The Okinawa Electric Power Company, Inc.

Okiden Group Management Vision and Medium-Term Management Plan

（Digest Version）

The motif is based on Okinawa’s traditional Minsah pattern, which carries the meaning of “May we remain happy together forever” (“itsu [five] no yo [four] made mo”), a traditional Okinawan design symbolizing everlasting happiness.

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**

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

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

Challenge: 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

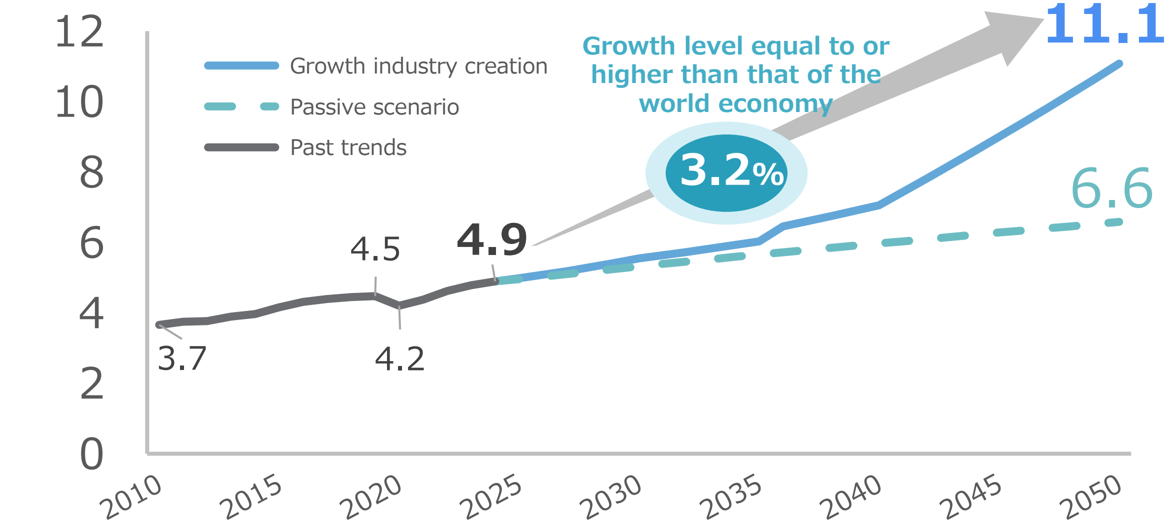
1. Focus on ensuring a reliable energy supply
2. Proactively pursue carbon neutrality
3. Meet diverse customer needs and continuously improve satisfaction
4. Fulfill social responsibility as a good corporate citizen in local communities
5. Invest in and value people
6. Achieve sustainable growth through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



	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	¥5.52 million

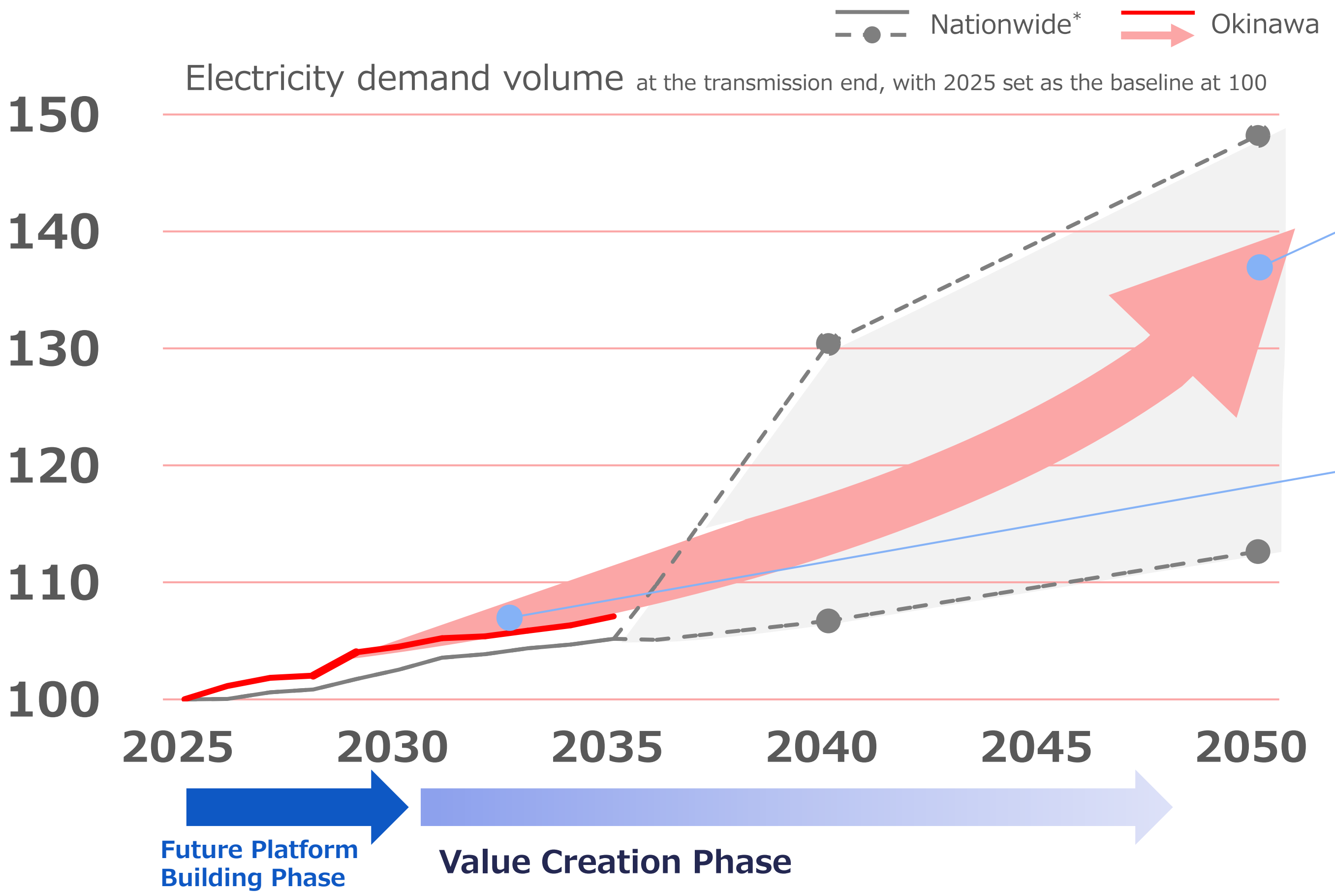
Source: Prepared based on the GW2050 PROJECTS Grand Design, etc.

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)

Business Portfolio

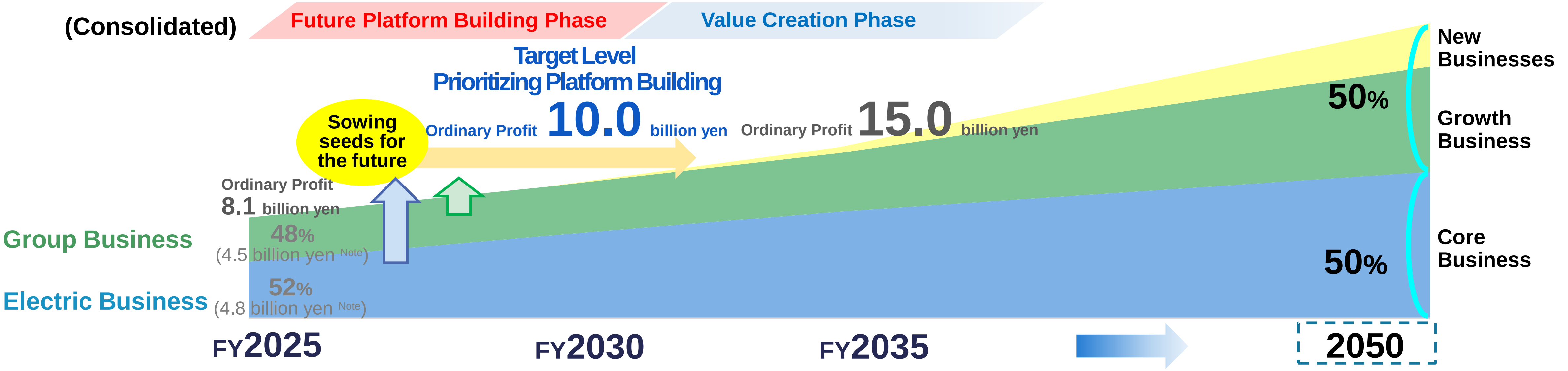
We have designated the period through fiscal year 2030 as the **"Future Platform Building Phase"** and are moving forward with initiatives to create the energy infrastructure that will support the development of the Okinawa region and the Group-wide business platforms for sustainable growth.

In the future, we will work to improve profitability while laying the foundation for new businesses related to the electric power industry and Group operations. This will optimize our business portfolio. These goals will be achieved through initiatives targeting the expected expansion of digital-related demand in Okinawa and Group businesses that will serve as future growth drivers.

In the **"Value Creation Phase"** leading up to fiscal year 2035, we will accelerate the creation of new value by leveraging the business platforms and growth potential established during the "Future Platform Building Phase" as a solid foothold.

To support Okinawa's future development, we will position our electricity business in the Okinawa region as our core business. By expanding our operations and allocating resources in tandem with Okinawa's growth, we will contribute to the revitalization of the region and society as well as sustainable growth, serving as a driving force for the prefectural economy.

Projected Profit Growth by Business Segment



Note: The figures in the chart are prior to consolidation adjustments, so the totals do not match the consolidated figures.

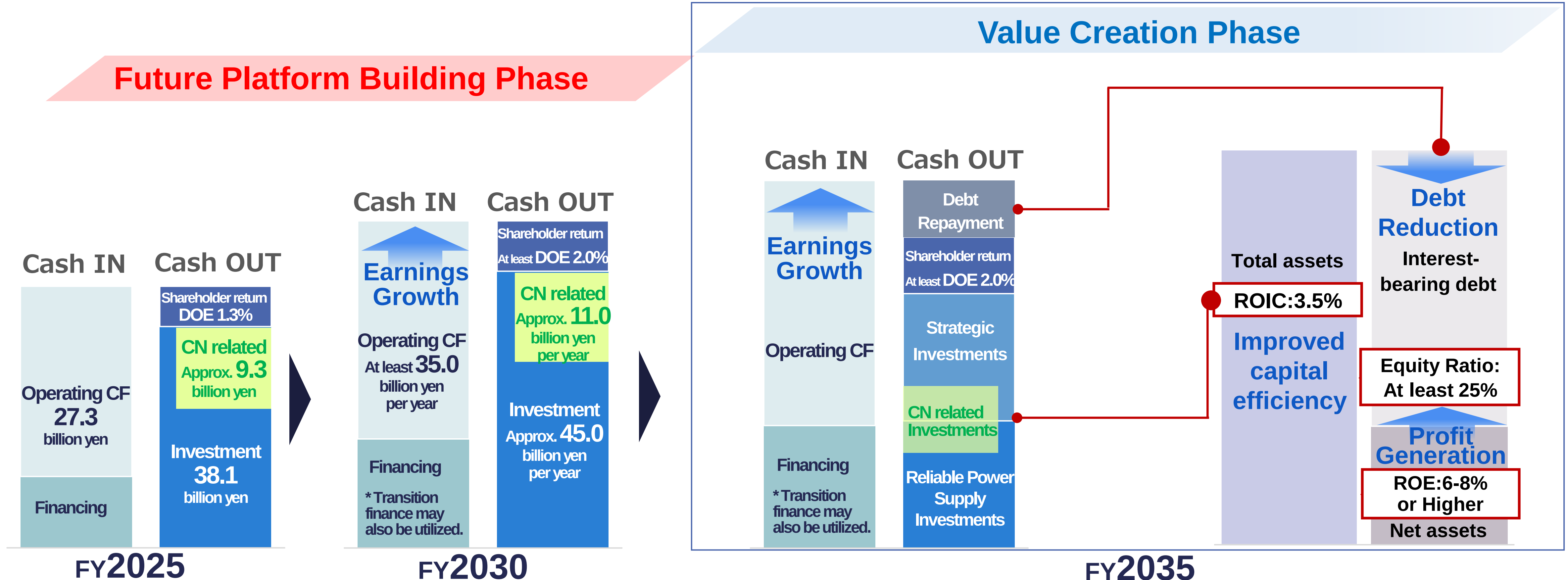
Establishing a Financial Foundation for 2035 (Cash Allocation)

During the Future Platform Building Phase, as our asset base expands alongside increased investment, we will strive to secure returns that exceed the cost of capital and ensure financial soundness through the steady accumulation of equity.

In the Value Creation Phase leading up to fiscal year 2035, we will further enhance capital efficiency through the creation of new value. We will appropriately allocate the profits generated during this phase, taking into account strategic investments for sustainable growth, the improvement of financial soundness, and others.

Cash Allocation up to FY2035

Capital Structure in 2035



Establishing a Financial Foundation for 2035 (Capital Structure Overview)

Although total assets are expected to increase in the near term due to expanded investments, we will strive to steadily accumulate equity and maintain an equity ratio of at least 20% through fiscal year 2030. We aim to achieve an equity ratio of at least 25% by the end of fiscal year 2035. Looking further ahead, we will target an equity ratio of 30%, while seeking to further enhance financial soundness and achieve an appropriate balance with the utilization of financial leverage.

As interest-bearing debt is expected to increase in line with expanded investments, we will enhance our cash-generating capability even during the Future Platform Building Phase. We aim to achieve an EBITDA Interest-Bearing Debt Multiple at or below the current level by fiscal year 2030 and will continue to pursue further improvements in financial soundness beyond fiscal year 2035.

Equity Ratio and EBITDA Interest-Bearing Debt Multiple

	FY2025		FY2030	FY2035	
	Future Platform Building Phase		Value Creation Phase		
Equity Ratio	25.0%	Steady Accumulation of Equity	Maintain a Stable Level of at least 20%*	At least 25%	30%
EBITDA Interest-Bearing Debt Multiple * (Net Debt/EBITDA)	9.1x		9x or Less	6x or Less	Further Enhancement of Financial Soundness

* This reference indicator has been established with the objective of maintaining financial discipline by maintaining an equity ratio of at least 20%, even during periods of increased leverage resulting from upfront investments in the Future Platform Building Phase.

*EBITDA Interest-Bearing Debt Multiple : Net Debt (Interest-Bearing Debt – Cash and Deposits) / EBITDA (Operating Profit + Depreciation)

Financial Targets

We have designated the period up to fiscal year 2030 as the “Future Platform Building Phase” and are moving forward with initiatives to create the energy infrastructure that will support the development of the Okinawa region and the Group-wide business platforms for sustainable growth.

As we look ahead to fiscal year 2035, we will continue to enhance capital efficiency while creating new value, thereby further improving our cash generation capabilities. Our objective is to attain a capital structure that achieves an optimal balance between appropriate leverage and stable financial management.

Consolidated Financial Targets

	FY2025	FY2030	FY2035
	Future Platform Building Phase		Value Creation Phase
ROE	5.0 %	At least 5 %	6-8 %
ROIC	1.5 %	At least 2.5 %	3.5 %
Equity Ratio	25.0 %	Maintain a Stable Level of at least 20 %*	25 %
Ordinary Profit	8.1 billion yen	Target Level Prioritizing Platform Building 10.0 billion yen level	At least 15.0 billion yen

* This reference indicator has been established with the objective of maintaining financial discipline by maintaining an equity ratio of at least 20%, even during periods of increased leverage resulting from upfront investments in the Future Platform Building Phase.

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.