Management Overview

May 2026

The Okinawa Electric Power Company, Inc.

Table of Contents

Corporate Overview of OEPC

- The Okinawa Electric Power Company (OEPC) supplies electricity to 38 inhabited islands including Okinawa main island.
- OEPC maintains 11 isolated systems that are not connected with the transmission lines of other power companies.
- OEPC has no nuclear and hydroelectric power plants and depends on fossil fuels for its power supply.

Established	May 15, 1972
Capital	¥7,586 million
Total assets	¥473.348 billion (Non-consolidated) ¥522.482 billion (Consolidated)
Employees	1,511 (Consolidated：3,154)

Security code	9511
Service area	Okinawa Prefecture
Generating facilities	Steam-power generators 5 locations 1,629 thousand kW (Oil 2 locations 375 thousand kW) (Coal 2 locations 752 thousand kW) (LNG 1 location 502 thousand kW) Gas turbine generators 5 locations 326 thousand kW Internal-combustion power generators 13 locations 250 thousand kW Wind power generators 4 locations 2 thousand kW Total 2,207 thousand kW

(as of March 31, 2026)

Ratings

Rating agency	R&I	S&P
Rating	AA	A+

Issuer Rating as of April 30, 2026

Ⅰ. Financial Results and Forecasts

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.

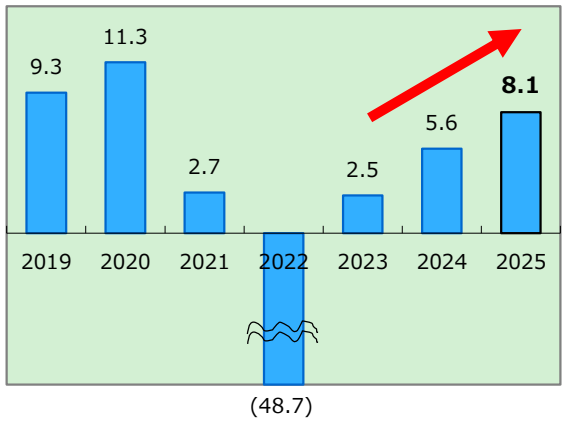
Review of Medium-Term Management Plan and Completion of Recovery Period

- 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.

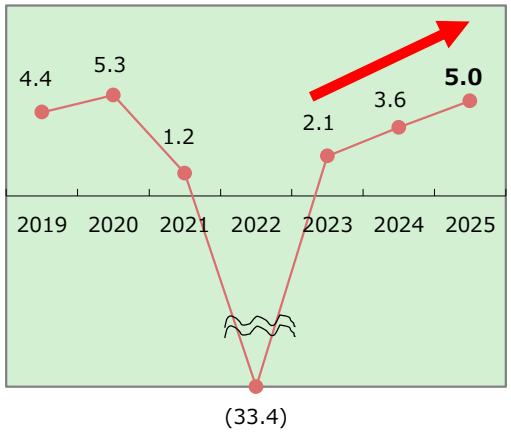
*Our initial target was to maintain a consolidated equity ratio in the 30% range. However, due to the significant deterioration of our financial foundation in FY2022 results, we established a recovery period (through FY2025) and set a target of 25%.

[Achievement of financial targets]

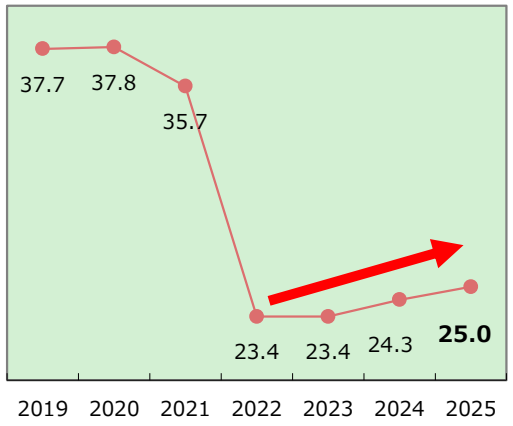
● Ordinary profit (¥12 billion or more)



● ROE (5% or higher)



● Equity ratio (25% or higher)



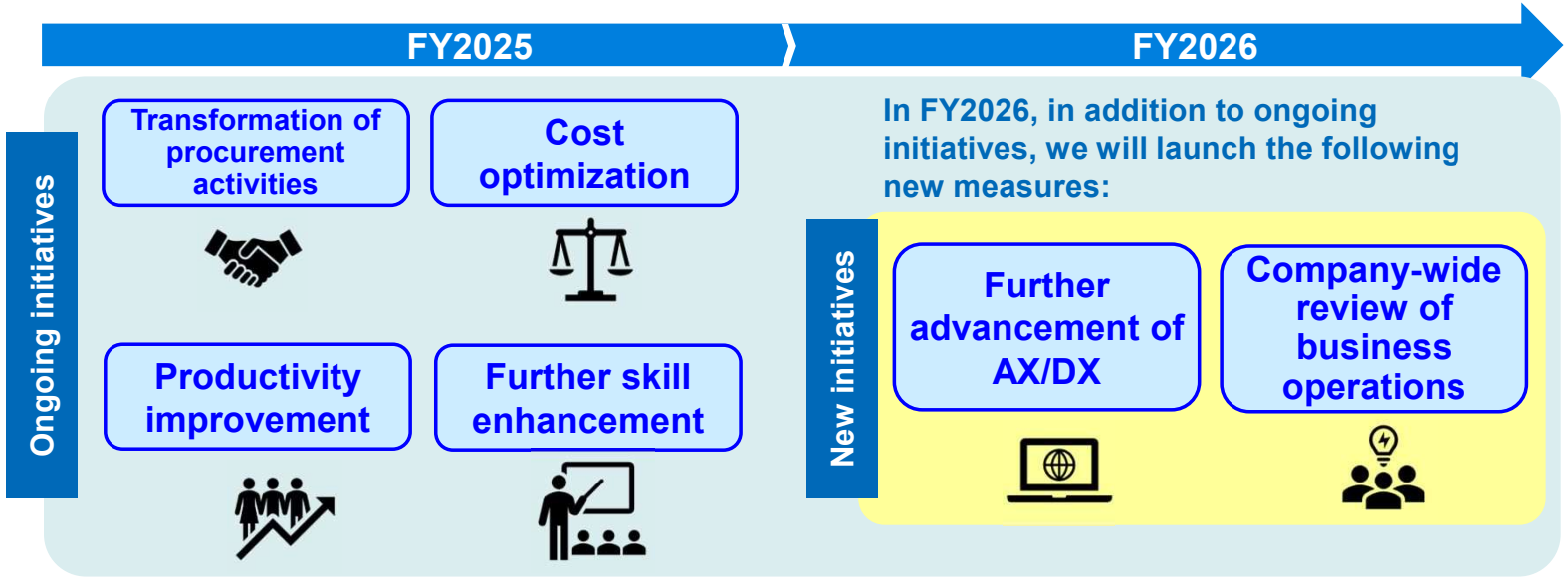
Progress of the Okiden PX Project

- 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	–	–

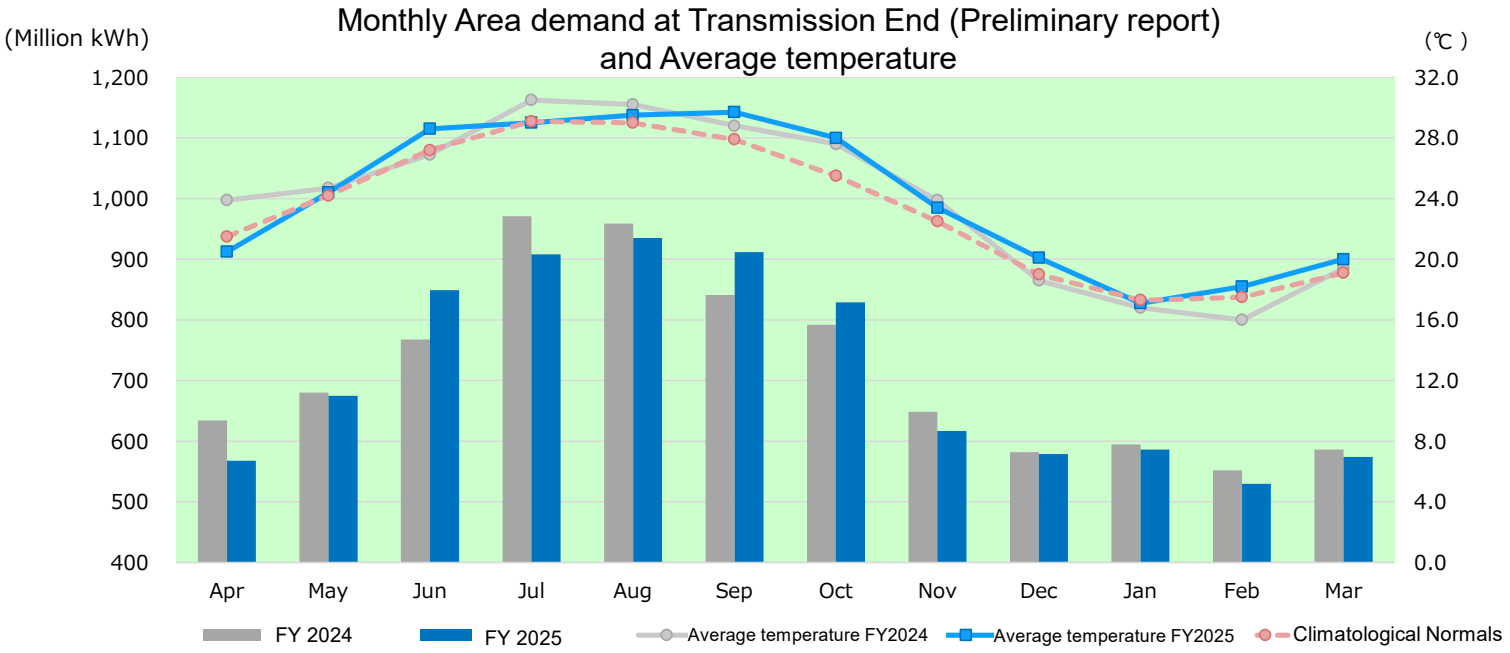
* Profit attributable to owners of parent.

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.

Electric Energy Demand (Monthly Area demand)



Monthly Area Demand at Transmission End (Preliminary report) (Million kWh, %)

	Apr	May	Jun	Jul	Aug	Sep	1st Half	Oct	Nov	Dec	Jan	Feb	Mar	2nd Half	FY
FY2025	568	675	849	908	935	912	4,847	829	617	579	586	530	574	3,715	8,562
FY2024	634	680	768	971	959	841	4,853	792	648	582	595	552	586	3,755	8,609
Rate of Change	-10.5	-0.7	+10.6	-6.5	-2.5	+8.4	-0.1	+4.7	-4.8	-0.6	-1.5	-4.0	-2.1	-1.1	-0.5

Average temperature (℃)

	Apr	May	Jun	Jul	Aug	Sep	1st Half	Oct	Nov	Dec	Jan	Feb	Mar	2nd Half	FY
FY2025	20.5	24.4	28.6	29.0	29.5	29.7	27.0	28.0	23.4	20.1	17.1	18.2	20.0	21.1	24.0
FY2024	23.9	24.7	26.9	30.5	30.2	28.8	27.5	27.6	23.9	18.6	16.8	16.0	19.4	20.4	23.9
Climatological Normals	21.5	24.2	27.2	29.1	29.0	27.9	26.5	25.5	22.5	19.0	17.3	17.5	19.1	20.2	23.3

* Climatological Normals is observed data from 1991 to 2020.

Electric Energy Demand (FY2025 Results)

Electricity Sales Volume

(Unit: million kWh, %)

	FY2024 (Results)	FY2025 (Results)	Change	Rate of Change
Lighting	2,963	2,885	-78	-2.6
Power	4,378	4,321	-57	-1.3
Total	7,341	7,206	-135	-1.8

<Lighting>

Demand decreased compared with the previous fiscal year due to customers switching to other suppliers.

<Power>

Demand decreased compared with the previous fiscal year due to summer temperatures remaining lower than the previous year and customers switching to other suppliers.

【Reference】Electricity Generated (by Area)

(Unit: million kWh)

		FY2024		FY2025		Change	Rate of Change
		Electricity generated	Com-position ratio	Electricity generated	Com-position ratio		
OEPC	Coal	3,204	36.9%	3,000	34.7%	-204	-6.4%
OEPC	Oil	887	10.2%	929	10.8%	+42	+4.7%
OEPC	LNG	1,844	21.3%	1,827	21.1%	-17	-0.9%
OEPC	Total	5,935	68.4%	5,756	66.6%	-179	-3.0%
Other		2,740	31.6%	2,883	33.4%	+143	+5.2%
Total		8,675	100.0%	8,639	100.0%	-36	-0.4%

Note:
Electricity Generated(by area) is prepared based on data published by the Organization for Cross-regional Coordination of Transmission Operators, Japan (OCCTO).

< Electricity Generated>

- Electricity generated was 8,639 million kWh, down by 0.4%. *
- Electricity generated of OEPC's Coal-fired thermal power was down by 6.4%. *
- Electricity generated of OEPC's Oil-fired thermal power was up by 4.7%. *
- Electricity generated of OEPC's LNG-fired thermal power was down by 0.9%. *

*Comparison with the previous fiscal year.

Electric Energy Demand (FY2026 and Long-term Outlook)

Electricity Sales Volume (FY2026 Outlook)

(Unit : million kWh, %)

	FY2025 Results	FY2026 Forecasts	YoY Rate of Change
Lighting	2,885	2,632	-8.8
Power	4,321	4,327	0.1
Total	7,206	6,959	-3.4

* Total may not add up due to fraction processing.

Electricity Sales Volume (Long-term Outlook)

(Unit:million kWh, %)

	FY2014 Results	FY2024 Results	FY2035 Forecasts	2014-2024 Annual average growth rate	2024-2035 Annual average growth rate
Lighting	2,917	2,963	2,484	0.2 (-0.3)	-1.6 (-1.2)
Power	4,614	4,378	4,395	-0.5 (-0.8)	0.0 (0.3)
Total	7,531	7,341	6,880	-0.3 (-0.6)	-0.6 (-0.2)

* Adjusted for the influence of temperature and leap year.

(Reference) The demand for Electric Power in Okinawa area

(Unit:million kWh, %)

	Results		Forecasts	Average rate of Increase or decrease
	2014	2024	2035	2024-2035
Okinawa	7,475	7,850	8,378	0.6
Japan	850,784	804,647	846,129	0.5

* Source: Organization for Cross-regional Coordination of Transmission Operators, Japan (OCCTO).
* The values in the table are temperature-adjusted but have not been leap-year-adjusted.

(Lighting)

Due to factors such as a decline in demand resulting from customers switching to other suppliers, it is expected to go below the previous fiscal year.
(Year-on-year growth: -8.8%)

(Power)

Although there is a reactionary decline due to last year's temperatures being higher than average, demand is expected to remain on par with the previous year due to increased industrial demand from the water supply sector.
(Year-on-year growth: 0.1%)

(Total)

Based on the above, with a total of 6.959 billion kWh, it is expected to go below the previous fiscal year.
(year-on-year growth: -3.4%)

(Lighting)

Although the number of households is expected to increase, demand is projected to decline due to the impact of customers switching to other suppliers.
(Annual average growth following the adjustment of the temperature and leap year: -1.2%).

(Power)

Although affected by customers switching to other suppliers, demand is expected to remain flat due to the anticipated increase in commercial and lodging facilities driven by rising tourist numbers.
(Annual average growth following the adjustment of the temperature and leap year : 0.3%)

(Total)

Based on the above, the total is estimated to be 6.88 billion kWh.
(Annual average growth rate following the adjustment of the temperature and leap year : -0.2%)

Capital Expenditures Plan

- Capital investment in FY2025 was 35.1 billion yen, including replacement of aging facilities and responding to supply reliability.
- The Company has made it a plan to strive to reduce facility-related total costs and simultaneously, maintain and build appropriate and efficient facilities steadily, based on the premise that the stable supply of electricity is ensured.
- Regarding power sources, we plan to develop new power sources and replace aging facilities. Additionally, for supply facilities, we plan to invest in equipment renewal for aging facilities and upgrade to the next-generation electric power networks.

Trends in the Capital Investment Amount

(Unit: 100million yen)

By facilities \ FY		2023 Results	2023 (Plan)	2024 Results	2024 (Plan)	2025 Results	2025 (Plan)	2026 (Plan)
Power sources		147	(187)	124	(146)	150	(177)	(271)
Supply facilities	Transmission	76	(91)	71	(94)	101	(136)	(126)
	Transformation	37	(55)	51	(56)	31	(33)	(41)
	Distribution	62	(78)	87	(101)	65	(85)	(84)
	Subtotal	177	(225)	210	(250)	198	(254)	(251)
Others		31	(33)	8	(15)	2	(8)	(15)
Total		356	(445)	343	(411)	351	(439)	(536)

* Total may not add up due to fraction processing.

[Major Projects in Capital Investments in FY 2026]

Power sources:
Purchase of Spare Parts for the Yoshinoura Gas Turbine
Renewal Work on Makiminato Gas Turbine Unit 1

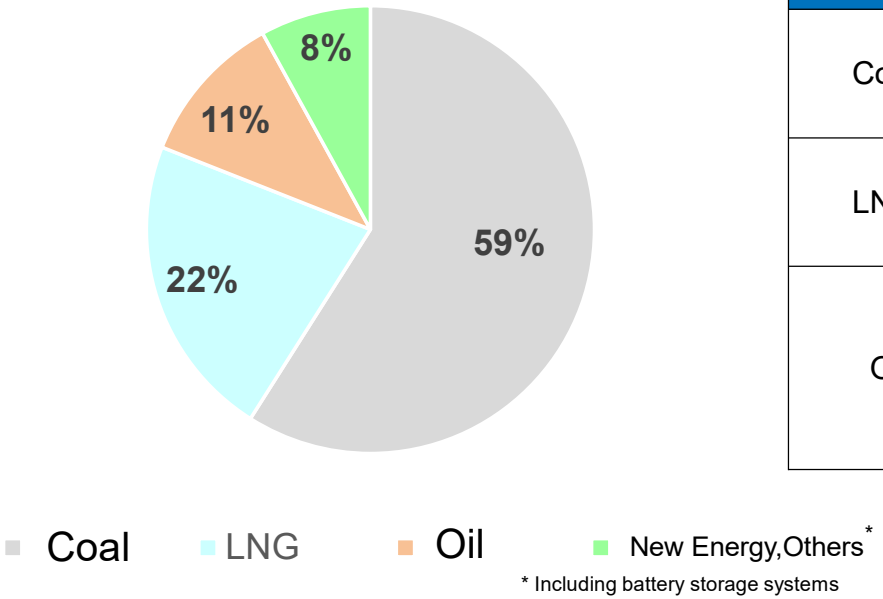
Supply facilities:
Responding to supply reliability
Replacement of aging facilities
Responding to increasing demand

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

FY2025 (estimated)



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

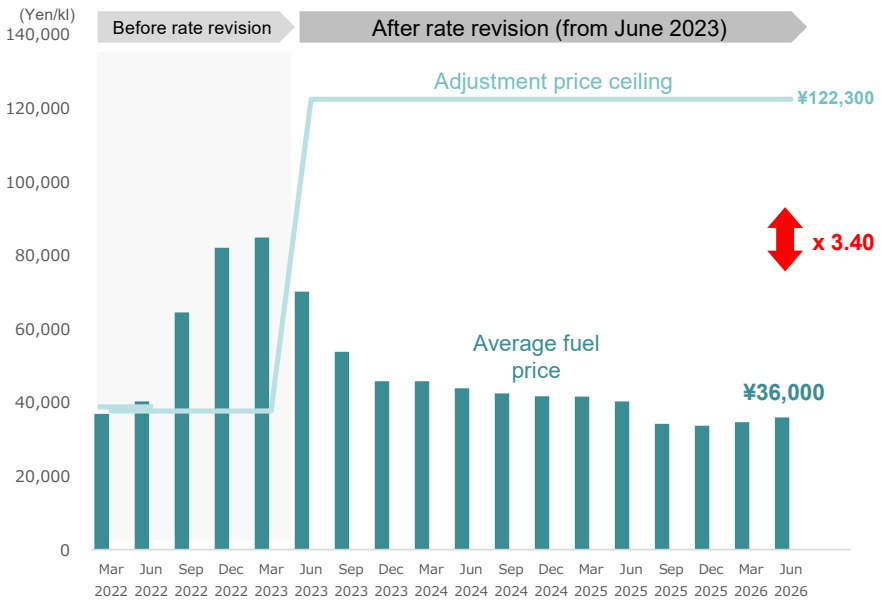
Main fuel (oil, coal, LNG) suppliers

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

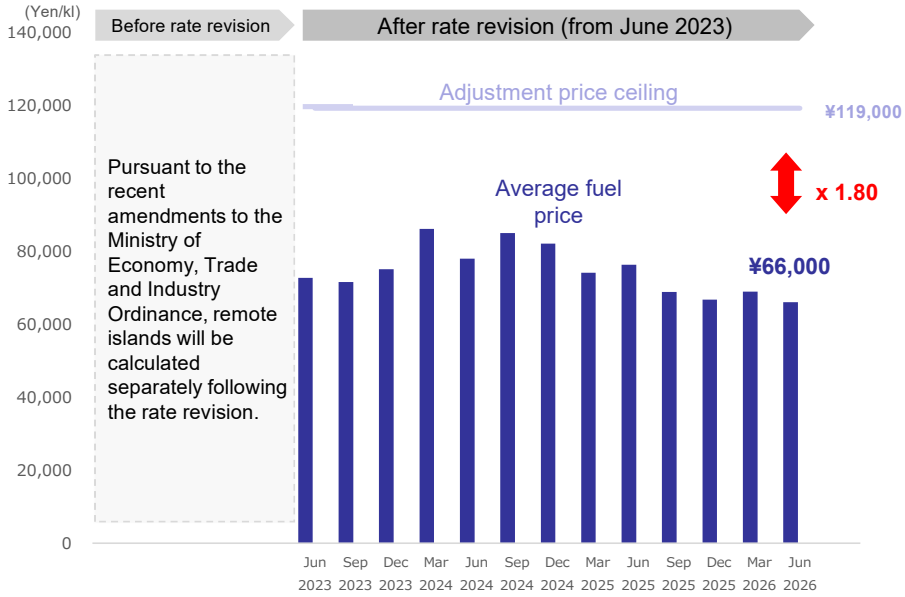
- With respect to fuel price fluctuations, the Fuel Cost Adjustment System for the Main Island and the Universal Service Adjustment System for Remote Islands are designed to reflect these fluctuations in electricity rates within the upper limit set by each system.
- Current fuel prices remain well below 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%

Business environment and challenges

Item	Overview and Challenges
Net Sales	■ The demand for Electric Power in Okinawa area is expected to increase. ■ Tourist numbers have surpassed to pre-COVID-19 levels, and the number of households continues to grow. ■ Competition with power producer and supplier is intensifying, particularly in the low-voltage (for household use,etc.). ■ Expanding integrated electricity and gas sales remains a challenge.
Profitability	■ Following the revision of electricity tariffs in June 2023, the upper limit under the fuel cost adjustment system was revised. ■ Meanwhile, as of May 2026, resource price trends remain highly uncertain due to factors such as the situation in the Middle East. ■ Improving profitability and addressing rising fixed costs resulting from inflation and higher interest rates continue to be challenges.
CF	■ High levels of capital expenditures continue, driven by renewal work for aging facilities and other investments. ■ To improve FCF, enhancing the ability to generate operating cash flow remains a challenge.
Capital composition	■ The equity ratio declined significantly from previous levels due to significant losses in FY2022. ■ A recovery period was established until FY 2025, with the goal of restoring the financial base. ⇒ By the end of fiscal year 2025, a consolidated equity ratio of 25.0% was achieved. ■ Going forward, the company will strive to ensure an appropriate balance among investments, shareholder returns, and the strength of its financial base.

Ⅱ. Okiden Group Management Vision
（Summary version）

Group Management Philosophy

Group Slogan With the community, for the community

Mission
Our raison d'être

Our Goal

Our integrated energy business serves as the core of our operations, with a drive to create new value through business and lifestyle support. As a cohesive corporate group that is deeply rooted in the community and grows together with it, we are committed to contributing to the realization of a sustainable society.

Vision
Our aspiration

Our Aspiration for 2050

EMPOWER & COLLABORATE

Bring vitality to Okinawa and co-create a future together with our stakeholders

Values
The values that each of us holds dear

Core Values

Passion × **Co-creation** × **Challenge**

We are dedicated to fulfilling our Group's mission of providing a reliable energy supply, guided by our passion and unwavering commitment.

As a community-focused group, we aim to enhance corporate value by growing alongside the local community and co-creating with diverse stakeholders.

We will address the management challenges facing our Group with courage and determination, without limiting our own potential, with the goal of achieving sustainable growth.

Priority Strategies and Action Plans (Financial and non-financial targets)

Medium-Term Management Plan

Basic Management Direction

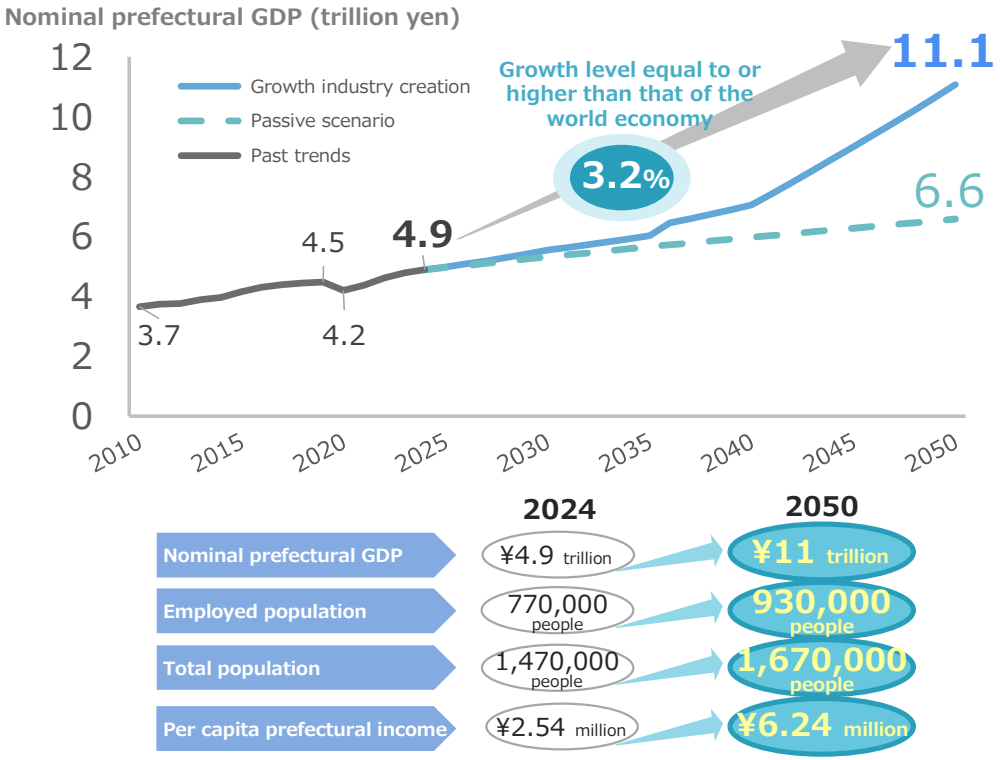
1. **Focus on ensuring a reliable energy supply**
2. **Proactively pursue carbon neutrality**
3. **Meet diverse customer needs and continuously improve satisfaction**
4. **Fulfill social responsibility as a good corporate citizen in local communities**
5. **Invest in and value people**
6. **Achieve sustainable growth through proactive business expansion and continuous management efficiency improvements**

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



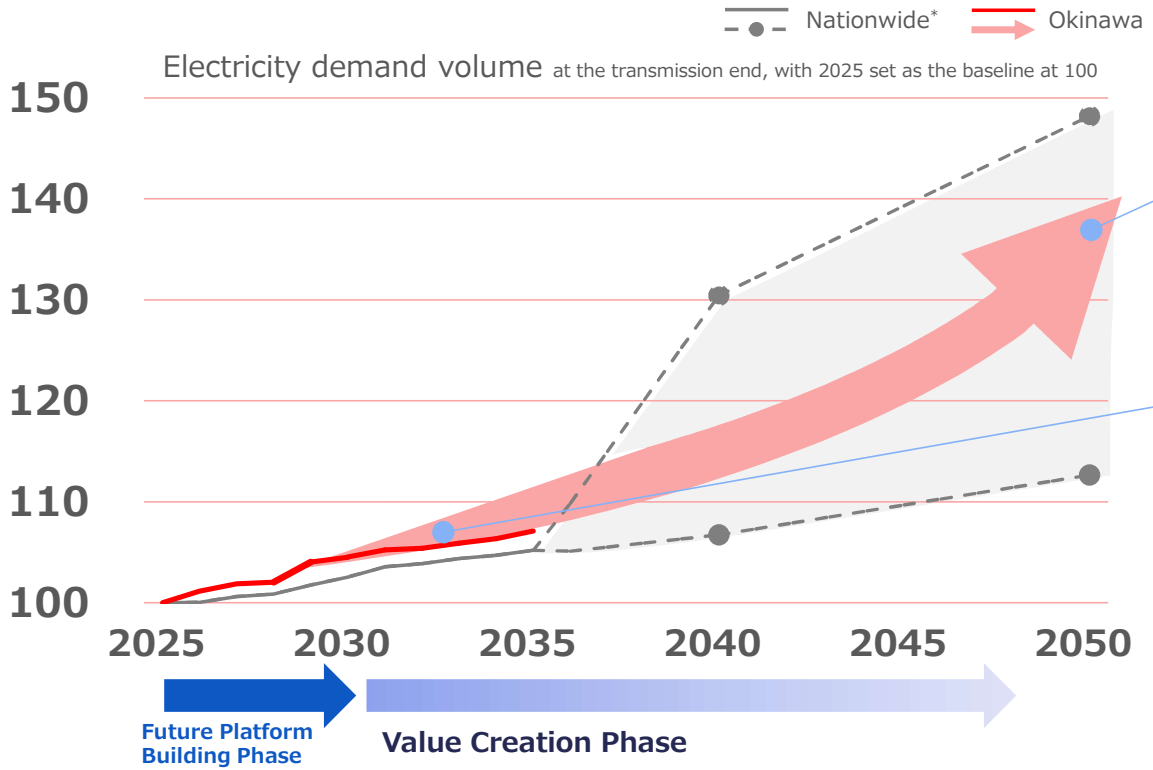
Source: Prepared based on the GW2050 PROJECTS Grand Design, etc.

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



* 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)

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.

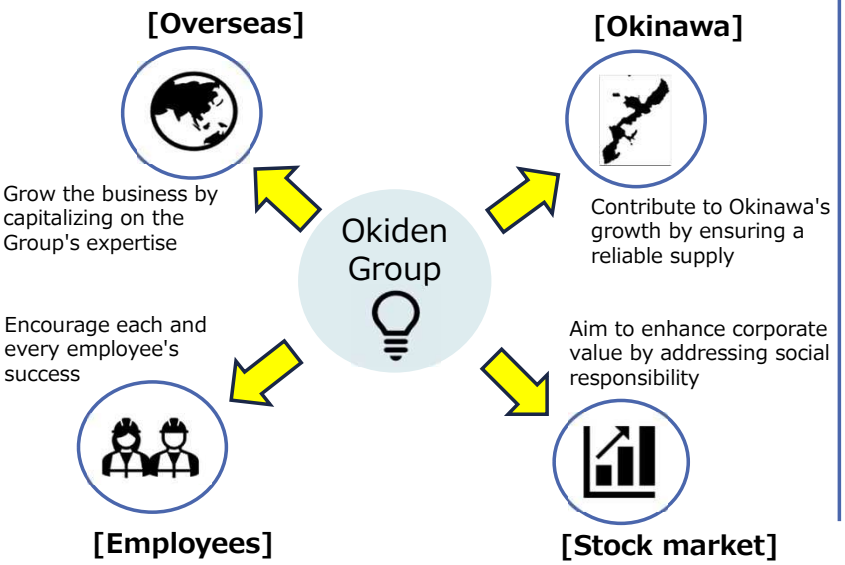
Okiden Group's Aspiration for 2050

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

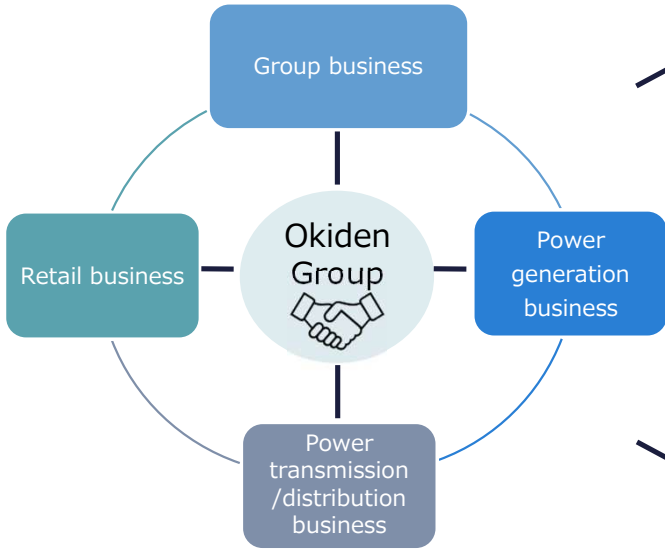
Regarding "**EMPOWER**," in addition to reaffirming our Group's raison d'être, "Contribute to Okinawa's growth by ensuring a reliable supply," we have incorporated the following aspirations: "Encourage each and every employee's success," "Expanding our overseas operations by leveraging our Group expertise,"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



[Okinawa]
- Contribution to GW2050 PROJECTS
- Development of a locally produced, locally consumed clean energy value chain

[Customers]
- Deliver a wide range of energy services tailored to customer needs

[Overseas]
- Development of a clean energy hub centered on Okinawa
- Contribution to carbon neutrality in overseas countries

[Business and collaborative partners, etc.]
- Clustering of talent from diverse industries
- Gaining insights and creating new value through collaboration with partner companies and research institutions

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

		Key Action	2025	2040	2050
CO_2 Reduction Target (vs. FY2005)		• Announcement of the "Just Transition" in the Okinawa area	The 2050CN targets aligned with the progress of innovative technologies	2040 -48% *	2050 Net zero emissions
			* This figure represents an estimated reduction rate for the Okinawa area equivalent to the government's 2040 target of a -73% reduction.		
Maximize the use of renewable energy sources	Expand introduction of renewable energy	• Introduction of KarE-roof (PV-TPO), etc. • A small-scale demonstration of next-generation solar power • Demonstration of advanced grid stabilization technology on Kurima and Hateruma Islands	Introduction of renewable energy +100,000 kW (vs. 2019)		Expand introduction of renewable energy
	Enabling technologies Improve supporting infrastructure		Enhance grid stabilization technologies and develop the infrastructure to maximize the renewable energy use		
			Business development leveraging the strengths of the Okiden Group (overseas business, etc.)		
Transition of thermal power sources	**Petroleum**	Convert to low-carbon energy	Consider discontinuing oil machinery *In remote islands, consider shifting to clean fuel Consider and prepare for alternative power sources		
	LNG	• Construction of new power source at the Makiminato Thermal Power Station (Conversion from heavy oil to LNG) (The specifications are designed to be compatible with clean fuels such as ammonia) • Demonstrate hydrogen co-firing (30 vol%) at the Yoshinoura multi-gas turbine	Reduce CO_2 emissions through the expanded use of LNG Prepare new power sources as an alternative to heavy oil Consider introducing hydrogen on a full scale, etc.*	Commence the operation of the new power sources (Makiminato) Begin co-firing hydrogen and other fuels; consider dedicated firing*	Expand the co-firing of hydrogen, etc., and commence dedicated firing
			*The use of clean fuels requires establishing a supply chain and developing base facilities.		
	Coal	Locally produced, locally consumed energy • Co-fire woody biomass produced from construction waste and other materials in the prefecture	Reduce CO_2 emissions by shifting to LNG-fired power Expand the utilization of local biomass Consider ammonia co-firing*	Commence ammonia co-firing*	Expand ammonia co-firing
	Other	• Commence the commercial operation of supply-use storage batteries on the Miyakojima Island grid	Consider and commence the introduction of storage batteries Consider introducing CCS/CCUS, etc.		Launch introduction

- It requires establishing the necessary technology while ensuring economic viability. ・We will continue to work diligently to ensure that these conditions are met.
- 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.

Toward 2050 Carbon Neutrality (Initiatives)

Initiatives and Directions toward 2050CN

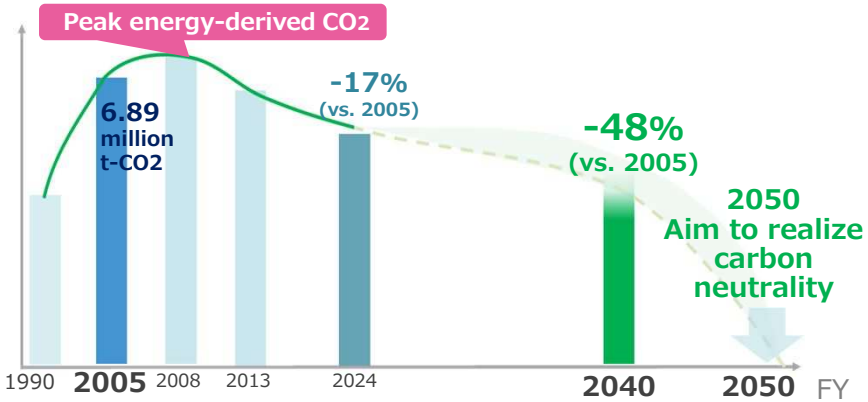
Thermal power

- 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

Renewable energy

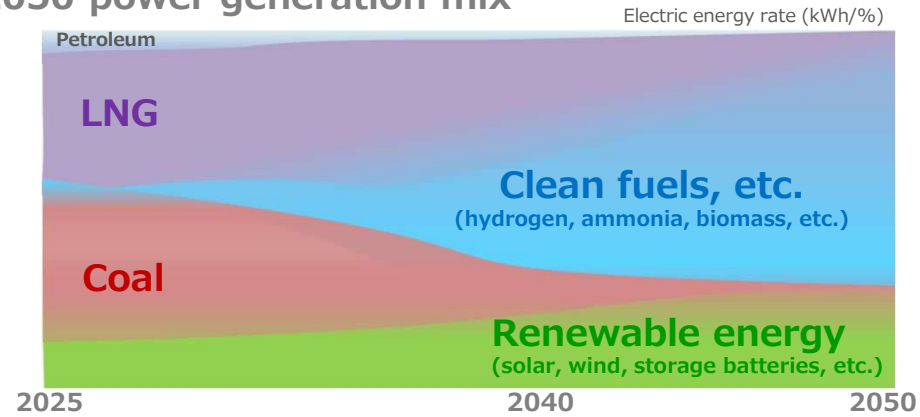
- Expand renewable energy introduction through power purchase agreement (PPA) business such as KarE-roof and floating solar.
- With a view to the widespread adoption of next-generation technologies such as perovskite solar cells, we will promote advancements in grid stabilization technologies and the 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

● 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.

● 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

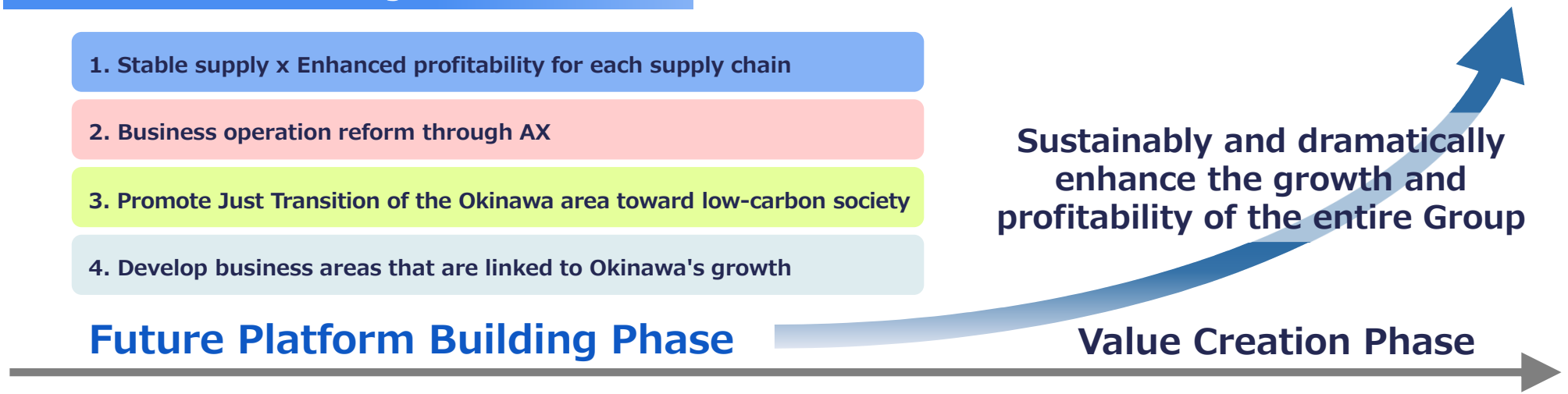
To realize a vision of society in 2050 that embodies Okinawa's development potential, we have positioned the period up to 2030 as the **"Future Platform Building Phase."** Our management themes for the phase are as follows: **"Ensuring a stable supply and strengthening profitability across each supply 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



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

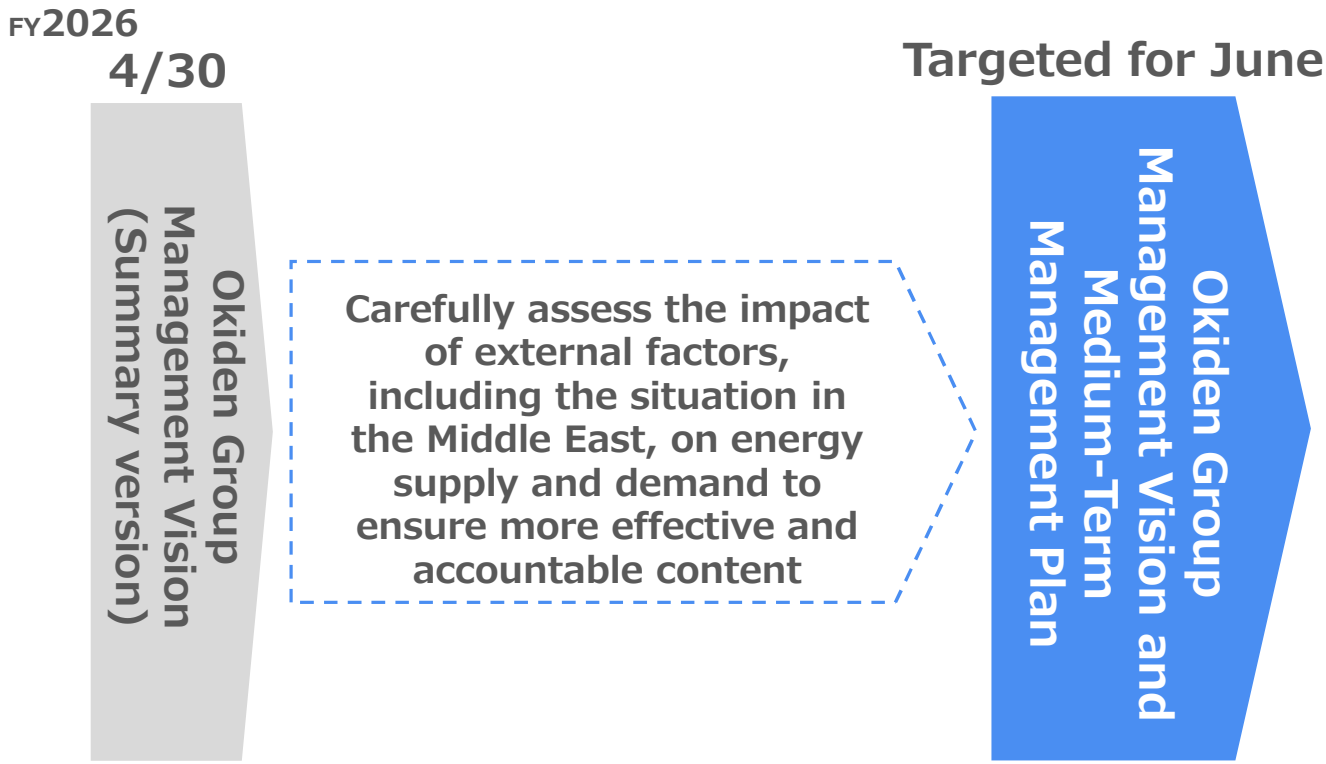
- With regard to profit distribution, the Company's policy has been based on providing stable and continuous dividends, while maintaining a consolidated dividend on equity (DOE) of at least 2.0%.

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.



Ⅲ. Reference
（Examples of initiatives to date）

Initiatives to Achieve Carbon Neutrality: Examples of Initiatives

Example: Construction of New Power Source at Makiminato Thermal Power Plant

- To improve supply reliability and reduce CO_2 emissions from thermal power generation, we decided to construct a new power generation facility in the compound of our Makiminato Thermal Power Plant. (Press release on November 7, 2025)
- The existing heavy oil-fired thermal power generation units that have supported the power system on Okinawa Island have been in operation for more than 40 years, and will be systematically replaced with appropriate power generation equipment with a view to achieving carbon neutrality by 2050, aiming for both a stable power supply and decarbonization.
- The new power source will employ a state-of-the-art, high-efficiency gas turbine combined cycle fueled by natural gas with low environmental impact, and will also have equipment specifications that are compatible with future clean fuels (ammonia, etc.).

Overview of New Power Source Construction

Location	Urasoe City, Okinawa Prefecture In the compound of the Okinawa Makiminato Thermal Power Plant
Power generation method	Gas turbine combined cycle
Development capacity	Generating end: approx. 130,000 kW x 1 unit
Fuel used	Natural gas (considering future Clean fuels combustion potential)
Fuel supply method	Supply from Yoshinoura Thermal Power Plant via gas pipeline
Operation start date	FY2032 (planned)

From the Geospatial Information Authority of Japan Map (Electronic National Land WEB)

Initiatives to Achieve Carbon Neutrality: Examples of Initiatives

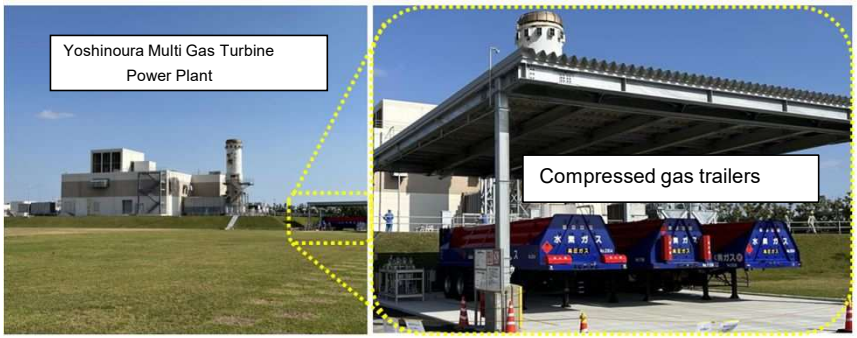
Example: Implementation of validation tests of hydrogen co-firing power generation (FY2023 to FY2025)

- In March 2024, the Company started validation tests of hydrogen co-firing power generation at the Yoshinoura Multi Gas Turbine Power Plant (35,000 kW at rated output). A co-firing rate (by volume) of 30% hydrogen at rated output was achieved in the test conducted on March 14. A total of 16 tests were conducted under commercial grid conditions, establishing operational technologies for hydrogen co-firing in balancing power sources.
- This demonstration is a key component of our strategic initiative to expand clean fuel use within the reduction of CO_2 emissions from thermal power generation, which is a core element of our roadmap to achieve net zero CO_2 emissions by 2050. We are also considering continuing hydrogen co-firing in fiscal year 2026 as well, following the completion of the NEDO project.
- The Company is determined to proactively contribute to building a hydrogen-based society by becoming the first mover in the utilization of hydrogen in the Okinawa area. In parallel, the Company will build a sustainable energy system and advance the efforts to balance between the stable supply of energy and countermeasures against global warming. Additionally, while closely monitoring trends in the hydrogen market, we will advance discussions on establishing a supply chain with the support of policy and financial backing from the national government and other entities.

* As an undertaking based on a public invitation by New Energy and Industrial Technology Development Organization (NEDO) of National Research and Development Agency, this validation tests are underway as part of the “Development of Hydrogen Co-firing Operation Technology of Electric Power Reserve Sources Using Actual Commercial Systems, and the Building of a Hydrogen Utilization Model in the Okinawa Area.” (Project period: FY2023 to FY2025)

Outline of validation tests

- Modified the Yoshinoura Multi Gas Turbine Power Plant for hydrogen co-firing, and installed a hydrogen-receiving supply facility
- Supply hydrogen from compressed gas trailers transported from outside the prefecture.(Future use of locally produced hydrogen in Okinawa under consideration)
- Aim at establishing the hydrogen co-firing power operation technology of electric power reserve sources by conducting hydrogen co-firing tests under commercial grid conditions



Initiatives to Achieve Carbon Neutrality: Examples of Initiatives

Example : Demonstration Project to Expand the Introduction of Renewable Energy on Hateruma Island (FY2025 - FY2027)

- OEPC, Okidenko, NEXTEMS, and Ishigakijima Mirai Energy are working on a demonstration project* to expand the introduction of renewable energy on Hateruma Island.
- Through the project, we will develop the technologies essential **to achieve 100% renewable energy in small remote islands**. It will also assess and verify the operational results and expand the project to other remote islands, etc.

* The project is expected to utilize the Cabinet Office's "FY2025, FY2026, and FY2027 Subsidy for the Okinawa Clean Energy Introduction and Promotion Demonstration Project."

■ Year 2020

Continuous supply of electricity on Hateruma Island for about 10 days with 100% renewable energy
(Tiltable wind power generation + MG set + grid stabilizer)

■ FY2025 - FY2027(Demonstration period)

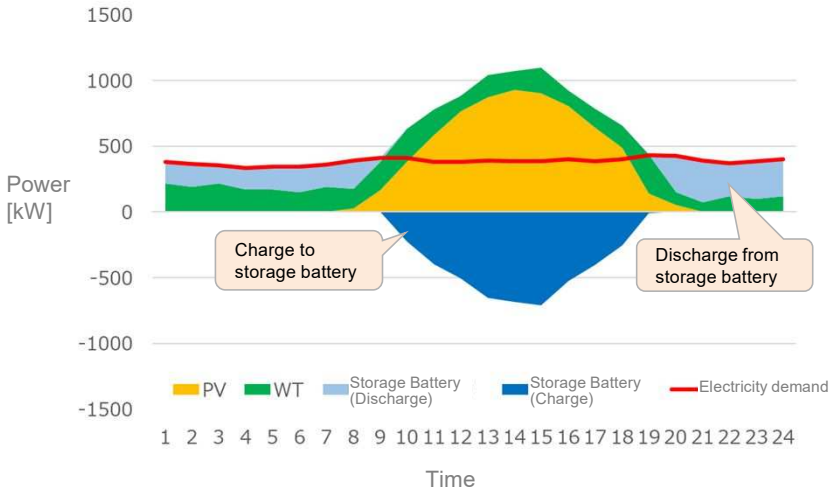
Construct renewable energy, storage batteries, EMS (grid side and demand side), etc., and combine with existing diesel and MG sets to maximize the annual renewable energy rate.

■ In the future

Aiming for 100% renewable energy in small remote islands.

Outline of Hateruma Island
・Population approx. 450, households approx. 250
・Electricity demand 4,367 MWh/year (FY2025 actual)
・Max power 946 kW (July 2020)
・Existing facilities Diesel: 1 x 150 kW, 2 x 300 kW, 1 x 350 kW (total)1,100 kW
MG set 300W, Tiltable wind power generation 245kW x 2 units

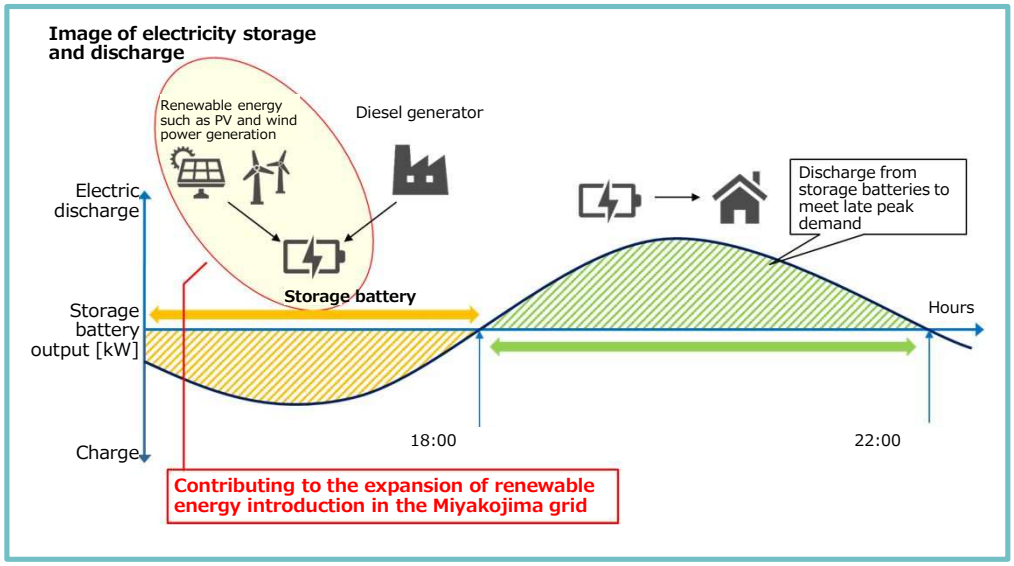
■ Image of 100% renewable energy rate operation



Initiatives to Achieve Carbon Neutrality: Examples of Initiatives

Example: Installation of storage batteries to supply Miyako No. 2 Power Plant

- Electricity demand is on the rise in the Miyakojima system. As the peak demand for electricity covered by the Company's power generation facilities using our renewable energy facilities (primarily solar power generation facilities) occurs during evening hours (6:00 p.m. to 10:00 p.m.), the Company will introduce storage batteries to ensure supply capacity during those hours.
- As an additional benefit of the introduced storage batteries, electricity can be stored during the daytime to reduce output curtailment of variable renewable energy sources such as solar power generation installed in households, and discharged from the storage batteries during evening peak demand periods.
- As the curtailment of renewable energy output from solar power generation and other sources is reduced, it is expected to contribute to the expansion of renewable energy adoption in Miyakojima City, which has been designated as a leading decarbonization area by the Ministry of the Environment.



○ Summary of storage batteries to supply Miyako No. 2 Power Plant
Rated output: 12,000 kW
Rated capacity: 48,000 kWh
Battery type: Lithium-ion battery
Number of containers: 20 units
PCS output: 2,590 kVA x 5 units
Start of commercial operation: July 2025

Initiatives to Achieve Carbon Neutrality: Examples of Initiatives

Example: Solar power generation

[PV-TPO Business]

- Of the 669 contracts signed for the residential-use “KarE-roof” system (3,680kW), services have commenced for 617 contracts (3,394 kW).
- Of the 72 contracts signed with business customers※ (5,325 kW), services have commenced for 57 contracts (4,365 kW).

[Demonstration research and consideration of implementation]

- Demonstration research is underway on film-type perovskite solar cells, which can be installed in various locations due to their bendable characteristics.
- Due to the limited land area of the prefecture, the possibility of using water surfaces as a new installation site for floating solar power generation is being considered.

※…Includes equipment sales

Case Example 1
Free installation service of solar + storage battery (PV-TPO Business)

Okinawa FamilyMart Uruma Yokatsu Store
(operation started in December 2025)

- Solar power generator: 16.5 kW
- Estimated CO_2 reduction: 16 t/year

Case Example 2
Small-scale demonstration research project on film-type perovskite solar cells is underway.

- From March 2025 for approximately two year, we are conducting demonstration research to evaluate weather resistance against Okinawa-specific phenomena such as typhoons and salt damage.(This will be the first demonstration of film-type perovskite in the prefecture)

Case Example 3
Consideration of floating solar power generation utilizing reservoirs, etc.

- We are exploring the potential for a power generation system that utilizes solar panels installed on the water surface using a floating frame, known as a “float,” for agricultural reservoirs and other applications.

Initiatives to Achieve Carbon Neutrality: Examples of Initiatives

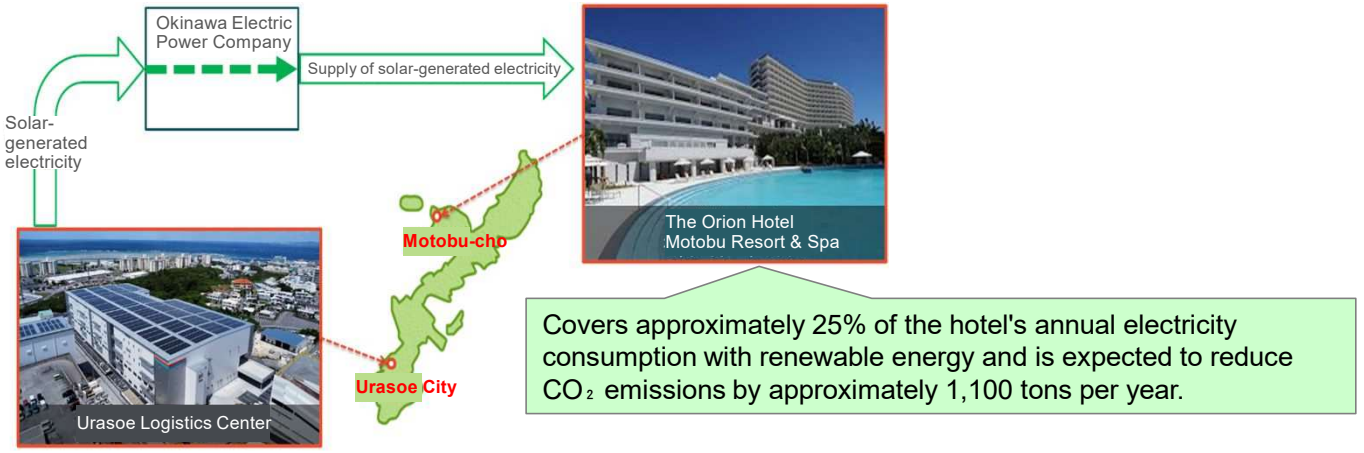
Example: Off-Site PPA

- In order to accelerate our efforts to make renewable energy the mainstay of our efforts to realize a decarbonized society, we will work to provide optimal decarbonization solutions that meet customer needs, including further expansion of off-site PPAs, as well as combinations with on-site PPAs (“KarE-roof”) and CO_2-free menu.

(Reference) Off-site PPA using solar power generation with Orion Hotel and Toda Corporation

[Project Overview]

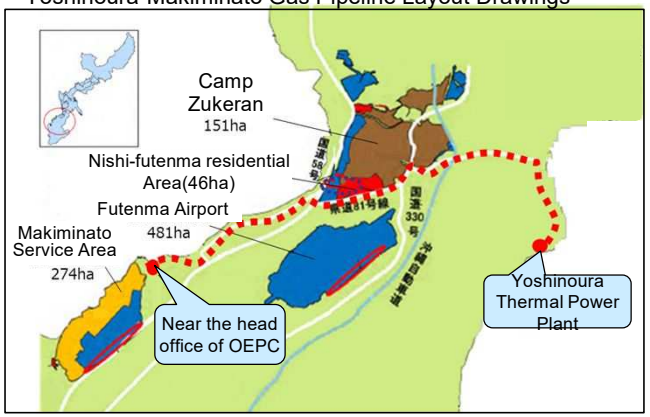
Customer	The Orion Hotel Co., Ltd.
Demand location	148-1 Bise, Motobu-cho, Kunigami-gun, Okinawa The Orion Hotel Motobu Resort & Spa
Power producer	TODA CORPORATION
Power generation location	1985-1 Aza Gusukuma, Urasoe City, Okinawa Urasoe Logistics Center
Power generation capacity	1,045kW
Assumed power generation	Approx. 1.7 million kWh/year



Group Businesses (Examples of Initiatives : Integrated energy Sector)

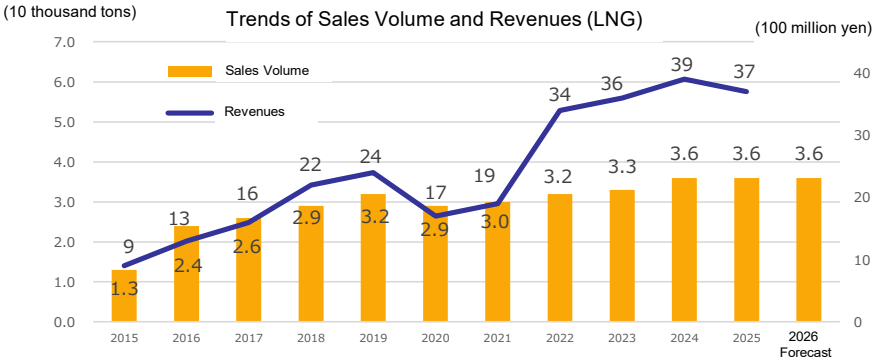
- Commenced gas supply business through subsidiary PEC in 2015. In addition to area-wide supply based on the LNG supply center, the OEPC Group is further promoting natural gas sales by capturing demand along the “Yoshinoura–Makiminato Gas Pipeline” (commenced operation in February 2024) and collaborating with other energy companies.
- Reliance Energy Okinawa,Inc. runs the energy service business of owning energy facilities and processing and supplying energy. Currently, 18 customers are using the services.

Yoshinoura-Makiminato Gas Pipeline Layout Drawings



Base return source: Cabinet Office website, "Okinawa Promotion Council Chairman and Expert Committee Meeting (3rd meeting)" material
Note: The area values in the above diagram represent the total area of the land scheduled for return.

Trends of Sales Volume and Revenues (LNG)



Reliance Energy Okinawa Service Overview

- Own electrical and thermal equipment on behalf of customers.
- Process electricity and gas into air-conditioning chilled/heated water, hot water for domestic use, steam, etc., and provide these services.

Expanding services to address the following needs and emerging demands.

Advancement and diversification of energy needs	• Reduce initial investment in energy use (e.g. electricity and gas) • Reduce burdens involved in facility operation/maintenance and emergency response
Increase in New Energy Demand in Okinawa	• Large-scale development of urban areas (e.g. former U.S. military bases) • Construction of hotels in response to an increase in the number of tourists • Construction of large-scale retail stores

The Bank of the Ryukyus Head Office Building, which began energy services in November 2025

Group Business (Examples of Initiatives: Construction and Real Estate Sector)

- The construction and real estate sector is highly compatible with our group, which generates energy demand. We have implemented initiatives to secure CRE business using our own assets, as well as PPP (public-private partnership) and PFI (private finance initiative) projects.
- As we prepare for the full-scale launch of urban development projects, we will strengthen our CRE and PPP/PFI efforts. Our goal is to develop expertise and a track record in real estate development functions, including planning and operational capabilities.

< Example: The New Mawashi Complex Construction Project in Naha City (PFI) >


Complex

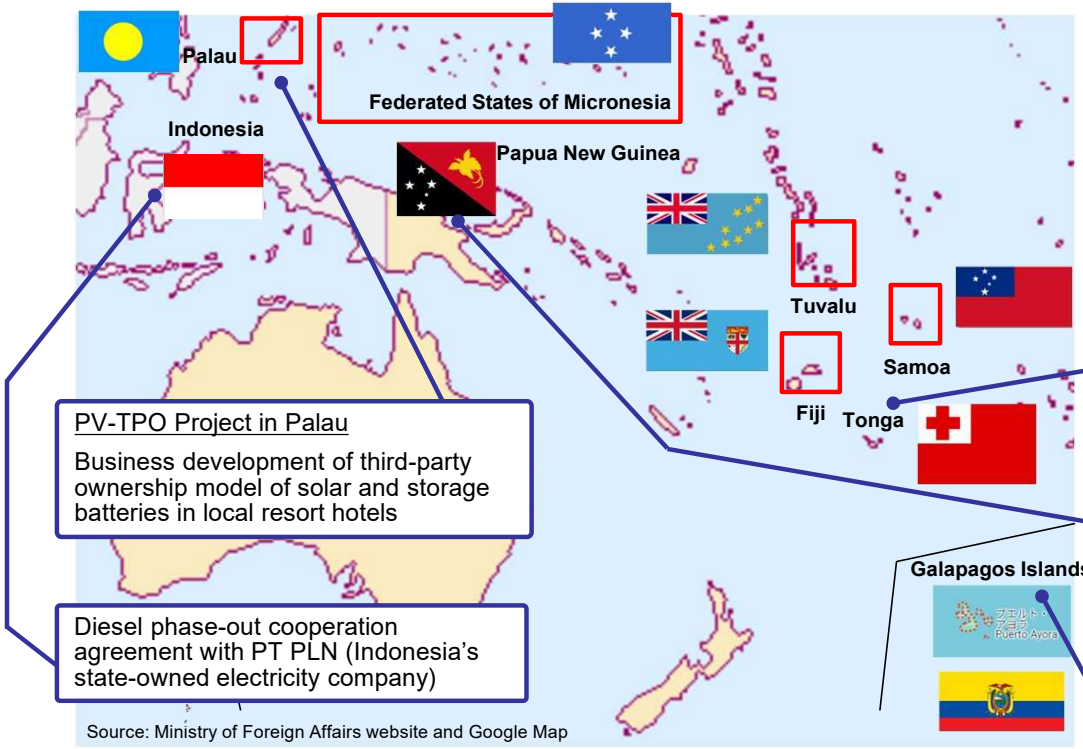

Private sector facilities

*1 Effective utilization of corporate real estate
*2 PPP is a collaborative program between the government and private sectors that aims to deliver public services.
PFI is a method of promoting public works projects efficiently and effectively by leveraging private-sector funds, management capabilities, and technology.

Item	Detail	
Business period	[Complex] [Maintenance] [Private sector facilities]	Approx. 23 years (Sep 2024-Mar 2047) Approx. 19 years (Jul 2028-Mar 2047) Approx. 50 years (Jan 2025-Mar 2076)
Summary of the facilities	[Complex] [Private sector facilities]	・Total floor area: approx. 5,000 m² (Reinforced concrete, 4 stories) ・Main purpose: Public welfare functions, library, etc. ・Total floor area: approx. 4,300 m² (Reinforced concrete, 7 stories) ・Main purpose: Leasing income (from restaurants, offices, daycare centers, etc.)

Group Business （Examples of Initiatives: Extraterritorial and Overseas Sector）

- In April 2021, “SeED Okinawa LLC” was established jointly with five group companies to promote the development of energy businesses outside Okinawa and overseas, by leveraging the knowledge and technologies cultivated through the electric power business, including the expansion of renewable energy introduction in remote islands and the operation of grid stabilization systems.
- Leveraging the technical capabilities and experience accumulated in the electric power business, the Group is united in its efforts to provide technical support and develop businesses related to the decarbonization of the energy sector in overseas island regions, particularly in Asia and the Pacific.



Source: Ministry of Foreign Affairs website and Google Map

PV-TPO Project in Palau

Business development of third-party ownership model of solar and storage batteries in local resort hotels

Diesel phase-out cooperation agreement with PT PLN (Indonesia’s state-owned electricity company)

Energy Transition PJ in the Oceania Region (wide-area) (JICA technical cooperation project)

Decarbonize the energy sector by strengthening capacity related to power source/grid planning and consumer-side measures to promote energy transitions

*Applicable to the five countries highlighted in red

Tonga: Tilting Wind Power Project
Five units installed through grant aid from the Government of Japan

PJ for Capacity Improvement of Power System Planning and Operation, Papua New Guinea (JICA technical cooperation project)

Technical support to local power companies for power system stabilization and problem solving

Ecuador Galapagos Islands: Fossil Fuel Zero Roadmap Support PJ
(JICA technical cooperation project)

※Past initiatives are also included.

Group Business （Examples of Initiatives: Extraterritorial and Overseas Sector）

Establishment of a local corporation in the Republic of Palau and the Commencement of the PV-TPO business

- In order to expand our business scope from consulting to power generation, operation, and maintenance, and to further strengthen the Company's top line by developing overseas business, we established "OKIDEN PACIFIC ISLANDS CORPORATION" in Palau, our Group's first overseas local company, in March 2025.
- In March 2026, installation of renewable energy facilities, including solar power and battery storage, was completed at a resort hotel in Palau, and the electricity sales business was commenced. Through hybrid operation with the hotel's on-site power generation facilities (diesel generators), the project enables reductions in fuel costs and CO_2 emissions. (Facilities owned by OPIC)
- This initiative will serve as a model case for sustainable renewable energy systems in island regions and contribute to the achievement of carbon neutrality targets set by Pacific island countries through horizontal expansion to surrounding regions, including Palau.

Overview of the OPIC and PV-TPO Businesses

Name	OKIDEN PACIFIC ISLANDS CORPORATION
Location	Republic of Palau
Representative	Tetsu Yokoda, Representative Director and President of Okinawa Electric Power Company, Inc. and President and CEO of SeED Okinawa LLC
Business Profile	・Research, analysis, consulting and sales of technology and know-how related to the expansion of renewable energy introduction and grid stabilization, etc. ・Planning, design, development, sale, construction, operation and maintenance, etc. of wind power generation, solar power generation and grid stabilization equipment
Capital	JPY 230 million
Date of Establishment	March 26, 2025
Investment	Wholly-owned subsidiary of Okinawa Electric Power Company

Business Overview

Target Location	On the premises of Palau Pacific Resort is a resort hotel with 172 rooms, the largest in the country, which is owned and operated by the Tokyu Land Group
Installed facilities	Solar power generator : DC 645 kW / AC 400 kW Storage battery facility: Output 100 kW / Capacity 300 kWh
Schedule	March 2026 (20-year power purchase agreement)

Statements regarding future performance included in this document is based on calculations and predictions, and contain potential risks and uncertainties.
Please be aware that future results may change in accordance with changes in assumptions related to the management environment and the like.

【Enquiries regarding this document】

Budget & Finance Group,Accounting & Finance Department
Okinawa Electric Power Company, Inc.

TEL： +81-98-877-2341　FAX： +81-98-879-1317
Email：ir@okiden.co.jp