



AFG おきなわフィナンシャルグループ

Semi-annual Results Briefing Materials

FY2025 1H

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Create Value & Innovation

Contents

1 Business Environment

1. Geographical Advantage	4
2. Nominal Gross Prefectural Production	5
3. Population and Number of Households	6
4. Robust Housing Demand	7
5. Number of Visitors and Tourism Revenues	8
6. Development Project: GW2050 PROJECTS	9

2 Outline of Business Results for FY2025 1H

1. Performance Highlights for FY2025 1H	11
2. Reasons for Change in Ordinary Income and Trends in Earnings	12
3. Deposits	13
4. Loans (i)	14
5. Loans (ii)	15
6. Business Profit and Yield on Customer Services	16
7. Securities (i)	17
8. Securities (ii)	18
9. Fee Business: (i) Partnerships with Local Enterprises	19
10. Fee Business: (ii) Assets in Custody	20
11. Fee Business: (iii) Cashless Services	21
12. Expenses, OHR, and Core OHR (Consolidated)	22
13. Mandatory Disclosure of Bad Debt under the Financial Reconstruction Law, Allowance for Possible Loan Losses, and Credit Cost (Consolidated)	23
14. Mandatory Disclosure of Bad Debt under the Financial Reconstruction Law, Allowance for Possible Loan Losses, and Credit Cost (Non-consolidated)	24
15. Capital Ratio	25

3 Initiatives under the 2nd Medium-Term Business Plan (April 2024–March 2027)

1. Name and Strategies of the 2nd Medium-Term Business Plan	27
2. Upward Revision of the Moonshot Targets	28

4 Initiatives to Increase Corporate Value

1. Increasing ROE	31
2. Scenario for Increasing ROE	32
3. Controlling Risk-Weighted Assets	33
4. Paying Out Progressive Dividends	34

5 Build a Base for Growth

1. Interest on Loans and Discounts	36
2. Non-interest Income and Group Companies	37
3. Enhanced Non-face-to-face Channels	38
4. Strengthening Initiatives to Support Business Succession and M&As	39

6 Human Capital Management

1. Overview of Human Capital Management	41
2. Individual Measures	42

7 Increase the Value of Local Communities

1. Support for Regional Municipalities, Including Those on Remote Islands, to Solve Issues	46
2. Receiving the Minister of State for the Promotion of Overcoming Population Decline and Vitalizing Local Economy in Japan Award	47
3. Holding the Financial and Economic Education Symposium	48
4. Holding Financial and Economic Literacy Education “Life and Money Class”	49

8 <Reference Materials> Trends in Economy in Okinawa

1. Income and Consumption	51
2. Number of Housing Starts	52
3. Active Opening Ratio and Unemployment Rate	53
4. Business Confidence DI and Demand for Capital Investment and Other Investments	54

1 Business Environment

1 Geographical Advantage

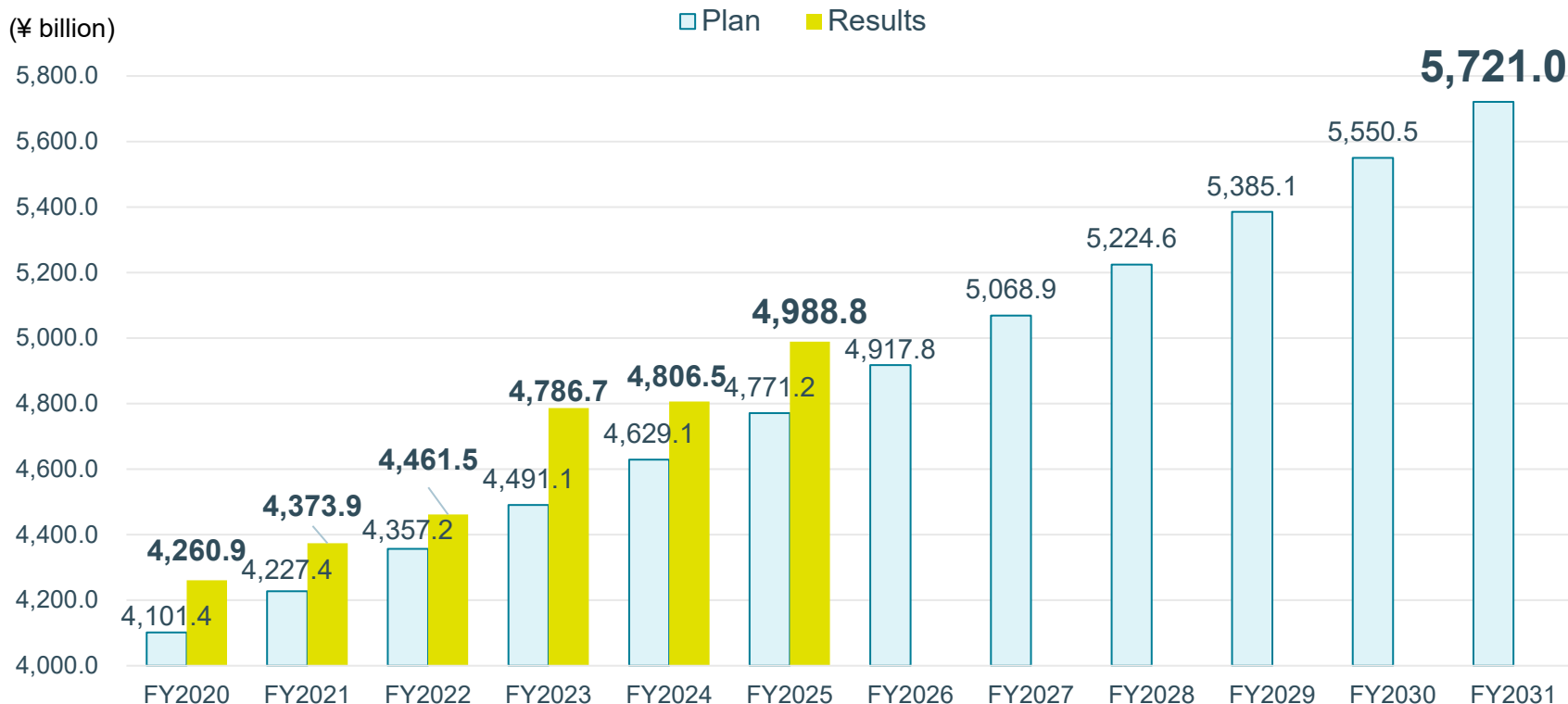
Okinawa Prefecture is within a four-hour flight from major cities in Singapore, Thailand, China, Taiwan, South Korea, and other Asian countries. It is located at the center of the vast East Asian market, which has a population of approximately 2.2 billion. Naha Airport has direct flights to seven Asian 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 September 2025)



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 FY2025”

* 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 FY2025 is a results forecast and figures for FY2023 and FY2024 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)

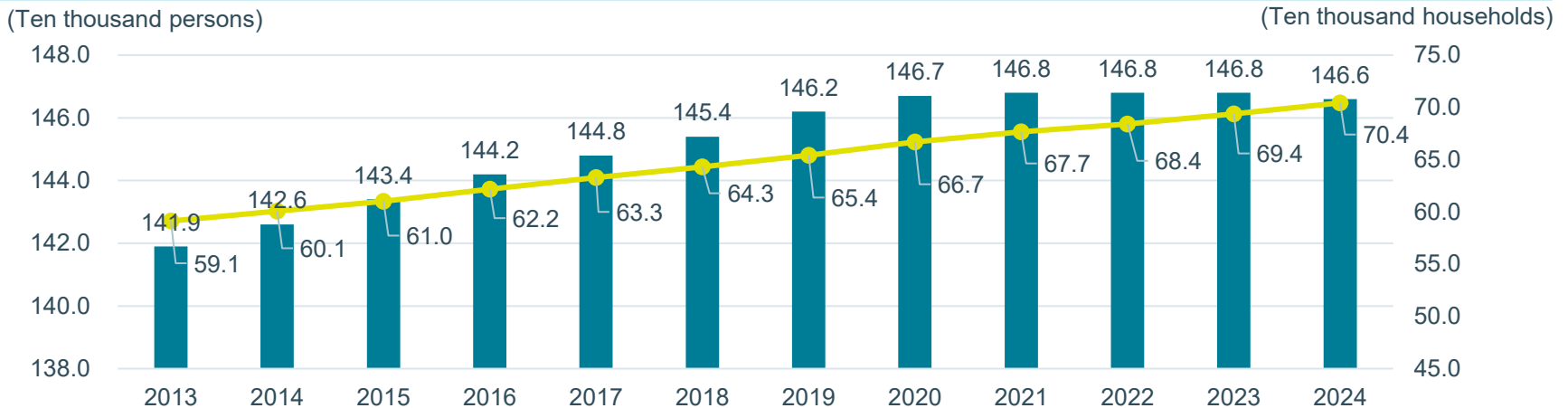
	2020	2035	2050
1st	16.6% (Okinawa)	14.1% (Okinawa)	13.8% (Okinawa)
2nd	13.6% (Shiga)	11.4% (Kumamoto)	11.6% (Kumamoto)
3rd	13.5% (Saga)	11.2% (Fukuoka)	11.3% (Fukuoka)

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)”

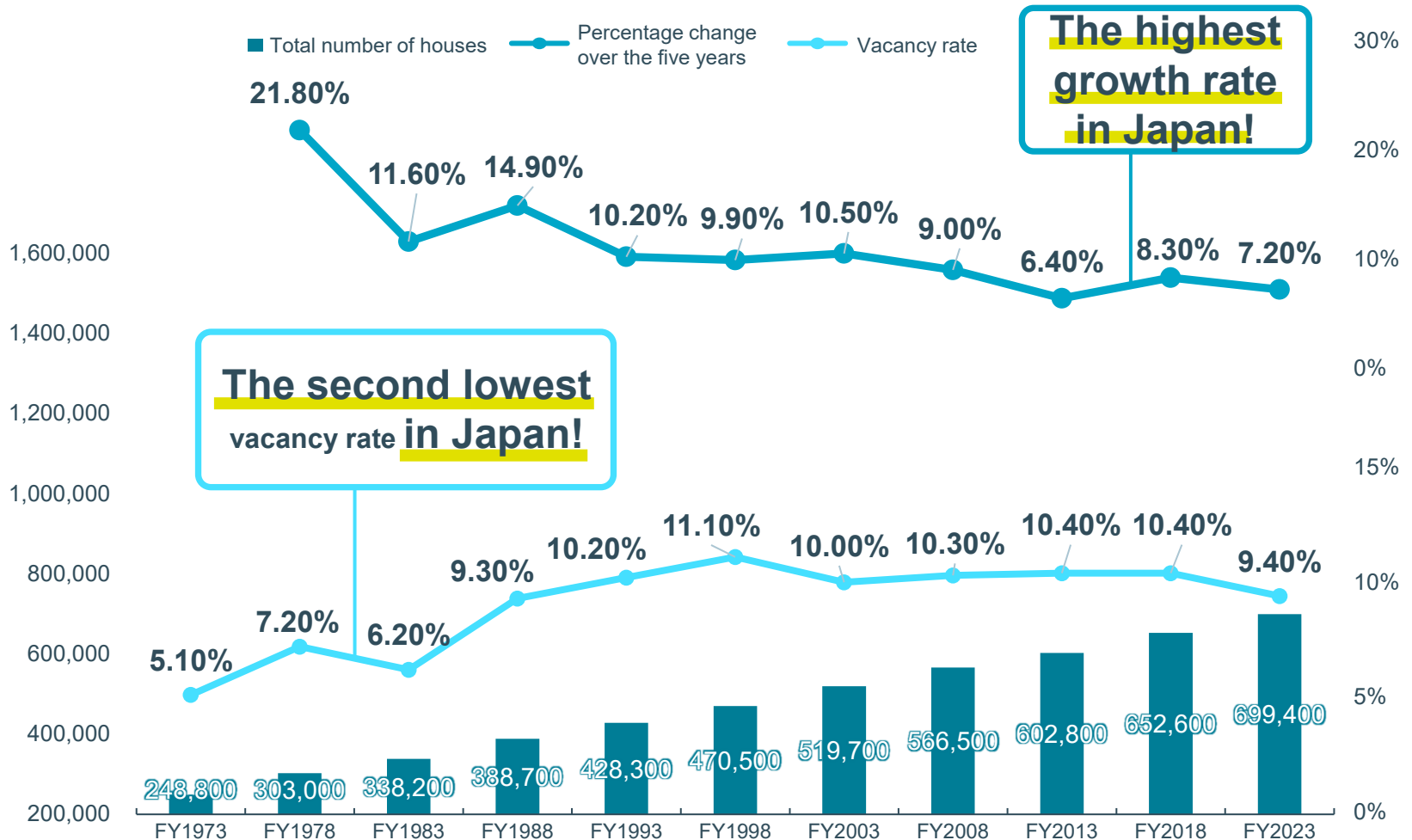
Population and number of households



Source: Statistics Bureau, Ministry of Internal Affairs and Communications “Population Estimates” and Local Administration Bureau, Ministry of Internal Affairs and Communications “Survey on Population, Demographic Dynamics, and Number of Households Based on Basic Resident Registration”

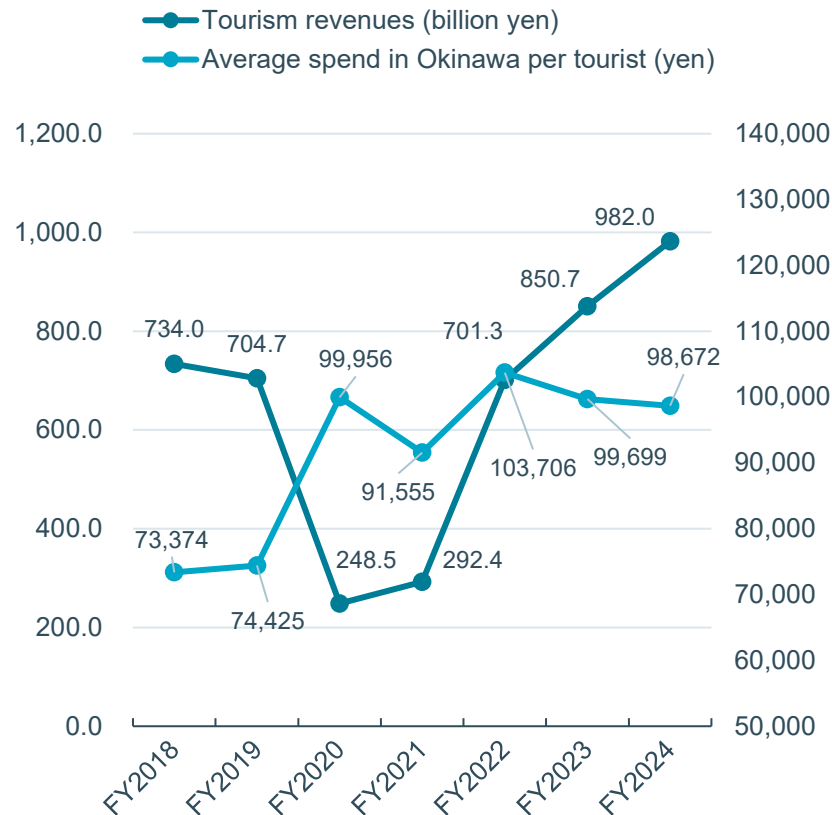
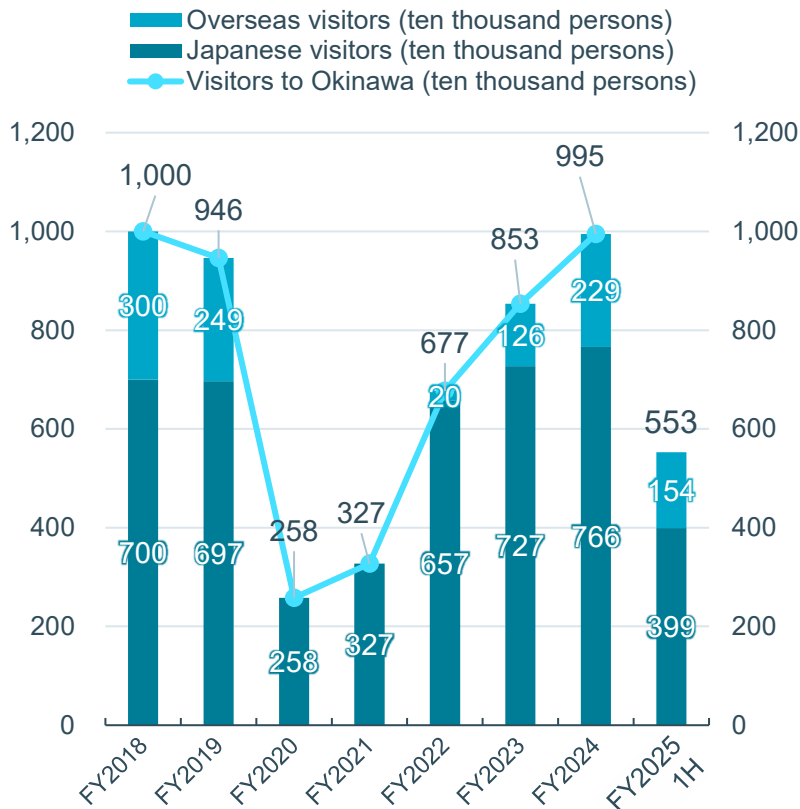
4 Robust Housing Demand

The number of houses in Okinawa Prefecture is steadily increasing due to strong demand. The rate of increase in the number of houses in the past five years was 7.2%, the highest in Japan, and the vacancy rate was 9.4%, the second lowest in Japan.



5 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. Tourism revenues marked a record high of ¥982.0 billion in FY2024, and the number of visitors to Okinawa is expected to reach a record high of over 10 million persons in FY2025. In this way, Okinawa’s tourism industry has been experiencing a V-shaped recovery from the COVID-19 pandemic. Further growth is expected going forward, due to an increase in cruise ships from abroad and other factors.



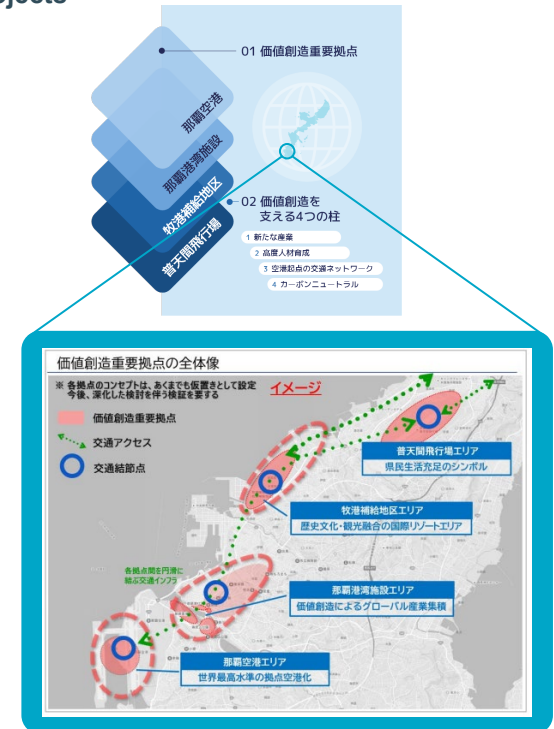
Source: Tourism Policy Division, Department of Culture, Tourism and Sports, Okinawa Prefectural Government
 “Announcement of an Overview of Visitors to Okinawa” and “Tourism Revenues and Ripple Effects on the Economy”

6 Development Project: GW2050 PROJECTS

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 leverage the potential of the former base site returned to Okinawa to promote large-scale urban development, as well as to strengthen and expand the functions of Naha Airport as a gateway for tourism and industries.

In addition, GW2050 PROJECTS aims to strengthen international competitiveness by focusing on four key pillars: the creation of industries unique to Okinawa; the development of human resources to support sustainable growth; the development of transportation network centered on Naha Airport; and the realization of a clean energy society toward achieving carbon neutrality by 2050.

* Adopted under the Cabinet Office’s Private Sector Subsidy for the Promotion of Specific Projects for the Development of Okinawa (FY2024: ¥159 million; FY2025: ¥204 million)



Sources: GW2050 PROJECTS (<https://www.gw2050.okinawa/>)

Establishment of the GATEWAY 2050 PROJECTS Promotion Council (<https://www.gw2050.okinawa/userfiles/files/autoupload/2024/09/1727659264.pdf>)

2 Outline of Business Results for FY2025 1H

1 Performance Highlights for FY2025 1H

Net income attributable to owners of the parent was **+36.8% year on year (revenue and earnings both increased in two consecutive fiscal years)**.

Net income marked a record high in both OFG (consolidated) and The Bank of Okinawa (non-consolidated).

OFG (Consolidated)

(¥ million)

	FY2024 1H Results	FY2025 1H Results	YoY change	FY2025 Forecasts	FY2026 MS targets*
Ordinary income	28,348	34,114	5,765	68,000	71,000
Ordinary profit	5,445	7,688	2,243	14,000	—
Net income attributable to owners of the parent	3,825	5,234	1,408	10,000	11,000

*MS targets = Moonshot targets

The Bank of Okinawa (Non-consolidated)

(¥ million)

	FY2024 1H Results	FY2025 1H Results	YoY change
Ordinary income	20,979	25,747	4,768
Gross business profit	15,602	17,251	1,648
Net interest income	15,435	18,110	2,675
Net fees and commissions	1,779	1,975	195
Other business profit	(1,611)	(2,834)	(1,222)
Business profit on core banking operations	5,720	7,734	2,014
Ordinary profit	5,221	6,776	1,554
Net income	3,905	4,650	745

Major group companies

(¥ million)

	Okigin General Lease	Okigin JCB	Okigin Securities	Okigin System Solutions
Ordinary income	5,996	957	650	973
Ordinary profit	132	219	117	65
Net income	79	149	78	43

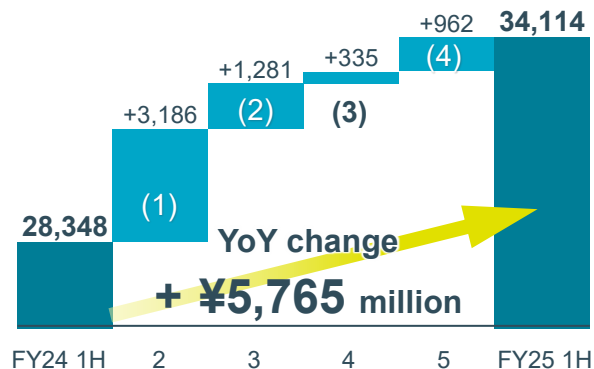
* Effective from October 1, 2025, Okigin SPO Co., Ltd. has changed its name to Okigin System Solutions Co., Ltd.

2 Reasons for Change in Ordinary Income and Trends in Earnings

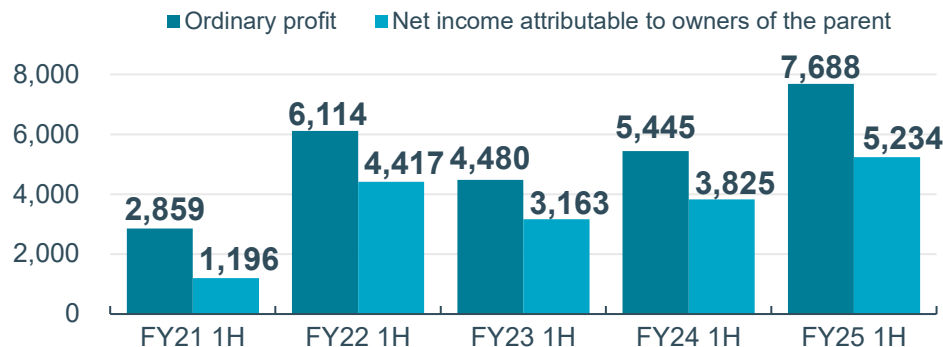
Business performance points

- ▶ **Ordinary profit increased by ¥2,243 million year on year**, due to an increase in ordinary income on core banking operations at Group companies, such as interest on loans and discounts, interest and dividends on securities, and other ordinary income, despite an increase in ordinary expenses due to interest on deposits and operating expenses (personnel and non-personnel expenses).

Reasons for change in ordinary income (¥ million)



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



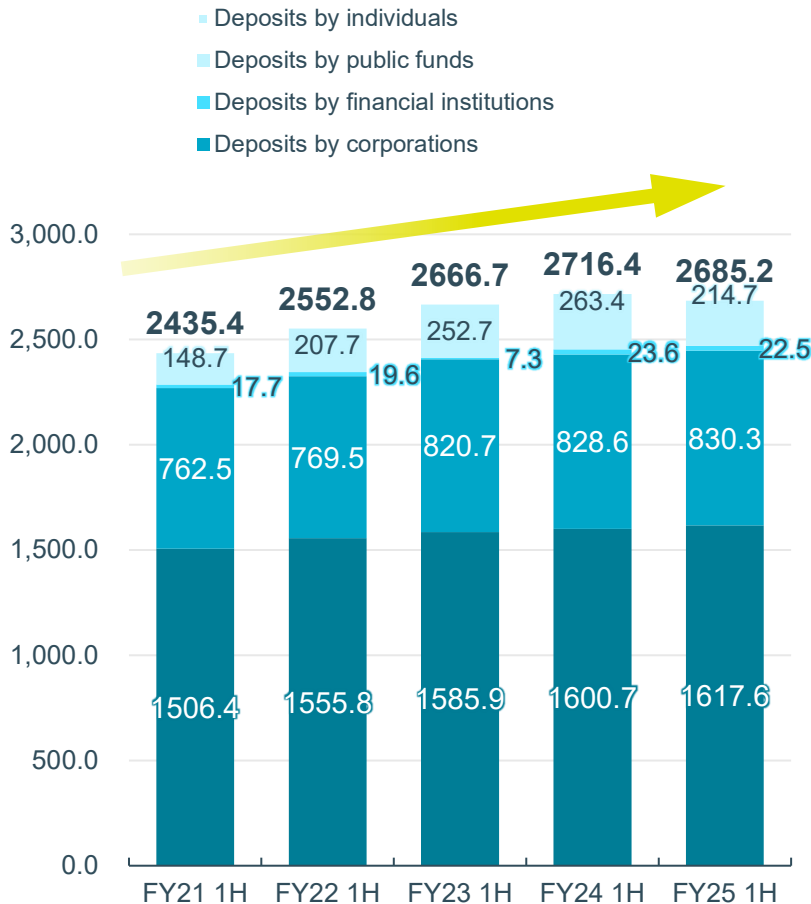
	Major item	YoY change	Point
(1)	Interest on loans and discounts	+ ¥3,186 million	Increased by ¥3,186 million year on year, as a result of a revision to the interest rates in line with an increase in the policy interest rate, in addition to higher loans and bills discounted due to actively addressing heightened funding demand against the backdrop of the strong prefectural economy.
(2)	Interest and dividends on securities	+ ¥1,281 million	Increased by ¥1,281 million year on year due to an increase in securities balance and a rise in yield.
(3)	Other ordinary income	+ ¥335 million	Increased by ¥335 million year on year due to sales promotion, etc. of Group companies toward achieving the MS targets.
(4)	Others	+ ¥962 million	Increased by ¥962 million year on year due to an increase in gain on sale of stocks and other securities, an increase in interest on deposits with banks, and other factors.
	Total	+ ¥5,765 million	

*As the Company was founded on October 1, 2021, consolidated figures for The Bank of Okinawa, Ltd. are provided for the FY2021 1H figures for reference.

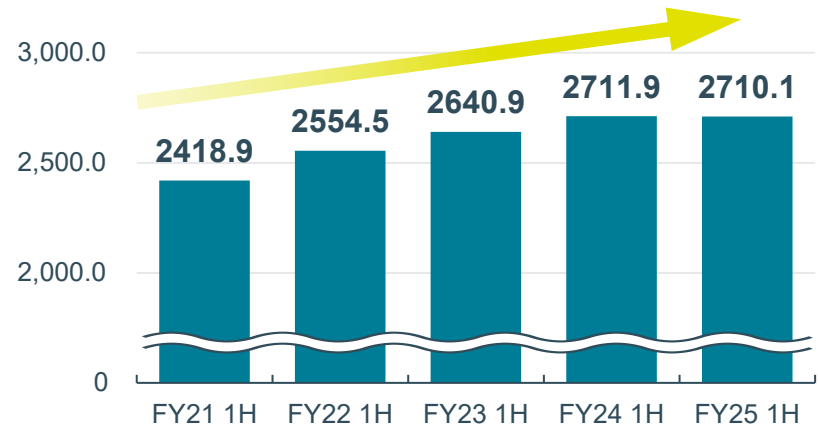
3 Deposits

The term-end balance fell by ¥31.1 billion year on year to ¥2,685.2 billion due to a decrease in deposits by public funds resulting from the periodic change of designated financial institution, partially offset by increases in both deposits by individuals and deposits by corporations, driven by the strong prefectural economy. Deposits share fell by 0.52 percentage points.

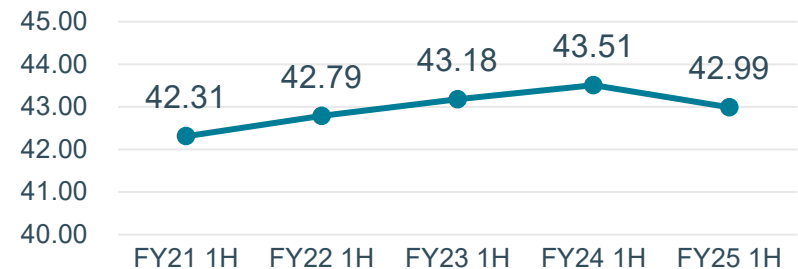
Term-end balance of deposits (¥ billion)



Average balance of deposits (¥ billion)



Deposits share (%)



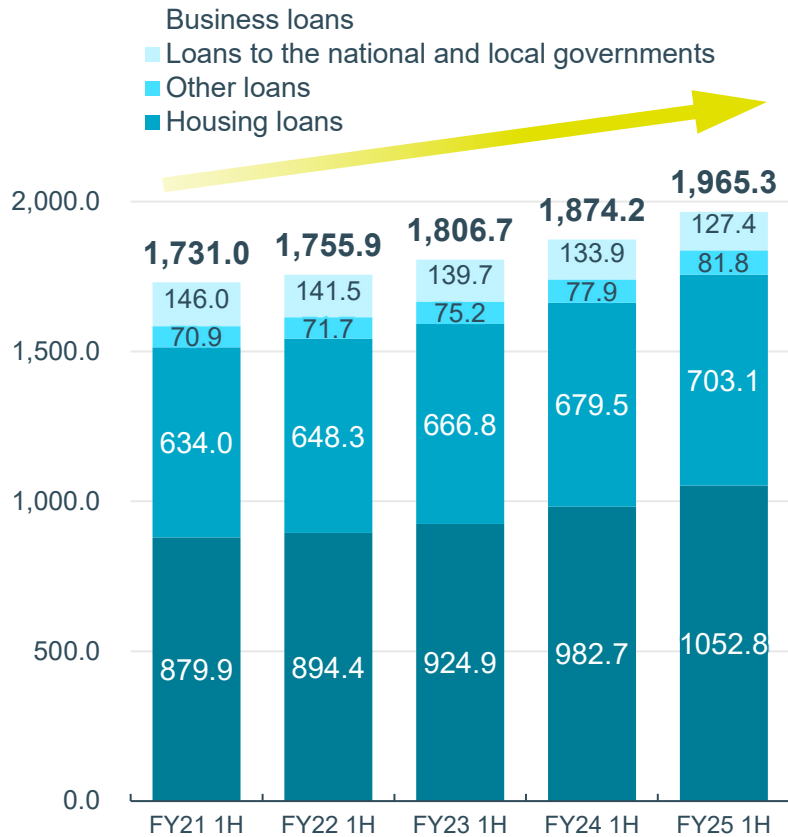
* Including trust accounts.

* 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.

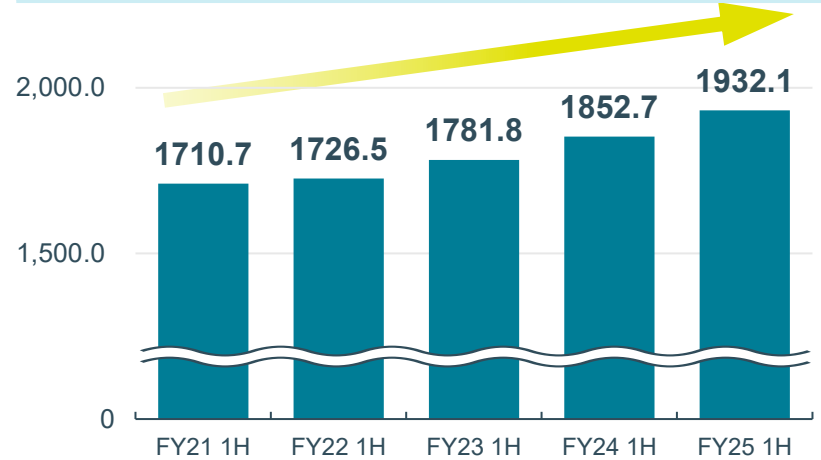
4 Loans (i)

Business loans increased due to heightened funding demand from local enterprises amid an expanding business environment in the prefecture, as well as planned initiatives, including syndicated loans, with a focus on improving RORA. Consumer loans also increased due to the expansion of systems (maximum loan amount and loan period) and enhanced sales promotion. Loans and bills discounted share fell by 0.32 percentage points.

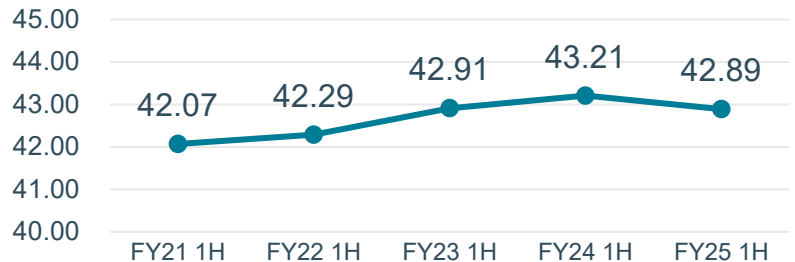
Term-end balance of loans and bills discounted (¥ billion)



Average balance of loans and bills discounted (¥ billion)



Loans and bills discounted share (%)



* Including trust accounts.

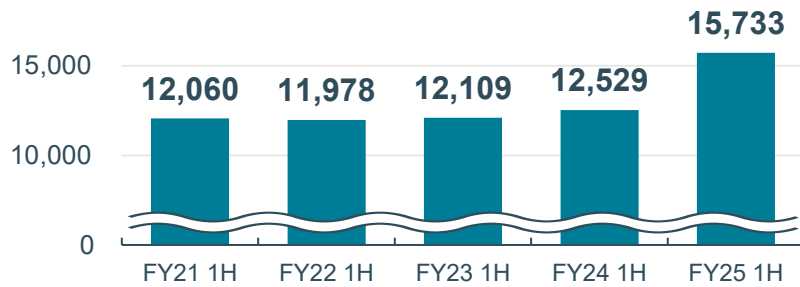
* Housing loans and other loans are collectively called consumer loans, which are loans provided as funds closely tied to customer lifestyles.

* 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.

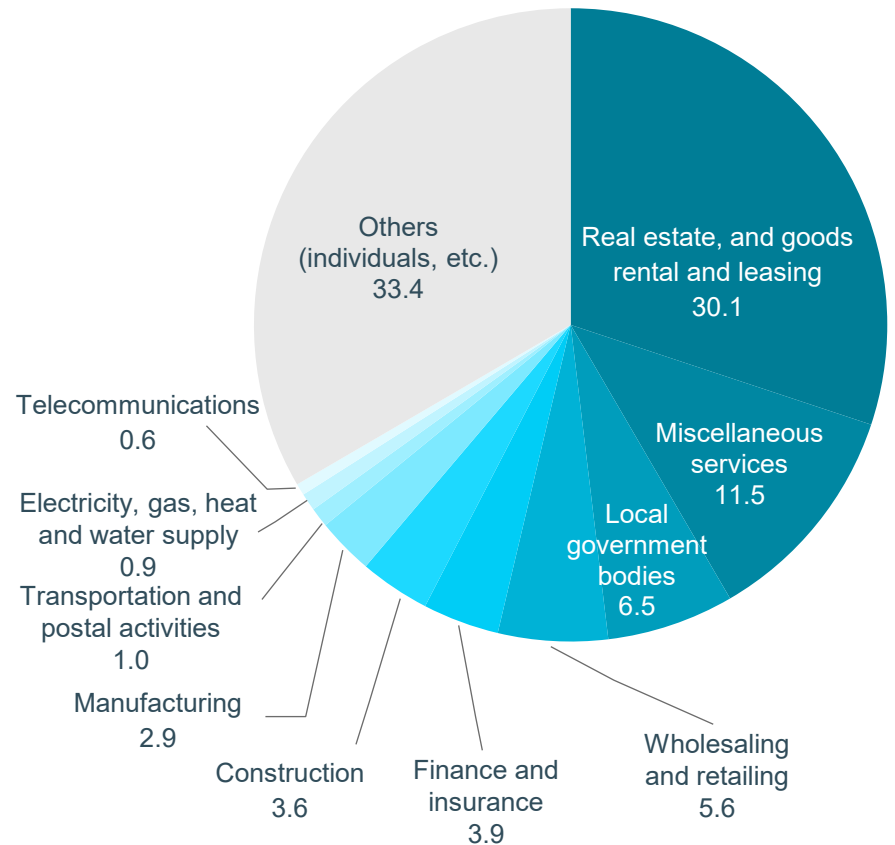
5 Loans (ii)

Interest on loans and discounts increased by ¥3,204 million year on year due to an increase in the balance of loans and bills discounted and a rise in the yield on loans and bills discounted. Provides loans to a wide range of industries, with top three being real estate and goods rental and leasing, services, and local governments.

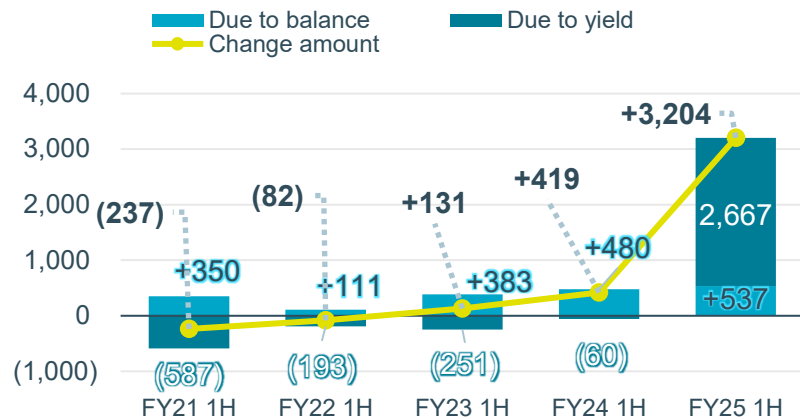
Interest on loans and discounts (¥ million)



Loans breakdown by industrial segment (%)



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



* Including trust accounts.

6 Business Profit and Yield on Customer Services

Business profit on consumer services increased due to increases in loan / deposit balance and net fees and commissions, despite an increase in expenses, especially in personnel expenses. Business profit margin also rose by 0.11 percentage points year on year to 0.32%.

Business profit on customer services

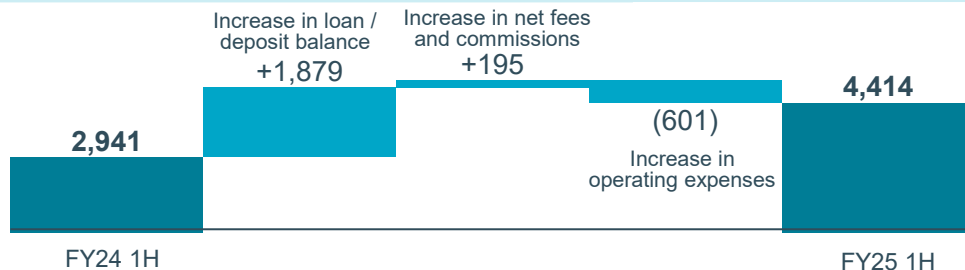
(¥ million, %)

	FY23 1H	FY24 1H	FY25 1H
(1) Loans and bills discounted average balance	1,780,782	1,851,390	1,930,836
(2) Yield on loans and bills discounted	1.35	1.34	1.62
(3) Yield on deposits	0.00	0.03	0.16
(4) Loan / deposit spreads ((2) - (3))	1.35	1.31	1.45
(5) Net fees and commissions	1,064	1,779	1,975
(6) Operating expenses	11,362	11,063	11,665
(7) Business profit on customer services	1,781	2,941	4,414
(8) Deposits average balance	2,628,796	2,701,477	2,701,117
(9) Business profit margin on customer services	0.13	0.21	0.32

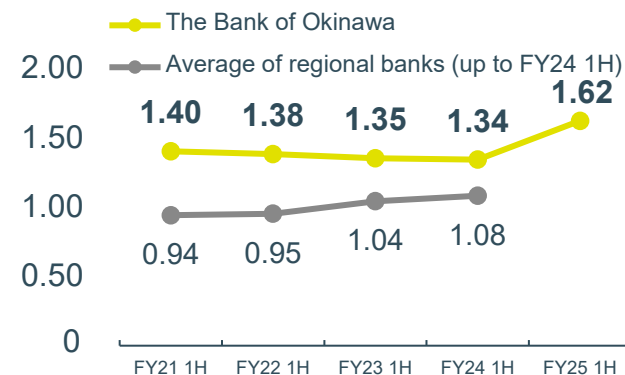
* (7) = (1) × (4) × elapsed days ÷ 365 + (5) - (6) * Items (1) through (4) and (8) are from banking account.

* (9) = (7) ÷ (8) ÷ elapsed days × 365 × 100 * Item (4) is the overall spread for domestic and international operations.

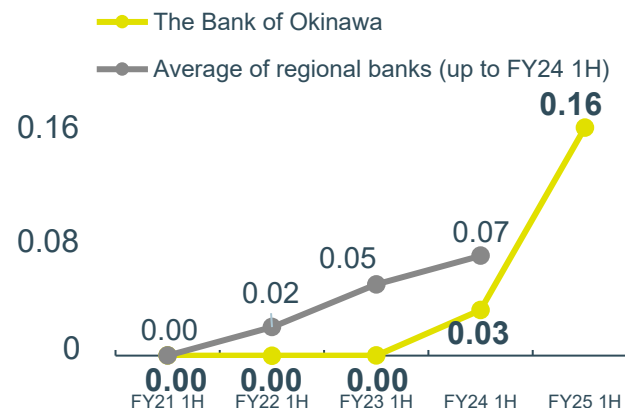
Reasons for YoY change (¥ million)



Yield on loans and bills discounted (%)



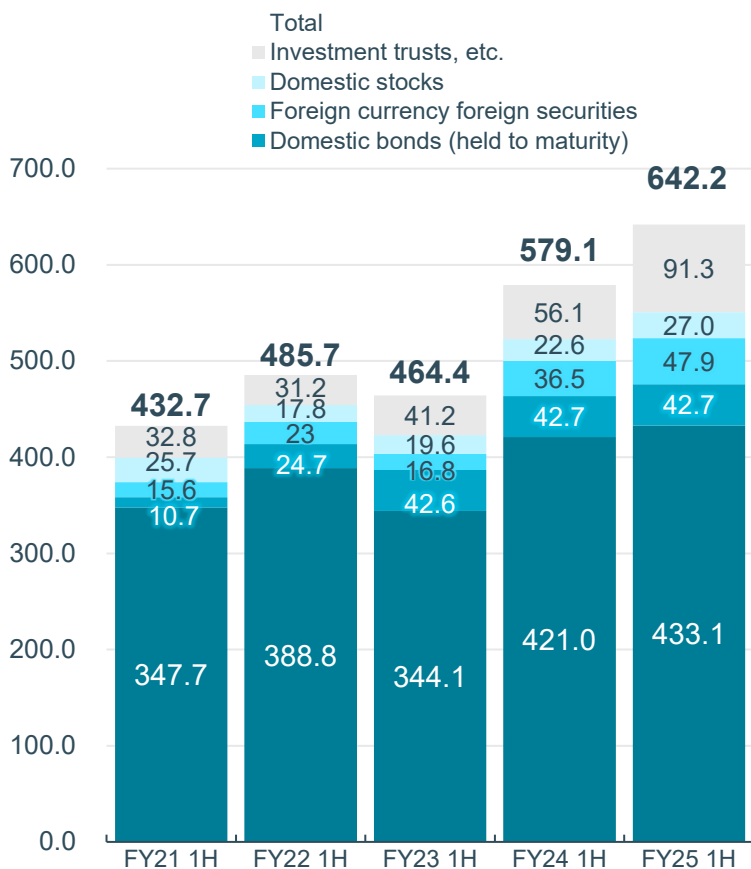
Yield on deposits, etc. (%)



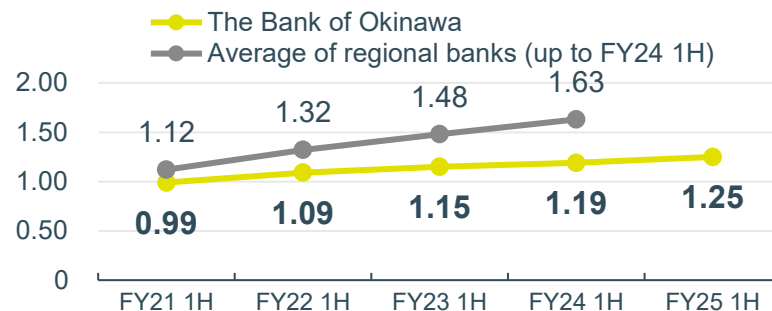
7 Securities (i)

The term-end balance **increased by ¥63.0 billion year on year** and **the yield improved by 0.06 percentage points** as a result of efforts to manage funds efficiently and secure stable income while giving consideration to interest rate risks and current maturity. In addition, **the duration of domestic bonds shortened by 1.12 years** due to the sale of bonds and measures to shorten durations.

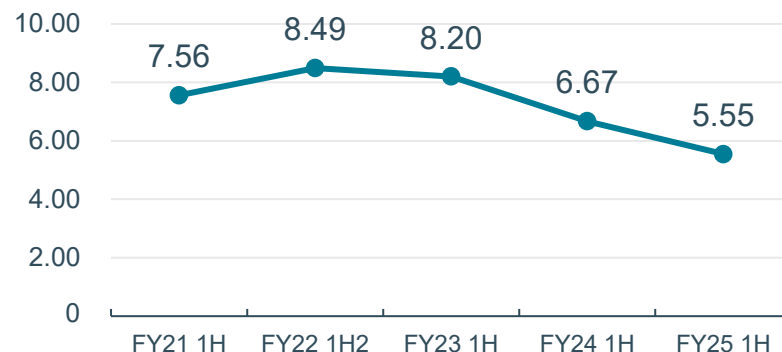
Term-end balance of securities (¥ billion)



Yield on securities (%)



Duration of domestic bonds (years)



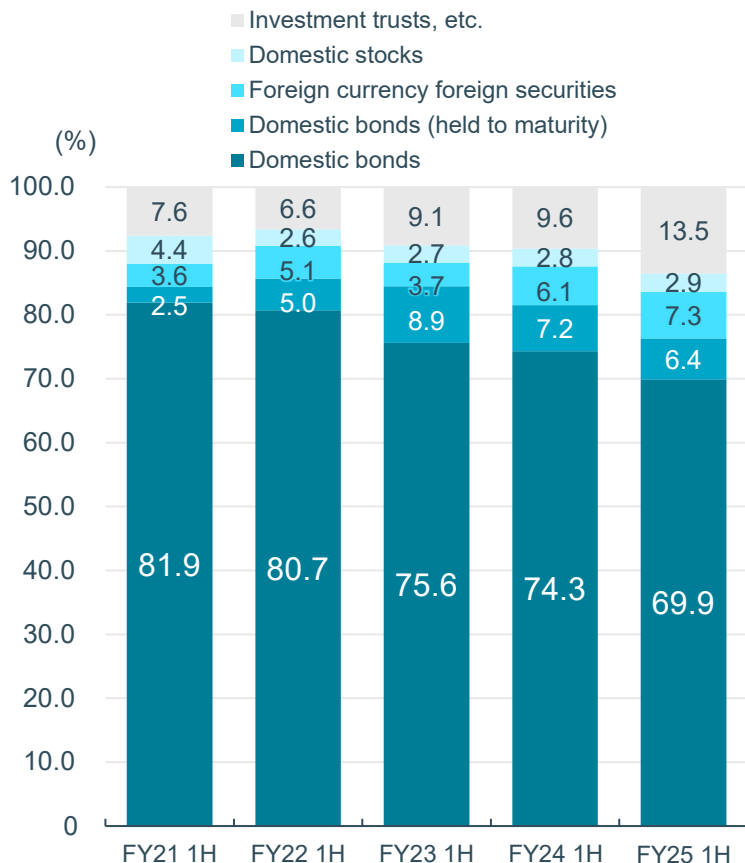
* Foreign bonds denominated in yen are included in domestic bonds.

* The duration of domestic bonds is calculated after considering swaps, including held-to-maturity bonds.

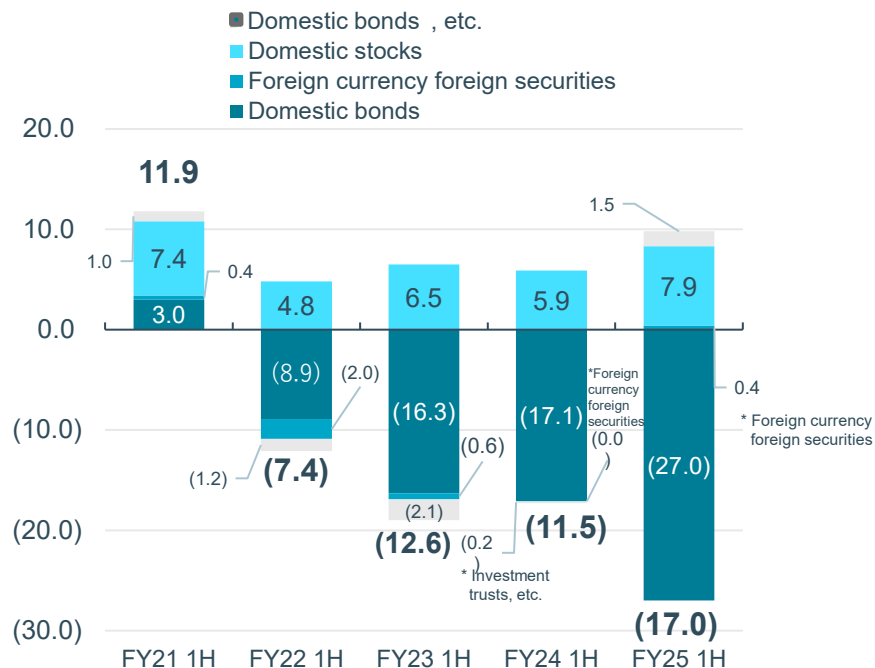
8 Securities (ii)

Gain (loss) on valuation of domestic bonds worsened due to a rise in domestic interest rates. We will make continued efforts to improve our securities portfolio, while paying attention to developments in monetary policy.

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)

	FY21 1H	FY22 1H	FY23 1H	FY24 1H	FY25 1H
Gain (loss) on valuation	0.7	(0.3)	(2.1)	(3.2)	(6.9)

* We hold only JGBs as held-to-maturity securities.

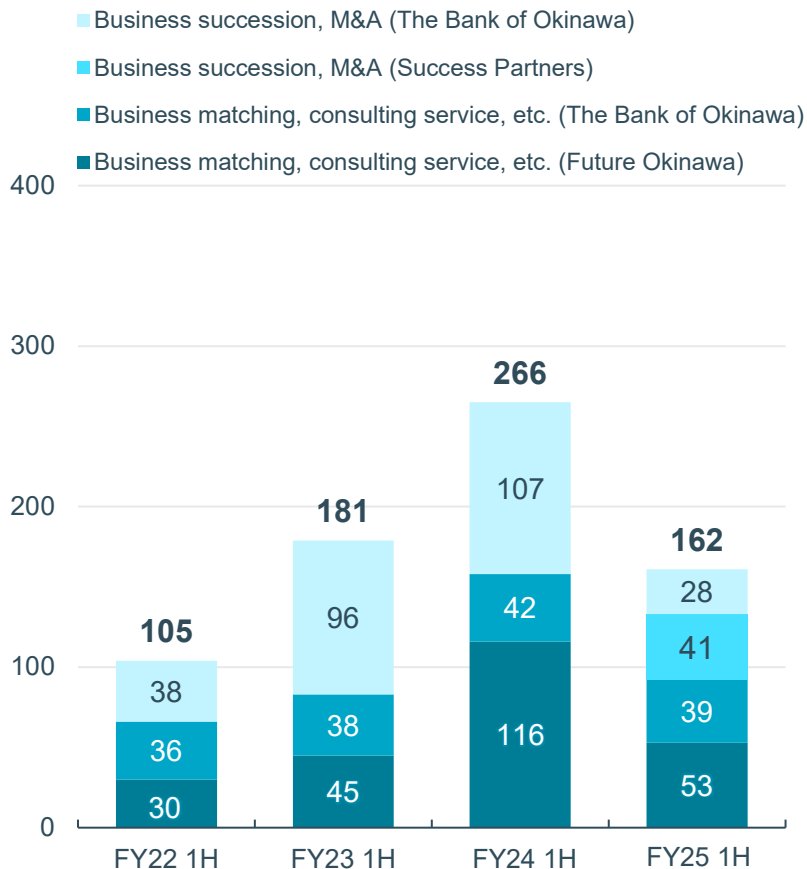
SFG *Swaps have been taken into account for foreign currency foreign securities.

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

9 Fee Business: (i) Partnerships with Local Enterprises

Although revenue decreased due to the absence of large-scale projects recorded in the previous fiscal year and the establishment of a framework for setting up a new corporation, **the Group will continue to actively engage in medium- to long-term initiatives in various fields to increase the value of local communities.**

Income from customer supporting businesses (¥ million)



Main Initiatives

[The Bank of Okinawa]

- ▶ 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]

- ▶ Work to 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.

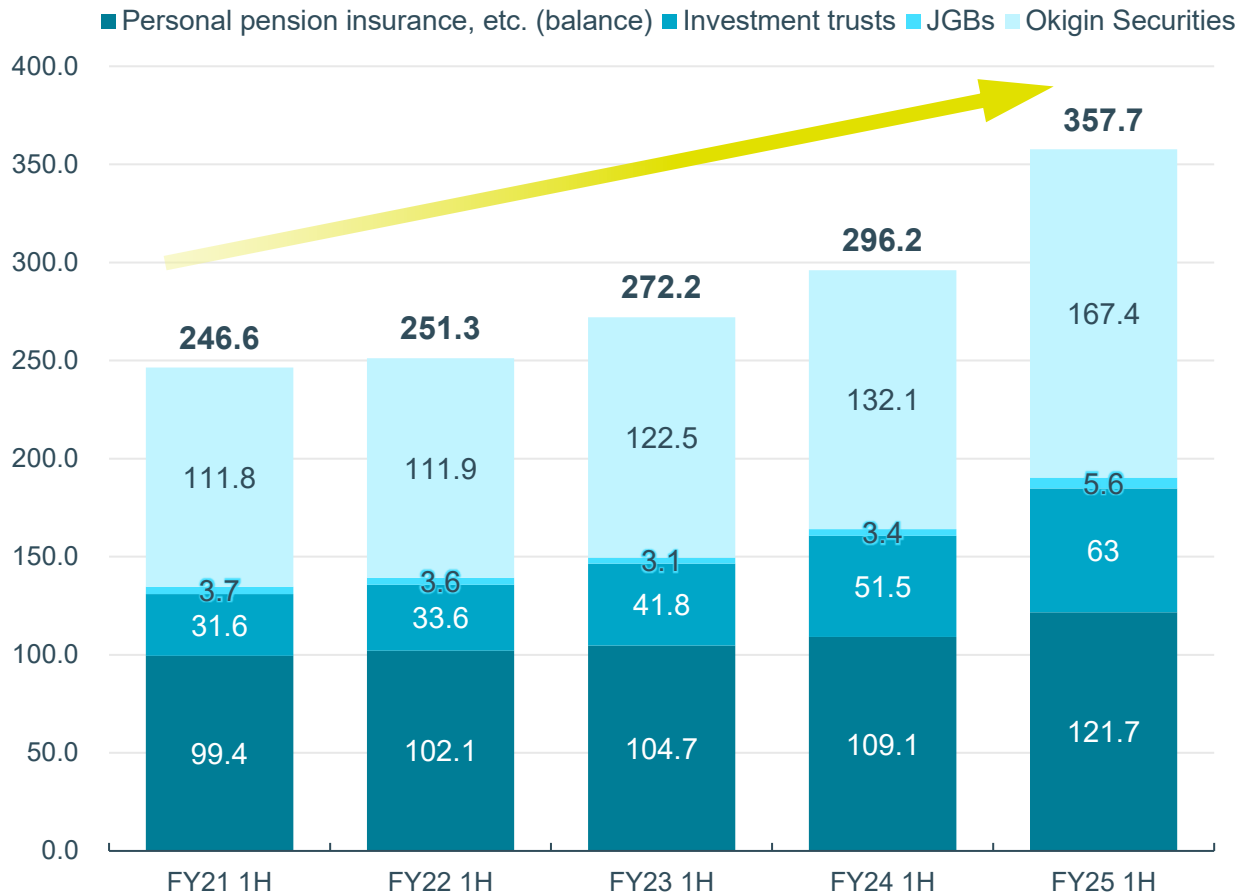
[Okigin Success Partners]

- ▶ Began operations in July 1, 2025 as a joint venture company of The Bank of Okinawa and Nihon M&A Center Holdings Inc.
- ▶ Combine the sales foundation and networks of the Group and the know-how on business succession possessed by Nihon M&A Center Holdings to contribute to solving business succession issues local companies and supporting sustainable growth of regional economy.

10 Fee Business: (ii) Assets in Custody

Assets in custody as a whole increased by ¥61.4 billion year on year, as a result of offering products and services tailored to each asset status and stage in life of customers to meet their asset formation needs.

Balance of assets in custody (¥ billion)



Total for the Group
+ ¥61.4 billion

Okigin Securities
+ ¥35.2 billion

The Bank of Okinawa
+ ¥26.1 billion

Of which, JGBs
+ ¥2.2 billion

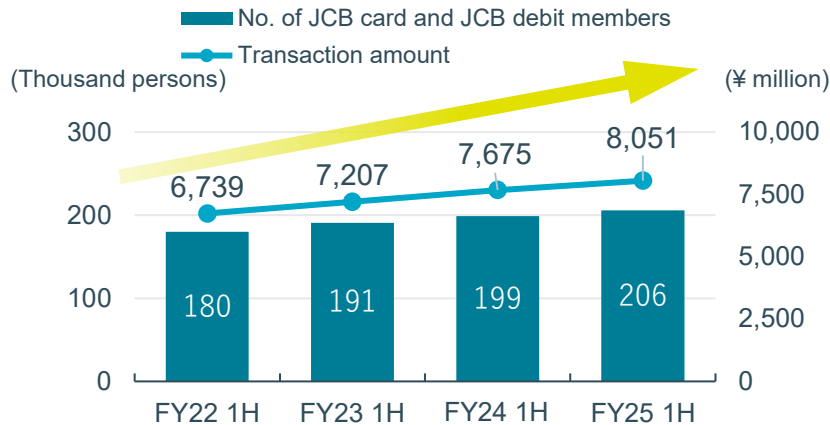
Of which, investment trusts
+ ¥11.4 billion

Of which, personal pension insurance, etc.
+ ¥12.5 billion

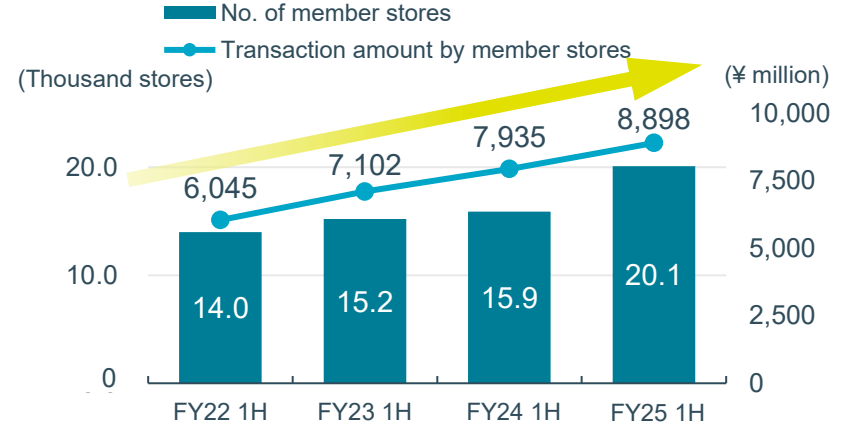
11 Fee Business: (iii) Cashless Services

Cashless services have performed strongly as shown below, as a result of making a wide range of proposals to meet a wide variety of customer needs while continuing initiatives to improve the convenience of our products.

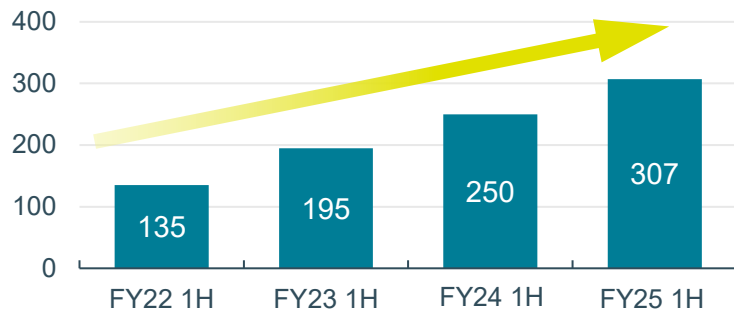
No. of JCB card and JCB debit members and transaction amount



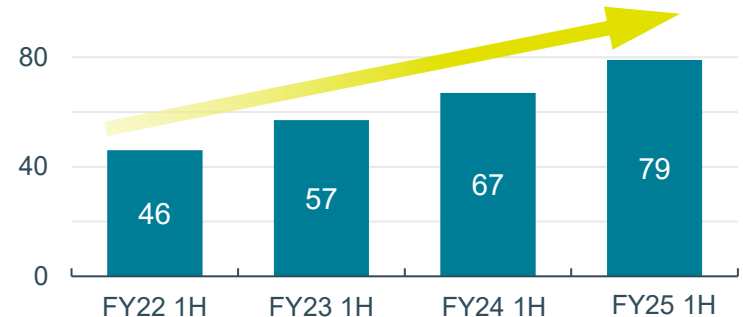
No. of JCB member stores and transaction amount



No. of Okigin Smart users registered (Thousand accounts)



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

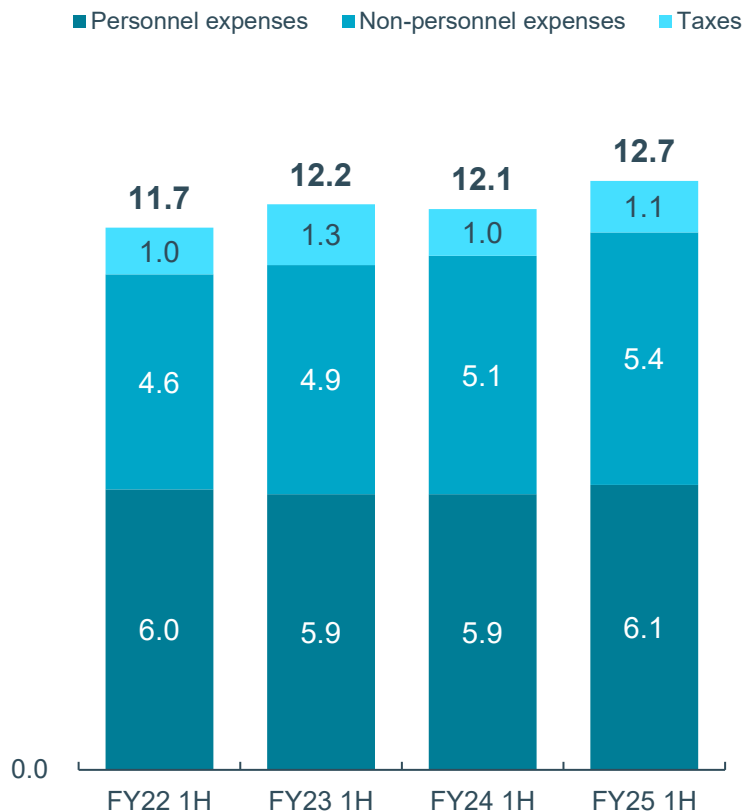


* Transaction amount and transaction amount by member stores: Monthly average amount used for each fiscal year to which the indicated months belong

12 Expenses, OHR, and Core OHR (Consolidated)

Expenses increased by ¥600 million year on year due to higher personnel expenses from basic pay increase and higher non-personnel expenses from the introduction of share delivery system for employees (share-granting ESOP trust). However, an increase in revenue from the core business exceeded the increased expenses. As a result, the OHR improved by 5.44 percentage points year on year to 65.47%, and the core OHR improved by 7.41 percentage points year on year to 59.14%.

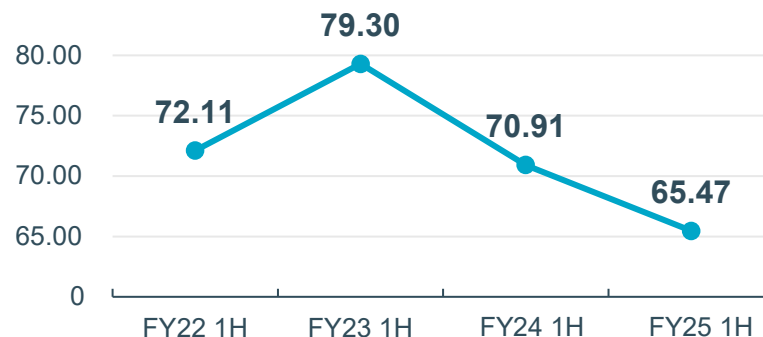
Expenses (¥ billion)



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

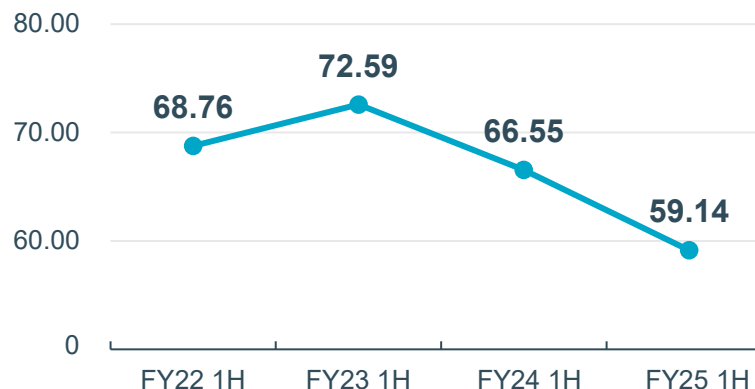
OHR (%)

Calculation formula:
Expenses / gross business profit*Note 1



Core OHR (%)

Calculation formula:
Expenses / core gross business profit*Note 2



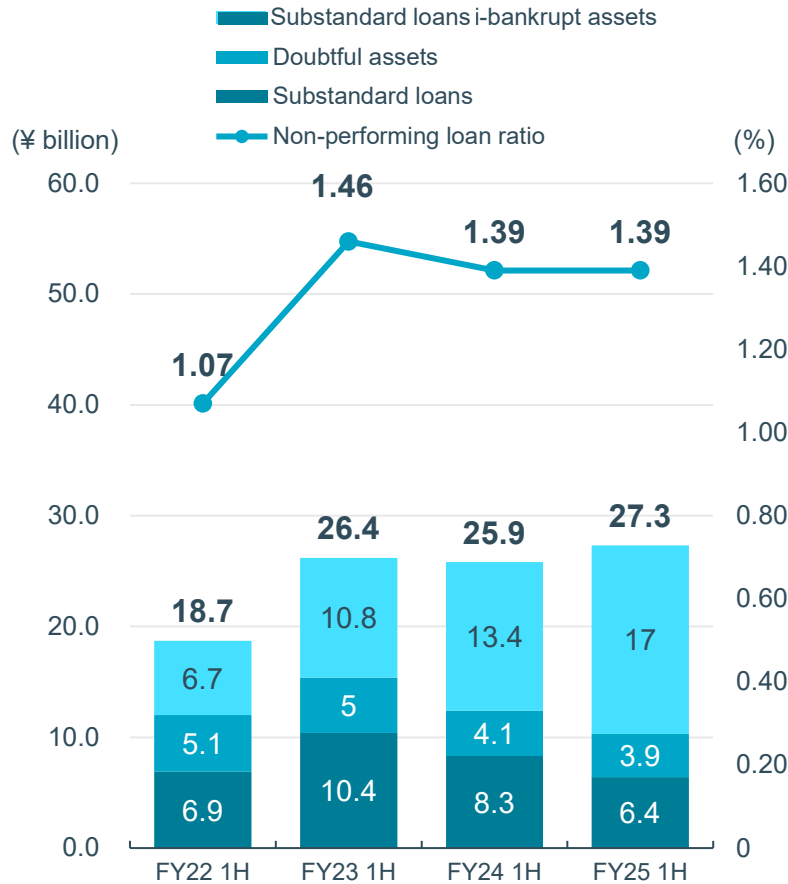
*Note 1: Gross business profit = (Interest income – interest expenses) + (income from fees and commissions – expenses for fees and commissions) + (other ordinary income – other ordinary expenses)

*Note 2: Core gross business profit = Gross business profit – gains (losses) on bond trading (balance of five bond-related accounts)

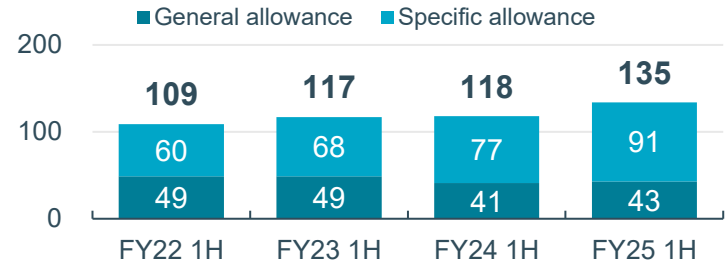
13 Mandatory Disclosure of Bad Debt under the Financial Reconstruction Law, Allowance for Possible Loan Losses, and Credit Cost (Consolidated)

To prepare for future risks, we implemented appropriate allowances and amortization to maintain the soundness of the loan portfolio. The amount of bad debt subject to mandatory disclosure increased due to a rise in bankrupt and quasi-bankrupt assets resulting from the deterioration in the business conditions of business partners, and allowance for possible loan losses also increased.

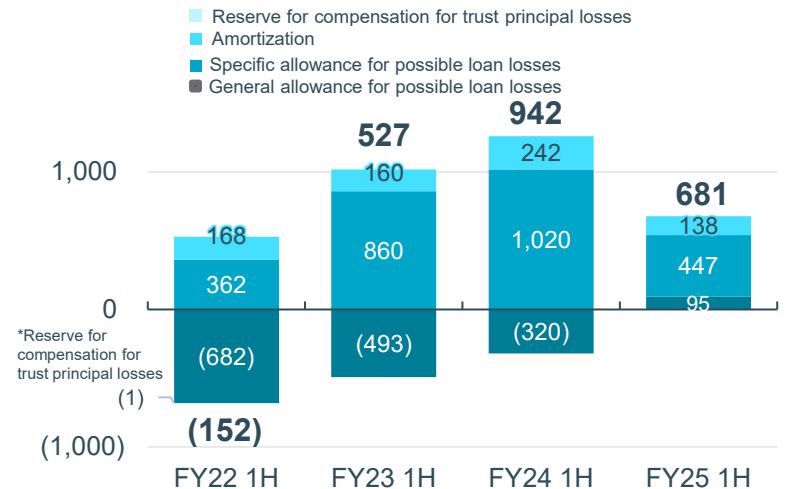
Bad debt and non-performing loan ratio



Allowance for possible loan losses (¥ billion)



Credit cost (¥ million)

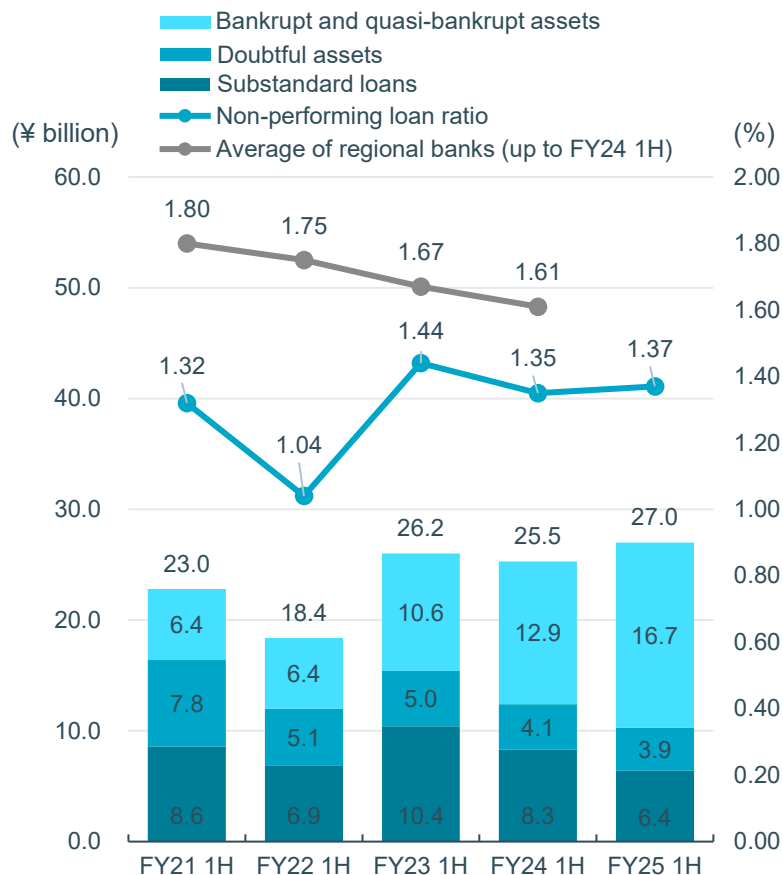


*Reserve for compensation for trust principal losses (1)

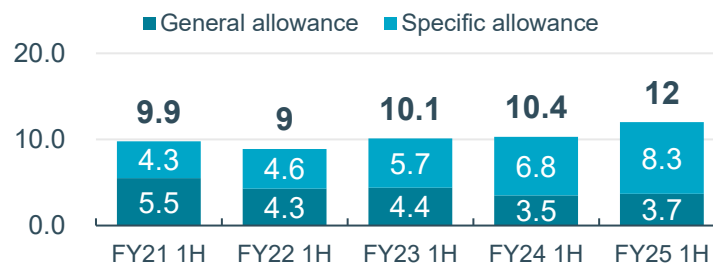
14 Mandatory Disclosure of Bad Debt under the Financial Reconstruction Law, Allowance for Possible Loan Losses, and Credit Cost (Non-consolidated)

Non-consolidated non-performing loan ratio for The Bank of Okinawa increased by 0.02 percentage points year on year to 1.37%, remaining at a low level below the regional bank average.

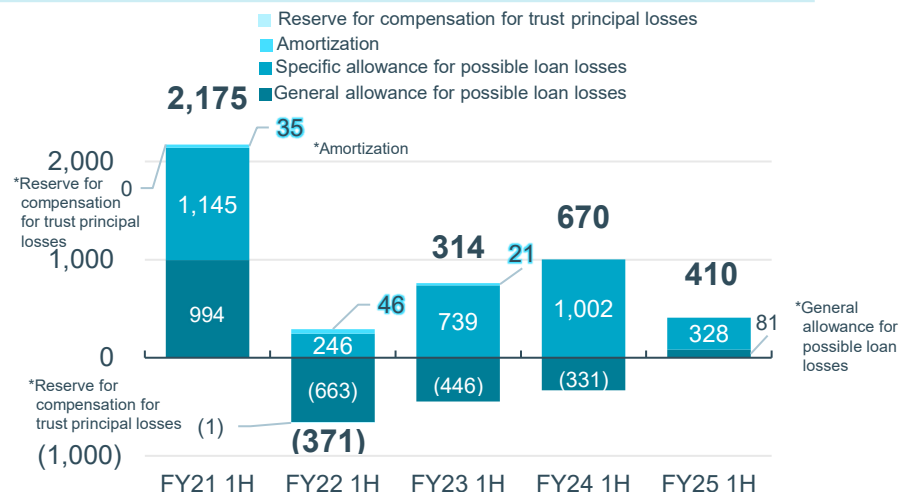
Bad debt and non-performing loan ratio



Allowance for possible loan losses (¥ billion)



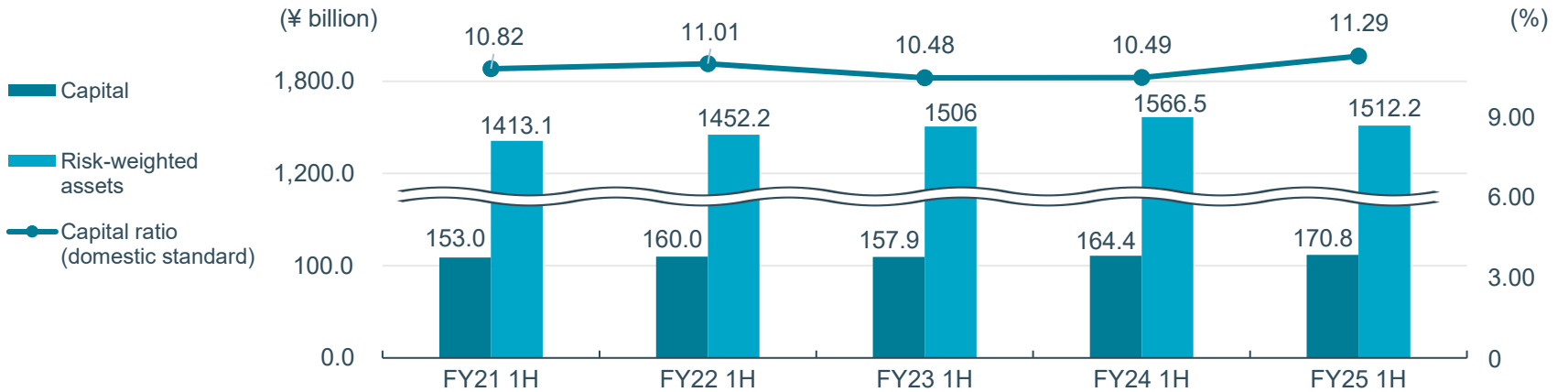
Credit cost (¥ million)



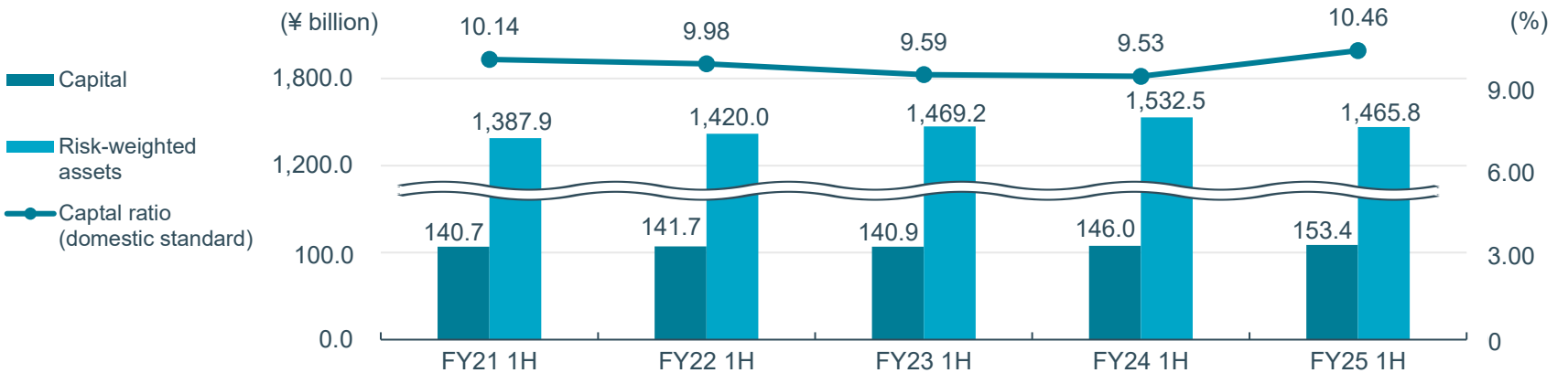
15 Capital Ratio

Although the balance of loans and bills discounted increased, risk-weighted assets decreased in line with the adoption of the final Basel III standards. In addition, the Company's capital ratio rose in both OFG (consolidated) and The Bank of Okinawa (non-consolidated) due to factors such as the accumulation of capital.

OFG (Consolidated)



The Bank of Okinawa (Non-consolidated)



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 have rolled out various measures to “co-create growth” based on three strategies. We are implementing 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 are also implementing our central strategy of “human capital management.”

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

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

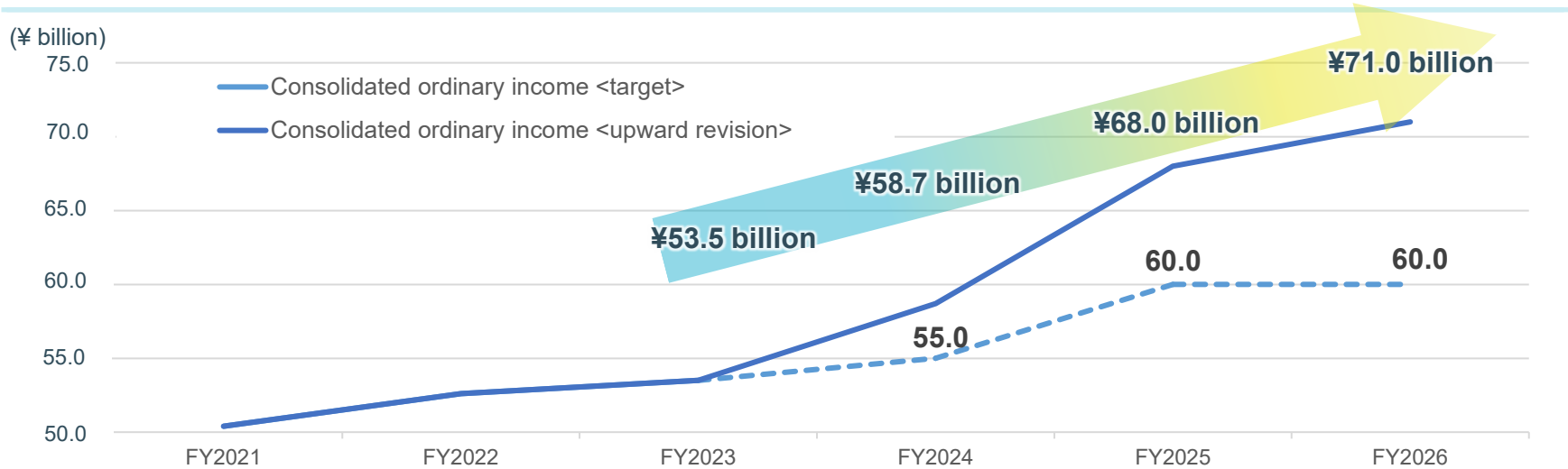
- ▶ Develop human resources to contribute to increasing the value of local communities (Strategy I)
- ▶ Develop human resources to contribute to building a base for growth (Strategy III)
- ▶ Promote diversity (active participation of women and seniors)
- ▶ Create and enhance employees’ work motivation

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 Upward Revision of the Moonshot Targets

The target for the FY2026 (moonshot) has been revised upward, taking into consideration factors such as an increase in the loans and bills discounted average balance and fees and commissions at The Bank of Okinawa, as well as two short-term prime rate hikes in response to the Bank of Japan’s interest rate hike. After the revision, consolidated ordinary income will be ¥71.0 billion, consolidated net income will be ¥11.0 billion, and consolidated ROE will be approximately 6.20%. For the financial results forecasts for FY2025, **consolidated net income has been raised to ¥10.0 billion.**



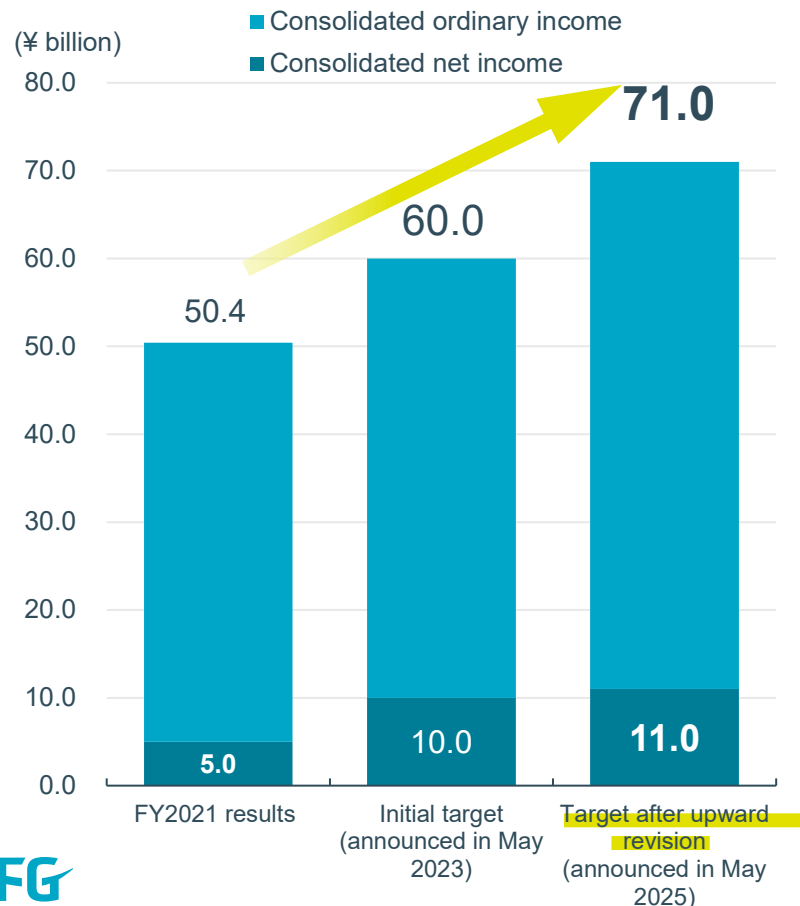
	FY2021 <results>	FY2022 <results>	FY2023 <results>	FY2024 <results>	FY2025 <forecasts>	FY2026 Moonshot targets (initial)	FY2026 <u>Moonshot targets</u> (revised upward on May 9, 2025)
Consolidated ordinary income	¥50.4 billion	¥52.6 billion	¥53.5 billion	¥58.7 billion	¥68.0 billion	¥60.0 billion	¥71.0 billion
Consolidated net income	¥5.0 billion	¥5.8 billion	¥6.2 billion	¥7.9 billion	¥10.0 billion	¥10.0 billion	¥11.0 billion
Consolidated ROE	3.25%	3.70%	3.92%	4.86%	(Undisclosed)	Around 6.00%	Around 6.20%
Consolidated capital ratio	11.09%	10.77%	10.49%	11.35%	(Undisclosed)	Around 11.00%	Around 11.00%

* Consolidated net income for FY2025 (financial results forecast) has been revised upward from ¥9.0 billion to ¥10.0 billion (announced in Nov. 2025).

2 Upward Revision of the Moonshot Targets

The initial moonshot targets were for consolidated ordinary income of ¥60.0 billion, an increase of approximately ¥10.0 billion from FY2021, when OFG was established, and for consolidated net income of ¥10.0 billion, a two-fold increase. However, we will set even higher targets and implement various measures toward achieving them.

Changes in earnings targets due to upward revisions



Measures to achieve targets

- ▶ Negotiations to raise short-term prime interest rates and fixed interest rates
 - *Approximately 70% of The Bank of Okinawa loans are floating interest rate loans
- ▶ Increase in income from interest on loans and discounts - Create personnel by streamlining teller operations and increase the number of corporate sales representatives
 - Promptly respond to funding needs by improving staff skills and improving efficiency of reception and examination operations
 - Strengthen structured finance and other initiatives
- ▶ Increase in fees and commissions (assets in custody, etc.)
 - Increase in the number of approaches through collaboration between The Bank of Okinawa and Okigin Securities
 - Improve contract rate based on data analysis
- ▶ Strengthen profitability through structural reforms at group companies
 - Structural reform through DX and reduction of back-office operations
 - Increase in the number of sales representatives and increase in the number of approaches through collaboration with corporate sales representatives of The Bank of Okinawa

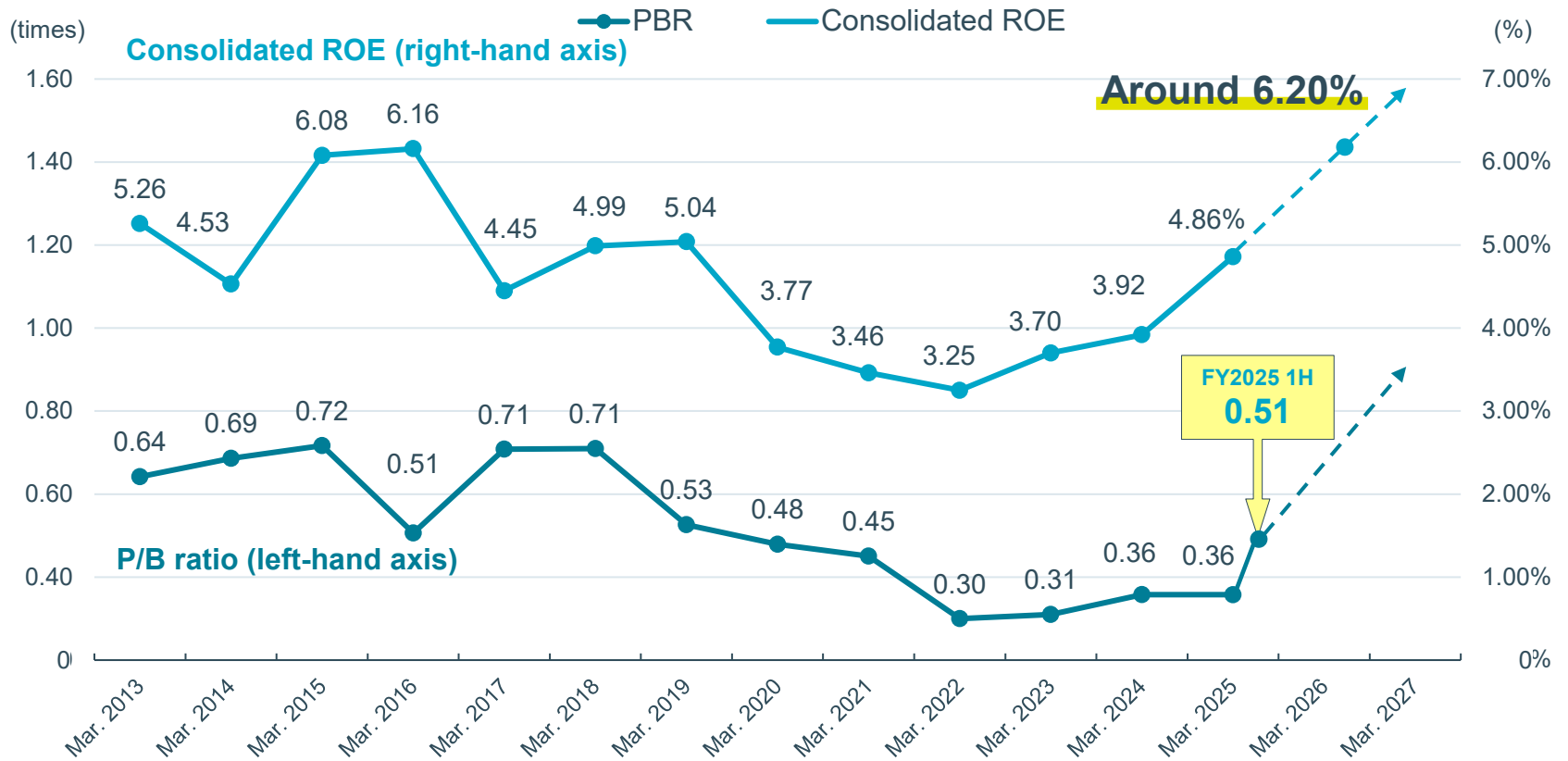
4 Initiatives to Increase Corporate Value

1 Increasing ROE

As of September 30, 2025, the Group's price-to-book (P/B) ratio stood at 0.51. 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 6.2%, and further efforts to increase ROE will be made under the next Medium-Term Business Plan and afterward.

* This is assumed based on factors such as the general level of the cost of shareholders' equity demanded of Japanese companies by institutional investors.

Consolidated ROE and P/B ratio



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 0.70% 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.

Increase capital efficiency

(1) Boost profit by increasing loan volume
(2) Controlling Risk-Weighted Assets

(3) Maintain shareholders' equity through shareholder returns

Increasing ROE

=

Improve RORA

X

Control financial leverage ratio

$$\frac{\text{Net income}}{\text{Shareholders' equity}}$$

=

$$\frac{\text{(1) Net income}}{\text{(2) Risk-weighted assets}}$$

X

$$\frac{\text{(2) Risk-weighted assets}}{\text{(3) Shareholders' equity}}$$

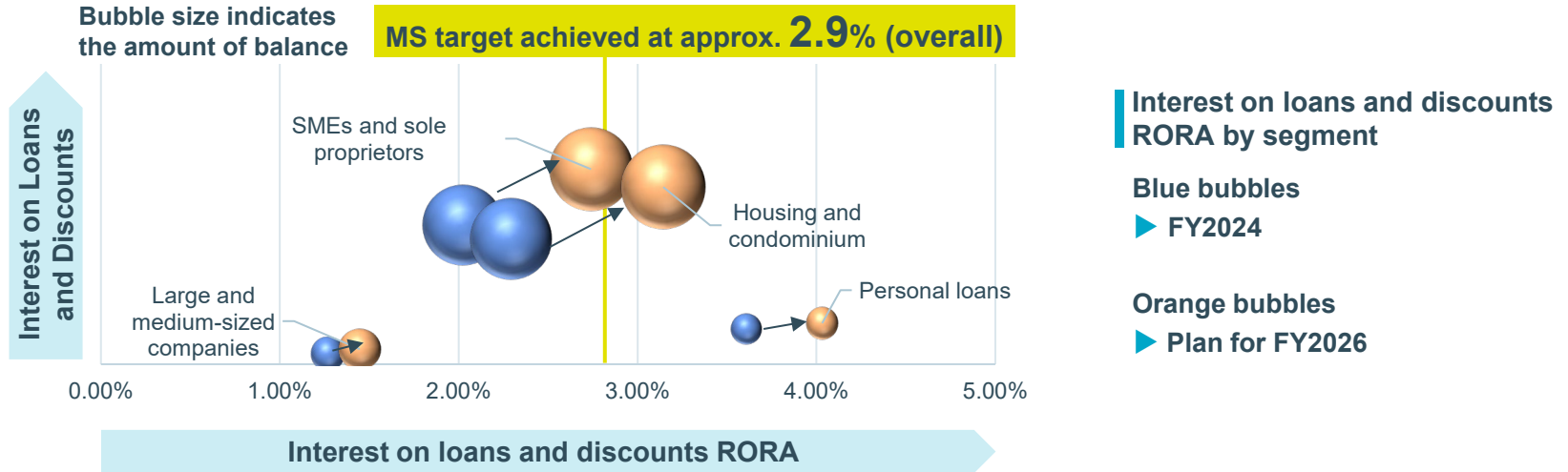
	FY2022	FY2023	FY2024	FY2025	FY2026
ROE	3.70%	3.92%	4.86%	—	Around 6.2%
RORA	0.40%	0.42%	0.53%	—	Around 0.70%
Financial leverage ratio	9.20	9.45	9.20	—	Around 9.0

*Figures for FY2024 onwards 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 around 0.70%, which is a moonshot target, we estimate that interest on loans and discounts RORA needs to be around 2.9%.

* Interest on loans and discounts RORA was 2.2% for FY2024.



	Characteristics	Future initiatives
Large and medium-sized companies	Mainly syndicated loans fall under this category. Following the Basel III endgame, risk weight (RW) has been reduced 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 with corporate customers and aim to achieve both balance growth and yield improvement 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.

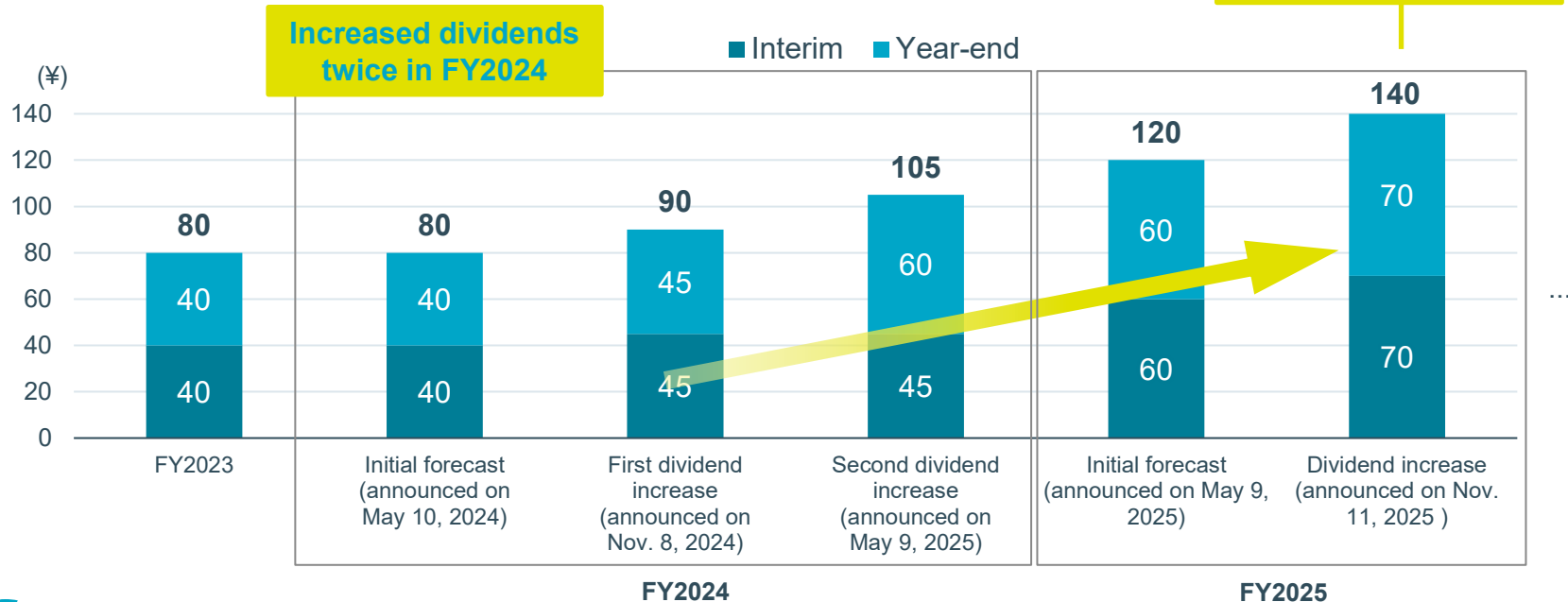
4 Paying Out Progressive Dividends

Our basic policy for shareholder returns is to secure capital necessary in driving the growth of local communities toward achieving “growing together with the community,” as well as to make the Company’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
Shareholder returns	Maintain and increase annual dividends

Announced on Nov. 11
 Dividend forecast for
FY2025: ¥140 per share
 (interim: ¥70 per share,
 year-end: ¥70 per share)



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

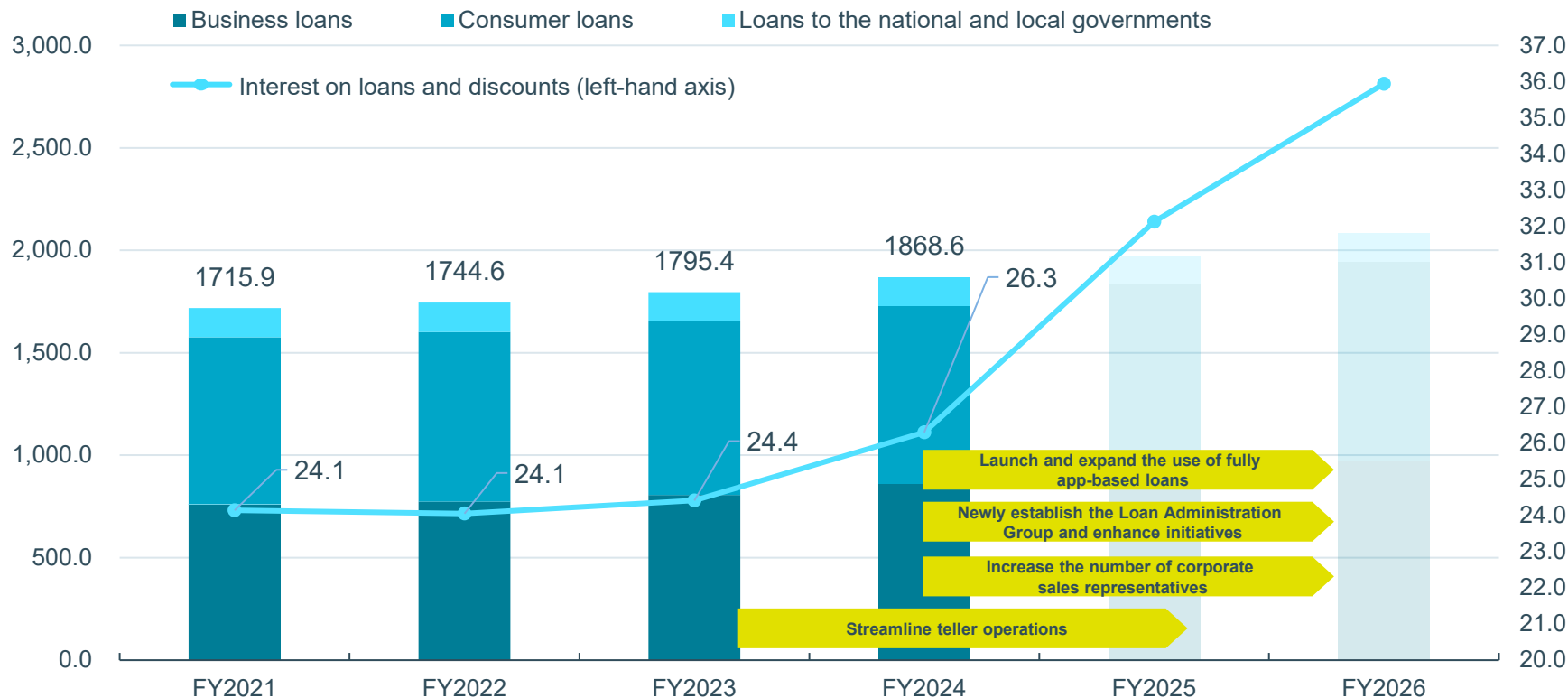
Strategy III
Build a Base for
Growth

AFG おきなわフィナンシャルグループ

1 Interest on Loans and Discounts

To increase 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 by about 30% (200,000 hours per year), redeploy personnel to the sales section, and strengthen corporate sales. 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.

Average balance of loans and interest (¥ billions)



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	FY2025 1H	FY2025	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	¥5.0 billion	¥5.4 billion	¥5.6 billion	¥6.1 billion	¥3.0 billion	¥6.7 billion	¥7.1 billion	- M&As, business matching Enhance consulting across all branches with 241 M&A Senior Experts
Cashless payment								- Cashless payment
Other commissions								Expand the settings where credit and debit cards and OKI Pay are accepted
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	¥16.9 billion	¥8.6 billion	¥17.4 billion	¥19.2 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 System Solutions								
Future Okinawa								- Actively involve in large-scale development projects in local areas

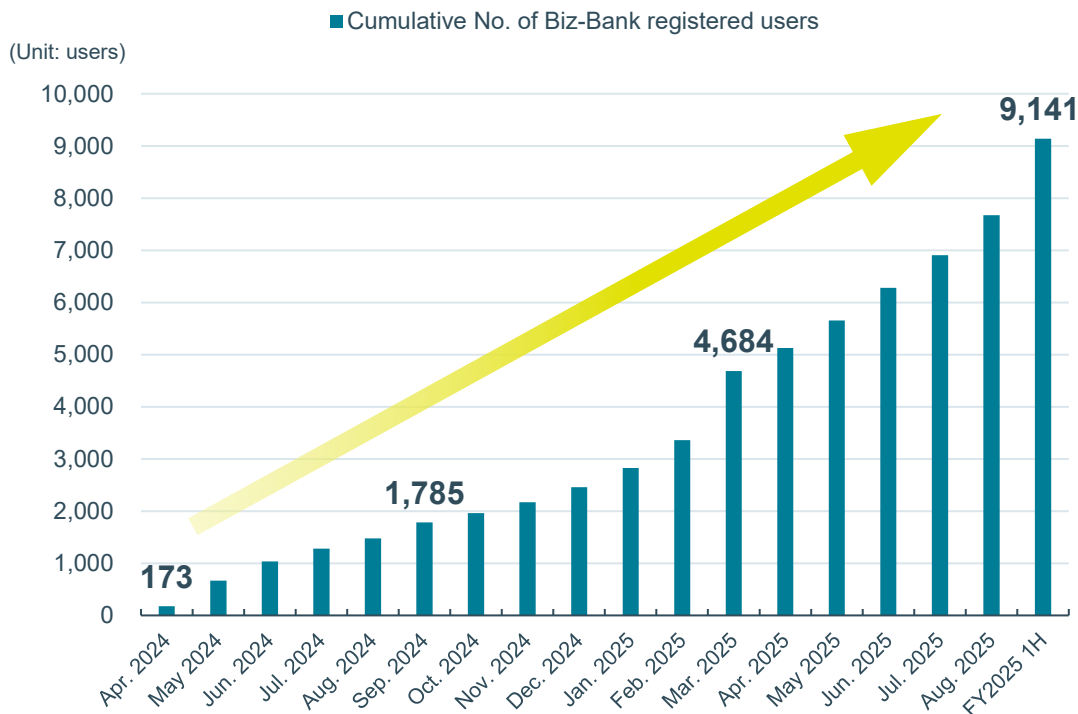
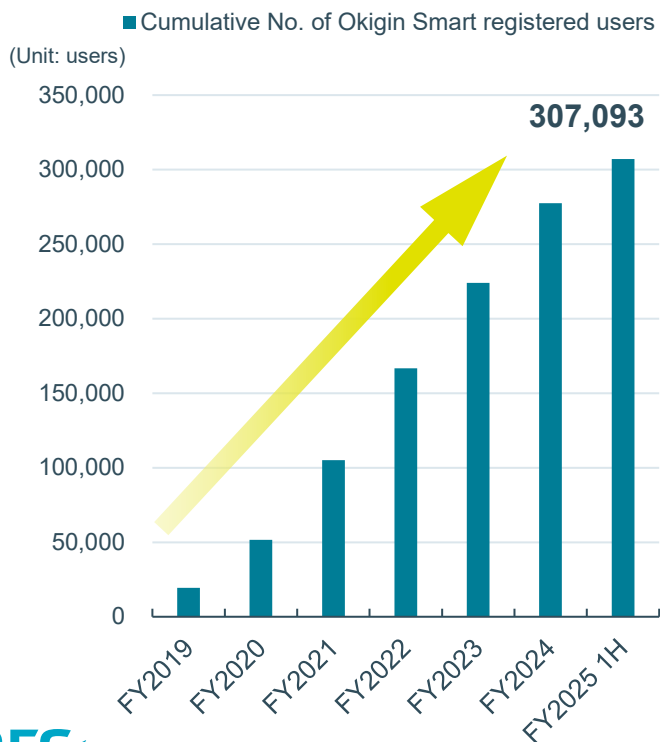
3 Enhanced Non-face-to-face Channels

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 300,000 registered users as of September 30, 2025.

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

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



4 Strengthening Initiatives to Support Business Succession and M&As

In July 2025, The Bank of Okinawa established Okigin Success Partners Co., Ltd., a joint venture company with Nihon M&A Center Holdings Inc. (President: Suguru Miyake).

We will combine the Group's sales foundation and networks and the know-how on business succession possessed by Nihon M&A Center Holdings to contribute to solving business succession issues of companies in the prefecture, as well as to support sustainable growth of regional economy.




6 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

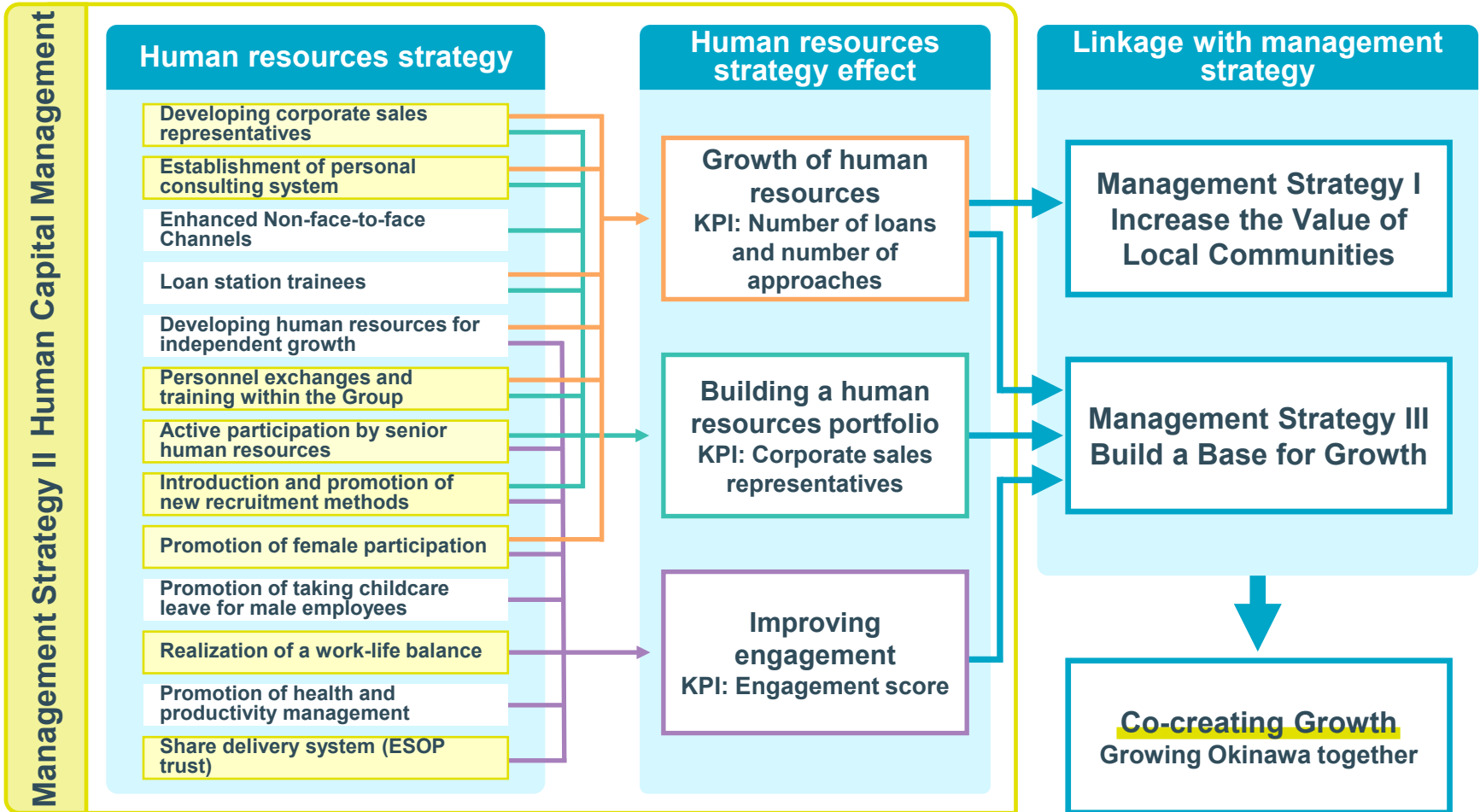
Strategy II
Human Capital
Management

Strategy III
Build a Base for
Growth

 おきなわフィナンシャルグループ

1 Overview of Human Capital Management

In the 2nd Medium-Term Business Plan, we will implement various measures of “human capital management,” which links management strategies with human resources strategies, toward achieving the moonshot targets. By linking human resources growth, building a human resources portfolio, and enhancing engagement with management strategies, we will achieve co-creation of growth.



2 Individual Measures

(1) Active participation by senior human resources

- ▶ **Allocation:** Appoint senior human resources who have been in charge of back-office operations, etc., due to retirement age, etc., as managers so that they can fully demonstrate their abilities
- ▶ **Development:** Pass on the skills and experience held by senior human resources to next-generation human resources
- ▶ **Effect:** Improve treatment through provision of allowances, and aim to enhance engagement of senior human resources

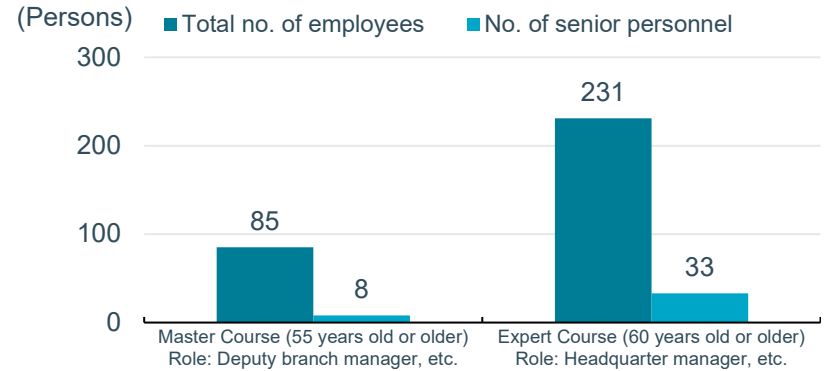
(2) Promotion of female participation

- ▶ Since FY2024, the Group has set a goal of increasing proportion of female managers to 23%.

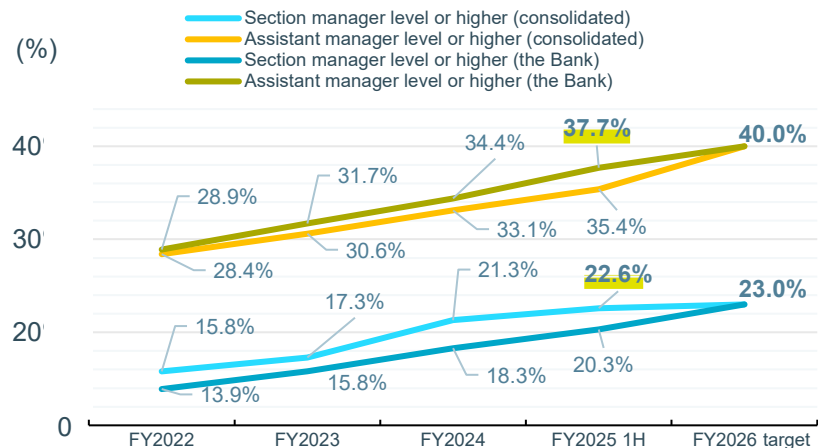
* The proportion of female managers is calculated based on the “Act on the Promotion of Women’s Active Engagement in Professional Life” and refers to section manager level (branch manager class) at the Company. As a reference value, the ratio including assistant manager level (deputy branch manager class) is also indicated.

- ▶ To develop female senior executives and promote female participation in the entire region, the Group has held “College for Promotion of Female Participation” (dubbed “Femi-yell”) since 2023.
- ▶ 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.

Number of persons aged 55 or older and active senior human resources



Proportion of female managers in the Okinawa Financial Group



* For the section manager level or higher (consolidated) and assistant manager level or higher (the Bank), we achieved the FY2025 targets (37% and 21%, respectively) in the first half ended September 30, 2025.

2 Individual Measures

(3) Establishment of personal consulting system

- ▶ **Allocation:** Integrate persons in charge of teller operations and retail sales representatives under a team system, and assign them as persons in charge of retail consulting
- ▶ **Development:** Implement effective OJT by deploying experienced staff and new personnel as a team
- ▶ **Effect:** Aim to improve engagement by improving consulting capabilities and establishing a system that makes it easier to take leave

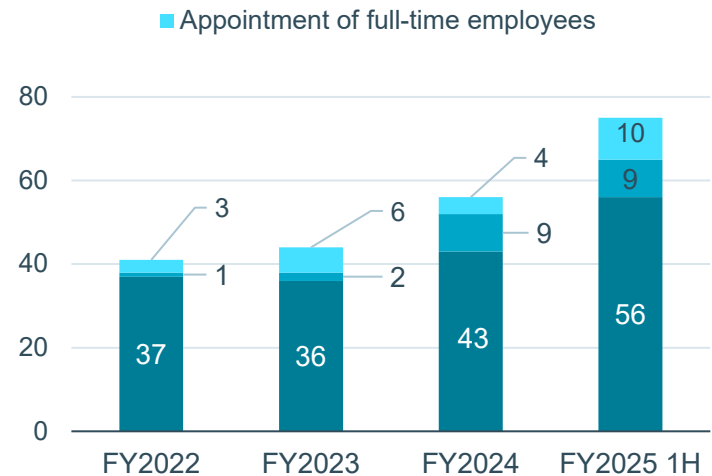
(4) Introduction and promotion of new recruitment methods

- ▶ In order to strengthen mid-career recruitment with a view to diversifying human resources, and to provide retired employees with opportunities to find new employment, the “Welcome Back Program” was established in November 2023.
- ▶ In August 2024, the Company began “Referral Hiring,” a referral recruitment system for employees, and is working to secure diverse human resources.
- ▶ We will promote the appointment of highly competent and motivated part-timers, etc. as full time employees, broaden the scope of their activities, and improve their engagement.

(5) Personnel exchanges and training within the Group

- ▶ Through the job challenging program, we have implemented personnel transfers (secondments) that transcend the boundaries of each company, and demonstrated the active engagement of human resources and synergies among the Group companies.
- ▶ Position-specific training, including training for new employees and newly appointed managers, is provided for the entire Group, and efforts are made to strengthen cooperation within the Group while supporting growth.

Number of new employees hired at The Bank of Okinawa



2 Individual Measures

(6) Work-style reform (productivity improvement)

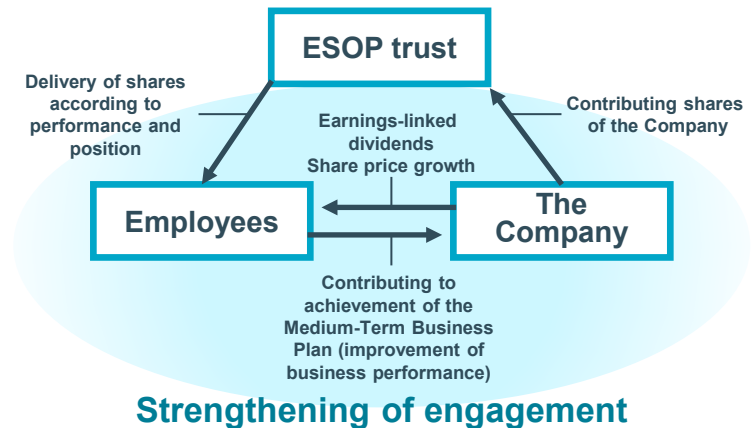
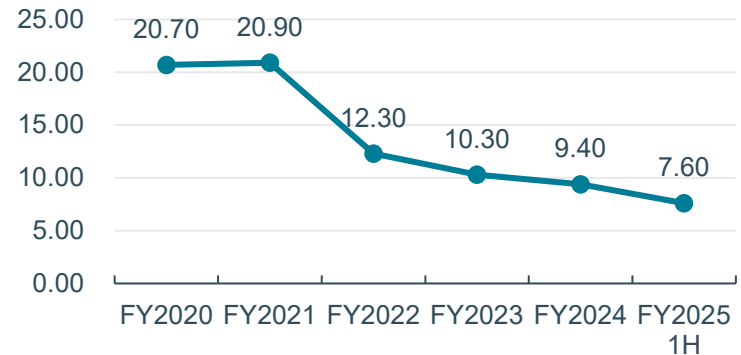
- ▶ Aiming to create an environment that enables employees to be more productive autonomously, we introduced a flextime system in The Bank of Okinawa from April 2023 and in the entire Group from July 2023.
- ▶ Overtime work has been decreasing due to the utilization of the flextime system and the reduction and efficiency improvement of work, and efforts are being made to improve productivity and realize a work-life balance.
- ▶ We will further promote work-style reform by improving productivity and achieving a work-life balance.

(7) Share delivery system (ESOP trust)

- ▶ From FY2024, we introduced a share delivery system for senior management and above* (approximately 65% of all employees) of the entire Group.
- ▶ By delivering shares to employees in line with the performance targets set out in the Medium-Term Business Plan, we will increase engagement and provide incentives to sustainably improve corporate value.
- ▶ Through the system, Group employees will share the economic benefits with shareholders and foster a corporate culture full of ownership.

* For senior management positions in the Group, as a general rule, employees shall be promoted from the eighth to ninth year after joining the Company, after serving in basic operational positions and intermediate positions.

Overtime work per person at The Bank of Okinawa (monthly averages)



7 Increase the Value of Local Communities

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

Strategy I
Increase the Value of
Local Communities

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Management

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Build a Base for
Growth

SFG おきなわフィナンシャルグループ

1

Support for Regional Municipalities, Including Those on Remote Islands, to Solve Issues

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.

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 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 and ¥90.00 million respectively to 10 towns and villages in remote islands in February 2024 and February 2025, contributing to initiatives such as building cashless environments.



2

Receiving the Minister of State for the Promotion of Overcoming Population Decline and Vitalizing Local Economy in Japan Award

In accordance with comprehensive partnership agreements, etc., with the 10 towns and villages in remote islands, the Group dispatches personnel on loan to the respective remote islands to share know-how, promote digital transformation (DX), etc., and provide issue solving support.

These unique initiatives that contribute to regional revitalization were highly evaluated, and in March 2025, the Company received an award from the Cabinet Office's Minister of State for Special Missions, namely, the Minister of State for the Promotion of Overcoming Population Decline and Vitalizing Local Economy in Japan.

We received the Minister of State for the Promotion of Overcoming Population Decline and Vitalizing Local Economy in Japan Award.



The Bank of Okinawa and the Okinawa Financial Group received the Minister of State for the Promotion of Overcoming Population Decline and Vitalizing Local Economy in Japan Award in recognition of their efforts to contribute to regional revitalization.

We will continue to support regional municipalities, including those on remote islands, to solve issues, so that all residents of the prefecture can shine and all regions can become affluent.

3 Holding the Financial and Economic Education Symposium

To enhance financial and economic education, we hosted the “Third Financial and Economic Education Symposium” on November 8, 2025 with presenters from the Japan Financial Literacy and Education Corporation (J-FLEC), The Juhachi-Shinwa Bank, Ltd., Bank of The Ryukyus, Limited, and The Okinawa Kaiho Bank, Ltd. Many people attended the meeting, mainly those related to educational institutions and parent teacher associations (parents). Visitors commented that “I felt sustainable enhancement of financial and economic education will lead to alleviating children’s poverty” and that “It is respectable to work on financial and economic education in the entire prefecture. I will have high expectations for your initiatives.” The Group will continue to lead initiatives for financial and economic literacy education to help improve financial literacy of residents of Okinawa Prefecture and promote “stable asset formation.”



4 Holding Financial and Economic Literacy Education “Life and Money Class”

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.

In FY2025, a total of 100 classes were delivered to 27 high schools and junior high schools in Okinawa Prefecture with a total of 3,089 participants as of September 30, 2025.

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

「暮らしとお金の教室」



↑See here to get a sense of the class



8

<Reference Materials> Trends in Economy in Okinawa

1 Income and Consumption

Both consumption expenditure and real income are trending upward except for seasonal fluctuation, but the increase rate is currently showing signs of decline.

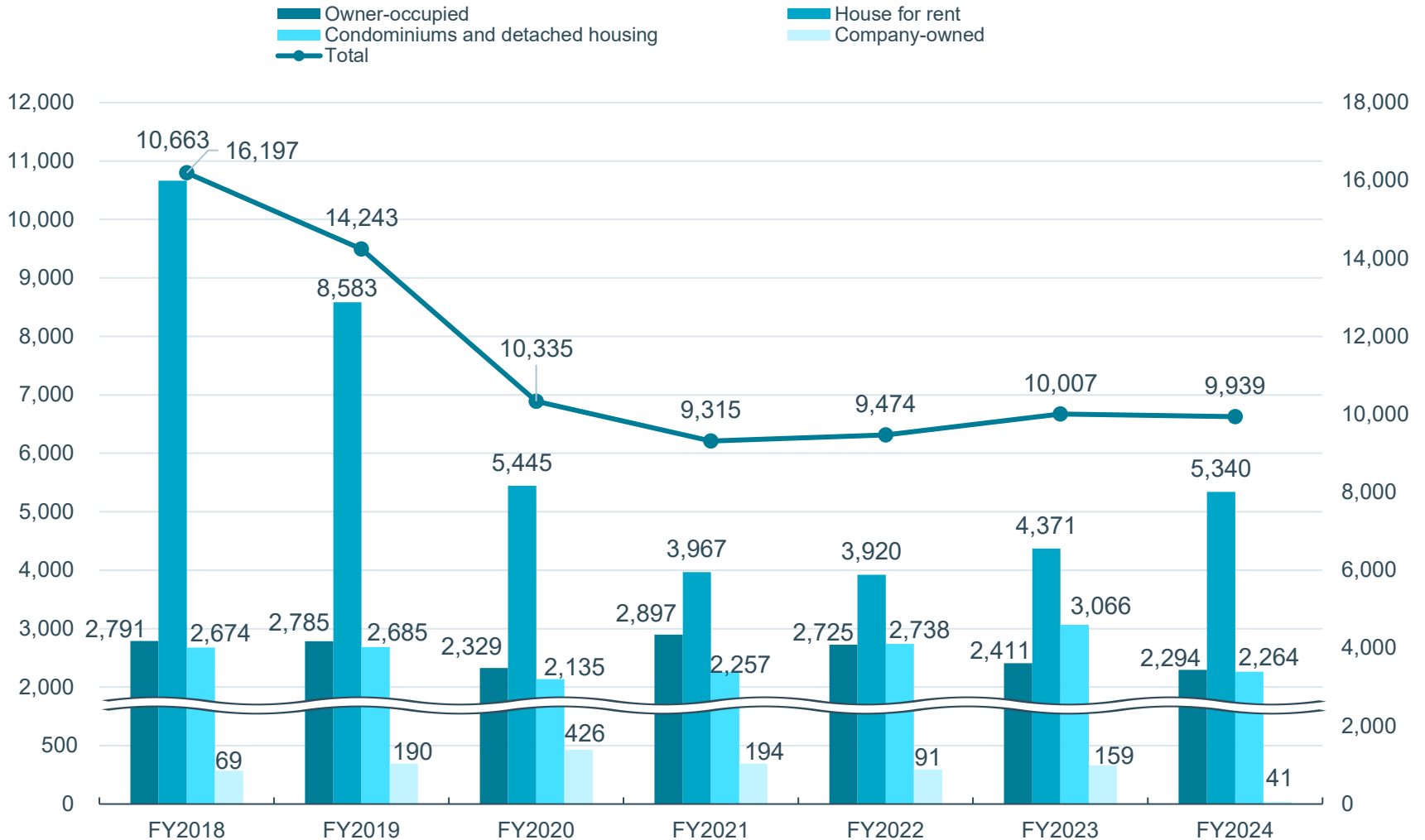
YoY change in real income and consumption expenditure



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 in FY2024 was almost unchanged year on year.



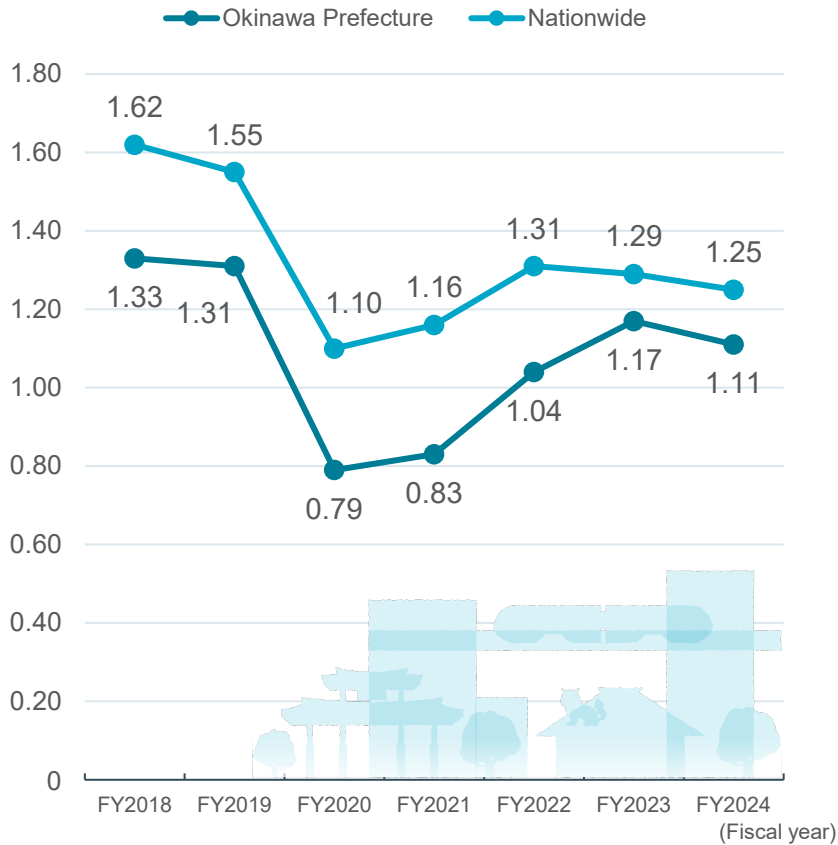
Source: Ministry of Land, Infrastructure, Transport and Tourism; Building Starts and Housing Starts

3 Active Opening Ratio and Unemployment Rate

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

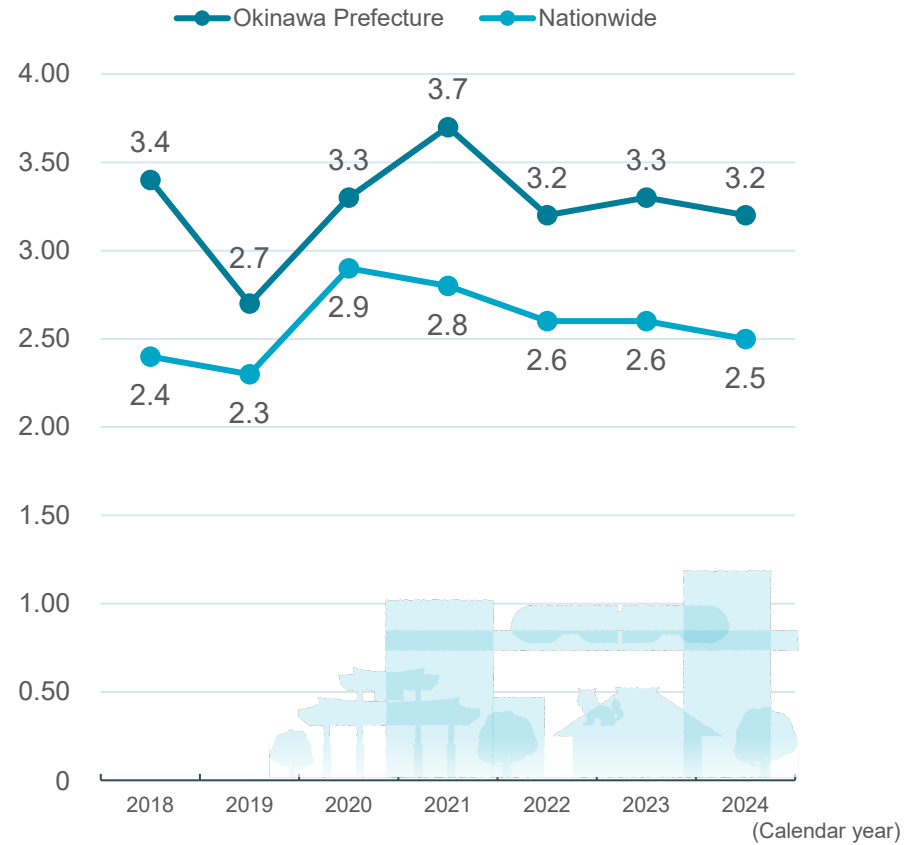
The unemployment rate has remained at a similar level to the previous year.

Active opening ratio



Source: Okinawa Labour Bureau “Labor Market Trends”
March 2025 and FY2024

Unemployment rate

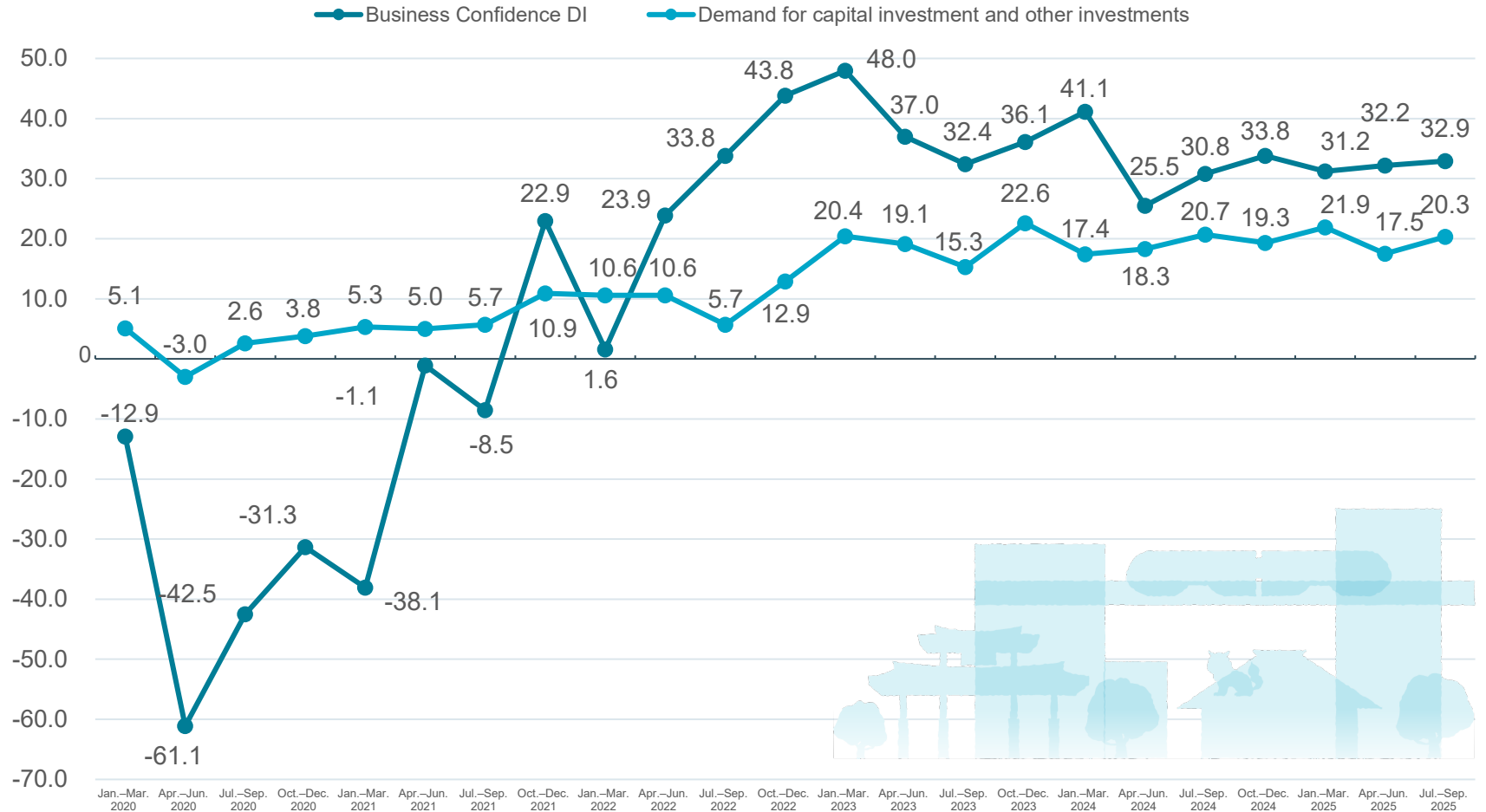


Source: Statistics Bureau, Ministry of Internal Affairs and Communications “Labour Force Survey (Basic Tabulation)” and Statistics Division, Department of Planning, Okinawa Prefectural Government “Labour Force Survey”

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.

Investment demand has also remained steadily positive.



Source: Okigin Economic Research Institute "Corporate Trend Survey"

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