's performance, management, and business environment, within the total amount determined at the General Meeting of Shareholders (310 million yen per year).
- For performance-linked stock compensation, points (fixed points and variable points) shall be awarded to each Director in accordance with their position each fiscal year within the scope approved at the General Meeting of Shareholders (100,000 points, 150 million yen per 3-fiscal year period), and at the time of their retirement, one share of common stock of the company shall be paid per point based on the accumulated points awarded up to that point.
 - a) Indicators of said compensation
The state of dividends and consolidated ordinary income set forth in the financial targets.
 - b) How number of points are determined
They are determined within a range of 50 to 100%, with 50% of the points being fixed and the remaining 50% being variable. A payout rate of 100% is given when the target is achieved.
- The ratio of fixed compensation to performance-linked stock compensation for the total compensation of Directors (excluding Outside Directors) will be around 80 to 90% and 10 to 20%, respectively, upon achievement of targets, with 50% of the performance-linked stock compensation being linked to performance.
- From the viewpoint of transparency and fairness, the amount of compensation for each individual Director (fixed compensation and performance-linked stock compensation) shall be determined by the Board of Directors based on the advice and recommendations of the Personnel and Compensation Committee, which mainly consists of independent Outside Directors.

Risks in Business, Etc.

The main risks that could affect the Group's business performance and financial position are as follows.
Any forward-looking statements are based on the Group's judgment as of the end of this consolidated fiscal year.

System changes regarding the electricity business

With regard to electricity system reforms, following the establishment of the Organization for Cross-regional Coordination of Transmission Operators (JAPAN) and the full liberalization of the electric market, legal separation was implemented in April 2020 to further neutralize the power transmission and distribution sector. However, our company is positioned as an "the approved general electricity transmission and distribution utility" allows us to operate a retail electricity business and power generation business, and therefore maintain an integrated system of transmission and distribution.
That said, the Group's business performance may be affected by trends such as national energy policies, changes to systems related to the electricity business in accordance with said policies, the strengthening of environmental regulations, etc.

Businesses other than the electricity business

With the comprehensive energy business at its core, our Group is also further developing business in the fields of construction and real estate, information and communications, and life and business support.
Our Group's business performance may be affected by changes in the business environment, such as intensifying competition with other businesses.

Changes in the amount of electricity sold

In the electricity business, which is the core business of our Group, the amount of electricity sold fluctuates depending on weather conditions (such as the temperature and typhoons), economic trends, progress in energy conservation, the state of competition with other companies, and more. As such, the business performance of our Group is likely to be affected by these conditions.

Financial market trends

Our Group's Interest-bearing debt outstanding was 295.8 billion yen as of the end of March 2024. The financial results of our Group may be affected by fluctuations in borrowing rates due to future changes in market interest rates or changes in credit rating.
However, since the majority of Interest-bearing debt outstanding is at fixed interest rates, the impact of interest rate fluctuations on business performance is expected to be limited.
Our Group's retirement benefit costs and obligations are calculated based on actuarial assumptions such as discount rates and the long-term expected rate of return on pension assets. Fluctuations in the discount rate or investment yields may affect our Group's business performance.

Leakage of personal information

Our Group acquires and manages the personal information of customers (including specific personal information) for the purpose of conducting its business. If a leak should occur, our Group's business performance may be adversely affected due to factors such as the deterioration of our social credibility, brand image, or the need to pay compensation for damages caused.
We are taking the following measures against these risks.

- We have established a basic policy concerning the protection of personal information (privacy policy), which has been given to all of our employees and posted on our website.
- In order to ensure information is managed appropriately, we have developed an internal system and established regulations for the protection of personal information.
- We are striving to raise awareness and improve understanding of personal information protection with initiatives such as training through e-learning and publishing case studies which highlight problems related to the protection of personal information in the company newsletter.

The timing and degree of the possibility that the risk will materialize are not stated because they are difficult to reasonably foresee due to the nature of the risk.

Occurrence of natural disasters/troubles

In the event of damage to facilities, equipment accidents, or other trouble due to natural disasters such as a large-scale earthquake, tsunami, or typhoon, our Group's business performance may be affected.
In order to reduce the risk of such natural disasters and troubles, we conduct systematic inspections, repairs, and improvements of facilities in order to maintain and improve their reliability and ensure a stable supply of energy.
In preparation for the early recovery of operations in the event of a disaster, we also participate in company-wide comprehensive disaster prevention training as well as disaster prevention drills conducted by government agencies and organizations, based on the idea of power facilities and equipment being severely damaged by a large-scale earthquake, tsunami, etc.

Changes in fuel prices

Our Group's business performance may be affected by fluctuations in fuel prices and foreign exchange rates, as coal, heavy oil, and LNG are the major thermal fuels used in the electricity business.
However, we are working to disperse the risk of fuel price fluctuations through methods such as achieving a balanced power supply configuration.
The Fuel Cost Adjustment System, under which fluctuations in fuel prices and foreign exchange rates are reflected in electricity prices, mitigates the impact of these fluctuations on our Group's business performance to a certain extent, but it may not be possible to factor in all significant fluctuations in fuel prices, etc.
In FY2022, the average fuel price significantly exceeded the upper limit under the Fuel Cost Adjustment System due to a sharp increase in fuel prices caused by the situation in Ukraine and the ongoing depreciation of the yen. As such, we were unable to reflect the amount exceeding the upper limit in our rates. In light of this situation, in order to continue providing a stable supply of electricity, we applied for an increase in electricity rates in the regulated sector. After undergoing a government review, the new rates were implemented in June 2023. In the deregulated sector, electricity rates have been undergoing revision since April 2023.

Special measures based on the Act on Special Measures for the Promotion and Development of Okinawa

Under the Act on Special Measures for the Promotion and Development of Okinawa, our company has been granted special measures to secure funds for the purpose of ensuring a stable and appropriate supply of electricity in Okinawa. Furthermore, we receive low interest loans from the Okinawa Development Finance Corporation.
We also receive special tax treatment (reductions in taxes for non-current assets, exemptions from petroleum and coal tax on coal and LNG), and the amount received from this treatment is refunded to customers.
If these policies were to be abolished, it could impact our Group's business performance.

Occurrences of acts that go against corporate ethics

If any situation occurs that goes against corporate ethics, our Group's business performance may be adversely affected due to factors such as the deterioration of our social credibility, brand image, or the need to pay compensation for damages caused.
We are taking the following measures to address these risks.

- The Corporate Ethics Committee, chaired by the President, was established to formulate rules and regulations regarding corporate ethics and action plans for corporate ethics activities.
- Activities related to corporate ethics include the dissemination of messages from the President, the holding of lectures on legal compliance and corporate ethics, the publication of problematic cases in the company newsletter, and awareness-raising activities for partner companies.
- We have also established a Corporate Ethics Consultation Desk for reporting and consulting on matters related to corporate ethics both within and outside the company. We continue to conduct awareness-raising activities for executives and employees and take thorough measures to protect whistleblowers.

The timing and degree of the possibility that such a risk will materialize are not stated because they are difficult to reasonably foresee due to the nature of the risk.

Risk Management

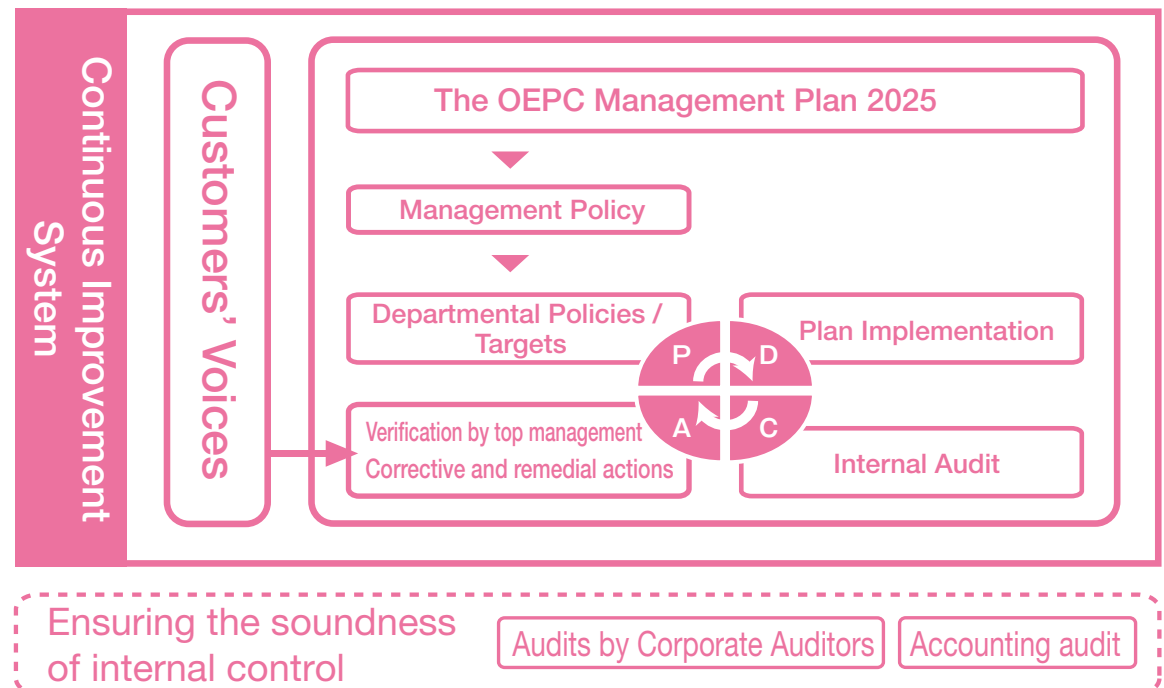
In order to respond quickly and accurately to the various risks surrounding our company, we have prepared a risk response manual and conduct drills assuming risks as appropriate.

Risk Management System

Based on the “Basic Guidelines for Risk Management”, our company identifies, analyzes and evaluates risks in each department, assesses the effectiveness of response manuals, etc., that have been developed, and revises the system as necessary. We also report the status of risk management initiatives in each department and our response to risks to the Board of Executive Officers. The status of risk measures at each company under the Group, including our company, is collated and reported back to each company. Any important concern arising in the Group’s risk measures is reported to the OEPC Group Top Management conference.

Quality Management

We have built a Quality Management System (QMS) for the purpose of actively promoting operational efficiency and improving customer satisfaction.



Corporate Ethics and Legal Compliance

Each department of the Group strives to comply with laws and regulations by closely observing any revisions to laws and regulations related to its operations to ensure legal and regulatory compliance and corporate ethics, and is also working to develop related regulations and internal systems to ensure that all executives and employees are familiar with and understand them.

Establishment of rules and regulations

Our company has established the “OEPC Ethical Code” and the “Regulations for Handling of Gifts and Entertainment” to ensure compliance with laws and regulations. Our company has established the “Guidelines for Responses to Antisocial Forces” to eliminate antisocial forces and do not have any relationship with antisocial forces with a resolute attitude.

The Group is committed to enhancing legal and regulatory compliance and corporate ethics, such as by establishing the “OEPC Group Code of Corporate Conduct” for the Group companies.

Establishment of Corporate Ethics Committee

We have established a Corporate Ethics Committee to ensure compliance with laws and regulations and corporate ethics in our corporate activities.

Structure	
Chairperson	President
Vice chairperson	Vice President
Committee member	Vice President, Director in charge of general administration, General Manager of General Administration Department, Chairperson of Labor Union Committee
Observer	Standing Corporate Auditor

Efforts to ensure corporate ethics

The Group is taking the following initiatives to ensure thorough implementation of corporate ethics.

- ① Sending out top management messages on corporate ethics
- ② Holding compliance training for executives and employees
- ③ Raising awareness of the corporate ethics consultation service
- ④ Conducting training for executives and employees on the corporate ethics consultation service, etc.
- ⑤ Holding lectures on legal compliance and corporate ethics for executives and other participants
- ⑥ Holding briefings for employees on ethics lectures
- ⑦ Publishing articles on corporate ethics in the company newsletter (Okiden)
- ⑧ Conducting activities to raise awareness of corporate ethics among subcontractors

Establishment of Corporate Ethics Consultation Desk

We have set up a “corporate ethics consultation desk” for executives and employees of the company and affiliated companies to provide consultation in the case of any violations of the law or corporate ethics related to the company’s business operations. Since 2013, we have set up an external consultation desk with an outside lawyer to diversify our contact points.

In principle, the consultation details excluding consumer’s information are reported to the Corporate Ethics Committee, which investigates the facts and implements measures to prevent recurrences, discloses the details to the public and takes other actions as necessary.

We protect users of the desk from being treated disadvantageously as a result of their reporting or consulting



▲ In-house ethics lecture

Ensuring neutrality and transparency in the transmission and distribution sector

To ensure neutrality and transparency in the electric power transmission and distribution sector, the company has set forth basic matters regarding conduct regulations that must be observed by executives and employees performing operations by establishing the “Rules for Ensuring Fairness in General Electricity Transmission and Distribution Operations” based on laws and regulations. Our company has taken firm steps to comply with regulations such as the “Prohibition of Acts that Impede Competitive Relationships” and “Establishment of Appropriate Information Management Systems” in addition to the “Prohibition of Use or Provision of Information other than Intended Purposes” for customers of PPS (Power Producer and Supplier) and “prohibition of discriminatory treatment” in electricity transmission and distribution operations.

Our response to inappropriate incidents such as information leakage

Incidents occurred that raised concerns about the neutrality of general electricity transmission and distribution utility, which are an essential foundation of the power supply system, including a case in which information of PPS customers was made available for viewing by our retail sector in wheeling service system managed by a general electricity transmission and distribution utility, and another case in which information held by the general electricity transmission and distribution utility was improperly handled.

In response to this, our company have taken the following new measures:

All executives and employees are working to raise awareness of the importance of complying with regulations as a major prerequisite for business operations, and will strive to prevent recurrence and further ensure compliance.

- We are working on a plan to eliminate the sharing of systems between the Retail Department and the Power Transmission and Distribution Department, as well as ensuring thorough ID management and strict compliance with regulations on conduct, including on-site regulations. We are also working to drastically strengthen internal controls in order to change the awareness of executives and employees.
- We analyze the access logs of the system used to manage non-public information, checking the log analysis results for suspicious access.
- As part of our efforts to build an effective system, we conduct industry-wide cross-checks with other general power transmission and distribution companies.

Establishment of the Conduct Regulations Compliance Committee

The Conduct Regulations Compliance Committee, which includes outside experts as members, was established to provide guidance and advice on the status of compliance with laws and regulations on a company-wide basis, including the transmission and distribution sector.

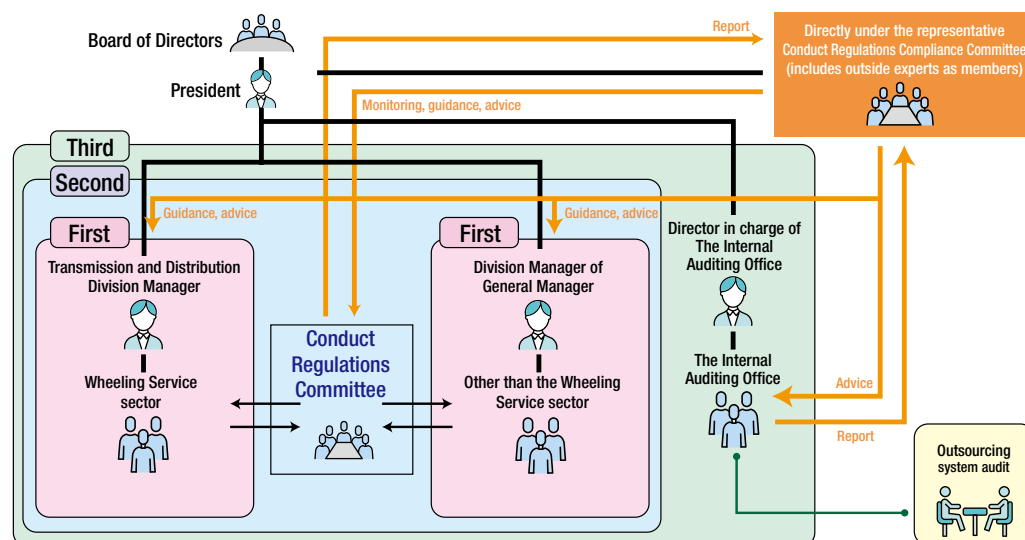
Structure	
Chairperson	President
Vice chairperson	Vice president
In-house committee members	Directors (excluding the Chairman), Executive Officer in charge of general administration
Outside committee members	Outside experts
Observers	Standing Corporate Auditor, General Manager of the Internal Auditing Office

Establishment of the Conduct Regulations Committee

“The Conduct Regulations Committee” examines matters related to information management and legal compliance systems, examine policies and specific measures related to regulating conduct in general, and take measures as necessary.

In addition, in an effort to prevent the recurrence of inappropriate incidents and further enhance compliance, the committee meets once a quarter in principle, and the status of compliance with conduct regulations is reported to the Conduct Regulations Compliance Committee.

Structure	
Chairperson	Transmission and Distribution Division Director
Vice chairperson	Transmission and Distribution Deputy Division Manager or a person designated by the chairperson.
Committee member	Director of the Transmission and Distribution Division, General Managers of the Transmission and Distribution Division



Legal (conduct regulations) compliance system (3-tiered risk management system)

Information Security

As a critical infrastructure operator, we recognize that it is our important responsibility to ensure a stable supply of electric power and to manage our information assets appropriately. To maintain and improve the level of information security, we are making concerted efforts to promote information security activities from organizational, personal, physical, and technological perspectives, including the establishment of a system for early detection and response to cyber-attacks, security education and training, and information sharing with other businesses and related organizations through JE-ISAC and more. In addition to company-wide activities, our Group is also working on information security activities in the same manner. We have also formulated the “OEPC Basic Policy on Information Security”, which outlines the basic rules to be observed by executives and employees, and we have made it available on our website.

The Okinawa Electric
Power Company,
Incorporated (OEPC)
Basic Policy on
Information Security



Organizational measure

In addition to formulating the Basic Policy and the Information Security Guidelines, our company has established a security management promotion system and an incident response system headed by the director in charge of overall information security. We have also appointed an Information Security Officer in each department to promote information security activities across the company.

Personnel measures

We conduct annual training and self-assessments for all employees to improve their awareness and understanding of information security.

Technical measures

We have installed anti-malware software to prevent malware attacks and implemented communication and data encryption to detect and block unauthorized communication when communication paths are tapped, or information assets are stolen.

Physical measures

In addition to controlling access to buildings and ensuring that employees wear their ID cards inside all buildings, we implement strict security and disaster measures for facilities where PCs used in business are installed.

Group-wide information security activities

We established the OEPC Information Technology Promotion Committee, which is chaired by the director in charge of overall information security, to run the PDCA cycle for group-wide information security, including the formulation, implementation, evaluation, and improvement of the OEPC Information Security Activities Plan.

Personal Information Protection

Our company handles the personal information of many customers and strives to protect and appropriately manage personal information while making continuous improvements following the Act on the Protection of Personal Information.

Privacy Policy

We have established a basic policy concerning the protection of personal information, the “OEPC Personal Information Protection Policy (Privacy Policy)”, which is posted on our website and at each place of business to ensure that our employees and the public are well informed.

Personal Information
Protection Policy



Establishment of rules and regulations

We have formulated the “Basic Guidelines for the Protection of Personal Information” and established an internal responsibility management system and rules for their implementation.

Employee training

We are striving to raise awareness and improve understanding of personal information protection with initiatives such as training through e-learning for all employees and publishing case studies in the company newsletter, which highlight problems related to the protection of personal information.

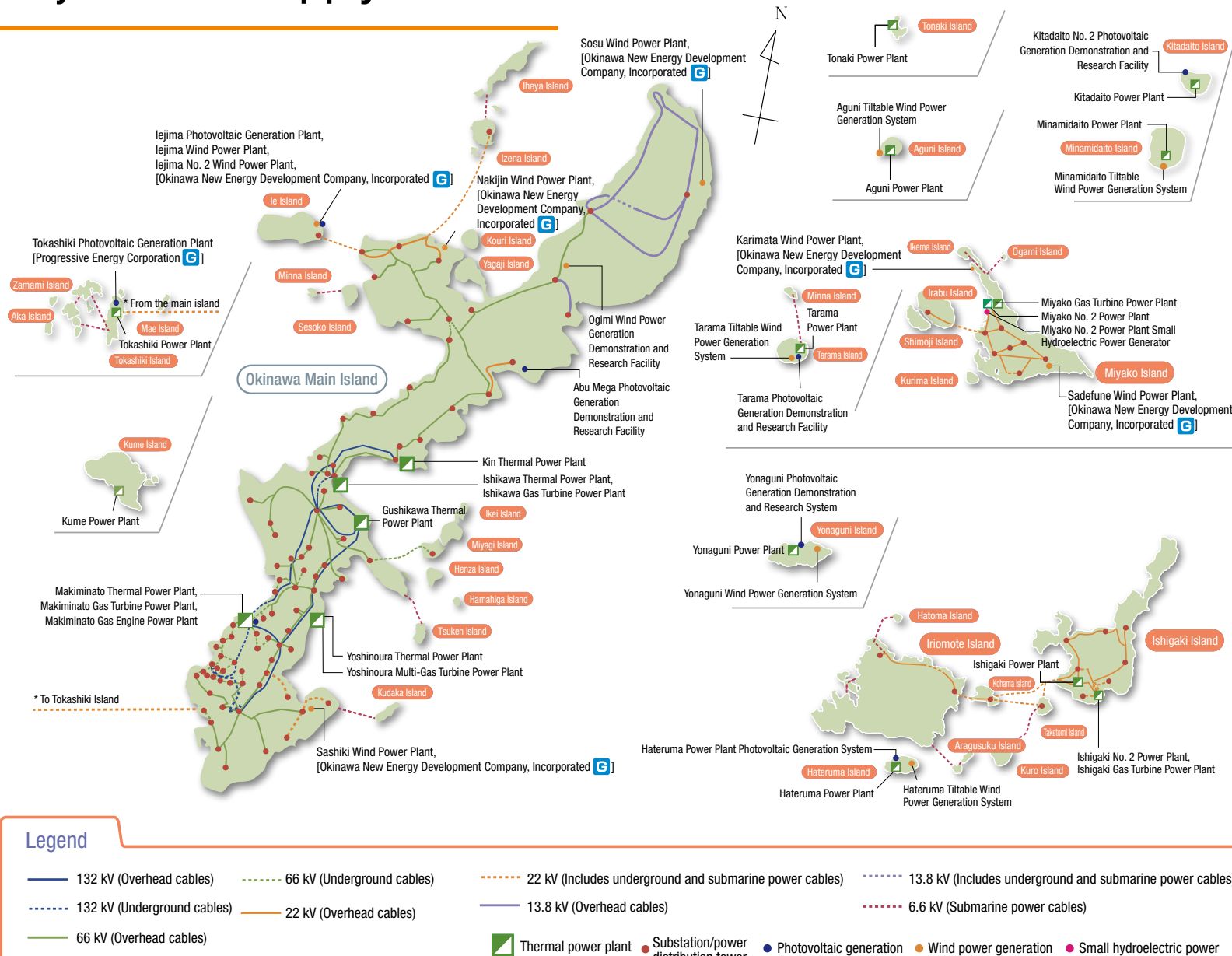
4 Finance and Company Information



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Major Power Supply Facilities



Key Data of the Electricity Business

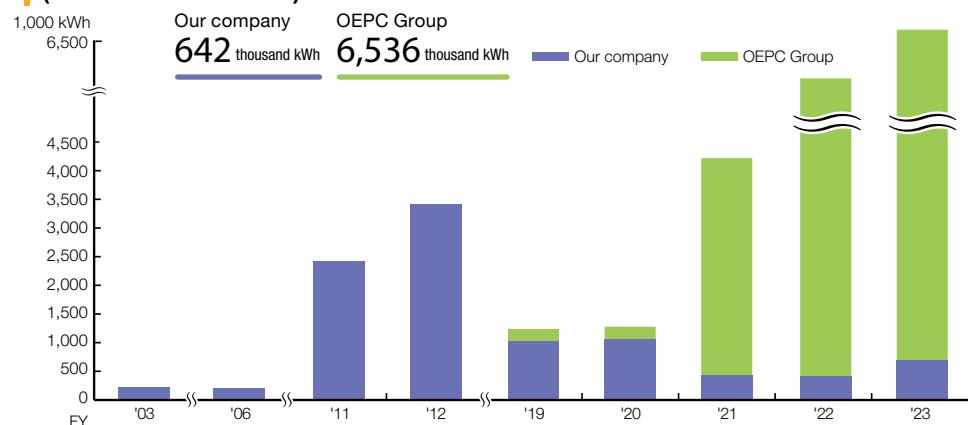
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Electricity sales (million kWh)	7,531	7,649	7,813	7,761	7,453	7,316	7,137	7,033	7,073	6,965
Lighting	2,917	2,953	3,115	3,140	2,960	2,946	2,983	2,895	2,842	2,714
Power	4,614	4,696	4,698	4,621	4,493	4,370	4,154	4,138	4,231	4,251
Power generation capacity (1,000 kW)	2,136	2,155	2,153	2,148	2,147	2,147	2,147	2,166	2,166	2,211
Thermal power	2,135	2,153	2,151	2,146	2,145	2,145	2,145	2,163	2,164	2,209
Steam power	1,629	1,629	1,629	1,629	1,629	1,629	1,629	1,629	1,629	1,629
Gas turbine power	326	326	326	326	326	326	326	326	326	326
Internal combustion power	180	198	196	191	190	190	190	208	209	254
New energy power generation	1	2	2	2	2	2	2	2	2	2
Power generation capacity (million kWh)	7,855	7,984	8,109	8,055	7,743	7,613	7,421	7,276	7,349	7,214
OEPG's power generation	6,157	6,210	6,492	6,249	5,813	5,820	5,860	5,772	5,881	5,468
Thermal power	6,156	6,208	6,490	6,247	5,812	5,819	5,858	5,770	5,880	5,467
New energy power generation	1	2	2	2	1	1	2	1	2	1
Electric power from other companies	1,708	1,774	1,617	1,806	1,930	1,793	1,561	1,504	1,467	1,747
Amount of power used for pumping at pumped storage power plants	(11)	—	—	—	—	—	—	—	—	—
Number of employees (persons)	1,604	1,606	1,605	1,615	1,628	1,632	1,631	1,625	1,614	1,593

*1 Figures of the power generation capacity is at the end of the fiscal year. "α" indicates a number less than one unit.

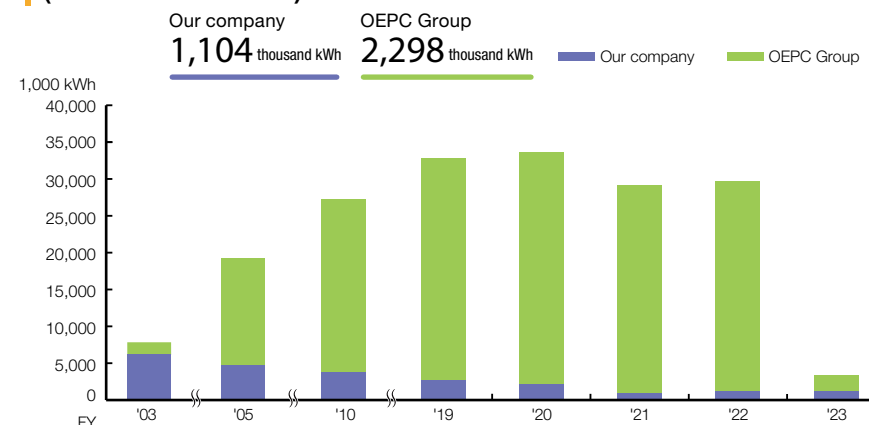
*2 The amount of electricity generated and received is the value at the transmission end.

*3 Only full-time employees at the end of the fiscal year are included in the number of employees.

Amount of electricity generated by photovoltaic facilities (transmission end)



Amount of electricity generated by wind power facilities (transmission end)



Trends of Key Management Indicators

Preface

Introduction

Initiatives for Value Creation by
the OEPC Group

Infrastructure to Support
Value Creation

Finance and Company Information

[Consolidated]

Term		48th Term	49th Term	50th Term	51st Term	52nd Term
Fiscal year		March, 2020	March, 2021	March, 2022	March, 2023	March, 2024
Sales (Operating revenues)	(Millions of yen)	204,296	190,520	176,232	223,517	236,394
Ordinary income (loss)	(Millions of yen)	9,311	11,335	2,717	(48,799)	2,568
Net income (loss) attributable to owners of the parent	(Millions of yen)	6,705	8,341	1,959	(45,457)	2,391
Comprehensive income	(Millions of yen)	6,412	10,565	1,674	(45,146)	4,612
Shareholders' equity	(Millions of yen)	155,710	163,073	161,287	114,495	118,830
Total assets	(Millions of yen)	408,789	427,031	446,519	480,546	498,671
Net assets per share	(Yen)	2,834.10	2,966.84	2,936.44	2,073.44	2,150.50
Earnings (loss) per share	(Yen)	123.22	153.29	36.05	(836.98)	44.02
Diluted earnings per share	(Yen)	—	—	—	—	—
Equity ratio	(%)	37.7	37.8	35.7	23.4	23.4
Return on equity	(%)	4.4	5.3	1.2	(33.4)	2.1
Price-earnings ratio	(x)	15.3	10.1	38.2	—	26.6
Net cash provided by (used in) operating activities	(Millions of yen)	36,092	31,686	17,328	(38,062)	25,628
Net cash provided by (used in) investing activities	(Millions of yen)	(25,988)	(29,479)	(34,932)	(38,485)	(32,000)
Net cash provided by (used in) financing activities	(Millions of yen)	(5,018)	1,389	12,788	75,043	9,543
Cash and cash equivalents at end of period	(Millions of yen)	21,593	25,190	20,374	18,869	22,040
Number of employees (average number of outside, temporary employees)	(persons)	2,752 (515)	2,796 (504)	2,806 (519)	3,075 (276)	3,079 (257)

[Non-consolidated]

Term		48th Term	49th Term	50th Term	51st Term	52nd Term
Fiscal year		March, 2020	March, 2021	March, 2022	March, 2023	March, 2024
Sales (Operating revenues)	(Millions of yen)	194,471	180,638	168,078	213,383	225,609
Ordinary income (loss)	(Millions of yen)	7,321	8,939	500	(50,245)	387
Net income (loss)	(Millions of yen)	5,651	6,953	694	(45,934)	1,200
Share capital	(Millions of yen)	7,586	7,586	7,586	7,586	7,586
Total number of issued shares	(1,000 shares)	54,217	56,927	56,927	56,927	56,927
Shareholders' equity	(Millions of yen)	137,558	142,180	138,984	91,786	93,538
Total assets	(Millions of yen)	373,941	391,496	407,311	441,260	458,330
Net assets per share	(Yen)	2,527.82	2,613.01	2,559.00	1,690.00	1,722.25
Dividend per share (of which, interim dividend per share)	(Yen)	60.00 (30.00)	60.00 (30.00)	60.00 (30.00)	— (—)	10.00 (5.00)
Earnings (loss) per share	(Yen)	103.86	127.78	12.77	(845.76)	22.11
Diluted earnings per share	(Yen)	—	—	—	—	—
Equity ratio	(%)	36.8	36.3	34.1	20.8	20.4
Return on equity	(%)	4.1	5.0	0.5	(39.8)	1.3
Price-earnings ratio	(x)	18.2	12.1	107.9	—	52.9
Dividend payout ratio	(%)	55.0	47.0	469.9	—	45.2
Employees	(persons)	1,543	1,536	1,532	1,536	1,504
Total shareholder return (comparative index: TOPIX including dividends)	(%)	108.2 (90.5)	92.9 (128.6)	86.6 (131.2)	69.9 (138.8)	75.5 (196.2)
Highest stock price	(Yen)	2,119	2,176 *2,073	1,552	1,393	1,267
Lowest share price	(Yen)	1,525	1,802 *1,357	1,366	921	1,025

(Note) *indicates the share price after ex-rights due to stock split.

Consolidated Balance Sheet

(Unit: millions of yen)

	2023	2024
Assets		
Non-current assets	402,215	418,660
Electric utility plant and equipment	299,788	320,680
Thermal power production facilities	84,152	88,854
Internal combustion engine power production facilities	19,413	34,677
Transmission facilities	55,579	54,306
Transformation facilities	41,194	41,563
Distribution facilities	85,448	86,886
General facilities	13,260	12,629
Other electric utility plant and equipment	739	1,762
Other non-current assets	33,909	41,282
Construction in progress	38,061	22,853
Construction and retirement in progress	38,061	22,853
Investments and other assets	30,455	33,844
Long-term investments	8,281	9,409
Retirement benefit asset	3,016	4,763
Deferred tax assets	15,856	16,250
Other	3,356	3,469
Allowance for doubtful accounts	(55)	(48)
Current assets	78,331	80,010
Cash and deposits	19,059	22,158
Notes and accounts receivable-trade	13,521	13,912
Inventories	20,058	18,132
Other	25,804	25,929
Allowance for doubtful accounts	(112)	(122)
Total	480,546	498,671
Liabilities and net assets		
Non-current liabilities	296,337	294,832
Bonds payable	135,000	135,000
Long-term borrowings	129,769	130,694
Lease liabilities	18,591	16,828
Retirement benefit liabilities	11,882	11,210
Other	1,095	1,099
Current liabilities	69,713	85,007
Current portion of non-current liabilities	19,039	26,727
Short-term borrowings	2,220	5,221
Notes and accounts payable-trade	16,801	14,816
Accrued taxes	1,845	2,204
Other	29,807	36,037
Total liabilities	366,050	379,840
Shareholders' equity	109,873	111,993
Share capital	7,586	7,586
Capital surplus	7,278	7,278
Retained earnings	100,403	102,522
Treasury shares	(5,395)	(5,393)
Accumulated other comprehensive income	2,737	4,803
Valuation difference on available-for-sale securities	2,440	3,234
Deferred gains or losses on hedges	37	108
Remeasurements of defined benefit plans	259	1,461
Non-controlling interests	1,884	2,033
Total net assets	114,495	118,830
Total	480,546	498,671

Consolidated Statement of Income

(Unit: millions of yen)

	2023	2024
Operating revenues	223,517	236,394
Electric utility operating revenue	207,947	219,716
Other business operating revenue	15,569	16,677
Operating expenses	271,924	232,912
Electric utility operating expenses	257,588	217,429
Other business operating expenses	14,335	15,483
Operating income (loss)	(48,406)	3,481
Non-operating income	1,306	1,186
Dividend income	213	202
Interest income	1	1
Gain on sale of non-current assets	113	135
Gain on sale of goods	182	259
Share of profit of entities accounted for using equity method	353	241
Other	442	346
Non-operating expenses	1,699	2,100
Interest expenses	1,123	1,660
Other	576	440
Total ordinary revenue	224,824	237,581
Total ordinary expenses	273,623	235,012
Ordinary income (loss)	(48,799)	2,568
Net income (loss) before income taxes	(48,799)	2,568
Income taxes - current	1,040	1,188
Income taxes - deferred	(4,530)	(1,162)
Total income taxes	(3,489)	25
Net income (loss)	(45,309)	2,542
Net income attributable to non-controlling interests	147	151
Net income (loss) attributable to owners of the parent	(45,457)	2,391

Consolidated Statement of Comprehensive Income

(Unit: millions of yen)

	2023	2024
Net income (loss)	(45,309)	2,542
Other comprehensive income		
Valuation difference on available-for-sale securities	379	797
Deferred gains or losses on hedges	(0)	71
Remeasurements of defined benefit plans, net of tax	(214)	1,201
Share of other comprehensive income of entities accounted for using equity method	(0)	—
Total other comprehensive income	163	2,070
Comprehensive income	(45,146)	4,612
Comprehensive income attributable to:		
Owners of the parent	(45,294)	4,457
Non-controlling interests	148	155

Consolidated Statement of Changes in Equity

Year Ended March 31, 2023

(Unit: millions of yen)

	Shareholders' equity					Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	7,586	7,223	147,493	(5,394)	156,909	2,062	38	474	2,574	1,803	161,287
Changes during period											
Dividends of surplus			(1,632)		(1,632)						(1,632)
Net income (loss) attributable to owners of the parent			(45,457)		(45,457)						(45,457)
Purchase of treasury shares				(1)	(1)						(1)
Disposal of treasury shares			(0)	0	0						0
Change in ownership interest of parent due to transactions with non-controlling interests		54			54						54
Net changes in items other than shareholders' equity						378	(0)	(214)	162	80	243
Total changes during period	-	54	(47,090)	(0)	(47,035)	378	(0)	(214)	162	80	(46,792)
Balance at end of period	7,586	7,278	100,403	(5,395)	109,873	2,440	37	259	2,737	1,884	114,495

Year Ended March 31, 2024

(Unit: millions of yen)

	Shareholders' equity					Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	7,586	7,278	100,403	(5,395)	109,873	2,440	37	259	2,737	1,884	114,495
Changes during period											
Dividends of surplus			(272)		(272)						(272)
Net income attributable to owners of the parent			2,391		2,391						2,391
Purchase of treasury shares				(1)	(1)						(1)
Disposal of treasury shares			(0)	2	2						2
Net changes in items other than shareholders' equity						793	71	1,201	2,066	148	2,214
Total changes during period	-	-	2,118	1	2,120	793	71	1,201	2,066	148	4,335
Balance at end of period	7,586	7,278	102,522	(5,393)	111,993	3,234	108	1,461	4,803	2,033	118,830

Consolidated Statement of Cash Flows

(Unit: millions of yen)

	Year Ended March 31, 2023	Year Ended March 31, 2024
Net cash provided by (used in) operating activities		
Net income (loss) before income taxes	(48,799)	2,568
Depreciation	19,937	21,569
Loss on retirement of non-current assets	916	715
Increase (decrease) in retirement benefit liability	80	(454)
Decrease (increase) in retirement benefit asset	(430)	(176)
Interest and dividend income	(215)	(203)
Interest expenses	1,123	1,660
Decrease (increase) in trade receivables	(20)	(391)
Decrease (increase) in inventories	(7,695)	1,971
Increase (decrease) in trade payables	1,781	(1,985)
Other, net	(3,946)	2,867
Subtotal	(37,269)	28,139
Interest and dividends received	230	213
Interest paid	(906)	(1,681)
Income taxes refund (paid)	(116)	(1,043)
Net cash provided by (used in) operating activities	(38,062)	25,628
Net cash provided by (used in) investing activities		
Purchase of non-current assets	(43,078)	(33,353)
Proceeds from sale of non-current assets	564	443
Investments and loan advances	(313)	(218)
Proceeds from divestments and collection of loans receivable	1,676	207
Other, net	2,665	919
Net cash provided by (used in) investing activities	(38,485)	(32,000)
Net cash provided by (used in) financing activities		
Proceeds from issuance of bonds	64,726	9,973
Redemption of bonds	(10,000)	-
Proceeds from long-term borrowings	40,281	15,890
Repayments of long-term borrowings	(11,445)	(17,238)
Net increase (decrease) in short-term borrowings	968	3,001
Net increase (decrease) in commercial papers	(6,000)	-
Dividends paid	(1,634)	(277)
Other, net	(1,852)	(1,805)
Net cash provided by (used in) financing activities	75,043	9,543
Net increase (decrease) in cash and cash equivalents	(1,504)	3,170
Cash and cash equivalents at beginning of period	20,374	18,869
Cash and cash equivalents at end of period	18,869	22,040

With the community, for the community



**The Okinawa Electric Power
Company, Incorporated**