



oFG おきなわフィナンシャルグループ

Results Briefing Materials

FY2024 1H

Create Value & Innovation

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1 Business Environment

1 Geographical Advantage

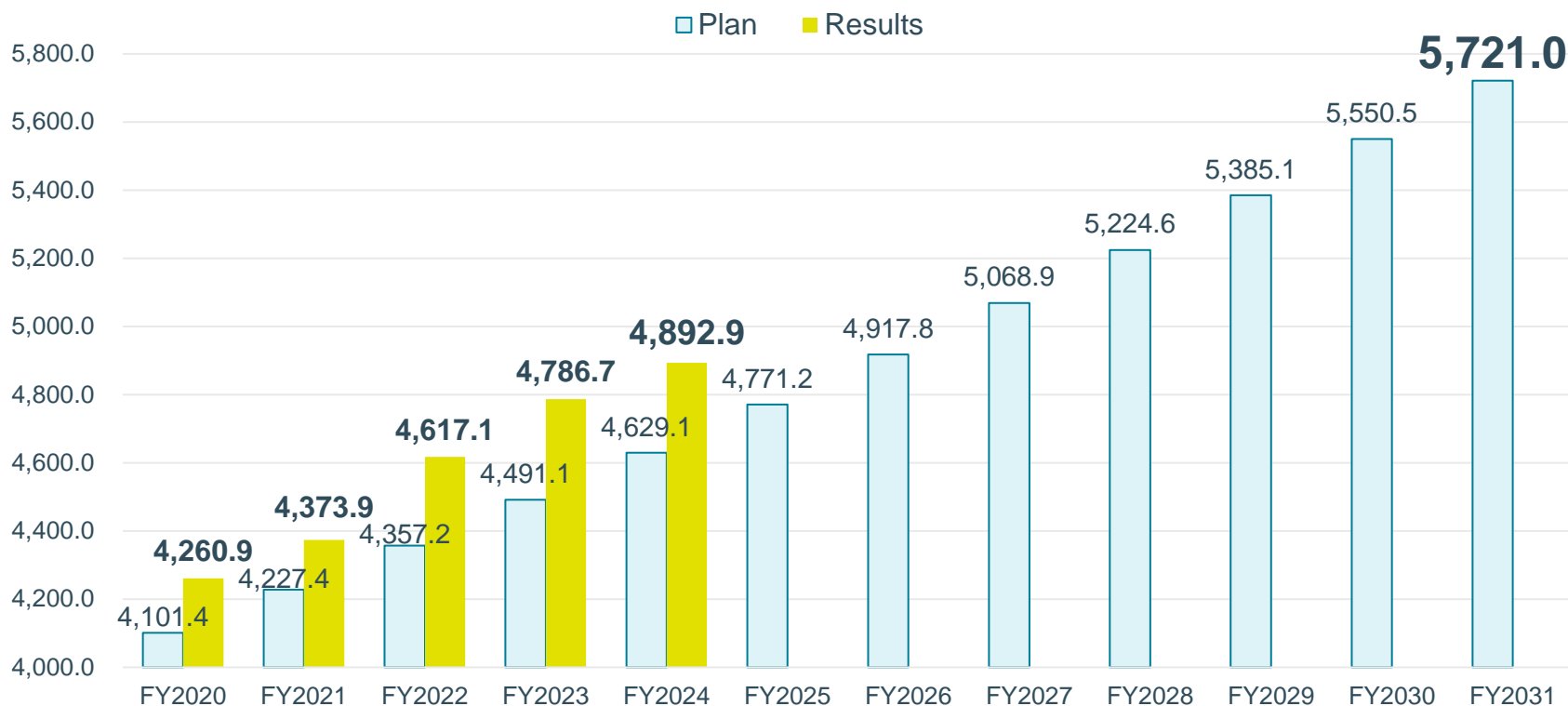
Okinawa Prefecture is within a four-hour flight from major cities in Singapore, Thailand, China, Taiwan, South Korea, and other Asian countries. It is located at the center of the vast East Asian market, which has a population of approximately 2.2 billion. Naha Airport has direct flights to seven Asian countries and territories* and Naha Port has regular ship services to North America, China, Taiwan, South Korea, and the Philippines, giving the prefecture an advantage as an international hub that connects people and goods.

*China, Taiwan, Hong Kong, South Korea, Singapore, Thailand, and Malaysia (as of March 2024)



2 Nominal Gross Prefectural Production

“New Okinawa 21st Century Vision Basic Plan,” the master plan announced by Okinawa Prefecture, forecasts a nominal gross prefectural production reaching approx. ¥5,700 billion in FY2031, on account of a value-added tourism industry leveraging Okinawan characteristics and an increase in labor productivity through DX promotion in various industries. Due to a V-shaped recovery from the COVID-19 pandemic, results projections and forecast that exceed the plan have been announced.



Sources: Okinawa Prefectural Government “New Okinawa 21st Century Vision Basic Plan” and Department of Planning, Okinawa Prefectural Government “Economic Outlook of the Prefecture FY2024”

*Plans for FY2020 and FY2031 are estimates by the Company based on the forecasts in “New Okinawa 21st Century Vision Basic Plan.”

*Plans for FY2021 to FY2030 are estimates based on the average annual growth rate calculated by the Group.

*The results are based on figures announced by Okinawa Prefectural Government. The figure for FY2024 is a results forecast and figures for FY2022 and FY2023 are projected results.

3 Population and Number of Households

Although the population began to decline in 2023, the National Institute of Population and Social Security Research forecasts that, until 2050, Okinawa Prefecture will have the second lowest rate of population decline in Japan behind Tokyo, and the highest proportion of persons aged 0 to 14 years. In addition, the number of households marked a record high again in 2024.

Proportion of child population (0–14 years)

	2020	2035	2050
1st	16.6% (Okinawa)	14.1% (Okinawa)	13.8% (Okinawa)
2nd	13.6% (Shiga)	11.4% (Kumamoto)	11.6% (Kumamoto)
3rd	13.5% (Saga)	11.2% (Fukuoka)	11.3% (Fukuoka)

2050 population (index, 2020 = 100)

	Child population	Working-age population	Overall
1st	91.8 (Tokyo)	93.7 (Tokyo)	102.5 (Tokyo)
2nd	78.5 (Okinawa)	82.0 (Okinawa)	94.8 (Okinawa)
3rd	78.4 (Kanagawa)	81.4 (Chiba)	92.3 (Kanagawa)
National average	69.2	73.8	83.0

Source: National Institute of Population and Social Security Research “Regional Population Projections for Japan: 2020-2050 (2023)”

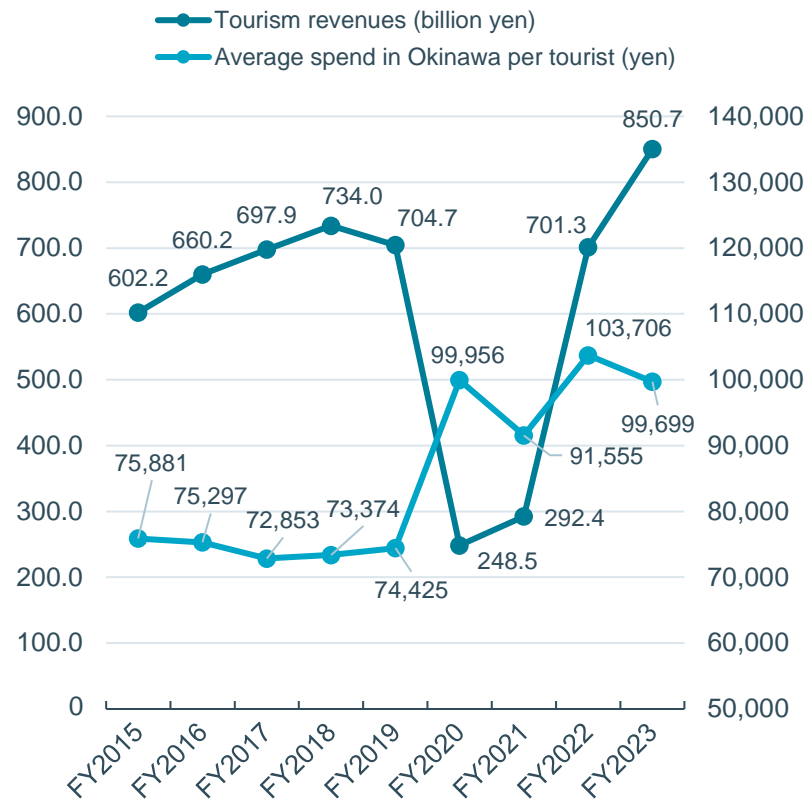
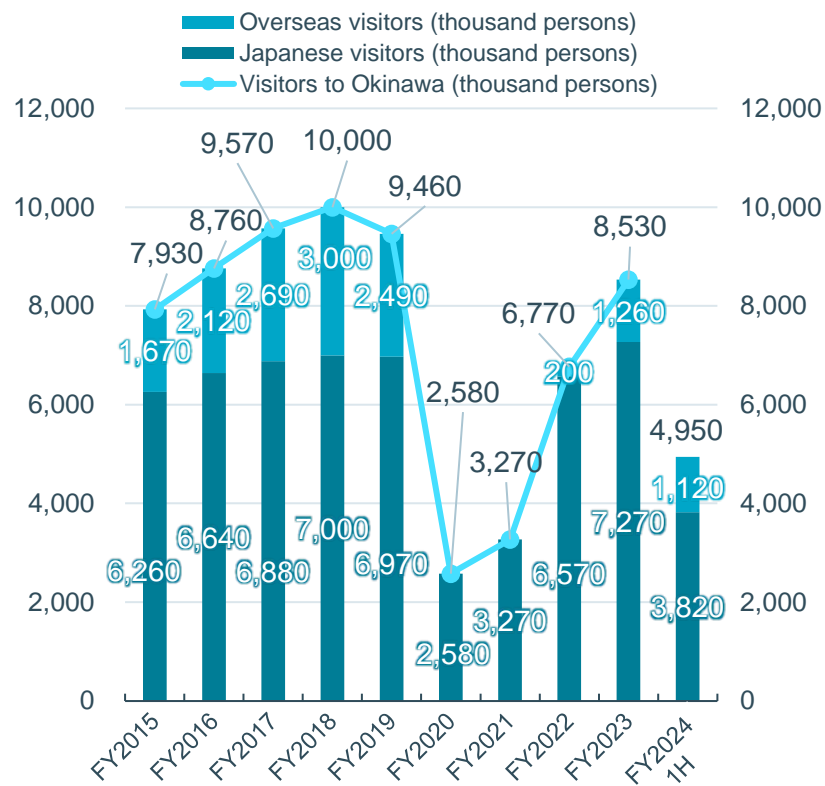
Population and number of households



Source: Population and Social Statistics Group, Statistics Division, Department of Planning, Okinawa Prefectural Government “Population Projections”

4 Number of Visitors and Tourism Revenues

Being the only subtropical area in Japan, Okinawa Prefecture enjoys a mild climate all year. It has abundant tourism resources, including the beautiful sea and historical buildings where visitors can feel the Ryukyu culture. In a regional brand survey, Okinawa was ranked third in Japan for its level of attractiveness. The number of visitors to Okinawa and tourism revenues are experiencing a V-shaped recovery from the COVID-19 pandemic, and tourism revenues in FY2023 exceeded **¥850.0 billion**. Further growth is expected going forward, due to an increase in cruise ships from abroad, the opening of a theme park in the northern area (scheduled in 2025), and other factors.



Source: Tourism Policy Division, Department of Culture, Tourism and Sports, Okinawa Prefectural Government
 "Announcement of an Overview of Visitors to Okinawa" and "Tourism Revenues and Ripple Effects on the Economy"

5 Development Project

Okinawa Prefectural Economic Organizations Conference, Okinawa Future Creation Council, Naha City, Urasoe City, Ginowan City, Okinawa Konwakai, and Naha Airport Expansion and Development Promotion Association have announced that they have established the GW2050 PROJECTS Promotion Council. The council aims to use in an integrated manner the former base site returned to Okinawa and enhance the functions of Naha Airport, truly serve as an engine for Japan, and give shape to the future vision as an open gateway to the world that symbolizes the evolution of next-era Okinawa.

The Basic Concept for GW2050 PROJECTS positions the west coastal area, extending from Naha Airport to Futenma Air Station, as a critical site for value creation, and aims to take advantage of the potential of the extensive former base site returned to Okinawa, where the entire area can be developed from a vacant lot, thereby facilitating the economic development of Okinawa as a true engine for Japan.

*Adopted on September 30, 2024 as FY2024 Private Sector Subsidy for the Promotion of Specific Projects for the Development of Okinawa (¥159 million).



2 Outline of Business Results for FY2024 1H

1 Performance Highlights for FY2024 1H

Net income attributable to owners of the parent **+20.9% YoY**

(1H revenues and earnings both increased for the first time in two fiscal years)

OFG (Consolidated)

(¥ million)

	FY2023 1H Results	FY2024 1H Results	YoY change	FY2024 Forecasts	Progress (%)	FY2026 MS targets*
Ordinary income	27,664	28,348	684	55,000	51.5	60,000
Ordinary profit	4,480	5,445	964	9,300	58.5	—
Net income attributable to owners of the parent	3,163	3,825	661	6,600	57.9	10,000

*MS targets = Moonshot targets

The Bank of Okinawa (Non-consolidated)

(¥ million)

	FY2023 1H Results	FY2024 1H Results	YoY change
Ordinary income	20,546	20,979	432
Gross business profit	14,181	15,602	1,421
Net interest income	14,696	15,435	739
Net fees and commissions	1,064	1,779	715
Other business profit	(1,579)	(1,611)	(32)
Business profit on core banking operations	4,418	5,720	1,301
Ordinary profit	4,340	5,221	881
Net income	3,413	3,905	491

Major group companies (FY2024 1H)

(¥ million)

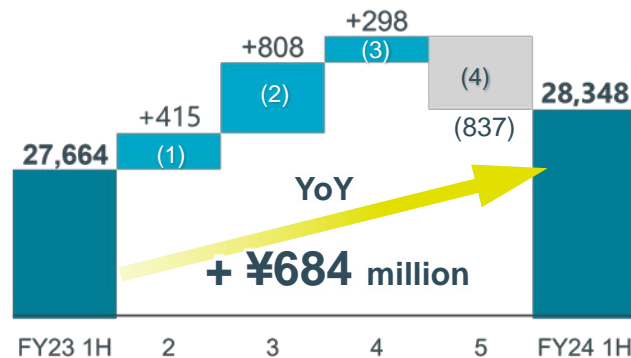
	Okigin General Lease	Okigin JCB	Okigin Securities	Okigin SPO
Ordinary income	5,690	917	497	1,114
Ordinary profit	144	214	29	71
Net income	86	140	13	47

2 Reasons for Change in Ordinary Income and Trends in Earnings

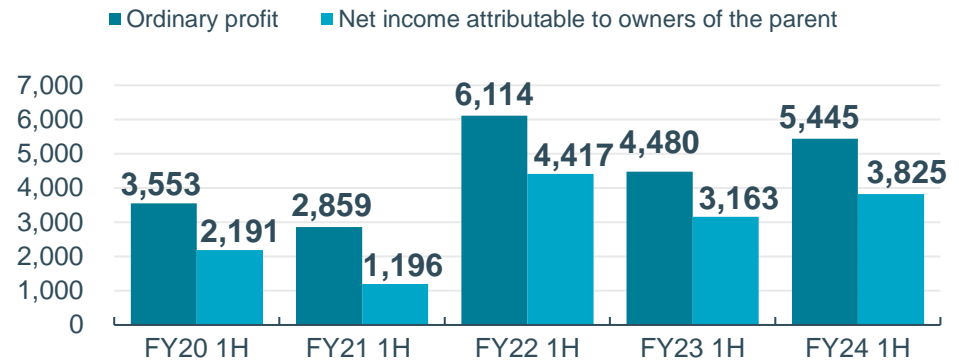
Business performance points

- ▶ **Ordinary profit increased by ¥964 million year on year**, due to an increase in ordinary income and a year-on-year decrease of ¥280 million in ordinary expenses. The decrease in ordinary expenses was attributable to decreases in operating expenses and loss on sale of bonds, despite an increase in credit cost.

Reasons for change in ordinary income (¥ million)



Ordinary profit and net income attributable to owners of the parent (¥ million)



	Major item	YoY change	Point
(1)	Interest on loans and discounts	+ ¥415 million	Increased by ¥415 million year on year, as a result of speedy examination of loans and other initiatives for prompt response, in addition to continued and active measures to address funding demand associated with boosted economic activities.
(2)	Interest and dividends on securities	+ ¥808 million	Increased by ¥808 million year on year due to an increase in securities balance and a rise in yield.
(3)	Fees and commissions	+ ¥298 million	Increased by ¥298 million year on year due to group partnership, sales promotion, etc.
(4)	Others	¥(837) million	Decreased by ¥837 million year on year due to decreases in gain on sale of bonds and recoveries of written-off claims and other factors, despite an increase in gain on sale of stocks and other securities.
	Total	+ ¥684 million	

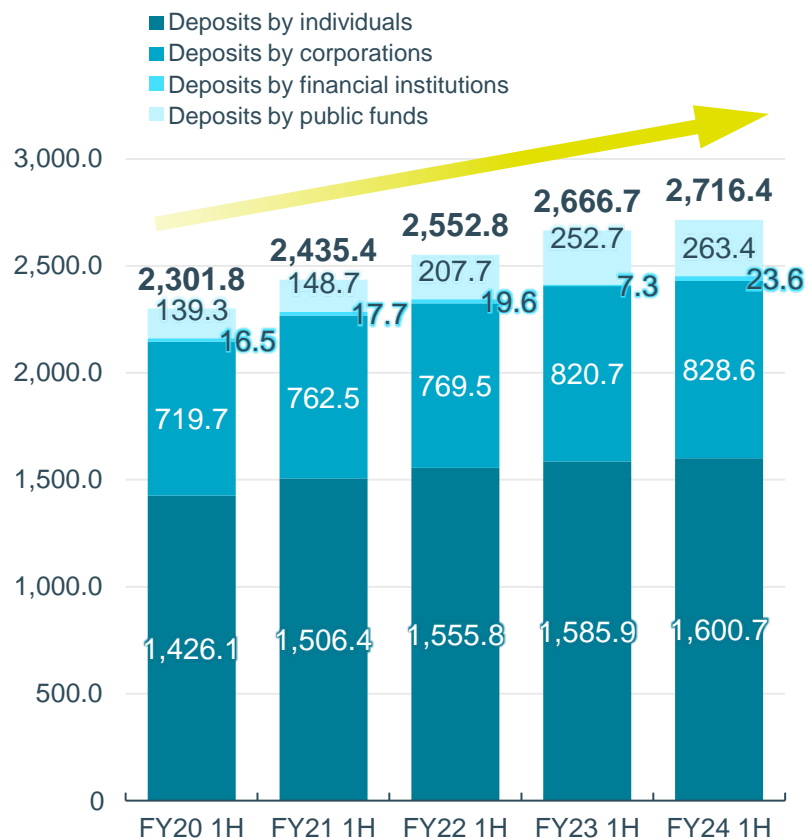
*As the Company was founded on October 1, 2021, consolidated figures for The Bank of Okinawa, Ltd. are provided for the periods prior to September 30, 2021 for reference.

3 Deposits

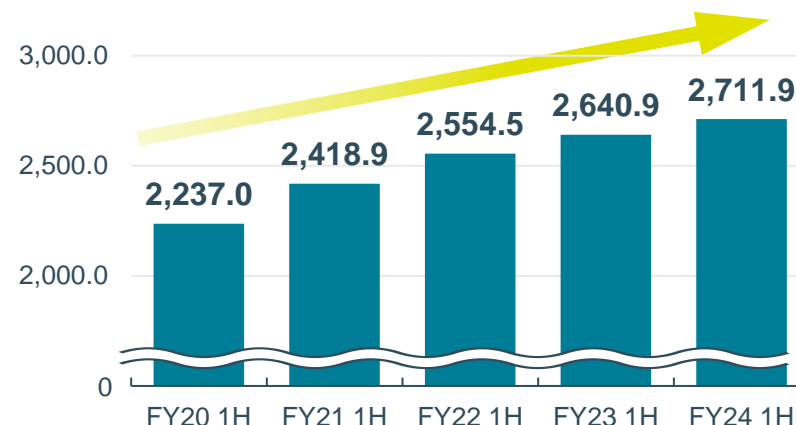
The term-end balance rose by ¥49.7 billion year on year to ¥2,716.4 billion, driven mainly by increases in deposits by individuals and deposits by public funds.

Deposits share rose by 0.33 percentage points.

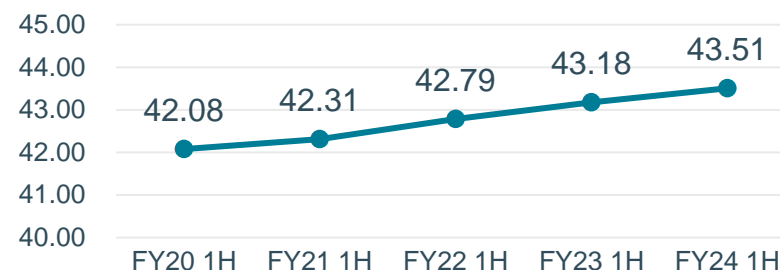
Term-end balance of deposits (¥ billion)



Average balance of deposits (¥ billion)



Deposits share (%)



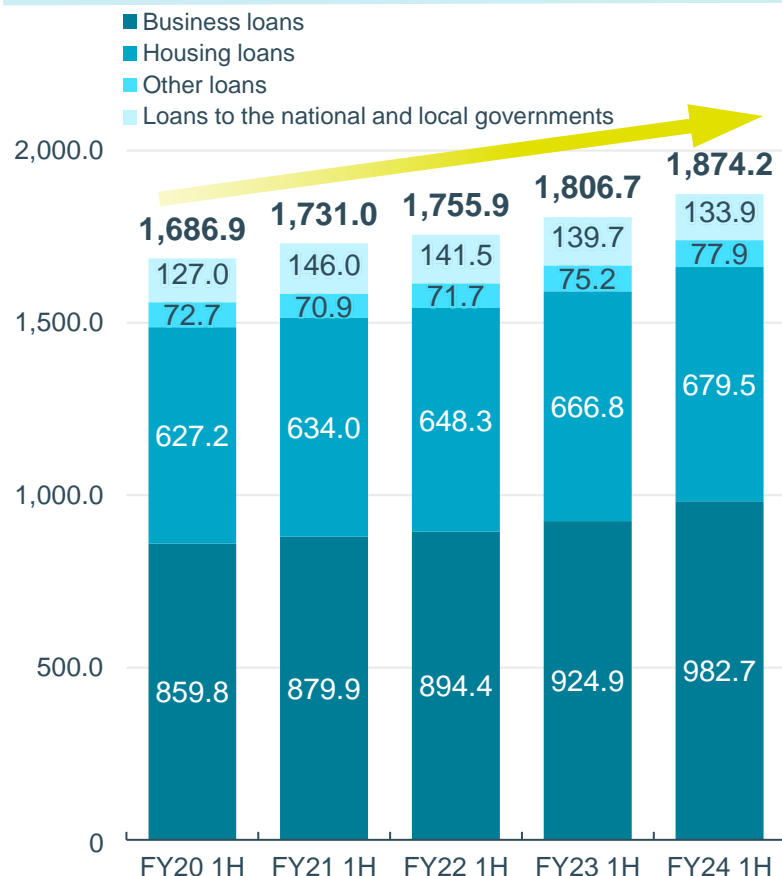
*Including trust accounts.

*Deposits share indicates our share of the market served by the three Okinawan regional banks, calculated based on the average balance of deposits for each term.

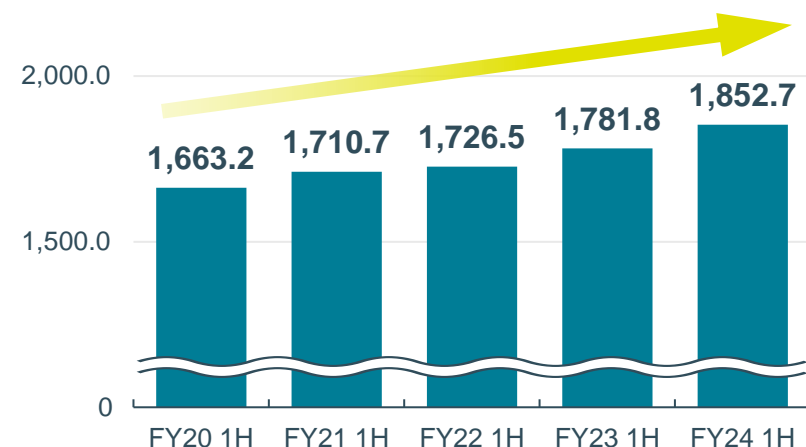
4 Loans (i)

Business loans increased due to proactively responding to financial demand associated with the recovery of economic activities. Consumer loans also increased due to speedy examination of loans and other initiatives for prompt response, as well as enhanced sales promotion. Loans and bills discounted share rose by 0.3 percentage points.

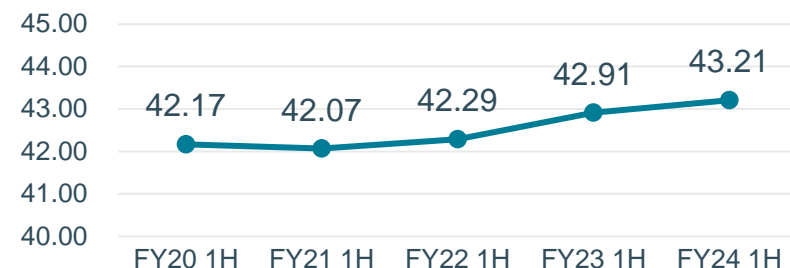
Term-end balance of loans and bills discounted (¥ billion)



Average balance of loans and bills discounted (¥ billion)



Loans and bills discounted share (%)



*Including trust accounts.

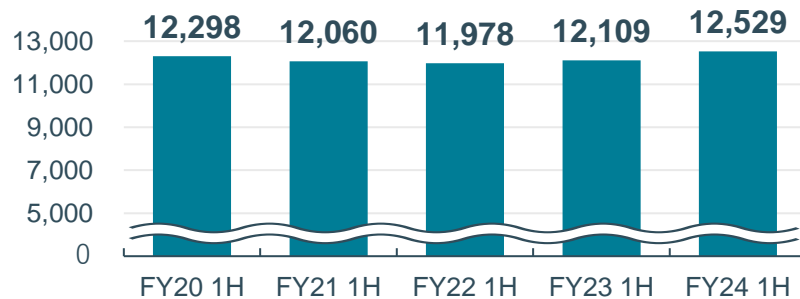
*Housing loans and other loans are collectively called consumer loans, which are loans provided as funds closely tied to customer lifestyles.

*Loans and bills discounted share indicates our share of the market served by the three Okinawan regional banks, calculated based on the average balance of loans for each term.

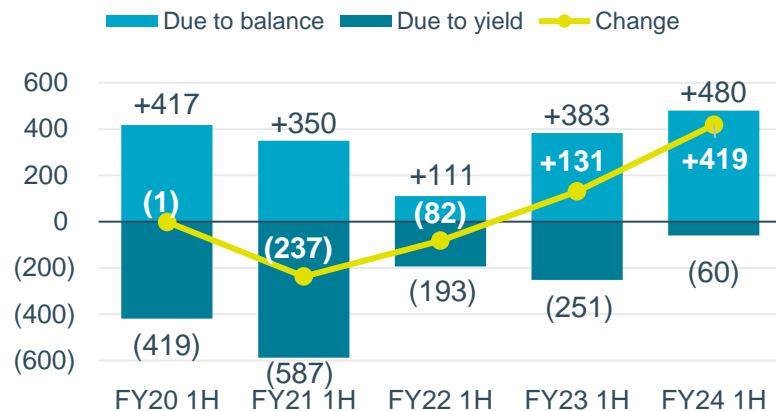
5 Loans (ii)

Interest on loans and discounts increased by ¥419 million year on year due to an increase in the balance of loans and bills discounted, despite a decrease in yield on loans and bills discounted. Provided loans to a wide range of industries, with top three being real estate and goods rental and leasing, services, and local governments.

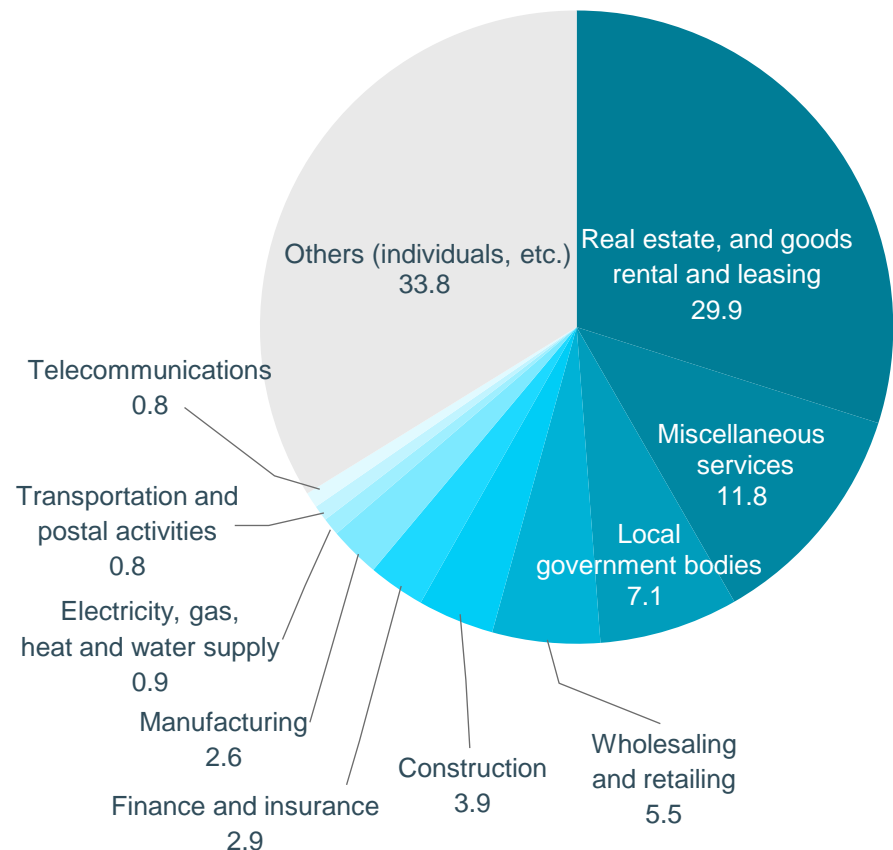
Interest on loans and discounts (¥ million)



Reasons for change in interest on loans and discounts (¥ million)



Loans breakdown by industrial segment (%)



*Including trust accounts.

6 Business Profit and Yield on Customer Services 沖縄銀行

Business profit on consumer services increased due to an increase in the average balance of loans and bills discounted, as well as an increase in net fees and commissions as a result of sales promotion and other measures, despite a decrease in loan / deposit spreads. Business profit margin also **rose by 0.082 percentage points year on year to 0.217%**.

Business profit on customer services

(¥ million, %)

	FY22 1H	FY23 1H	FY24 1H
(1) Loans and bills discounted average balance	1,725,533	1,780,782	1,851,390
(2) Yield on loans and bills discounted	1.384	1.356	1.349
(3) Yield on deposits	0.004	0.003	0.032
(4) Loan / deposit spreads ((2) - (3))	1.380	1.353	1.317
(5) Net fees and commissions	972	1,064	1,779
(6) Operating expenses	10,886	11,362	11,063
(7) Business profit on customer services	2,025	1,781	2,941
(8) Deposits average balance	2,541,483	2,628,796	2,701,477
(9) Business profit margin on customer services	0.158	0.135	0.217

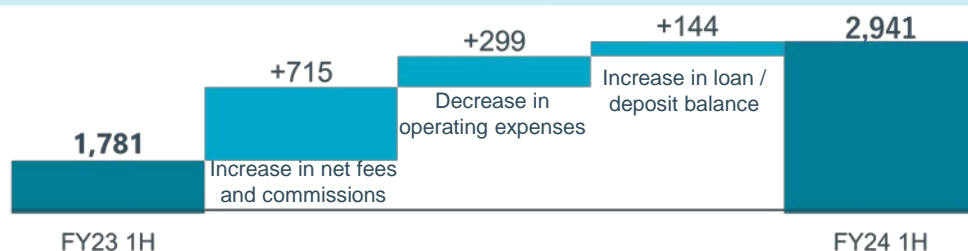
* (7) = (1) × (4) × elapsed days ÷ 365 + (5) - (6)

* Items (1) through (4) and (8) are from banking account.

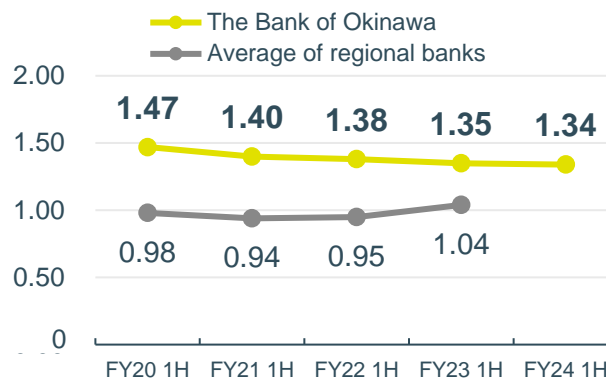
* (9) = (7) ÷ (8) ÷ elapsed days × 365 × 100

* Item (4) is the overall spread for domestic and international operations.

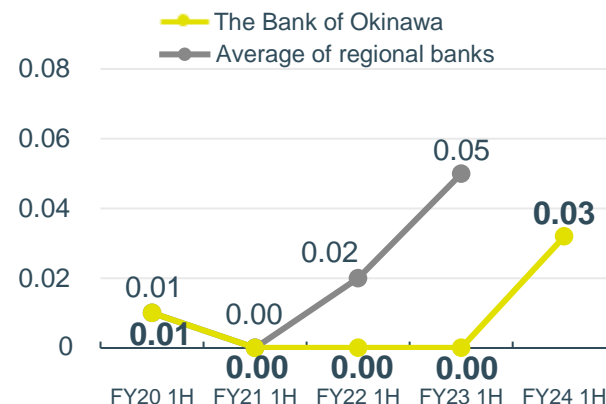
Reasons for YoY change (¥ million)



Yield on loans and bills discounted (%)



Yield on deposits, etc. (%)

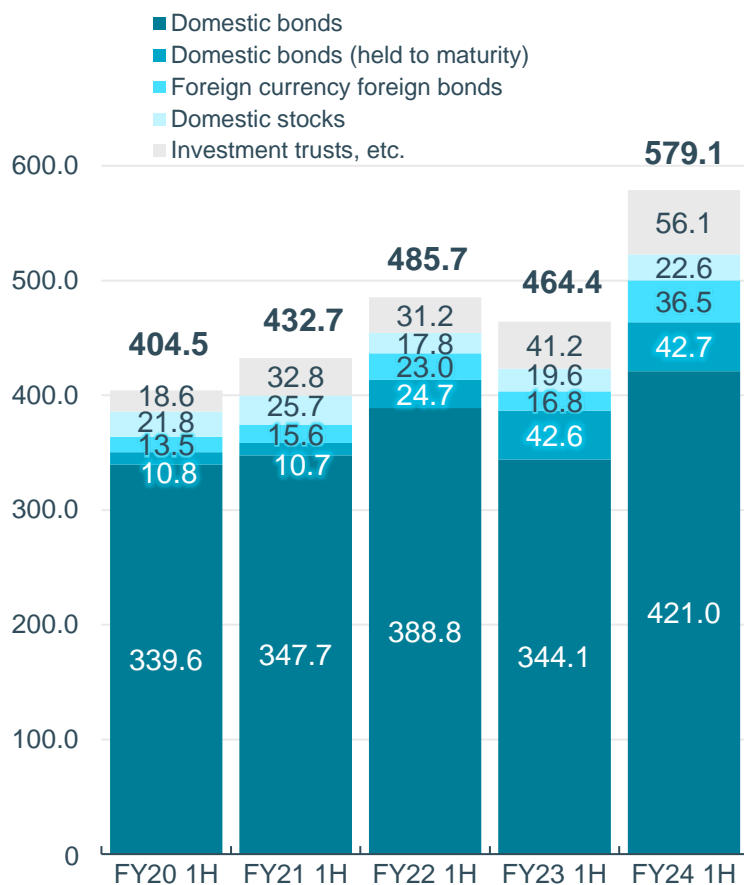


*Yield on deposits is shown based on the real yen interest rate, which is the real yield on yen deposits after interest rate adjustment between currencies in foreign currency time deposits with swaps.

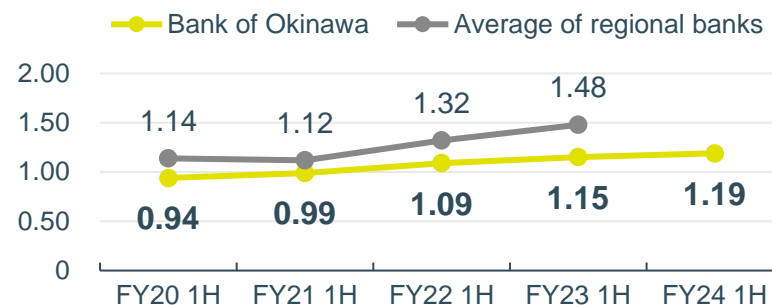
7 Securities (i)

The term-end balance increased by ¥114.6 billion year on year as a result of efforts to manage funds efficiently and secure stable income while giving consideration to interest rate risks and current maturity. Yield improved by 0.04 percentage points, and yen bond durations were shortened by 1.53 years.

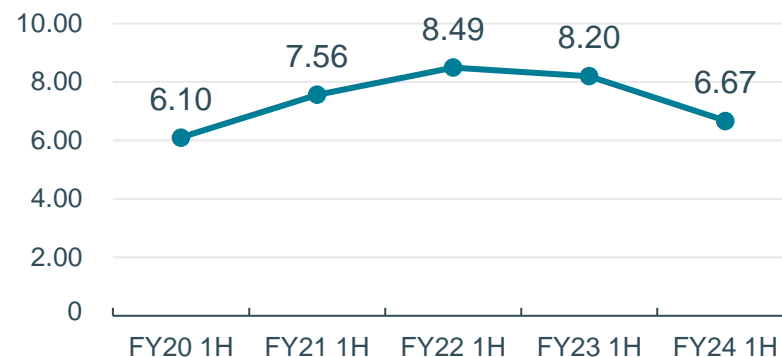
Term-end balance of securities (¥ billion)



Yield on securities (%)



Yen bond durations (years)



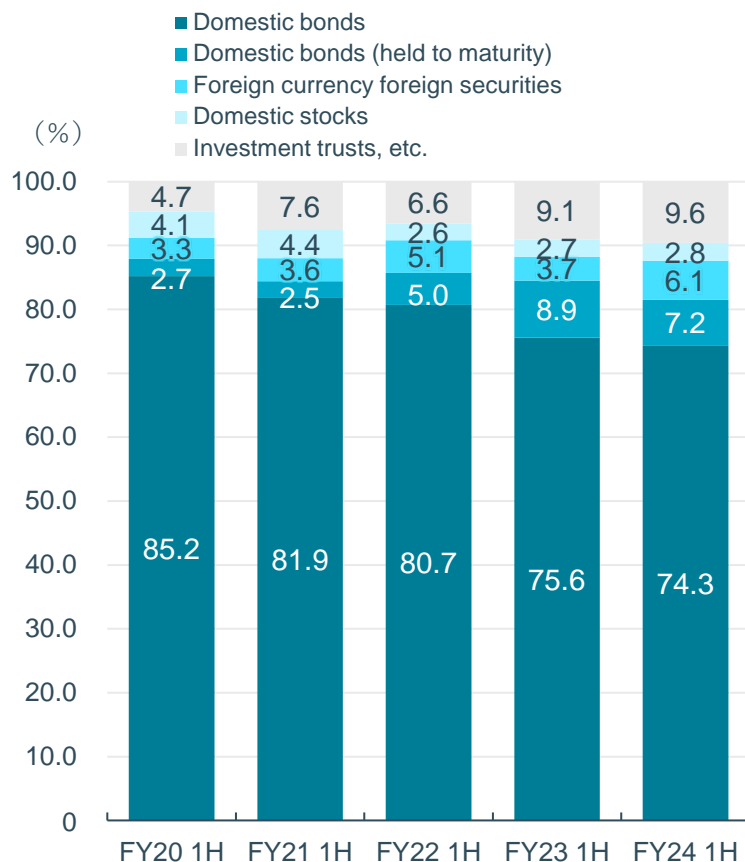
*After taking swaps into account, including held-to-maturity bonds.

*Foreign bonds denominated in yen are included in domestic bonds.

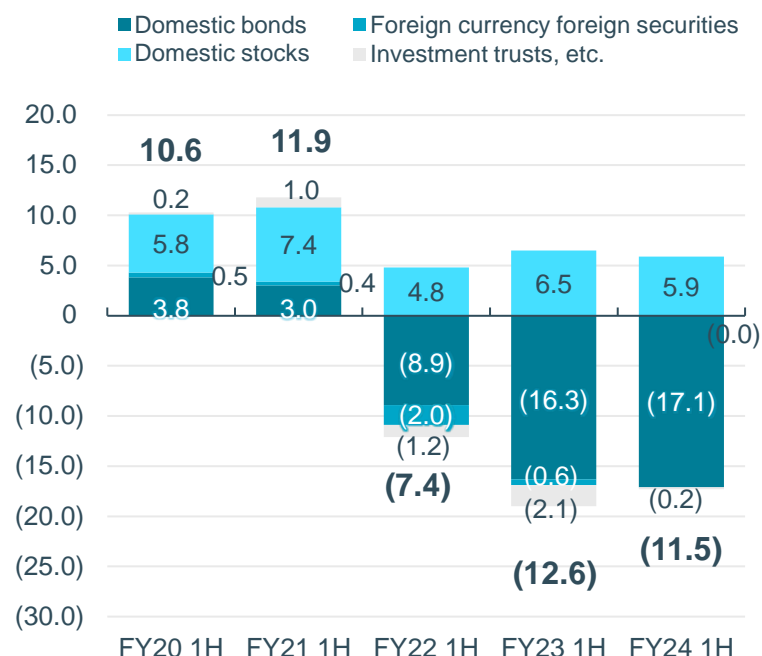
8 Securities (ii)

While gain (loss) on valuation of domestic bonds worsened due to a rise in domestic interest rates, gain (loss) on valuation of available-for-sale securities improved year on year due to the improvement of gain (loss) on valuation of components other than domestic bonds. We will make continued efforts to improve our securities portfolio.

Securities composition percentage
(acquisition cost at term-end)



Gain (loss) on valuation of available-for-sale securities
(¥ billion)



<Reference> Gain (loss) on valuation of held-to-maturity bonds (¥ billion)

	FY20 1H	FY21 1H	FY22 1H	FY23 1H	FY24 1H
Gain (loss) on valuation	0.9	0.7	(0.3)	(2.1)	(3.2)

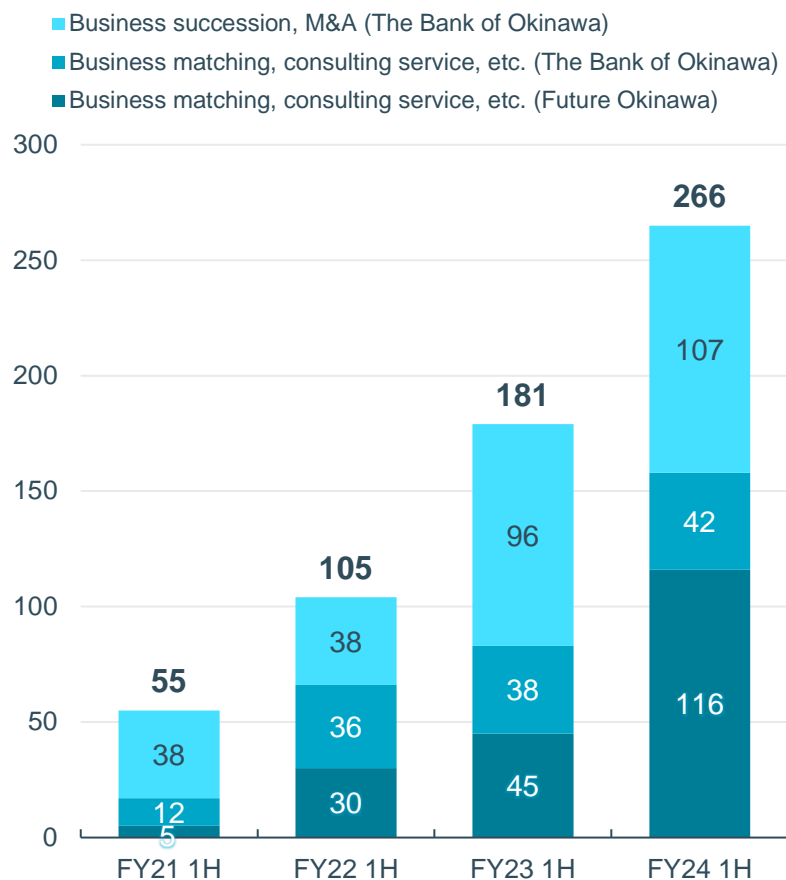
*Swaps excluding held-to-maturity bonds have been taken into account for domestic bonds.

*Swaps have been taken into account for foreign currency foreign securities.

9 Fee Business: (i) Partnerships with Local Enterprises

The Group actively engages in medium- to long-term initiatives in various fields to increase the value of local communities. In particular, income from business matching, consulting services, etc. has been solid since the establishment of Future Okinawa.

Income from customer supporting businesses (¥ million)



Main Initiatives

[The Bank of Okinawa]

- ▶ Offer consulting services on business succession and M&A as well as support for implementing specific measures, in cooperation with experts.
- ▶ Take advantage of the extensive network of the bank and introduce business partners and contacts of Okigin to customers, thereby engaging in business matching to help customers solve problems.

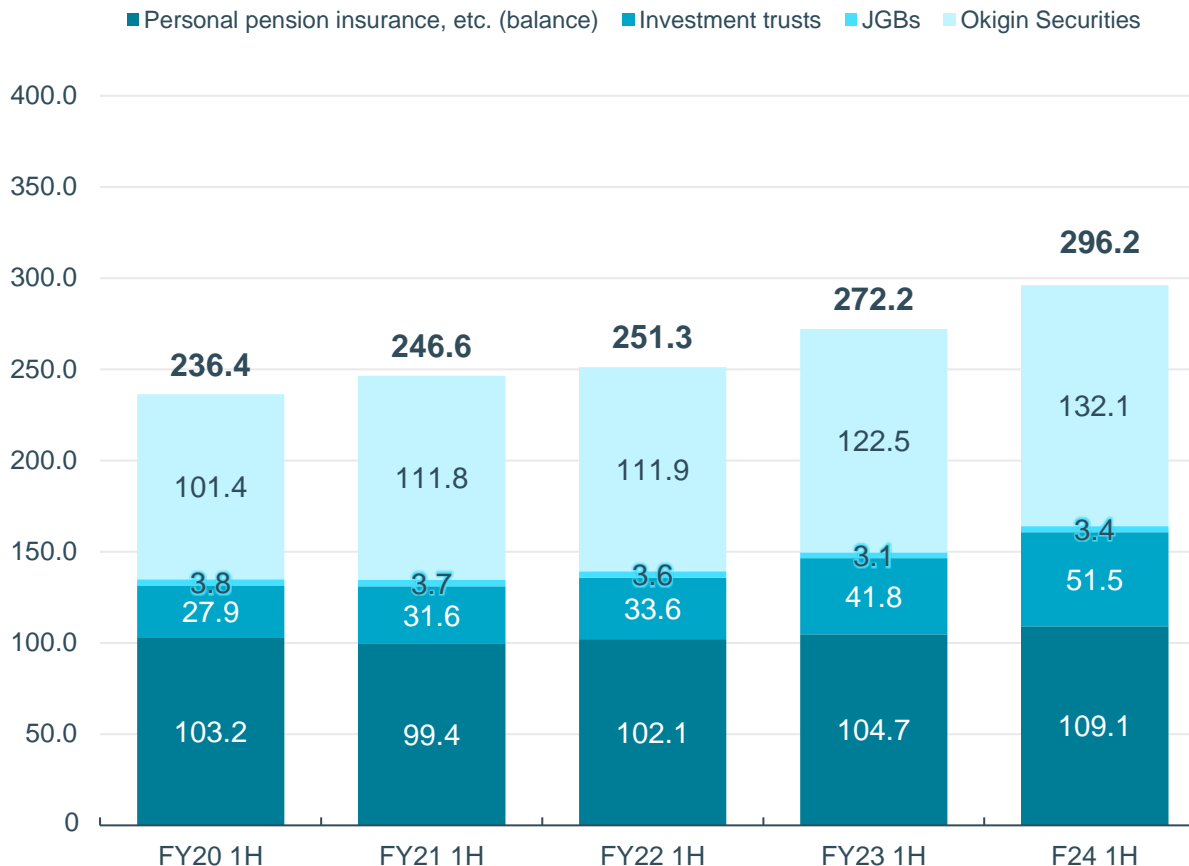
[Future Okinawa]

- ▶ Offer consulting services, including marketing support and branding support.
- ▶ Take advantage of Okigin Big Advance and other platforms to offer sales support, business matching services, and other services to help customers expand sales channels.
- ▶ Support remote islands in revitalizing local areas and industries.

10 Fee Business: (ii) Assets in Custody

Assets in custody as a whole increased by ¥24.0 billion year on year, as a result of offering products and services tailored to each stage in life of customers to meet their asset formation needs.

Balance of assets in custody (¥ billion)



The Bank of Okinawa total

+ ¥14.4 billion

JGBs

+ ¥0.2 billion

Investment trusts

+ ¥9.7 billion

Personal pension insurance, etc.

+ ¥4.4 billion

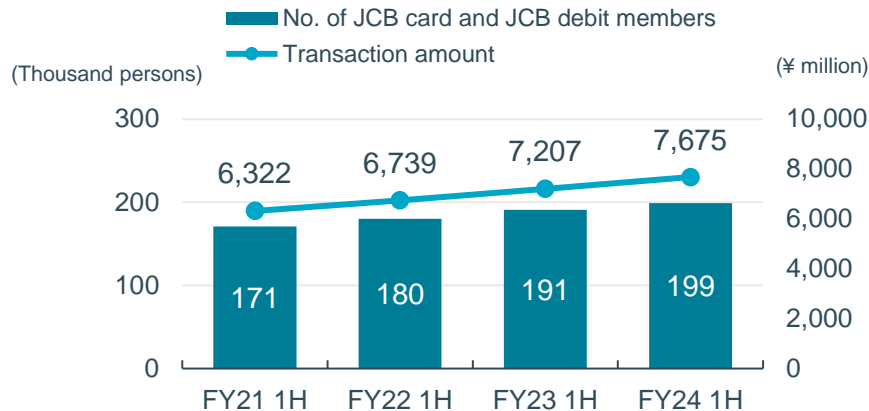
Okigin Securities

+ ¥9.5 billion

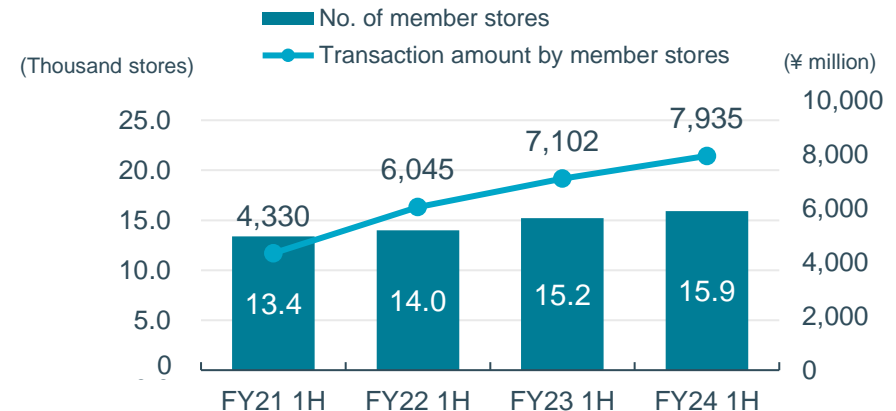
11 Fee Business: (iii) Cashless Services

Cashless services have performed strongly as shown below, as a result of continuous efforts to improve the convenience of such services to meet the diverse needs of customers.

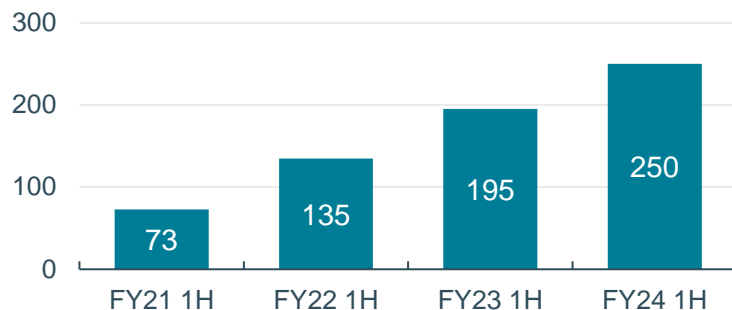
No. of JCB card and JCB debit members and transaction amount



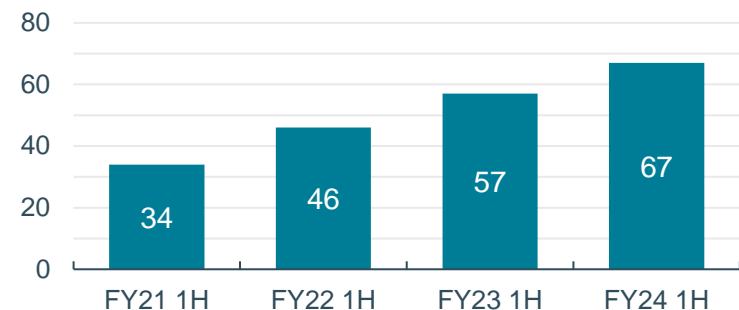
No. of JCB member stores and transaction amount



No. of Okigin Smart users registered (Thousand accounts)



No. of OKI Pay user accounts registered (Thousand accounts)

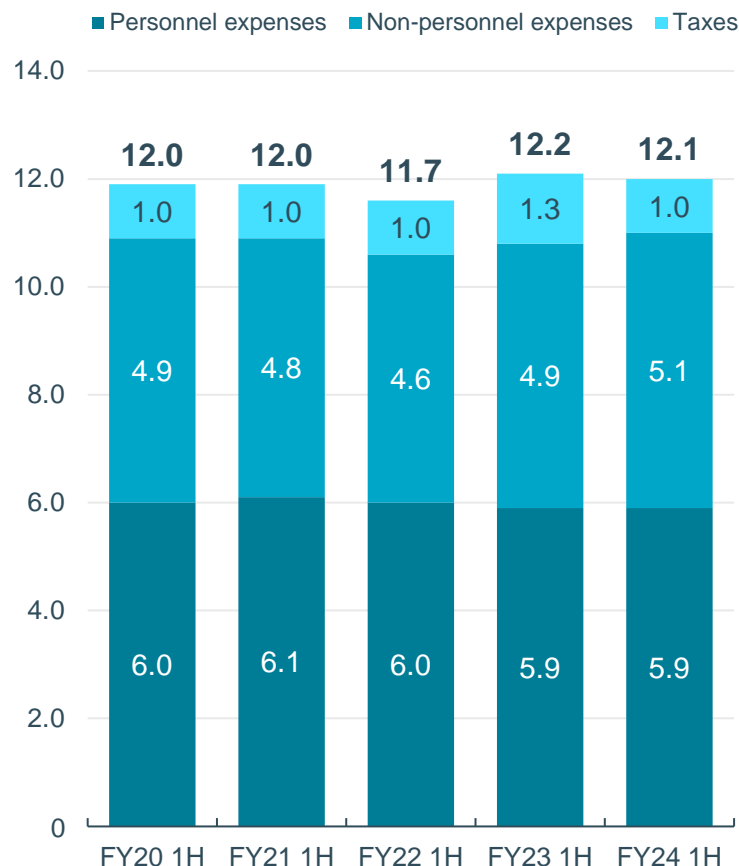


*Transaction amount and transaction amount by member stores: Monthly average amount used for each fiscal year to which the indicated months belong

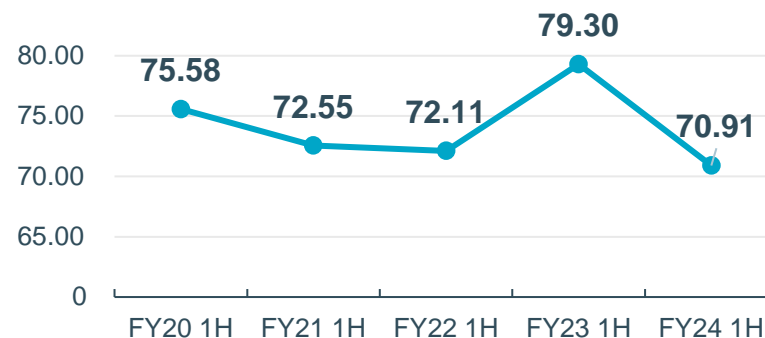
12 Expenses, OHR, and Core OHR (Consolidated)

OHR and core OHR improved by 8.39 and 6.04 percentage points, respectively, year on year, as a result of increases in both gross business profit and core gross business profit mainly due to an increase in business income on core banking operations, although expenses remained at a similar level to the 1H of the previous fiscal year.

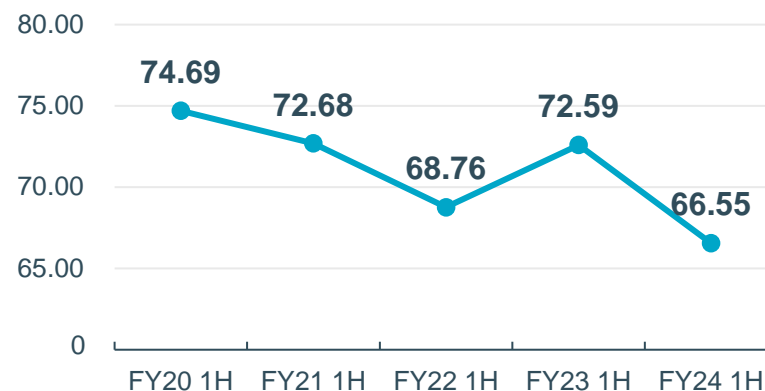
Expenses (¥ billion)



OHR (%) Calculation formula: Expenses ÷ gross business profit*



Core OHR (%) Calculation formula: Expenses ÷ core gross business profit*



*Gross business profit = (Interest income – interest expenses) + (income from fees and commissions – expenses for fees and commissions) + (other ordinary income – other ordinary expenses)

*Core gross business profit = Gross business profit – gains (losses) on bond trading (balance of five bond-related accounts)

*Personnel expenses do not include those under non-recurrent items.

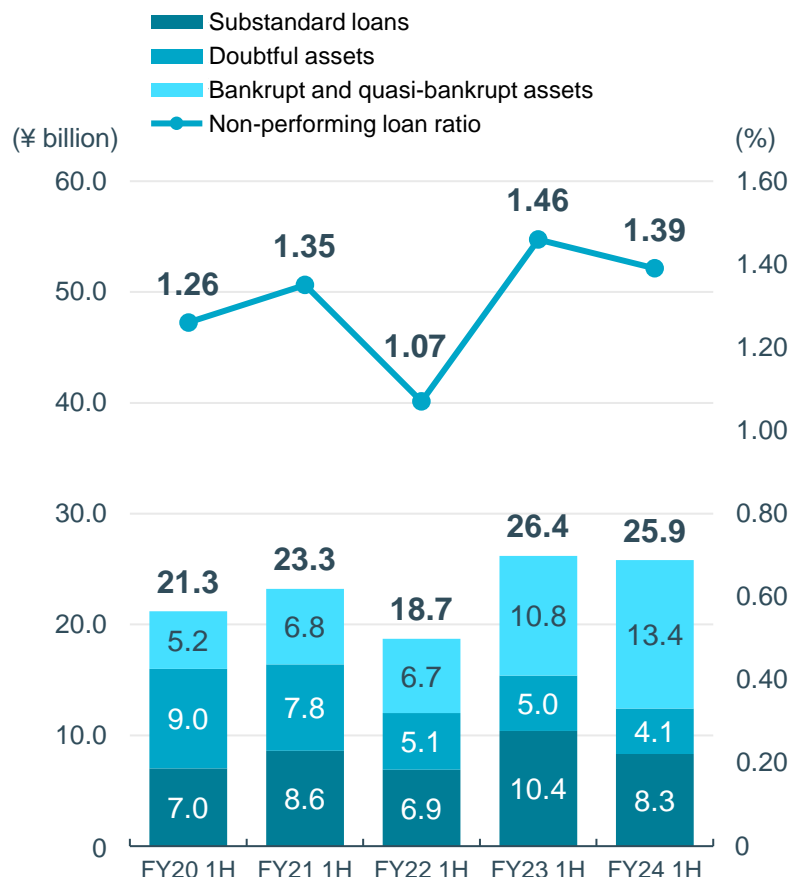
*As the Company was founded on October 1, 2021, consolidated figures for The Bank of Okinawa, Ltd. are provided for the periods prior to September 30, 2021 for reference.

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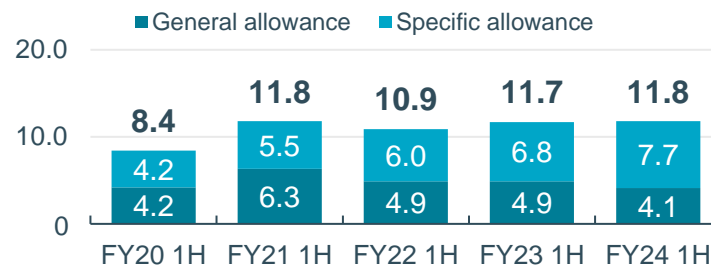
Mandatory Disclosure of Bad Debt under the Financial Reconstruction Law, Allowance for Possible Loan Losses, and Credit Cost (Consolidated)

We provide allowances and implement amortization appropriately to maintain the soundness of loans, in preparation for future risks. While bad debt subject to mandatory disclosure and non-performing loan ratio decreased, allowance for possible loan losses and credit cost increased.

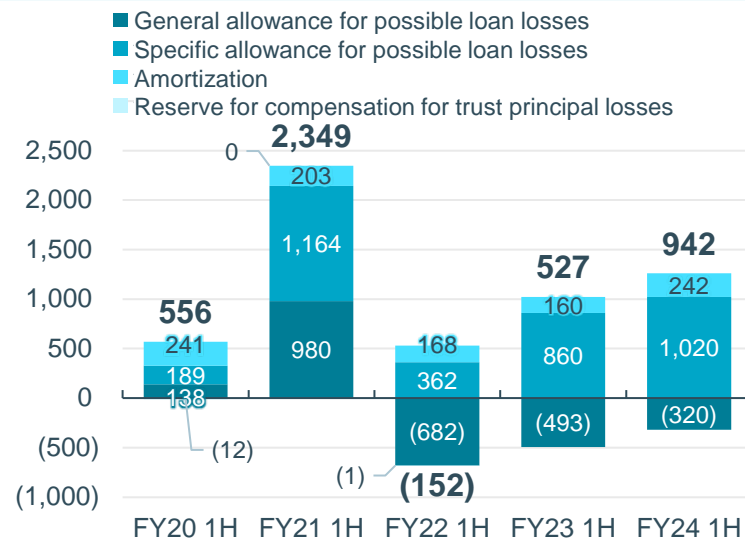
Bad debt and non-performing loan ratio



Allowance for possible loan losses (¥ billion)



Credit cost (¥ million)

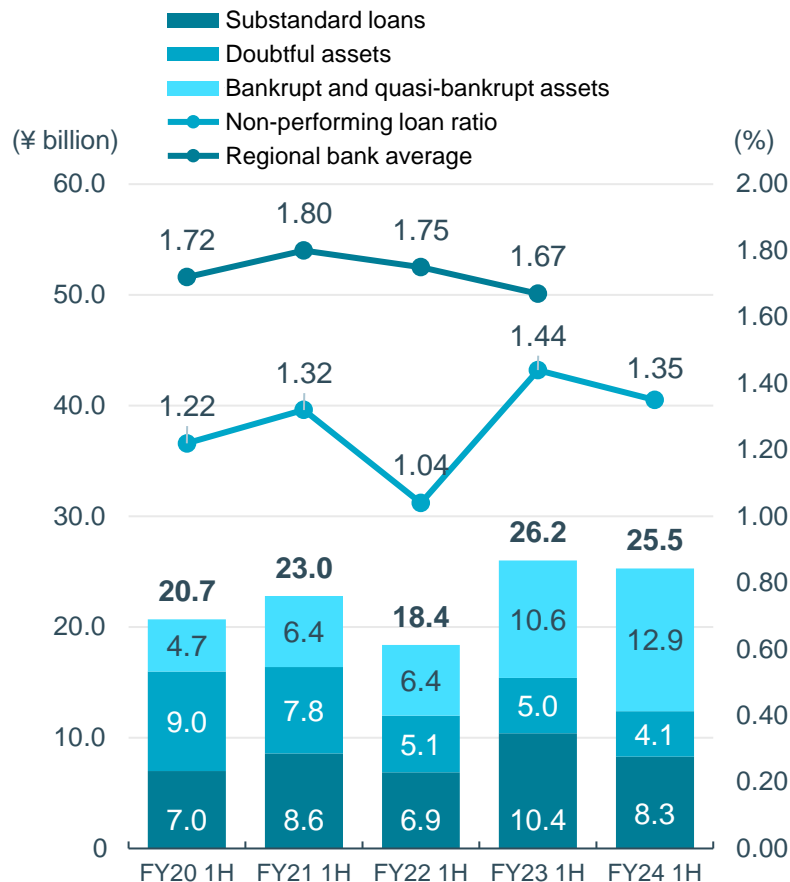


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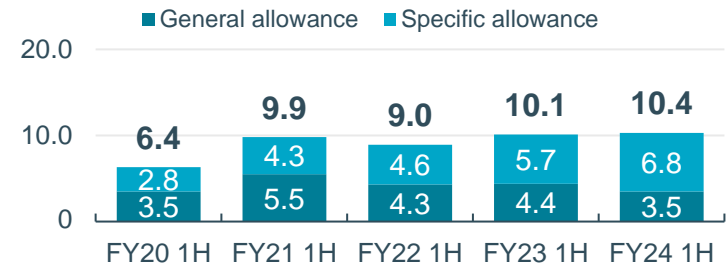
Mandatory Disclosure of Bad Debt under the Financial Reconstruction Law,
Allowance for Possible Loan Losses, and Credit Cost (Non-consolidated)

Non-consolidated non-performing loan ratio for The Bank of Okinawa decreased by 0.09 percentage points year on year to 1.35%, remaining at a low level below the regional bank average.

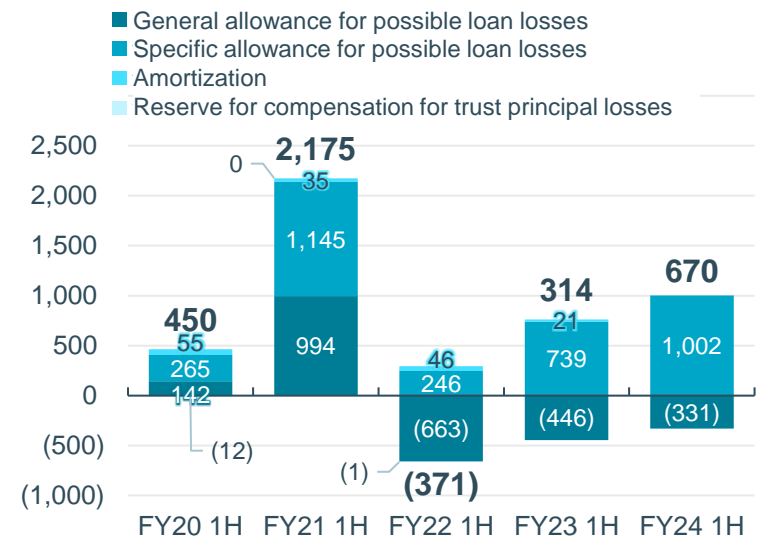
Bad debt and non-performing loan ratio



Allowance for possible loan losses (¥ billion)



Credit cost (¥ million)

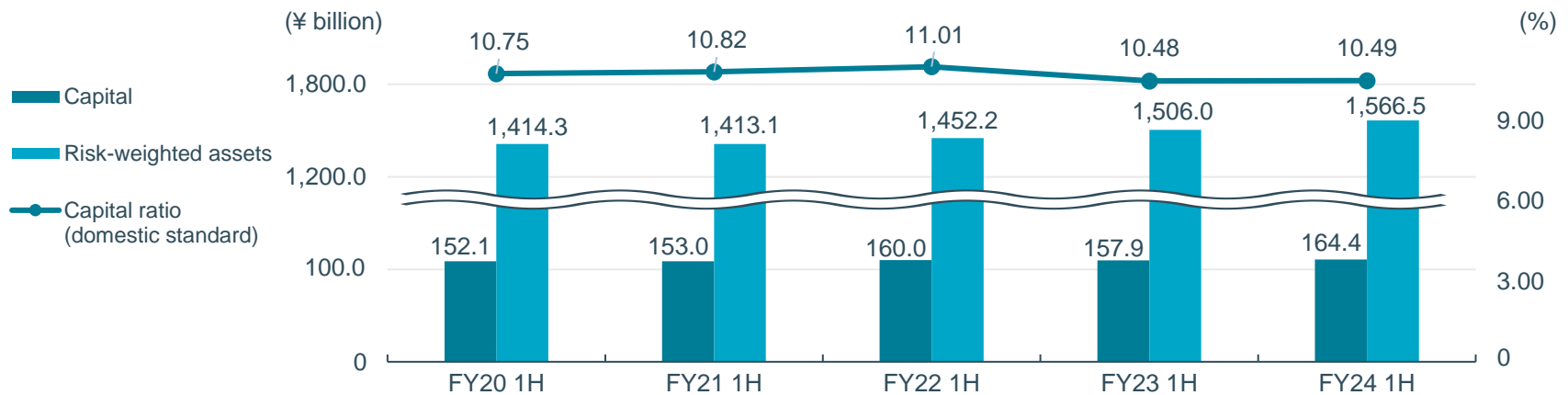


15 Capital Ratio

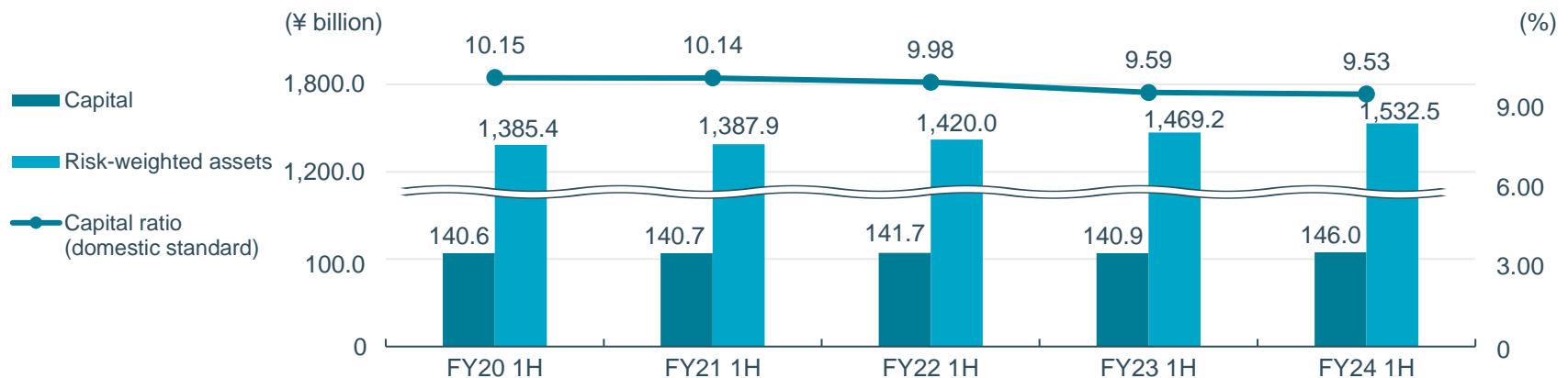
Risk-weighted assets increased due to proactive response to financial demand.

Consolidated capital ratio declined in the 1H of the previous fiscal year due to the purchase of treasury stock and other factors, but soundness has been maintained through accumulating retained earnings.

OFG (Consolidated)



The Bank of Okinawa (Non-consolidated)



*As the Company was founded on October 1, 2021, consolidated figures for The Bank of Okinawa, Ltd. are provided for the periods prior to September 30, 2021 for reference.

3 Initiatives under the 2nd Medium-Term Business Plan

(April 2024 – March 2027)

1 Name and Strategies of the 2nd Medium-Term Business Plan

Under the 2nd Medium-Term Business Plan, we will roll out various measures to “co-create growth” based on three strategies. We will implement medium- and long-term initiatives to “increase the value of local communities” in tandem with measures to “build a base for growth” to achieve moonshot targets. To realize these, we will implement our central strategy of “human capital management.”

2nd Medium-Term Business Plan (April 2024 – March 2027) Co-creating Growth – Growing Okinawa together –

Strategy I

Increase the value of local communities

- ▶ Contribute to the revitalization of Okinawa Prefecture’s leading industries, etc.
- ▶ Strengthen and support the capital bases of local enterprises
- ▶ Solve issues in regional and local communities
- ▶ Boost prefectural income and support asset formation
- ▶ Address climate change and global warming

Strategy II

Human capital management

- ▶ Develop human resources to contribute to increasing the value of local communities (Strategy I)
- ▶ Develop human resources to contribute to building a base for growth (Strategy III)
- ▶ Promote diversity
- ▶ Create and enhance employees’ work motivation

Strategy III

Build a base for growth

- ▶ Structural reforms to achieve dynamic growth
- ▶ Leverage Group synergies to achieve top-line growth
- ▶ Provide services through a market-in approach
- ▶ Increase corporate value

2 Towards the “Co-Creation of Growth”

By taking on the challenge to achieve ambitious moonshot targets* through its three strategies under the 2nd Medium-Term Business Plan, the Okinawa Financial Group will realize its aim of “Co-creating Growth – Growing Okinawa together –.”

*Moonshot targets are defined as grand goals that are very difficult to achieve but will have a significant impact when achieved.



Moonshot targets

	FY2021	FY2022	FY2023	FY2026
Consolidated ordinary income	¥50.4 billion	¥52.6 billion	¥53.5 billion	¥60.0 billion
Consolidated net income	¥5.0 billion	¥5.8 billion	¥6.2 billion	¥10.0 billion
Consolidated ROE	3.25%	3.70%	3.92%	Approx. 6%
Consolidated capital ratio	11.09%	10.77%	10.49%	Approx. 11%

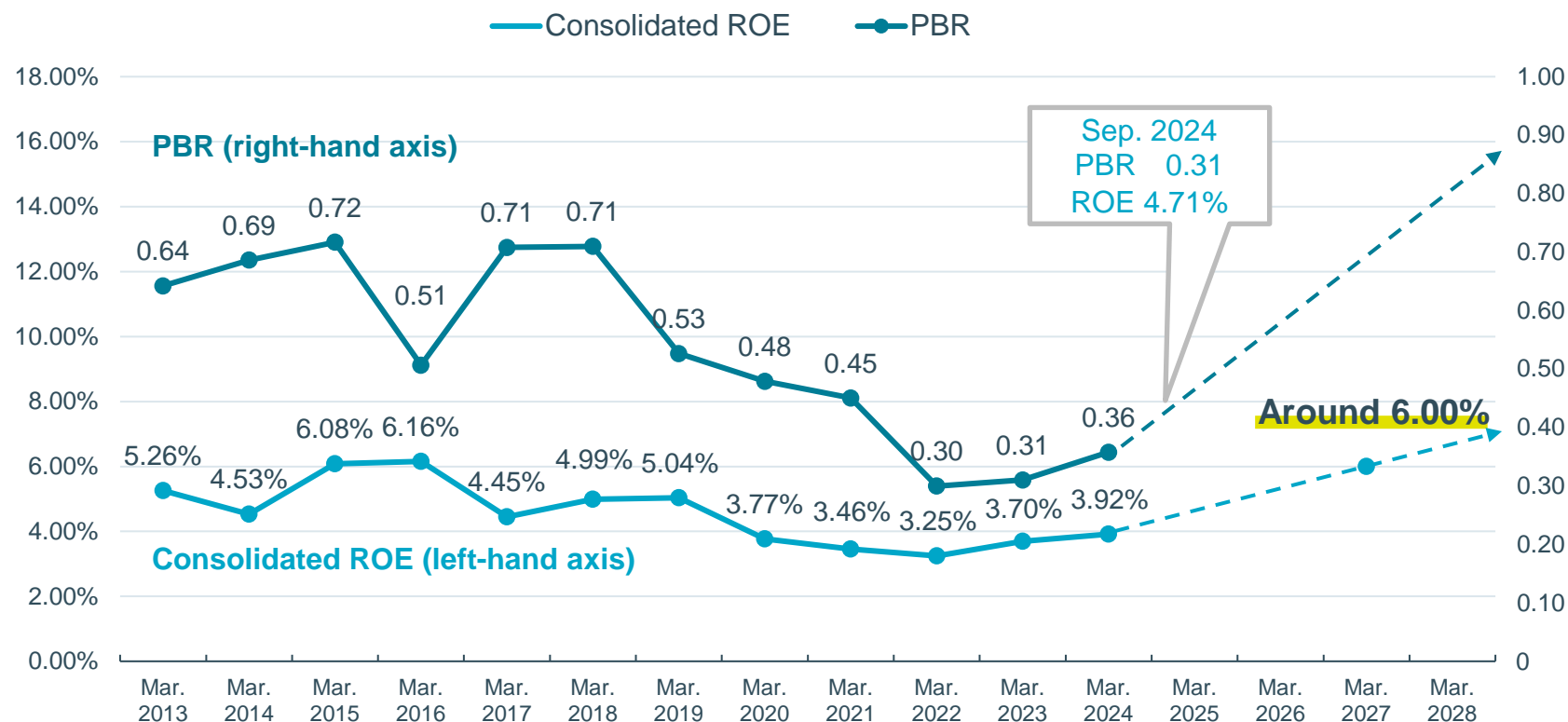
4 Initiatives to Increase Corporate Value

1 Increasing ROE

As of March 31, 2024, the Group's price-to-book ratio (PBR) stood at 0.36. Assuming that cost of shareholders' equity is around 8%*, the Group will work to increase its consolidated ROE to that level. The 2nd Medium-Term Business Plan aims for a consolidated ROE of around 6%, and further efforts to increase ROE will be made under the next Medium-Term Business Plan and afterward.

*This is assumed to be the general level of the cost of shareholders' equity demanded of Japanese companies by institutional investors.

Consolidated ROE and PBR



2 Scenario for Increasing ROE

Given that ROE is composed of return on risk-weighted assets (RORA) and financial leverage ratio, the Group seeks to improve RORA by increasing top-line revenue (ordinary income) and net income and maintain the financial leverage ratio through shareholder returns*.

Aiming to increase RORA to around 0.67% and maintain the current level of financial leverage ratio of around 9.0, we will (1) grow top-line revenue and (2) control risk-weighted assets.

*For FY2024, we increased interim dividend from ¥40 to ¥45.



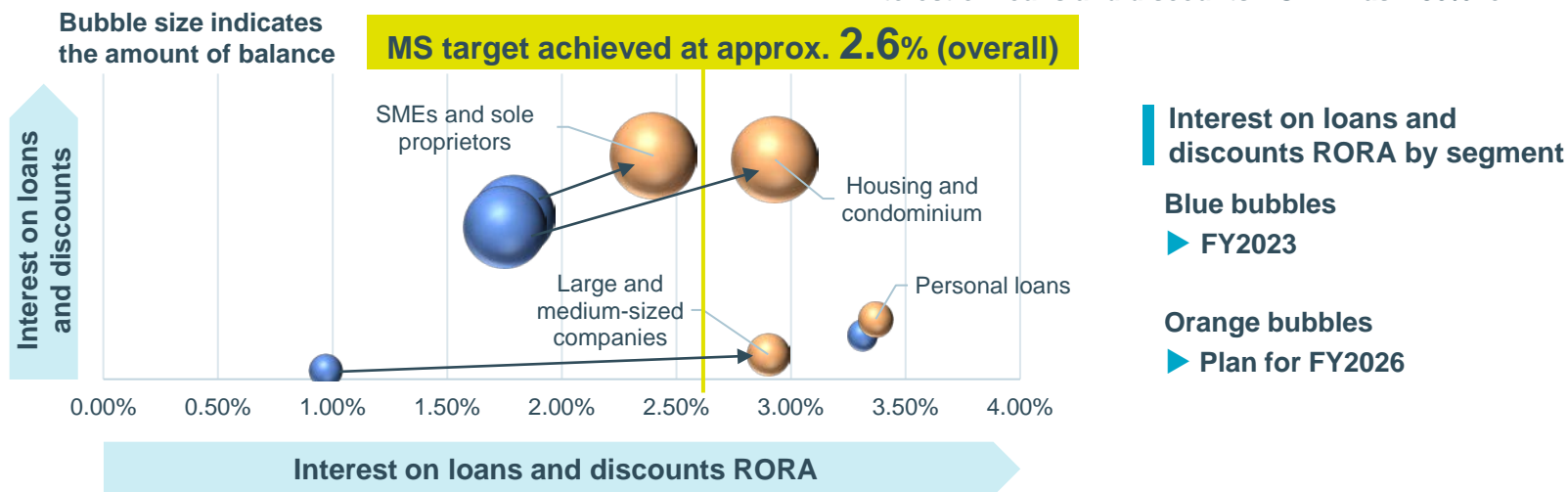
	FY2021	FY2022	FY2023	FY2024–2025	FY2026
ROE	3.25%	3.70%	3.92%	—	Around 6%
RORA	0.35%	0.40%	0.42%	—	Around 0.67%
Financial leverage ratio	9.19	9.20	9.45	—	Around 9.0

*Figures for FY2026 are based on the full implementation of the finalized Basel III standards.

3 Controlling Risk-Weighted Assets

We aim to increase RORA and maintain the financial leverage ratio at the target level by controlling risk-weighted assets and working on increasing loan volume and improving yield. To achieve a net income RORA of 0.67%, which is a moonshot target, we estimate that interest on loans and discounts RORA needs to be around 2.6%.

*Interest on loans and discounts RORA was 1.86% for FY2023.



Characteristics		Future initiatives
Large and medium-sized companies	Mainly syndicated loans fall under this category. The Basel III endgame will reduce risk weight (RW) in accordance with external ratings.	Taking into account recent trends in interest rates and the impact of the Basel III endgame, we will actively engage in this category going forward, with main focus on highly rated companies.
SMEs and sole proprietors	The largest segment in the Bank's loans. The Basel III endgame will reduce RW.	We will strengthen relationships by doubling the number of corporate sales representatives, and aim to increase both balance and yield by responding in a speedy manner. We will also enhance loans for SMEs and sole proprietors, including active offering of credit guaranteed loans.
Housing and condominium	RW changes in accordance with the value of collateral.	In addition to speedy response to loan requests and development of appealing products, we aim to increase both balance and yield by strengthening relationships with house-builders.
Personal loans	Interest rates are high and RORA is highest, due to their nature as unsecured loans for individuals.	We will steadily increase the balance by tapping into demand for funds throughout the life cycle, introducing fully online-based Okigin Smart Loans and taking other measures for better convenience, and taking advantage of digital marketing.

4 Paying Out Progressive Dividends

Our basic policy for shareholder returns is to secure stable income necessary in driving the growth of local communities and an appropriate level of capital toward achieving “growing together with the community,” as well as to offer returns that make the Group’s stock a more attractive investment option.

During the period covered by the 2nd Medium-Term Business Plan (FY2024–FY2026), we will pay out stable progressive dividends of at least ¥90.00 per share annually, and flexibly offer further shareholder returns according to the level of profits.

<Okinawa Prefecture> Further development of the prefectural economy ▶ Growth of companies/enterprises in the prefecture ▶ Increase in prefectural income

<OFG> Increase in interest on loans and discounts, fees and commissions, and Group companies’ income

¥90*

¥80

¥80

<Shareholder returns>

Maintain and increase annual dividends

*Based on the premise that a proposal on year-end dividends will be approved at the 4th Annual General Meeting of Shareholders.

FY2022

FY2023

FY2024

FY2025

FY2026

5 Build a Base for Growth

2nd Medium-Term Business Plan (April 2024 – March 2027)
Co-creating Growth – Growing Okinawa together –

Strategy I
Increase the value of
local communities

Strategy II
Human capital
management

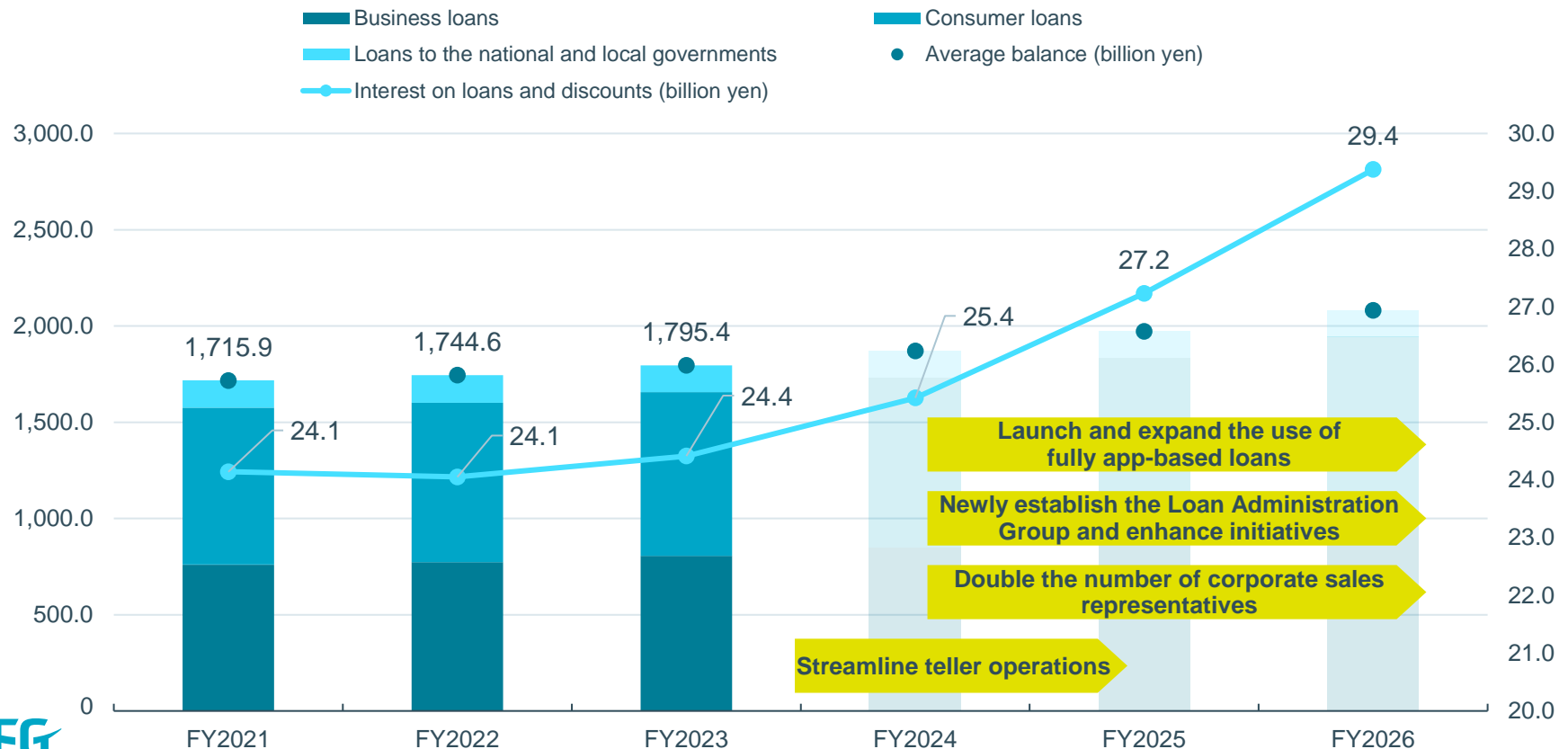
Strategy III
Build a base for
growth

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1 Interest on Loans and Discounts

To **increase The Bank of Okinawa's income from interest on loans and discounts by more than ¥5.0 billion**, we intend to increase the average balance of total loans to the ¥2 trillion range.

For business loans, we plan to streamline teller operations, redeploy personnel to the sales section, and double the number of corporate sales representatives (Mar. 2024: approx. 125; Sep. 2024: approx. 150; Jul. 2025: approx. 250). For consumer loans for individuals, the Loan Administration Group has been newly established in the Sales Promotion Division, with the aim of enhancing housing and condominium loans, as well as enhancing consumer loans through the launch and promotion of fully app-based loans.



2 Non-interest Income and Group Companies

For the growth of top-line revenue, we intend to increase The Bank of Okinawa's non-interest income by around ¥2.1 billion from the FY2021 level.

In the investment trust and insurance domain, we will make better proposals through data-based consulting, as well as promote app use to reduce employee workload and make more proposals to customers.

Group companies will redeploy employees to the sales section by streamlining operations and improving efficiency, as well as seek to further increase income by strengthening collaboration with The Bank of Okinawa's corporate sales representatives and offering consulting services.

	FY2021	FY2022	FY2023	FY2024 1H	—	FY2026	Policy
Non-interest income (commissions)							
Investment trusts, insurance							- Investment trusts, insurance Promote transactions from banking app Okigin Smart Offer optimal proposals through data-based consulting
M&As, business matching	¥2.6 billion	¥3.0 billion	¥3.2 billion	¥1.8 billion	—	¥4.7 billion	- M&As, business matching Enhance consulting across all branches with 241 M&A Senior Experts
Cashless payment							- Cashless payment Expand the settings where credit and debit cards and OKI Pay are accepted
Other commissions							
Group companies							
Okigin General Lease							- Enhance consulting services for one-stop provision of all services to solve issues faced by local enterprises and governments
Okigin JCB	¥15.9 billion	¥16.5 billion	¥16.7 billion	¥8.4 billion	—	¥21.6 billion	- Redeploy personnel to the sales section by streamlining back-office operations and improving operational efficiency
Okigin Securities							- Expand customer contact points and make more proposals by strengthening collaboration with The Bank of Okinawa's corporate sales representatives
Okigin SPO							- Actively involve in large-scale development projects in local areas
Future Okinawa							

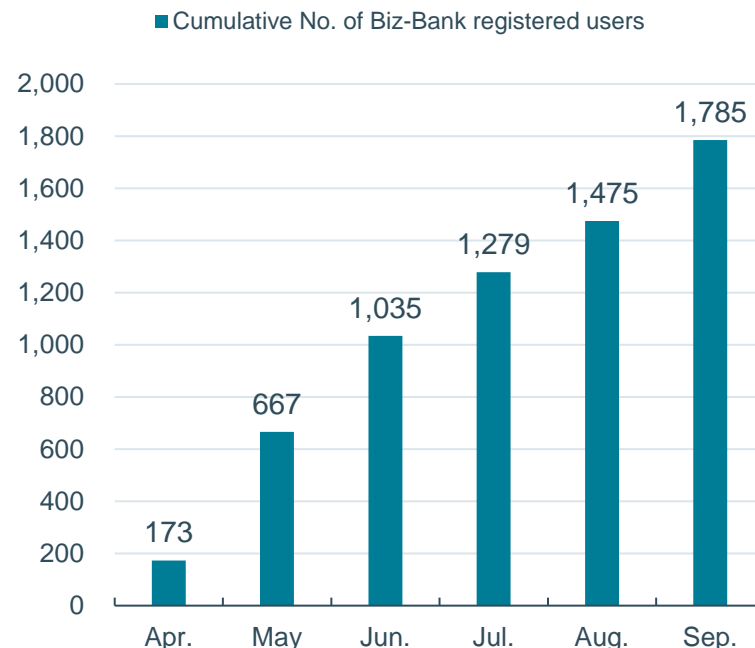
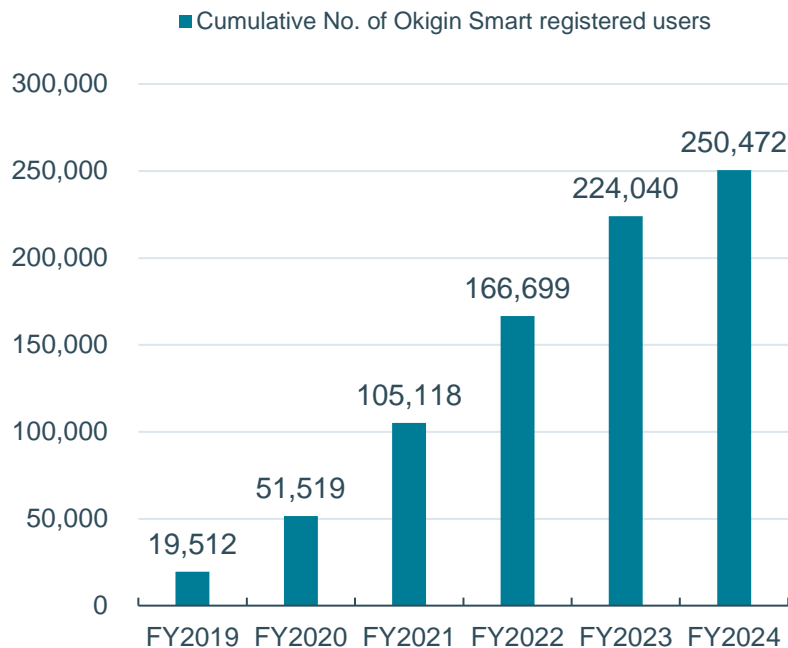
3 Enhanced Non-face-to-face Channels

We seek to increase transactions by establishing transaction environments unbound by time or location, as well as to streamline and improve the efficiency of back-office operations by taking advantage of digital technologies.

Retail banking app Okigin Smart has over 250,000 registered users as of September 30, 2024.

In addition, Biz-Bank, a business banking service we started providing from FY2024, enables customers to manage funds and transfer money from an app.

Both were developed in-house, and we will add and expand their functions in a speedy manner in accordance with customer needs.



6 Human Capital Management

2nd Medium-Term Business Plan (April 2024 – March 2027)
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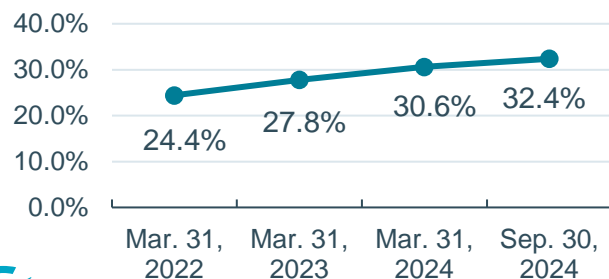
1 Promotion of Female Participation

Given that we have achieved the target of increasing the proportion of female managers to 30% under the 1st Medium-Term Business Plan, we are enhancing initiatives under the 2nd Medium-Term Business Plan with the aim of achieving 40%. To develop female senior executives and promote female participation in the entire region, the Group held “College for Promotion of Female Participation” (dubbed “Femi-yell” and comprised of six sessions) between November 2023 and September 2024. In October 2024, Femi-yell for corporate managers was also held to address issues concerning the development of female employees. By accepting participants not only from the Group but also from a wide range of companies in Okinawa, we are advancing diversity, equity, and inclusion (DE&I) in Okinawa Prefecture.

	Results		Target
	Mar. 2024	Sep. 2024	Mar. 2027
OFG total	30.6%	32.4%	40.0%
The Bank of Okinawa	31.7%	33.6%	



Proportion of female managers



2 Strategy II. Human Capital Management

(1) Initiatives to double the number of corporate sales representatives as part of management strategy

- ▶ We take employees' career plans (preferred sections, etc.) into account in deploying and transferring personnel. A team to develop highly skilled human resources for loans has also been set up, providing training to future corporate sales representatives based on the Program for the Development of Highly Skilled Human Resources for Loans.

Approx. 125 corporate sales representatives (March 2024)

Develop consulting personnel

Develop DX personnel

Present ▶ Approx. 150 (September 2024)

Approx. x 2

Approx. 250 corporate sales representatives (Increase to achieve the target)

◀ Redeploy personnel to the sales section by streamlining teller operations

Speedy loan provision beyond customers' expectations

Loan volume **¥2 trillion range**
Interest on loans and discounts **¥29.2 billion**
(FY2026 target: FY2021 level + ¥5.1 billion)

Our goal

Lead the sustainable growth of local communities by offering full services with finance at its core
▶ **No. 1 regional share in loans**

(2) Initiatives to promote childcare leave for male employees

- ▶ In April 2022, The Bank of Okinawa made one-month paid childcare leave mandatory for male employees, expecting all employees to foster new values by engaging in parenting. The initiative was expanded across the entire Group in July 2022 to help men engage in parenting in earnest and thereby acquire new knowledge and experience that cannot be gained from work. Since the establishment of the system, 100% of eligible men have taken the leave.

(3) Promotion of health and productivity management

- ▶ Considering employee health as a management issue, we promote health and productivity management to increase employee engagement and create a workplace where employees feel motivated, which would lead to the sustainable growth the Group and the development of local communities.
- ▶ In 2005, The Bank of Okinawa declared itself as a "Health Support Bank" in support of "Health Okinawa 21," a prefecture-wide health promotion campaign. We have been recognized under the Certified Health & Productivity Management Outstanding Organizations Recognition Program (large enterprise category) since 2018.



2024
健康経営優良法人
Health and productivity

7 Increase the Value of Local Communities

2nd Medium-Term Business Plan (April 2024 – March 2027)
Co-creating Growth – Growing Okinawa together –

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local communities

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growth

oFG おきなわフィナンシャルグループ

1 Strategy I. Increase the Value of Local Communities (i)

Since FY2021, we have signed comprehensive partnership agreements with 10 towns and villages in remote islands around the Okinawa mainland, and have dispatched employees, provided support for greater operational efficiency, and supported the resolution of issues by sharing OFG's know-how. We also utilized a taxation system to support local revitalization (the Corporate Version of Hometown Tax) to **donate** a total of ¥15.00 million to Kitadaito Village, Kumejima Town, and Zamami Village in April 2023, and another **¥50.00 million in total** to 10 towns and villages in remote islands in February 2024, contributing to initiatives such as building cashless environments.

In June 2024, OFG, The Okinawa Electric Power Company, Incorporated, and Okinawa Cellular Telephone Company jointly signed partnership agreements on the promotion of sustainability in remote islands with 10 towns and villages in remote islands, accelerating initiatives for closer partnership and collaboration. We will continue to support the revitalization of local areas and industries.



2 Strategy I. Increase the Value of Local Communities (ii)

Financial and economic literacy education “Life and Money Class”

The Group positions eliminating the problem of child poverty as a key issue (materiality). As a specific initiative, we organize “Life and Money Class” to provide financial and economic literacy education for children and teachers at school. In recent years, the modus operandi of financial crimes has diversified, ranging from investment fraud and unscrupulous business practices to phishing scams through fake websites, and young people are increasingly falling victim to them. We therefore consider it important that high school students, who are close to becoming working adults, increase their financial literacy necessary in society, as well as basic economic knowledge behind it.

お金のこと、一緒に学んでみようよ。



金融経済教育出前授業

「くらしとお金の教室」



↑ See here to get a sense of the class

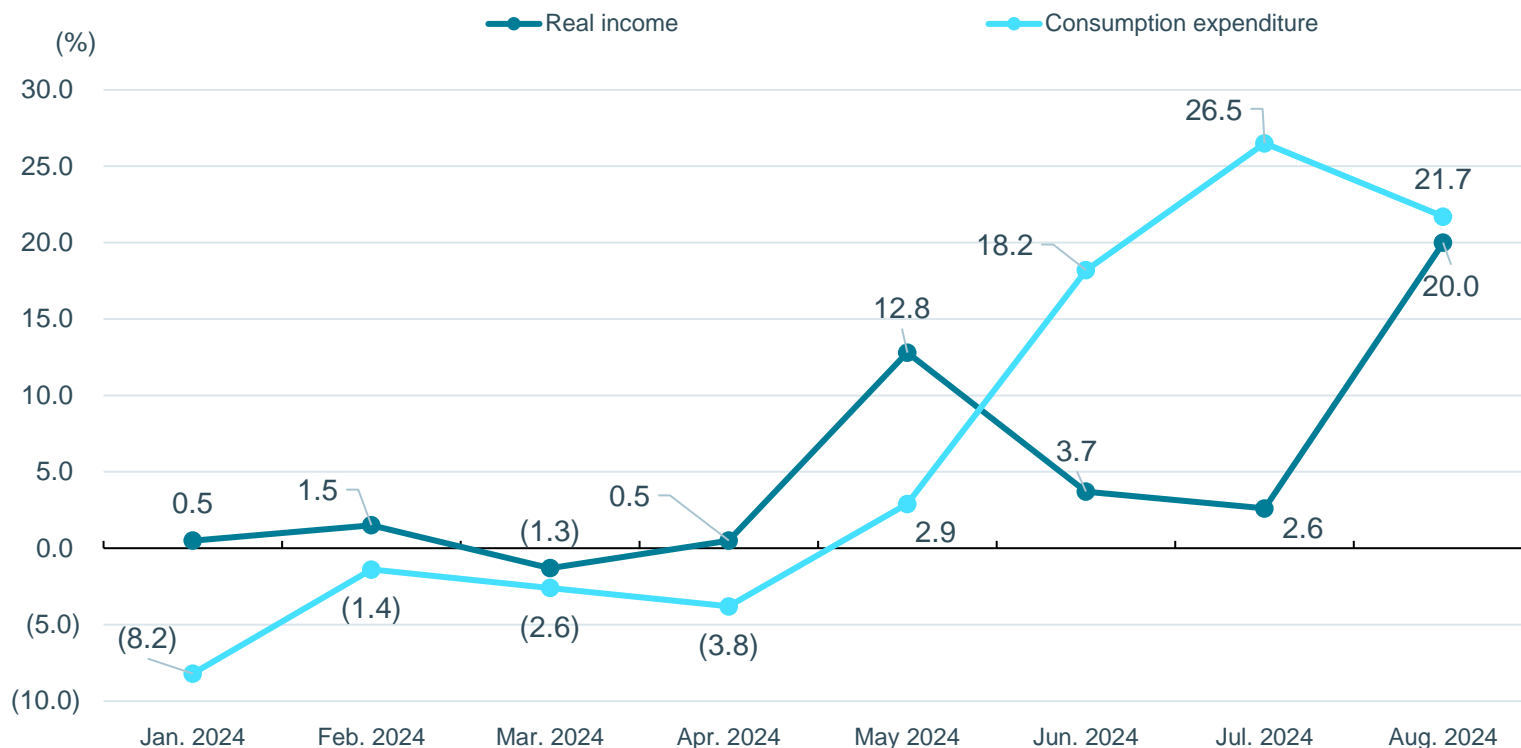


8 <Reference Materials> Trends in Economy in Okinawa

1 Income and Consumption

While consumption expenditure is trending upwards due to rising prices and other factors, real income is also increasing due to wage increase and other factors.

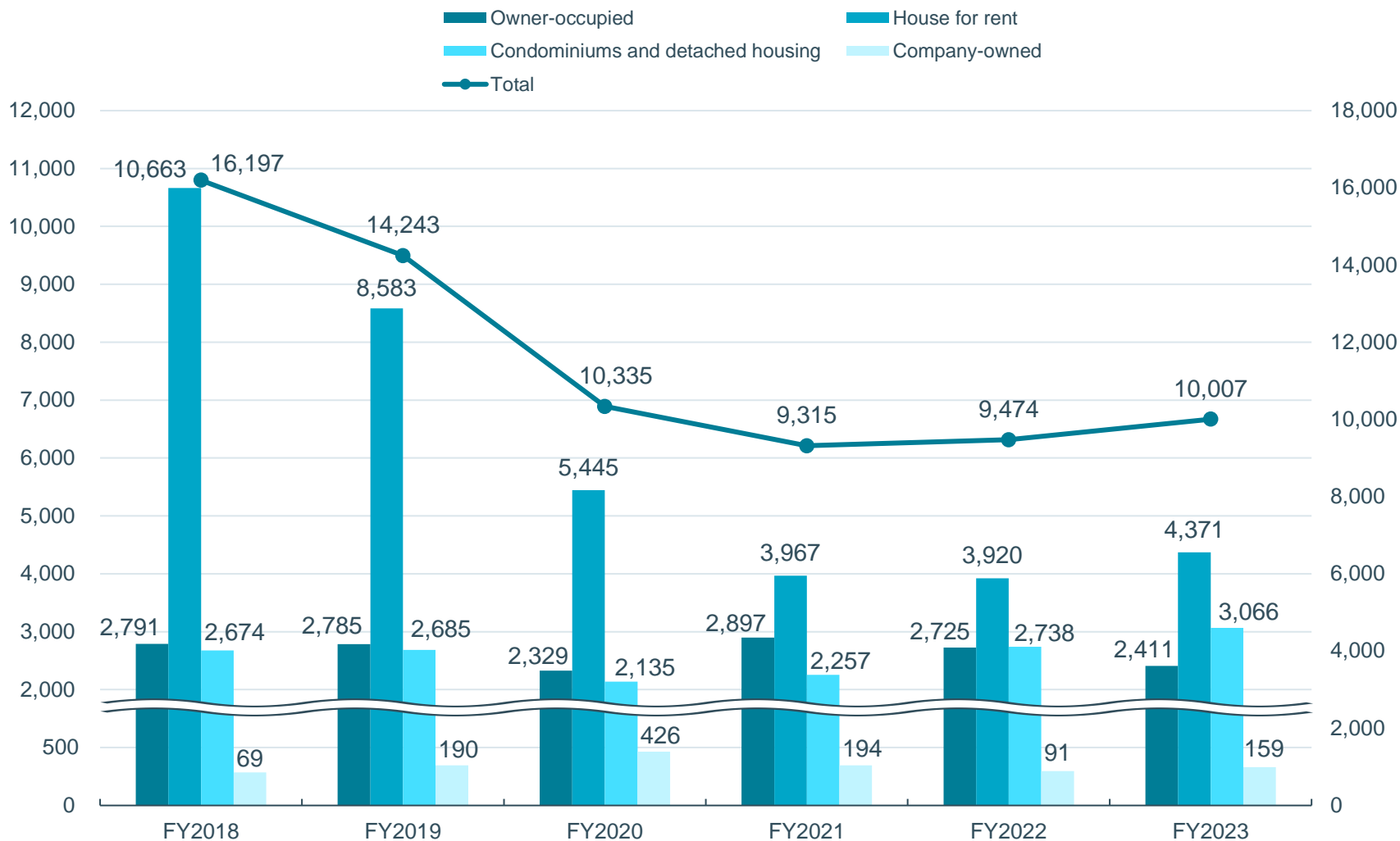
YoY change in real income and consumption expenditure



Source: Statistics Division, Department of Planning, Okinawa Prefectural Government
"Overview of Okinawa Prefecture Family Income and Expenditure Survey Results"

2 Number of Housing Starts

The number of housing starts in Okinawa Prefecture has been on a recovery trend since FY2021.



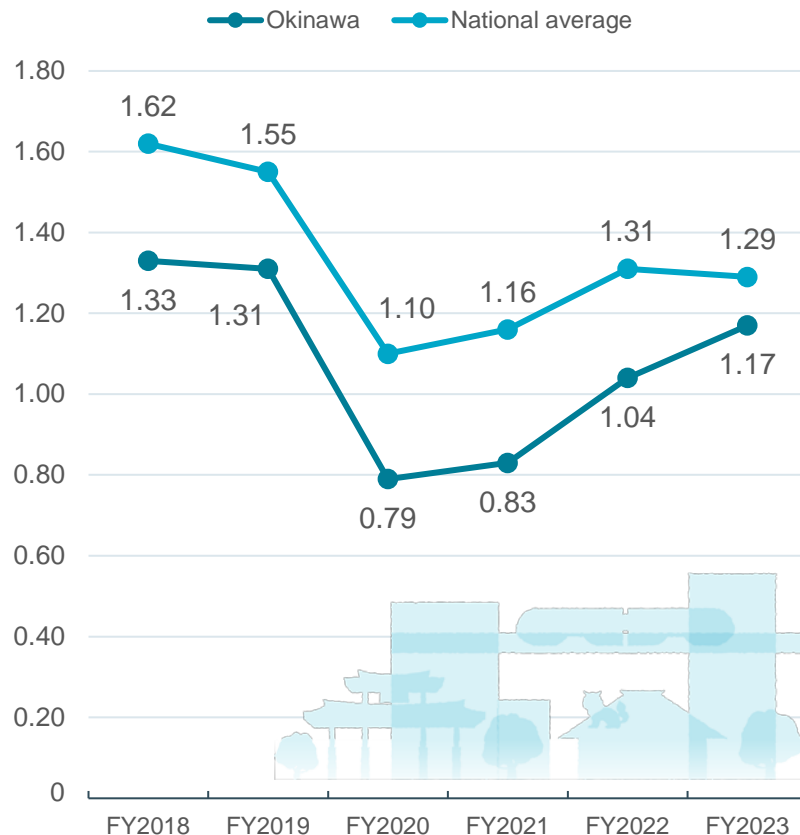
Source: Ministry of Land, Infrastructure, Transport and Tourism; Building Starts; Housing Starts

3 Active Opening Ratio and Unemployment Rate

The active opening ratio exceeded 1.0 for the second consecutive year, on the back of a recovery in tourism demand after the COVID-19 pandemic.

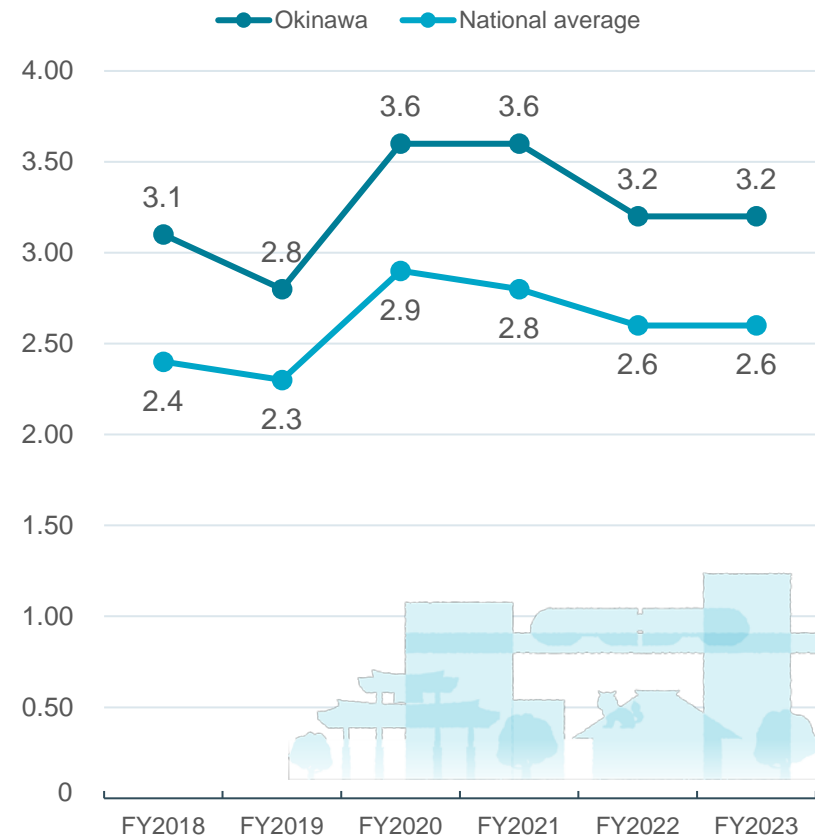
The unemployment rate remained at a similar level to the previous fiscal year.

Active opening ratio



Source: Okinawa Labour Bureau "Labor Market Trends"

Unemployment rate

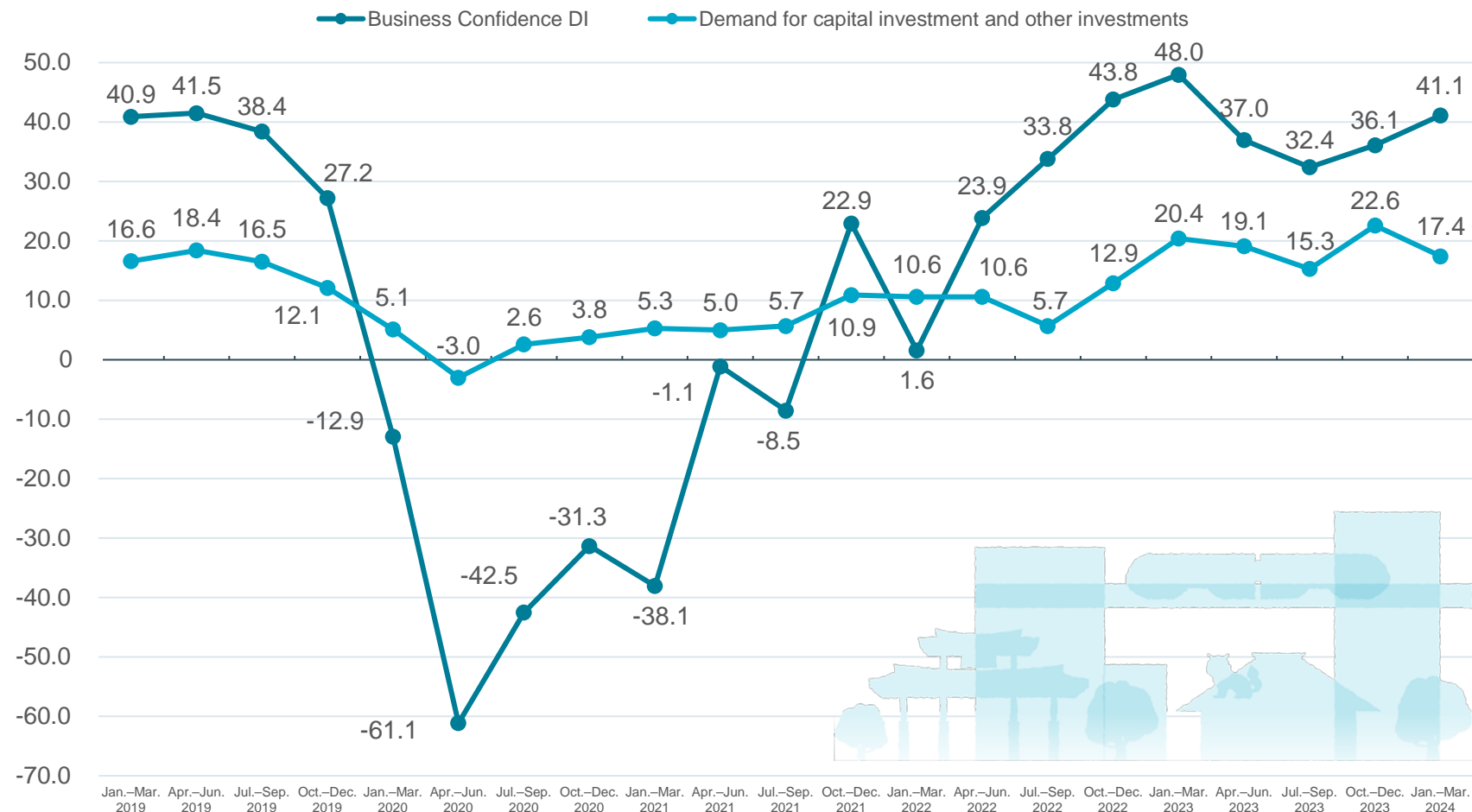


Source: Statistics Bureau, Ministry of Internal Affairs and Communications "Labour Force Survey (Basic Tabulation)" and Statistics Division, Department of Planning, Okinawa Prefectural Government "Labour Force Survey"

4 Business Confidence DI and Demand for Capital Investment and Other Investments

Corporate business sentiment experienced an upturn as the COVID-19 pandemic was brought under control, and has remained positive since.

Investment demand has also remained steadily positive, with the degree of positivity rising further since 2023.



Source: Okigin Economic Research Institute "Corporate Trend Survey"

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