

Last Update: June 26, 2025

**Okinawa Financial Group, Inc.**

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<https://www.okinawafg.co.jp/english/>

The corporate governance of Okinawa Financial Group, Inc. (the “Company”) is described below.

## I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information

### 1. Basic Views Updated

#### <Basic views>

With “growing together with the community” as its business philosophy, the Group (referring to the corporate group consisting of the Company and the Group companies) is committed to developing the local economy and increasing the value of local communities. While continuing to respect the rights and interests of stakeholders, including shareholders, customers, employees, and local communities, the Group will strive to live up to their trust and contribute to the development of local communities.

#### <Basic policy>

Based on these views, the Company has adopted the corporate governance structure of a company with an audit and supervisory committee. With this structure in place, the Company aims to improve the effectiveness of corporate governance by effectively utilizing the supervisory function of the Board of Directors and the auditing function of the Audit and Supervisory Committee, as well as by appointing several highly independent outside officers and combining their supervisory function based on outside perspectives. Furthermore, the Board of Directors’ Rules and other regulations clearly define the scope of matters to be resolved by the Board of Directors and the scope of delegation to the management team, thereby enabling the Board of Directors to assume a more effective function to oversee management and ensuring swift decision-making by the management team.

#### <Details of the Company’s corporate governance bodies and the status of the internal control system development>

##### 1. Details of the Company’s bodies

The Board of Directors of the Company is composed of seven Directors, four of whom are Outside Directors. The Board of Directors decides management policies and other important matters, and oversees the business execution by Directors. In addition, the Company has the audit and supervisory committee system in place, with three of the four Directors serving as Audit and Supervisory Committee Members being Outside Directors. Based on audit policies and audit plans, Directors serving as Audit and Supervisory Committee Members audit the status of business execution by Directors from various angles, including by attending meetings of the Board of Directors and the Group Management Committee. To ensure that the audit and supervisory

committee system functions more effectively, the Company established a permanent Audit and Supervisory Committee Office with dedicated staff to support audits by Directors serving as Audit and Supervisory Committee Members. The Company's Articles of Incorporation stipulate that the number of Directors shall be no more than ten and the number of Directors serving as Audit and Supervisory Committee Members shall be no more than five. The Company's Articles of Incorporation also stipulate that: both Directors and Directors serving as Audit and Supervisory Committee Members shall be elected at the General Meeting of Shareholders; a resolution to elect them shall be passed subject to the attendance by shareholders holding one-third or more of the voting rights of shareholders who are entitled to exercise voting rights and a majority of the votes of those attending shareholders; and a resolution to elect Directors shall not be passed by cumulative voting. The Company established the Group Compliance Committee as a subordinate body of the Board of Directors, which regularly evaluates and checks the compliance system, formulates a compliance program every six months, and reports progress and other matters to the Board of Directors as appropriate.

## 2. Status of internal audits, audits by Audit and Supervisory Committee Members, and accounting audits

To ensure sufficient checks and balances for each department of the Company and the Group companies, the Company established an internal audit department (the Auditing Division) that is independent from other departments, thereby creating a structure to ensure independence. The Company also conducts internal audits of each department and group companies, not only identifying and raising problems with internal administrative procedures, but also evaluating internal control systems and procedures and proposing ways to improve the situation. The Company recognizes the need to enhance the effectiveness and efficiency of audits by having each audit system of internal audits, audits by Directors serving as Audit and Supervisory Committee Members, and accounting audits complement each other and work together.

## 3. Status of the risk management system development

The Company recognizes that risk management is one of the top management priorities, and aims to ensure stable earnings and establish a sound management foundation by understanding the characteristics of each risk and managing them in an integrated manner.

These risk management issues are submitted and reported to the Group Risk Management Committee chaired by President. In principle, the Group Risk Management Committee convenes at least once a month.

Compliance (observance of laws and regulations) is regarded as fundamental to living up to the trust of customers, and the Company strives to ensure thorough compliance. The Group Compliance Committee, chaired by President, is in place to further strengthen the checking function, etc. In principle, the Group Compliance Committee convenes once a month.

## Reasons for Non-compliance with the Principles of the Corporate Governance Code Updated

The Company makes continuous efforts to strengthen corporate governance and believes that it meets all principles of the Japan's Corporate Governance Code, revised in June 2021.

## Disclosure Based on each Principle of the Corporate Governance Code Updated

[Principle 1.4]

- Policy regarding cross-shareholdings

The Company holds cross-shareholdings when it determines that they will contribute to the sustainable enhancement of value of the Company and local communities in light of factors such as existence of business alliances and connection to local communities. The economic rationale, including capital cost, is verified for each individual stock, and the necessity of holding cross-shareholdings is regularly reported to the Board of Directors. As a result of ongoing efforts to reduce the Company's cross-shareholdings, the ratio of such shares to consolidated net assets became approximately 2.2% (as of March 31, 2025).

Furthermore, even if a company that holds the Company's shares for the purpose of cross-shareholding (a cross-shareholder) indicates its intention to sell those shares, the Company will not hinder such sale by, for instance, implying a possible reduction of business transactions.

○ Criteria for exercising voting rights

The Company decides whether to approve or disapprove each proposal in relation to cross-shareholdings from perspectives such as improving corporate value over medium- to long-term, and exercises voting rights on all proposals. If a proposal will cause a significant change in the share value or lacks disclosure details, the Company will engage in individual dialogue and decide whether to approve or disapprove the proposal.

[Principle 1.7]

The Company established the following procedures to prevent transactions that are contrary to the interests of the Company and its shareholders.

The Board of Directors' Rules stipulate that Directors' engaging in competing businesses and important transactions between the Company and Directors shall be subject to approval of or reporting to the Board of Directors.

A compliance manual has been created with a resolution of the Board of Directors, setting out rules for transactions with specific parties, including the Group and major shareholders. The status of compliance with the manual is regularly reported to the Group Compliance Committee.

[Supplementary Principle 2.4.1]

<Policy for ensuring diversity>

In the 2nd Medium-Term Business Plan, the Group has set three strategies, focusing on "human capital management" to realize the two pillars of "increasing the value of local communities" through medium- to long-term initiatives and "building a base for growth" to achieve moonshot targets. As part of these initiatives, efforts are being made to promote diversity, such as promoting the active participation of female and senior employees. 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 other companies in the prefecture to create an environment for the active participation of women throughout the local community and to spread diversity, equity, and inclusion (DE&I) throughout Okinawa Prefecture, the Company aims to increase the value of local communities. Furthermore, to enable senior employees to fully utilize their skills and experience, the Company appoints them as managers and offers better compensation with allowances. These initiatives are aimed to develop an environment where people of all generations can thrive. To create a work environment where employees can balance their work and family lives, the Company also implements measures to improve work-life balance, such as strongly encouraging male employees to take one month of paid childcare leave. The Group will continue to foster diverse

talent and create a comfortable working environment through human capital management, thereby contributing to the sustainable growth of the Group and enhancing the value of local communities.

<Voluntary and measurable targets for ensuring diversity and progress towards them>

#### 1. Appointment of women as managers

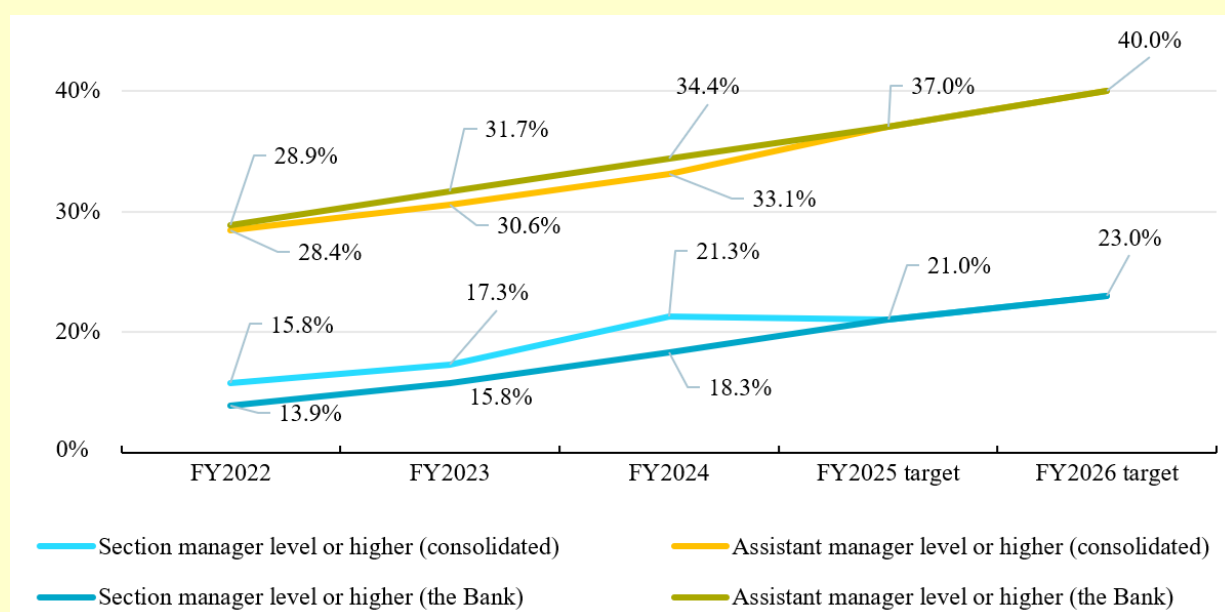
- Group-wide target proportion of female managers (FY2026)

Branch manager, section manager level: 23% (21.3% as of March 31, 2025)

Deputy branch manager, assistance manager level or higher: 40% (33.1% as of March 31, 2025)

- The Bank of Okinawa, Ltd., a consolidated subsidiary of the Company, has been taking proactive steps, including obtaining the highest three-star rating under the Eruboshi Certification based on the Women's Participation Act.

[Proportion of female managers]



#### 2. Appointment of foreigners as managers

- The Group's mission is to achieve the business philosophy of "growing together with the community" as its business foundation. As such, there are no specific targets set for promoting foreigners to managerial positions.

#### 3. Appointment of mid-career hires as managers

- The Group hires mid-career personnel who possess the expertise and work experience required for the Group, and appoints them as managers based on their previous work experience and abilities. As such, there are no specific targets set for appointment of mid-career hires as managers.

<Human resource development policy and internal environment development policy for ensuring diversity and their status>

The following measures are being implemented to create an environment where each employee can become a valuable asset that supports the sustainable growth of the Group and the enhancement of the value of local communities, and to develop an organization that respects diverse values and allows each individual to fully demonstrate their abilities.

#### 1. Develop human resources to contribute to increasing the value of local communities

- Conduct training for consulting capabilities aimed at increasing the value of local communities (contributing to the revitalization of leading industries, etc. and building quality assets)
  - Develop human resources who can support school education, etc. with the aim of improving financial literacy, in order to boost prefectural residents' income and support quality asset formation (FY2024: 168 classes at 64 schools in the prefecture)
  - Increase the number of people with decarbonization advisor qualifications to support local decarbonization efforts
2. Develop human resources to contribute to building a base for growth
- Strengthen proposal capabilities by doubling the number of corporate sales representatives; provide training to improve consulting skills; and support employees in obtaining relevant qualifications
  - Improve the productivity of each employee through work efficiency improvements and a flextime system
3. Promote diversity
- Improve the proportion of female managers (hold position-specific training to achieve FY2026 target)
  - Create fields for the active participation of senior employees (provide allowances and appoint them as managers)
4. Create and enhance employees' work motivation
- Achieve work-life balance by expanding the use of the flextime system and improving the leave system (paternity leave, etc.)
  - Improve engagement across the Group by expanding the job challenging program in the Group
  - Introduce new recruitment methods such as a "Welcome Back Program," which gives retired employees the opportunity to come back to work, and "Referral Hiring," a system of recruitment through employee referrals.

[Principle 2.6]

The Bank of Okinawa, Ltd., a consolidated subsidiary of the Company, is a member of the Bank of Okinawa Corporate Pension Fund (the "Fund"). The Asset Management Committee checks appropriateness and rationality for the selection of investment products and the management status. The Board of Representatives and the Asset Management Committee comprise of members with specialized knowledge of fund management, including those responsible for or former managers of the Group's international securities, risk management, and human resources departments. To ensure the Fund to fulfill the specialized functions expected of it as an asset owner, the Group assigns personnel with experience in securities management, pension trusts, and other operations within the Group to the Fund in a planned manner. In addition, the Group requires its entrusted investment managers to engage in effective stewardship activities and monitors their activities by receiving regular reports.

[Principle 3.1 i)]

The Company publishes its formulated business philosophy and medium-term business plan. The business philosophy is described in "1. Basic Views" of this report. Please see the Company's website for the medium-term business plan.

<Medium-Term Business Plan> [https://www.okinawafg.co.jp/shareholder\\_investor/](https://www.okinawafg.co.jp/shareholder_investor/) (in Japanese only)

[Principle 3.1 ii)]

Please see "1. Basic Views" in this report for the Company's basic views and policy on corporate governance.

[Principle 3.1 iii)]

The Board of Directors policies and procedures in determining the compensation of the management team and Directors

## 1. Policy for determining compensation

(1) Basic policy regarding compensation, etc. for Directors and Directors serving as Audit and Supervisory Committee Members  
The Group Nomination and Compensation Advisory Committee has been established as a voluntary advisory body with the objectives of ensuring transparency and objectivity in the evaluation and decision-making process regarding the nomination of and compensation for Directors and Directors serving as Audit and Supervisory Committee Members, strengthening the supervisory function of the Board of Directors and enhancing the corporate governance system.

Officer compensation is determined by the Board of Directors within the range resolved by the General Meeting of Shareholders, following consultation with the Group Nomination and Compensation Advisory Committee and based on its report."

### (2) Details of the basic policy

The Company's compensation system for Directors places importance on incentives for realizing basic management policies and improving business performance, and is based on the following basic policy.

(i) Compensation shall raise incentives for the management team to realize the business philosophy of "growing together with the community."

(ii) Compensation shall be aimed at increasing corporate value over the medium to long term and increase motivation to contribute to ESG initiatives (promoting women's participation and reducing CO<sub>2</sub> emissions).

(iii) Compensation shall ensure a shared profit mindset with shareholders.

Compensation levels are set to reward each Director appropriately for their roles and responsibilities and provide appropriate incentives for improving business performance, taking into consideration the business environment of the Company. Compensation for the Company's Directors (excluding Outside Directors) consists of fixed compensation, bonuses, and stock-based compensation. Compensation for Outside Directors and Directors serving as Audit and Supervisory Committee Members consists of fixed compensation from the perspective of independence.

## 2. Procedures for determining compensation

Fixed compensation for Directors, which is monetary compensation, is no more than ¥100 million per year (including ¥20 million per year for Outside Directors). Compensation for Audit and Supervisory Committee Members is no more than ¥40 million per year. Both amounts have been approved at the General Meeting of Shareholders.

Separately from monetary compensation, the Company has also obtained approval of the General Meeting of Shareholders for stock-based compensation for Directors (excluding Outside Directors), with the maximum amount of money that the Company contributes over a three fiscal year period set at ¥350 million, which includes the amount for Executive Officers who have entered into a mandate agreement with the Company.

Regarding bonuses, the total amount is submitted as an agenda item and is subject to approval at the General Meeting of Shareholders each time, and allocations are determined within this limit by resolution of the Board of Directors.

[Principle 3.1 iv)]

The Board of Directors policies and procedures in the appointment/dismissal of the management team and the nomination of candidates for Directors and Directors serving as Audit and Supervisory Committee Members

### 1. Basic policy regarding the nomination of Directors and Directors serving as Audit and Supervisory Committee Members

The Group Nomination and Compensation Advisory Committee has been established as a voluntary advisory body with the objectives of ensuring transparency and objectivity in the evaluation and decision-making process regarding the nomination of and compensation for Directors and Directors serving as Audit and Supervisory Committee Members, strengthening the supervisory function of the Board of Directors and enhancing the corporate governance system.

The Board of Directors consults with the voluntary Group Nomination and Compensation Advisory Committee and, based on the committee's reports, makes decisions.

## 2. Details of the basic policy

Based on the Company's business philosophy, individuals who are expected to contribute to the sustainable growth of the Group and the improvement of corporate value over the medium to long term are nominated as candidates for Directors.

Individuals who are independent and expected to ensure the healthy and sustainable growth of the Group and establish a high-quality corporate governance system that meets social trust are nominated as candidates for Directors serving as Audit and Supervisory Committee Members.

## 3. Procedures for the appointment/dismissal of Directors and Directors serving as Audit and Supervisory Committee Members

Directors are appointed by resolution of the General Meeting of Shareholders. The nomination of Directors as well as the appointment and dismissal of the management team, including Representative Directors, are matters to be resolved by the Board of Directors. In addition, the Company ensures sufficient time for appointment and dismissal by providing prior explanations to outside officers.

President recommends candidates for Directors serving as Audit and Supervisory Committee Members to the Audit and Supervisory Committee, and after obtaining the consent of the Audit and Supervisory Committee, Directors serving as Audit and Supervisory Committee Members are decided by resolution of the Board of Directors.

[Principle 3.1 v)]

<Explanations with respect to the individual appointments/dismissals of the management team and nominations of candidates for Directors by the Board of Directors based on the above>

The reasons for individual appointments and nominations of the Company's Directors are provided in the Reference Documents for the General Meeting of Shareholders in the Notice of Convocation of the Annual General Meeting of Shareholders and are disclosed on the Company's website. Please also see "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight, 1. Organizational Composition and Operation, Directors" in this report.

<Notice of Convocation of the Annual General Meeting of Shareholders>

[https://www.okinawafg.co.jp/english/shareholder\\_investor/general\\_meeting/](https://www.okinawafg.co.jp/english/shareholder_investor/general_meeting/)

[Supplementary Principle 3.1.3]

## 1. Initiatives in sustainability

On October 1, 2021, the Company formulated the Okinawa Financial Group Sustainability Policy and announced its endorsement

for the TCFD recommendations.

To realize a sustainable local community, the Group will not only pursue its core business, but also demonstrate its business philosophy of “growing together with the community” and address environmental issues such as climate change and social issues such as fair trading, aiming for sustainable management that enhances local community value and economic value.

In addition, in conjunction with the formulation of the sustainability policy, the Sustainability Committee was set up to implement specific initiatives. By adapting to environmental changes based on materiality and turning risks into growth opportunities, the Company will pursue resilient sustainability management.

Please see the Company’s website for specific initiatives on sustainability.

(<https://www.okinawafg.co.jp/english/sustainability/>)

## 2. Investments in human capital and intellectual properties

Regarding investments in human capital and intellectual properties, the Company will develop strategies that contribute to solving issues facing local communities in line with management strategies. Please see page 13 of the 2nd Medium-Term Business Plan and page 23 of the Annual Securities Report for specific initiatives.

<2nd Medium-Term Business Plan>

[https://www.okinawafg.co.jp/themes/assets/file/mediumterm\\_management\\_plan/Medium-term\\_management\\_plan202404.pdf](https://www.okinawafg.co.jp/themes/assets/file/mediumterm_management_plan/Medium-term_management_plan202404.pdf)

(in Japanese only)

<Annual Securities Report>

[https://www.okinawafg.co.jp/shareholder\\_investor/annual\\_securities\\_report/](https://www.okinawafg.co.jp/shareholder_investor/annual_securities_report/) (in Japanese only)

### [Supplementary Principle 4.1.1]

The Board of Directors decides on matters required by laws and regulations and important measures, such as the formulation of medium-term business plans as stipulated in the Board of Directors’ Rules.

Furthermore, with regard to the execution of business matters other than those resolved by the Board of Directors, the Company ensures efficient business execution by delegating authority to the Group Management Committee and other bodies with delegated authority, or to Directors, in accordance with internal regulations and within an appropriate scope.

### [Principle 4.9]

Please see “Matters Concerning Independent Directors, Other Matters Concerning Independent Directors” in this report for the Company’s independence standards for independent officers.

### [Principle 4.10 i)]

The Group Nomination and Compensation Advisory Committee has been established as a voluntary advisory body with the objectives of ensuring transparency and objectivity in the evaluation and decision-making process regarding the nomination and compensation of Directors and Directors serving as Audit and Supervisory Committee Members, strengthening the supervisory function of the Board of Directors and enhancing the corporate governance system. The Board of Directors consults with the voluntary Group Nomination and Compensation Advisory Committee and, based on the committee’s reports, makes decisions. The Group Nomination and Compensation Advisory Committee is composed of five members, the majority of whom are Outside



Directors, and is chaired by Outside Director.

[Supplementary Principle 4.11.1]

To energize the Board of Directors, it is composed of a combination of internal Directors who are familiar with the Company's operations and Outside Directors who have extensive experience and knowledge outside the Company. In addition, the Board of Directors is composed of diverse Directors with different backgrounds, including expertise and experience, so that it as a whole maintains a well-balanced mix of knowledge, experience, and capabilities. A skill matrix was introduced starting at the 90th Annual General Meeting of Shareholders of The Bank of Okinawa, Ltd. before the transition to a holding company structure, and it is published in the Integrated Report.

<Integrated Report>

[https://www.okinawafg.co.jp/shareholder\\_investor/ofg\\_report/](https://www.okinawafg.co.jp/shareholder_investor/ofg_report/) (in Japanese only)

[Supplementary Principle 4.11.2]

The Company discloses the status of important concurrent positions held by its Directors in the Reference Documents included in the Notice of Convocation of the General Meeting of Shareholders and the Business Report. As of the filing date of this report, the status of officer positions concurrently held by the Company's Directors at other listed companies, etc. is as follows:

- Seiko Nozaki:

Outside Director, SAN-A CO., LTD.

Outside Director, The Okinawa Electric Power Company, Incorporated

<Notice of convocation of the General Meeting of Shareholders>

[https://www.okinawafg.co.jp/english/shareholder\\_investor/general\\_meeting/](https://www.okinawafg.co.jp/english/shareholder_investor/general_meeting/)

[Supplementary Principle 4.11.3]

The Company analyzes and evaluates the effectiveness of the Board of Directors every year and strives to further improve its effectiveness.

1. Evaluation process

The Company conducts questionnaire-type surveys regarding the effectiveness of the Board of Directors among all Directors and Directors serving as Audit and Supervisory Committee Members. To ensure the objectivity and transparency of the evaluation process, the Company has been utilizing support from an external organization since FY2022. Based on the responses and opinions from the surveys, the Company analyzes and evaluates the effectiveness of the Board of Directors as a whole.

2. Results of analysis and evaluation

The results of analysis and evaluation were reported to the Board of Directors meeting held in May 2025, and the Board of Directors of the Company confirmed that its effectiveness as a whole, as required by the Japan's Corporate Governance Code, has been secured.

### 3. Status of responses to improvements identified in past effectiveness evaluations

(1) To enhance discussions at the Board of Directors meetings, materials are sent to outside officers approximately one week prior to the meeting, and a pre-meeting briefing for outside officers is held approximately two days prior to the meeting, enabling them to understand the content. This allows the Board of Directors meetings to be focused on discussions.

(2) To further improve officer training, the Company organizes participation in external seminars, site visits at group companies, and meetings for exchange of views. The Company will continue to provide the information necessary for knowledge acquisition and further enhance training opportunities.

(3) During the formulation process for the 2nd Medium-Term Business Plan, internal and outside officers held extensive discussions on important matters to improve the Group's corporate value, such as growth strategies and human capital management. As a result of those discussions, human capital management was positioned as a strategic pillar of the plan (Strategy II).

In terms of human capital management, the Company is taking steps to increase the proportion of female managers to 23% at the section manager level and above and 40% at the assistant manager level and above by FY2026 and promote diversity. Continuous efforts are also being made to expand the environment for active participation of diverse talents, including senior employees.

(4) To achieve the sustainable growth of local communities, key issues (materiality) for the Group were selected, and specific initiatives to help resolve each materiality issue were outlined in the 2nd Medium-Term Business Plan. Going forward, the Company will implement measures to achieve them.

### 4. Responses to improvements identified in the latest effectiveness evaluation

(1) To further enhance discussions at the Board of Directors meetings, the Company will continue to streamline important agenda items, review the delegation of authority to lower-level meeting bodies for matters to be resolved by the Board of Directors, and improve operational efficiency.

(2) The Company will implement various strategies in the 2nd Medium-Term Business Plan, various initiatives for each materiality issue, and measures that contribute to improving corporate value.

(3) The Company will aim for highly capital-efficient management through regular reporting on measures that consider the cost of capital and stock price trends as well as from in-depth discussions at the Board of Directors meetings.

#### [Supplementary Principle 4.14.2]

The Company provides opportunities for Directors and Directors serving as Audit and Supervisory Committee Members to acquire the knowledge necessary to fulfill their respective roles and responsibilities and also supports the costs of such training. The Company organizes training programs designed to provide information necessary for acquiring knowledge in response to the diversification of the Board of Directors and the ever-changing business environment and to further enhance training opportunities (internal study groups and seminars, participation in external seminars, online training, etc.).

#### [Supplementary Principle 5.1]

With the following policies in place, the Company is being proactive on the dialogue with shareholders.

##### (1) Dialogue with shareholders

With the officer in charge of the General Planning Division taking responsibility, the Company proactively provides opportunities

for dialogue. Officers other than President and Representative Directors also participate in dialogue.

#### (2) System to promote constructive dialogue

The General Planning Division serves as the contact point for dialogue with shareholders. In addition, the General Planning Division cooperates with the sales and administrative departments to collect and analyze various management data and to provide that information in an appropriate format.

#### (3) Enhancement of dialogue methods other than individual meetings

As part of dialogue with shareholders, various IR briefings (such as large meetings in Tokyo and Okinawa Prefecture) are constantly held. The Company also strives to disclose information in an easy-to-understand manner through its website, disclosure magazine, etc.

#### (4) Reporting of shareholder opinions

Opinions and other information gathered through dialogue with shareholders are appropriately provided to the management team by the General Planning Division, and regular reports are also made to the Board of Directors.

#### (5) Management of insider information

Internal regulations to properly manage important company information and prevent insider trading are in place, and employees are thoroughly informed those regulations.

#### (6) Status of dialogue between the management team and shareholders

The information on dialogue with shareholders conducted in FY2024 was relayed to the management team and the Board of Directors.

- Overview of shareholders: Domestic and international institutional investors, and analysts
- Responsible areas of shareholder representatives: Fund managers, ESG specialists, etc.
- Main topics of dialogue: Financial results, management strategy, ESG-related matters, shareholder returns, capital policy, future business strategy, etc.

#### [Principle 5.2]

Measures to achieve management that is conscious of cost of capital and stock price

The cost of shareholders' equity is estimated to be around 8%, based on calculations such as CAPM and the general level required of Japanese companies by institutional investors. The Group has been taking steps to achieve its moonshot targets for the fiscal year ending March 31, 2027 (consolidated ordinary income of ¥60.0 billion, consolidated net income of ¥10.0 billion, and consolidated ROE of around 6%) in order to reduce the gap between the cost of shareholders' equity and consolidated ROE. In May 2025, the moonshot targets were revised upward (consolidated ordinary income of ¥71.0 billion, consolidated net income of ¥11.0 billion, and consolidated ROE of around 6.2%). The Company is continuing its efforts to increase the share price by improving corporate value to achieve the targets.

The Company's basic policy regarding shareholder returns is to secure stable earnings and appropriate equity capital necessary

to drive the growth of local communities in line with the business philosophy of “growing together with the community,” while also delivering shareholder returns that increase the attractiveness of investing in the Company’s shares.

During the period of the 2nd Medium-Term Business Plan (from the fiscal year ended March 31, 2025 to the fiscal year ending March 31, 2027), the Company will pay out stable progressive dividends with a minimum annual dividend of ¥90.00 per share. In FY2024, the Company paid an interim dividend of ¥45 and a year-end dividend of ¥60, for a total dividend of ¥105. For FY2025, the Company forecasts interim and year-end dividends of ¥60 each, for a total dividend of ¥120. The Company will continue to flexibly deliver shareholder returns commensurate with earnings levels.

## 2. Capital Structure

Foreign Shareholding Ratio <b>Updated</b>	10% or more but less than 20%
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### Status of Major Shareholders **Updated**

Name or Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,986,500	9.07
Custody Bank of Japan, Ltd. (Trust Account)	1,080,000	4.93
Okinawa Financial Group Employee Shareholding Association	862,350	3.93
Okinawa Tochi Jutaku K. K.	709,863	3.24
The Okinawa Electric Power Company, Incorporated	592,800	2.70
Nippon Life Insurance Company	548,387	2.50
Sumitomo Life Insurance Company	547,680	2.50
The Master Trust Bank of Japan, Ltd. (Stock-Granting ESOP Trust Account 80170)	449,000	2.05
Chosei Miyagi	408,016	1.86
STATE STREET BANK AND TRUST COMPANY 505223	346,860	1.58

Name of Controlling Shareholder, if applicable  
(excluding Parent Companies)

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Name of Parent Company, if applicable

None

### Supplementary Explanation

• The ownership percentage is calculated by excluding treasury shares (1,116,174 shares). The number of treasury shares does not include 119,352 shares held by the BIP trust for executive compensation and 449,000 shares held by the ESOP trust for stock grants.

### 3. Corporate Attributes

Listed Stock Exchange and Market Segment	Prime Market, Tokyo; Existing Market, Fukuoka
Fiscal Year-End	March
Business Sector	Banks
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	¥10 billion or more but less than ¥100 billion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	10 or more but fewer than 50

### 4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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### 5. Other Special Circumstances which may have a Material Impact on Corporate Governance

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## II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight

### 1. Organizational Composition and Operation

Corporate Governance System	Company with Audit and Supervisory Committee
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#### Directors

Number of Directors Stipulated in Articles of Incorporation	15
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	7
Election of Outside Directors	Elected
Number of Outside Directors	4
Number of Independent Directors	4

# Outside Directors' Relationship with the Company (1) Updated

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Takako Yamashiro	From another company								○			
Naoko Murakami	Lawyer								○			
Kenji Sugimoto	From another company								○			
Seiko Nozaki	Lawyer								○			

\*Categories for "Relationship with the Company"

(Use "○" when the Director presently falls or has recently fallen under the category; "△" when the Director fell under the category in the past; "●" when a close relative of the Director presently falls or has recently fallen under the category; and "▲" when a close relative of the Director fell under the category in the past.)

- a. Person who executes business for the Company or its subsidiary
- b. Person who executes business for a non-executive Director of the Company's parent company
- c. Person who executes business for a fellow subsidiary
- d. Person/entity for which the Company is a major client or a person who executes business for said person/entity
- e. Major client of the Company or a person who executes business for said client
- f. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a Director/company auditor
- g. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
- h. Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to Director him/herself only)
- i. Person who executes business for another company that holds cross-Directorships/cross-auditorships with the Company (applies to Director him/herself only)
- j. Person who executes business for an entity receiving donations from the Company (applies to Director him/herself only)
- k. Other

# Outside Directors' Relationship with the Company (2) Updated

Name	Membership of Audit and Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Takako Yamashiro		○	Although there is no personnel relationship between the Company and the University of the Ryukyus, where Ms. Takako Yamashiro serves as Inspector, there are typical deposit transactions with the Company's consolidated subsidiary, The Bank of Okinawa, Ltd. Given the size and nature of these transactions, it has been determined that there is no risk of a conflict of interest with general shareholders, and therefore a detailed description of the transactions is omitted.	Ms. Takako Yamashiro has a wealth of operational experience at the Okinawa Prefectural Government, including serving as Manager of the Peace and Gender Equality Promotion Department of the Culture and Environment Division, Manager of the Manufacturing Promotion Department of the Commerce, Industry and Labor Division, and Secretary General of the Okinawa Prefectural Assembly. Additionally, since 2024 she has appropriately fulfilled her duties and responsibilities as Inspector at the University of the Ryukyus, including auditing. In light of these achievements, the Company has judged that she can contribute

Name	Membership of Audit and Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
				<p>to the promotion of diversity, human capital management, and improvement of governance promoted by the Group by leveraging her experience and knowledge. Therefore, the Company has selected her as Outside Director.</p> <p>Furthermore, she has been designated as an independent director because she meets the requirements for an independent director that Tokyo Stock Exchange, Inc. requires to be met in order to protect general shareholders and there is no risk of a conflict of interest with general shareholders.</p>

Name	Membership of Audit and Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Naoko Murakami	○	○	<p>Although there is no personnel relationship between the Company and Kokoro Law Office, where Ms. Naoko Murakami serves as attorney at law, or with Okinawa District Office, Japan Legal Support Center, where she serves as Director, there are typical deposit transactions with the Company's consolidated subsidiary, The Bank of Okinawa, Ltd. Given the size and nature of these transactions, it has been determined that there is no risk of a conflict of interest with general shareholders, and therefore a detailed description of the transactions is omitted.</p>	<p>Ms. Naoko Murakami has engaged in corporate legal affairs as an attorney. Her service as President of the Okinawa Bar Association also attests that she has a wealth of knowledge and experience. She has appropriately fulfilled her duties and responsibilities as Outside Corporate Auditor of The Bank of Okinawa, Ltd. since June 2020 and as Outside Director of the Company since 2022. Additionally, she has contributed to work style reforms, including the active participation of women promoted by the Group. The Company has judged that she can continue to contribute to strengthening the effectiveness of the decision making function and supervision function of the Board of Directors of the Company from a position independent from the management team conducting business execution, by leveraging her wealth of experience and extensive insight. Therefore, the Company has selected her as Outside Director serving as an Audit and Supervisory Committee Member.</p> <p>Furthermore, she has been designated as an independent director because she meets the requirements for an independent director that Tokyo Stock Exchange, Inc. requires to be met in order to protect general shareholders and there is no risk of a conflict of interest with general shareholders.</p>



Name	Membership of Audit and Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Kenji Sugimoto	○	○	<p>Although there is no personnel relationship between the Company and Okinawa Churashima Foundation, where Mr. Kenji Sugimoto serves as Managing Director, there are typical deposit transactions with the Company's consolidated subsidiary, The Bank of Okinawa, Ltd. Given the size and nature of these transactions, it has been determined that there is no risk of a conflict of interest with general shareholders, and therefore a detailed description of the transactions is omitted.</p>	<p>Mr. Kenji Sugimoto has advanced knowledge in the tourism industry, which is the mainstay industry of Okinawa Prefecture, based on his extensive experience gained through his career in a wide range of public services in addition to managing the JTB Group companies. Since his appointment as Director serving as Audit and Supervisory Committee Member of the Company in June 2022, he has appropriately fulfilled his duties and responsibilities. The Company has judged that he can continue to contribute to strengthening the effectiveness of the decision-making function and supervision function of the Board of Directors of the Company from a position independent from the management team conducting business execution, by leveraging his wealth of experience and extensive insight. Therefore, the Company has selected him as Outside Director serving as an Audit and Supervisory Committee Member.</p> <p>Furthermore, he has been designated as an independent director because he meets the requirements for an independent director that Tokyo Stock Exchange, Inc. requires to be met in order to protect general shareholders and there is no risk of a conflict of interest with general shareholders.</p>

Name	Membership of Audit and Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Seiko Nozaki	○	○	Although there is no personnel relationship between the Company and Umuyasu Law and Accounting Office, where Ms. Seiko Nozaki serves as attorney at law, or with SAN-A CO., LTD. and The Okinawa Electric Power Company, Incorporated, where she serves as Outside Director, there are typical deposit transactions with the Company's consolidated subsidiary, The Bank of Okinawa, Ltd. Given the size and nature of these transactions, it has been determined that there is no risk of a conflict of interest with general shareholders, and therefore a detailed description of the transactions is omitted.	Ms. Seiko Nozaki has expertise and broad insight as an attorney at law and also has served as President of the Okinawa Bar Association. Furthermore, she has a high level of knowledge and experience in corporate management, having served as an Outside Director of SAN-A CO., LTD. and The Okinawa Electric Power Company, Incorporated. The Company has judged that she can contribute to the evolution and expansion of the Group's business fields, promotion of diversity, human capital management, and improvement of governance. Therefore, the Company has selected her as Outside Director. Furthermore, she has been designated as an independent director because she meets the requirements for an independent director that Tokyo Stock Exchange, Inc. requires to be met in order to protect general shareholders and there is no risk of a conflict of interest with general shareholders.

## Audit and Supervisory Committee

### Composition of Audit and Supervisory Committee and Attributes of the Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Committee Chair
Audit and Supervisory Committee	4	1	1	3	Internal Director

Appointment of Directors and/or Staff to Support the Audit and Supervisory Committee **Updated**

Appointed

### Matters Concerning Independence of Said Directors and/or Staff from Executive Officers **Updated**

The Company takes the following measures to ensure the independence of Directors serving as Audit and Supervisory Committee Members and assistant staff from executive officers, as well as the effectiveness of instructions from Audit and Supervisory Committee Members to assistant staff.

1. Directors serving as Audit and Supervisory Committee Members are prohibited from concurrently holding executive positions. In addition, the Company requires the majority of Audit and Supervisory Committee Members to be Outside Directors, who maintain a certain distance from internal conflicts of interest and ensure to be in an objective position.
2. The consent of the Audit and Supervisory Committee must be obtained for personnel transfers, personnel evaluations, disciplinary actions, etc. of assistant staff. In addition, the Company ensures that the authority of assistant staff (including the authority to investigate, the authority to gather information, and the authority to attend meetings based on instructions from Audit and Supervisory Committee Members as necessary) is not impeded.

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Cooperation among the Audit and Supervisory Committee, Accounting Auditors and Internal Audit Department Updated

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(1) Cooperation between the Audit and Supervisory Committee and the Accounting Auditor

Regular communication is maintained through audit planning, audit reporting, financial results reporting, and discussions. Discussions take place regarding any deficiencies in internal controls identified by the Accounting Auditor, and the Audit and Supervisory Committee receives reports on key audit matters (KAMs).

(2) Cooperation between the Audit and Supervisory Committee and the internal audit department

Discussions take place regarding important matters through a preliminary questionnaire when the internal audit department formulates an audit plan, and audit plans and audit results are shared with the Audit and Supervisory Committee. The full-time Audit and Supervisory Committee Member provides the internal audit department with advice on improvement measures in response to audit results at regular meetings with the department.

### Voluntary Established Committee(s)

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee

Established

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Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chairperson

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	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Group Nomination and Compensation Advisory Committee	5	0	2	3	0	0	Outside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Group Nomination and Compensation Advisory Committee	5	0	2	3	0	0	Outside Director

The Company has established the Group Nomination and Compensation Advisory Committee as a voluntary advisory body with the objectives of ensuring transparency and objectivity in the evaluation and decision-making process regarding the nomination of and compensation for Directors and Directors serving as Audit and Supervisory Committee Members, strengthening the supervisory function of the Board of Directors and enhancing the corporate governance system. In response to consultation by the Board of Directors, the Group Nomination and Compensation Advisory Committee deliberates on matters related to the nomination of and compensation for Directors and Directors serving as Audit and Supervisory Committee Members, and reports its findings to the Board of Directors.

## Matters Concerning Independent Directors

Number of Independent Directors **Updated**

4

### Other Matters Concerning Independent Directors

When selecting candidates for outside officers, the Company requires that they meet the independence requirements set forth by the financial instruments exchanges on which the Group is listed, as well as the following independence standards.

(1) The candidate must not currently be, nor have been within the past three years, a person for which the Group is a major client or an executive of an entity for which the Group is a major client.

(2) The candidate must not currently be, nor have been within the past three years, a person who is a major client of the Group or an executive of an entity which is a major client of the Group.

The criteria for a major client in (1) and (2) above shall be as follows.

- The transaction of cash in line with the provision of duties, etc., continues (includes the case where continuity is estimated) to account for 2% or more of annual consolidated net sales (annual consolidated gross business profit of the Group if determining the person is a major client of the Group) in the most recent fiscal year.
- In cases where there is a lending relationship with the person, it must be that the Group is the primary provider of credit thereto, and that any change in the Group's lending policy would have a significant impact thereon.

(3) The candidate must not be a consultant, accounting professional, or legal professional that has received cash or other property income of ¥10 million or more on average over the past three years (if the entity receiving such assets is a corporation, partnership, or other organization, a person who belongs to such entity) either currently or in the recent past, nor have belonged to such organization within the past three years.

(4) The candidate must not currently be, nor have been within the past three years, a major shareholder that holds more than 10% of the voting rights of the Company nor is an executive thereof.

(5) The candidate must not currently be, nor have been within the past three years, an outside officer of a company that holds cross-outside directorships/auditorships with the Company, where both parties have continuously appointed each other's officers

and where a close relationship is deemed to exist — for example, in cases where there are no multiple outside officers from outside the Group.

(6) The candidate must not currently be, nor have been within the past three years, an entity receiving donations, etc., from the Group of ¥10 million or more on average over the past three years nor is a current/former executive thereof.

(7) The candidate must not a person that does not satisfy the items set out in (1) to (6) above or a close relative (relative to within the second degree of kinship) of a Director, Executive Officer, Audit and Supervisory Committee Member, Corporate Auditor, or significant employee of the Group.

\* An executive refers to persons in the positions equivalent to officer or General Manager.

\* Accounting professionals and legal professionals refer to certified public accountants and attorneys.

## Incentives

Implementation Status of Measures related to Incentives Granted to Directors

Introduction of Performance-linked Compensation Scheme

Supplementary Explanation for Applicable Items Updated

The stock-based compensation is an incentive plan in which the Company's shares and cash equivalent to the conversion value of the Company's shares are delivered and paid based on position, achievement of performance targets, and other factors. It consists of fixed and variable portions. The fixed portion is awarded in the form of points calculated based on a predetermined payment amount according to position. The variable portion is based on the degree of achievement of indicators for performance-linked compensation, and awarded in the form of points calculated by subtracting the fixed portion from the base amount for each position predetermined by the Board of Directors, and dividing the result by the base stock price (average stock price). Each awarded point is converted into one share of the Company's common stock and will be delivered after retirement. The indicators for the variable portion of the stock-based compensation are financial indicators (consolidated ordinary income, consolidated net income, consolidated ROE, consolidated capital ratio) and ESG indicators (proportion of female managers, CO<sub>2</sub> emissions) outlined in the medium-term business plan. Those indicators are chosen to improve medium- to long-term business performance and boost motivation to contribute through the achievement of earnings targets set forth in the medium-term business plan.

Persons Eligible for Stock Options

Supplementary Explanation for Applicable Items

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## Director Remuneration

Status of Disclosure of Individual Director's Remuneration

No Disclosure for any Directors

The total amount for internal Directors and for Outside Directors is disclosed for the fiscal year under review (April 1, 2024 to March 31, 2025).

- 4 Directors: Total compensation, etc. of ¥46 million (fixed compensation of ¥24 million, performance-linked compensation of ¥4 million, and BIP trust of ¥16 million)
- 5 Directors (Audit and Supervisory Committee Members): Total compensation, etc. of ¥25 million (fixed compensation only)

Policy on Determining Remuneration Amounts and Calculation Methods **Updated**

Established

## Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

### 1. Policy and method for determining the amount of compensation, etc. for officers and calculation methods

#### (1) Directors (excluding Independent Outside Directors)

Compensation, etc. for Directors (excluding Independent Outside Directors) is determined in accordance with the following basic policy:

- (i) Compensation shall serve to raise incentives for the management team to realize the business philosophy of “growing together with the community.”
- (ii) Compensation shall be aimed to increase corporate value over the medium to long term and increase motivation to contribute to ESG initiatives (promoting women’s participation and reducing CO<sub>2</sub> emissions).
- (iii) Compensation shall ensure a shared profit mindset with shareholders.

Based on the basic policy, the compensation system consists of basic compensation (fixed compensation), bonuses (short-term performance-linked compensation), and stock-based compensation (long-term performance-linked compensation). Considering the importance of management based on a medium- to long-term perspective, the ratio of fixed compensation to performance-linked compensation (including both long-term and short-term) is set at around 60% for fixed compensation and around 40% for performance-linked compensation. Additionally, in terms of performance-linked compensation, stock-based compensation accounts for around 30% of the total that includes the fixed compensation portion, and bonuses accounts for around 10% of the total.

The appropriateness of compensation levels is reviewed approximately once every three years, using the levels of other companies of similar size as a benchmark.

With regard to the method for determining the policy above, the Board of Directors consults with the Group Nomination and Compensation Advisory Committee, which is chaired by an Independent Outside Director and composed of a majority of Independent Outside Directors. The Board of Directors then makes a decision based on the results of deliberations by the Group Nomination and Compensation Advisory Committee on a basic approach to compensation, individual officer compensation, and other matters.

#### (2) Independent Outside Directors and Audit and Supervisory Committee Members

Compensation for Independent Outside Directors and Audit and Supervisory Committee Members consists solely of fixed

compensation from the perspective of independence.

The total amount and individual levels of fixed compensation are determined within the maximum amount of compensation resolved at the General Meeting of Shareholders, taking into consideration the balance with other companies used as a benchmark, the balance between executive officers and full-time Audit and Supervisory Committee Members, and the balance between Independent Outside Directors and Independent Outside Audit and Supervisory Committee Members. Individual compensation for Independent Outside Directors is determined by the Board of Directors, while individual compensation for Audit and Supervisory Committee Members is determined by the Audit and Supervisory Committee.

### (3) Overview of the details of the policy

With regard to basic compensation (fixed compensation), individual compensation is determined by the Board of Directors within the maximum amount of compensation resolved at the General Meeting of Shareholders, based on allocation criteria such as position, job description, and level of responsibility. Payment is made periodically during the term of office of each officer. At the 1st Annual General Meeting of Shareholders held on June 24, 2022, it was decided that the total amount of monetary compensation for Directors (excluding Directors serving as Audit and Supervisory Committee Members) shall be no more than ¥100 million per year (including ¥20 million per year for Outside Directors), and for Directors serving as Audit and Supervisory Committee Members, it shall be no more than ¥40 million per year.

Stock-based compensation uses the BIP trust. The details of the BIP trust (such as the trust period, the maximum amount to be contributed to the trust, and the method of allocating shares to each Director) are determined by the Board of Directors and resolved by the General Meeting of Shareholders. The indicators for the variable portion of the stock-based compensation are financial indicators (consolidated ordinary income, consolidated net income, consolidated ROE, consolidated capital ratio) and ESG indicators (proportion of female managers, CO<sub>2</sub> emissions) outlined in the medium-term business plan. Those indicators are chosen to improve medium- to long-term business performance and boost motivation to contribute through the achievement of earnings targets set forth in the medium-term business plan. The Board of Directors determines specific allocation criteria based on the resolutions made at the General Meeting of Shareholders, and allocations to individual compensation are made annually based on these criteria. To ensure transparency, annual allocation results are reported to the Board of Directors. Payments are made after retirement.

Regarding bonuses, a table of total bonus amounts to be received in line with the level of consolidated net income is set in advance. The total amount of bonuses is decided by the Board of Directors each year and resolved by the General Meeting of Shareholders. Individual allocations are determined by the Board of Directors based on the position and level of contribution to business performance. Payments are made periodically during the term of office.

Furthermore, in the event of serious misconduct or any similar case, the Company may request any previously paid or vested compensation (such as stock-based compensation) to be returned. The period for which such request for return can be made extends back one year from the time of the serious misconduct or similar case, and the matter will be decided by the Board of Directors based on the results of deliberations by the Group Nomination and Compensation Advisory Committee.

The Group Nomination and Compensation Advisory Committee deliberated on whether compensation for each individual Director in the fiscal year under review was in line with the basic policy, and the Board of Directors decided on individual compensation based on the results of the committee's deliberations.

## Support System for Outside Directors Updated

- The Company organizes training programs designed to provide necessary information for acquiring knowledge in response to the diversification of the Board of Directors and the ever-changing business environment and to further enhance training opportunities (internal study groups and seminars, participation in external seminars, online training, etc.).
- Outside Directors receive explanations of proposals in advance for the Board of Directors meetings from General Managers and their deputies in charge of each department.
- Outside Directors participate in the Audit and Supervisory Committee meetings as observers, so that operation reports from each department, audit implementation reports from the internal audit department, and other information can be shared.
- To foster cooperation with each group company, the Group Audit Liaison Committee, which includes corporate auditors of each company and Outside Directors, convenes once every six months. At the committee's meetings, the internal audit department reports on the implementation status of internal audits, and information is shared and coordinated on matters such as compliance programs, status of legal compliance, etc.

## 2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System) Updated

### 1. Matters concerning business execution

The current structure is outlined below.

#### (1) Board of Directors

The Board of Directors of the Company consists of seven Directors (four men and three women). Four of these Directors are highly independent Outside Directors who supervise and provide advice on management. In principle, the Board of Directors convenes once a month, with all Directors in attendance to decide on management policies and other important matters and to mutually supervise business execution by them.

#### (2) Group Management Committee

The Company has established the Group Management Committee, which has the function of deliberating on business execution and is delegated by the Board of Directors to approve important matters not to be submitted to the Board of Directors and hold advance discussions on matters to be submitted to the Board of Directors. The Group Management Committee convenes once a week with the attendance of internal officers.

#### (3) Group Risk Management Committee

Recognizing the importance of risk management, the Company has established the Group Risk Management Committee to analyze and evaluate various issues related to the various risks inherent in company management and examine risk control measures, etc. The Group Risk Management Committee convenes once a month, in principle, with the participation of internal officers and General Managers of relevant departments.

#### (4) Group Compliance Committee

The Company has established the Group Compliance Committee to determine specific measures for the Company's legal compliance system, customer protection management system, and operational risk management system, excluding matters subject to the sole discretion of the Board of Directors, and oversee the Company's compliance and customer protection status. In principle, the Group Compliance Committee convenes once a month, with the participation of internal officers and General Managers of relevant departments.



#### (5) Group Management Strategy Meeting

The Group Management Strategy Meeting has been established to oversee the implementation of key measures by each department and the Group. In principle, the Group Management Strategy Meeting is held four times a year, once every quarter, with the attendance of internal Directors.

The Company believes that this management structure enables swift business execution and strengthens the management oversight function of Directors serving as Audit and Supervisory Committee Members and highly independent outside officers.

### 2. Matters concerning auditing and supervision

#### (1) Audit and Supervisory Committee

Of the four Directors serving as Audit and Supervisory Committee Members (two men and two women), three are highly independent Outside Directors. Based on the audit policy and audit plan established by the Audit and Supervisory Committee, each of Directors serving as Audit and Supervisory Committee Members audits the status of business execution by the Board of Directors from various angles, including attending meetings of the Board of Directors and the Group Management Committee. In addition, the Company has established the permanent Audit and Supervisory Committee Office with dedicated staff to support audits by Directors serving as Audit and Supervisory Committee Members, thereby strengthening the functions of Audit and Supervisory Committee Members.

#### (2) Internal audits

To ensure sufficient checks and balances for each department and the Group, the Company has established an internal audit department (the Auditing Division) that is independent from other departments, thereby creating a system to ensure independence. The internal audit department conducts internal audits of each department and the Group to verify the appropriateness and effectiveness of the internal control system, not only raising problems but also proposing ways to improve the situation.

##### • Accounting audit

The two certified public accountants who performed the Company's accounting audit, Mr. Tatsuya Hiraki and Mr. Seiji Hamamura, belong to Deloitte Touche Tohmatsu LLC.

### 3. Matters concerning nomination and compensation decisions

The Group Nomination and Compensation Advisory Committee has been established as a voluntary advisory body with the objectives of ensuring transparency and objectivity in the evaluation and decision-making process regarding the nomination of and compensation for Directors and Directors serving as Audit and Supervisory Committee Members, strengthening the supervisory function of the Board of Directors and enhancing the corporate governance system. When considering particularly important matters such as nominations and compensation, the Board of Directors consults with the voluntary Group Nomination and Compensation Advisory Committee and passes resolutions based on the committee's reports.

Candidates for Directors are determined by the Board of Directors after undergoing rigorous screening of their eligibility based on the Companies Act, the Banking Act, and comprehensive guidelines for the supervision of small and medium-sized and regional financial institutions.

Candidates for Directors serving as Audit and Supervisory Committee Members are determined by the Board of Directors after undergoing rigorous screening of their eligibility based on the Companies Act and other laws and regulations, with the prior

consent of the Audit and Supervisory Committee.

By resolution of the Board of Directors or through discussions by the Audit and Supervisory Committee, compensation for Directors and Directors serving as Audit and Supervisory Committee Members is determined within the limits on the total amount of compensation for all Directors and for all Directors serving as Audit and Supervisory Committee Members, which are decided by resolution of the General Meeting of Shareholders.

### 3. Reasons for Adoption of Current Corporate Governance System Updated

The Board of Directors of the Company consists of seven Directors (including four Outside Directors). It decides on management policies and other important matters, and oversees business execution by Directors. In addition, the Company has adopted the corporate governance structure of a company with an audit and supervisory committee, having four Directors serving as Audit and Supervisory Committee Members (including three Outside Directors) audit the status of business execution by Directors from various angles.

The Company's current system has been adopted to establish appropriate functions of monitoring and supervising management decision-making and business execution, as well as to ensure thorough compliance and strengthen risk management. An overview of the Company's corporate governance system is shown in the organizational chart in "V. Other" of this report.

## III. Implementation of Measures for Shareholders and Other Stakeholders

### 1. Measures to Vitalize General Meeting of Shareholders and Facilitate Exercise of Voting Rights Updated

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	The notice of the General Meeting of Shareholders is sent out three weeks before the meeting. The content of the notice is also posted on the Company's website. The Company will continue to aim to send out the notice of the General Meeting of Shareholders early.  < Notice of Convocation of the Annual General Meeting of Shareholders > <a href="https://www.okinawafg.co.jp/english/shareholder_investor/general_meeting/">https://www.okinawafg.co.jp/english/shareholder_investor/general_meeting/</a>
Electronic Exercise of Voting Rights	The Company has adopted an electronic voting method where shareholders enter their votes for or against proposals on a website for the electronic exercise of voting rights.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	The Company participates in a platform for the electronic exercise of voting rights.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	Convocation notices are provided in English.
Other	The Company takes steps to provide explanations to shareholders, such as posting the convocation notice on the Company's website and making briefing

and other materials easy to be viewed.

## 2. Status of IR-related Activities Updated

	Supplementary Explanation	Explanation by a representative Director or a representative executive officer
Regular Investor Briefings held for Individual Investors	In FY2025, the Company plans to hold investor briefings at eight locations within the prefecture immediately after the financial results are announced.	Held
Regular Investor Briefings held for Analysts and Institutional Investors	The Company holds investor briefings once a year in Tokyo and once a year within the prefecture.	Held
Online Disclosure of IR Information	The Company plans to post financial results (including interim and quarterly data), Annual Securities Reports, disclosure magazines, and company briefing materials.	
Establishment of Department and/or Placement of a Manager in Charge of IR	Responsible department: General Planning Division Responsible officer: Kazuya Iha, Senior Managing Director Manager responsible for administration and inquiries: Yuichiro Sunakawa, General Manager, General Planning Division	

## 3. Status of Measures to Ensure Due Respect for Stakeholders Updated

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	Based on the business philosophy of “growing together with the community,” the Company has established a code of conduct in the Guidelines for Compliance with Laws and Regulations (compliance manual) and implements various measures in line with the code, which covers customers, business partners, investors, society, and employees and stipulates respect for the positions of each stakeholder.
Implementation of Environmental Preservation Activities and CSR Activities, etc.	Okinawa Financial Group Sustainability Policy: To realize a sustainable local community, Okinawa Financial Group will not only pursue its core business but also demonstrate its business philosophy of “growing together with the community” and address environmental issues such as climate change and social issues such as fair trading, aiming for sustainable management that enhances local community value and economic value.
Other	<ul style="list-style-type: none"> <li>The Group is making proactive and continuous efforts to promote the active participation of women, such as creating and expanding an environment in which women play active roles and setting targets for the proportion of female</li> </ul>

managers. Since January 2020, The Bank of Okinawa, Ltd. has received the highest three-star rating under the Eruboshi Certification, which is implemented by the Ministry of Health, Labour and Welfare based on the Women's Participation Act.

- Since April 2022, The Bank of Okinawa, Ltd. has encouraged male employees to take one month of paid childcare leave. The aim is to send out a strong message that childcare is something in which fathers and mothers have equal responsibilities and roles, and to foster new values by having all employees take part in childcare. The program has also been introduced to group companies from July 2022.
- In April 2023, The Bank of Okinawa, Ltd. introduced a flextime system and a notification-based side job policy, and the other group companies also implemented them during FY2023. The Company will continue to implement initiatives aimed to achieve work-life balance and enhance a comfortable working environment.
- In November 2023, the Company introduced "Welcome Back Program," a new employee rehiring program to give retired employees the opportunity to come back to work and strengthen mid-career recruitment efforts.
- To secure diverse talents, the Company introduced "Referral Hiring," a new system in August 2024, whereby job candidates are referred by the Group's employees.
- Initiatives for health and productivity management

The Group believes that the health of its employees and their families is essential for each employee to fully demonstrate their abilities and play an active role as a valuable human resource that supports the Group and local communities. Therefore, building a foundation that supports health is regarded as one of the highest management priorities. The health and happiness of each group employee and their families is a top priority, and the Group is engaged in various initiatives with a health and productivity management promotion system headed by President (or President (Representative Director) at The Bank of Okinawa, Ltd.) in place, to promptly and effectively implement health measures. The Group believes that the health of its employees and their families is directly linked to higher job satisfaction and engagement, which not only realizes the sustainable growth of the Group but also contributes to the improvement of the health of Okinawa's people and the value of local communities.

The Group will proactively implement health measures by focusing on the following three key priorities:

1. Creating a comfortable work environment

2. Maintaining and improving physical health

3. Maintaining and improving mental health

Valuing the idea that mental, physical, and financial health leads to well-being, the Group strives to be a corporate group that works hand in hand with local communities.

Initiatives for health and productivity management: Health and productivity management that creates the future

[https://www.okinawafg.co.jp/sustainability/wellness\\_management/](https://www.okinawafg.co.jp/sustainability/wellness_management/)

(in Japanese only)

## IV. Matters Concerning the Internal Control System

### 1. Basic Views on Internal Control System and Status of Development Updated

The Company has established an efficient and legal corporate structure by building an internal control system to be complied with and constantly reviewing it for improvements.

#### 1. Regulations and other systems for management of the risk of losses

(1) To ensure stable earnings and establish a sound management foundation, the Board of Directors has created the Risk Management Guidelines and regulations for managing each risk. The Company has also established a risk control department for the Company and the Group as a whole, as well as departments and methods for managing each risk.

(2) The Board of Directors has established the Group Risk Management Committee to appropriately manage and monitor risks for the Group as a whole. The Group Risk Management Committee receives reports from risk control and management departments and issues instructions for improvements as necessary. It also deliberates and makes decisions on matters related to risk management for the Company and the Group as a whole that are delegated by the Board of Directors, and reports to the Board of Directors on a regular basis.

(3) The Board of Directors has established the Business Continuity Planning Rules to ensure business continuity for the Group as a whole, and strives to respond quickly and smoothly in the event of crisis (the occurrence of serious damage due to unexpected disasters, failures, accidents, etc.).

#### 2. System to ensure that the performance of duties by Directors and employees complies with laws, regulations, and the Articles of Incorporation

(1) The Board of Directors has created the Guidelines for Compliance with Laws and Regulations, which all officers and employees of the Company and the Group companies are required to comply with.

(2) The Board of Directors has established the Group Compliance Committee to appropriately manage and monitor the compliance system. The Group Compliance Committee checks and evaluates the compliance system of the Group as a whole, deliberates and decides on matters delegated to it by the Board of Directors, and reports to the Board of Directors on the progress of compliance programs and other important matters.

(3) In an effort to raise compliance awareness among all employees, a Compliance Officer has been appointed by the Board of Directors to each department of the Company and the Group companies, and Compliance Study Sessions are held at each department.

(4) The Board of Directors has opened a Whistleblowing Helpline as a system for directly reporting any compliance issues, such as misconduct and compliance violations, in order to take prompt corrective measures for preventing problems from occurring or escalating.

#### 3. System to ensure the efficient execution of duties by Directors

(1) The Board of Directors conducts organized and efficient business operations by formulating regulations regarding the division of duties, authority, etc. In addition, the Group Management Committee has been established as a body for deliberating and deciding on important matters.

(2) The Board of Directors formulates medium-term business plans and annual plans that take into account the role of a comprehensive service group with finance at its core, and sets goals to be shared by all officers and employees of the Company and the Group companies. The Group Management Committee and the Group Management Strategy Meeting manage progress on those plans and flexibly formulate necessary management measures.

(3) Directors regularly report to the Board of Directors on the status of their respective operations.

(4) The Board of Directors has established the Regulation Management Rules to govern the system of documents that control the business operations of the entire Group, as well as their establishment, revision, abolition, and operation, thereby ensuring efficient business operations.

#### 4. System for storing and managing information related to the performance of duties by Directors

The Board of Directors has established the Document Management Rules to properly store and manage information related to the performance of duties by Directors of the Company.

#### 5. System to ensure appropriate business operations within the corporate group consisting of the Company and its subsidiaries

(1) The Company's officers monitor the appropriateness of business operations at each group company, and the Comprehensive Risk Management Rules and the Group Companies Risk Management Rules clarify the departments in charge of supervising and managing group companies. The Company also facilitates finance and develops a legal compliance system and a risk management system at each company, establishing an internal control system for the Group as a whole.

(2) The Group formulates group-wide business plans. The status of business execution of the Group is regularly reported to the Company's management team to ensure efficiency and strengthen cooperation across the Group.

(3) The internal audit department conducts audits on the status of legal compliance and risk management systems at the Company and the Group companies, reports the results to the Board of Directors, requests the Company and the Group companies to report on improvements to any issues identified in the audits, and follows up on the progress of those improvements.

#### 6. Matters concerning the appointment of employees to assist Directors serving as Audit and Supervisory Committee Members in their duties

Directors serving as Audit and Supervisory Committee Members have established the Audit and Supervisory Committee Office, with dedicated staff appointed to assist them and the Audit and Supervisory Committee (hereinafter the "Audit and Supervisory Committee, etc.") in their duties.

7. Matters concerning ensuring the independence of employees who assist Directors serving as Audit and Supervisory Committee Members in the performance of their duties from Directors and the effectiveness of instructions given to such employees

(1) Dedicated staff members are subject to the supervision of the Audit and Supervisory Committee, etc., and are not allowed to concurrently hold positions related to business execution of the Company.

(2) To maintain a support system for the Audit and Supervisory Committee, etc., a prior exchange of views with the Audit and Supervisory Committee, etc. takes place with regard to personnel matters of dedicated staff.

8. System for Directors and employees of the Company and the Group companies to report to Directors serving as Audit and Supervisory Committee Members

(1) Directors serving as Audit and Supervisory Committee Members of the Company are given the opportunities to attend the Board of Directors meetings and other important meetings of the Company and the Group companies, and to receive reports from Directors and employees on the status of business execution and other important matters.

(2) Directors and employees of the Company and the Group companies report to Directors serving as Audit and Supervisory Committee Members as necessary.

(3) The Board of Directors prohibits any disadvantageous treatment of officers and employees of the Group who have reported to Directors serving as Audit and Supervisory Committee Members, and makes this policy known to all officers and employees of the Group.

9. Matters concerning procedures for advance payment or reimbursement of expenses incurred in the performance of duties by Directors serving as Audit and Supervisory Committee Members, and policies for processing other expenses or liabilities incurred in the performance of said duties

When a Director serving as an Audit and Supervisory Committee Member requests advance payment, etc. of expenses in connection to the performance of his/her duties pursuant to Article 399-2, Paragraph 4 of the Companies Act, the relevant department will discuss and promptly process the expenses or liabilities related to the request, unless they are deemed not necessary for the performance of his/her duties.

10. Other systems to ensure that audits by Directors serving as Audit and Supervisory Committee Members are conducted effectively

(1) President, the Accounting Auditor, and the internal audit department strive to help realize efficient audits, such as regular exchanges of information with Audit and Supervisory Committee Members.

(2) Directors serving as Audit and Supervisory Committee Members strive to ensure the opportunities to seek the opinions of external experts (such as lawyers and certified public accountants) as necessary.



## 2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development

[Basic views on measures for eliminating anti-social forces and status of development]

### 1. Basic policy for eliminating anti-social forces

The corporate code of ethics clearly states the elimination of anti-social forces, and the Company cuts off any ties with anti-social forces that pose a threat to the order and safety of civic life and takes firm action against them.

### 2. System to eliminate anti-social forces

(1) In addition to clearly stating the elimination of anti-social forces in the corporate code of ethics, the Company outlines measures against anti-social forces in the Guidelines for Compliance with Laws and Regulations and makes them known to all officers and employees.

(2) The Guidelines for Compliance with Laws and Regulations outlines a system for dealing with anti-social forces, specific response guidelines, responses to business obstruction, specific illegal acts, etc. Furthermore, the Company makes organization-wide efforts to cut off transactions with anti-social forces, including cooperation with relevant internal departments and external organizations such as the police when necessary.

(3) The Company has rules in place for dealing with anti-social forces and appropriately managing information on anti-social forces, thereby establishing the necessary management system for preventing transactions and reporting suspicious transactions.

## V. Other

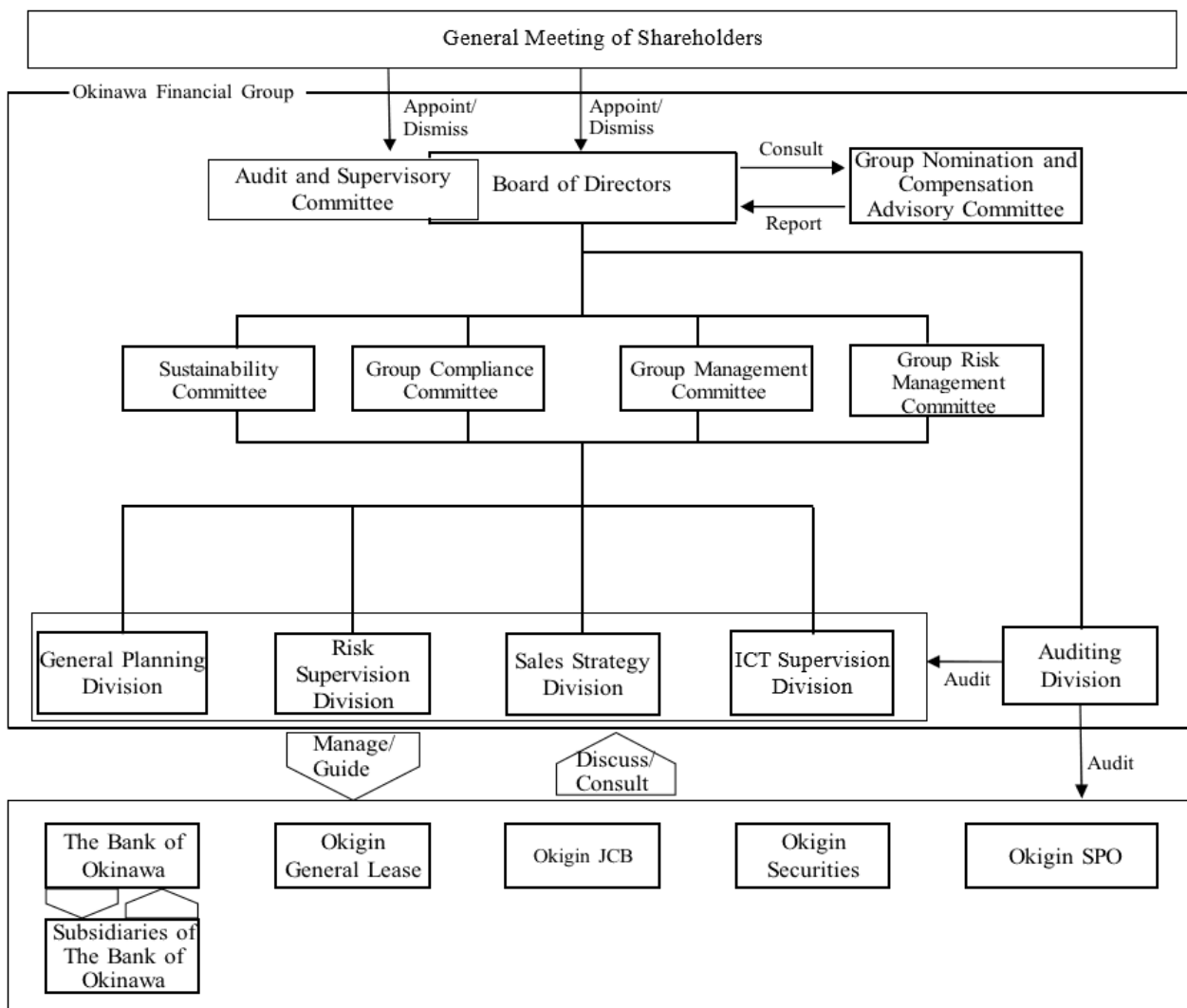
### 1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
Supplementary Explanation for Applicable Items	
—	

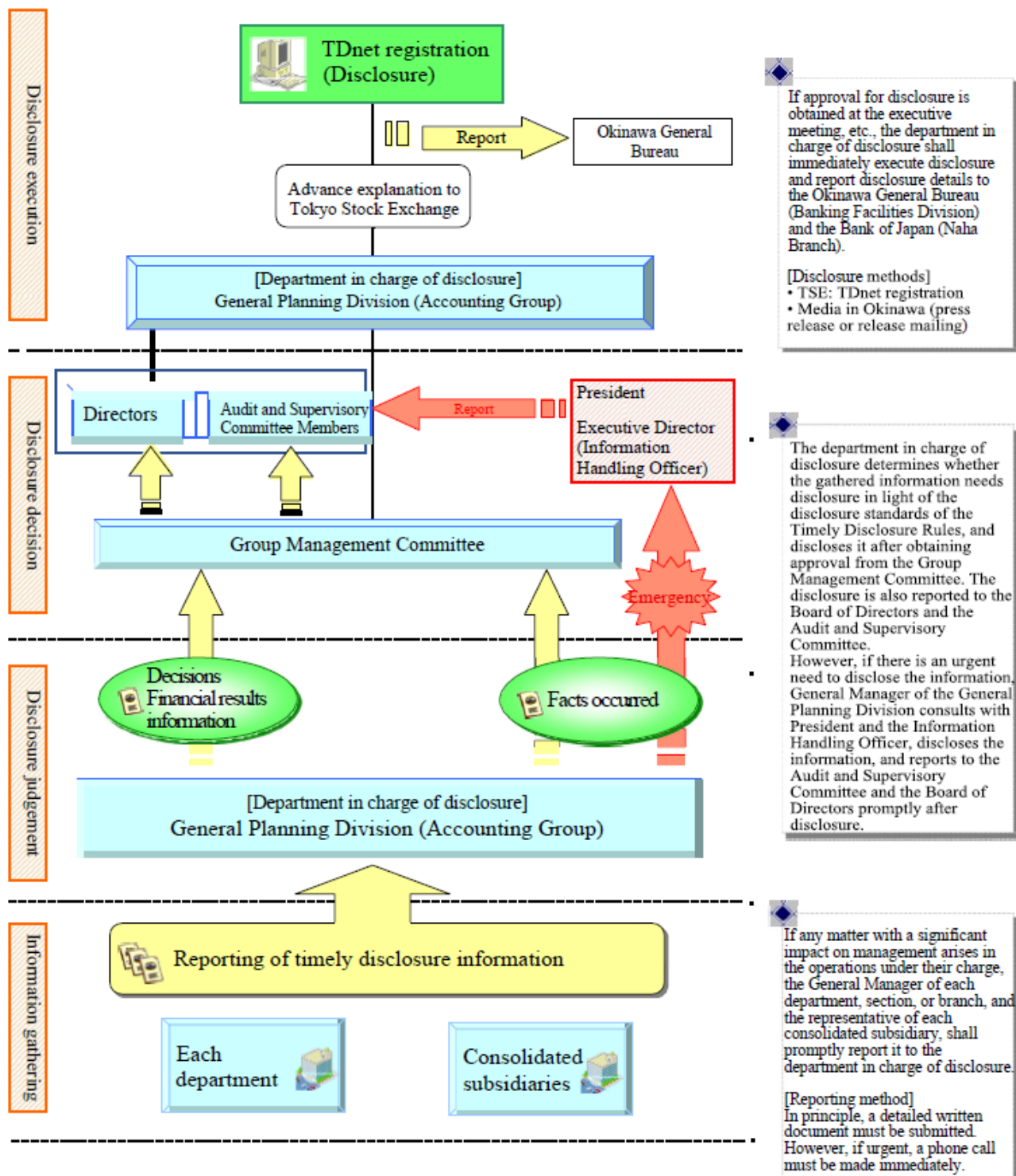
### 2. Other Matters Concerning the Corporate Governance System

The Company's corporate governance system and timely disclosure system are as shown in the organizational charts below.

[Corporate Governance System]



## [Internal Organizational Structure for Timely Disclosure of Company Information]



END