

Transition to a Holding Company Structure



We will shift anticipated risks into growth opportunities, and strengthen our initiatives aimed at resilient sustainability management based on the SDGs, and our initiatives friendly to the global environment.

Anticipated Risks

Increasingly intense competition including financial institutions in Okinawa

- Entry of banks from outside Okinawa Prefecture
- Entry of competitors from other industries

Financial environment

- Persistence of low interest rates

Increase in population and number of households

- Population will increase until 2030
- Both population and number of households will decrease in the long term

Progress of digitalization

- Increase in the digital native generation
- Shift to non-face-to-face transactions
- Potential expansion of new business domains

Growth Opportunities

Local economy

- Gradual recovery in the number of tourists visiting Okinawa
- Large-scale hotel developments
- Progress of infrastructure improvement

Our business platform

- Practice regional involvement and contribution
- Increase number of major corporate and major individual customers, based on customer trust
- Provide full services as a group with finance at its core



[Future Population Estimates: National Institute of Population and Social Security Research]

(Thousand people)	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

*Resilient: able to respond flexibly to economic downturns such as disasters and adverse business conditions, and use these as a springboard to achieve even greater growth.

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Reasons and Objectives of the Transition to a Holding Company



- We will build a structure that will keep growing in the next 10 years in order to adapt to the rapid changes in social structure.
- By creating the future together with the regional community and evolving from a “full-service financial group” into a “full-service group with finance at its core” rooted in the community, we aim to solve local issues through comprehensive services including non-financial services, thereby enhancing the local value and achieving sustainable growth for the Holding Company Group.

Expansion of business areas

We will further strengthen group synergies by expanding our business areas to solve the increasingly diverse and complex issues facing the regional community.

Diversification of sources of income

The environment surrounding regional financial institutions is changing rapidly, with negative interest rates and the entry of other industries, and we aim to secure future profits by changing and adapting our organizational structure.

Strengthening corporate governance

By adopting a holding company structure to strengthen group governance, we aim to achieve sustainable growth and development of the regional community and the Holding Company Group.

Allocation of corporate resources

We aim to make strategic investments by identifying redundant operations in the Group and allocating corporate resources.

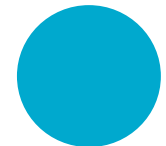
The Bank of Okinawa



**Full-service financial group
(Turn Okigin Securities into a subsidiary)**



**Full-service group
(New business areas)**



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Management Philosophy of the Holding Company (1)



The Holding Company shall establish the philosophy of the Okinawa Financial Group by setting forth the mission that the Holding Company Group should fulfill for its stakeholders under the group management philosophy, together with the ideal vision, and the Three Values, which are the values to be shared by all officers and employees.

1 Group management philosophy (mission)

Regional involvement and contribution

The mission of the Okinawa Financial Group is to **contribute to the region** through efforts to enhance the value of the regional community (creating sustainable social value, enriching people's lives and increasing prefectural income) based on **close involvement with the region** and by achieving mutual and sustainable growth.

2 Vision (ideal vision of the Holding Company Group)

A full-service group with finance at its core that grows together with the region by providing customer experience through support in financial and non-financial business areas.

3 Code of conduct (values: value judgments): Three Values

Impress

We will provide new value to the regional community and prioritize offering impressive and inspiring services to customers.

Create

We will provide the best customer-oriented services and create a future with passion and new ideas.

Challenge

We will take on challenges with a spirit of creativity and innovation to provide new business areas to our customers.

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Management Philosophy of the Holding Company (2)



The Holding Company will establish a new brand slogan for the Group in conjunction with the transition to the holding company structure as a way to embody our commitment to Okinawa.

Brand Slogan

Create Value & Innovation - Co-creating a “new” Okinawa experience -

Designing the future with new ideas and co-creating a “new” Okinawa experience with our customers

Concept behind the slogan

Although we make constant adaptations to changes in the business environment, our values which have been passed down since the founding of The Bank of Okinawa remain unchanged. We want to connect with customers, meet their expectations, and make every effort to improve the value of the regional community. Based on such values, we promise to take on challenges by implementing innovative ideas.

The goal of the slogan “**Create Value & Innovation - Co-creating a “new” Okinawa experience -**,” is to co-create a “new” experience with and for our customers and the community, and to be a presence that opens up the future for local residents and companies while expanding our horizons.

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Group Structure (Steps for Transition to Holding Company)



Step 1

The Bank will become a wholly-owned subsidiary of the Holding Company by establishing the Holding Company through a sole-share transfer by the Bank, effective October 1, 2021.

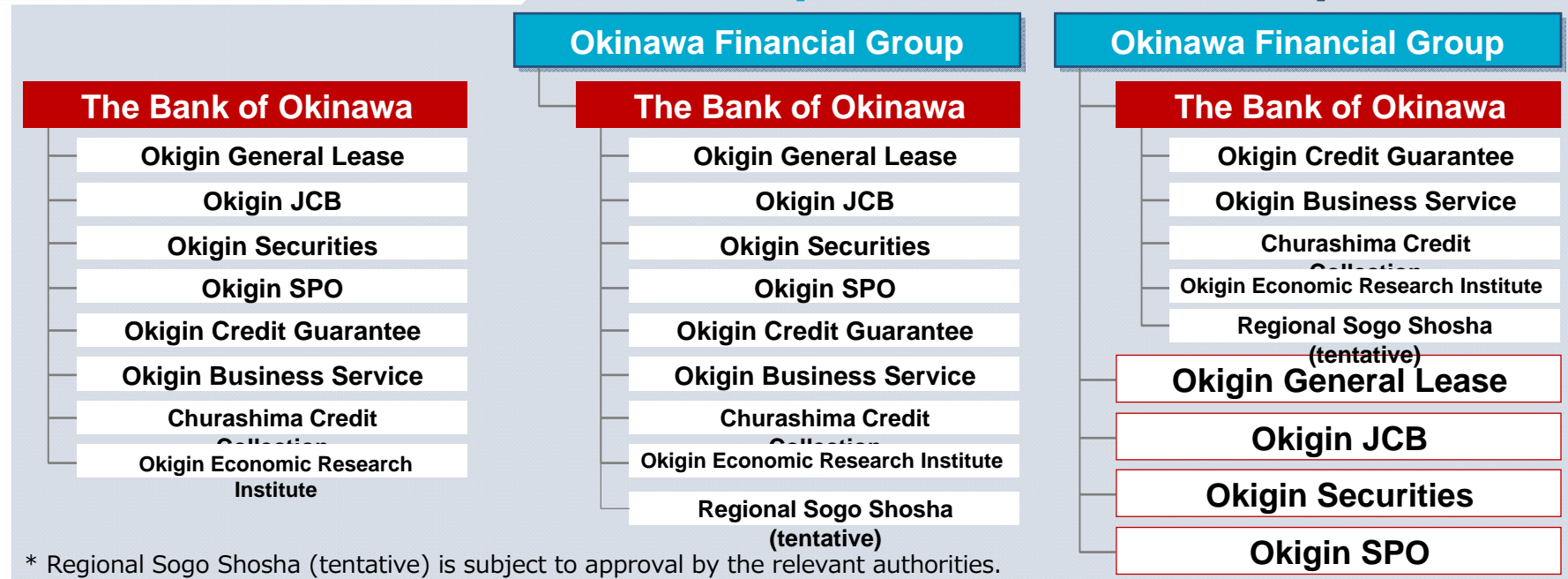
Step 2

After the establishment of the Holding Company, from the standpoint of further enhancing collaboration and synergy within the Group, the Bank's consolidated subsidiaries, namely The Okigin General Lease, Okigin JCB, Okigin Securities and Okigin SPO, will be restructured as directly invested companies of the Holding Company, primarily through distribution in kind of all the shares held by the Bank to the Holding Company.

Current status

Step 1

Step 2



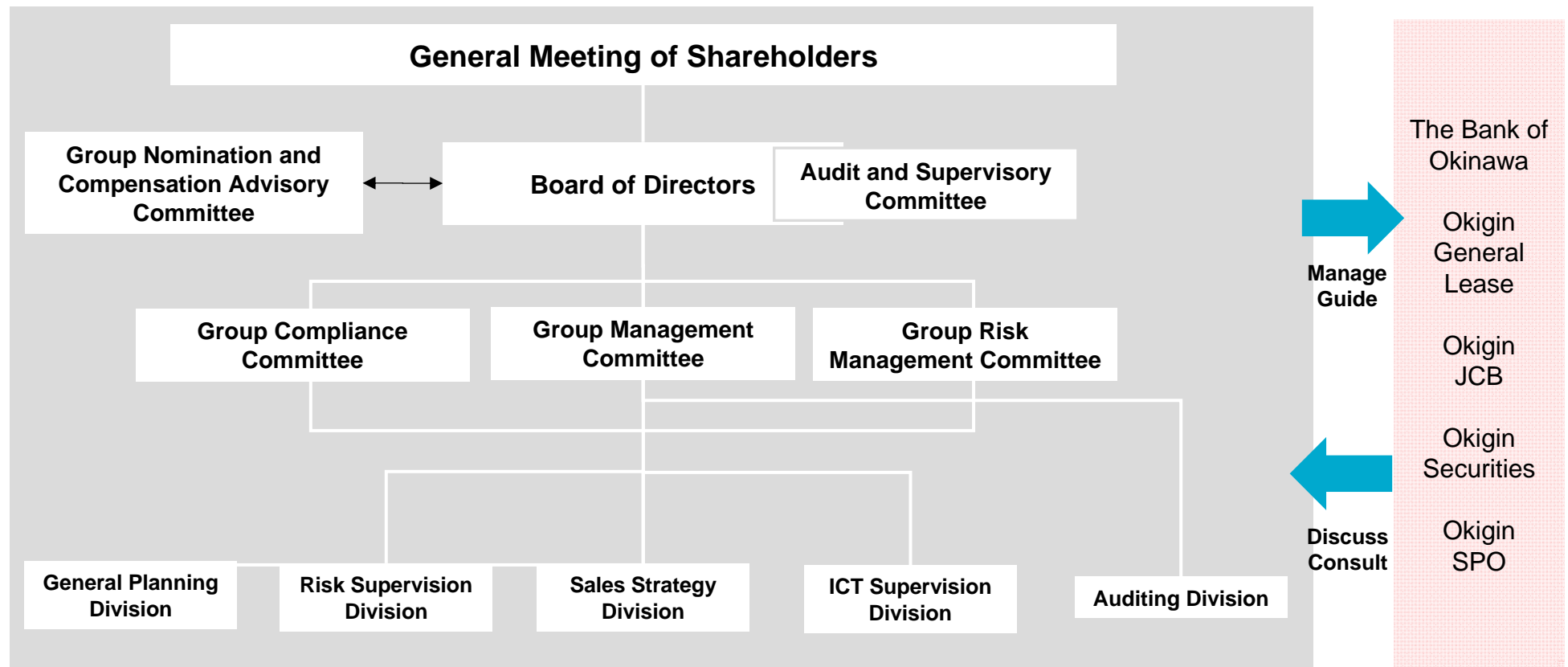
* Regional Sogo Shosha (tentative) is subject to approval by the relevant authorities.

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Management Structure of the Holding Company

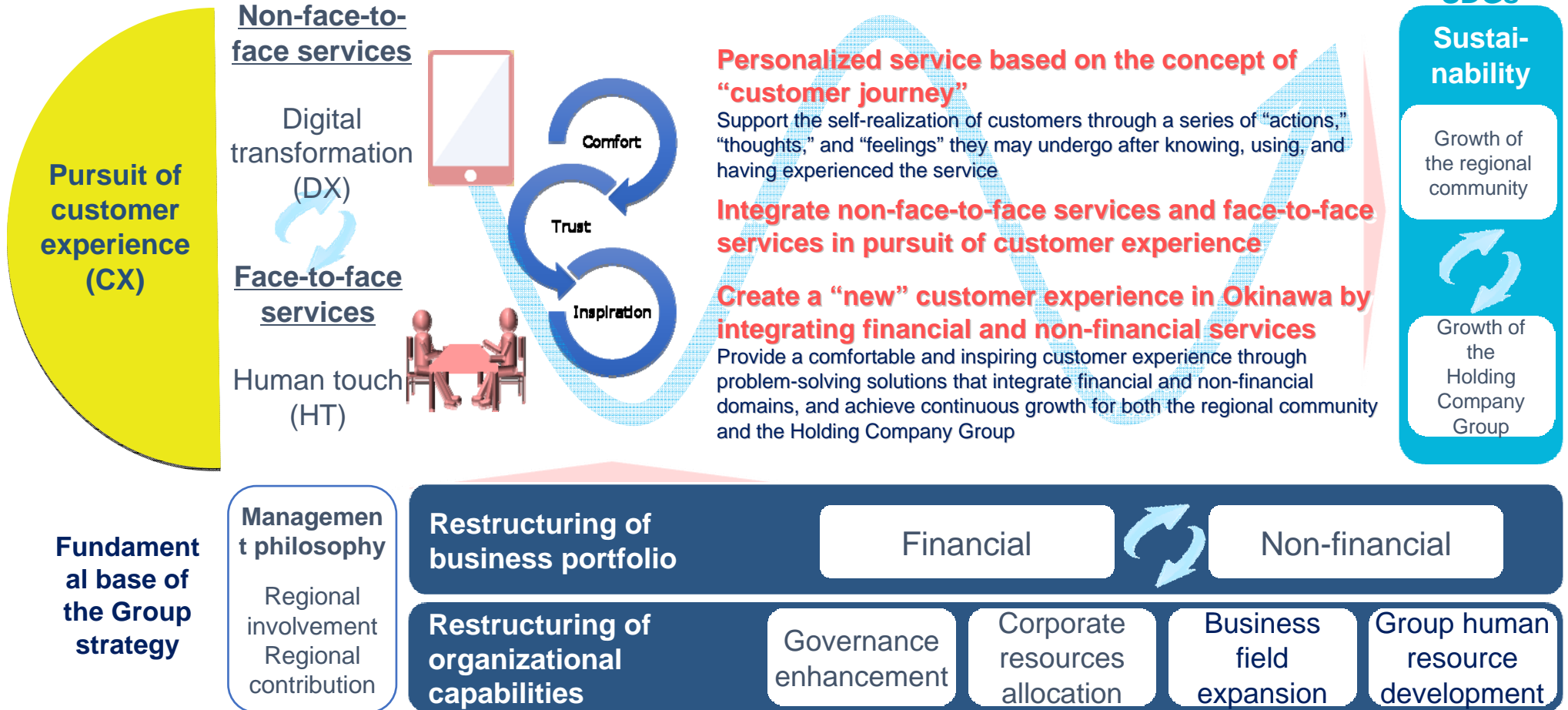


- In addition to strengthening governance through the Holding Company, we will build a framework for prompt decision-making and efficient business operations by delegating authority for business execution.
- The Holding Company will strengthen the Group's comprehensive capabilities by specializing in the management and supervision of the Group's management.





Drive sustainable growth in the regional community by pursuing customer experience through full-services



* Digital transformation refers to the continuous transformation of organizations and business models through the use of data and digital technologies to fundamentally change the way value is delivered.
 * Human touch refers to high value-added face-to-face services that support a new customer experience and customer self-realization, excluding mechanical counter operations.
 * Customer journey is a concept that defines the image of the person who uses a service, analyzes their behavior, thoughts, and feelings, and captures the scenario from recognition to consideration to use in chronological order (the series of experiences is compared to a "journey").



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

