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You should be aware that the issuer may purchase securities otherwise than in connection with the transition to a holding company structure, such as in the open market or through privately negotiated purchases.

This document has been translated from the Japanese-language original document for reference purposes only. In the event of any conflict or discrepancy between this document and the Japanese-language original, the Japanese-language original shall prevail in all respects.



November 6, 2020

To whom it may concern:

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Announcement on Consideration of Transition to Holding Company Structure

We, The Bank of Okinawa, Ltd. (President: Masayasu Yamashiro), hereby announce that our board of directors resolved at its meeting held today to begin the consideration of a transition to a holding company structure, subject to approval at the general meeting of our shareholders and necessary approvals from relevant authorities. The details are as follows.

Details

1. Background and Purpose of the Transition to a Holding Company Structure

With our management philosophy of "Regional Involvement and Contribution," we have been striving to contribute to the development of, and have grown together with, the regional community. We started our three-year Medium-Term Business Plan in April 2018 and we are striving to become a full-service financial group to create new values with our vision of "Creating the Future

with Our Customers”.

There have been increasing uncertainties in the business environment around regional financial institutions due to the recent COVID-19 impact on economic activities in addition to shrinking regional economies from the ongoing trends in Japan of a shrinking population and aging of society. While there also has been intensified competition among financial institutions resulting from the monetary easing policy by the government, competition in the financial industry is expected to intensify further due to increasing entries from other industries utilizing advanced information and communications technology.

As a corporate group rooted in Okinawa, in order to drive sustainable growth in the regional community even in such a severe business environment, we determined that it is necessary to build a structure that will keep growing in the next 10 years, with a view towards expanding our business areas including non-financial services, strengthening group corporate governance and properly allocating corporate resources. Therefore, we decided to begin the consideration of the transition to a holding company structure as a new group management structure.

In the holding company structure, we aim to change from a “full-service financial group” to a “full-service group” rooted in the regional community, and thereby solve the problems of customers in the region via our comprehensive services including non-financial services, enhance the value of the regional community and achieve sustainable growth for the group.

2. Timing and Method of Transition to the Holding Company Structure

Subject to the approval at the general meeting of our shareholders and necessary approvals from relevant authorities, we plan to proceed with the consideration of the transition to a holding company structure with the aim of effecting such transition by October 2021.

Further details on the schedule or method of the transition to a holding company structure will be announced when determined.

End.