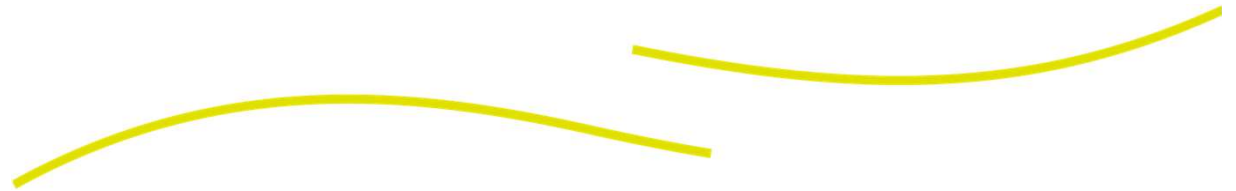


Okinawa Financial Group Results Briefing Materials



November 2022

Create Value & Innovation

 Okinawa Financial Group

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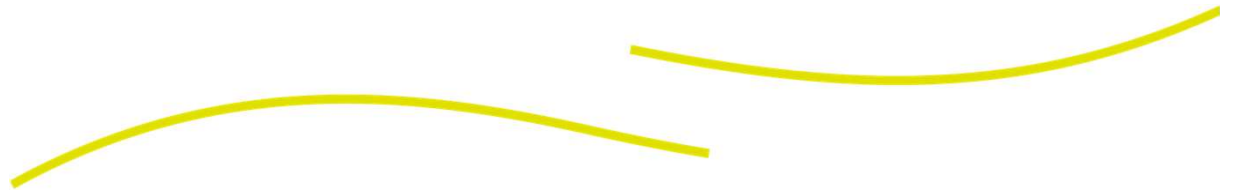
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Performance Summary



(1) Performance Highlights for FY2022 1H

OFG (Consolidated)

FY2022 1H Business Performance

¥ million

	FY2022 1H	YoY
Ordinary income	27,023	1,750
Gross business profit	16,267	(363)
Interest income	14,356	440
Fees and commissions	1,244	(30)
Other business profit	667	(773)
Operating expenses	11,881	(321)
Credit cost	(152)	(2,501)
Net gains (losses) on equity securities	800	724
Ordinary profit	6,114	3,254
Extraordinary gains (losses)	(54)	(30)
Total income taxes	1,642	65
Net income attributable to owners of the parent	4,417	3,221

* As the Company was founded on October 1, 2021, consolidated figures are unavailable for FY2021 1H (the six months ended September 30, 2021). For reference, comparison is made with the consolidated figures for The Bank of Okinawa, Ltd.

Business performance points

● Ordinary income

• Increased by ¥1,750 million year on year to **¥27,023 million**, mainly due to increases in interest and dividends on securities, gain on sales of stocks and other securities, and other ordinary income, despite decreases in recoveries of written-off claims, interest on loans and discounts, and gains on foreign exchange transactions.

● Ordinary profit

• Increased by ¥3,254 million year on year to **¥6,114 million**, mainly due to a decrease in operating expenses and a decrease in credit cost such as provision of allowance for loans losses and written-off of loans, despite an increase in loss on sale of bonds.

Revenues and earnings both increased for the first time in seven fiscal years due to the above factors.

● Net income attributable to owners of the parent

• Increased by ¥3,221 million year on year to **¥4,417 million**.

(2) Outline of Results of Major Group Companies

Major Group Companies

The Bank of Okinawa

	FY22 1H	FY21 1H	YoY change
	(¥ million)		
Ordinary income	19,662	18,282	1,380
Gross business profit	14,847	15,265	(418)
Net interest income	14,615	14,164	451
Gains (losses) on cancellation of investment trusts	170	99	71
Net fees and commissions	972	952	20
Other business profit	(740)	149	(890)
Expenses (excluding non-recurrent items)	10,754	10,932	(178)
Personnel expenses	4,567	5,005	(437)
Non-personnel expenses	5,230	4,912	317
Real net business profit	4,092	4,333	(240)
Business profit on core banking operations	4,885	4,304	580
Excluding gains (losses) on cancellation of investment trusts	4,714	4,205	509
Provision of general allowance for possible loan losses	-	994	(994)
Net business profit	4,092	3,338	754
Non-recurrent items	1,740	(613)	2,354
Reversal of allowance for loan losses	417	-	417
Recoveries of written-off claims	66	222	(156)
Net gains (losses) on equity securities	800	75	724
Bad debt disposal	46	1,181	(1,134)
Ordinary profit	5,832	2,724	3,108
Extraordinary gains (losses)	(52)	(22)	(29)
Income before income taxes	5,780	2,702	3,078
Total income taxes	1,313	1,355	(42)
Net income	4,467	1,347	3,120

Business performance points

Ordinary income

Increased by ¥1,380 million year on year to **¥19,662 million**, mainly due to increases in interest and dividends on securities, other commission received, and gain on sale of bonds, despite decreases in fees and commissions on domestic and foreign exchanges and interest on loans and discounts (**increased revenues**)

Business profit on core banking operations

Increased by ¥580 million year on year to **¥4,885 million**, mainly due to an increase in net interest income and a decrease in expenses

Ordinary profit

Increased by ¥3,108 million year on year to **¥5,832 million**, mainly due to an increase in net gains on equity securities and a decrease in credit cost (**increased earnings**)

Revenues and earnings both increased due to the above factors.

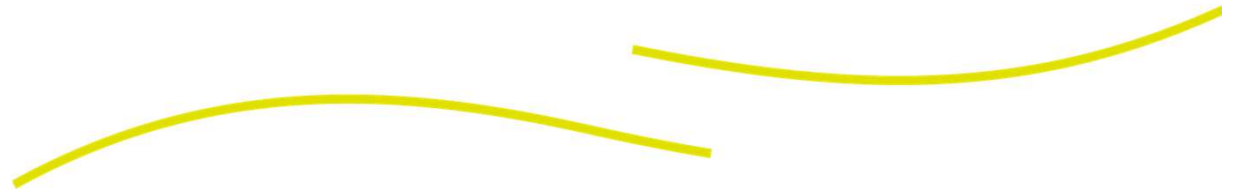
Major Group companies

Company name	FY2022 1H			
	Ordinary profit	YoY	Net income	YoY
Okigin General Lease	164	(12)	86	(23)
Okigin JCB	161	80	104	28
Okigin SPO	(11)	7	(7)	5
Okigin Securities	122	(11)	89	(46)

¥ million

2

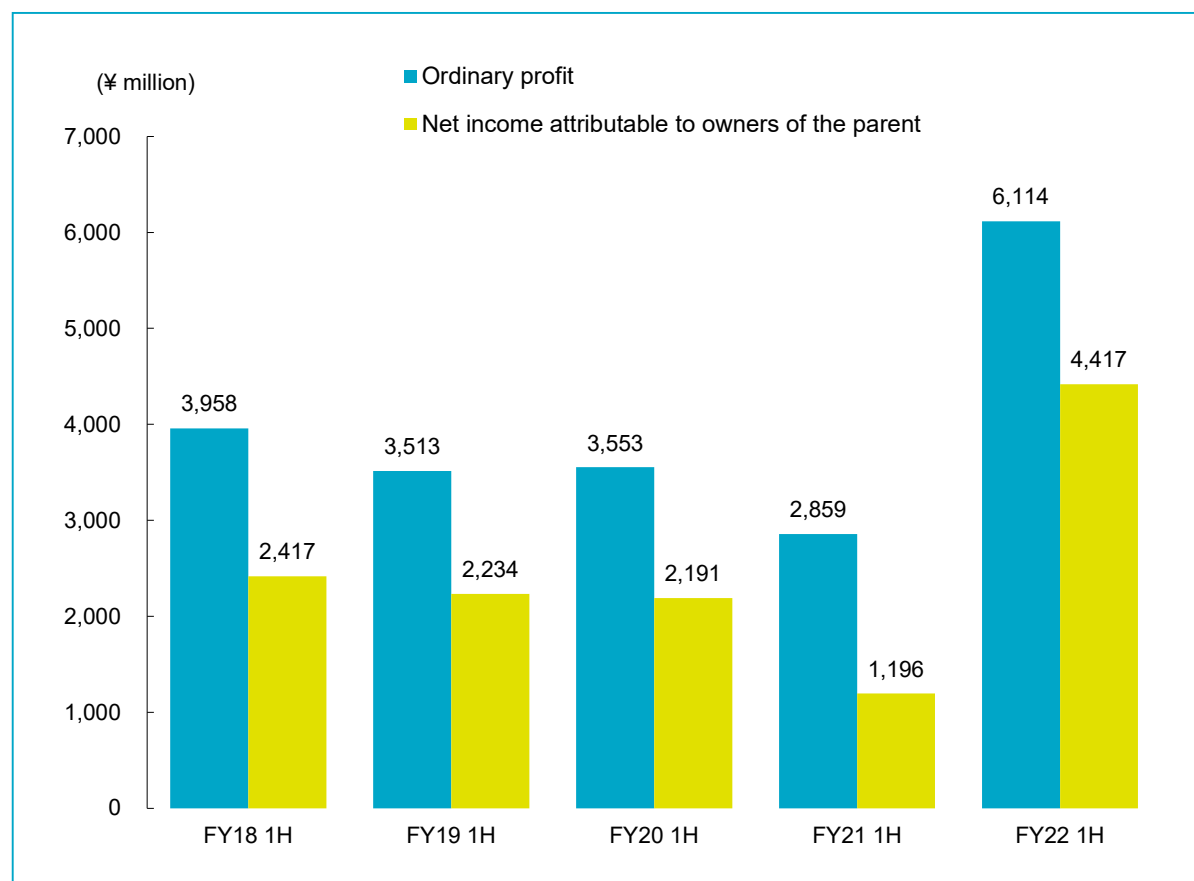
Outline of Business Results for FY2022 1H (i) [OFG, Consolidated]



(1) Ordinary Profit and Net Income Attributable to Owners of the Parent

OFG (Consolidated)

- Ordinary profit increased by ¥3,254 million year on year to ¥6,114 million, mainly due to an increase in interest income and a decrease in credit cost, despite a decrease in other business profit
- Net income attributable to owners of the parent increased by ¥3,221 million year on year to ¥4,417 million

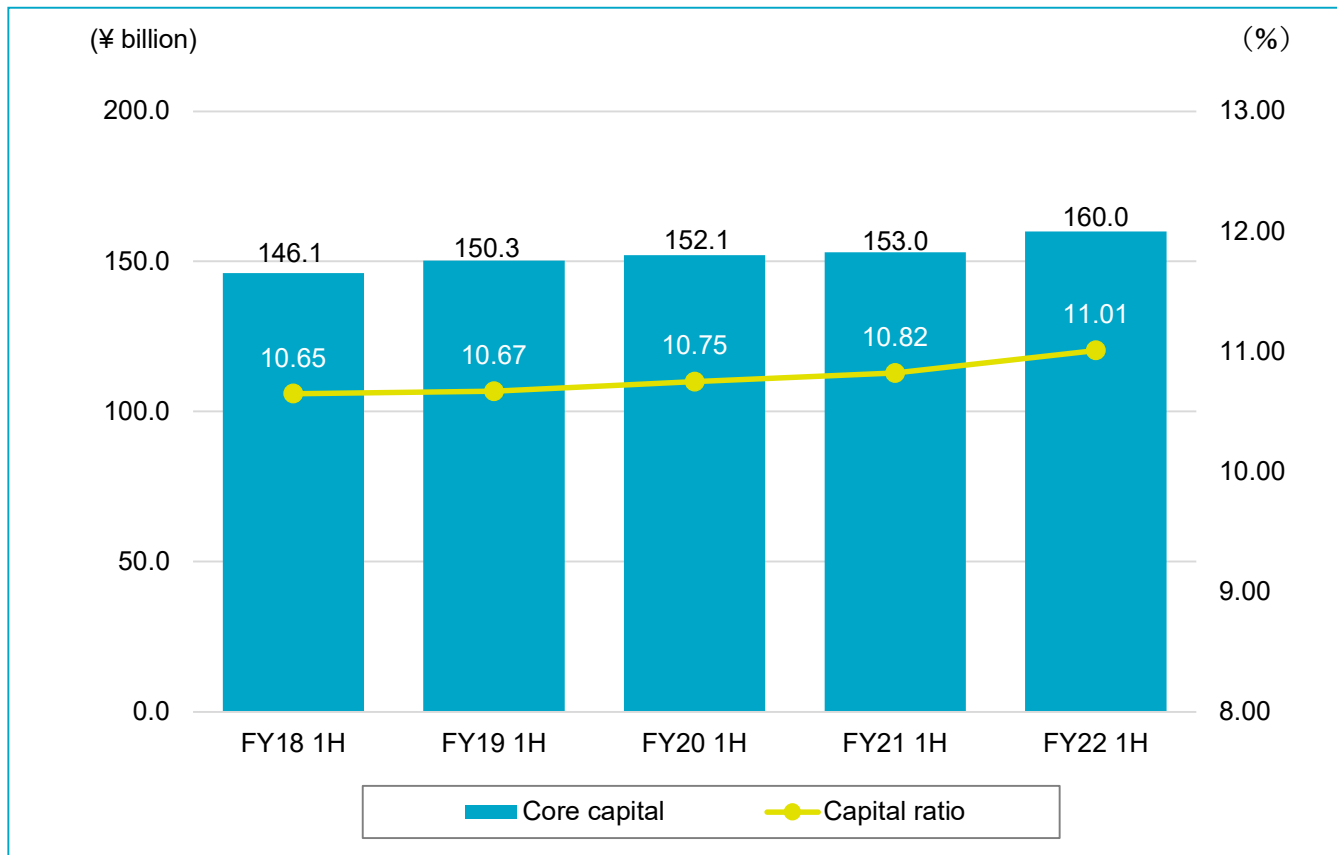


* As the Company was founded on October 1, 2021, consolidated figures for The Bank of Okinawa, Ltd. are provided for the periods prior to September 30, 2021 for reference.

(2) Capital Ratio

OFG (Consolidated)

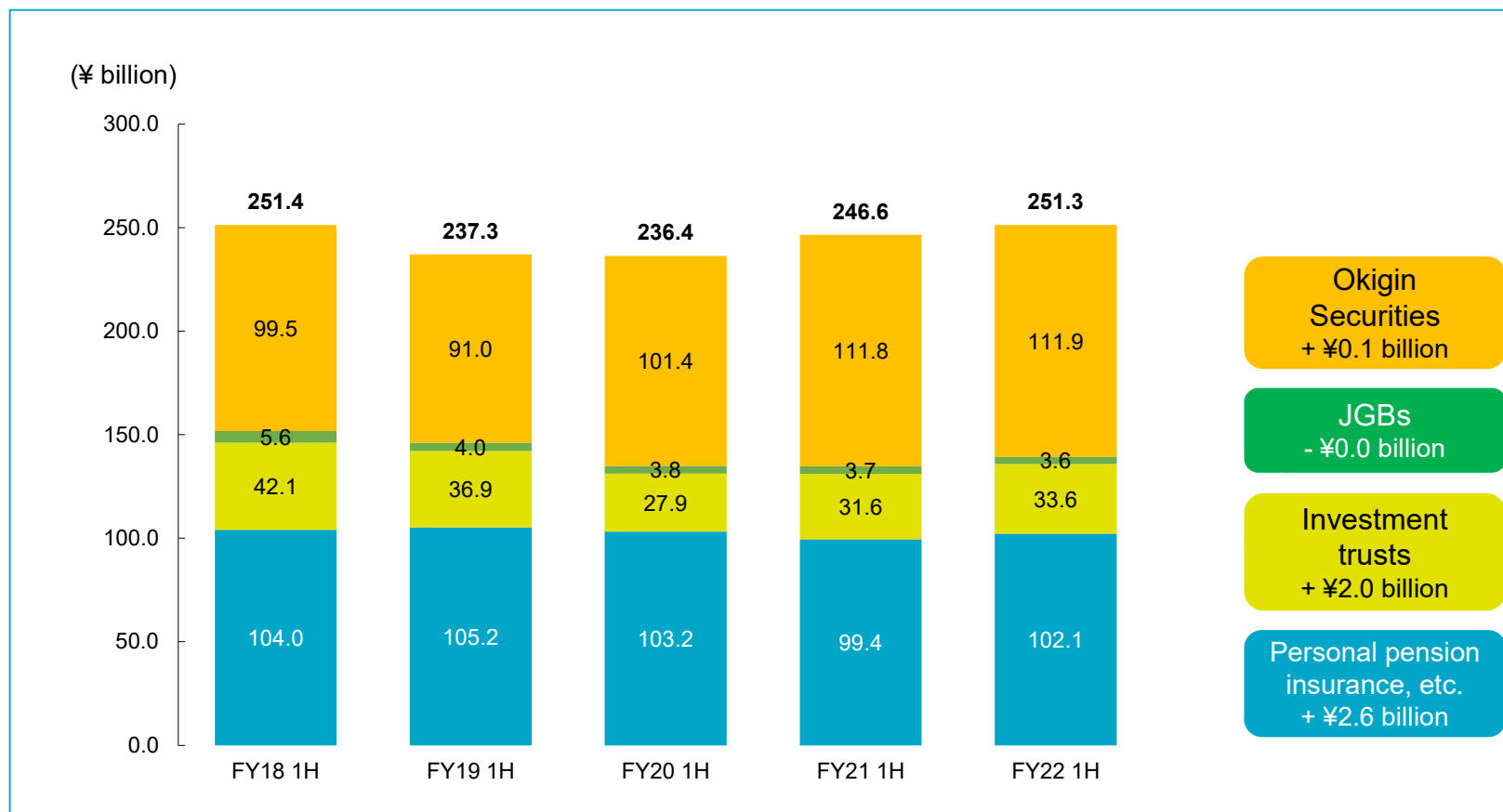
- Capital ratio (domestic standard) at 11.01%
- The capital ratio has risen due to an increase in capital, and soundness has been secured.



* 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.

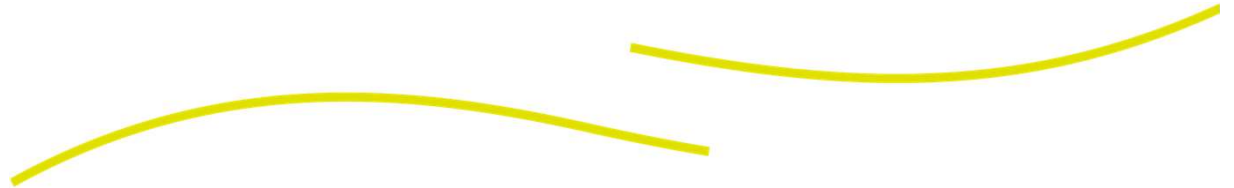
(3) Assets in Custody

- Assets in custody as a whole (The Bank of Okinawa + Okigin Securities) increased by ¥4.7 billion year on year, mainly due to increases in personal pension insurance, etc. and investment trusts, despite a decrease in JGBs



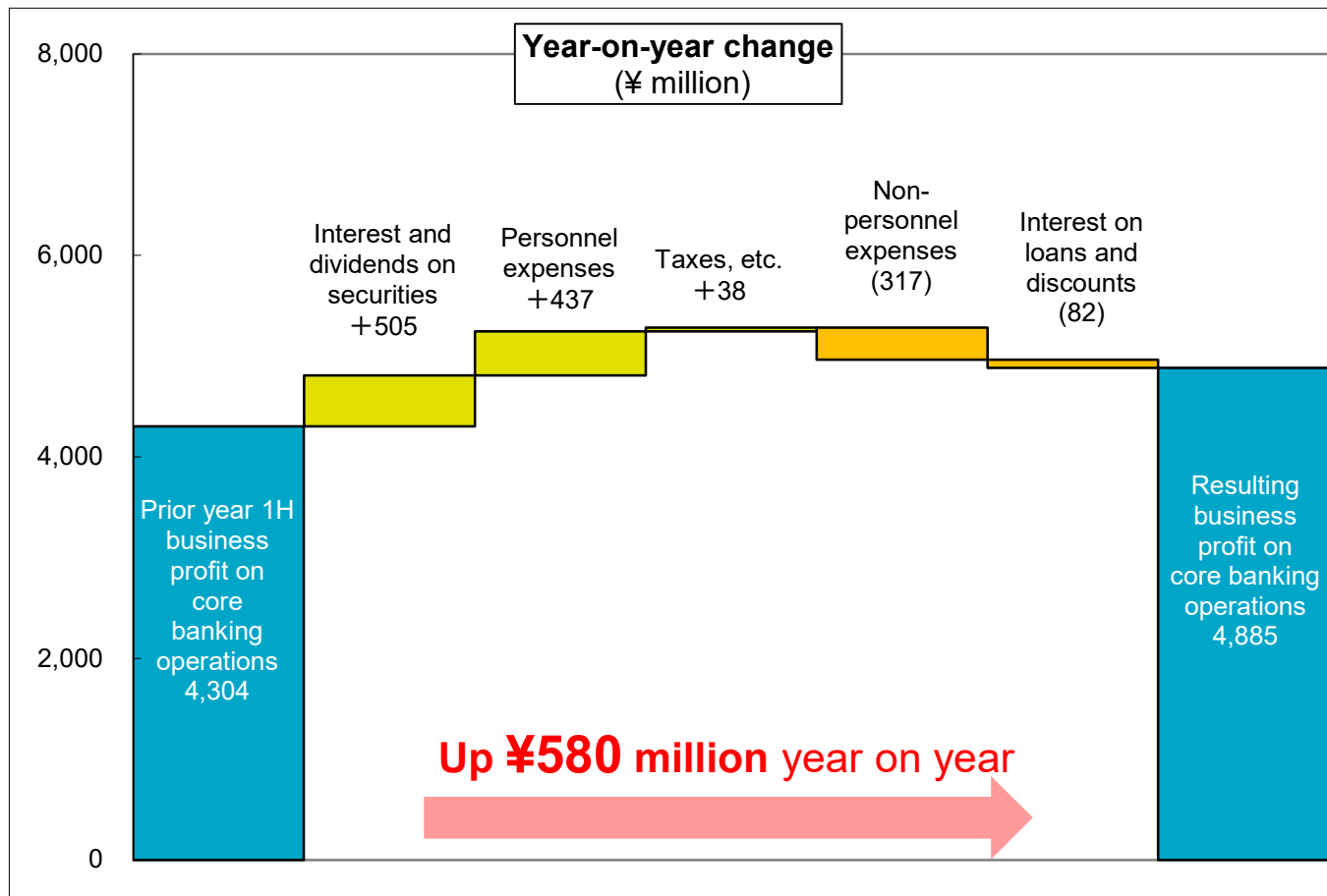
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Outline of Business Results for FY2022 1H (ii) [The Bank of Okinawa, Non-consolidated]



(1) Changes in Business Profit on Core Banking Operations

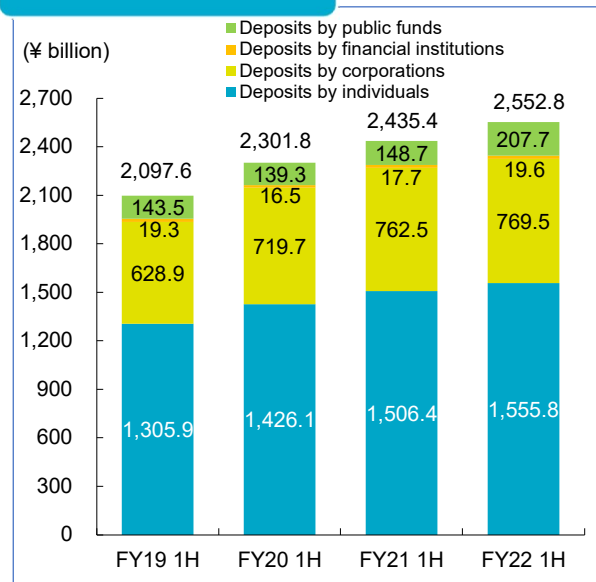
- Business profit on core banking operations increased by ¥580 million year on year, mainly due to an increase in interest and dividends on securities and a decrease in personnel expenses.



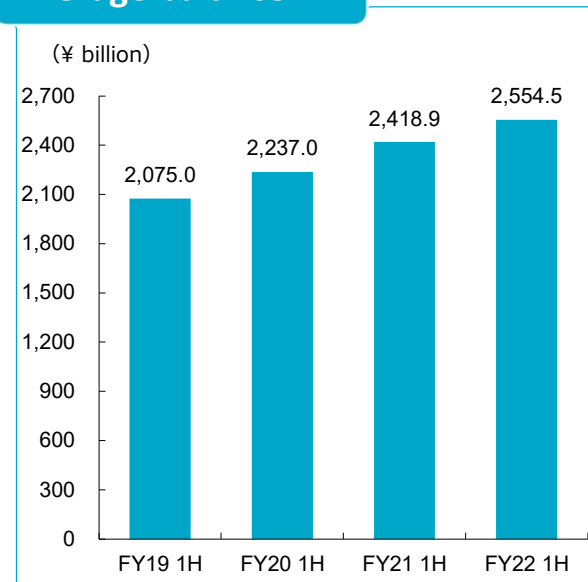
(2) Deposits (Term-End Balance/Average Balance)

- The term-end balance of total deposits rose by ¥117.4 billion (+4.82%) from the end of the 1H of the previous fiscal year, to ¥2,552.8 billion.
- Deposits by individuals rose by ¥49.4 billion, deposits by corporations rose by ¥6.9 billion and public funds rose by ¥59.0 billion.

Term-end balance



Average balance



Deposits by individuals

- Increased mainly due to the slowdown in consumption activities resulting from the impact of COVID-19
- Salary payment and pension contracts increased

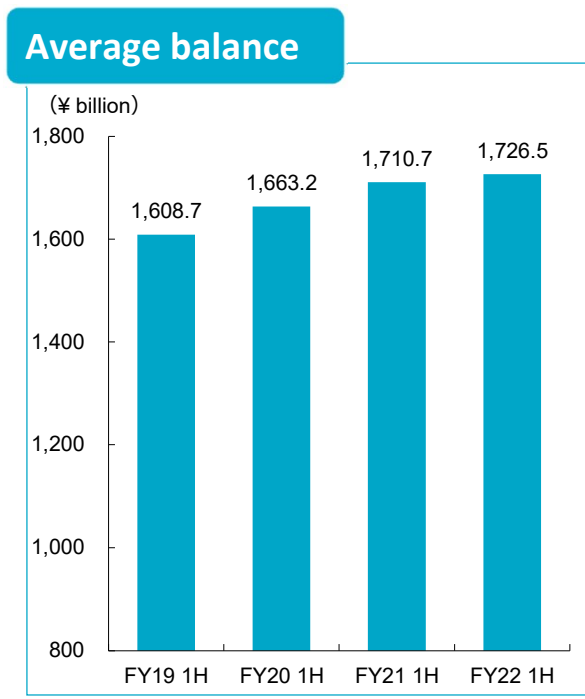
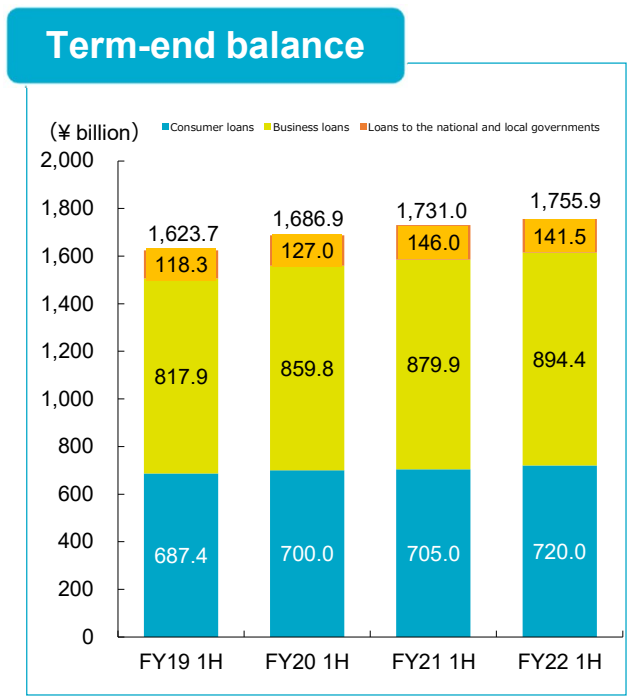
Deposits by corporations

- Enhanced function to trace funds by “Strong Relations Plan”
- Secured cash on hand resulting from the spread of COVID-19

*Including trust accounts.

(3) Loans (Term-End Balance/Average Balance)

- The term-end balance of total loans and bills discounted rose by ¥24.9 billion (+1.43%) from the end of the 1H of the previous fiscal year, to ¥1,755.9 billion.
- Business loans increased by ¥14.5 billion, and consumer loans rose by ¥14.9 billion.



Factors for increase in business loans

Proactive lending to SMEs through the **promotion of loans based on business evaluation and support for COVID-19 countermeasures**

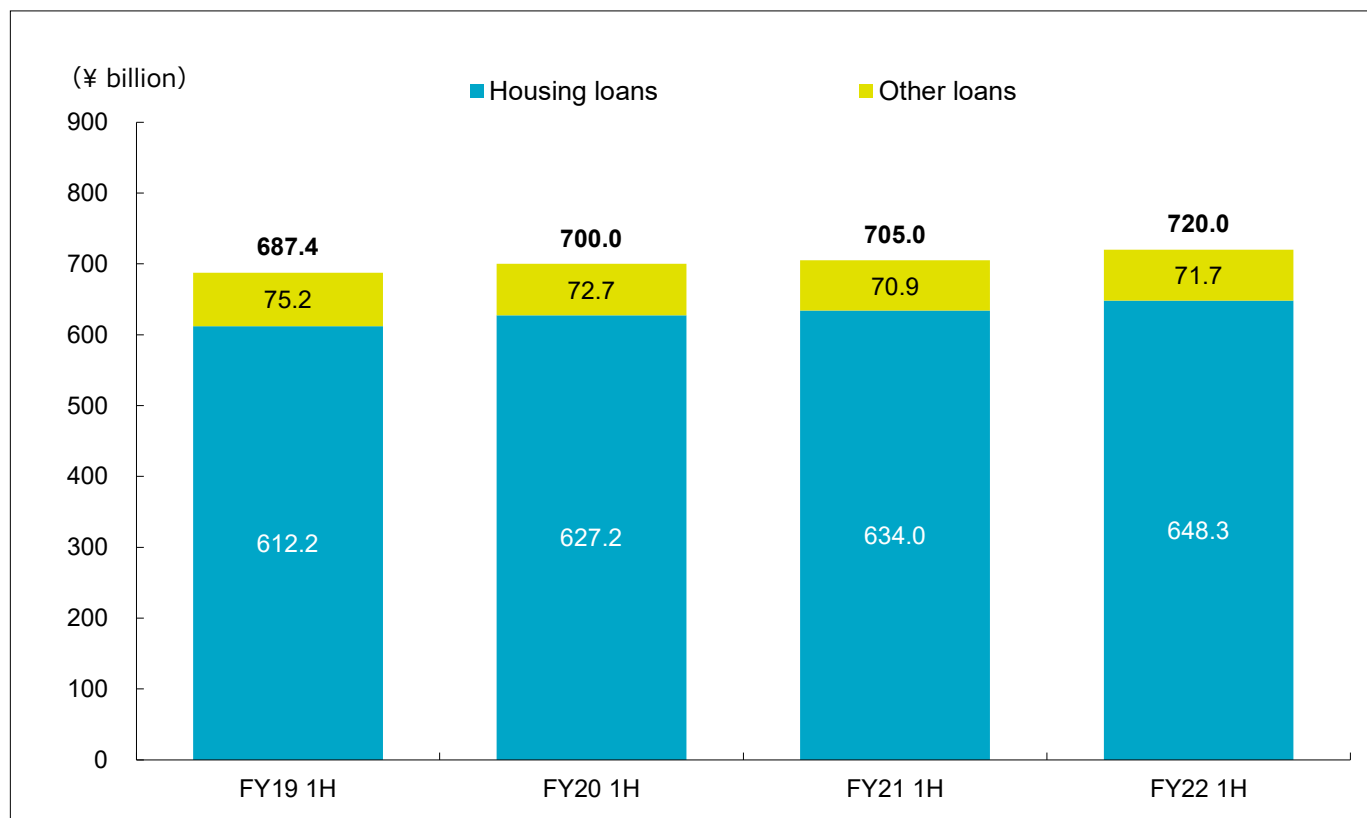
Factors for increase in consumer loans

Increase in housing loans due to the continuous sales promotion

*Including trust accounts.

(4) Consumer Loans (Term-End Balance)

- Consumer loans rose by ¥14.9 billion (+2.12%) year on year to ¥720.0 billion.
- Of these, housing loans rose by ¥14.2 billion and other loans rose by ¥0.7 billion.

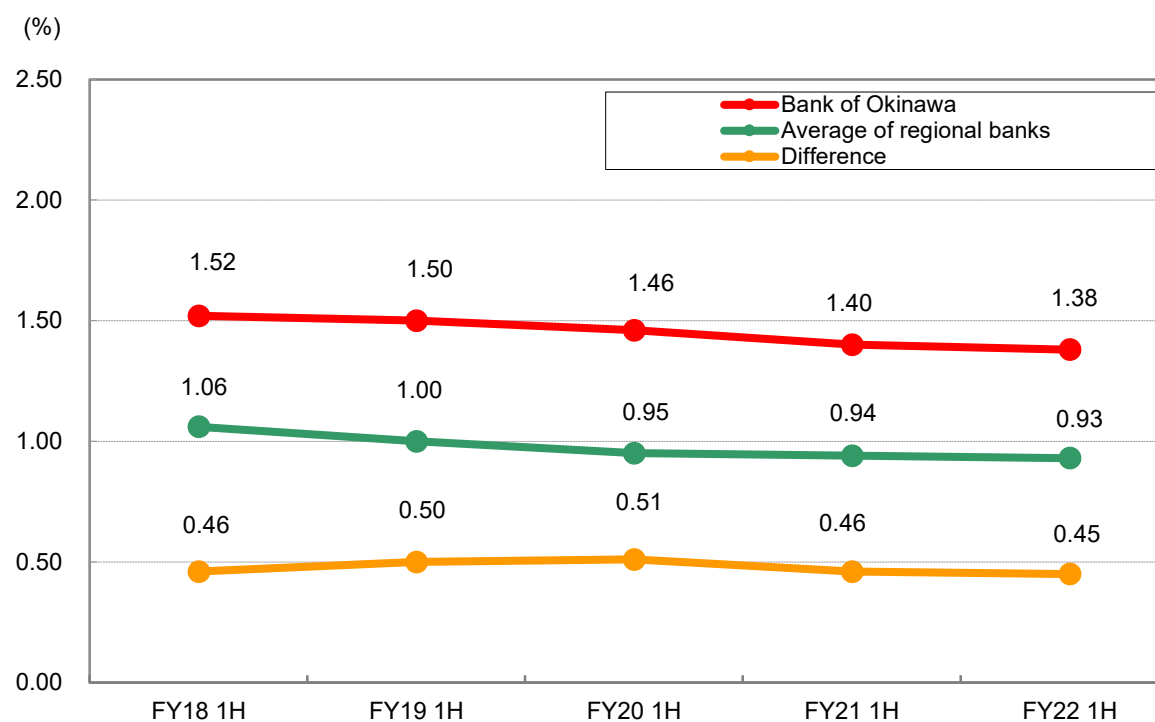


*Including trust accounts.

*Consumer loans: Loans provided as funds closely tied to customer lifestyles. Typically referred to as personal loans or consumer loans

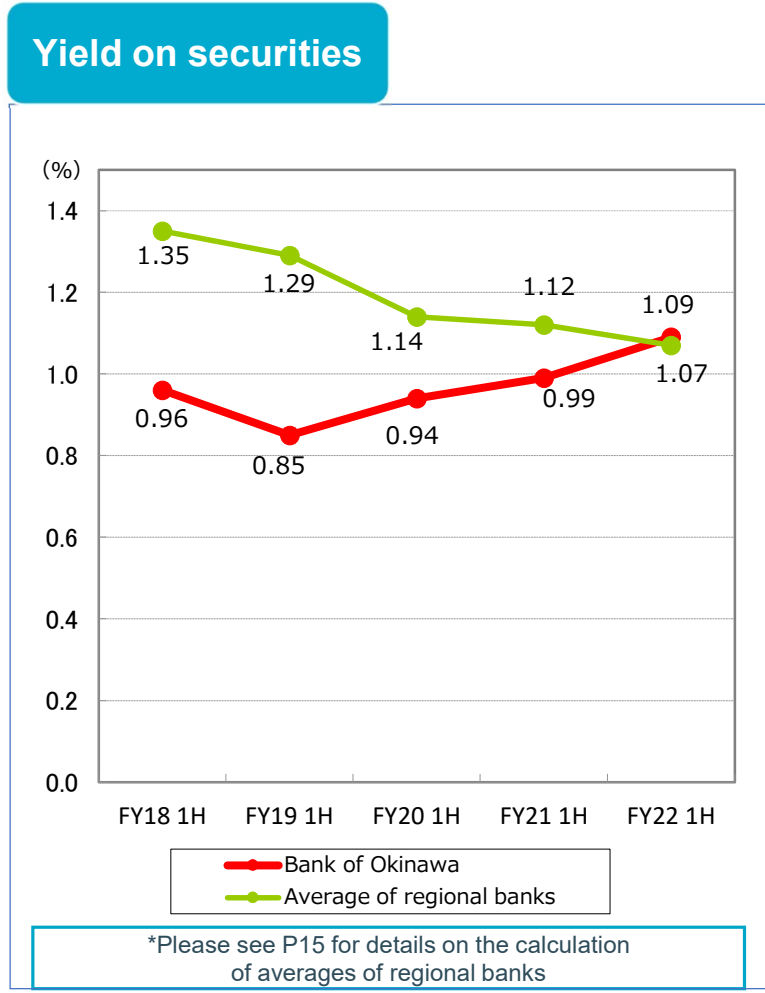
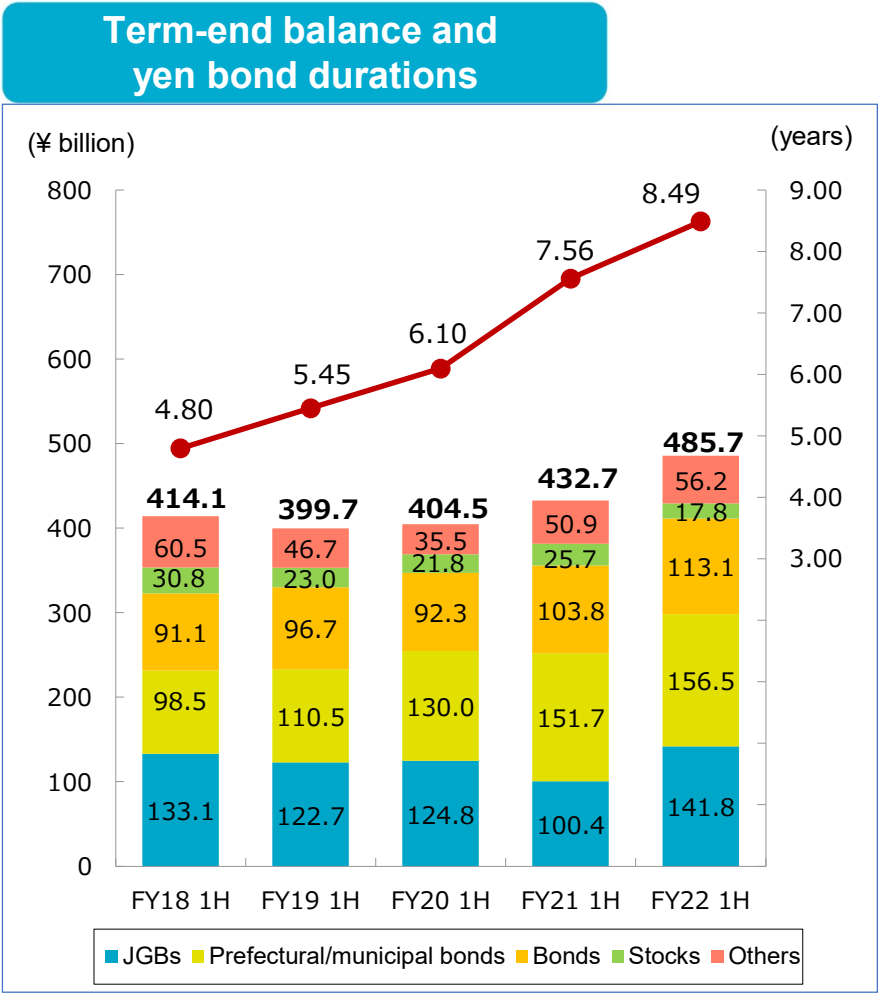
(5) Loan / Deposit Spreads (Domestic)

Loan / Deposit Spreads with Regional Bank Averages



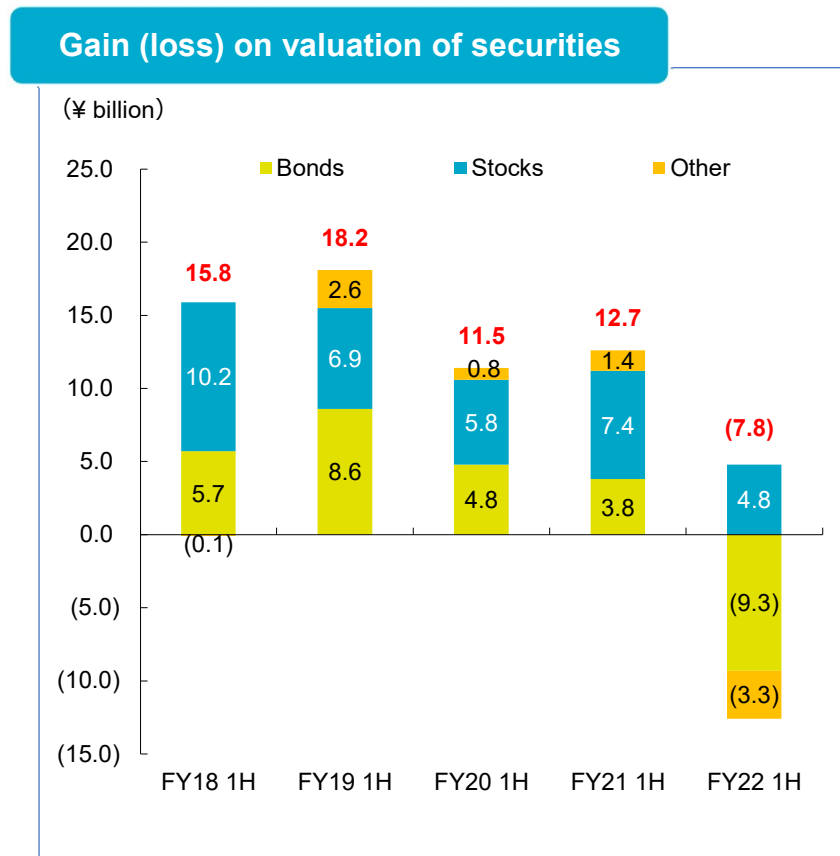
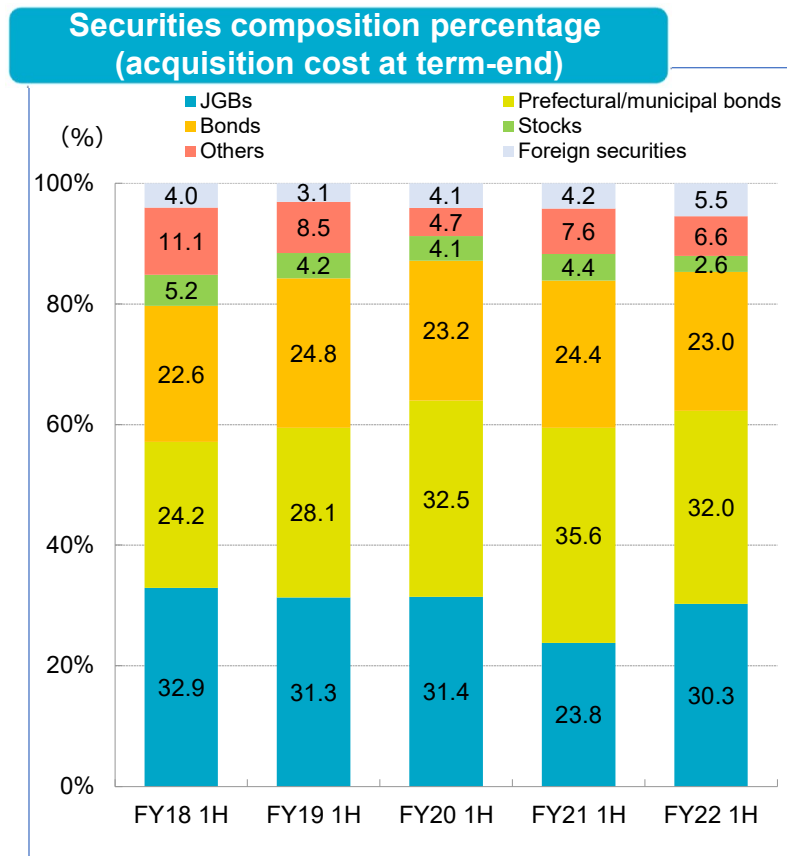
Averages of regional banks are prepared by the Bank based on the financial results of regional banks posted on the website of the Regional Banks Association of Japan. However, because data for 1H (ending September 30) is published in December of each year, the average of regional banks for FY21 is used for FY22 1H.

(6) Securities (Term-End Balance)



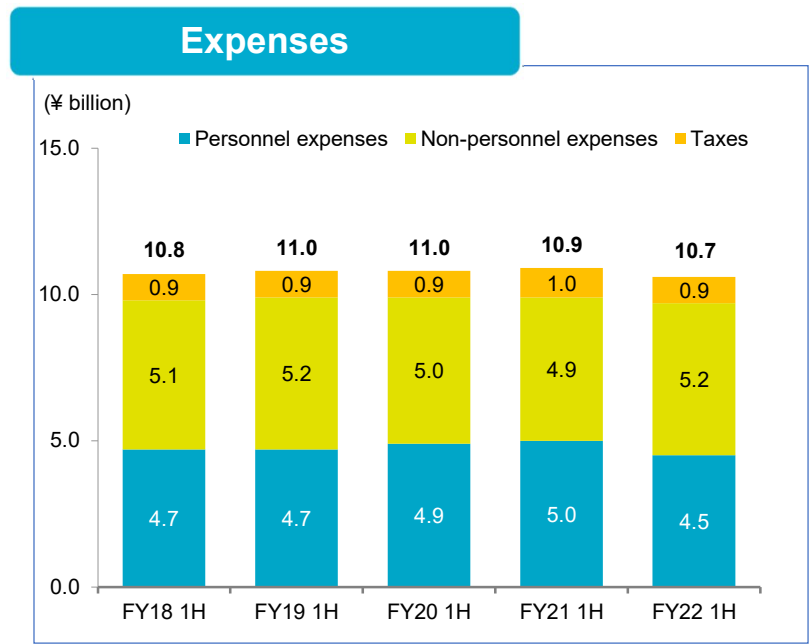
(7) Securities Allocation and Changes in Valuation Gain/Loss

- Continuation of rebalancing from yen bond holdings. Gain on valuation of securities decreased by ¥20.5 billion year on year, to ¥(7.8) billion.



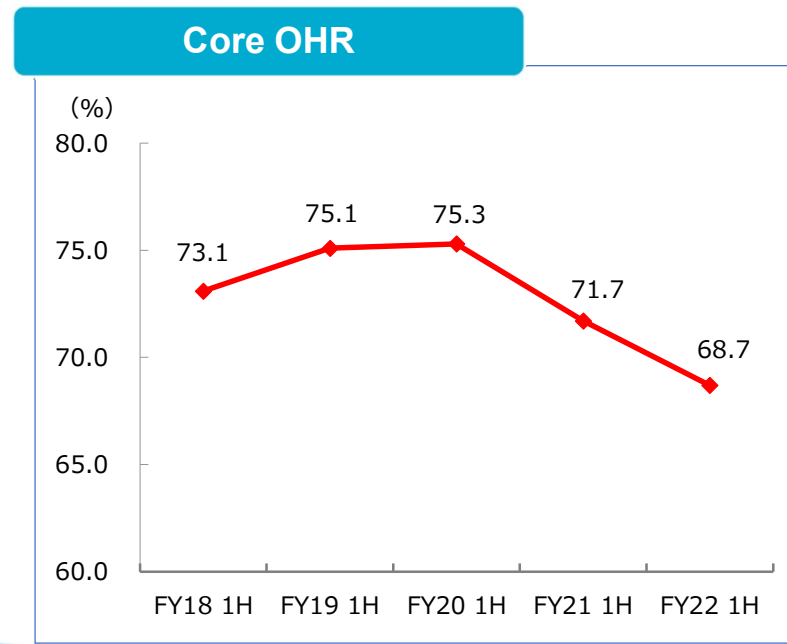
(8) Expenses

- Expenses decreased by ¥178 million year on year due to a decrease in personnel expenses, despite an increase in non-personnel expenses.
- Core OHR was 68.7%, down 3.0 percentage points year on year, partly due to the increase in business profit on core banking operations.



Decrease in personnel expenses

Increase in non-personnel expenses



Decrease in Core OHR

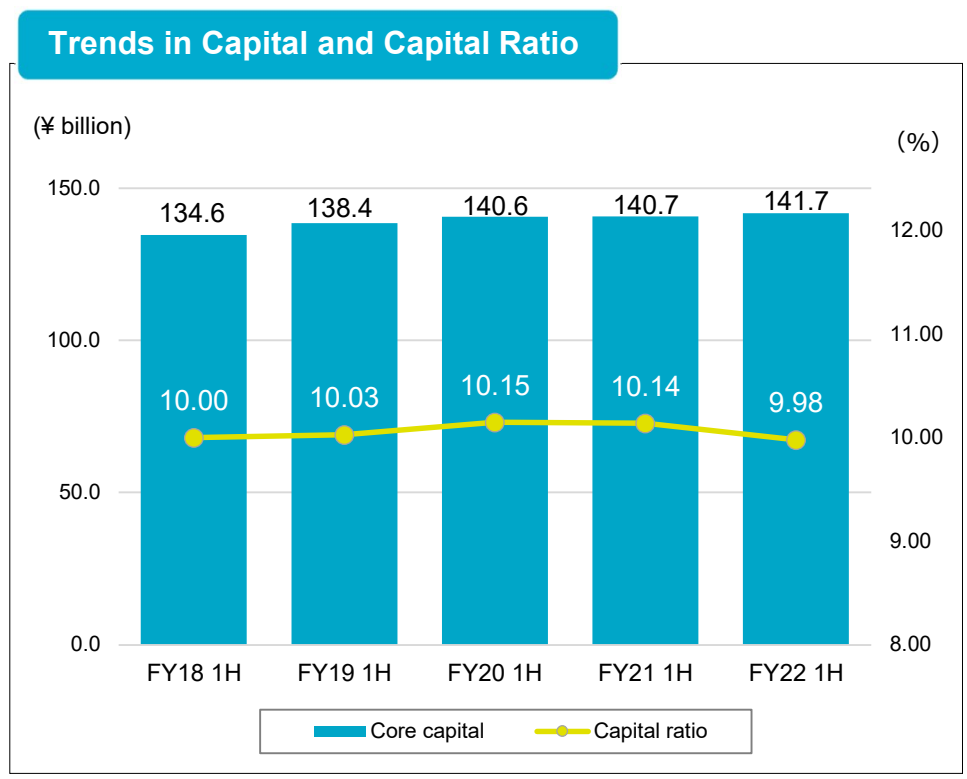
(9) Capital Ratio

- Capital ratio (domestic standard) at 9.98%
- The capital ratio has dropped due to an increase in risk-weighted assets, but soundness has been secured.

	(¥ million, %)		
	FY22 1H	FY21 1H	YoY change
Capital ratio	9.98	10.14	(0.16)
Capital	141,755	140,790	964
Basic elements of core capital	144,247	142,823	1,423
Adjustments to core capital (-)	2,492	2,032	459
Risk-weighted assets	1,420,047	1,387,970	32,076

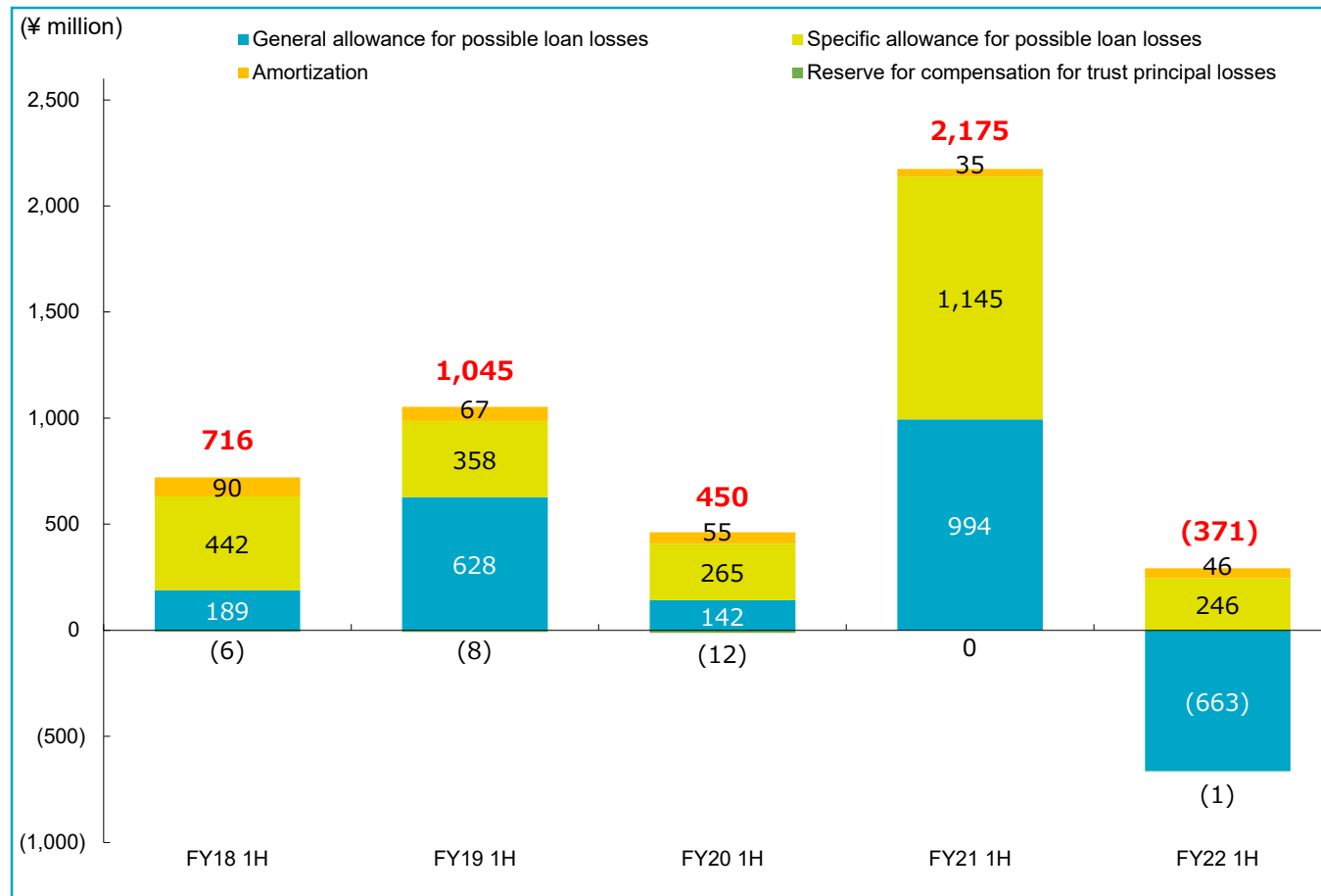
The non-consolidated capital ratio for The Bank of Okinawa has declined due to an increase in risk-weighted assets resulting mainly from increased loans to companies. The capital ratio of the Bank exceeds 9.58%, the average non-consolidated capital ratio of domestic standard regional banks in FY2021.

*Please see P15 for details on the calculation of averages of regional banks



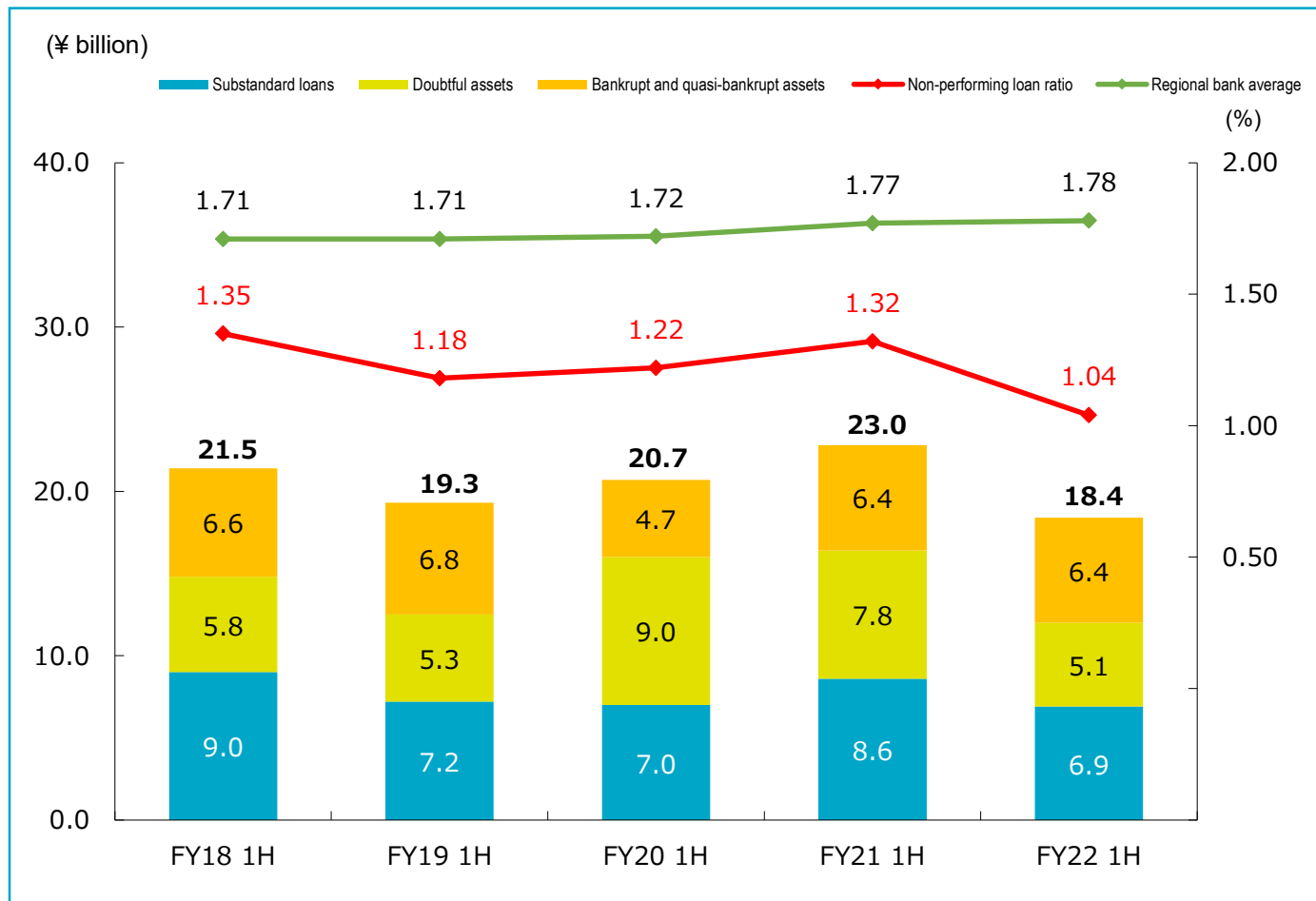
(10) Credit Cost

- In overall terms, credit cost decreased by ¥2,547 million year on year to ¥(371) million.



(11) Mandatory Disclosure of Bad Debt under the Financial Reconstruction Law

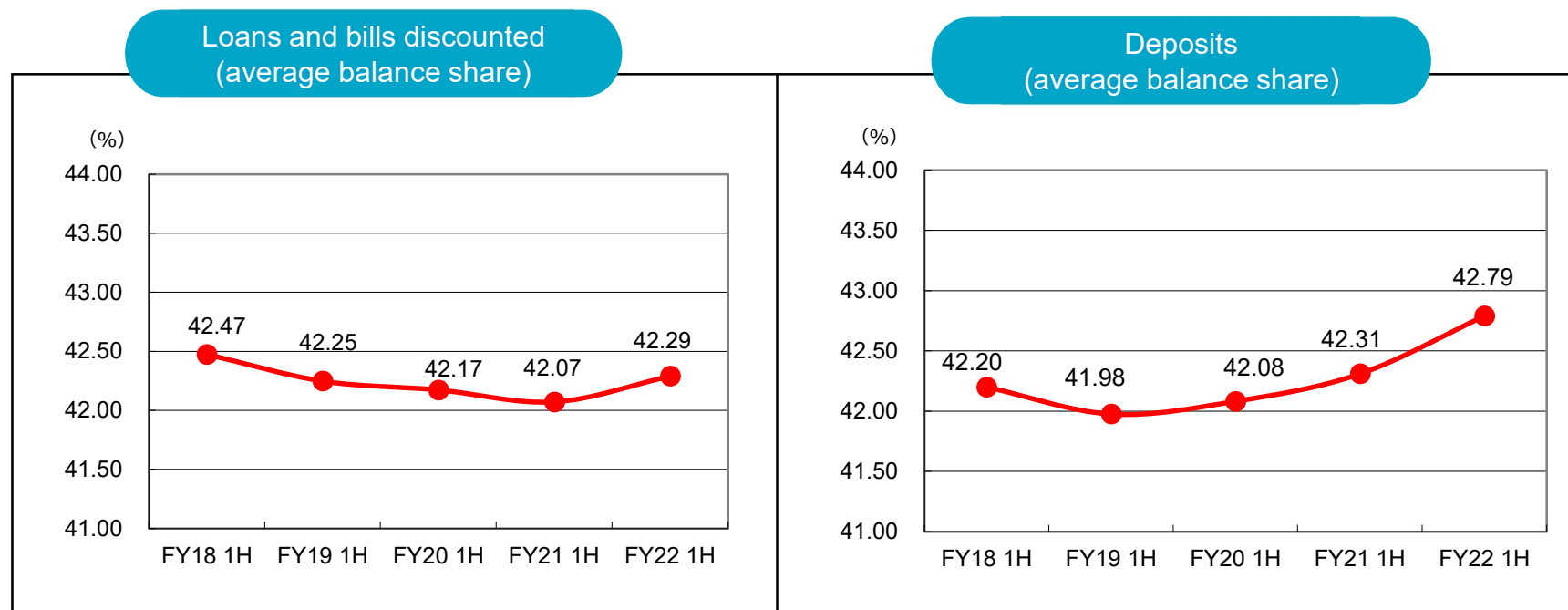
- ¥18.4 billion (non-performing loan ratio: 1.04%)
- Remained at low level, below the regional bank average of 1.78%



*Please see P15 for details on the calculation of averages of regional banks

(12) Our Share of the Market Served by the Three Okinawan Regional Banks

- The share of loans and bills discounted and deposits both remained at a high level
- Loans and bills discounted: 42.29% (up 0.22 percentage points YoY)
- Deposits: 42.79% (up 0.48 percentage points YoY)



(13) Business Profit on Customer Services

	FY20 1H	FY21 1H	(¥ million, %) FY22 1H
(1) Loans and bills discounted average balance	1,662,275	1,709,787	1,725,533
(2) Yield on loans and bills discounted	1.475	1.406	1.384
(3) Yield on deposits	0.018	0.007	0.004
(4) Loan / deposit spread ((2) - (3))	1.457	1.399	1.380
(5) Net fees and commissions	733	952	972
(6) Operating expenses	11,158	11,054	10,886
(7) Business profit on customer services	1,717	1,890	2,025
(8) Deposits average balance	2,218,935	2,403,749	2,541,483
(9) Business profit margin on customer services	0.154	0.156	0.158

* $(7) = (1) \times (4) \times \text{elapsed days} \div 365 + (5) - (6)$

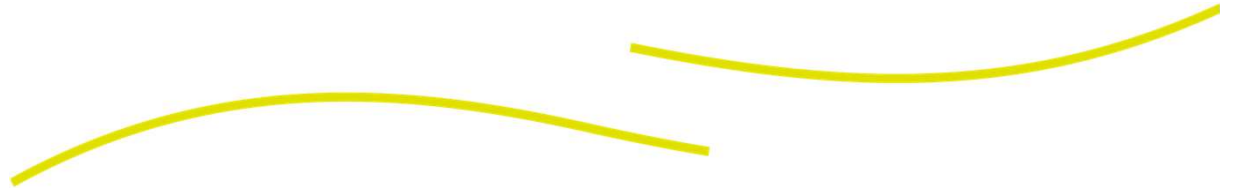
* $(9) = (7) \div (8) \times 365 \div \text{elapsed days} \times 100$

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

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

4

Outline of the 1st Medium-Term Business Plan



(1) Outline of the Medium-Term Business Plan



Name

1st Medium-Term Business Plan (October 2021 – March 2024)
Create Value & Innovation - Co-creating a “new” Okinawa experience -

Group Vision

To provide enhanced customer experience (CX) and contribute to the resilient and sustainable growth of the regional community as a full-service group with finance at its core

Four Pillars

Strategy I	Strategy II	Strategy III	Strategy IV
Group strength to lead the regional community	Provide services through a market-in approach	Optimization of group management resources	Human resources development to lead Group growth
 <ul style="list-style-type: none"> Strengthen the Group governance function and further strengthen Group solidarity through the transition to a holding company structure Strengthen collaboration within the Group and with outside companies, aiming for the integration of financial and non-financial domains Build Group strength to achieve sustainable development, addressing regional development, regional issues, and improving productivity 	 <ul style="list-style-type: none"> Integration of human touch and digital services to meet customer needs Provide solutions services through intra-Group collaboration 	 <ul style="list-style-type: none"> Allocate management resources to growth areas to create the non-financial domain and strengthen competitive advantages in the financial domain Shift management resources to the human touch through continuing operational reforms 	 <ul style="list-style-type: none"> Enhance consulting capacity to contribute to problem solving and quality asset formation Establish Group training systems to enable the Group to provide a one-stop service

Basic Policy

Further advancement of Group governance

Group Governance

- Establish Group-wide strategy and monitor implementation at each company
- Expedite business execution by transferring authority to each company

Group Synergies

- Establish a platform to provide one-stop service
- Open innovation through collaboration and alliances with external companies

Risk Governance

- Establish risk management preparedness across the Group
- Continue to strengthen cybersecurity measures

Compliance

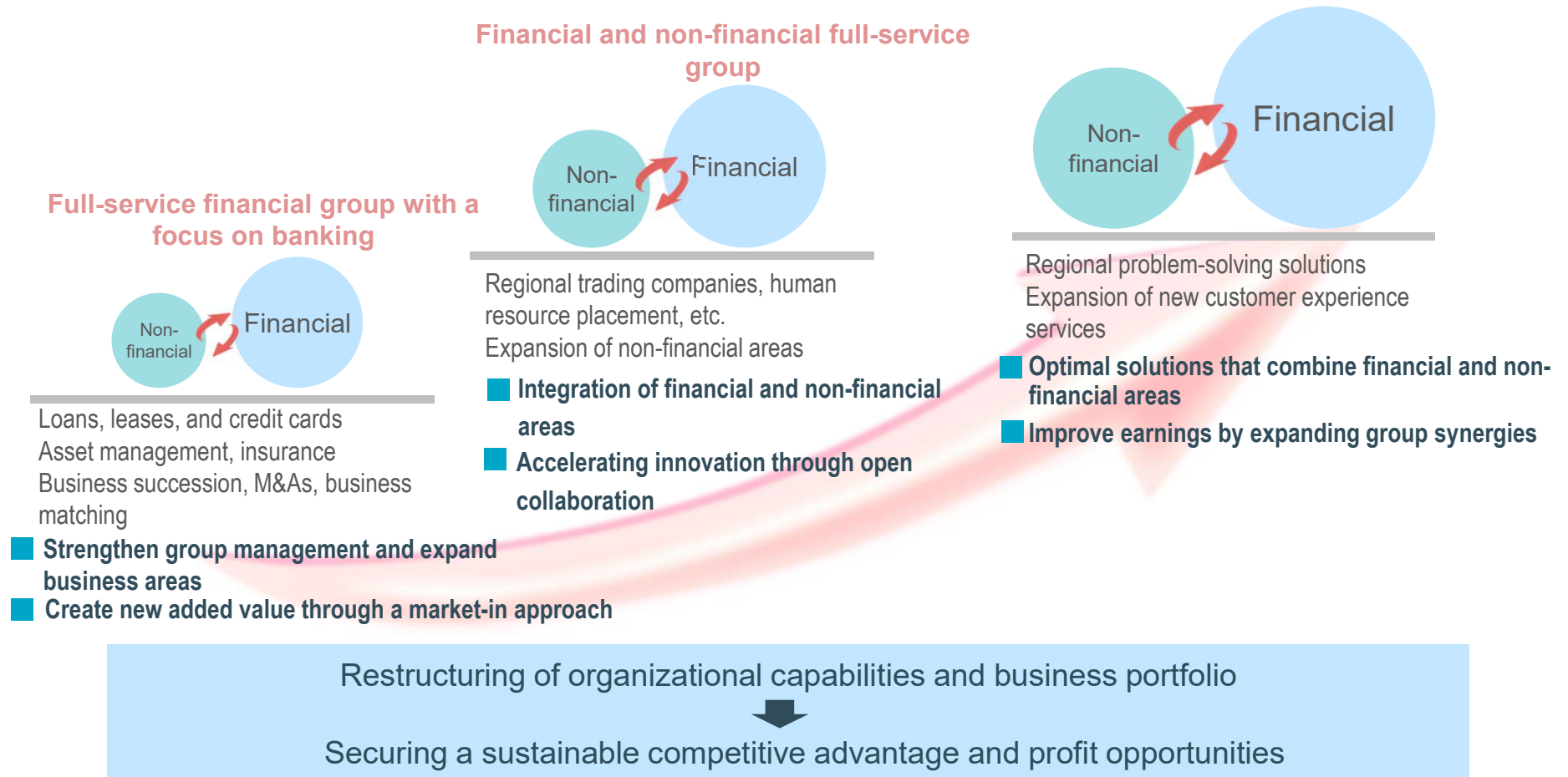
- Ensure thorough understanding of compliance based on principles
- Continue to strengthen measures to combat money laundering and the financing of terrorism

(2) Business Model under the Holding Company Structure

Become a full-service group with finance at its core that leads the region through self-transformation that adapts to changes in the environment

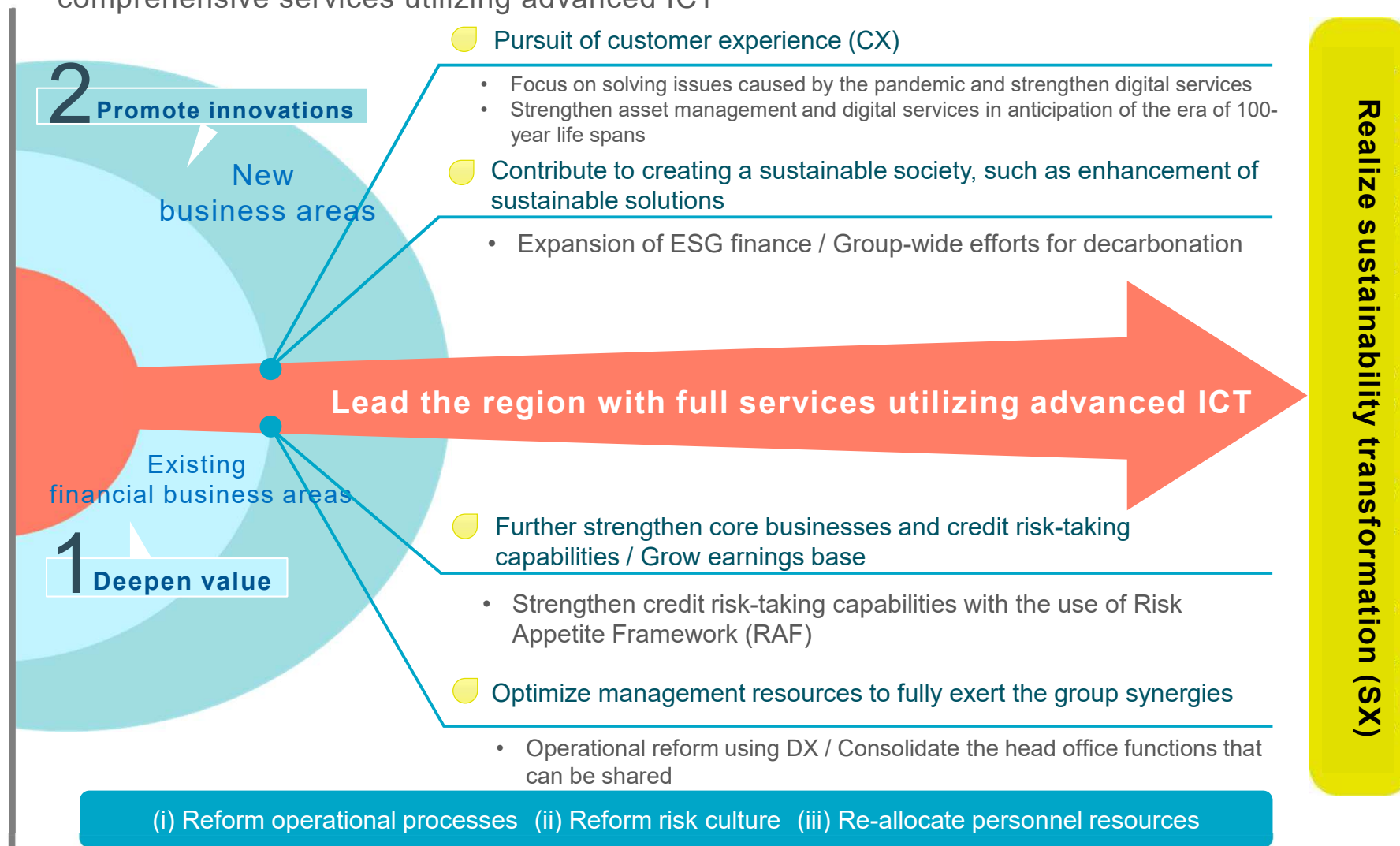
Strengthen group management and expand business areas
Increase corporate value over the medium- to long-term by expanding group synergies

Full-service group with finance at its core that leads the regional community



(3) Basic Concept of Growth Strategies (Plan for the Second Year)

- Explore in depth the existing financial business areas by building new models and honing our strengths based on a market-in approach. Also realize sustainability transformation (SX) with comprehensive services utilizing advanced ICT



*SX is a strategic guideline for a company to focus on sustainability, achieve a good balance of earning power and ESG (Environment, Society and Governance), and reform its management style, etc.

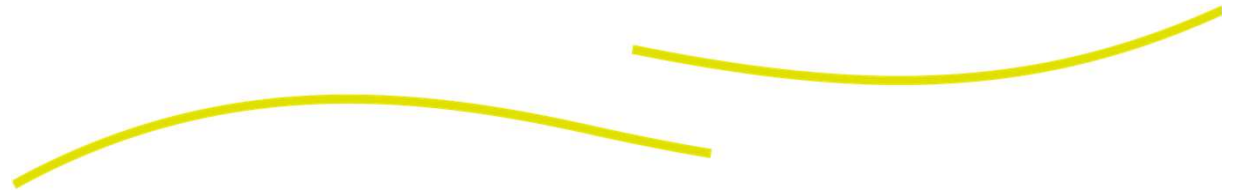
(4) Management Indicator Targets and Dividend Policy

- Striving to improve earnings through expanding group synergies as a full-service group with finance at its core, we aim to achieve net income attributable to owners of the parent of ¥6.0 billion in the final fiscal year of the Medium-Term Business Plan

Management Indicator Targets			Dividend Policy
	FY2020	FY2023	<p>The Company's basic policy on appropriation of surplus is to aim to strengthen its management structure while providing stable dividends in light of the public nature of the finance business.</p> <p>Common dividend</p> <p>Regardless of performance, we aim for a yearly common dividend of ¥70.</p> <p>Performance-linked dividend</p> <p>If the Group's consolidated net income for the fiscal year exceeds ¥7.0 billion, we will consider paying a special dividend.</p> <p>Total return ratio</p> <p>The Group sets a target of 30% of consolidated net income for the fiscal year for total shareholder returns.</p>
Consolidated net income	¥5.2 billion	¥6.0 billion	
Consolidated ROE*	3.46%	Approx. 4%	
Consolidated OHR	71.4%	Approx. 70%	
Consolidated capital ratio	10.95%	Approx. 10%	
*Consolidated ROE is shown on a shareholders' equity basis.			

5

Status of Efforts on Medium-Term Business Plan



(1) Strategy I Group Strength to Lead the Regional Community (i)

- A comprehensive partnership agreement with Microsoft Japan to promote DX in Okinawa region

Microsoft, OFG, The Bank of Okinawa and Future Okinawa

[Purpose]

Centering on DX promotion, provide support to enterprises in Okinawa Prefecture to help them address issues in order to strengthen systems that contribute to increasing their productivity and expanding their sales and profit

[Contents of partnership]

- (i) DX awareness programs to enterprises in the prefecture
- (ii) Operation and utilization of Microsoft Base Naha



Knowhow of Microsoft Base nationwide
Solution services provided by Microsoft



Enterprises in
Okinawa
Prefecture

- Acquisition of DX certification provided by the Ministry of Economy, Trade and Industry



Second case in Okinawa Prefecture
First as a financial institution in the prefecture

[Digital Transformation Certification]

Digital Transformation Certification is an initiative in which the Ministry of Economy, Trade and Industry certifies companies that are recognized as ready to promote digital transformation as “DX-certified operators” based on the Act on Facilitation of Information Processing. Valuation standards include development of management visions, DX strategies and internal systems, among others.

(1) Strategy I Group Strength to Lead the Regional Community (ii)

■ A comprehensive partnership agreement with Zamami Village

[Purpose]

Regional development and local economic revitalization in Zamami Village through close mutual cooperation and collaboration efforts in which Zamami Village and Okinawa Financial Group effectively use each other's information and functions

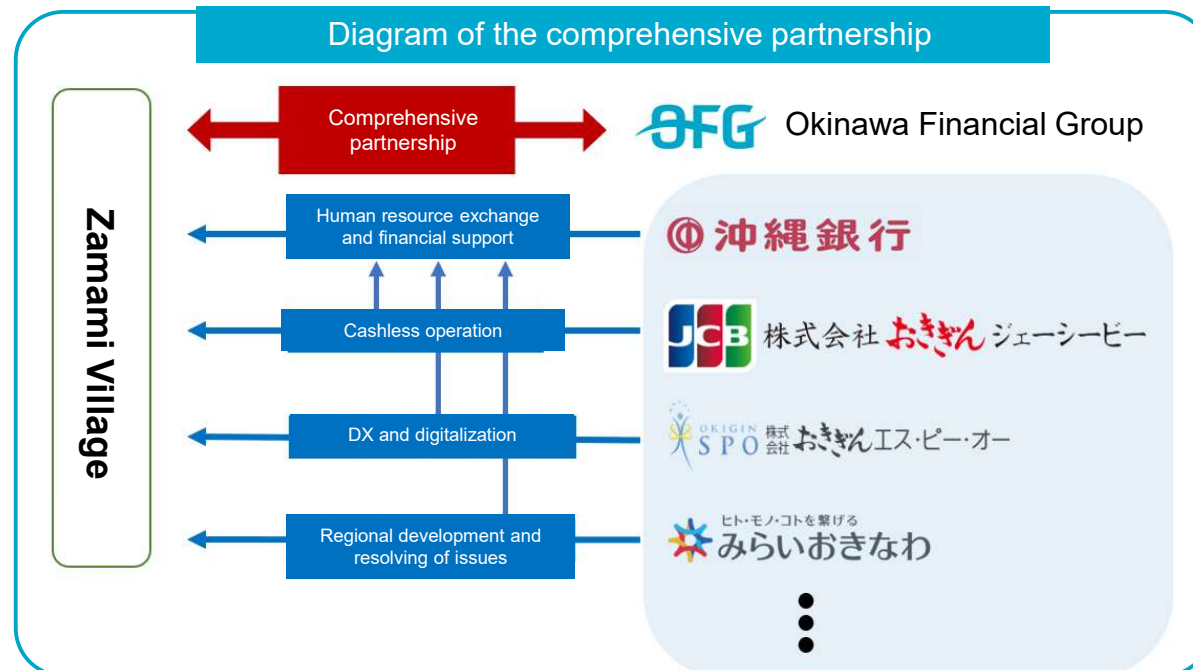
[Contents of partnership]

- Contribute to the promotion and creation of local industries and the revitalization of the local economy through collaboration
- Efforts relating to resolving issues faced by the regional community and to SDGs initiatives
- Contribute to human resource development, job creation, and employment support in the region through collaboration
- Other matters pertaining to items discussed and determined by the both parties

OFG's Group knowhow

Resolve issues faced by regional community

Toward sustainable growth



(2) Strategy II Provide Services through a Market-in Approach (i)

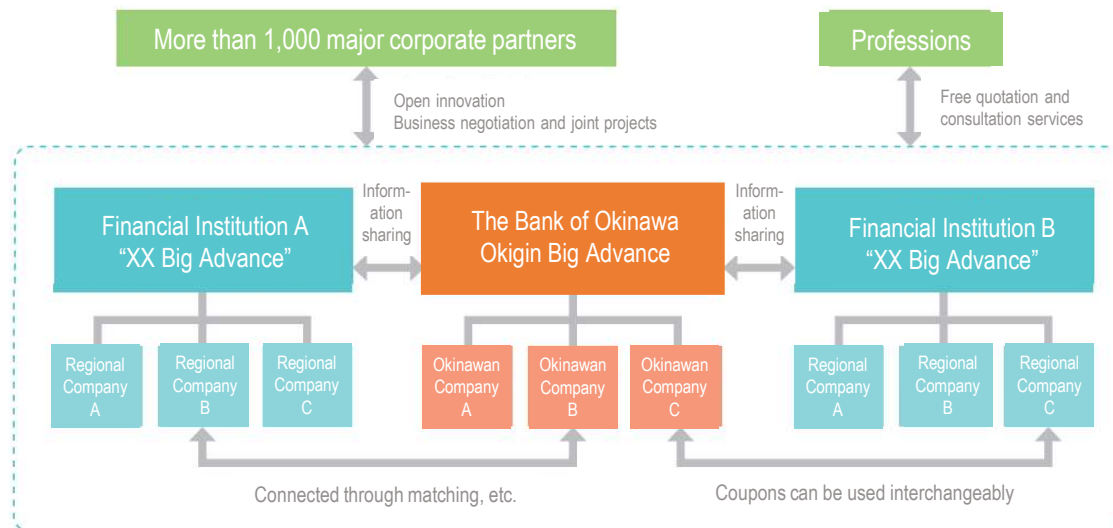
Okigin Big Advance



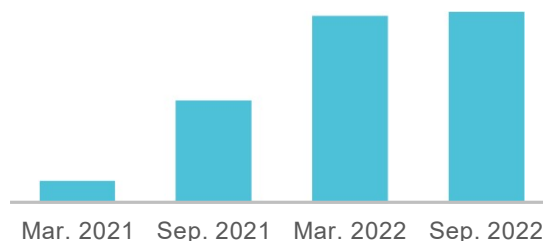
Okigin Big Advance

- Platform to support the growth of regional SMEs in collaboration with financial institutions across Japan
- Providing customers with diverse services to contribute to solving the issues faced by customers such as market development support through nationwide business matching and designing homepage

[Structure of Big Advance]



[Number of parties contracting Okigin Big Advance]



With Big Advance, we will contribute to solving the issues faced by customers in ways such as using digital channels to expand sales and enhancing welfare and benefits.

<p>Business matching Matching services for businesses, real estate, human resources and even business succession</p>	<p>Professional consultation Solve management issues through online professional consultation services</p>
<p>Welfare and benefits service Provide welfare and benefits to employees through coupons</p>	<p>Open innovation Participate in innovation projects with major corporations</p>
<p>Homepage functions Create smartphone and SEO-compatible corporate homepages in just 15 minutes</p>	<p>Chat services Chat services with responsible staff at branches and headquarters</p>

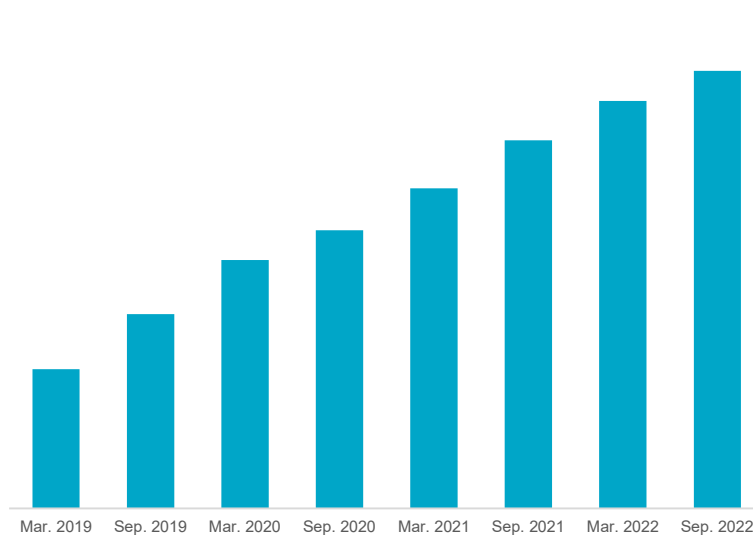
- The number of parties contracted increased by approx. **8.4** times from March 2021 (top class in the nation in terms of the number of contracting parties)
- Aim to further increase the number of subscribers and encourage the use through follow-up activities

(2) Strategy II Provide Services through a Market-in Approach (ii)

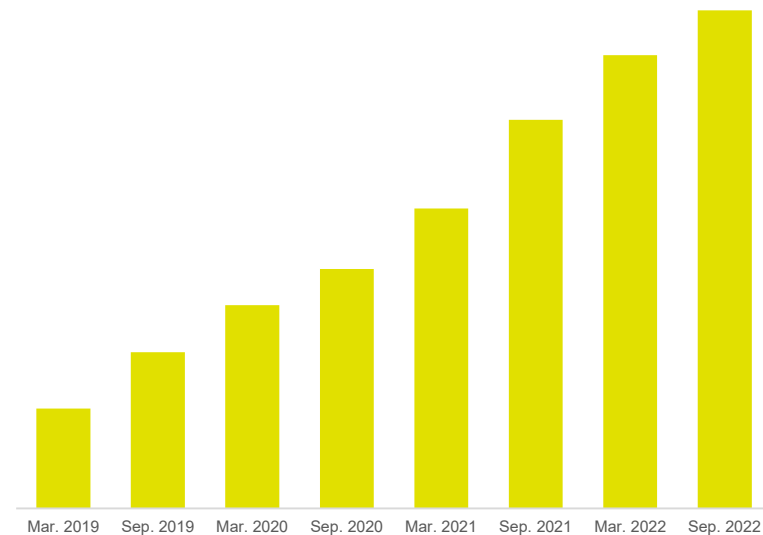
- Asset management awareness is increasing with a shift from savings to investment, in anticipation of the era of 100-year life spans
- Under our Fiduciary Duty Basic Policy, we will pursue the interests of customers in line with their needs

Expansion of trust accumulation

Implementing the Okigin Fiduciary Duty Basic Policy: operating in the interests of our customers



- Number of subscribers: grown by approx. **3.1** times in three-and-a-half years



- Fund transfers:* grown by approx. **4.9** times in three-and-a-half years

* Fund transfers per month

(2) Strategy II Provide Services through a Market-in Approach (iii)

- Enhance customer convenience and resolve issues faced by regional community with expanded functions of our smartphone apps “Okigin Smart” and “OKI Pay”
- Started online display of teller windows congestion

■ “Okigin Smart” for those who don’t need a bank

- We add the following functions in addition to balance inquiries, internal funds transfers, etc.
 - Remittance to other financial institutions
 - Change of address
 - Loan applications
 - No-fee remittance to Okigin Securities
 - **Expand the range of donation recipients**



Okigin Smart

*No. of users:
approx. 120,000

Point!

As it is an in-house developed app, quick response is possible, including the expansion of the range of donation recipients

Respond flexibly to issues faced by regional community

■ Online display of teller windows congestion

- Congestion status can be checked with LINE, Okigin Smart and the Bank’s website
- Aim to relieve congestion at teller windows

You can **check** branch **congestion** on the **website!**

Avoid crowded hours for smooth use

[Click the screen for details](#)



■ “OKI Pay” for cashless payments

- Expand functions of the OKI Pay smartphone payment service
 - Expand compatibility with barcode payment slips for local municipalities, etc., bookings and payments at dispensing pharmacies, collaboration in the use of discount coupons, etc.
- Promote the shift to cashless transaction for the whole regional community through the spread of electronic gift vouchers and OKI Pay
 - HAPITOKU OKINAWA coupons, Uruma City e-machi Gift, etc.
- **Start cash back (0.5% of the amount of transaction)**



Get 0.5% cashback of the amount of transaction transferred to your account!



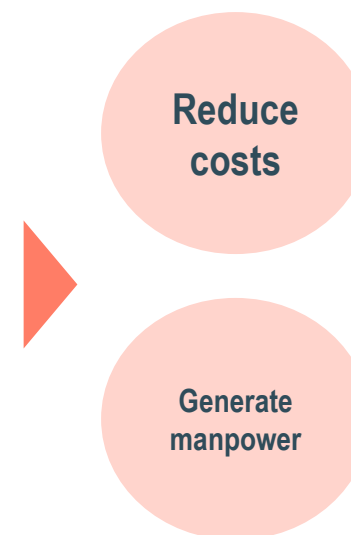
*No. of users:
approx. 40,000

(3) Strategy III Optimization of Group Management Resources

Operational reform project

- Review “affixing seals,” “face-to-face,” and “in writing” procedures across the Group. With this fundamental operational reform, we **reduce costs, generate manpower, and re-allocate them toward creation of customer contact points and foundation for CX improvement**

Categories	Major initiatives
1. Streamline operations of branches	Abolition of staff in charge of handling loans MIRAI (system to reduce paperwork): Expanding the scope of operations Individual loan applications completing on the website Digitization of paper-based teller window services Acceleration of electronic contracting
2. Overhaul operations of head office and Group companies	Promotion of free-address workplace to accelerate paperless operations Reduce printers and MFPs Abolish and reduce fixed-line phones Sort out products and services Unify and sort out systems
3. Business process re-engineering of centralized operations at head office	Consolidate centralized operations at head office (i) Loan-related Consolidate centralized operations at head office (ii) Deposit-related Consolidate centralized operations at head office (iii) Call center and Churashima Branch * Make staff engaged in centralized operations at head office multi-functional / automate the operations

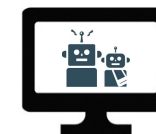


Centralization of operations at head office

- Expanded the centralization of clerical work for loan execution at head office
⇒ Reduced the time taken to prepare and send claims documentation
 - Centralized self-assessment at head office
⇒ Centralized operations at head office and reduced clerical work at branches
- Average concentration ratio at the head office for FY21: **approx. 65%** for business customers;
approx. 87% for individual customers

Utilization of digital tools

- We aim to improve the efficiency of operations, including at Group companies, through the use of groupware, chatbots (automatic response utilizing AI) and RPA



⇒ Our initiatives during FY21 reduced operating time by **111 thousand hours***

*On an annual basis

(4) Strategy IV Human Resources Development to Lead Group Growth

■ [Shared/redundant operations] Filed application as services for providing education or training to the officers or employees of the companies that belong to the group

- Application was filed as “services for providing education or training to the officers or employees of the companies that belong to the bank holding company group”
- We will enhance the education and training to be conducted on a Group-wide basis to accelerate development of personnel who can connect with customers and propose solutions that take advantage of the Group as a whole

■ M&A Senior Experts

- Number of qualified employees as of April 2022: 230 (of which, 228 belong to The Bank of Okinawa)
- Number of qualified employees is the highest in all regional banks in the nation
- We will encourage acquisition of the qualification across the Group

■ Acquisition of IT Passport / IT Coordinator qualifications

- Foster personnel who support customers' DX promotion on a Group-wide basis
- Number of IT Passport qualified employees: 127 (As of September 30, 2022)
- Encourage acquisition of the IT Coordinator qualification mainly for IT Passport holders and those certified as Small and Medium sized Enterprise Consultants

■ Small and Medium sized Enterprise Consultants

- Help the acquisition of qualification with a training program
- Number of qualified employees as of March 31, 2022: 34



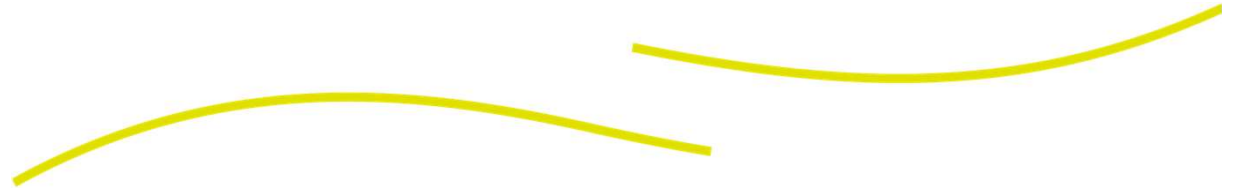
■ Okinawa Human Resource Development Company Certification

- Certified as Okinawa Human Resource Development Company by Okinawa Prefecture on December 24, 2020 (The Bank of Okinawa)
- Aim to realize a workplace where employees can actively work, finding job satisfaction in customer delight



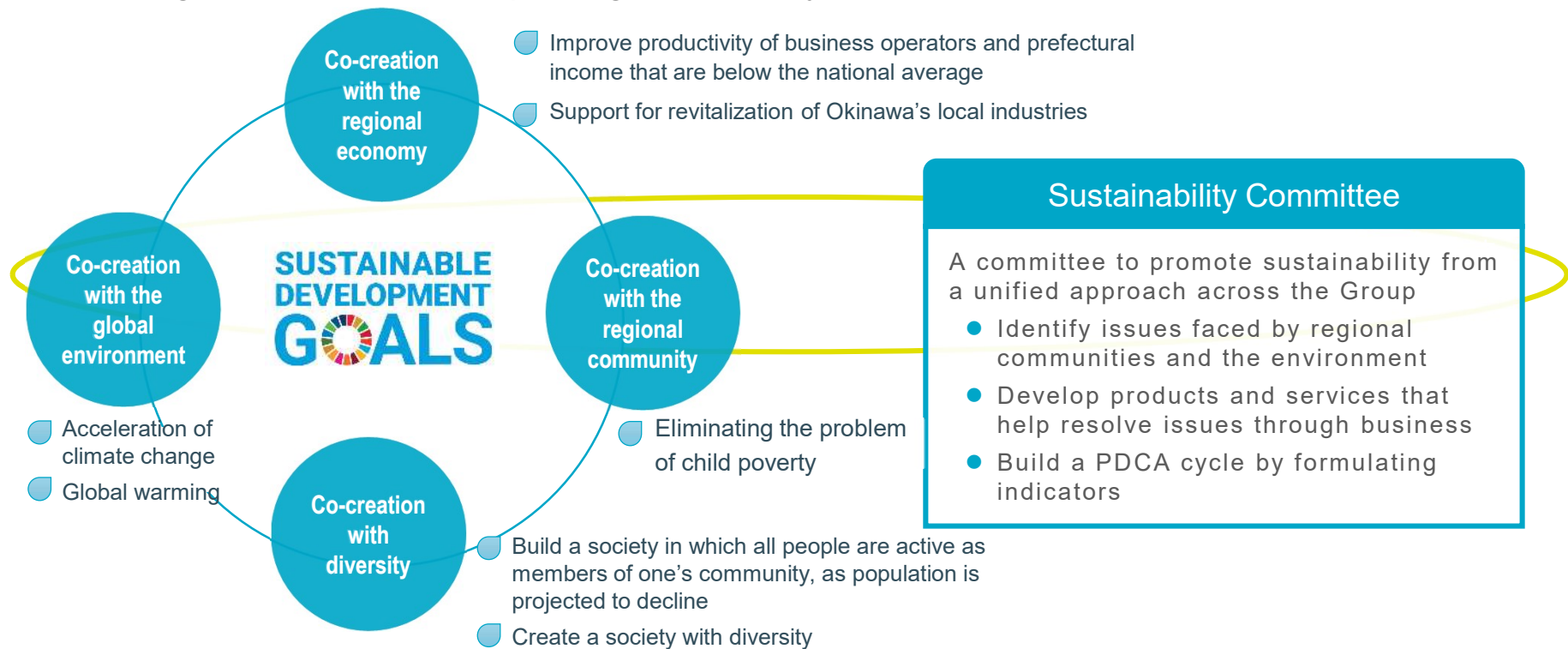
6

Addressing SDGs/ESG through Business Activities



(1) Strengthen SDGs/ESG Initiatives by Sustainability Committee

- We established a Sustainability Committee in February 2022 aimed at implementing concrete initiatives, based on the Okinawa Financial Group Sustainability Policy
- In addition to the initiatives necessary for responding to the TCFD recommendations (carbon reduction/decarbonation of its own sites and in the commercial distribution; expansion of sustainable finance), we accelerate initiatives to realize sustainability management, including the formulation of management indicators incorporating sustainability, in line with the Medium-Term Business Plan



Supporting the TCFD recommendations

In line with the TCFD recommendations (governance, strategies, risk management, metrics and targets), consider and implement actions the Group must take

* TCFD is an abbreviation for the Task Force on Climate-related Financial Disclosures, which was established by the Financial Stability Board (FSB) in December 2015, based on a request of G20 Finance Ministers and Central Bank Governors Meeting, for the purpose of considering climate-related disclosures and financial institutions' responses to climate change. TCFD announced recommendations to promote appropriate disclosure of information on climate change factors in June 2017.

(2) Environmental Initiatives

■ Supporting the TCFD recommendations

The Group perceives the environment and climate change response as key issues, and we analyze the risks and opportunities that climate change presents for our customers and the Group, and actively engage in information disclosure in line with the TCFD recommendations.



■ Comprehensive partnership with The Okinawa Electric Power Company to achieve a decarbonized society

[Partnership]

- We introduced “Uchina – CO₂-free Menu” at our headquarters building

[Future Initiatives]

- Initiatives to expand the introduction of renewable energy
- Initiatives to expand the introduction of, and transition to, environmentally-friendly energy
- Educational activities aimed at achieving a decarbonized society
- Educate the next generation in the region, and discuss other forms of collaboration in line with the purpose of the agreement

■ Adopted Ministry of the Environment’s subsidies for CO₂ emission control measure projects FY2021

Future Okinawa × Asian Gateway Corporation × TOKYO SANGYO CO., LTD.

[Project name]

- Project to establish a local-contributing, decarbonized logistics system through the use of battery-replaceable EVs and battery stations (of which, master plan development project)

[Project overview]

- Widely use the battery-replaceable electric two-wheeled vehicles with permanent Internet connection (smart scooters) as a means of transportation between functional centers for daily life, such as for logistics, commuting to work and school and sightseeing in the region, with an aim to contribute to the south-central part of Okinawa main island and elsewhere
- Also with the installation of battery replacement stations with rooftop photovoltaic power generation systems, contribute to the local disaster preparedness and decarbonization, in an effort to build a sustainable society

■ OFG Group clean-up activities

- OFG Group volunteer clean-up activity for pumice stone removal
- OFG Group officers’ and employees’ coastal clean-up activity

[Efforts in FY21]

Total number of participants: 751

Number of activities held: 21 (20 locations in the prefecture, 1 in Tokyo)

Total number of hours worked: 751 hours

* Participants include family members, etc. of officers and employees

(3) Social Initiatives (i)

- The proportion of children living in poverty in Okinawa is approximately twice the national average
⇒ Support through business activities

■ Using Okigin Smart to expand the range of donation recipients

[Okinawa Children’s Future Lunch Support]

- Our employees brought around 250 items of stationary supplies such as notebooks and 77kg of rice from home to donate

[Juniors Jazz Orchestra Okinawa]

- We also presented tickets for Tatsuya Ishii Special Concert 2022 in Okinawa presented by Okinawa Financial Group



■ Supporting activities to address the SDGs through foreign currency time deposits

- We have developed a product where we donate part of the foreign exchange fees and commissions on USD-denominated time deposits
- Customers can support activities to address the SDGs by making foreign currency deposits
- The money is donated to the Okinawa Children’s Future Support Citizens Movement



■ Presented PCs for study to Kujira Terako-ya private school

- Presented PCs for study for an organization engaged in creating a place for children through holding programming classes for children taught by volunteers



[Items donated]
10 reused PCs

■ Initiative to abolish passbooks

- We increased the number of passbook-free accounts by approx. **24 thousand** from October 2019 to September 2022, through DX initiatives such as expanded functions for Okigin Smart
- We donated part of the cost saving from abolishing passbooks

[Recipients of donations by September 2022]

- Specified nonprofit corporation Encourage
- General incorporated association Victory Church
- General incorporated association Okinawa Prefecture Women’s Association
- Public interest incorporated association Okinawa Federation of Mothers, Children and Widows Welfare
- General incorporated association Kodomo Food Bank KFB
- Menstruation Difficulties Discussion Group Okinawa

(3) Social Initiatives (ii)

- Initiatives to promote female participation and to improve officers' and employee's engagement
- The Group will continue to work together as one to engage in these initiatives

■ Mandatory one-month paid childcare leave for male employees

- Implementation at The Bank of Okinawa from April 2022, then expanded to all Okinawa Financial Group companies from July 2022
- Sends a strong message "Fathers and mothers should be equally responsible for and equally participate in child-rearing"

[Childcare leave acquisition rate]

	FY2019 to FY2021	September 30, 2022
Female employees at each OFG company	100%	100%
Male employees at each OFG company	14%	100%

▶ Reform the mindset with mandatory childcare leave for male employees to create an organization where employees can actively work regardless of gender

■ Begin considering the introduction of a flex-time system

- Begin considering the introduction of a flex-time system aimed at creating environments where employees can decide on their working hours autonomously to improve labor productivity
- Build a system that enables each employee to realize even more flexible working styles suited to the increasing diversity of lifestyles, not limited to child-rearing and nursing responsibilities
- Aim to further improve service to customers by increasing employees' engagement

■ Eruboshi Certification for the promotion of female participation and career advancement

- We obtained the third rank of Eruboshi Certification, clearing all five certification criteria as a company that engages in outstanding initiatives, etc. related to the promotion of female participation and career advancement.
- We aim to raise the proportion of female managers to 30% or above by 2024



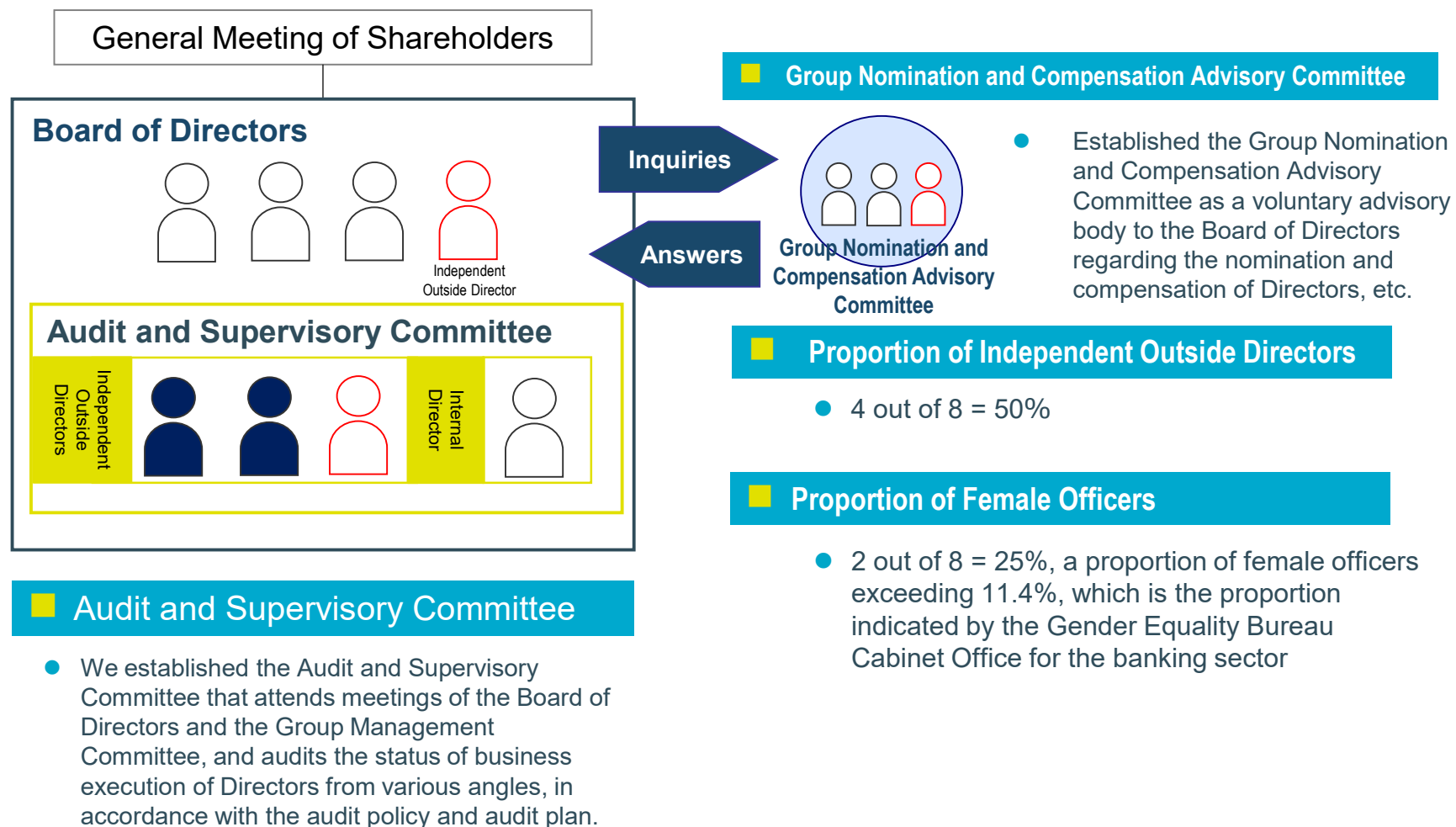
■ Recognized under the Certified Health & Productivity Management Organization Recognition Program 2022

- We have been recognized under the Certified Health & Productivity Management Organization Recognition Program for five consecutive years since 2018



(4) Governance Initiatives (i)

- Established as a company with audit and supervisory committee
- We established the Group Nomination and Compensation Advisory Committee to ensure the transparency and objectivity of decisions relating to the nomination and compensation of Directors, etc.



(4) Governance Initiatives (ii)

■ Response to the Corporate Governance Code

- Policy for cross-shareholdings: Reduction of cross-shareholdings is clarified. Significance of holding such shares is reported to the Board of Directors.

An excerpt from the Corporate Governance Report of Okinawa Financial Group

Principle 1.4

The Group holds shares as cross-shareholdings when it is deemed necessary for sustainably increasing the corporate value of its partners and the Group.

The necessity for each individual cross-shareholding is examined in light of the cost of capital and in terms of medium- to long-term economic rationale, future outlook and relevance to the local economy. We will reduce the number of shares that are deemed not economically rational to hold. Significance of holding such shares is reported to and examined by the Board of Directors annually.

	Mar. 2019	Mar. 2020	Mar. 2021	Mar. 2022
Number of issues held as cross-shareholdings	16 issues	15 issues	14 issues	13 issues

- Target for the proportion of female managers: 30% (Target by March 31, 2024)

Supplementary Principle 2.4.1

The Company formulated a Plan of Action for General Employers pursuant to the Act on the Promotion of Female Participation and Career Advancement in the Workplace. Under the plan, we set the following targets.

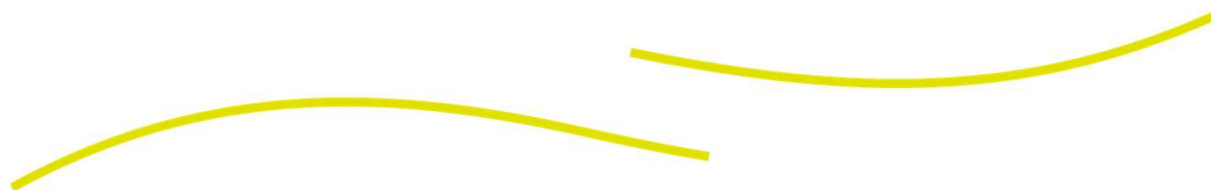
- Raise the proportion of female managers to 30%.

Proportion of female managers (March 31, 2022 → September 30, 2022)

OFG as a whole	24.4%→26.7% (+2.3%)	The Bank of Okinawa	26.4%→28.3% (+1.9%)
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7

Business Performance Forecasts for FY2022



(1) Business Performance Forecasts for FY2022

- We forecast net income attributable to owners of the parent of ¥6.2 billion for FY2022

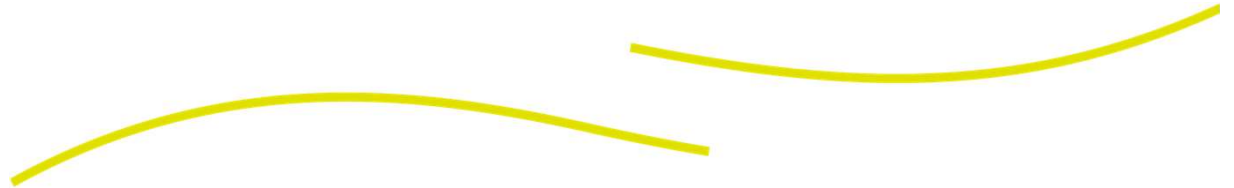
Business Performance Forecasts for FY2022			
	(¥ billion)		
	FY2022 business performance forecasts	Year-on-year change	FY2021 (results)
Ordinary income	51.3	0.8	50.4
Ordinary profit	9.0	0.9	8.0
Net income attributable to owners of the parent	6.2	1.1	5.0

[Reference] Non-consolidated business performance forecast for The Bank of Okinawa for FY2022 (¥ billion)

	FY2022 business performance forecasts	Year-on-year change	FY2021 (results)
Ordinary income	35.9	0.1	35.7
Business profit on core banking operations	8.7	1.0	7.6
Ordinary profit	7.5	0.7	6.7
Net income	5.3	0.6	4.6

8

[Supplemental Materials] Business Environment in Okinawa



(1) Profile of Okinawa Prefecture

- Okinawa is the only prefecture of which population is increasing among 47 prefectures. The same applies to natural increase.
- Regional brand survey shows that the attractiveness of the prefecture is at the third place in the nation as in the previous year, indicating its high attractiveness.

Rate of change in population

Rank	Prefecture	Rate of change
1	Okinawa	0.07
2	Kanagawa	-0.01
3	Saitama	-0.06
4	Chiba	-0.15
5	Shiga	-0.22
5	Fukuoka	-0.22
7	Tokyo	-0.27
8	Aichi	-0.34
9	Osaka	-0.36
10	Miyagi	-0.51
National average		-0.51

Source: Statistics Bureau, Ministry of Internal Affairs and Communications of Japan, Population Estimates (as of October 1, 2021)

Rate of natural increase /decrease in population

Rank	Prefecture	Rate of change
1	Okinawa	0.09
2	Tokyo	-0.21
3	Aichi	-0.23
4	Shiga	-0.24
5	Kanagawa	-0.32
6	Fukuoka	-0.35
7	Saitama	-0.38
8	Chiba	-0.41
9	Osaka	-0.43
10	Hiroshima	-0.44
National average		-0.48

Source: Statistics Bureau, Ministry of Internal Affairs and Communications of Japan, Population Estimates (as of October 1, 2021)

Regional brand survey

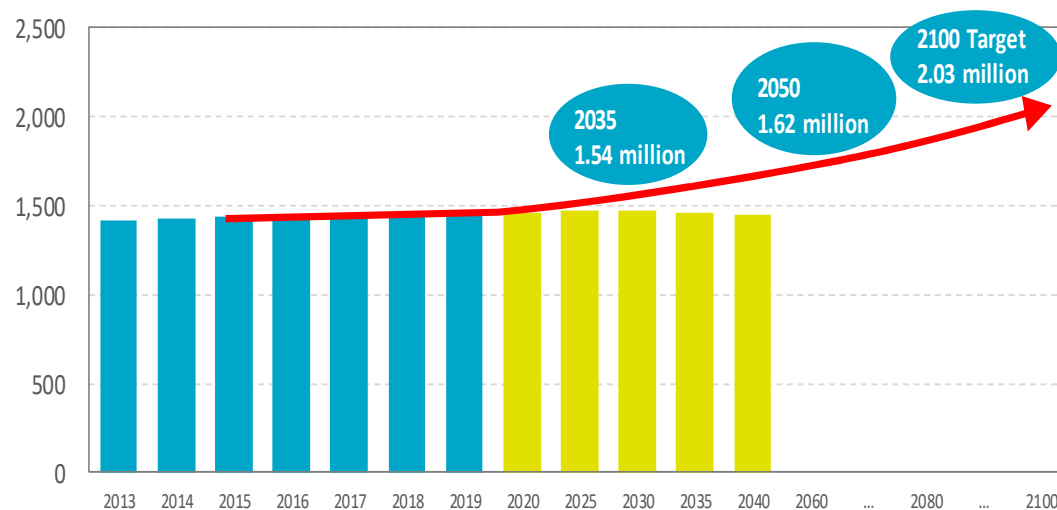
Rank	Prefecture	Attractiveness
1	Hokkaido	73.4
2	Kyoto	56.4
3	Okinawa	54.4
4	Tokyo	47.5
5	Osaka	42.0
6	Kanagawa	40.0
7	Fukuoka	37.5
8	Nagasaki	33.9
9	Nara	33.4
10	Nagano	32.5
10	Ishikawa	32.5

Source: Brand Research Institute, Inc., Regional Brand Survey 2021

(2) Population of Okinawa (Future Prospects)

- The population of Okinawa is expected to take a downward turn from 2030 onwards.
- Population is on the increase at this stage, but active steps towards population growth are being taken now, aiming for continued increase in population according to the prefectural plan.

(in thousands)



(in thousands)	2015	2020	2025	2030	2035	2040
Okinawa	1,434	1,460	1,468	1,470	1,466	1,452
Japan	127,095	125,325	122,544	119,125	115,216	110,919

Efforts to facilitate natural increase in population

Creation of a society that allows people to marry, give birth and raise children without undue worries

- Elimination of childcare waiting list
- Promotion of “health and longevity in Okinawa” campaign

Efforts to enhance growth of society

Creation of a dynamic society that is open to society

- Job creation and securing diverse human resources
- Increasing tourists and visitors

Aims to revitalize isolated islands and depopulated regions

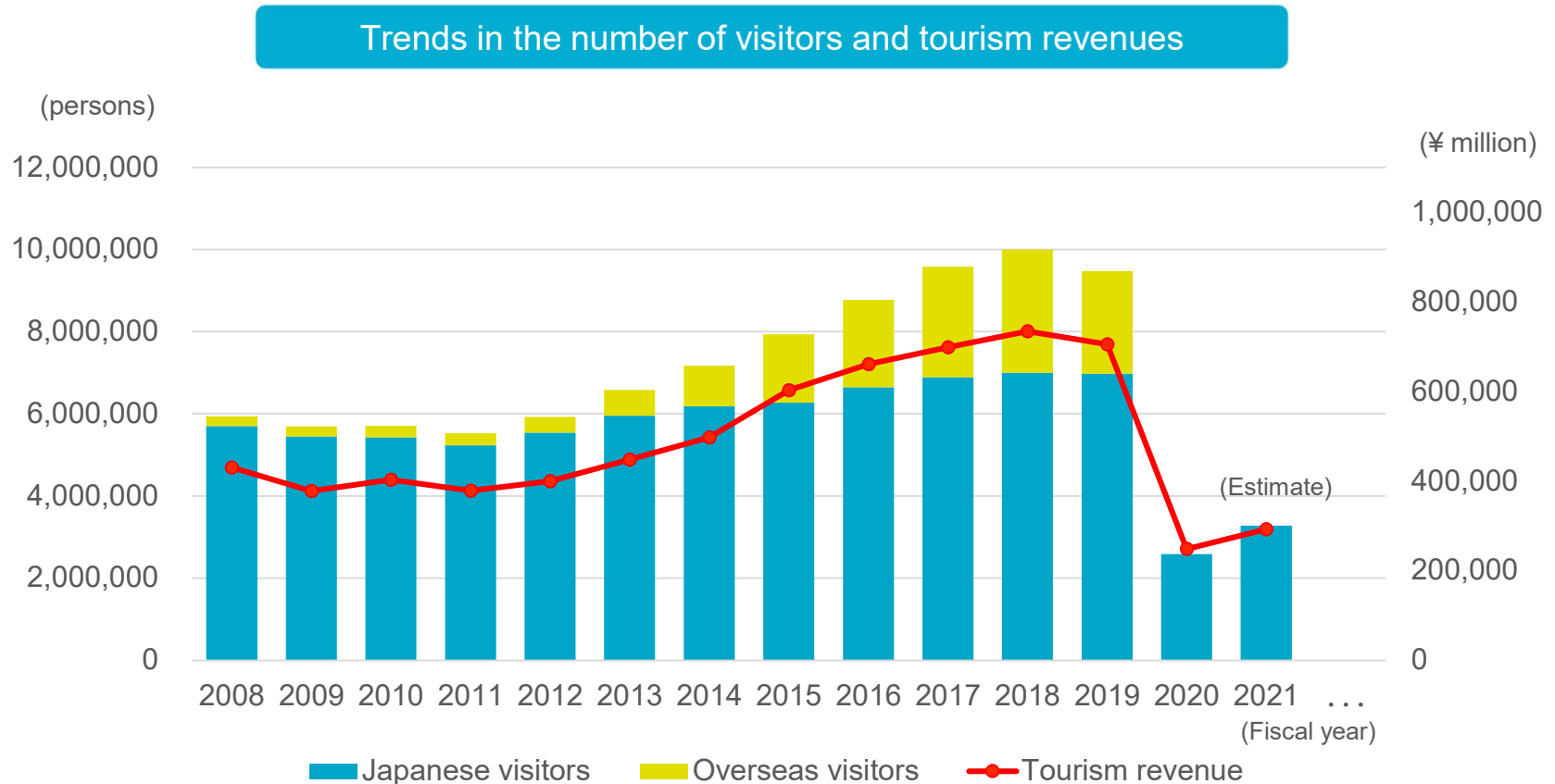
Creation of a society that delivers well-balanced and sustainable population growth

- Improvement of conditions for long-term residents
- Industrial development by demonstrating attractive regional characteristics

Source: National Institute of Population and Social Security Research, Okinawa 21st Century Vision Yugafu Shimazukuri Plan

(3) Number of Visitors to Okinawa

- The number of tourists visiting Okinawa in FY2021 was 3.27 million
- Took an upward turn for the first time in 3 years showing a slight pickup, but it remains at roughly 30% of the peak level. More time will be needed for recovery.

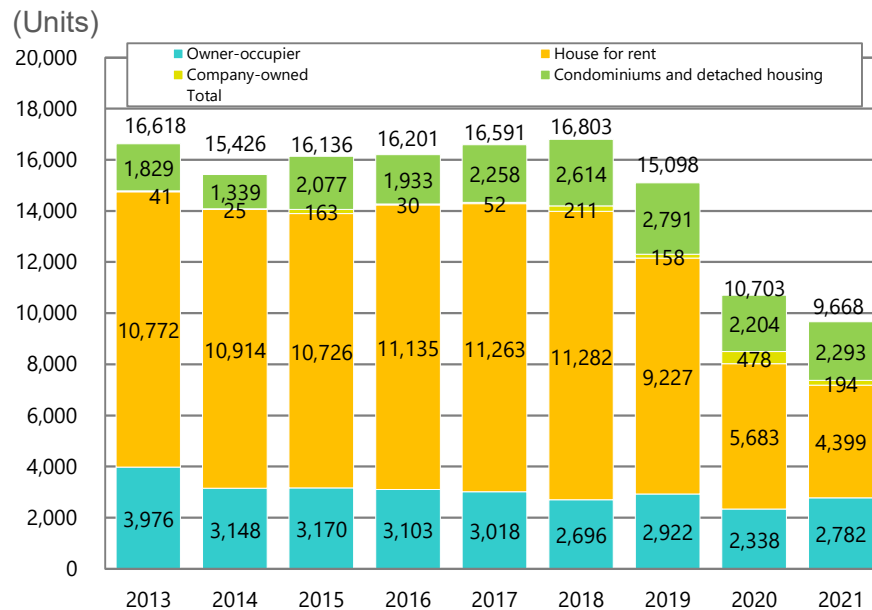


Source: Tourism Policy Division, Department of Culture, Tourism and Sports, Okinawa Prefectural Government

(4) Housing Market Trends in Okinawa

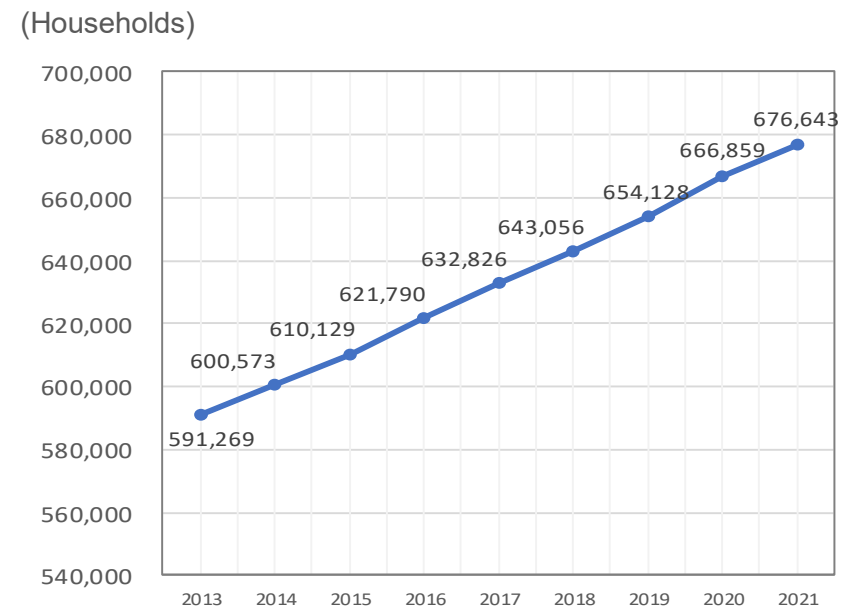
- The number of housing starts in Okinawa Prefecture has been decreasing
- As population and number of households are both increasing, housing demand is expected to remain solid

Number of new housing starts



Source: Ministry of Land, Infrastructure, Transport and Tourism, Statistics of Housing Starts report

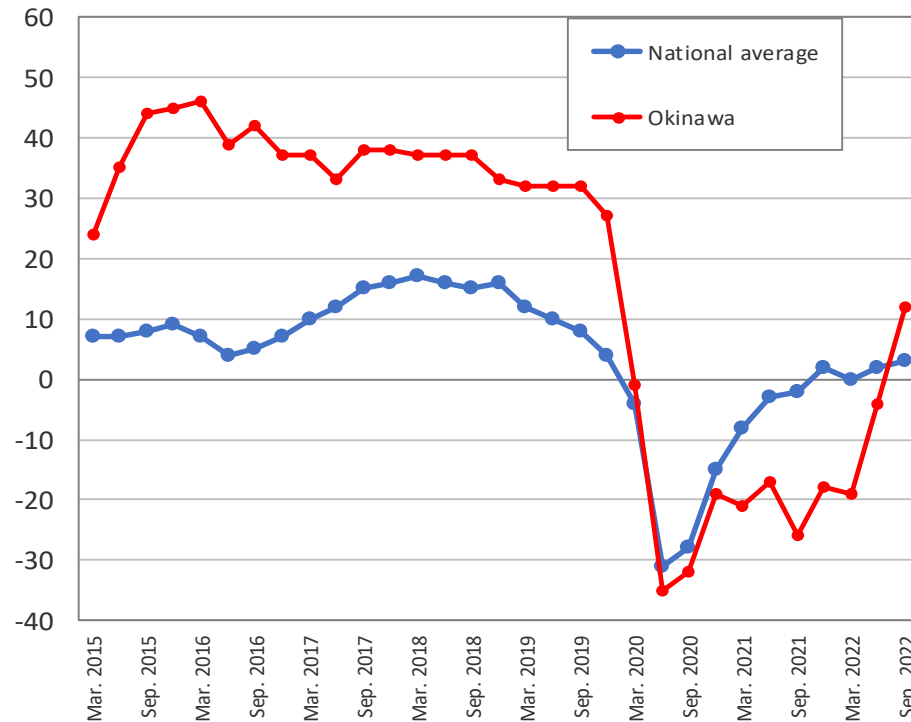
Total number of households in Okinawa



Source: Municipal Administration Division, Department of Planning, Okinawa Prefectural Government

(5) Economic Trends in Okinawa (i)

BOJ Tankan Business Confidence DI



Source: BOJ Naha Branch

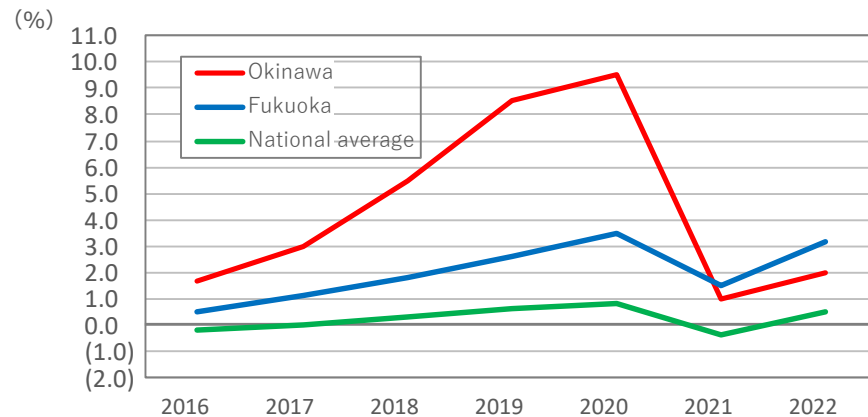
Overview

- ◆ Gradually picking up.
- ◆ **Personal consumption** is gradually increasing.
- ◆ **Tourism** is picking up.
- ◆ **Public investment** is at a high level.
- ◆ The downturn in **capital investment** has slowed.
- ◆ The downturn in **residential investment** is slowing.

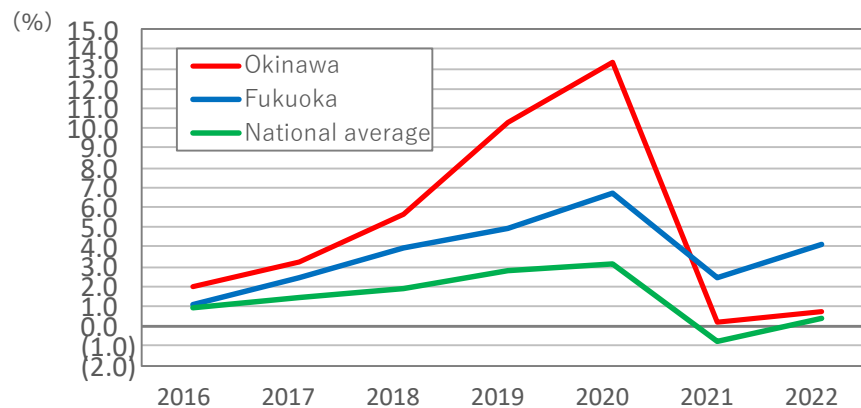
(5) Economic Trends in Okinawa (ii)

Official land prices

Residential land prices



Commercial land prices



Source: Ministry of Land, Infrastructure, Transport and Tourism

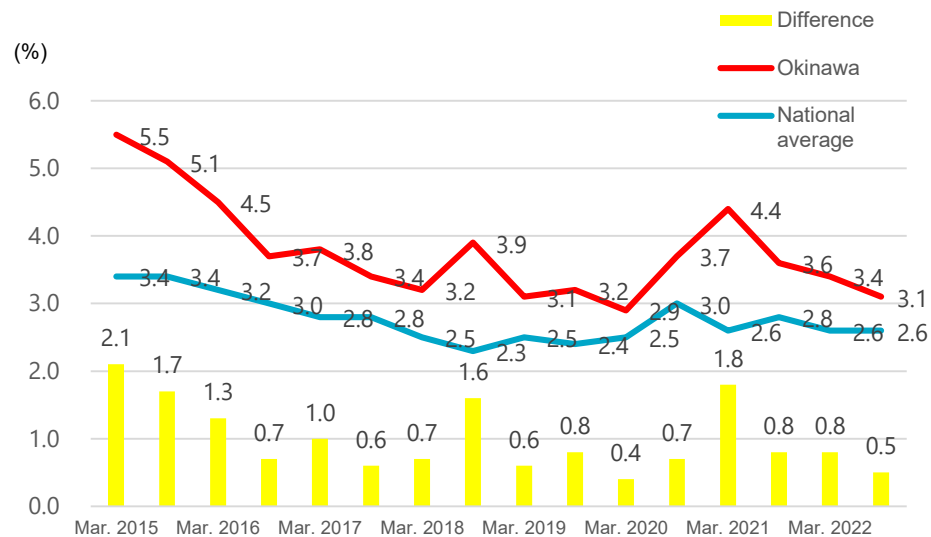
Overview

- ◆ **Average residential land prices in Okinawa increased by 2.0%, after increasing 1.0% in the previous year,** showing a mild increase. Some uncertainty remains regarding the impact of COVID-19 on land prices, but it is thought that increases in population and households will underpin continuing potential demand.
- ◆ **Average commercial land prices in Okinawa increased by 0.7%, after increasing 0.2% in the previous year,** showing a mild increase. An improvement in commercial land price growth can be expected from a medium- and long-term perspective, in anticipation of a recovery in tourism demand after COVID-19 is brought under control.

(5) Economic Trends in Okinawa (iii)

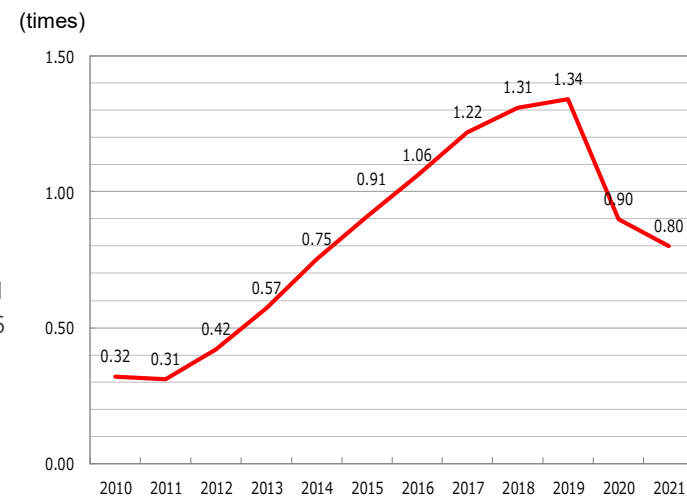
Employment situation

Trends in unemployment rates



Source: Ministry of Internal Affairs and Communications, Labour Force Survey; Okinawa Prefecture, Labour Force Survey

Active opening ratio (calendar year basis)



Source: Okinawa Labour Bureau

Overview

- ◆ Difference in the unemployment rate was 0.5% from the national level. An active opening ratio was lower than 1.0 for two consecutive years, the worst in the nation.

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