

Medium-Term Management Plan

Empower 2025

– All for Okinawa –

April 2025 ~ March 2028





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New Head Office Building Scheduled to Open in April 2026



Starting in fiscal year 2025, we will launch a new Medium-Term Management Plan, “Empower 2025.” We have concluded the previous Medium-Term Management Plan, “Value 2023,” ahead of schedule and formulated a new plan. With the arrival of “a world with interest rates” and the growing uncertainty of the global economy, especially in the U.S., and the business environment surrounding the Bank undergoing significant changes, we felt it necessary to review the Bank’s management strategy. That said, we will maintain the overall direction of our long-term vision, aiming to become “a financial group that grows together with the community by realizing a virtuous cycle in the local economy.” The title “Empower” reflects our strong intention to support the future economic revitalization of Okinawa Prefecture through various initiatives.

As a regional financial institution, our mission is to be close to the community and contribute to the growth of the local economy and the resolution of its challenges, and fulfilling this mission will also enhance our corporate value.

Okinawa holds significant growth potential. In addition to a growing tourism industry that takes advantage of its attractive nature and traditional culture, the region has the geographical advantage of being in the center of East Asia, and is expected to continue to grow. As a regional financial institution based in Okinawa, we believe that it is our responsibility to actively contribute to solving the challenges that will arise as Okinawa continues to grow in the future. For example, to ensure the sustainability of Okinawa’s tourism industry, which leverages “nature” as a tourism resource, we will take the lead in addressing climate change. We aim to realize a virtuous cycle in which Okinawa grows through our efforts, and as a result, the Bank also grows, thereby increasing its corporate value.

The foundation of all initiatives is talent. In order to respond to various challenges in the region, the Bank will strengthen human capital investments, aimed at upgrading its areas of strength and to take on challenges in new business areas. We will cultivate talent with advanced expertise who can fully demonstrate their capabilities in solving regional challenges. By fostering such talent, we aim to build an organization empowered by individuals and turn that into our strength.

The key strategies listed in “Empower 2025” are intended to demonstrate how the Bank will contribute to Okinawa’s economic growth and the resolution of regional challenges. Based on the belief, “All for Okinawa,” we are determined to play a central role in Okinawa’s growth. We are committed to creating new corporate value by solving local challenges in Okinawa.

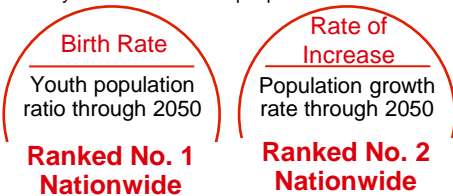
President **Ken Shimabukuro**

Direction of the Medium-Term Management Plan

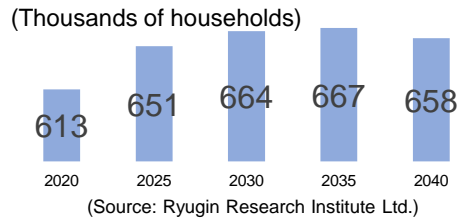
Okinawa Prefecture is one of the most demographically stable regions in Japan. In addition, Okinawa's appeal includes its mild climate and rich natural environment, traditional culture born from trade with Asian countries, and its geographical advantage of being located in the center of a huge East Asian market. We believe that the region will be transformed into a gateway that leads Japan in the future through the concentration of new industries under the concept of strengthening and expanding the functions of Naha Airport.

Prefecture with Stable Population Increase/Decrease

Population decline is slower than in the rest of the country due to the influx of people

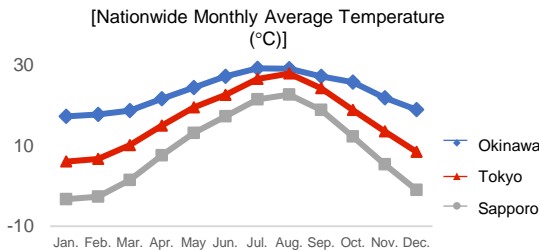


Projected Number of Households



Mild climate and rich natural environment

- Warm subtropical oceanic climate throughout the year
- An island prefecture with blue seas and evergreen forests
- Hotspot for global biodiversity



Traditional Culture Shared with the World

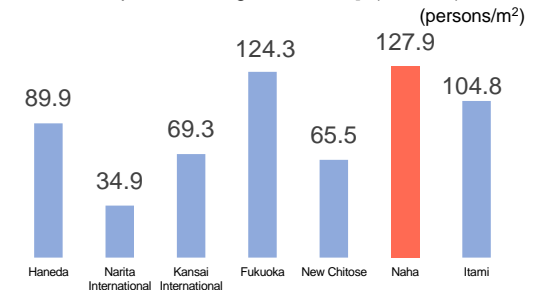
- Gusuku and related properties of the Ryukyu Kingdom (World Cultural Heritage)
- Traditional dyed and woven fabrics, Ryukyu lacquerware and pottery
- Court cuisine and Awamori
- Birthplace of karate that is spreading throughout the world



Hub of East Asia

- Within 4 hours by air to major cities
- Naha Airport is booming compared with the rest of Japan due to a recovery in passenger volume

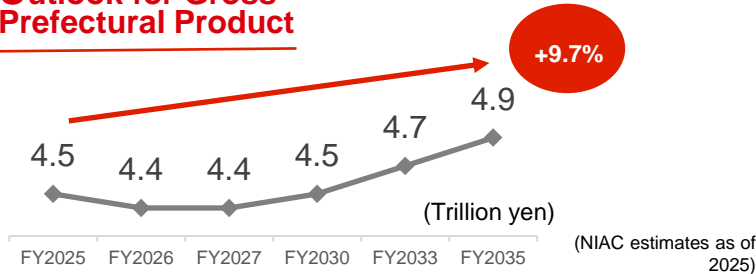
[Number of Passengers per Square Meter of Airport Passenger Terminal] (FY2023)



(Source: Ryugin Research Institute Ltd.)

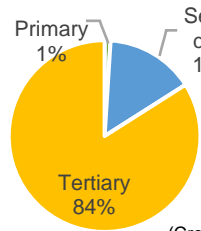
The prefecture's economy is expected to grow further, centered on tourism-related industries, which are the core industries of Okinawa Prefecture. The opening of a large theme park in the north is expected to trigger the formation of a virtuous circle model that will promote a shift from quantity to quality in tourism services, investment in urban development, etc., and improvement in the living standards of local residents.

Outlook for Gross Prefectural Product



Industrial Structure

Ranked 2nd nationwide in percentage of tertiary industry (average 71.4%)

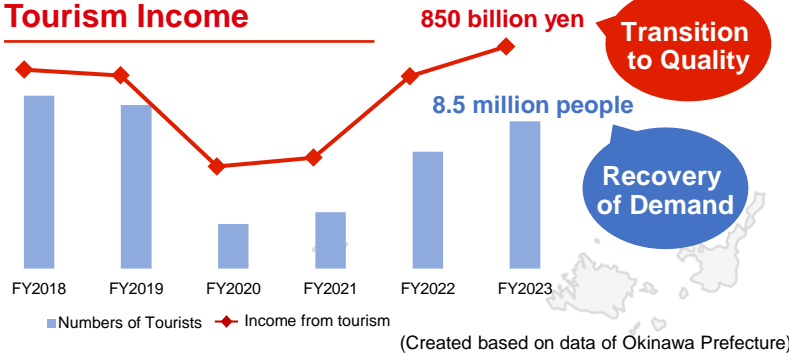


The percentage of retail, transportation, and accommodation and food services:

15%

(Created based on data of Okinawa Prefecture)

Number of Tourists and Tourism Income



Future Movements in Tourism-Related Industries

Introduction of a Tourism Tax

- Work to realize safe, secure, and comfortable tourism.
- Realize a sustainable tourism economy (elimination of overtourism)



Tourist Destination Branding

- Restoration of Shuri Castle and opening of JUNGLIA
- Development of resort hotels such as Rihga Royal Resort (Chatan Town) and Four Seasons (Onna Village)

Initiatives of the Ryukyus Group

- Promotion of structured finance
- Proposal of cashless services to tourism-related industries
- Return of revenue generated from within Okinawa to the prefecture (In collaboration with Ryukyu Capital)
- Support for PFI projects and remote island development
- Support for the succession of traditions and culture (Continuation of the Bingata Design Contest, etc.)
- Research and proposal for tourism-related industries (Utilization of Ryugin Research Institute Ltd.)



(The 33rd Bingata Design Contest Award Ceremony)

Development projects in the cities of Naha, Urasoe, and Ginowan, centered on the vast site planned for base reversion, are attracting attention.

To promote such development projects, it is necessary to attract investments and companies from outside the prefecture and overseas. As a regional financial institution, we will proactively take on challenges of creating new industries, including start-ups, creating a mechanism that leads to industrial clusters, and collaborating with capital from outside the prefecture.

Development and Urban Planning Along Okinawa's Main Artery

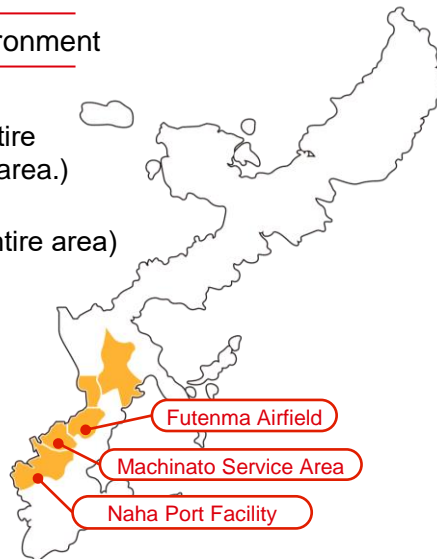
- Launch of Gateway (GW) 2050 Projects (public-private projects that bring together local governments, companies, and organizations in the prefecture)
- Create internationally competitive industries through enhancement of airport functions and extensive development of the sites planned for base reversion, etc.
- Aim to strengthen ties with OIST for global development

OIST (Okinawa Institute of Science and Technology Graduate University)

- Form a world-class research center
- Accept researchers and students of diverse cultures and nationalities from around the world, especially Asia

Naha City – Okinawa City Environment

- **Population: 700,000**
(About 50% of the prefecture's entire population is concentrated in this area.)
- **Area: 144 km²**
(About 6.3% of the prefecture's entire area)
- **Site planned for base reversion: 800 ha (8 km²)**
(Equivalent to approximately 170 Tokyo Domes)
 - Futenma Airfield
 - Machinato Service Area
 - Naha Port Facility



Movement Toward Future Prefectural Economic Development

Enhancement and expansion of airport functions

Introduction of various transportation functions

Global industrial clustering

Creation and revitalization of new industries

Development of a diverse and highly skilled workforce

New technologies that contribute to decarbonization

Promotion of startup creation from Okinawa

Formation of bases for talent development for new industries

Initiatives of the Ryukyus Group

- **Leading economic revitalization through business expansion, succession, revitalization, etc.**
- **Advancement of finance functions**
- **Creation of start-up companies**
- **Support for expansion into Asia and expansion of PE investment**
- **Support for urban development**
- **Support for accepting foreign talent**
- **Support for local decarbonization**
- **Development of English-speaking talent**



OKINAWA STARTUP PROGRAM
2024-2025
DEMODY (Project Announcement)

Management Philosophy

A bank that is valued and trusted by the local community and contributes to the development of regional society

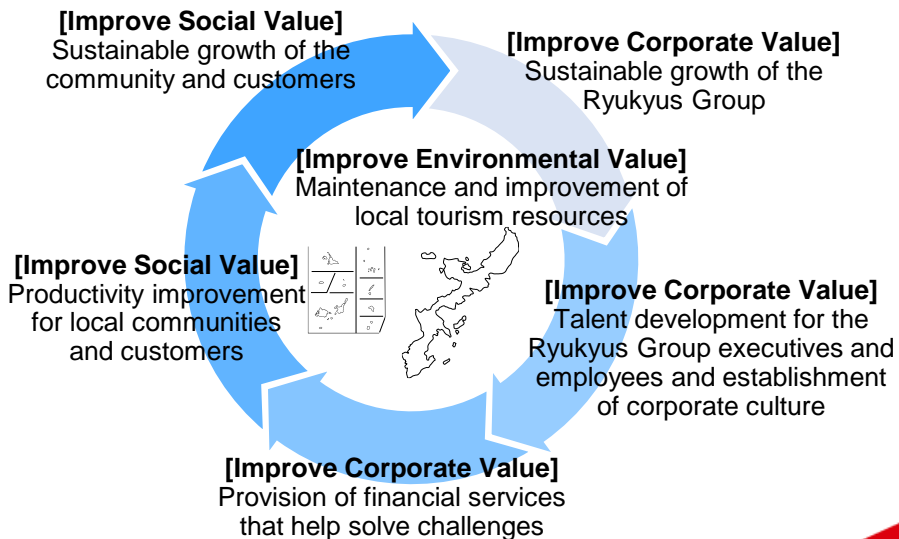
Long-Term Vision

A financial group that grows together with the local community by achieving a beneficial cycle in the local economy

Corporate Culture

An “open and vibrant corporate culture,” where executives and employees can work vigorously, elevating one another
Actions based on the shared value of “pursuing the best interests of customers”

[Conceptual Image of Virtuous Cycle]



FY2024 Ended Mar. 2025

Value 2023

PBR 0.3 ×
ROE 4.0%

Empower 2025

**PBR 0.6 ×
ROE 5.5% or higher**

FY2027 Ending Mar. 2028

FY2029 Ending Mar. 2030

PBR 0.8 ×
ROE 6.0% or higher

Aim to realize our long-term vision by responding strongly and flexibly to drastic changes in the environment

| Environmental Awareness | External Environment | | | Challenges Faced by Okinawa | |
|-------------------------|------------------------------|--|--|---|--|
| | Declining population | Financial deregulation and entry of different industries | Responding to a world with interest rates | Stagnation of corporate "earning power" | Flow of capital and profits out of the prefecture |
| | Responding to climate change | Diversification of customer values | Accelerated evolution of digital technology | Creation of new core industries | Qualitative development of the tourism industry |

<Long-Term Vision>
Realize "a financial group that grows together with the local community by achieving a beneficial cycle in the local economy"
Improve Corporate Value / Improve Environmental Value / Improve Social Value

Organize Key Challenges (Materiality)

| Themes to Be Actively Realized in Stakeholder Relations | | Themes Underpinning Realization | |
|---|--|---------------------------------|---|
| Identify and address climate change risks | Raise the region's overall "capacity to handle work" | Diversity and equal opportunity | Ensure occupational health and safety and health-conscious management |
| ESG-conscious investment and financing activities | Take on the challenge of expanding financial services (sophistication) | Sustainable resource use | Active involvement in local communities |
| Develop human resources | Advance corporate governance | Provide safe financial products | Risk management |

Take on the Challenge of the New Medium-Term Management Plan

Expand a Sustainable Business Base

Build a solid operating base by exerting the collective strengths of the Ryukyus Group and taking on the challenges in new fields



Develop Sustainable Regional Infrastructure

Take on the challenge of solving local issues and contribute to the growth of companies and the enrichment of the residents of Okinawa



Implement Sustainability Management

Achieve sustainable growth of the Ryukyus Group through ESG management practices, and support ESG management of local businesses

Medium-Term Management Plan “Empower 2025”: All for Okinawa April 2025 – March 2028 (3 Years)

Theme

Invest resources in growth areas in Okinawa

Design Okinawa’s
Growth Story

Solve Local Challenges

Create New
Corporate Value

Key Strategies

Strengthen the Management of Deposits, Loans, and Securities

- ◆ Create a system that attracts deposits
- ◆ Create and expand demand for funds in Okinawa
- ◆ Execute strategic management of securities

Lead the Resolution of Regional Challenges

- ◆ Implement practical ESG management
- ◆ Enhance solution menus
- ◆ Implement hands-on consulting

Strengthening Group Collaboration and Utilize Alliances

- ◆ Improve profitability through mutual collaboration
- ◆ Demonstrate synergies to improve operational efficiency
- ◆ Jointly develop new businesses

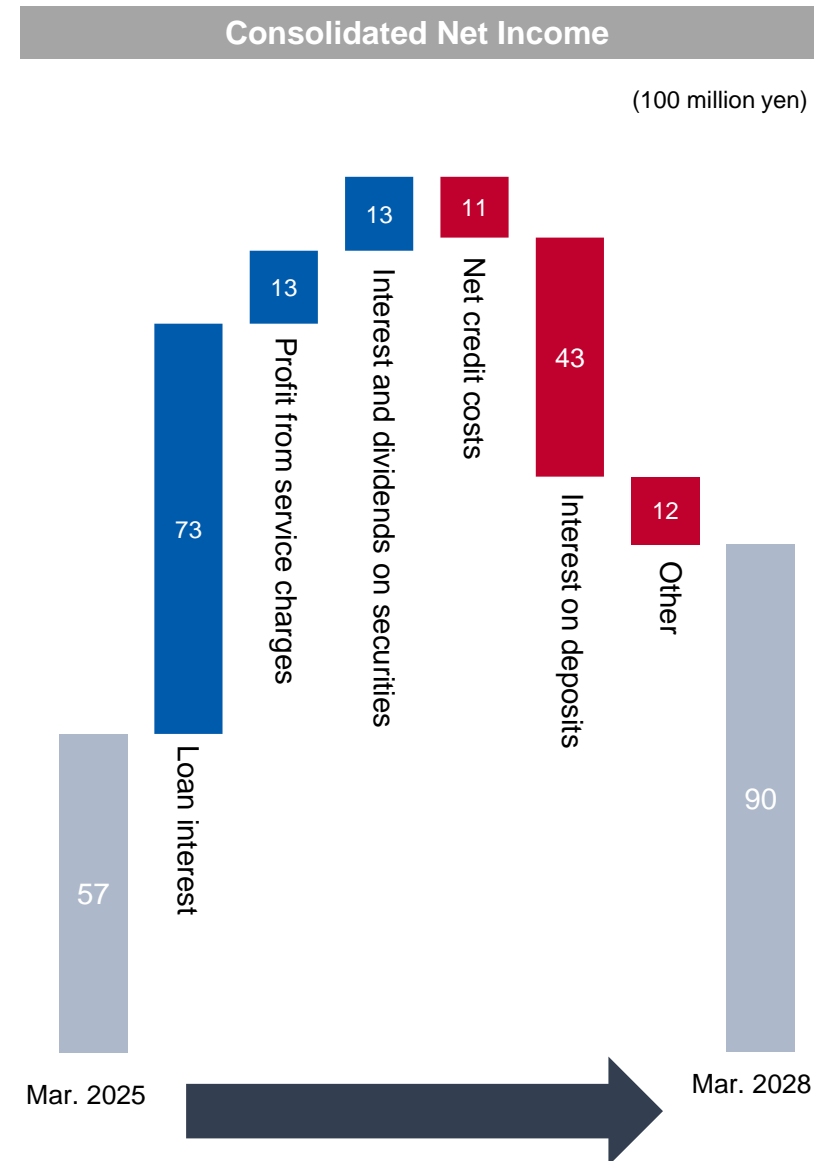
Increasing and Optimizing Human Capital Investment

- ◆ Enhance the over-the-counter service level by developing highly specialized and robust talent and their strategic placement and rotation

Set financial and strategic indicators and targets to realize the long-term vision

| | Indicators | Targets for FY2027 |
|----------------------|--|--------------------------|
| Financial Indicators | Consolidated Net Income | 9 billion yen |
| | Non-Consolidated Net Core Business Profit | 12 billion yen |
| | Non-Consolidated Core OHR | 70.0% or lower |
| | Consolidated ROE | 5.5% or higher |
| | Consolidated Capital Adequacy Ratio | Approx. 10.0% |
| Strategy Indicators | Executed Amount of Ryugin Sustainable Finance | 300 billion yen |
| | Number of Cases of Life Support for Okinawa Residents* | 35,000 |
| | Growth in Number of Start-Ups Created in Okinawa | 1.5 times the 2023 level |
| | Numbers of Tourists | 12 million |

Note: Number of customers to whom we propose individual-oriented solutions (support for asset formation, such as NISA and mortgage loans, and asset succession)



Key Strategies

Aim to expand the earnings base by increasing the number of Ryugin fans who use the Bank as their main account and ensuring stable deposit funding, thereby realizing optimal asset management

Acquire Sticky Deposit Accounts

1. Strengthen the capability to make proposals in response to life/business events

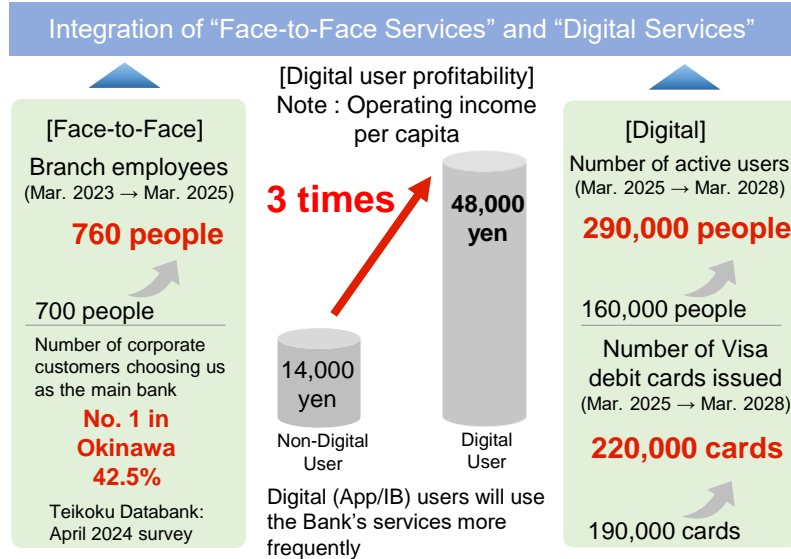
- Strengthen and maintain face-to-face sales capabilities
- Improve timeliness through the operation of a new sales support system (CRM)

2. Expand active accounts

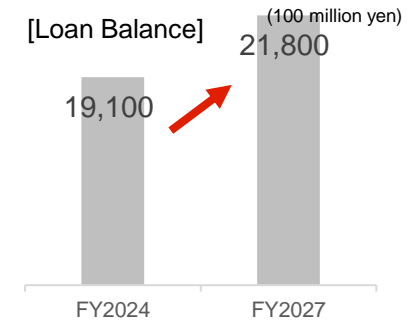
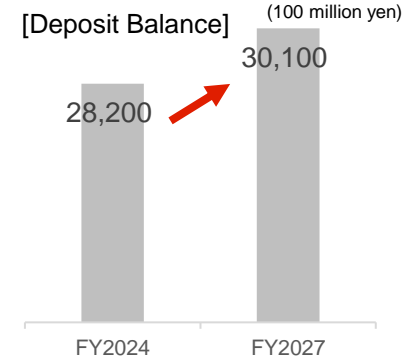
- Increase customer convenience through the use of apps
- Increase the value of account holding by centralizing income (salary transfers, pensions, etc.), expenditures (settlements, loans, etc.), and savings (NISA, etc.)

3. Revitalize transactions originating from corporate customers

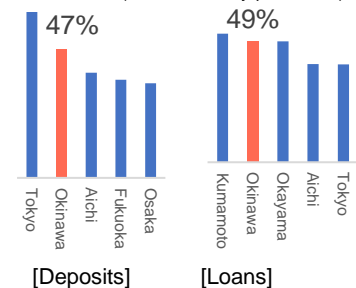
- Win accounts through promotion of card affiliates
- Enhance employee transactions



Numerical Targets



(Reference) Rate of increase in deposits and loans over the past 10 years (2014–2024, by prefecture)



Expand Loan Volume and Build a Profitable Portfolio

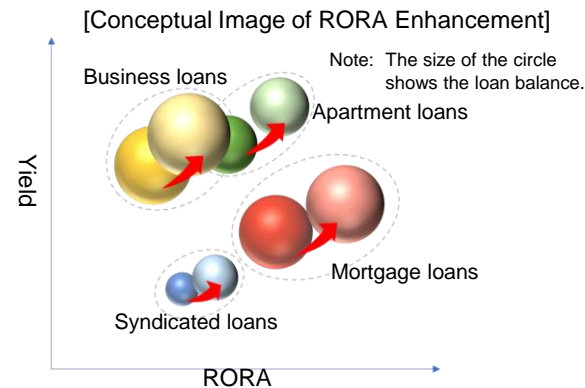
1. Allocate human resources based on market analysis

- Areas where future demand for funds can be expected
- Develop new financing customers with future growth potential

2. Risk-return optimization

- Invest with emphasis on RORA, and implement optimal diversification by region, industry, and interest rate type
- Introduce dynamic pricing based on risk and return

3. Respond to demand for hotels, rental houses and housing, backed by an increase in the number of tourists and households



Note: $RORA = \frac{\text{Loan interest}}{((\text{Risk-weighted assets at end of previous fiscal year} + \text{Risk-weighted assets at end of current fiscal year}) \div 2)}$

Establish risk management that integrates deposits, loans, and securities investment divisions, and aim to secure stable earnings in the market through risk-taking that takes into account business management capabilities

Expand Securities Investment

1. Portfolio Strategy

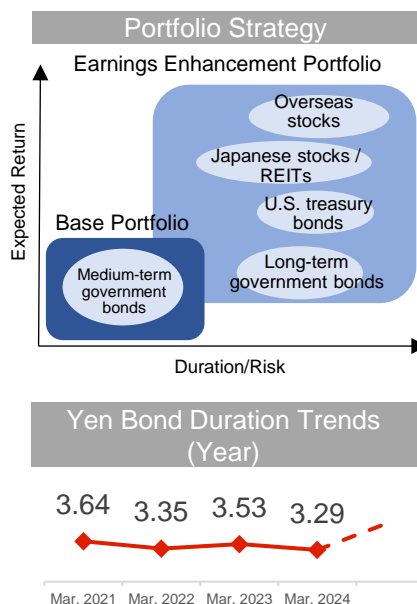
Work to improve the overall risk-return balance by incorporating an earnings-enhancing portfolio around the base portfolio

2. Build a Yen Bond Portfolio

- (1) Replace low-coupon bonds with high-coupon bonds through redemption reinvestment for the base portfolio
- (2) Conduct strategic operations based on macro and market scenarios
- (3) Flexibly adjust durations in response to changes in the interest rate environment

3. Develop and produce talent with strong finance backgrounds

- (1) Continue external training
- (2) Implement rotational assignment of operational personnel
- (3) Continue internal recruitment system



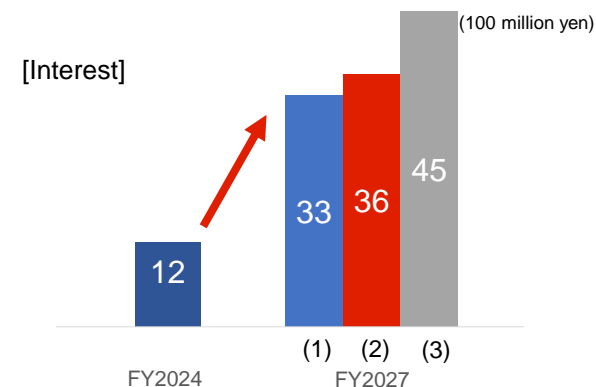
Yen Bond Portfolio Simulation

[Prerequisites]

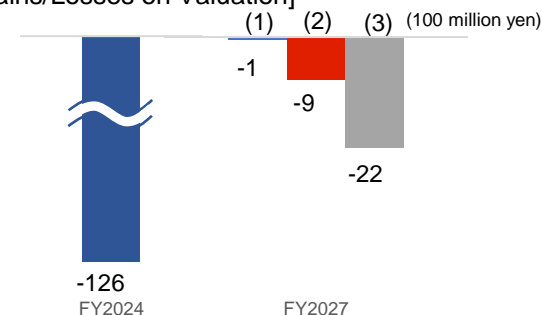
- Reinvest annual redemptions in 5-year government bonds.
- Timing of policy rate hikes:
 - Pattern (1) 0.50%
 - Pattern (2) Up to 0.75% in July 2025
 - Pattern (3) Up to 1.00% in January 2026

Policy Interest Rates:

■ 0.50% ■ 0.75% ■ 1.00%



[Gains/Losses on Valuation]



Marketable Loans as an Alternative to Bond Investments

- Work to implement syndicated loan management with RORA in mind, taking into account the interest rate environment and spread levels
- Work to reduce risks through diversification based on high credit ratings and on a geographic and industrial basis

Advance Market Risk Management

- Practice efficient and flexible fund management through appropriate allocation of capital through RAF/ALM
- Introduce the concept of core deposits into bond investment to enhance capital efficiency based on a more realistic interest rate risk

Transform into a structure that generates sustainable profits by accumulating and nurturing the assets entrusted by customers through the implementation of a goal-based approach using a variety of points of contact

Goal Designing

- Accumulate information on future events of customers in addition to transaction information, etc.
- Practice a timely and appropriate approach
- Deliver wealth management aligned with customers' life plans

New CRM

Marketing

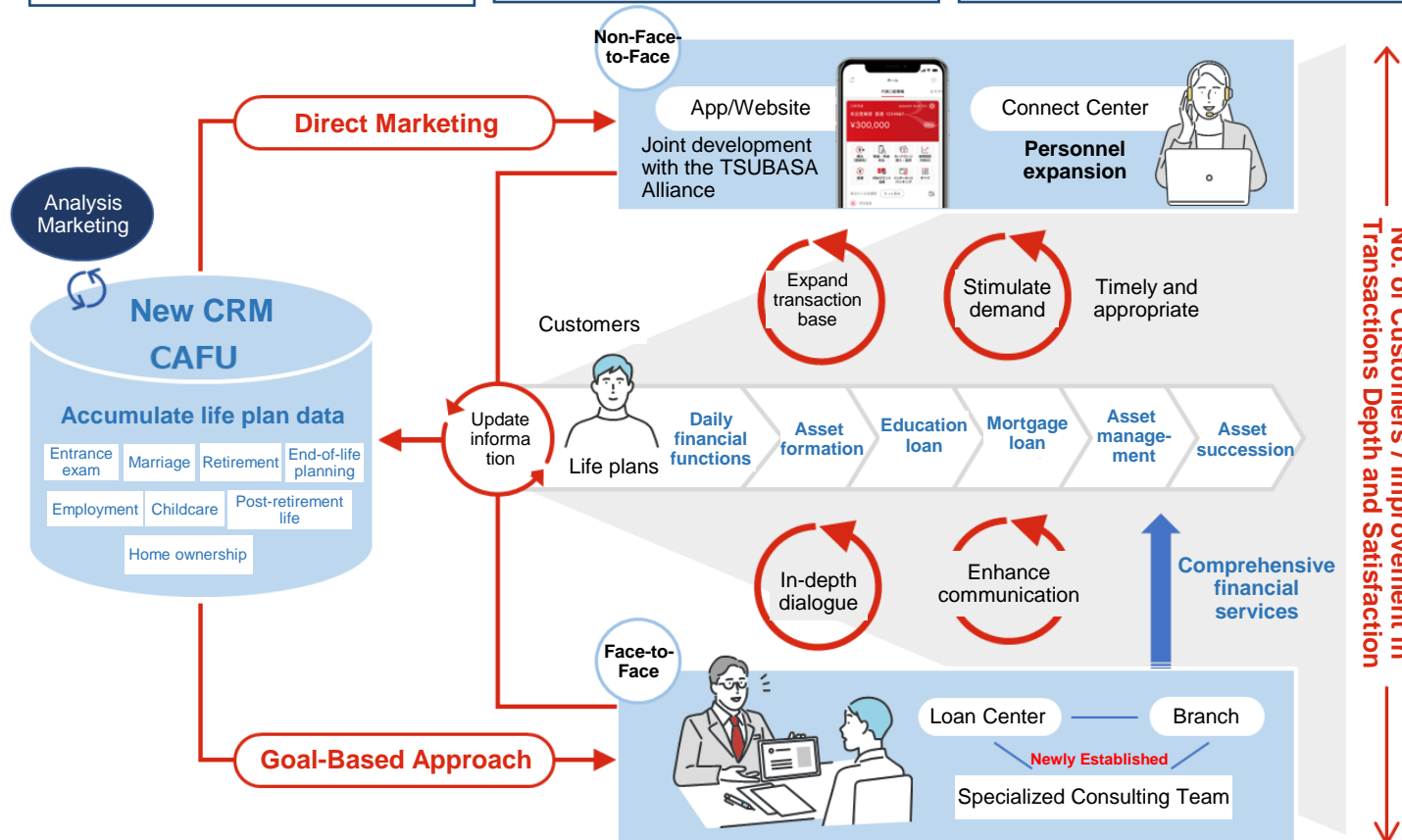
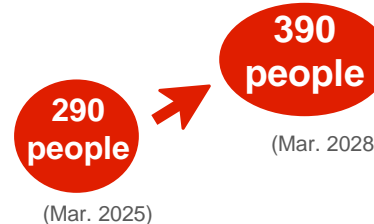
Strengthen Non-Face-to-Face Contact

- Expand the transaction base by enhancing convenience of daily financial transactions via apps
- Support asset formation centered on NISA by providing information and stimulating customer demand at the connect center

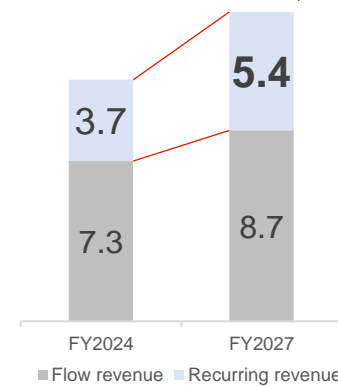
Strengthen Face-to-Face Contact

- Engage in in-depth dialogue to co-design customers' financial goals
- Offer comprehensive financial services, from growing assets through expert advice to passing them on to the next generation

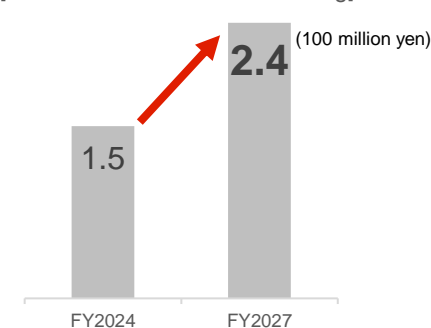
No. of Individual Consulting Professionals



[Fees for Assets in Custody] (100 million yen)



[Profits from Inheritance Consulting] (100 million yen)



No. of Customers / Improvement in Transactions Depth and Satisfaction

Contribute to the creation of future value for Okinawa Prefecture by further evolving the strengths we have cultivated and expanding our efforts to resolve challenges

Take on the challenge of creating future value for Okinawa through unified efforts across the Ryukyus Group



| | [Challenges of Regions/Businesses] | [Solution Methods] | [No. of Highly Skilled Professionals] | | | [Profits from Corporate Consulting] |
|---|--|--|---------------------------------------|------------|------------|--|
| | | | Mar. 2022 | Mar. 2025 | Mar. 2028 | |
| Strengthen Existing Businesses | Lack of successors | Business succession / M&A | 22 persons | 32 persons | 38 persons | (100 million yen) 7.6 → 15.0 FY2024 → FY2027 |
| | Improvement in financial balance Preservation of local assets | Structured finance | 7 persons | 9 persons | 14 persons | |
| | Response to environmental issues Labor shortage | Sustainable finance Decarbonization consulting DX consulting | | 5 persons | 7 persons | |
| | Polarization of business operators Labor shortage and price surge Business model restructuring | Hands-on support for business improvement Second-chance support | 26 persons | 34 persons | 40 persons | |
| Take on The Challenge of Creating Future Value for Okinawa | Creation of startups in Okinawa | Incubation facility launch Creation/Attraction of startups | 2 persons | 5 persons | 7 persons | |
| | Regional revitalization Vacant house issue | Urban development support Administrative consulting | | 6 persons | 8 persons | |
| | Sales channel expansion Top line expansion | Overseas expansion consulting Trade operations / Cross-border EC support | 4 persons | 6 persons | 8 persons | |

Contribute to the growth of the prefectural economy while improving convenience for prefectural residents and visitors by creating a cashless island, and expand the trade area by providing payment platforms outside the prefecture

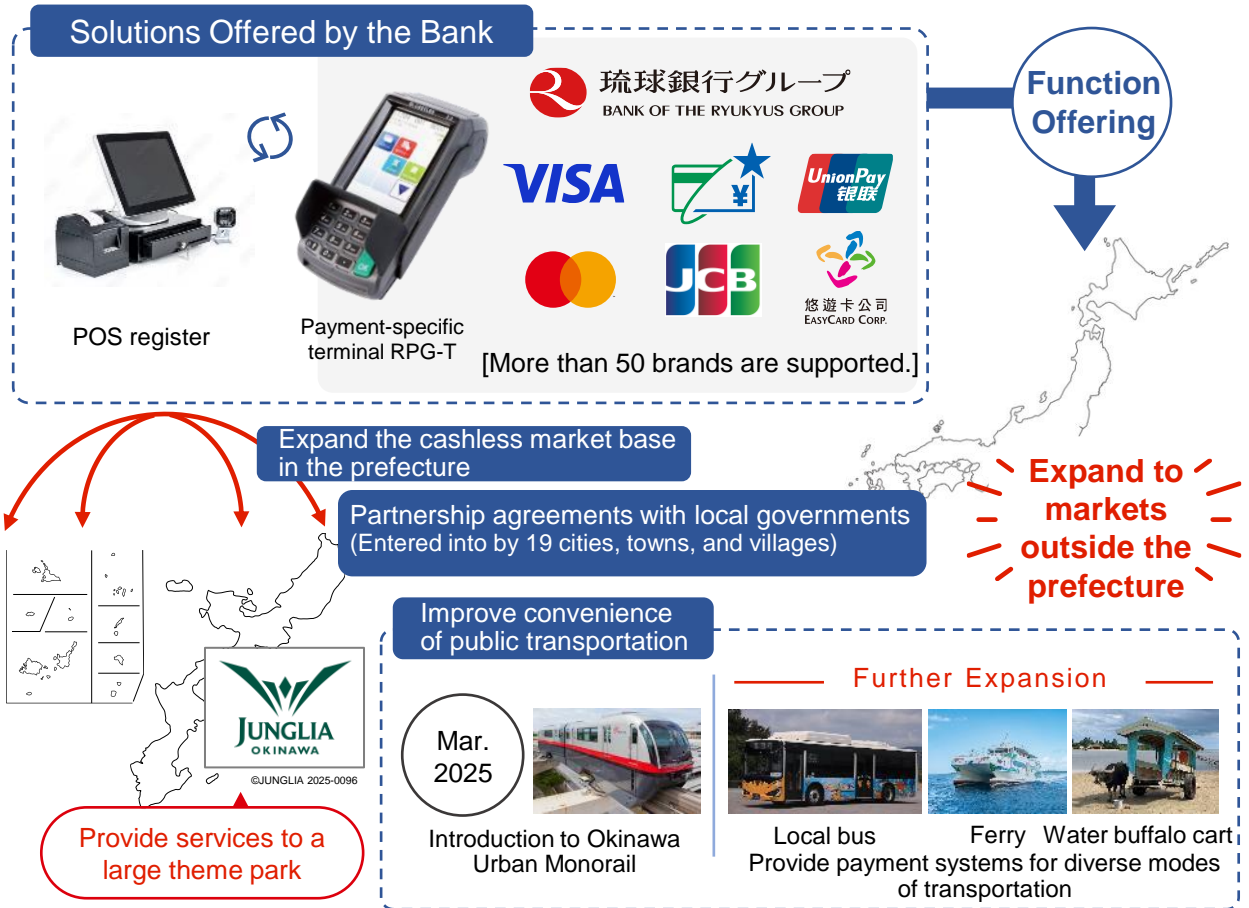
Platform Offering

Provision of platforms, licenses, etc. owned by the Bank

- Expand sales base through collaboration with POS system vendors and settlement providers in diverse industries
- Expand collaboration on the strength of principal licenses
- Support the settlement business for out-of-prefecture financial institutions/businesses
- Expand introduction of payment systems to public transportation in the prefecture

Promotion System with All Bank Employees

- Expand services to all branches
- Dedicated headquarters team for high-level projects
2 credit counselors present → Further increase



Growth of a strong county economy, Lateral support for the tourism industry

[Group's Cashless Transaction Volume]

Results of FY2022

164 billion yen

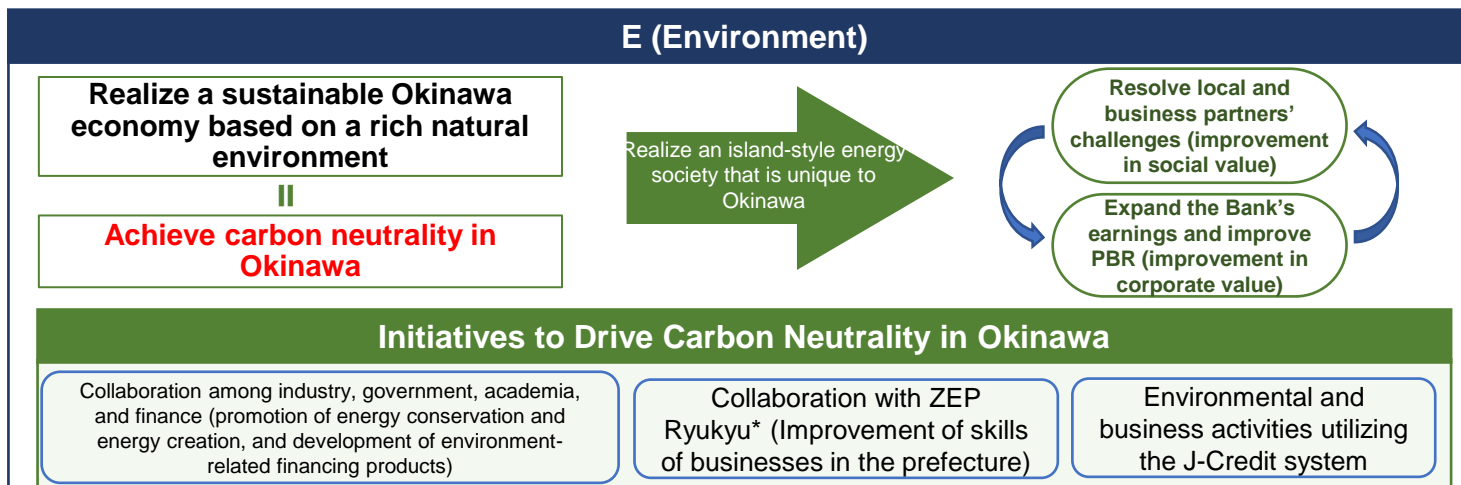
Results of FY2024

199 billion yen

Targets for FY2027

300 billion yen

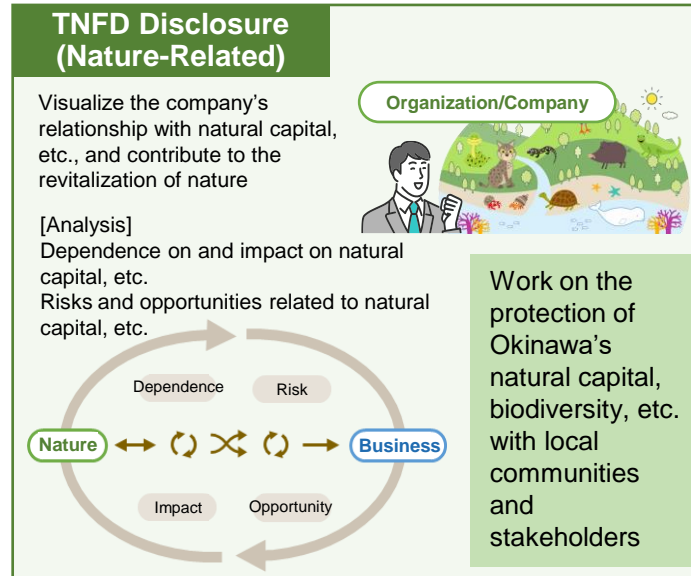
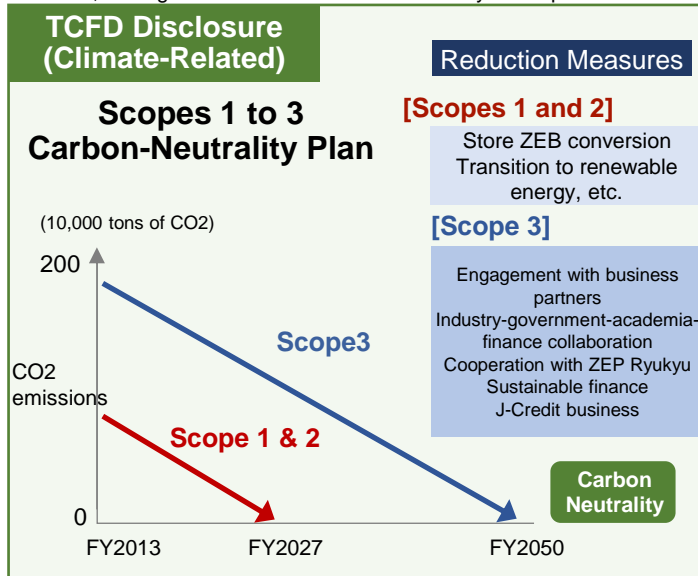
Contribute to the protection of Okinawa's natural environment and the realization of sustainable local communities by implementing ESG management, including carbon neutral initiatives



- ### S (Society)
- Strengthen human capital management (enhance human resource development efforts and engagement)
 - Human rights policy
 - Multi-stakeholder Policy
 - Expand financial and economic education (improve financial literacy of Okinawa residents)
 - Develop foreign language human resources (Ryugin Internationalization Promotion Foundation)

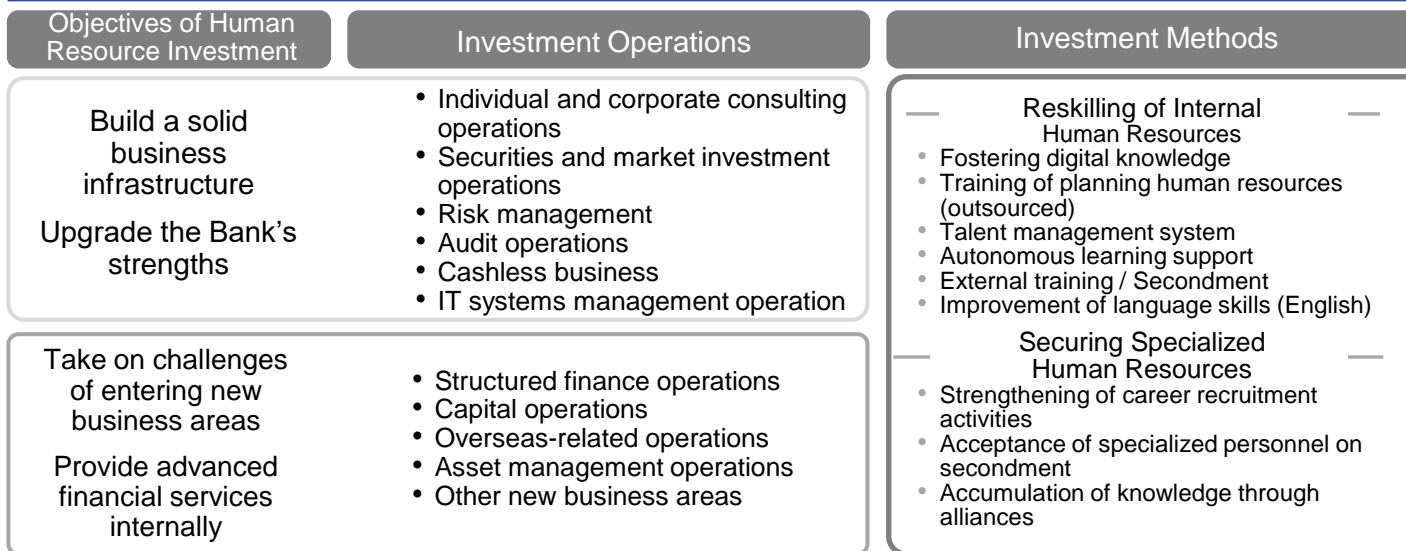
- ### G (Governance)
- Enhance information disclosure and dialogue with investors and other stakeholders (expansion of 1-on-1 meetings)
 - Enhance opportunities for dialogue between management and employees
 - Instill and establish corporate culture
 - Improve ESG ratings

(Note) ZEP Ryukyu (Ryukyu net ZERO Energy Partnership): Cooperative framework for businesses involved in building ZEH and energy-efficient homes to promote ZEH and energy-efficient homes in Okinawa, aiming to realize a decarbonized society in the prefecture



Set up an optimal human resource portfolio linked to business strategy and actively invest in human resources needed to build the portfolio

Basic Concept of Human Resource Investment for Strategic Human Resource Portfolio Development



Development of Human Resource Growth Stages

New Personnel Management

- Promotion of specialist courses
- Support for autonomous career development (open recruitment system, FA system)
- Support for senior citizens' success
- Expansion of the employee stock ownership association to group companies
- Introduction of alumni

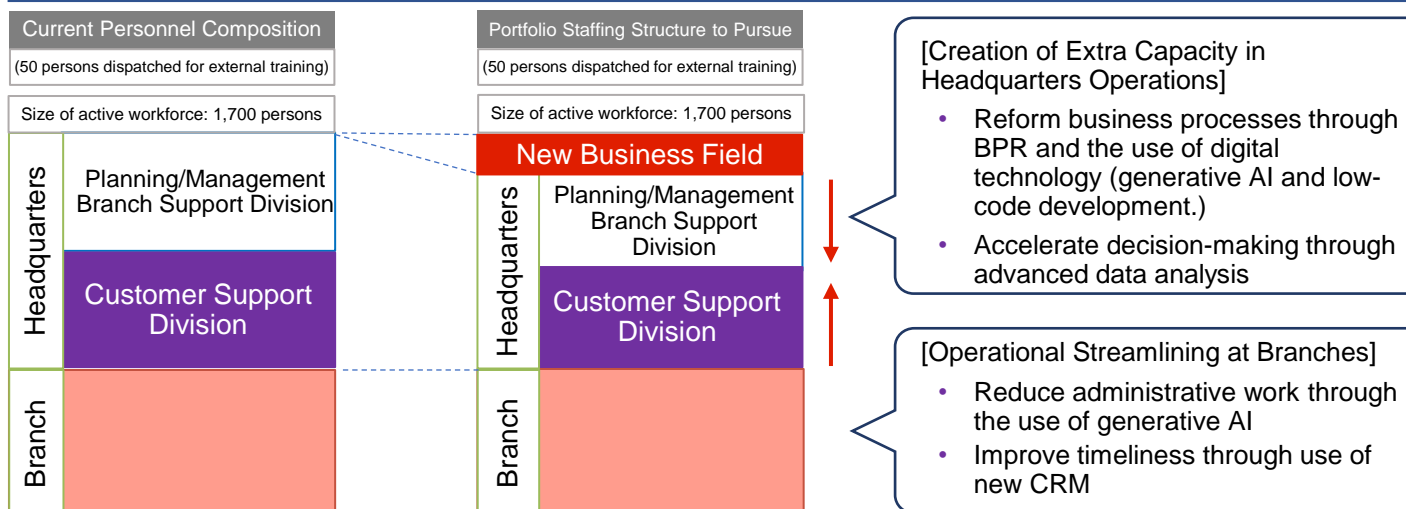
Promotion of Women's Empowerment

- Improvement in the percentage of female managers (34%)
- Succession plan practice
- Expansion of the cross-mentoring system
- Dispatch of directors to group companies
- Enrichment of in-house childcare and care for sick children

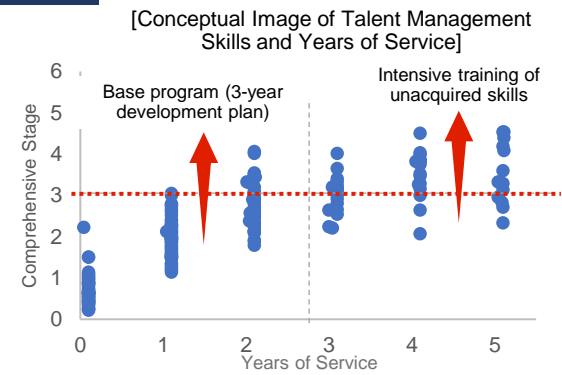
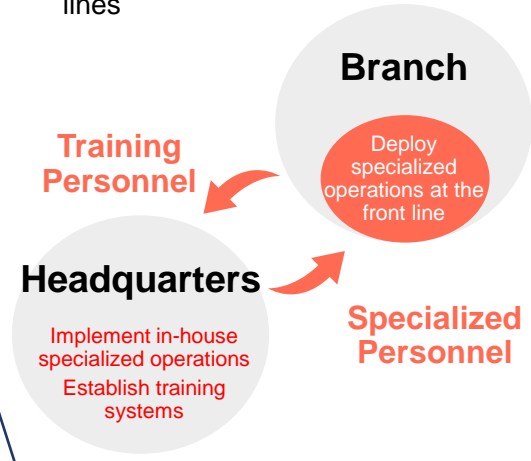
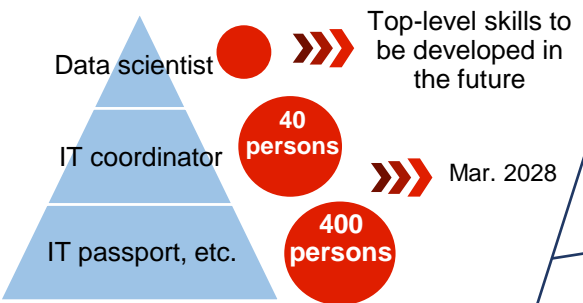
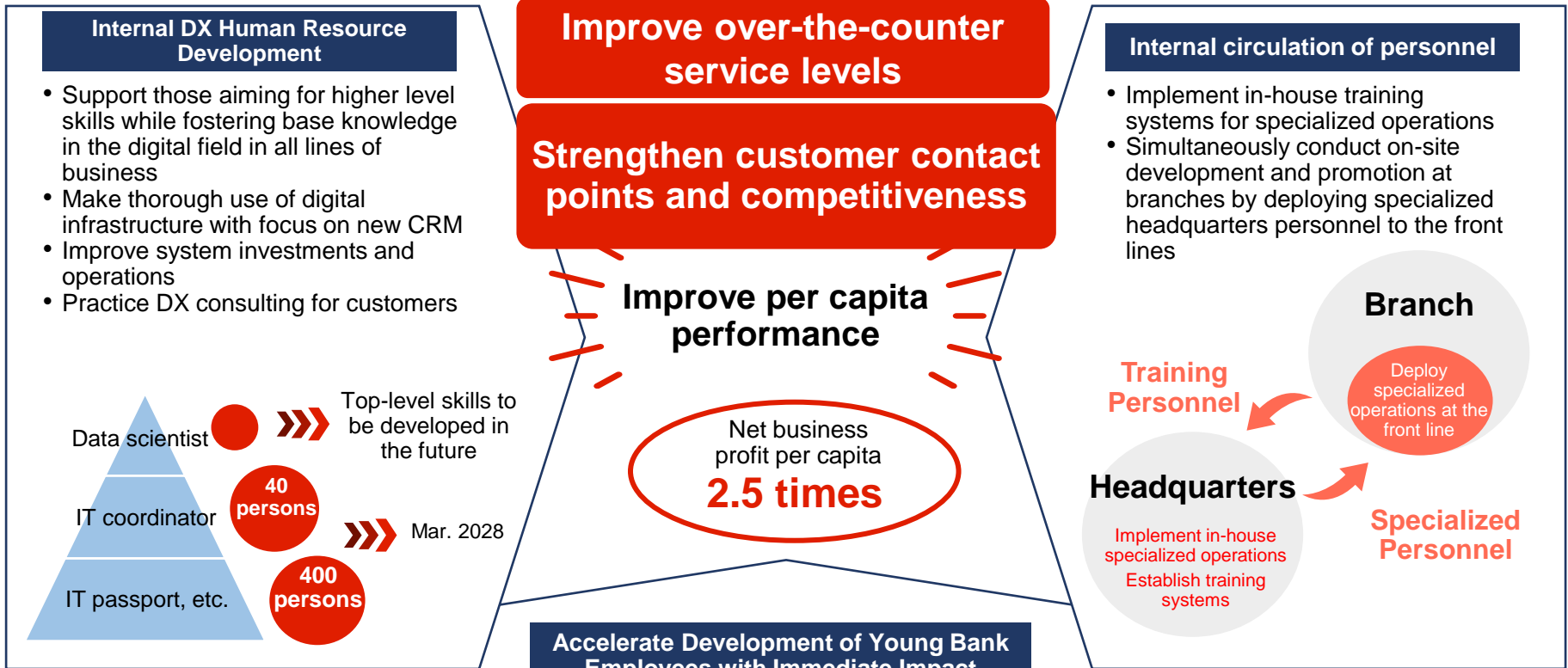
Well-Being-Conscious Management Practice

- White 500 certification
- Recognition as a Sports Yell Company
- Acquisition of the Platinum Eruboshi Certification
- Acquisition of Kurumin

Create Extra Capacity to Take on New Business Challenges Through DX Promotion



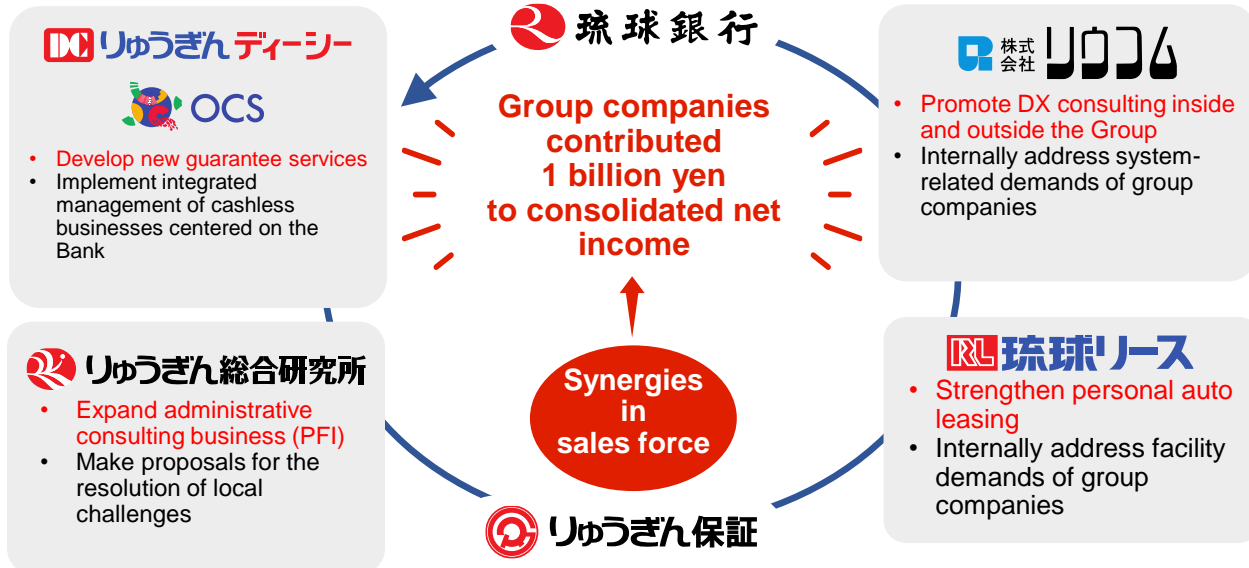
Enhance our competitiveness by positioning specialized talent at the forefront, while developing DX human resources and quickly improving the competitiveness of young employees



Expand the Bank's business base with diverse services, and contribute to the development of Okinawa Prefecture by leveraging the comprehensive strengths of the Ryukyus Group and its wide range of alliances in and outside the prefecture

Demonstrate the Group's Comprehensive Strengths

Assign the right personnel to the right places by consolidating information through intra-group personnel exchanges



Community Revitalization Operations



New Main Office
Scheduled to open in April 2026
(Hotel attached)

Contribute to regional revitalization through effective use of real estate owned by the Bank

Generate Synergies with Diverse Alliances

Regional Cooperation

ZEP Ryukyu (Tokyo Int'l ZEP Energy Partnership)

GW2050PROJECTS

Y P S

- Contribution to decarbonization of Okinawa by promoting ZEH
- Active involvement in value-creation projects of Okinawa Prefecture
- Expansion of joint operations with financial institutions in the prefecture as needed

Wide-Area Cooperation

JUDANKAI

TSUBASA ALLIANCE

BASS

- Human resource development
- Next-generation systems and digital, security, and cashless areas
- Syndicated loan joint origination and geographic diversification
- Mutual customer referrals
- Implementation of decarbonization and sustainability management

Enhance the social value of Okinawa Prefecture as well as the corporate value of our business partners and the Bank through new efforts

Business Launch / Startups

Support for start-up companies from Okinawa

Incubation facility launch →

- ◆ Support start-ups and new business ventures of companies
- ◆ Expand the base of startups through collaboration with academic institutions (University of the Ryukyus, OIST)
- ◆ Provide venture debt, private equity and other investments and loans

Efforts to Revitalize Local Communities

Contribute to building an economic development model for Okinawa by supporting urban development

- Personnel dispatch
- Housing and AP construction financing
- Vacant house utilization
- Formation of REITs in the prefecture
- Corporate DX support
- Administrative consulting (PFI)

Overseas Business

Support for expansion overseas (mainly Taiwan and other Asian countries)

- ◆ Establish a foothold for companies to expand into Taiwan
- ◆ Provide consulting, business matching, and trading services for expansion into Taiwan
- ◆ Consider private asset investment services

Expected effects on Okinawa Prefecture

- Creation of new industries
- Top-line improvement for business operators
- Local job creation
- Corporate growth
- Income improvement for prefectural residents and local consumption expansion
- Population growth (social growth)
- Attracting investment into the prefecture / Preventing outflow

Aiming to sustainably increase corporate value, enhance profitability and improve shareholder returns based on a balance between soundness and growth investment

