

Management Topics

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

May 2026



The Okinawa Electric Power Company, Inc.

Financial Results (Year-on-Year Comparison)

■ FY2025

(Unit: million yen)

	Consolidated				Non-consolidated			
	FY2024 (Results)	FY2025 (Results)	Change	Rate of Change	FY2024 (Results)	FY2025 (Results)	Change	Rate of Change
Net Sales	236,540	220,177	-16,363	-6.9%	224,043	207,578	-16,464	-7.3%
Operating Profit	7,322	9,290	+1,967	+26.9%	5,341	5,626	+284	+5.3%
Ordinary Profit	5,665	8,167	+2,501	+44.2%	3,956	4,836	+879	+22.2%
Net income	4,322*	6,234*	+1,911	+44.2%	3,481	4,245	+763	+21.9%

* Profit attributable to owners of parent.

Consolidated : Decrease in Sales, Increase in profit for the first time in 5 years

(Non-consolidated : Decrease in Sales, Increase in profit for 2 consecutive years)

【Revenue】

- Decrease due to lower Electricity sales volume and the impact of fuel cost adjustment system in Electric business.

【Expenses】

- Decrease in Fuel costs and Purchased power costs due to lower fuel prices in Electric business.

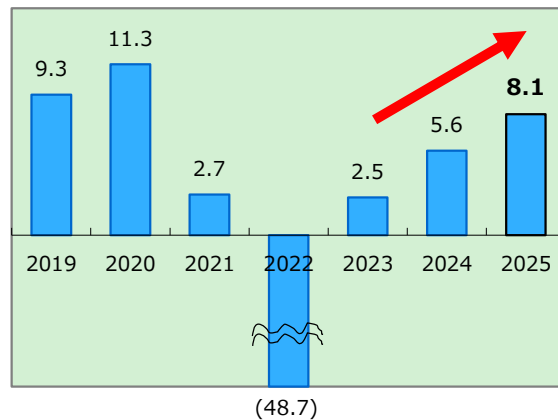
Review of Medium-Term Management Plan and Completion of Recovery Period

- The "Okiden Group Medium-Term Management Plan 2025" (hereinafter referred to as the "Medium-Term Plan"), announced in March 2022, outlined the following financial targets for the company: "Ordinary profit of ¥12 billion yen or more, return on equity of 5% or higher, and an equity ratio of 25% or higher* (all on a consolidated basis)."
- In light of the dynamic shifts in our operating environment, including the significant fluctuations in fuel prices triggered by the war in Ukraine, as well as the rising prices and interest rates, we adopted the slogan "Ultra-Aggressive Efficiency" for FY2025. We then collaborated as a unified company to implement management efficiency initiatives, beginning with the "Okiden PX Project."
- As a result of our strategic approach, which involved pursuing new opportunities and implementing creative solutions to achieve our objectives, we have achieved an ROE of 5% and an equity ratio of 25%, while our ordinary profit stood at ¥8.1 billion.
- In addition, with respect to the "recovery period" established to address the substantial deficit in FY2022, we have determined that our financial foundation has recovered to a certain extent. We will therefore complete the period as originally planned after three years.

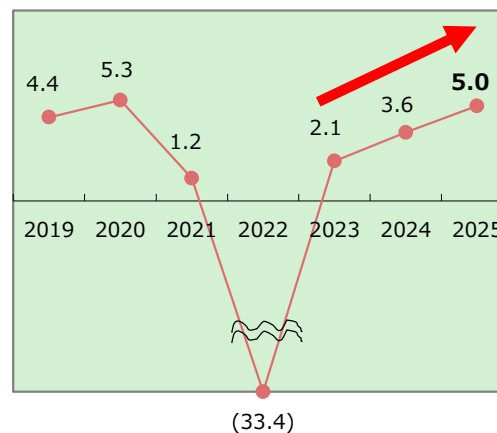
*Our initial target was to maintain a consolidated equity ratio in the 30% range. However, due to the significant deterioration of our financial foundation in FY2022 results, we established a recovery period (through FY2025) and set a target of 25%.

[Achievement of financial targets]

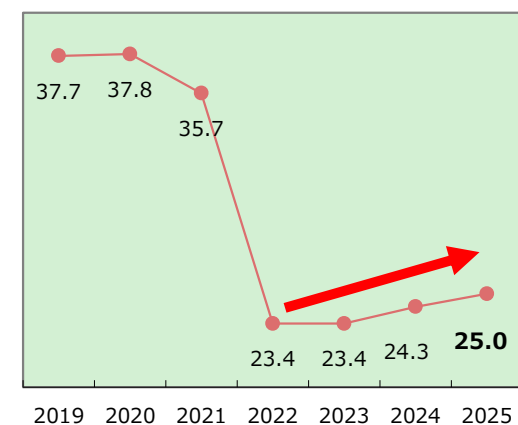
● Ordinary profit (¥12 billion or more)



● ROE (5% or higher)



● Equity ratio (25% or higher)



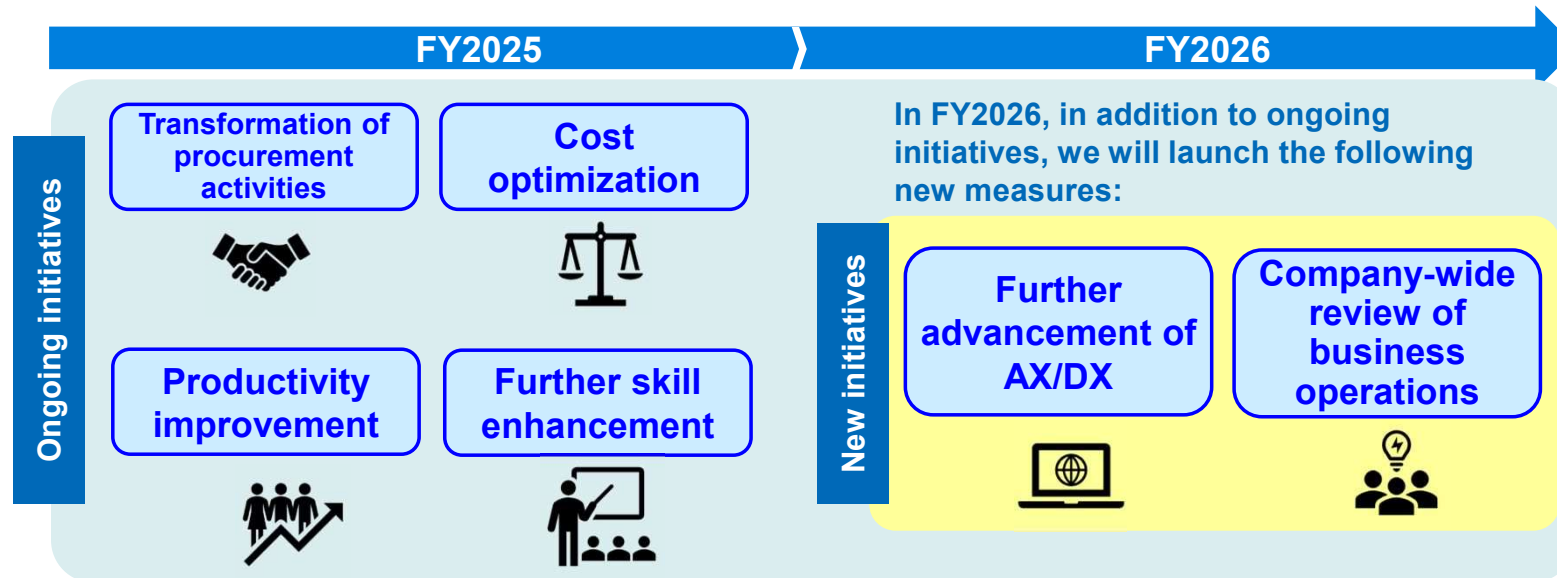
Progress of the Okiden PX Project

- In response to critical issues such as rising prices, wage increases, and yen depreciation, the Company initiated the **"Okiden PX Project"^{*1}** in January 2025. The project aims to curtail procurement expenses through strategic initiatives, including the strengthening of the procurement division, streamlining of the supply chain, and the enhancement of productivity through digital transformation (DX).
- We have already achieved the cost-saving targets set at the project's inception—"¥3 billion or more on a profit-and-loss basis and ¥5 billion or more on a cash basis^{*2} by the end of 2026"—and we aim to further increase these savings.
- In FY2026, in addition to our ongoing initiatives, we will implement measures such as further advancing AX^{*3} and DX, as well as reviewing company-wide business operations, including those of the corporate divisions, to further explore opportunities for productivity improvement.

*1: The "P" in PX represents Procurement, Profit, Productivity, and Performance, which relate to individual capabilities and company results. The message is clear: to enhance financial performance, we will focus on optimization of our procurement functions and boosting productivity through digital transformation (DX) and other strategies, as well as promotion of individual employees' growth and company-wide advancement.

*2: The target cost savings include future benefits that will arise as these initiatives progress.

*3: Initiatives to transform business operations by leveraging AI.



Financial Outlook Summary

(Unit: million yen)

	Consolidated				Non-consolidated			
	FY2025 (Results)	FY2026 (Forecasts)	Change	Rate of Change	FY2025 (Results)	FY2026 (Forecasts)	Change	Rate of Change
Net Sales	220,177	undetermined	—	—	207,578	undetermined	—	—
Operating Profit	9,290	undetermined	—	—	5,626	undetermined	—	—
Ordinary Profit	8,167	undetermined	—	—	4,836	undetermined	—	—
Net income	6,234*	undetermined	—	—	4,245	undetermined	—	—

* Profit attributable to owners of parent.

The forecast for FY2026 has not been determined due to the highly uncertain outlook for resource prices, including power generation fuels, amid the current situation in the Middle East.

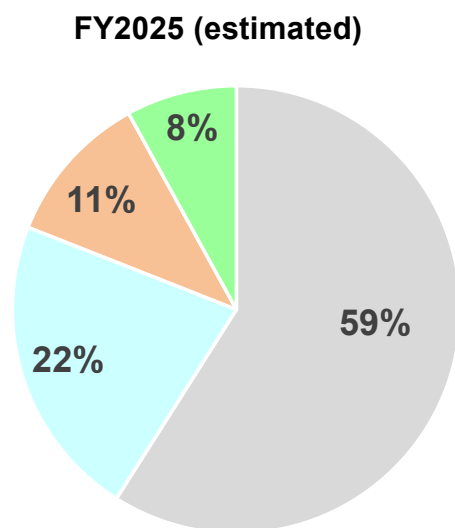
We will promptly disclose the forecast once it becomes reasonably determinable.

At this time, there has been no significant impact on the stable procurement of fuel arising from the current situation in the Middle East. In addition, there is no concern that the average fuel price used to calculate the fuel cost adjustment unit price will exceed the upper limit under the fuel cost adjustment system.

Impact of Tensions in the Middle East on Fuel Procurement

- Our primary sources of fuel are domestic suppliers, as well as Australia and Indonesia.
- Although there has been no significant impact from the rising tensions in the Middle East, we are closely monitoring the situation and remain committed to ensuring stable procurement.

**Power source mix (electricity generation) at
The Okinawa Electric Power Company**



■ Coal ■ LNG ■ Oil ■ New Energy, Others*

* Including battery storage systems

Note: Electricity sales volume by our company
(including electricity purchased from other companies, but excluding wholesale sales).

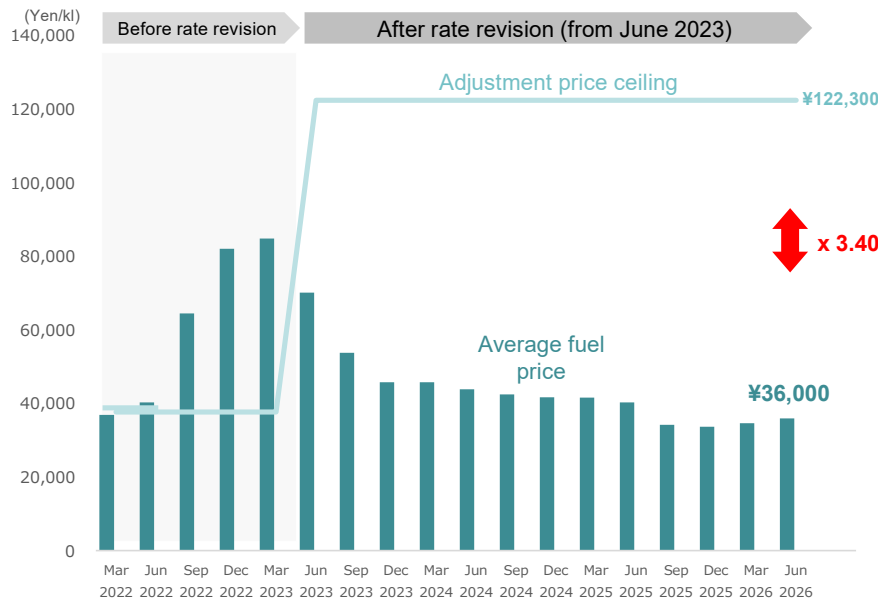
Main fuel (oil, coal, LNG) suppliers

Fuel	Main Supplier
Coal	■ Mainly procured from Australia and Indonesia. (In the past, we have procured from North America and other regions.)
LNG	■ LNG is procured primarily from Australia under long-term contracts.
Oil	■ Oil is procured from domestic refineries for use at power plants on the main island (Makiminato Thermal Power Station and Ishikawa Thermal Power Station) as well as at power plants on remote islands. (There is no direct procurement from overseas.)

Impact of Fuel Price Trends on Electricity Rates

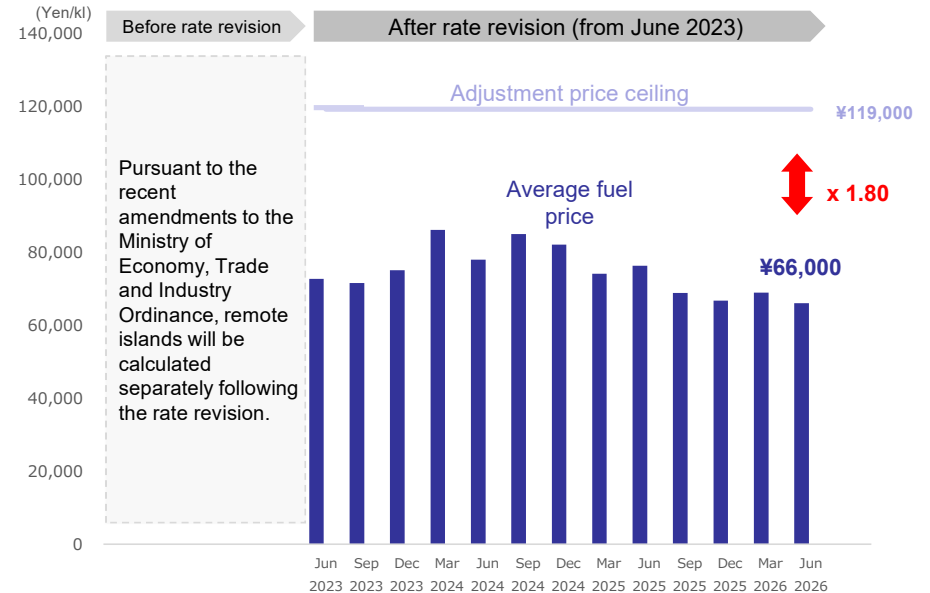
- With respect to fuel price fluctuations, the Fuel Cost Adjustment System for the Main Island and the Universal Service Adjustment System for Remote Islands are designed to reflect these fluctuations in electricity rates within the upper limit set by each system.
- Current fuel prices remain well below the upper limit, and there is no immediate impact on our financial results.
- However, should fuel prices exceed the upper limit, there is potential for an impact on our financial results. We will continue to closely monitor fuel price trends.

Main island: Trends in average fuel prices and the adjustment upper limit under the Fuel Cost Adjustment System



Energy mix: Crude oil 0.7%, LNG 23.3%, Coal 76%

Remote island: Trends in average fuel prices and the adjustment upper limit under the Remote Island Universal Adjustment System



Energy mix: Crude oil 100%

FY2025 Dividend and FY2026 Dividend Forecast

With regard to profit distribution, the Company's policy has been based on providing stable and continuous dividends, while maintaining a consolidated dividend on equity (DOE) of at least 2.0%. However, due to the significant deterioration of the Company's financial base resulting from the substantial net loss recorded in fiscal year 2022, the Company was unable to follow this policy.

Accordingly, the Company designated the three-year period through fiscal year 2025 as a recovery period focused on restoring financial soundness. During this period, the Company aimed to achieve a consolidated equity ratio of 25%, while gradually increasing dividend levels and targeting a return to the previous dividend level after the recovery period.

Dividends for each fiscal year were determined by balancing the restoration of the Company's financial base with shareholder returns. As a result, the Company steadily increased dividend levels and achieved the target consolidated equity ratio of 25%, paying annual dividends of ¥10 per share for the fiscal year ended March 31, 2024, and ¥20 per share for the fiscal year ended March 31, 2025.

[FY2025 Dividend]

With respect to the year-end dividend for the current fiscal year ending March 31, 2026, which represents the final year of the recovery period, the Company plans to propose a year-end dividend of ¥15 per share at the Annual General Meeting of Shareholders. Together with the interim dividend, this would result in a total annual dividend of ¥30 per share.

[FY2026 Dividend Forecast]

Regarding dividends for the next fiscal year ending March 31, 2027, following the end of the recovery period, the Company intends to distribute dividends in accordance with its basic policy on profit allocation. However, as it is currently difficult to forecast the profit level for the next fiscal year, the dividend forecast has been left undetermined. The Company will promptly disclose the dividend forecast once it becomes reasonably determinable based on future earnings forecasts and other relevant information.

	Dividend per share (yen)		
	Interim	Year-end	Annual
FY2025	15	15	30
FY2026 (Forecast)	undetermined	undetermined	undetermined



II . Okiden Group Management Vision **(Summary version)**

Group Management Philosophy

Group Slogan With the community, for the community



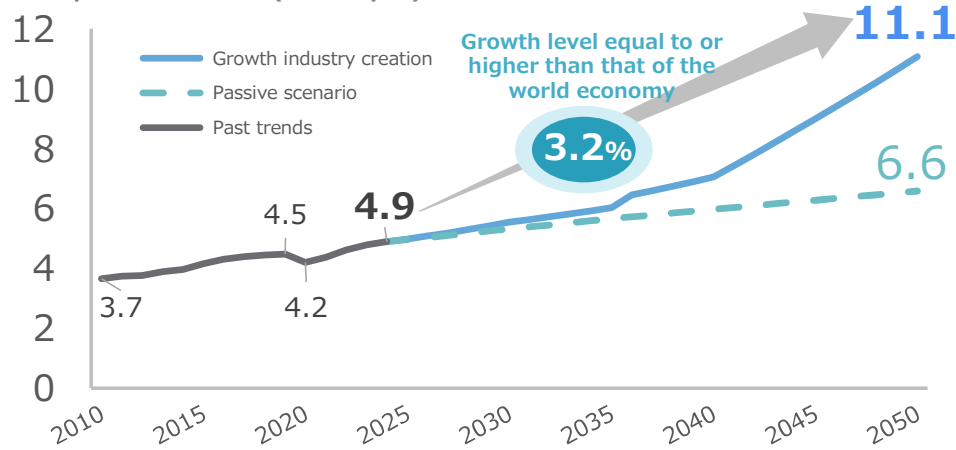
Vision for the Okinawa Region in 2050 (Development Potential)

In Okinawa, diverse business opportunities that drive growth are expanding, as symbolized by the GW2050 PROJECTS.

Building on the technology and expertise cultivated over many years with the support of our customers and the local community, the Okinawa Electric Power Group, or Okiden Group, is committed to supporting the development of the Okinawa region through energy. The Group plays a pivotal role in driving the prefectural economy, contributing to the revitalization and sustainable growth of the region and society.

GW2050 PROJECTS

Nominal prefectural GDP (trillion yen)



	2024	2050
Nominal prefectural GDP	¥4.9 trillion	¥11 trillion
Employed population	770,000 people	930,000 people
Total population	1,470,000 people	1,670,000 people
Per capita prefectural income	¥2.54 million	¥6.24 million

Source: Prepared based on the GW2050 PROJECTS Grand Design, etc.

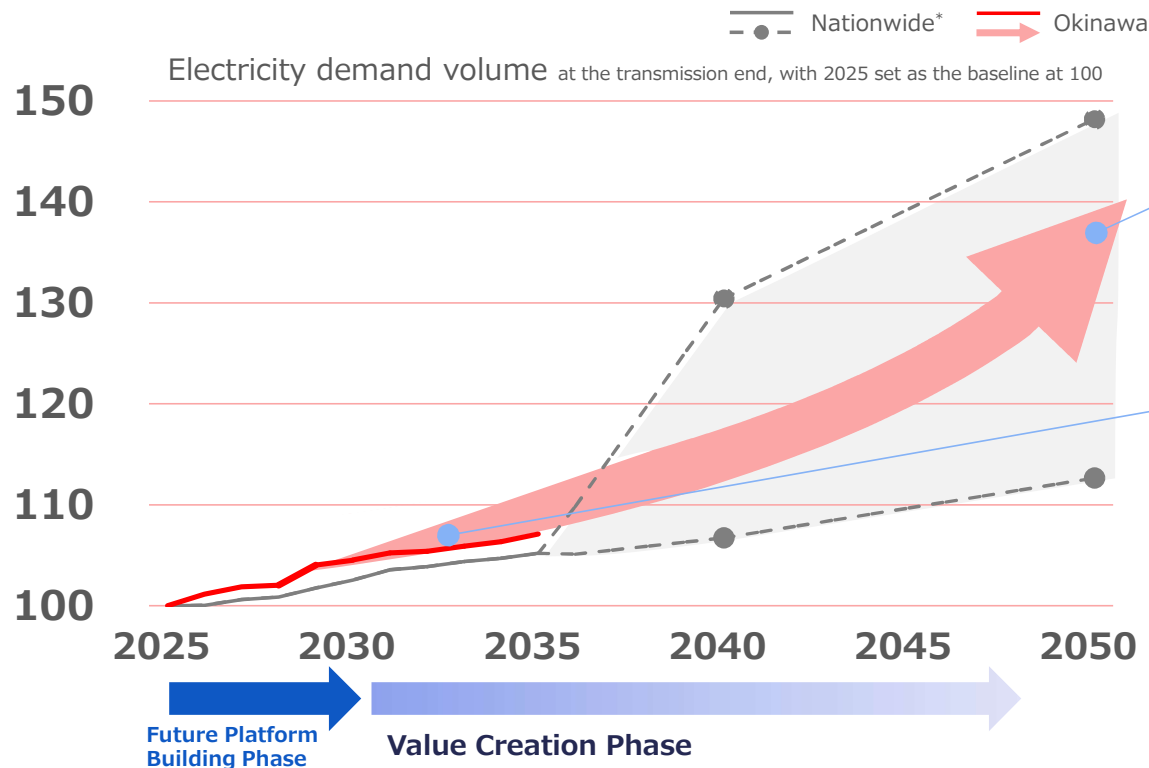
Future images



Projected Electricity Demand for 2050

Projections for 2050 indicate that, given Okinawa's development potential, the upward trend in electricity demand will strengthen over the medium to long term, potentially leading to significant growth.

Projected Growth in Electricity Demand



In looking toward 2050, the Okinawa region's development potential is considered based on the GW2050 PROJECTS vision. According to this analysis, electricity demand in Okinawa could increase at a pace comparable to the growth in national electricity demand, even if demand from data centers and the semiconductor industry expands nationwide.

While electricity demand in the Okinawa region is projected to increase at a rate comparable to the national average through 2035, demand in Okinawa may expand further in the future against the backdrop of advancements in digital-related fields.

The Okiden Group is committed to ensuring a reliable and consistent supply of electricity, positioning itself to capitalize on emerging business opportunities and enhance profitability.

* Nationwide: Prepared based on the "Report on the Review of Future Electricity Supply and Demand Scenarios" and the "FY2026 Demand Projections Nationwide and by Supply District" issued by the Organization for Cross-regional Coordination of Transmission Operators, JAPAN (OCCTO)

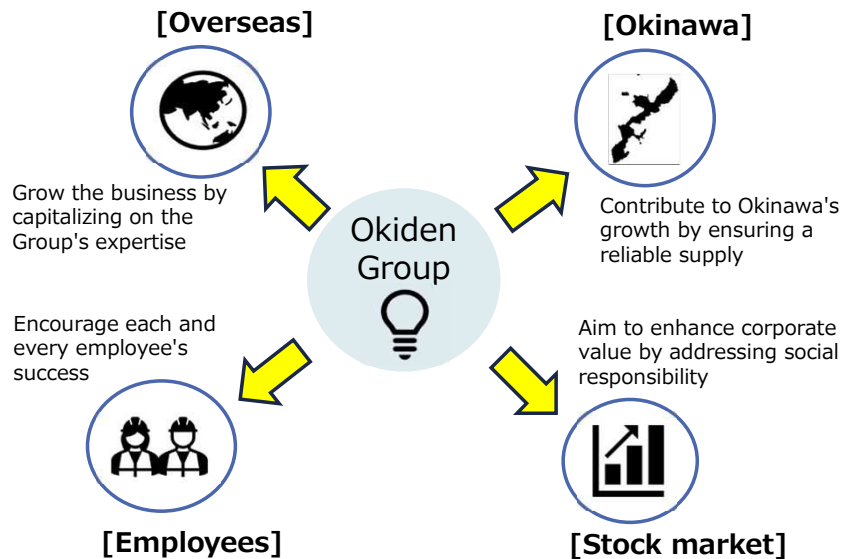
Okiden Group's Aspiration for 2050

Our Group has established "**EMPOWER & COLLABORATE: Bring vitality to Okinawa and co-create a future together with our stakeholders**" as its aspiration for 2050.

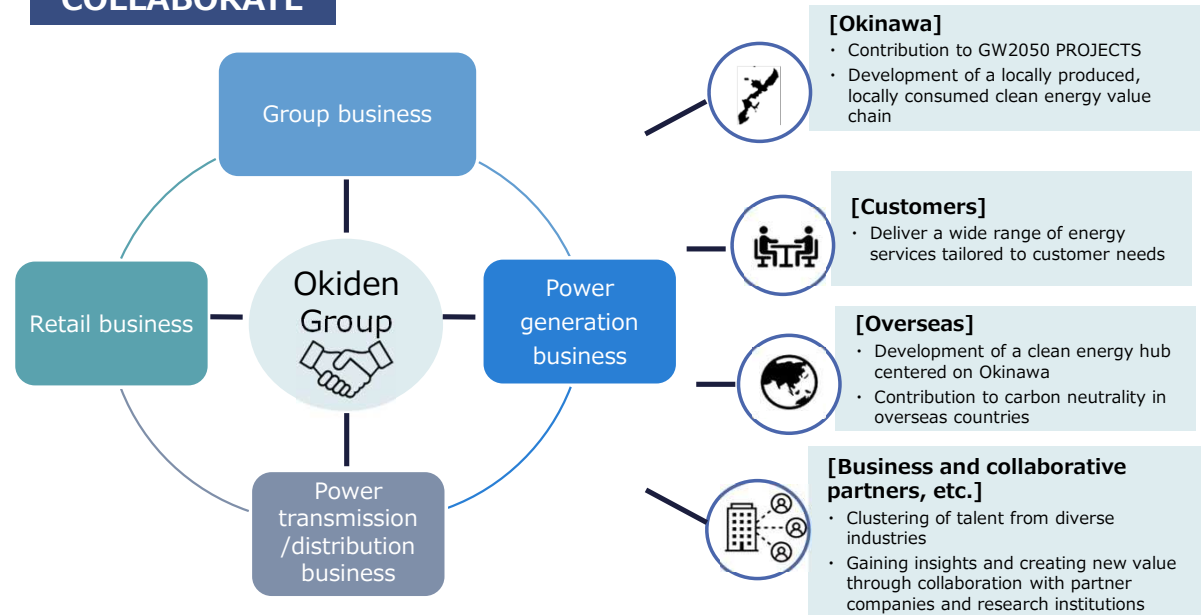
Regarding "**EMPOWER**," in addition to reaffirming our Group's raison d'être, "Contribute to Okinawa's growth by ensuring a reliable supply," we have incorporated the following aspirations: "Encourage each and every employee's success," "Expanding our overseas operations by leveraging our Group expertise," and "Aim to enhance corporate value by addressing social responsibility."

Through our "**COLLABORATE**" concept, we aim to rebuild our connections with Okinawa and local communities, customers, business partners, and countries overseas, and shift toward relationships centered on co-creating the future together.

EMPOWER



COLLABORATE

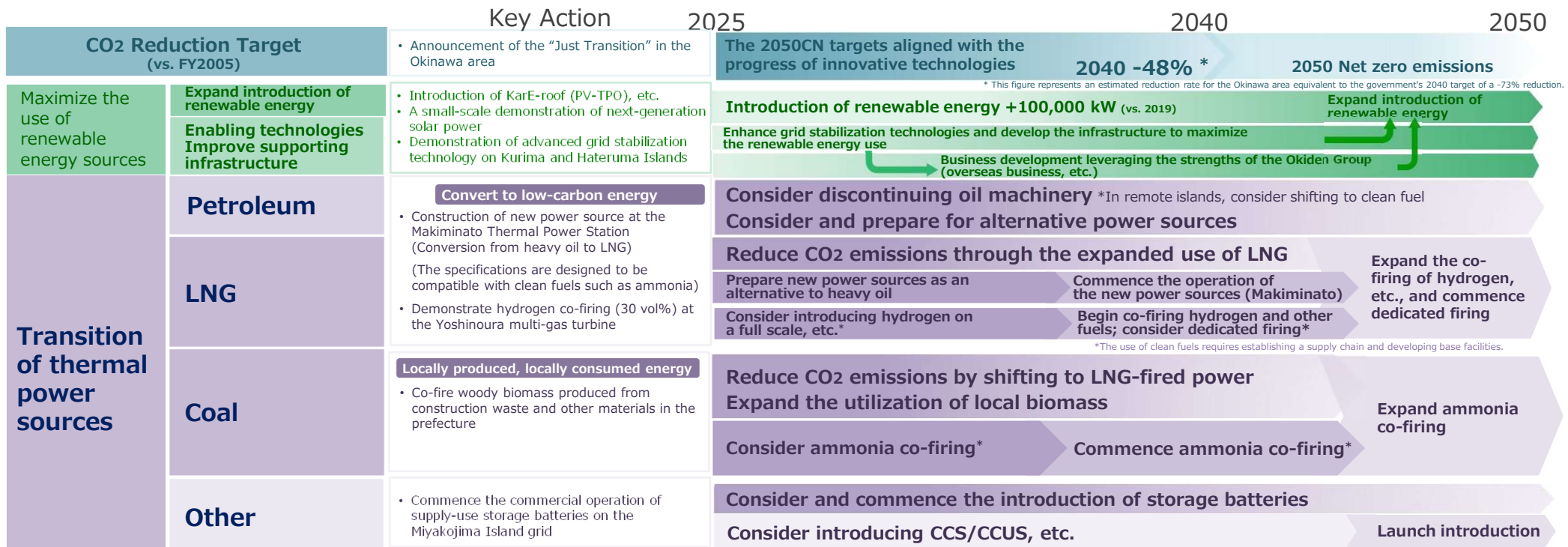


Toward 2050 Carbon Neutrality (Transition Plan)



In consideration of the unique characteristics of the Okinawa area, we remain committed to aligning our efforts with the government's objectives and striving towards the realization of carbon neutrality (hereinafter referred to as "CN"), on the premise of ensuring a reliable electricity supply.

2050CN Transition Plan



- It requires establishing the necessary technology while ensuring economic viability.
- The development and introduction of these next-generation technologies will require policy and financial support.
- We will periodically review specific measures and targets in light of national energy policies, technological trend projections, and changes in the external environment, such as fuel prices.
- We will continue to work diligently to ensure that these conditions are met.

Toward 2050 Carbon Neutrality (Initiatives)

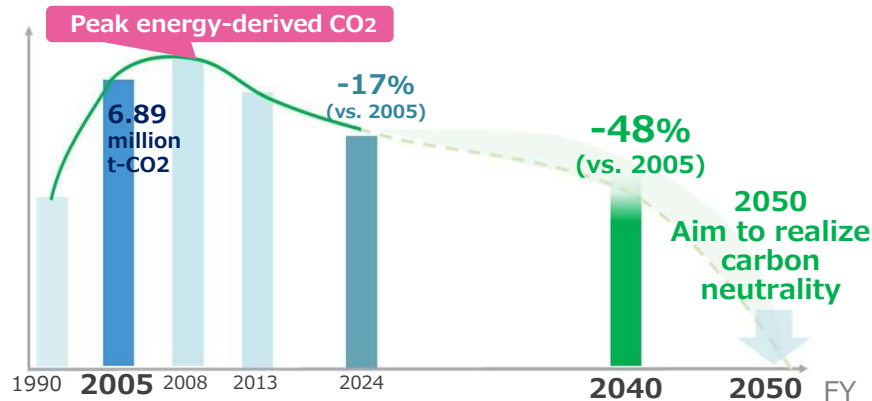


Initiatives and Directions toward 2050CN

Thermal power

- Proceed with the development of alternatives to aging power sources while considering options for decommissioning or closure
- In order to reduce CO2 emissions, expand the use of LNG as a transitional measure
- Utilize regional biomass for coal-fired machinery
- Consider establishing supply chains and hubs within the prefecture, and introducing the co-firing or dedicated firing of clean fuels, such as hydrogen and ammonia
- Advance studies on clean fuel procurement methods and introduction of CCS/CCUS, storage batteries, and next-generation energy technologies

● CO2 emissions reduction route

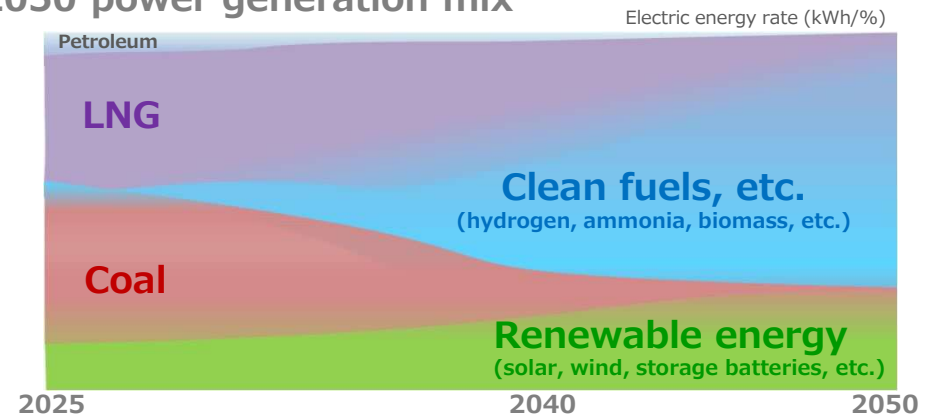


- It requires establishing the necessary technology while ensuring economic viability.
- We will periodically review specific measures and targets in light of national energy policies, technological trend projections, and changes in the external environment, such as fuel prices.

Renewable energy

- Expand renewable energy introduction through power purchase agreement (PPA) business such as KarE-roof and floating solar.
- With a view to the widespread adoption of next-generation technologies such as perovskite solar cells, we will promote advancements in grid stabilization technologies and the development of supporting infrastructure to maximize the utilization of renewable energy sources in the Okinawa area.
- Expand business operations (overseas business, etc.), supported by the Group's internal expertise and cutting-edge technologies

● 2050 power generation mix



- The use of clean fuels requires establishing a supply chain and developing base facilities.
- The development and introduction of these next-generation technologies will require policy and financial support.

Management Themes Through 2030 to Achieve Our Vision

To realize a vision of society in 2050 that embodies Okinawa's development potential, we have positioned the period up to 2030 as the **"Future Platform Building Phase."** Our management themes for the phase are as follows: **"Ensuring a stable supply and strengthening profitability across each supply chain," "Business operation reform through AX," "Promoting a Just Transition in the Okinawa area," and "Develop business areas that are linked to Okinawa's growth."**

During the **"Future Platform Building Phase,"** our primary focus will be on establishing a resilient energy infrastructure to support the Okinawa region's sustainable development. By enhancing the stability and efficiency of each supply chain, we aim to establish a unified business infrastructure for the Group and support future growth. In addition, we will strive to enhance sustainable profitability by accurately capturing growing demand in digital-related fields in Okinawa, advancing operational reforms through AI transformation (AX), and expanding into growth sectors.

In the **"Value Creation Phase,"** we will expedite the generation of new value by leveraging the business platforms and growth potential established during the "Future Platform Building Phase" as a robust foundation. We are committed to achieving a qualitative transformation of our revenue structure by advancing our business portfolio in tandem with Okinawa's growth and the expansion of value-added businesses. This initiative will dramatically and sustainably enhance the growth potential and profitability of the entire Group.

Future Platform Building Phase Initiatives

1. Stable supply x Enhanced profitability for each supply chain
2. Business operation reform through AX
3. Promote Just Transition of the Okinawa area toward low-carbon society
4. Develop business areas that are linked to Okinawa's growth

Future Platform Building Phase

Value Creation Phase

Sustainable growth

Sustainably and dramatically enhance the growth and profitability of the entire Group

Shareholder Return Policy

From FY2023 to FY2025, we are positioning the three-year period as a recovery period to rebuild our financial foundation. Our target is a consolidated equity ratio of 25%. During this period, we gradually increased the dividend level with the objective of restoring it to its previous level by the end of the period.

In FY2025, the final year of the recovery period, ordinary profit reached ¥8.0 billion, and the equity ratio also reached 25%. Beginning in FY2026, we intend to distribute dividends in accordance with our established profit distribution policy.

Basic Policy on Profit Distribution

- With regard to profit distribution, the Company's policy has been based on providing stable and continuous dividends, while maintaining a consolidated dividend on equity (DOE) of at least 2.0%.

During the "Future Platform Building Phase," we will provide stable and sustainable shareholder returns while comprehensively considering progress in building a foundation for future growth, our financial position, and the balance with growth investments.

As we transition to the "Value Creation Phase," our primary objective will be to enhance shareholder value by focusing on maximizing corporate value. To achieve this, we will align the outcomes of our platform-building initiatives with the generation of new value.

Upcoming Announcements

Regarding the action plan and numerical targets for realizing the Okiden Group Management Vision, we will proceed with organizing the details by around June, while carefully assessing the impact of external factors—including the situation in the Middle East—on energy supply and demand, procurement of equipment and materials, as well as the regional economy and business environment, with the aim of ensuring greater effectiveness and accountability. We plan to present these in the Okiden Group Management Vision and Medium-Term Management Plan.

FY2026

4/30

Okiden Group
Management Vision
(Summary version)

Carefully assess the impact
of external factors,
including the situation in
the Middle East, on energy
supply and demand to
ensure more effective and
accountable content

Targeted for June

Okiden Group
Management Vision and
Medium-Term
Management Plan